

**EMPLOYEES' PERCEPTION OF THE FACTORS  
INFLUENCING STAFF PROMOTION DECISIONS AT THE  
COOPERATIVE BANK OF KENYA HEADQUATERS**

**STELLA CHEPKORIR CHEBOI**

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## DECLARATION

This research project is my original work and has not been presented to any other examination body. No part of this research should be reproduced without my consent or that of Nairobi University.

**STELLA CHEPKORIR CHEBOI: Sign ----- Date -----**  
**D61/79066/2010**

This research project has been submitted for examination with my approval as Nairobi University supervisor.

**Ms. FLORENCE MUINDI: Sign ----- Date -----**

## **DEDICATION**

I dedicate this research project to my daughter Hailey Owendi Kiyondi, my husband Daniel Kiyondi and my dear parents Mr. and Mrs. Nicholas Cheboi who have instilled in me the value of education and for the much support they have always given me.

## **ACKNOWLEDGEMENTS**

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## **ABSTRACT**

Promotion decisions in an organization are not only an expression of gratitude and reward for effort, but also a chance for self-fulfillment and career advancement, satisfying an individual's need for achievement and success (Burns, 1992). Promotion communicates on what assets the organization values most. It raises employee status and is a visible sign of esteem from the employer. It is a form of employee recognition for achieving significant and effective work contributions in the institution; therefore it must be available to employees who play any role in the contribution of work and value in organizations. Employees who feel little opportunity for growth and no reward for their hard work usually don't feel motivated to continue to perform to the best of their abilities. According to Laurie (2005), Employers who don't recognize employee talent and performance through promotion may risk losing a hard-working employee. The objective of the study was to identify various perceived factors that influence promotion of employees at cooperative bank of Kenya headquarters. The study was carried out in one of the Local Banks namely Cooperative Bank of Kenya, which has a population of 92 staff at the Back office support department at the headquarters. A sample of 75 employees was chosen randomly from the five job groups using stratified sampling. The study utilized both inferential and descriptive design employing both qualitative and quantitative methods of data collection. The data was collected mainly through the use of questionnaires. The research revealed that education and experience of employees highly influences promotion decisions in the organization. The study recommends that the Cooperative bank of Kenya and the banking industry in general must review their promotion policies to enable their employees to advance career wise in order to retain and motivate employees to perform better.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Promotion decisions in an organization are not only an expression of gratitude and reward for effort, but also a chance for self-fulfillment and career advancement, satisfying an individual's need for achievement and success (Burns, 1992). Promotion communicates on what assets the organization values most. It raises employee status and is a visible sign of esteem from the employer. It is a form of employee recognition for achieving significant and effective work contributions in the institution; therefore it must be available to employees who play any role in the contribution of work and value in organizations. Employees who feel little opportunity for growth and no reward for their hard work usually don't feel motivated to continue to perform to the best of their abilities. According to Laurie (2005), Employers who don't recognize employee talent and performance through promotion may risk losing a hard-working employee. Understanding how employees are motivated by promotions can help business owners and managers understand their significance. Increases in pay is one of the most tangible and appreciated rewards of promotions. When employees receive a promotion in form of a pay raise, they feel that they are being compensated for a job well done and may feel more motivated to continue their efforts (Degroot, 2006).

Employees who are promoted to increased responsibility may feel more accountable or as though they are an important part of the bigger picture. Increased responsibility helps

employees rise to and meet the challenges of their new position or role within the company. The opportunity to meet challenges often goes hand in hand with increased responsibility. Increased responsibility from promotions exposes employees to more difficult or challenging situations and many employees are motivated simply by the chance to conquer tougher or more complex challenges (Wilson, 2003). Challenges provide opportunities for personal and professional growth. Employees also obtain a sense of accomplishment and pride when the challenge has been met.

Increased autonomy is often linked with promotion decisions; as employees are promoted to higher positions of responsibility they usually gain the chance to work more independently, with less supervision and with more authority. Employees who value autonomy appreciate having more input into what they do and having more control over their work. Many people are motivated by the chance to assume greater responsibility in their jobs, (Herzberg, 2003). The availability of promotion opportunities and career advancement for employees in the work place plays an important role in developing a magnetic culture that raises employee engagement level in the organization.

### **1.1.1 Concept of Perception**

Perception is the process by which people translate sensory impressions into a coherent and unified view of the world around them. Though necessarily based on incomplete and unverified or unreliable information, perception is equated with reality for most practical purposes and guides human behavior in general (Business dictionary). Perception can be described as a process by which persons categorize and understand their sensory impressions in order to give meaning to their environment (Misuko, 2012). It starts with

the brain seeking information, mainly by directing a person to look, listen and sniff.(Sumaia,2010).Different people have different perceptions on different things. Therefore, perception can cause disagreements among people, because each person sees things differently. It is not unusual for two people to see something and perceive it differently. In an organization, there are many situations that arise that a manager must decide between truth and perception. Basically, a person knows the object is familiar and whether it is desirable or dangerous (Millar, 1977).

According to Griffin (1992), the senses play a critical role in perception and behavior. They not only allow one to perceive his/her environment, they also enable one to act in response to it. Sensation and perception psychology is one of the oldest fields of study in social psychology. Perception leads to decision making and action taking. At the most basic level, the decision is to act or not to act and this depends on how one develops motivation. With every action there is always a set of alternatives from which to choose, even though oftentimes it might seem as if there are no alternatives. Sisson (2000) argued that the meaning one gives to a stimulus he/she perceives fundamentally shapes the choices and actions taken in response to it. How one makes decisions is based on the human instinct of self-preservation. We're all, always trying to maximize our chances of survival and preserve ourselves. This is a common motivation among all human beings. While we all share the same motivation, that's where the similarity ends. We differ greatly and where we each express our individuality is in the choices we make and the actions we take to achieve self-preservation. How one analyzes what they perceive is greatly influenced by many factors including their past experiences, feelings,

imagination, values, memories, beliefs and their cultural setting. Because the content and degree of these influences is different for everyone, the same object or event can be perceived very differently by different people. This is why perception is not reality.

### **1.1.2 Promotion Decision**

A promotion decision is when the management of an organization resolves to advance an employee's position through appointing this employee to a position that guarantees a higher salary range than the one this employee is presently assigned to (Bach,2005). Along with higher salary, the new position also requires the employee to take more responsibilities and perform other (more complex) duties. Although companies attempt to comply with fair employment laws, many firms continue to have problems with employees who perceive unfair treatment in promotion decisions. Selection systems guiding promotion decisions may take many forms, including interviews, application blanks, resumes, oral examinations, written examinations, situational judgment tests, assessment centers, personality tests, evaluation of prior experience and biodata (Bach,2005).

Promotion can be used as a communication tool on the most valuable assets in an organization. It raises employee status and is a visible sign of esteem from the employer. It is a form of employee recognition for achieving significant and effective work contributions in the institution; therefore, it must be available to employees who play any role in the contribution of work and value in organizations. Promotion in organizations is a sensitive issue which must be handled carefully. Promotion may either make the

organization achieve or fail to achieve its objectives depending on how it is managed (Dessler ,2003). Most promotional decisions are made too quickly and without sound rationale, putting some structure and objectivity into the process was help immensely in making the right decision.

Sumaia (2010) notes that promotion decisions are sometimes based on who is well liked in the organization. Many managers promote people in the work place because they like them. They want to reward the individual for making them feel good and for being a good team player. Other employees are promoted due to their good performance in their current positions (Spilerman and Petersen, 1999). They do not determine whether these employees will be effective in the next level. Many employees that are effective in their current positions fail miserably as managers and supervisors. Managers must understand that, it is sensible to promote an employee when they have ability to manage effectively. Personal bias about employees must be shelved when making promotional decisions in organizations. Unless an employee is excellently fit for the job, they should not be considered eligible for promotion.

### **1.1.3 Factors Influencing Promotion Decisions**

Graham (1998) notes that job performance is a key factor in determining which employees are selected for promotions and when those promotions occur. Besides employee performance, demographic characteristics, employee educational attainments or competencies, on the job training, Time/ tenure in current job or grade, manpower plan, seniority and merit also affect promotion decisions in organizations. Personality of employee, completed training and courses, Behavior and self – presentation, Company

situation and Willingness to change jobs also influence promotion of employees at the workplace. Human capital theory argues that an employee's education increases his or her skills which in turn enhance future job performance (Breckler, 1984).

Individuals invest in their education with expectation that their organization will reward their potential with a faster career path. Screening theories suggest that educational attainments influence promotions these theories argue that managers find it very costly to obtain accurate information about an employee's potential value to an organization in this situation it may be economically efficient for decision makers to assume that formal education attainments signal future success (Rosenbaum 1984). Higher education influence promotions because decision makers use education as a screen to hire and place better educated employees into fast track careers. Theoretical arguments for race and gender effects on promotion can also be grounded in human capital theory (Breckler 1984) Human capital theory contends that variation in upward mobility is largely attributed to differences in quality and quantity of the educational opportunities available to women and minority groups

Skills, experience, reputation, and work ethic are all factors that help to secure a promotion. Cole and Gerald (2005) stated that the organization has to be sure that it trains, develops, and promotes employees that are the most likely to succeed in leadership roles. Employees to be promoted should be top performers. If employees can't perform well in their current role, they likely won't perform well at the next level. The management should know the attributes and characteristics of its top performers throughout the

organization and at every level. There are several different types of potential and classifying employees into different levels of potential which helps determine the level of potential the employee has – such as the ability to move laterally, one level up, or multiple levels up. It also helps prioritize who your organization should develop, into what roles, and the promotions for which they should be considered (Millar ,1977).Comparison should be made on the abilities they have already demonstrated on the job and the abilities they need to perform in a different or higher role in the organization. If employees have too many knowledge and ability gaps, they may not be the right candidates for promotion unless they have tremendous learning agility. Employees’ motives and interests when selecting them for promotion also have to be considered (Claydon, 2004).

#### **1.1.4 Co-operative Bank of Kenya Ltd**

The Co-operative Bank of Kenya Limited is incorporated in Kenya under the Company's Act and is also licensed to do the business of banking under the Banking Act. The Bank was initially registered under the Co-operative Societies Act at the point of founding in 1965.This status was retained up to and until June 27th 2008 when the Bank's Special General Meeting resolved to incorporate under the Companies Act with a view to complying with the requirements for listing on the Nairobi Stock Exchange . The Bank went public and was listed on December 22 2008. Shares previously held by the 3,805 co-operatives societies and unions were ring-fenced under Coop Holdings Co-operative Society Limited which became the strategic investor in the Bank with a 64.56% stake.



The Bank runs three subsidiary companies, namely: Kingdom Securities Limited, a stock broking firm with the bank holding and controlling 60% stake, Co-op Trust Investment Services Limited a fund management subsidiary wholly-owned by the bank and Co-op Consultancy & Insurance Agency Limited, the corporate finance, financial advisory and capacity-building subsidiary wholly-owned by the bank. The bank's vision is to be the leading and dominant Kenyan bank with a strong countrywide presence, playing a central role in the co-operative movement and providing relevant and innovative financial services to customers for the optimum benefit of all stakeholders. Its mission is to offer value-added financial services to the chosen market segments with special emphasis on the co-operative movement through a highly effective network of service points, excellent customer service and a highly motivated team of qualified personnel.

The Co-operative Bank of Kenya Limited was owned by over 154,942 shareholders by the year 2011. Out of this, Coop Holdings Co-operative Society Limited owns 64.56%, with the rest held by other investors. The Bank has an authorized share capital of Kes 5,000,000,000 made up of 5,000,000,000 shares of Kes 1.00 each, and an Issued and fully paid capital of Kes 3,492,370,900 made up of 3,492,370,900 shares of Ksh 1.00 each. As at the close of 2011, Co-op Bank had a staff establishment of 3,193 employees ([www.co-opbank.co.ke](http://www.co-opbank.co.ke)). Co-operative Bank of Kenya Ltd reported a Profit Before Tax of Kshs.6.36 billion for the year ended December 31, 2011 which was underpinned by growth in the loan book to 168 billion and growth in customer base by 44% to stand at 2.3 million account holders that grew income from commissions tremendously. In line with the new constitution the bank performed a strategic positioning of its outlets and

mapped out an additional 42 branches 30% of which are already operational ([www.co-opbank.co.ke](http://www.co-opbank.co.ke)).

## **1.2 Research Problem**

Lazear (1999) argues that promotion decisions in organizations are determined by perceptions from different people working at different levels of management. It may result from an employee taking on responsibility to manage or oversee the work of other employees. Employees' perception of their jobs is based on their opportunity of being promoted as well as career advancement (Bonnie & Carolyn, 2005). Promotions appear to be the most important form of pay for performance in most organizations, especially in hierarchical, white-collar firms. They are the primary means by which workers can increase their long-run compensation (Cole and Gerald 2005). Therefore, promotions should generate substantial motivation in many settings. Moreover, there often does not seem to be strong pay for performance within jobs, which only increases the apparent importance of promotions for organizational incentives (Anderson, 1996) Promotions serve two roles in an organization. First, they help assign people to the roles where they can best contribute to the organization's performance. Second, promotions serve as incentives and rewards. Wilson (2003) stated that promotions are used as the primary incentive device in most organizations, including corporations, partnerships, and universities but promotion-based incentive schemes have many disadvantages and few advantages.

The promotion decisions at Cooperative Bank of Kenya are governed by policies and guided by Performance appraisal systems in the staff operating manual. Promotions are awarded according to performance in the yearly reviews, on available opportunities, or to those who have been in an acting capacity in a role above their grade for a period of six months continuously, promotions are also awarded subject to exceeding the set targets on number of accounts opened, (Cooperative Bank Staff manual). Promotions are also based on recommendations by the management. Whether the promotions are awarded based on the policies or the appraisal system or other factors such as tenure, likeability, personality, gender or ethnicity is what the study aimed to establish.

Local studies done in the area of factors influencing promotion decisions include Rotich (2011), conducted a survey of factors influencing promotion of secretariat staff in Teachers Service Commission and argued that too few promotion positions, policies, delays and unfair practices, interferences by interested parties and unwillingness of Teachers Service Commission employees and management to accommodate changes are some of the factors that affected employees' promotions. Winda (2012) studied employees' perception of the staff promotion process: the case of middle grade staff in the University of Nairobi. He concluded that the most important criteria used for promotion are relationship with the heads of sections/departments/colleges and the ethnic background. Ongamo (2012) studied perceived factors influencing employee promotion in Mumias Sugar Company limited. The research findings indicated significant differences in most of the factors relating to promotion. Work experience and academic qualification, performance, length of service, merit, success in projects and multi-

disciplinary professional knowledge, Luck, age, gender, personal similarities between supervisor's workers had varying degree of influence on promotion decisions. No known studies have been done on the perceived factors influencing promotion decisions at Cooperative Bank of Kenya despite the company having been in existence for decades. The previous researchers adopted different objectives and therefore this study seeks to fill the gap in literature by investigating the perceived factors influencing promotion decisions at Cooperative Bank of Kenya; hence the question what are the perceived factors influencing promotion decisions at Cooperative Bank of Kenya?

### **1.3 Research Objective**

The objective of the study was to establish the perceived factors influencing staff promotion decisions at Cooperative Bank of Kenya, headquarters.

### **1.4 Value of the Study**

Promotion in organizations may be perceived to take place based on positive as well as negative factors determined by owners and managers. This study provides an extensive explanation of best practices that top level management in organizations must consider before making promotion decisions. The management at Cooperative Bank of Kenya is targeted to benefit from this study. Managers at Cooperative Bank of Kenya will have a better understanding on what basis promotion decisions of employees should be made. They will recognize that employee motivation and enhancement of work is achieved when promotion is conducted in fairness, this study will also assist the management in formulating better policies that will govern promotions

Managers in other banks will also use information provided in this study to enhance their promotion decision based on performance appraisal of employees. Additionally, other managers in private and public institutions will benefit from this study by understanding that promotion decisions of employees should not be discriminative based on length of service, academic qualifications, level of an employee or marital status.

This study will also benefit future researchers who want to look further into the field of perception of promotion decisions and other related topics. They will use the information provided in this research to expound on other research studies for better description on what managers should consider when making promotion decisions in organizations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter discusses a review of available literature on the study. The literature was based mainly on promotion and how employees perceive or respond to promotion opportunities at their work place.

#### **2.2 Theories on Promotion**

Several theories were used to explain promotion decision, which includes theory of reinforcement and motivation. Reinforcement is the act of shaping the behavior of individuals in an organization which has a combination of reward and punishment (Armstrong, 2001). Positive reinforcement is, Any pleasant or desirable consequence that follows a response and increases the probability that the response was be repeated (Wood and Boyd 2005). B.F. Skinner's Reinforcement Theory assumes behavior is motivated by past consequences. People do things that have led to favorable consequences in the past, and avoid doing things that have resulted in undesirable consequences thus employees was be challenged to perform their best once they are aware that a good performance at work was lead to promotion (Armstrong, 2001). Positive reinforcement uses the reward system. The rewards in the workplace include, but are not limited to monetary bonuses, promotions, praise, paid holiday leave, and attention. Giving rewards may not result in the desired effect or behavior. The reward must stimulate the person to produce the

desired behavior (Millar, 1977). Rewarded behavior was repeated and strengthened the performance of an organization.

Peter and Hull (1969) came up with The Peter Principle theory and suggested that organizations risk filling management roles with people who are incompetent if they promote those who are performing well at their current role, rather than those who have proven abilities at the intended role. In an organizational structure, the assessment of the potential of an employee for a promotion is often based on their performance in the current job which results eventually in their being promoted to their highest level of competence and potentially then to a role in which they are not competent, referred to as their level of incompetence. They noted that their incompetence may be a result of the skills required being different rather than more. In an organizational structure, the Peter Principle's practical application allows assessment of the potential of an employee for a promotion based on performance in the current job. The employee's incompetence is not necessarily exposed as a result of the higher-ranking position being more difficult simply, that job is different from the job in which the employee previously excelled, and thus requires different work skills, which the employee may not possess.

Vroom (1964) Expectancy theory proposes that an individual will decide to behave or act in a certain way because they are motivated to select a specific behavior over other behaviors due to what they expect the result of that selected behavior to be. "This theory emphasizes the need for organizations to relate rewards directly to performance and to ensure that the rewards provided are those rewards deserved and wanted by the

recipients. Vroom asserts, “Intensity of work effort depends on the perception that an individual’s effort was result in a desired outcome” (Holdford and Lovelace-Elmore 2001). Vroom suggests that “effort, performance and reward must be linked” .Three factors direct the intensity of effort put forth by an individual, according to Vroom; expectancy, instrumentality, and preferences (Holdford and Lovelace-Elmore, 2001).Vroom's theory is based on the belief that employee effort was lead to performance and performance was lead to rewards which includes promotion (Vroom, 1964).

Herzberg (1959), two-factor theory is based on the assumption that employee satisfaction and dissatisfaction come from different areas. Satisfaction comes from having opportunities within a job; for instance, the employee's belief in a chance for promotion. He says that advancement and promotion leads to employee satisfaction and that promotion should be earned, however; seeing others advance unfairly could lead to dissatisfaction. Opportunity for promotion helps retain employees because they feel that their work and financial future can be improved through effort. Promotion lets employees know they are valuable and that recognition also helps with the retention effort.

## **2.2 Factors Influencing Promotion**

Graham, (1998) Job performance is a key factor in determining which employees are selected for promotions and when those promotions occur. Besides employee performance, demographic characteristics, employeeeducational attainments or competencies, on the job training, Time/ tenure in current job or grade, organizations policies, manpower plan, seniority and merit also affect promotion decisions in



organizations. Personality of employee, completed training and courses, Behavior and self-presentation, Company situation and willingness to change jobs also influence promotion of employees at the workplace

### **2.2.1 Demographic Characteristics and Employee Promotion**

Spilerman and Petersen, (1999) demographic variables are used to show that age, gender, marital status, educational qualifications and affirmative action have important effects on career progression. Affirmative action programs have played a critical role in opening up opportunities for women and minorities to begin to take their rightful place in our society. But equal opportunity for women is still a long way off. Employers must make sure designated groups e.g. women and people with disabilities have equal opportunities in the workplace. Designated groups must be equally represented in all job categories and levels. Affirmative action makes sure that qualified designated groups have equal opportunities to get a job or be promoted. Employers must find and remove things that badly affect designated groups, support diversity through equal dignity and respect to all people, make changes to ensure designated groups have equal chances, ensure equal representation of designated groups in all job categories and levels in the workplace and retain and develop designated groups.

Lawler (2003) stated that gender, ethnicity and age discrimination at work remains a problem for those at both extremes of the working population, with older people viewed as being more friendly, having higher moral standards and as being more competent than their younger counterparts. According to Denise Keating, chief executive of the Inclusion, he stated that there is a very high instance of age-related unfairness,

particularly when people are selected for a new job or promotion only if their 'face fits', which unfortunately means some people feel that talent isn't enough to overcome such prejudices. While many companies have solid diversity policies, this may not run throughout the company, which is an issue that needs to be addressed. It is important that manager's do all they can to ensure this does not lead to discrimination or favoritism of any kind, which could cause the exclusion of talented individuals from the workplace."

Mullins (2005), Even though an employee is only one year old in the organization, but still if he can perform better than his team leader and senior colleagues, he was get promotion before them. There can be demoralization in the team if you allow a manager to get promoted before his or her time. Because he or she may not be mature enough to deal with human issues. Experience counts since an employee with more experience understands the company better than the new candidate. He very well knows the present environment and how to act in which kind of situation which a young candidate doesn't know.

### **2.2.2 Employee Performance and Promotion**

In an organizational structure, the assessment of the potential of an employee for a promotion is often based on their performance in the current job which results eventually in them being promoted to their highest level of competence. In an organizational structure, the Peter Principle's practical application allows assessment of the potential of an employee for a promotion based on performance in the current job. Mitchell (1989) one of the key factors in getting a promotion is to be a stellar employee who is highly

respected at the company. Job performance and results attained at work is one of the key factors that influence career advancement within organizations. But in company games they are not only job performance or work results that affect career development, equally important and many times more important is the supervisor's view and evaluations of job performance and superior's decision about career progression of their subordinates.

Mitchell (1989) argued that employees should be promoted not based on contribution but rather on potential. Excellent contribution in a current role means they are excellently suited for that role. They may or may not be ready for a promotion. Promotions should be based on work level and problem-solving capability. When their mental bandwidth matures into the next level, they should be promoted to the next level. Unfortunately, organizations development plans do not track this factor, and therefore, do not align individual development planning with this. This leaves some employees with problem-solving capability ahead of their knowledge, skills and experiences and leaves others receiving training and developmental experiences prematurely.

Armstrong(2001) stated that performance is an obvious factor to see if an employee should be eligible for a promotion or not. After all, the organization would want to reward performance while at the same time, strong performance is a good indicator to maximize chances that the employee will continue to deliver great results in the new role. Bach(2005)for most organizations though, it may be quite difficult to base promotion eligibility purely on performance. Not all managers are reasonable, willing to differentiate or able to have a conversation with their employees who expect a promotion

and tell them that they're not ready yet. The performance based promotion serves as a very strong incentive for the employee to work harder for the success of the company. However, in most cases, performance and productivity increases along with experience. The longer the employees have worked, the more they will be able to work efficiently. So it is more likely that an older employee will outperform a new one.

According to Luthans (2002), the management should know the attributes and characteristics of its top performers throughout the organization and at every level. Understanding what defines a top performer at the entry, mid, management and leadership levels was help make selecting employees for promotion much easier. Keeping in mind, however, that just because the individual may be a top performer, doesn't automatically mean they have potential. The employee must have demonstrated the capacity to take responsibility and show decisiveness.

### **2.2.3 Employees Personality and Competencies.**

According to Gabris, (1989) competencies are also what people need to be successful in their jobs. Competencies include all the related knowledge, skills, abilities, and attributes that form a person's job. This set of context-specific qualities was correlated with superior job performance and can be used as a standard against which to measure job performance as well as to develop, recruit, hire and promote employees.

Mullins (2005) argued that employee's personality and competence was a necessary prerequisite for working on certain job positions. Personality of employees and

supervisor's ideas about personality profile for the job was one of the key factors with direct effect to career advancement. Interpersonal skills are very important – some times more important than technical skills. In higher positions the employee must be prepared to over-stretch himself when situation demands it. The employee must have good interpersonal skills along with specific job skills. Higher responsibility by way of promotion mostly involves managing more people under one's responsibility. Some persons may be quite excellent in efficiently carrying out their work, but not too good in mingling with or in handling people.

The employee should have a high sense of loyalty to the organization. However, if the person demonstrates his identification with the goals and values of the organization, if he does not act as a parasite to stealthily enjoy the perks and privileges from the organization by some devious means, then he should be considered for promotion. A person with long-standing experience of working in the organization sometimes has the core values of the organization better imbibed in them than someone who joined relatively recently (Armstrong, 2001). Personnel files can come in handy when making promotion decisions. Many managers refer to information about an employee's performance reviews and evaluations, skills appraisals, disciplinary actions, and attendance records. An employee who rates well in all areas may be chosen for a promotion over one who has repeated attendance or disciplinary problems.

## **2.2.4 Education and Experience of Employees**

According to Lawler (2003), some promotions are based entirely on pre-established criteria of what is expected of the employee. Requirements, qualifications and experience may be criteria used to promote a worker to a new position, for example some jobs may require a bachelor's degree in a particular field, a license, certification training or a specific number of years of work experience. Abilities and skills are also criteria that create a foundation for decision-making processes. These might include leadership skills, management experience, marketing abilities or budgeting capabilities.

Employees' education level, training history, experience, and job knowledge as well as the knowledge required for the role are factors considered in making promotion decisions. Comparison is always made on the abilities the employees have already demonstrated on the job and the abilities they need to perform in a different or higher role in the organization (Gabris and Mitchell, 1989). Education, skills, experience, reputation, and work ethic are all factors that help to secure a promotion. Adequate education, completed courses and training programs are one of basic factor with direct influence for promotion in organizational structure. In some companies it is very difficult for an employee without university degree to advance career wise to major work for an employee with a university degree has obvious advantage when it comes to promotion.

Cole and Gerald (2005) stated that the organization has to be sure that it trains, develops, and promotes employees that are the most likely to succeed in leadership roles.

Education or training background helps in identifying and prioritizing who the organization should develop, into what roles, and the promotions for which they should

be considered (Millar ,1977). If employees have too many knowledge and ability gaps, they may not be the right candidates for promotion unless they have tremendous learning agility. Employees' skills, potential and experience when selecting them for promotion also have to be considered (Dessler, 2003). The management should consider whether the employee has the potential, knowledge and skills for a position besides their current role and for what specifically.

Randell (1994)stated that it is assumed that the longer the person has been employed in the company, the more knowledgeable that person would be regarding the company's internal operations. When a company wishes to promote an employee especially to a managerial position, it is the experience that counts most. There are many things in a company that can be learned and mastered only through experience, no matter how educated, intelligent, and diligent the person is.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents a methodological orientation of the study. It includes a systematic description of research design, target population, sampling technique, data collection instrument and data analysis and presentation.

#### **3.2 Research Design**

A descriptive design was used to investigate the perceived factors that influence promotion decisions of permanent staff in Cooperative Bank of Kenya. Descriptive study was chosen due to its appropriateness to enable generalizing the results to a large population. The descriptive research approach allowed analysis and relation of variables. Descriptive studies are usually the best methods for collecting information that demonstrate relationships and describe the world as it exists (Todd, 2007)

#### **3.3 Population**

The population of study comprised of Back office support staff at Cooperative Bank of Kenya who are at the head office which has a population of 92 employees as shown in Table 3.1



**Table 3.1: Population**

<b>Job Group</b>	<b>Frequency</b>
Subordinates	24
Clerks	21
Section heads	18
Supervisors	14
Management	15
<b>Total</b>	<b>92</b>

### **3.4 Sample Design**

A sample of 75 respondents was picked from the 5 job groups (Subordinates, Clerks, Section heads, Supervisors and Management) so as to give equal chance to all the employees in the different levels. Stratified sampling was done by randomly picking the respondents from each job group by using their personal file numbers. Random sampling was ideal since studying the entire population would have required a lot of time and it would have also been too costly. Slovin's formula was used to determine the sample size. Guilford and Frucher (1973), Slovin's formula allows a researcher to sample the population with a desired degree of accuracy. It gives the researcher an idea of how large his sample size needs to be to ensure a reasonable accuracy of results.

$$n = N / (1 + Ne^2)$$

n=Number of samples

N = Total population

e = Error tolerance

$$74.79 = 92 / (1 + 92 * 0.05^2)$$

$$n = 75$$

### **3.5 Data Collection**

In this study, the use of questionnaires was considered appropriate. The questionnaires contained both open ended and closed ended questions. The questionnaires were divided into two parts; Part one was structured to capture respondent's personal information; Part two to capture perceived factors influencing promotion of staff in Cooperative Bank of Kenya. Questionnaires were distributed by dropping and picking them from the respondents.

### **3.6 Data Analysis**

Data collected was tabulated and descriptive statistics used for the analysis. The descriptive statistical tools such as frequencies, mean and percentages and standard deviation were used in describing the data. Inferential statistics was used to generalize the results from samples to population. The Statistical package for social science (SPSS) was also used to analyze the data.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

#### 4.1 Introduction

This chapter discusses the findings of the study, analysis, presentation and interpretation of the data collected. Data was analyzed in two sections, section one presented the respondents demographic characteristics and sections two the perceived factors influencing promotion decisions at Cooperative Bank of Kenya which were Education, personality and competence, employee performance and demographic characteristics.

#### 4.2 Response Rate

The questionnaires were distributed to 75 respondents out of that 59 were returned as shown in Table 4.2. Response (78%) and non-response (22%). According to Mugenda (2003) recommends 70% as a good response rate and adequate for data analysis.

**Table 4.2 Response rate**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Response	59	78
Non- Response	16	22
<b>Total</b>	<b>75</b>	<b>100</b>

**Source: Researcher (2014)**

### 4.3 Background Information of The Respondents

This section discusses the demographic characteristics of the respondents. This involves the gender of respondents, age, level of education, number of years in employment and their various job grades.

#### 4.3.1 Highest Level of Education

The study sought to establish the level of education of the respondents. The level of education was important in the study because it showed whether the respondents had the adequate level of education to understand the concept and the language of study. The findings were presented in Table 4.3

**Table 4.3 Highest Level of Education**

Category	Frequency	Percentage
High School	0	0
College Diploma	16	27
Bachelor's Degree	36	60
Master's Degree	7	13
Others	0	0
<b>Total</b>	<b>59</b>	<b>100</b>

**Source: Researcher (2014)**

The study revealed that those who had attained 60% had only attained a Bachelor's degree, College diploma education were 27% of the respondents, while 13% had attained a Master's degree. From the analysis it is evident that respondents who had attained a

Bachelor's degree were the majority. It is evident that majority of the employees at Cooperative Bank are Bachelor Degree holders. The level of education was important in the study because it showed whether the respondents had the required knowledge that would enable them to understand and respond effectively to the questionnaires

### 4.3.2 Current Job Group

The study sought to establish the job groups of the respondents; this was to find out how the respondents in the different job groups perceived promotion decisions as shown in Table 4.4

**Table 4.4 Current Job Group**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Management	10	17
Supervisors	13	22
Section Head	14	23
Clerical	7	12
Subordinate	15	25
<b>Total</b>	<b>59</b>	<b>100</b>

**Source: Researcher (2014)**

From the Table 4.4 above, most of the respondents were subordinates and this had the greatest percentage at 25%. The respondents represented by supervisors and section heads were at 22% and 23% respectively. The clerical staff had the least representation of respondents at 12%. From the above analysis it is evident that majority of the respondents

were subordinates. It was important to know the respondents job groups so as to have an overall representation for all job groups of all the staff in Cooperative Bank so as the results will be applicable to all the employees.

### 4.3.3 Years Worked With the Organization

The study sought to establish the number of years the respondents had been employed in Cooperative Bank of Kenya. This was to determine whether the respondents have been there long enough to give accurate information for the study. The findings were presented in Table 4.5

**Table 4.5 Years Analysis**

Category	Frequency	Percentage
Less than 2 years	11	20
2 – 5 years	9	15
6 - 10 years	24	40
10 years and above	15	25
<b>Total</b>	<b>59</b>	<b>100</b>

**Source: Researcher (2014)**

From the Table 4.5 the respondents who have worked with the organization for less than 2 years were 20%. Employees who have worked with the organization for a period of 2 – 5 years have the lowest number at 15% they were the least as compared to the rest. Those who had worked with the organization for 6 – 10 years were the majority at 40%. Those who had worked with organization for 10 years and above were 25%. In conclusion the

majority of the employees at Cooperative Bank have been in the organization for 6-10 years this suggests that there is more recruitment of new employees which may be occasioned by expansion programmes of opening new branches. The analysis of number of years served in the organization was to determine whether the respondents have been there long enough to give accurate information for the study

#### 4.3.4 Age of Respondents

The research study sought to establish the age bracket of the respondents. Age was an important aspect of the study as perceptions depend on level of maturity of the individual. The findings were presented in Table 4.6

**Table 4.6 Age of respondents**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Below 20 years	0	0
21 – 25 years	4	7
26 – 30 years	18	30
31 – 35 years	24	40
36 - 40 Years	9	15
41 years and above	5	8
<b>Total</b>	<b>59</b>	<b>100</b>

**Source: Researcher (2014)**

From Table 4.6 it is evident that the respondents aged between 31 – 35 years were the majority in the organization with a percentage of 40% as compared to the others. Respondents aged 26 – 30 were also many in the organization and represent a percentage

of 30%. The age between 21 - 25 years were few at 7%. Those aged between 36 – 40 years were at 15%. Those who were aged above 41 years were few at 8% .In conclusion the employees aged btw31-35 years were the majority, this implies that the perception is not influenced by the age bracket as all the age brackets are all represented. Age was an important aspect of the study as perceptions depends on level of maturity of the individual and to ensure all ages were represented.

#### **4.3.5 Gender of the respondents**

The research study sought to establish the gender distribution of the respondents. This was important so as to understand the trend and the patterns of each gender in terms of their perceptions of factors influencing staff promotion decisions. The findings were presented in the Table 4.7

**Table 4.7 Gender of the respondents**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Male	40	67
Female	19	33
<b>Total</b>	<b>59</b>	<b>100</b>

**Source:Researcher (2014)**

Based on the analysis male respondents were 40 while the remaining 19 were female. These constituted 67% of male respondents as compared to 33% of female respondents. This shows that male workers were the majority in the work place. From the above analysis we can conclude that the female employees in the organization have not been considered for equal employment opportunities. This was important so as to understand



the trend and the patterns of each gender in terms of their perceptions of factors influencing staff promotion decisions and to ensure that all genders were represented.

#### **4.4 Perceived Factors Influencing Promotion Decisions of Staff at Cooperative Bank**

The research study sought to establish the perceived factors influencing employee promotion at Cooperative Bank of Kenya, the perceived factors included demographic characteristics, Employee performance and promotion, Employee personality and competencies and Education and experience of employees. The respondents were asked to rate perceived factors influencing employee promotion decisions at Cooperative Bank on a scale of 1-5,(5;1 strongly agree,4;I agree,3;Indifference,2;I disagree,1;I strongly disagree)Averages of the factors were established in order to provide generalized feelings of the respondents. Means less than 1.5 implied that respondents strongly disagree that the factor influenced employee retention. Means more than 1.5 but less than 2.5 implied that respondents disagree that the factor influenced employee promotion. Means greater than 2.5 but less than 3.5 implied that respondents had an indifference response that the factor influenced employee promotion. Means greater than 3.5 but less than 4.5 implied that respondents agree that the factor influenced employee promotion and means greater than 4.5 implied that respondents strongly agree that the factor influenced employee promotion. The standard deviation on the other hand describes the distribution of the response in relation to the mean. It provides an indication of how far the individual responses to each factor vary from the mean. A standard deviation of more than 1

indicates that there is no consensus on the responses obtained, while less than 1 indicates that there is consensus on the response obtained.

#### 4.4.1 Demographic Characteristics

**Table 4.8 Demographic characteristics**

<b>Statement</b>	<b>Average</b>	<b>Std. Deviation</b>
i)Promotion is Mostly Based on The Age of The Employee	1.93	1.479
ii)Employees Ethnicity Influences Promotion Decision	4.17	2.193
iii)Employees Gender Influences Promotion Decisions	4.19	2.217
iv)Employees Marital Status Influences Promotion Decisions	2.34	1.975
v)Employees Religious Belief is Put into Consideration During Promotion	2.31	2.314

**Source: Researcher (2014)**

From the Table 4.8 above Cooperative Bank employees agreed that employee's ethnicity which scored 4.17 and gender which scored 4.19 influenced the promotion decisions at Cooperative Bank of Kenya. However they disagreed that the employee's age which scored a mean of 1.93, marital status which scored a mean of 2.34 and religious belief at 2.31 influenced the promotion decision in the organization. From the above analysis it can be concluded that promotion decisions at Cooperative Bank are not based on employee's age, marital status and religious belief but from the perception of employees

there is a feeling that employee's ethnicity and gender influences promotion decision of employees.

#### 4.4.2 Employee Performance

**Table 4.9 Employee performance**

Statement	Average	Std.Deviation
i) Appraisal is mandatory before one is promoted	4.51	2.195
ii) Hard work assures one of a promotion when an opportunity arises.	2.14	1.527
iii) Supervisors view and evaluations of job performance influence promotion decision	4.13	2.175
iv) Promotion is based on performance appraisal results.	2.33	1.789
v) Problem solving capabilities and on the job knowledge influences promotion decisions	2.09	1.832

**Source: Researcher (2014)**

The Table 4.9 gives information on rates provided by respondents on whether employee performance influences promotion decision. The employees strongly agreed that appraisals are a mandatory undertaking before an employee is promoted which scored 4.51 and agreed that the supervisors view and evaluations of job performance which scored 4.13 influenced promotion decisions in the organization. The employees though disagreed that

hard work assures one of a promotion which scored 2.14 and that promotion is based on appraisal results at 2.33. The employees also disagreed that problem solving capabilities which scored 2.09 and on the job knowledge which scored 2.09 influences promotion decision. From the above analysis it can be concluded that appraisals are mandatory for an employee to be promoted and supervisors view and evaluation of job performance influences the promotion decisions at Cooperative Bank. However there was a feeling by the employees that hard work did not assure one of a promotion when an opportunity arises, promotion was not based on performance appraisal results and that problem solving capabilities and on the job knowledge did not influence promotion decisions at Cooperative Bank.

### 4.4.3 Employee Personality and Competencies

**Table 4.10 Employee Personality and Competencies**

Category	Average	Std. deviation
i) Personal relationship with other employees guarantees promotion	4.29	1.952
ii) Employees past disciplinary record influences promotion decisions	4.30	1.874
iii) Promotion is mostly based on how competent an individual is on the job	4.24	1.891
iv) Employees interpersonal skills influences promotion decisions	4.47	1.953
v) Individual personal relationship with immediate supervisor determines promotional decisions	4.17	1.823

**Source: Researcher (2014)**

The above Table 4.10 demonstrates the rates provided by respondents on whether employee personality and competencies influences promotion decisions. It is evident that the respondents agreed that personal relationship with other employees which scored 4.29, employees past disciplinary record at 4.30 and how competent an individual is on the job which scored 4.24, employees interpersonal skills which scored 4.47 and Individual personal relationship with immediate supervisor which scored 4.17 influenced employee

promotion decision at Cooperative Bank. From the above analysis it can be concluded that, employee personality and competencies, personal relationship with other employees, employees past disciplinary record, how competent an individual is on the job, employees interpersonal skills and Individual personal relationship with immediate supervisor influences employee promotion decision at Cooperative Bank

#### 4.4.4 Education and Experience of Employees

**Table 4.11 Education and experience of employees**

<b>Category</b>	<b>Avg.</b>	<b>Std deviation</b>
i) Promotions are based on academic, technical and professional qualifications	4.56	2.986
ii) Employees skills and potential influences promotion decisions	2.06	1.615
iii) The number of years in a particular job group is a factor during promotion	2.38	1.816
iv) Promotion is based on years of experience in the organization	2.59	1.578
v) Employees experience on the job influences promotion decisions	4.01	2.851

**Source: Researcher (2014)**

Table 4.11 shows the analysis on the influence of employees education and experience on promotion decisions in the organization. According to the respondents, the employees of Cooperative Bank strongly agreed that promotion decisions were influenced by

academic, technical and professional qualifications which scored 4.56. The employees also agreed employees experience on the job which scored 4.01 also influenced promotion decisions. However the employees disagreed that the employee's skills and potential at 2.06 and the number of years an employee remains in a particular job at 2.38 and years of experience in the organizations at 2.59 does not influence promotion decisions in the organization. From the above analysis it can be concluded that employee's academic, technical, professional qualifications and experience on the job highly influence promotion decisions at Cooperative Bank of Kenya. However the employees disagreed that the employee's skills and potential and the number of years an employee remains in a particular job and years of experience in the organizations does not influence promotion decisions at Cooperative Bank.

#### **4.5 Discussion of Findings**

From the analysis it is evident that respondents who had attained a Bachelor's degree were the majority and that majority of the employees at Cooperative Bank are Bachelor Degree holders. The level of education was important in the study because it showed whether the respondents had the required knowledge that would enable them to understand and respond effectively to the questionnaires. Majority of the respondents in the analysis were subordinates. It was important to know the respondents job groups so as to have an overall representation for all job groups of all the staff in Cooperative Bank so as the results will be applicable to all the employees. Looking at the number of years the employees had been employed at Cooperative Bank, it's clear that most of the employees at Cooperative Bank have been in the organization for 6-10 years this suggests that there

is more recruitment of new employees which may be occasioned by expansion programmers of opening new branches. The analysis of number of years served in the organization was to determine whether the respondents have been there long enough to give accurate information for the study. In conclusion the employees aged btw 31-35 years were the majority, this implies that the perception is not influenced by the age bracket as all the age brackets are all represented. Age was an important aspect of the study as perceptions depends on level of maturity of the individual and to ensure all ages were represented. From the above analysis we can conclude that the female employees in the organization have not been considered for equal employment opportunities. This was important so as to understand the trend and the patterns of each gender in terms of their perceptions of factors influencing staff promotion decisions and to ensure that all genders were represented.

It can be concluded that promotion decisions at Cooperative Bank are not based on employee's age, marital status and religious belief but on employee's ethnicity which scored and gender. According to Lawler (2003) gender, ethnicity and age discrimination at work remains a problem for those at both extremes of the working population. Spilerman and Petersen, (1999) demographic variables show that age, gender, marital status, educational qualifications and affirmative action have important effects on career progression. Appraisal and supervisors view and evaluation of job performance influences the promotion decisions at Cooperative Bank. According to Armstrong (2001) performance is an obvious factor to see if an employee should be eligible for a promotion or not and Mitchell (1989) states that employees should be promoted not based on contribution



but rather on potential. Employee's relationship with their colleagues and managers at work is important. It is also evident that, discipline of employees and their past disciplinary records highly determines the promotion decisions made in the organization. These findings agrees with Mullins (2005), whereby according to his research employee's personality and competence was a necessary prerequisite for working on certain job positions. Employee's academic, technical, professional qualifications and experience on the job highly influences promotion decisions at Cooperative Bank of Kenya. According to Dessler (2003), Employees' education, skills, potential and experience have to be considered when selecting them for promotion.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter summarizes the entire research project thus forming a basis for the conclusions and recommendations. The purpose of this chapter was to help assess the findings of the perceived factors influencing promotion decisions in organizations. It also gives details on the areas that should be looked into for the purpose of ensuring better and improved promotion decisions are made in organizations. The researcher summarizes various findings that have been established during the research. These findings will be useful in future for various groups who are interested in carrying a research on the perceived factors influencing promotion decisions in organizations.

#### **5.2 Summary**

The findings of the study established that respondents who had attained a Bachelor's degree were the majority and that majority of the employees at Cooperative Bank are Bachelor Degree holders. The clerical staff had the least representation of respondents at 12%. which means that the majority of the respondents were subordinates. Majority of the employees at Cooperative Bank have been in the organization for 6-10 years and the employees aged btw 31-35 years were the majority; this implies that the perception is not influenced by the age bracket as all the age brackets are all represented. From the analysis we can conclude that the female employees in the organization have not been considered

for equal employment opportunities.

The study found that promotion decisions at Cooperative Bank are not based on employee's age, marital status and religious belief but the employees feel that employee's ethnicity and gender influences promotion decision of employees. It can also be concluded that appraisals are mandatory for an employee to be promoted and supervisors view and evaluation of job performance influences the promotion decisions at Cooperative Bank. However there was a feeling by the employees that hard work did not assure one of a promotion when an opportunity arises, and that promotions were not based on performance appraisal results and that problem solving capabilities and on the job knowledge did not influence promotion decision.

The study found that employee personality and competencies, personal relationship with other employees, employees past disciplinary record, how competent an individual is on the job, employees interpersonal skills and Individual personal relationship with immediate supervisor influences employee promotion decision at Cooperative Bank. It can also be concluded that employee's academic, technical, professional qualifications and experience on the job highly influence promotion decisions at Cooperative Bank of Kenya. However the employees disagreed that the employee's skills and potential and the number of years an employee remains in a particular job and years of experience in the organizations does not influence promotion decisions at Cooperative Bank

### **5.3 Conclusion**

It can be concluded that promotion decisions at Cooperative Bank are not based on employee's age, marital status and religious belief but on employee's ethnicity and gender. According to Lawler (2003) gender, ethnicity and age discrimination at work remains a problem for those at both extremes of the working population. Spilerman and Petersen, (1999) demographic variables show that age, gender, marital status and educational qualifications have important effects on career progression. Appraisal and supervisors view and evaluation of job performance influences the promotion decisions at Cooperative Bank. According to Armstrong (2001) performance is an obvious factor to see if an employee should be eligible for a promotion or not and Mitchell (1989) states that employees should be promoted not based on contribution but rather on potential.

According to the findings of the study it can also be concluded that Employee's relationship with their colleagues and managers at work is important. It is also evident that, discipline of employees and their past disciplinary records highly determines the promotion decisions made in the organization. These findings agrees with Mullins (2005), whereby according to his research employee's personality and competence was a necessary prerequisite for working on certain job positions. Employee's academic, technical, professional qualifications and experience on the job highly influences promotion decisions at Cooperative Bank of Kenya. According to Dessler (2003), Employees' education, skills, potential and experience have to be considered when selecting them for promotion.

It is evident that Performance Appraisal tool seen as the most received criteria for promotion seem to work against the speedy progression of employees in climbing the hierarchy of the Cooperative Bank structure. Academic qualifications stand out as the one of the influential factor towards promotion, but it is the least used criterion. Promotion on merit is clearly an issue in most banking institutions, while questions on the best method to use need to be determined by every banking institution, achieving a satisfying criteria is a common challenge for all organizations. The challenges being experienced at Cooperative Bank of Kenya may not be unique to this organization but what it is unique is what appears to be a conspiracy to deny those who deserve promotions. Before applying the policies guiding promotion, Cooperative Bank should look into all the challenges that they are currently facing and identify the root cause to avoid the same impeding the success of these policies. In addition the organization should learn from other success stories and establish a sound policy framework that will strengthen its departments to operate independently from those who may want to bend the rules to benefit them.

This study established that demographic variables such as age, gender, marital status, educational qualifications and affirmative action have important effects on promotion decisions. Employers must make sure designated groups have equal opportunities in the workplace. Designated groups must be equally represented in all job categories and levels. The study supports that employee's personality and competence is a necessary prerequisite for working on certain job positions. Personality of employees and supervisor's ideas about personality profile for the job is one of the key factors with

direct effect to career advancement. Interpersonal skills are very important and some times more important than technical skills. In higher positions the employee must be prepared to over-stretch himself when situation demands it. The employee must have good interpersonal skills along with specific job skills. Higher responsibility by way of promotion mostly involves managing more people under one's responsibility. Some persons may be quite excellent in efficiently carrying out their work, but not too good in mingling with or in handling people.

#### **5.4 Recommendations for Policy and Practice**

From the findings and conclusions the study recommends that in ensuring effective promotion decisions are made, discrimination of employees due to age and ethnicity should be avoided by ensuring the organization comes up with policies that protect against such forms of discrimination. These characteristics are found to result to unfairness is considered when making promotion decisions. Therefore, the existence of a talent in an employee regardless of the above characteristics should warrant them a promotion. Before applying the policies guiding promotion, Cooperative Bank should look into all the challenges that they are currently facing and identify the root cause to avoid the same impeding the success of these policies. In addition the organization should learn from other success stories and establish a sound policy framework that will strengthen its departments to operate independently from those who may want to bend the rules to benefit them.

The study also recommends that other banking institutions need to amend or come up with policies that protect employees from the vicious cycle of discrimination based on demographic factors. Employees should be promoted on the basis of potential rather than their contribution. The reason is that, excellent contribution in a current role means they are excellently suited for that role. They may or may not be ready for a promotion. Promotions should be based on work level and problem-solving capability. When their mental bandwidth matures into the next level, they should be promoted to the next level. Organizations should align their promotion decisions with employee potential.

Promotion decisions should be made based on employee loyalty to the organization. The reason is that, the employee can clearly identify with the organizational goals and values. A person with long-standing experience of working in the organization has the core values of the organization better imbibed in them than someone who joined relatively recently. Employee appraisals and evaluations based on reviews and evaluations, skills appraisals, disciplinary actions, and attendance records should be considered before making promotion decisions.

This study recommends that education and experience should be considered when making promotion decisions. The reason is that, education and experience background of an employee helps in identifying and prioritizing who the organization should develop, into what roles, and the promotions for which they should be considered. If employees have too many knowledge and ability gaps, they should not be promoted unless they have tremendous learning agility. Employees' skills, potential and experience when selecting

them for promotion also have to be considered. The management should consider whether the employee has the potential, knowledge and skills for a position besides their current role and for what specifically.

#### **5.4.1 Recommendations for Further Research**

The study recommends further research on the perceived factors influencing promotion decisions in organizations. Future researchers should investigate on the wider applicability of various demographic, personality and competence, education and experience as well as employee performance and the applicability of these factors in achieving effective formulation of promotion decisions in an organization. Cooperative Bank and other banks in the industry need to look into the effects of the various perceived factors influencing promotion decisions and use them as a guide when coming up with policies governing promotion.

#### **5.5 Limitations of the study**

This study interviewed only the Back office support staff at the Cooperative Bank of Kenya headquarters who were well conversant with the subject matter. In some instances the researcher had to administer the questionnaires personally to the respondents explaining the complex terms and concepts as related to the study area to be able to get reliable data for valid conclusions to be made. This was quite a tedious and demanding exercise.



It would have also been preferable to do a survey of all the staff at the various departments at head office but it was unattainable considering the limited time and budget constraint

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## **APPENDIX I: LETTER TO THE RESPONDENT**

UNIVERSITY OF NAIROBI,  
SCHOOL OF BUSINESS,  
NAIROBI.

Dear sir/ Madam

### **RE: A RESEARCH INTO EMPLOYEE'S PERCEPTION OF FACTORS INFLUENCING PROMOTION DECISIONS AT COOPERATIVE BANK OF KENYA HEADQUARTERS**

I am a postgraduate student undertaking a Master of Business Administration Degree at the School of Business, University of Nairobi. I am currently carrying out a study based on the subject line above.

My approach to this research is both consultative and collaborative and ensures that it causes minimum disruption to your schedule of activities. I kindly request you to provide the required information by responding to the questions in the questionnaire. The information required is purely for academic purposes and will be confidential. Please note that a copy of the research findings will be made available to your organization upon request.

I will appreciate your contribution in this academic exercise.

Thank you in advance.

Yours faithfully,

**Chepkorir Stella**

**Department of Business Administration**

**School of Business**

**Nairobi University**

## APPENDIX 1I: STUDY QUESTIONNAIRE

Kindly give an honest and accurate response to the items in the questionnaire

### PART A: PERSONAL INFORMATION

Please tick as appropriate

1. Highest level of education

High school [ ]

College diploma [ ]

Bachelor's degree [ ]

Master's degree [ ]

Others (specify) [ ]

2. Which is your current job group?

Management [ ]

Supervisors [ ]

Section Head [ ]

Clerical [ ]

Subordinate [ ]

3. For how many years have you worked in your current position?

Less than 2 years [ ]

2-5 years [ ]

6-10 years [ ]

10 years and above [ ]

4. Age in Years

Below 20 [ ] 21-25 [ ] 26-30 [ ] 31-35 [ ] 36-40 [ ] 41 and Above [ ]

5. Gender

Male [ ]

Female [ ]

**PART B: PERCEIVED FACTORS INFLUENCING PROMOTION DECISIONS OF PERMANENT STAFF AT COOPERATIVE BANK**

	<b>Parameter (Aspect) measured</b>	<b>Scale</b>				
	<b>DEMOGRAPHIC CHARACTERISTICS</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1	Promotion is mostly based on the age of the employee					
2	Employees ethnicity influences promotion decision					
3	Employees gender influences promotion decisions					
4	Employees marital status influences promotion decisions					
5	The employees religious belief is put into consideration during promotion					
	<b>EMPLOYEE PERFORMANCE</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>



1	Appraisal is mandatory before one is promoted					
2	Hard work assures one of a promotion when an opportunity arises.					
3	Supervisors view and evaluations of job performance influence promotion decision					
4	Promotion is based on performance appraisal results.					
5	Problem solving capabilities and on the job knowledge influences promotion decisions					
	<b>EMPLOYEE PERSONALITY AND COMPETENCIES</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1	Personal relationship with other employees guarantees promotion					
2	Employees past disciplinary record influences promotion decisions					
3	Promotion is mostly based on how competent an individual is on the job					
4	Employees interpersonal skills influences promotion decisions					

5	Individual personal relationship with immediate supervisor determines promotional decisions					
	<b>EDUCATION AND EXPERIENCE</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1	Promotions are based on academic, technical and professional qualifications					
2	Employees skills and potential influences promotion decisions					
3	The number of years in a particular job group is a factor during promotion					
4	Promotion is based on years of experience in the organization					
5	Employees experience on the job influences promotion decisions					

**Please use the space below if you would like to make comments further or make suggestions for improvement (attach additional sheet if required).**