
EFFECT OF JOB PROMOTION ON EMPLOYEES' PERFORMANCE IN SELECTED DEPOSIT MONEY BANKS IN SOUTHWEST NIGERIA

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Abstract

This study examines the effect of job promotion on employees' performance in selected deposit money banks in Southwest Nigeria. Performance is represented as a distribution of outcomes achieved and it could be measured by using a variety of parameters which describe an employee's pattern of performance overtime. A survey research methodology was used in this study. A stratified sampling technique and simple random sampling techniques were used as sampling techniques, and the sample size was determined using Slovin's Formula with a sample size of 984 was used in this study. A questionnaire was used as the research instrument. Data analysis was done using the Statistical Package for Social Sciences (SPSS). The finding revealed that job promotion has weak positive and statistically significant relationship with employee performance of the selected DMBs in South-west Nigeria ($R = 0.315$, $p < 0.05$). The results of ANOVA (overall model significance) of regression test which revealed that Job promotion has a significant influence on employee performance of the selected DMBs in South-west Nigeria. This can be explained by the F-value (107.879) and low p-value (0.000) which is statistically significant at 95% confidence interval. The study recommends that banks and financial institutions should implement a performance-based promotion system that links promotions directly to employees' achievements, skills development, and contributions to the organization.

Keywords: Appraisal, Deposit Bank, Employee Performance, Performance Management, and Promotion

Introduction

Employee performance is a combined effect of the efficiency and productivity of the employee's daily activities in meeting the stakeholders' objectives (Mohammed, 2019). Employees strongly agree that incorporating the internet into their jobs has aided them in enhancing task process, education acquirement, and communication quality, resulting in improved personal and organizational productivity (Mustapha, 2020). Employee performance plays an important role for organizational performance. Employee performance is originally what an employee does or does not do. Performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work, cooperativeness. Improved individual employee performance could improve organizational performance as well. Employee performance could be defined as the record of outcomes achieved, for each job function, during a specified period of time. If viewed in this way, performance is represented as a distribution of outcomes achieved and it could be measured by using a variety of parameters which describe an employee's pattern of performance overtime.

A job promotion refers to the advancement of an employee to a higher position within a company or organization. This advancement typically comes with increased responsibilities, authority, and often a higher salary or additional benefits. Job promotions can be a recognition of an employee's excellent performance, dedication, skills, and contributions to the organization (Bernhardt & Scooners, 1993). Promotions can take various forms, such as moving from an entry-level position to a higher-ranking position, being promoted within the same department, or even moving to a different department with more significant responsibilities.

Statement of the Problem

In the dynamic and competitive landscape of the banking industry, employee performance is a critical factor that significantly influences the overall success and sustainability of Deposit Money Banks (DMBs). Job promotions are commonly used as a motivational tool to enhance employee morale, commitment, and productivity. The perception of fairness in promotion practices is crucial for maintaining a positive organizational culture. Discrepancies or biases in the promotion process, such as favoritism, nepotism, or unfair practices, can lead to decreased employee morale, job dissatisfaction, and a subsequent decline in performance. Job promotions often come with increased responsibilities and higher expectations. Inadequate training and skill development opportunities for employees following promotions may result in a performance gap. Understanding the correlation between job promotions, skill enhancement, and subsequent job performance is essential for organizational success.

This paper therefore investigates the effect of job promotion on employees' performance in selected Deposit Money Banks in Southwest Nigeria.

Aim and Objectives of the Study

The aim of this study is to investigate the effect of job promotion on employees' performance in selected Deposit Money Banks in Southwest Nigeria. The objectives are to:

- i. Investigate the factors that influence job promotion in selected Deposit Money Banks in Southwest Nigeria
- ii. Examine the effect of job promotion on employees' performance in selected Deposit Money Banks in Southwest Nigeria.

Hypothesis

H₀₁: There is no significant influence of job promotion on Employee Performance in Deposit Money Banks in South-West Nigeria

Employee Performance

Employee performance could be defined as the record of outcomes achieved, for each job function, during a specified period of time. If viewed in this way, performance is represented as a distribution of outcomes achieved, and performance could be measured by using a variety of parameters which describe an employee's pattern of performance over time. Also, employee's performance is a rating system used in many corporations to decide the abilities and output of an employee (Karyono, 2018). Every organization has been established with specific objectives to achieve. These objectives can be achieved by utilizing resources like men, machines, materials and money. All these resources are necessary but out of these the human resources is the most important. It plays an important role in performing tasks to accomplish goals.

Job Promotion

Job Promotion is a move that enlarges the authority and responsibility of employees to higher positions in an organization so that obligations, rights, status, and producers the greater the. The importance of developing human resources is done to create better employee performance than before so that the objectives of the organization can be achieved. According to Yusrisal & Heryanto, (2019), efforts to improve employee performance are not easy, and therefore there is a need for employee motivation by career development, one of which is by promoting positions. The importance of developing human resources is done to create better employee performance than before

so that the objectives of the organization can be achieved (Bafaneli & Lesalamose, 2018). Employee development through job promotion programs is intended to provide experience in carrying out management functions at a higher structural level than before, where the new position has broader and heavier responsibilities, so employees are required to work harder to improve their abilities so that their duties and responsibilities can be carried out successfully (Oduguwa & Olateju, 2021). Job promotion programs can be implemented if there are positions that have not been filled or there are vacancies as well as the re-evaluation of old positions (Idewele & Murad, 2019).

Factors that influences Job Promotion

- i. Skills and Competencies: Possessing the necessary skills and competencies required for the higher-level position is essential. This includes both technical skills related to the job and soft skills such as leadership, communication, and problem-solving.
- ii. Education and Training: Educational qualifications and continuous learning through training programs can enhance an individual's eligibility for promotion.
- iii. Performance and Achievements: Demonstrating consistent high performance in current role and achieving set goals are crucial factors. Individuals who go above and beyond expectations are often considered for promotions.
- iv. Experience: Accumulated experience in the current role and industry is often a significant consideration. Employers may prefer candidates with a proven track record and a deep understanding of the organization's operations.

Empirical Reviews

Amahalu (2020) carried out a study on the effects of training and job promotion on work motivation and their implications on employee job performance was conducted in Indonesia. The study is accomplished in the Environment of the South Lampung Regency National Education Office on 215 respondents. The research design uses a quantitative survey method and data analysis is based on the structural equation model (SEM) with Amos 24. The results of the study show that (a) training and promotion had a positive and significant effect on work motivation, (b) training, promotion and work motivation had a positive and significant effect on job performance but (c) work motivation did not play any significant role in mediating the effect of training and job promotion for job performance. While job promotion had a more dominant direct effect than training in improving

employee job performance, efforts to improve employee job performance will be more productive by providing job promotions to employees. Another effort is to provide opportunities for employees to attend training regularly. With job promotion and training, work motivation will increase, and the impact is that employee job performance will increase.

Abba et al (2018) investigated the effects of job promotion practices on employee performance in Kenya Forestry Research Institute in Muguga, Kenya. The study anchored on expectancy theory. The study used a positivism philosophy and a descriptive research design. The unit of analysis was Kenya Forestry Research Institute. The target population was all the 178 staff working in Kenya Forestry Research Institute in Muguga. A sample of 121 respondents was selected through stratified random sampling. A semi-structured questionnaire was used in collecting primary data. A pilot study was conducted to ensure the data collection tool is reliable. Analysis of qualitative data was carried out through thematic analysis. Descriptive statistics focused on frequency distribution, percentages, mean and standard deviation. Components of inferential statistics include; Pearson correlation coefficient and multivariate regression analysis. Both descriptive and inferential data were analyzed with the help of SPSS Version 25. The results obtained were presented both in tables as well as figures (pie charts and bar graphs). The study found that job promotion practices have significant effect on employee performance in Kenya Forestry Research Institute. Further, the study found that employees acquire new skills through job promotion. Henceforth, the study recommends that Kenya Forest Research Institute Headquarter should consider leadership abilities, attitude of staff and review past performance when promoting staff so as to improve on their overall competency skills.

Methodology

In this study, a survey research design was used. A survey is a research method used for collecting data from a predefined group of respondents to gain information and insights into various topics of interest. The population is focused banking industry in Nigeria. Specifically, this study was centered on Guaranty Trust Bank, Access Bank, Union Bank, Sterling Bank, WEMA and First Bank Plc employees. The Sampling Technique used in this study was the Stratified Sampling Method. Stratified sampling is a method in which the total population is divided into smaller groups or strata to complete the sampling process. The population was divided into six geo-political zones: North East, North West, North Central, South West, South East and South-South. The strata were formed based on some

common characteristics in the population data. A total population of 70,629 employees were available in Nigeria, but there were 25,566 employees across the six banks in South West Nigeria.

The sample size was determined using Slovin's Formula:

$$n = \frac{N}{(1 + Ne^2)}$$

Where:

n = number of samples

N = total population

e = error margin/margin of error

e = 0.075

e² = 0.0056

A total Sample size of 984 employees was selected for this study from the six banks in South West Nigeria. With the use of stratified sampling, the employees were stratified into three strata, which include: top management, middle level and low level. Also, a simple random sampling technique was used to select employees from the six banks in the South West region. The instrument for this study was a research questionnaire.

Data analysis was done using the Statistical Package for Social Sciences (SPSS). The hypotheses were analyzed using Multiple Regression Analysis.

Data Analysis

Table 1: The factors that influence job promotion in selected Deposit Money Banks in Southwest Nigeria

Statement	SA	A	D	SD	Mean	Stand Dev
Demonstrating consistent high performance in current role and achieving set goals is one of the major factors that influences job promotion	368 (37.4%)	527 (53.6%)	89 (9.0%)	-	2.28	1.02
Possessing the necessary skills and competencies required for the higher-level position is essential for job promotion	269 (27.3%)	519 (52.7%)	196 (19.9%)	-	2.33	1.17
Accumulated experience in the current role and industry is often a significant consideration for job promotion	312 (31.7%)	487 (49.5%)	185 (18.8%)	-	2.06	0.76

Table 1 shows that 368 (37.4%) of the respondents strongly agree, 527 (53.6%) agree while 89 (9.0%) disagree that demonstrating consistent high performance in current role and achieving set goals is one of the major factors that influences job promotion, 269 (27.3%) of the respondents strongly agree, 519 (52.7%) agree while 196 (19.9%) disagree that possessing the necessary skills and competencies required for the higher-level position is essential for job promotion. Furthermore, 312 (31.7%) of the respondents strongly agree, 487 (49.5%) agree while 185 (18.8%) disagree that accumulated experience in the current role and industry is often a significant consideration for job promotion.

Hypothesis

H₀₁: There is no significant influence of job promotion on Employee Performance in Deposit Money Banks in South-West Nigeria

The null hypothesis three which states that there is no significant influence of Job promotion on employee performance of the selected DMBs in South-west Nigeria was tested using simple linear regression analysis. In the analysis, the values of employee performance were regressed on the values of Job promotion. The data for Job promotion (independent variable) was generated by summing responses of all the variable items while that of employee performance (dependent variable) was generated by adding responses of all items used to measure the variable. The regression test results are presented in Tables 2

Table 2: Summary of Regression Analysis for the Effect of Job Promotion on Employee Performance of the Selected DMBs in South-west Nigeria

Model		F(df)	Anova Sig
R	0.315		
R Square	0.099	107.879 (1,982)	0.000
Adjusted R Square	0.098		
Coefficients	Unstandardized Coefficients	t	sig
(Constant)	80.511	48.950	.000
Job promotion	1.605	10.386	.000

a. Dependent Variable: Employee performance

b. Predictors: (Constant), Job promotion

Source: Researcher's Field Survey Results (2023)

Table 2 result shows that job promotion has weak positive and statistically significant relationship with employee performance of the selected DMBs in South-west Nigeria ($R = 0.315$, $p < 0.05$). The coefficient of determination (R^2) of 0.099 shows that Job promotion predicts 9.9% of the changes in employee performance, while the remaining 90.1% changes in employee performance of the selected DMBs is explained by other external factors other than those examined in this study. From the Table 2 the results of ANOVA (overall model significance) of regression test which revealed that Job promotion has a significant influence on employee performance of the selected DMBs in South-west Nigeria. This can be explained by the F-value (107.879) and low p-value (0.000) which is statistically significant at 95% confidence interval. Hence, the result posited that Job promotion in the selected DMBs examined in South-west Nigeria significantly influenced their performance at work.

Furthermore, the results of regression coefficients revealed that a positive and statistically significant relative influence was reported for job promotion. Specifically, the results reveal that at 95% confidence level, Job promotion ($\beta = 1.605$, $p = 0.000$, $t = 10.386$) with the DMBs in South-west Nigeria is statistically significant as the p-values were less than 0.05 and the t-values greater than 1.96. This suggest that a unit change in Job promotion will lead to a 1.605 increase in the Job promotion on employee performance of the selected DMBs in South-west Nigeria, given that all other factors are held constant. Given this result ($R^2 = 0.099$, $F(1,982) = 107.879$, $p = 0.000$), this study rejects the null hypothesis three (H_03) which states that Job promotion will have no significant influence on employee performance of the selected DMBs in South-west Nigeria.

Conclusion

The paper examined the effect of job promotion on employees' performance in selected Deposit Money Banks in Southwest Nigeria. A stratified sampling technique was used in this study and a total Sample size of 984 employees was selected for this study from the six banks in South West Nigeria. The finding revealed that job promotion has weak positive and statistically significant relationship with employee performance of the selected DMBs in South-west Nigeria ($R = 0.315$, $p < 0.05$). The results of ANOVA (overall model significance) of regression test which revealed that Job promotion has a significant influence on employee performance of the selected DMBs in South-west Nigeria. This can be explained by the F-value (107.879) and low p-value (0.000) which is statistically significant at 95% confidence interval. This finding supports the study of Abba et al (2018) who reported that job promotion practices have significant effect on employee performance.

Recommendations

- i. Banks and financial institutions should implement a performance-based promotion system that links promotions directly to employees' achievements, skills development, and contributions to the organization.
- ii. Banks and financial organizations should invest in continuous training and skill development programs for both employees seeking promotions and those recently promoted. Also, offer workshops, seminars, and mentorship programs to enhance employees' competencies and ensure they stay updated on industry trends.

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