
# DETERMINANT FACTORS AFFECTING EMPLOYEES' JOB PERFORMANCE: THE CASE OF ADDIS ABABA CITY BRANCHES WEGAGEN BANK S.C

A Thesis submitted to Addis Ababa University School of Commerce in Partial Fulfillment of the Requirements for the Award of Masters of Arts Degree in Human Resource Management

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**Determinant Factors Affecting Employees' Job Performance**

**The Case of Addis Ababa City Branches Wegagen Bank S.C**

**By: Getamesay Birhane**

**Approved by the Board of Examiners:**

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## Statement of DECLARATION

I, **Getamesay Birhane**, declare that the thesis entitled **"Determinant Factors Affecting Employees' Job Performance: The Case of Wegagen Bank Share Company"** is my original work. I have carried out the present study independently with the guidance and support of the research advisor, **WoldeEmmanuel Walombo (PhD).** Any other contributors or sources used for the study have been appropriately acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other Institution.

**Getamesay Birhane:** __________________ __________________

**Signature** **Date**

## STATEMENT OF CERTIFICATION

This is to certify that **Getamesay Birhane** has carried out his research work entitled **"Determinant Factors Affecting Employees' Job Performance: The Case of Wegagen Bank Share Company"** for the partial fulfillment of Masters of Arts in Human Resource Management at Addis Ababa University School of Commerce. This study is original and is not submitted for any degree in this university or any other universities and is suitable for submission of Masters of Arts in Human Resources Management.

**Confirmation by Advisor:** __________________ __________________

**WoldeEmmanuel Walombo (PhD)** **Signature** **Date**

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Getamesay Birhane

## Acronyms / ABBREVATIONS

**ANOVA**: Analysis Of Variance

**ATM**: Automated Tailor Machine

**CSO**: Customer Service Officer

**HR:** Human Resources

**HRM:** Human Resources Management

**POS**: Point of Sale

**SPSS 20**: Statistical Package for Social Science :Version 20

**WB S.C**: Wegagen Bank Share Company

## Abstract

*The purpose of this research was to examine the determinant factors affecting employees' job performance in the case of Wegagen Bank S.C. In the Implementing of these internal practices the bank faced a problem of formal follow up after training was conducted; inequitable salary and unfair promotion; and limitation in participating employee in decision making. Data was gathered from Head Office and 36 Addis Ababa city branches. The research is quantitative research approach using Cross sectional survey method and the researcher have used sample size determination table and stratified sampling method was employed to select the sample from each stratum to make the sample more representative of the population. Descriptive and inferential statistics of correlation and regression analysis were used to analyze the empirical data. Primary data were collected using five Point Likert-Scale questionnaires 191 responses were properly filled and returned. SPSS was used to analyze empirical data collected through the close ended questionnaire. The independent variables are training, motivation, leadership, organizational culture and working environment whereas the dependent variable is employees' job performance. The mean, frequency and percentile of the dependent and independent variables were computed and interpreted. Pearson correlation Coefficient* ***(r)*** *was used to determine the relationship between each independent variable with the dependent variable. The finding results indicated that the mean value for motivation (mean=2.86),* *leadership (mean=2.94), organizational culture (mean=2.99), and working environment (mean=2.87) were below average which indicate that there was limitation in implementing this practice in Wegagen Bank. The correlation result indicated that there were positive relationship between all of independent variables and the dependent variable, rejecting all null hypotheses. This implies that any increase or decrease on the independent variable will bring corresponding change on employees' job performance. And it's found that the independent variables has a 30.1% influence on the dependent variable while the remaining 69.9% is influenced by factors which are not covered in this study. Hence, the Wegagen Bank should periodically review its practice on motivation, leadership, organizational culture, and working environment in order to improve the limitation and to identify its effectiveness on employees' job performance.*

**Keywords:** Training, Motivation, Leadership, Organizational culture, Working Environment, and Employees' Job Performance

# CHAPTER ONE

# INTRODUCTION

## 1.1 Background of the study

Among other organizational resources, human resources are one of the most critical and valuable resource to achieve organizational objectives. Human resource can be defined as the most important resource to affect performance in organizations (Stone, 2008). Effectiveness and efficiency of an organization cannot be achieved without effective management of human resource. Performance analysis is an examination of the knowledge, skill, abilities, and attitudes of employees, their current and future career goals and objectives, and the ''match'' between employees and organizational expectations. Such an analysis also helps determine how employee performance helps the organization achieve its strategic goals and objectives (Gilley, 2009).

The main focus of Human resource management is the organization's interest in employees' performance. Human resource management (HRM) is a function performing by all managers to deploy human skill, knowledge, experience, and maximizing their performance to achieve organization objective (Armstrong, 2010).

Human resource can be defined as the most important resource to affect job performance in organizations. Human resource is an important factor of the production process. A well trained, motivated workforce makes it possible to achieve the organization's success. For this reason management has to supply not only raw materials, facilities, and equipment, but it also has to motivate its employees. Productivity, quality and customer relations are the key areas of success and these depend on performance of the employees. Employees will perform well if they are motivated (Stone, 2008). Organization has many resources among these, employees are the most valuable assets of any organization without whom no production activity can take place. The success of an organization largely depends on the quality of its employees which is measured by their performance.

Hence, good employees' performance is the part for the success of the organization. Nelson and Quick (2003) argue that a job with high motivation and hygiene factors leads to high performance and few complaints among employees. Employees' job performance like all other systems, they do not function when their components do not work together smoothly and efficiently. Thus, understanding relationship between the organization and its employees is the key to improve the organization's ability to move through change effectively. Organizations need to understand the factors that affect employee's performance because such insight will help them make decisions that will inculcate improved performance from the employees and to an extension the overall performance of the organization (Mwangi, 2012). Employee performance has been shown to have a significant effect on organizational performance. This is due to the reason that individual performance is the foundation of organizational performance. Identifying factors that affect employees' performance can help improve recruitment, retention and organization result (Mohammed and Nimalathasan, 2011).

Performance management is one function performed by HR manager as well as all managers on how people should be managed to achieve the performance that the organization needs to succeed (Carter and Frank, 2005). According to Bratton (2000) human resource activities are designed to match individuals to organizational tasks, to motivate the workforce, and to deal with conflicts and tensions at work. HRM practices, therefore, aim to achieve two sets of objectives: improve employee performance and enhance organizational effectiveness.

Armstrong (2010) noted that employee performance is a function of both ability and motivation, it makes sense to have practices aimed at enhancing both.' Thus there are several ways in which employees can acquire needed skills (such as careful selection and training) and multiple incentives to enhance motivation (different forms of financial and non-financial rewards). In addition to these Job performance is viewed as a function of three factors and is expressed with the equation. According to this equation, motivation, ability, and environment are the major influences over employee performance. Performance standards are designed based on information from job analysis which is systematic process of determining the characteristics of job, skills and knowledge required to performing jobs, and evaluate employees performance based on the standard (Kirkpatrick Donald, 2006). It indicated that there is no one type of system or set of objectives that is best suited for all organizations. Organization must be design and administer performance of employees in line with organization purpose and objective.

All organization needs employee's job performance in order to achieve pre- stated objectives, and employees accomplish their duties based on specific standard stated by their managers. There are different factors that determine the performance of employees. Of these performance appraisals system by itself and its application in an organization has its own impacts on the performance of employees (DelPo Amy, 2007). Nickols (2003), and Fort and Voltero (2004), identify factors that are closely related and affect provider's performance in the workplace. They include: clear goals and job expectations, suitable repertoire, immediate feedback, skills to perform, knowledge of the organizational structure, functional feedback system, sound metal models, sufficient motivation through self satisfaction and incentives.

In the case of Ethiopia several unpublished researches and few published researches have been done on issues of employees' job performance. One of the studies was conducted by Gebregziabher, H. (2009) on 128 Ethiopian Public Organizations and his study shows that the employees' job performance affected mainly by age, ability, and motivation in a positive manner but training and education has adverse effect. Moreover, study employed by Mulatu, (2014) it is also tested and proved that motivation and training has significant positive effect on employees' job performance. Another comparative study on private and public banks by Haile, (2013), concluded that, training, empowerment, compensation, performance appraisal and promotion has positive significant relationship was achieved with employees' performance in the case public bank. On the other hand result on specific private bank shows that only performance appraisal has positive significant relationship with employees' performance but remaining have not significant.

The research was identified the major factors affecting the effectiveness of the job performance of the employees working in Wegagen Bank S.C, through identifying the variables include leadership, organizational culture, working environment, motivation and training.

## 1.2 Background of the organization

Wegagen Bank S.C is a privately owned share company which started operations on June 11, 1997 with a subscribed capital of Birr 60 million and a paid up - capital of Birr 30 million. The number of shareholders reached 2,262 while the total capital (including paid-up capital, share premium and legal reserves) reached over Birr 2.3 Billion as at March 31, 2015.

Wegagen Bank has a network of 119 branches of which 57 are in Addis Ababa and the remaining 62 are located in other cities and towns of the country. To expand its service coverage, the Bank keeps on opening additional branches both in Addis Ababa and regional towns.

Wegagen Bank is governed by the Board of Directors consisting of a Chairperson, a Vice Chairperson and seven Directors. The overall management is entrusted to the management team which comprises the President/Chief Executive Officer, who is appointed by the Board of Directors, four Vice-Presidents and sixteen Directors as well as Manager of Engineering Service.

As at March 31, 2015, the total number of employees of the Bank stood at 2,951, of which 987 are diploma holders, 1,067 are holding first and second degrees, while the remaining 897attended high school and different levels of education. Additionally, the total number of staff of the Bank including six contract employees, reached 2,951 of which 1,021 (34.6%) were female. (Source: Wegagen Bank S.C Annual Report 2015). And also it has:

### 1.2.1 Vision and Mission Statement

**Vision**

"Becoming the most preferred Bank in Ethiopia".

**Mission Statement**

"To provide a wide range of quality banking services through a dynamic workforce and up-to-date IT solutions to satisfy the desires of all stakeholders".

### 1.2.2 Main Objectives

- Maximizing profitability through increased efficiency
- Enhance growing market share
- Expanding the bank's capital base
- Ensuring excellence in customer services
- Provide differentiated, varied and value added banking services

### 1.2.3 Major Services

- Accept different types of deposits,
- Grant varieties of loan facilities,
- Offer full-fledged international banking services,
- Render local and international money transfer services and
- Payment Card services through ATM and POS network.

### 1.3 Statement of the problems

Employees are the most valuable asset in any kind of organization which engaged in whether profit making, non-profit, service giving or manufacturing industry. As Rajendran (2005) clearly stated and strengthen that the success of any organization in the long run depends very much on the quality of its human resources. This is especially true in the service oriented industry like banking where improvements in service have to be continuously made to meet the rising expectations of the customers. A successful and highly productive business can be achieved by engaging them in improving their performance. Not all employees are equal in their working and they have different modes of working in that some have the highest capability regardless of the incentive while others may have an occasional jump-start. If they are handled effectively, the result can be greater productivity and increased employee morale. Employees in a firm are required to generate a total commitment to desired standards of performance to achieve a competitive advantage and improved performance for sustaining that competitive advantage at least for a prolonged period of time, if not forever.

Among all other factors motivational factors are the most known and acceptable since it plays a vital role to individual job performance in reaching and fulfilling the goals and objectives of the organization. Despite that Wegagen Bank practice the six most elements of motivation like rewards, pay, profit sharing, promotion, recognition, and job enrichment as Green (2000) stated but from informal discussion still employees are highly dissatisfied with their monthly salary which is not equitable as compared to employees in the same qualification and service year in other banks. Despite the fact that, the bank's HR rule and regulation document stated that a person who get a score of 95% and above performance evaluation has to receive a recognition letter but still not implemented in consistence manner as employees in the discussion explain which tends to the staff dissatisfied and negative impact on individual performance .

As we know the bank industry has operate in aggressive competition and dynamic environment to sustain and satisfy their customers in the market Wegagen use the follower strategy in accompanied with customers oriented organizational culture. Additionally, as per informal discussion the bank has good culture of encouraging employee who have trust and honest to the customer but on the other hand there is culture of resisting creativity of the staff who come up with new way of doing things that may easy the activity and save time . As Chapman, (1991) suggested that employee performance may be predicted based on person-organization fit. Fit between individual preferences and organizational cultures leads to improved performance because both job satisfaction and organizational commitment can be predicted with this fit. Moreover, the bank has good infrastructure high tech services, working tools, and interpersonal relationship in the working environment but still it has not a standardized office layout which employed throughout all branch offices. Such irregular office layout has negative effect on employees' performance to vary in different branches since not well designed layout has consume time and effort. As Amina H. (2009) stated in their journal that office design is very vital in terms of increasing employees' productivity. Comfortable and ergonomic office design motivates the employees and increases their performance substantially.

Additionally, when we see the training practice in Wegagen Bank most of the employees believe that the training is not as such sufficient since need assessment and content not well designed before the training and also there is no formal evaluation to what extent the training has improved employees' performance at work place. According to the 2015 annual report of the bank state that only 1,752 employees got access to training. As researcher has tried to observe and understand from informal discussion the management has no trend of participating the worker force in organizational decision that may concern them such leadership style which has negative impact on employees' performance. As we can clearly understand from Armstrong and Murlis (2004) stated that leadership style within an organization has a bearing on encouraging or inhibiting employee's performance. Waldman (1994) suggest that it is necessary that the manager is unbiased and treats every employee without discrimination.

Therefore, it is essential to generate relevant evidence through a detail study highlight solution to improving the performance of employees. This research was tried to describe the determinants of employees' performance in Wegagen Bank in Addis Ababa city. Specifically, it tries to determine the effect of leadership, organizational culture, working environment, motivation and training on individual performance. Secondly, this study was drawn some recommendations and indicate directions for further research.

## 1.4 Research Questions

The above statements guide the researcher to builds up research questions regarding the determinant factors which affect the performance of employees of the bank, the study tried to answer the following main research questions:

- What significant relationship does the selected internal factors have with employees' job performance in Wegagen Bank Addis Ababa city Branches?
- What effect does the selected internal factors have on employees' job performance in Wegagen Bank Addis Ababa city Branches?
- What extent of effect does the overall bundle of the selected determinant factors have on employees' job performance?

## 1.5 Objective of the Study

### 1.5.1 General Objectives of the study

The overall general objective of this research is to investigate the determinants factors (i.e. training motivation, leadership, organizational culture, and working environment) affecting employees' job performance in Wegagen bank S.C in Addis Ababa city branches. It also highlights how independent variables affect the employees' performance either positive or negative.

### 1.5.2 Specific Objective of the Study

The aim and key specific objectives of this research are as follows:

- To examine the relationship between the selected internal factors and employees job performance in Wegagen Bank Addis Ababa Branches.
- To investigate the effect of selected internal factors on the performance of the individuals in the study area.
- To examine the extent of effect the overall bundles of determinant factors have on employees' job performance.

## 1.6 Research Hypothesis

Hypothesis is simply an educated—and testable—guess about the answer to your research question. A hypothesis is often described as an attempt by the researcher to explain the phenomenon of interest. Hypotheses can take various forms, depending on the question being asked and the type of study being conducted. A key feature of all hypotheses is that each must make a prediction. Those hypotheses are the researcher's attempt to explain the phenomenon being studied, and that explanation should involve a prediction about the variables being studied. These predictions are then tested by gathering and analyzing data, and the hypotheses can either be supported or refuted (falsified) on the basis of the data. Two types of hypotheses with which one should be familiar are the null hypothesis and the alternate (or experimental) hypothesis. The null hypothesis always predicts that there will be no differences between the groups being studied. By contrast, the alternate hypothesis predicts that there will be a difference between the groups (Geoffrey Marczyk, 2005). Usually a research hypothesis must contain, at least, one independent and one dependent variable.

The hypotheses assume that employees' job performance are affected by and dependent on multiple factors including leadership, organizational culture, working environment, motivation and training. This study aims to figure out the effect of above-mentioned variables on the performance of employee in which it based on and adopted from the journal (Le Tran, 2002). Based on the problem and the research questions of the study, the following hypotheses were developed and tested.

**Hypothesis : 1**

- $H_1$: Training has a positive relationship and significant effect on employees' job performance.
- $H_0$: Training has no a positive relationship and significant effect on employees' job performance.

**Hypothesis : 2**

- $H_1$: Motivation has a positive relationship and significant effect on employees' job performance.
- $H_0$: Motivation has no positive relationship and significant effect on employees' job performance.

**Hypothesis : 3**

- $H_1$: Leadership has a positive relationship and significant effect on employees' job performance.
- $H_0$: Leadership has no a positive relationship and significant effect on employees' job performance.

**Hypothesis : 4**

- $H_1$: Organizational culture has a positive relationship and significant effect on employees' job performance.
- $H_0$: Organizational culture has no a positive relationship and significant effect on employees' job performance.

**Hypothesis : 5**

- $H_1$: Working environment has a positive relationship and significant effect on employees' job performance.
- $H_0$: Working environment has no a positive relationship and significant effect on employees' job performance.

**Hypothesis : 6**

- $H_1$: The overall bundle of determinant factors has an effect on employees' job performance
- $H_0$: The overall bundles of determinant factors have on employees' job performance. has no effect on employees' job performance

## 1.7 Significance of the study

The study was focus on factors affecting employees' job performance in Wegagen bank S.C in Addis Ababa city branches. So this research was indentifying the exact factors that determine employees' job performance, and it will provide insights for the improvement job performance of the staff. The result of the study will help the company to re-examine the system, and to take appropriate action.

This research also will be helpful for other organization to reconsider their workers performance and to understand the implication of factors on employee's performance.

In addition to this, the research will serve as a reference for researchers who are interesting to conduct a research on the topic.

## 1.8 Scope of the study

This research study was limited to the Wegagen Bank S.C in specifically in Addis Ababa city branches. The researcher was also focused only on determinant factors affecting employees' job performance of the named company. In addition, the study employed only a quantitative approach and limited to one point of data collection through cross-sectional survey. Therefore the scope of this research was only delimited to the Wegagen Bank of Ababa city branches.

## 1.9 Limitation of the study

It is very difficult and beyond the scope of this paper to identify and discuss numerous factors that affect employees' performance. The researcher was not considered the whole factors in this research. Moreover, the research was only focused to head office and 36 selected branches located in Addis Ababa city by excluding others 62 braches which is directly related with time, budget and availability of other resources. There was lack of awareness and willingness of the employees regarding, filling out the questionnaires or providing the required data with care and being unable to return the questionnaire on time basis.

## 1.10 Organization of the study

The organization of the study follows the same format most thesis papers follows. The first chapter discusses background of the study and organization, statement of the problems, research question, significance of the study, scope and objective of the study. The second chapter review literatures related to this particular research. The third chapter concentrates on the research design and the methodology. The fourth chapter presents data and analysis based on the gathered data. The last chapter deals with the major findings, conclusion and recommendation part of the research.

# CHAPTER TWO

# 2 LITERATURE REVIEW

## 2.1 Concept of Employee Performance

Organizations are undergoing a transformation for coping against the changing needs of the environment and excelling in the business by building up their adaptive capabilities for managing change proactively. Sustainability of business organization is depends on talent, skill, knowledge and experience of employees and on their performance (Armsstrong Michael, 2009).
Performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. Employee's performance is the contribution of employees for the achievement of organization objective. Employees expected to perform acceptable level of the standard and managers follow up, and evaluate the performance of employees to attain the stated objective of an organization (Armsstrong Michael, 2009).

According to Cooke (2000) performance can be defined as the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and speed. In an employment contract, performance is deemed to be the accomplishment of a commitment in such a manner that releases the performer from all liabilities laid down under the contract.

## 2.2 Concepts of Performance management

As Armstrong (2009) discussed one of the most important concepts of performance management is that it is a continuous process that reflects normal good management practices of setting direction, monitoring and measuring performance and taking action accordingly. Performance management should not be imposed on managers as something 'special' they have to do. It should instead be treated as a natural function that all good managers carry out.

According to Pam J. (2000) Performance management is about getting results. It is concerned with getting the best from people and helping them to achieve their potential. It is an approach to achieving a shared vision of the purpose and aims of the organization. It is concerned with helping individuals and teams achieve their potential and recognize their role in contributing to the goals of the organization. Armstrong (2009) has defined performance management as a systematic process for improving organizational performance by developing the performance of the individuals and teams.

Ndung'u (2009) has pointed out that performance management aligns individual and organizational objectives. Wright (2003) has pointed out that individuals are more committed to their performance objectives when they believe those objectives are achievable and will result in important outcomes for themselves or, the organization in which they work.

Gary (2004) define Performance management (PM) is the process of managing the execution of an organization's strategy. It is how plans are translated into results. Performance management fosters a work environment in which managers and employees are genuinely engaged and behave as if they were the business owners.

In general all organizations have people who are not performing to standard, but try not to label them as 'poor' performers. Over their careers, people may have times when they are performing well and other times when they are not bringing in the results expected. The challenge is to maintain and develop the performance of all people. One of the main issues is when to act. Managing poor performance is a bit like catching sand falling through an hourglass. You need to tackle the grains rather than wait for a heap of sand to build up (Pam Jones, 2000).

Performance management is an important HRM process that provides the basis for improving and developing performance and is part of the reward system in its most general sense. Performance management is a means of increasing the engagement and motivation of people by providing positive feedback and recognition (Armstrong, 2009).

## 2.3 Objectives of performance management

Armstrong, (2009) argued that the overall objective of performance management is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Performance management provides the basis for self-development but importantly, it is also about ensuring that the support and guidance people need to develop and improve are readily available.

The following survey data were collected through electronic about the performance management objectives – respondents to the 2005 e-reward survey (Armstrong, 2009):

- Align individual and organizational objectives – 64 per cent.
- Improve organizational performance – 63 per cent.
- Improve individual performance – 46 per cent.

- Provide the basis for personal development – 37 per cent.
- Develop a performance culture – 32 per cent.
- Inform contribution/performance pay decisions – 21 per cent.

## 2.4 Reasons For The Performance Gap

As Armstrong (2009), stated in his book there may be a number of reasons for the poor performance.

- Personal ability: Has the individual the capability? Is there a skills gap needing training?
- Manager ability: Have I given enough direction, and made sufficient resources available?
- Process gap: Has the appraisal system been at fault? Have the goalposts moved or external forces made the task unattainable? Have there been regular enough review sessions and is the reward system pointing in the right direction?
- Environmental forces: Has the organization created departmental barriers, red-tape overkill, cultural restrictions or hidden agendas which make the task impossible?
- Personal circumstances: Has something at home affected performance at work?
- Motivation: Is the person demotivated or suffering from stress or lack of challenge?

Poor performance can often be a symptom of other problems. Obviously, you need to work with the individual concerned to recognize where the problem is and how it should be resolved.
There is a whole range of motivational theories but the secret to motivation is to understand your people. People are motivated by different things at different stages of their lives and you have a greater influence than you may realize in motivating your people. In America, 46% of those who quit their jobs last year did so because they felt unappreciated (US Department of Labor).

## 2.5 Measures of performance

According to Armstrong (2005) individual performance can be measured by reference to key performance indicators (KPIs) and metrics. KPIs define the results or outcomes that are identified as being crucial to the achievement of high performance. Strictly speaking, metrics are measurements using a metric system, but the term is used generally for any form of measure. It can be argued that what gets measured is often what is easy to measure. And in some jobs what is meaningful is not measurable and what is measurable is not meaningful.
Measuring performance is relatively easy for those who are responsible for achieving quantified targets, for example sales. It is more difficult in the case of knowledge workers, such as scientists. But this difficulty is alleviated if a distinction is made between the two forms of results – outputs and outcomes (Armstrong, 2005).

Performance means both behavior and result. Behavior emanates from the performer and transforms performance from abstraction into action. Not just a means to an end, the behavior is also an outcome in itself, the product of mental and physical effort applied to the task, which can be judged apart from the result (Armstrong, 2005).

As Armstrong (2005) have pointed out that performance is a multidimensional construct, the measurement of which varies depending on a variety of factors. A more comprehensive view of performance is achieved if it is defined as embracing both behavior and outcomes. Employees' performance is an important factor that contributes to improve the outcomes, behavior and traits of the employees. It helps to improve the productivity of the organization.

As it was indicated in Hunger and Wheelen (2000), Controls can be established to focus either on actual performance results (output) or on the activities that generate the performance (behavior). Whereas behavior controls specify how some thing is to be done through policies, rules, standards, operating procedures, and orders from a supervisor. Output controls specify what is to be accomplished by focusing on the end results of the behaviors through the use of objectives and performance targets or milestones.

There are essentially three types of performance data available (Wheelen, 2000)); these are measures of output of goods and services, which may be quantitative (units produced, customers served) or qualitative (number of errors, customer complaints); measures of time, including lateness, absence, lost working time, failure to meet deadlines); and financial indicators, which include a large array of possibilities. These may be interrelated; thus absence reduces a unit production level which reduces profits.

Where 'hard' quantitative data are not available, we may wish to resort to measures of behavior. Ideally, we observe people at work, noting whether they approach customers and offer help, or noting whether they observe safety procedures. Failing that, we can obtain reports either from an 'observer', such as the superior or a peer or subordinate, or from the person under study (John, 2002).

The same perspective can be adopted for performance data of interest to other stakeholders, for example those concerned with the environment. The measurement becomes more complex when applied to employees, since we will need to add subjective evaluations. The important point is that they should be collected systematically, perhaps through mechanisms such as attitude surveys (John .2002).

Behavior and output controls are not interchangeable. Behavior controls (such as following company procedures and getting to work on time) are most appropriate when performance results are hard to measure but the cause – effect connection between activities and results is clear. Moreover, output controls (such as surveys of customer satisfaction) are most appropriate when specific output measures have been agreed on but the cause – effect connection between activities and results is not clear.

## 2.6 Factors Affecting Employees' Job Performance

AS Le Tran,( 2002) mentioned in his journal according to some researchers and practitioners, there are certain factors individually and collectively effect on the performance of employees in a positive or negative way, including:

### 2.6.1 Leadership

Many scholars give different definition for the single word leadership. Leadership is a process by which an executive can direct, guide and influence the behavior and work of others toward the accomplishment of specific goals in a given situation. Leadership is an ability of a manager to induce the subordinates to work with confidence and zeal. Leadership can be defined as the capacity to influence a group realization of the goal. Leaders are required to develop the future vision, and to motivate the organizational members to want to achieve the visions and to improve the performance Iqbal N, Anwar S, Haider N (2015).

According to Adair (2002), "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and to improve their performance and to direct them towards goals"

Leadership is to deal and cope with change, focusing on the long-term and the big picture, not always doing to safe himself in fact to take risks, and concentrating on people and their values, not just the bottom line (Koudri,1999).

#### 2.6.1.1 Leadership Style

An effective leader has a responsibility to provide guidance and share the knowledge to the employee to lead them for better performance and make them expert for maintaining the quality. And to become a head of all the team members is such a great responsibility. The introduction of clear standards of leadership promotes the core values and maturity on their role and responsibility. As the situation affects which functions the leaders carries out, it would also affect the manner in which the functions are performed.

There are broadly three types of leadership styles according to Carter (2005) and he also explains the different traits of each style that significantly affect the employee performance.

**i. Autocratic/Authoritarian:**

Both words describe the type of leaders who give orders and expect instant obedient without argument. Plans and policies are made in isolation from the group. Orders are given without explanation for the reasons or of future intentions. The autocratic leaders do not become part of them at all, but merely direct it. Traits of autocratic style: All decision making power is theirs, unrealistic in demands, uses excessive discipline and punishment, does not allow others to question decisions or authority, feels he/she is the abilities, critical of differing opinions, rarely gives recognition, is easily offended is offended, uses others for his/her benefit, actions oriented, highly competitive, useful in the short term focus (Carter, 2005).

**ii. Democratic/Passive:**

Theoretically the best type of leaders. The democratic leader makes no suggestions but asks for the groups opinions. The group is left to make its own decisions democratically which, are then "rubber stamped" by the leader.

**iii. Participative:**

The participative leader is a leadership style in which employees takes part in the decision making process. Opinions of the group are sought by the participative leader who uses this information to make decisions. The group is kept informed about the future and are allowed to debate and proposed Changes to long term policy (Carter, 2005).

#### 2.6.1.2Effect of different styles on employee performance

As Iqbal N et. Al., (2015), cited in their journal that elaborate by Myron Rush and Cole (2004) the participative style of leadership has a greater positive effect on employee performance in which situation employee feel power and confidence in doing their job and in making different decisions. And in autocratic style leaders only have the authority to take decisions in which employees' feels inferior in doing jobs and decisions. In democratic style employee have to some extent discretionary power to do work so their performance is better than in autocratic style.

### 2.6.2 Organizational Culture

Organizational culture is the set of important assumptions-often unstated-that members of an organization share in common. There are two major assumptions in common; beliefs and values. Beliefs are assumptions about reality and are derived and reinforced by experience. Values are assumptions about ideals that are desirable and worth striving for. When beliefs and values are shared in an organization, they create a corporate culture (Azhar, 2003). Robbins (2013) defines organizational culture as a relatively uniform perception held of the organization, it has common characteristics, it is descriptive, it can distinguish one organization from another and it integrates individuals, groups and organization systems variables. Organizational culture refers to a set of some commonly experienced stable characteristics of an organization which constitutes the uniqueness of that organization and differentiates it from others.

Organizational culture has been defined as the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. Organizational values are beliefs and ideas about what kind of goals members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these goals. From organizational values develop organizational norms, guidelines, or expectations that prescribe appropriate kinds of behavior by employees in particular situations and control the behavior of organizational members towards one another (Black & Richard, 2003).

Schein (2004) defines organizational culture as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way they perceive, think, and feel in relation to those problems. Organizational culture is generally considered to be, at its deepest level, a cognitive phenomenon, "the collective programming of the mind" (Hofstede, 2000) and "the basic assumptions and beliefs that are shared by members of an organization, that operate unconsciously" (Schein, 2004). However, though organizational culture may reside in the collective minds of organizational members, it is manifested in tangible ways, such as behaviors, throughout the organization (Detert, 2000). In an effort to understand the full complexity of organizational culture, researchers have attempted to identify the components that comprise an organization's culture. One component that recurs in descriptions of organizational culture is the values that are held by the members of the organization. Hofstede (2000) picture that organizational culture as an onion, containing a series of layers, with values comprising the core of the onion. Values are part of the substance of organizational cultures, or the basic ideology undergirding a culture. It is believed that it is possible to examine the values that are held within an organizational culture (Hofstede,2000).
Le Tran,( 2002) stated that Organizational Culture is common values and behaviors of the people that considered as a tool leads to the successful achievement of organization goals (Schein, 2004). Organizational culture is the mindset of people that distinguishes them from each other, within the organization of outside the organization. This includes values, beliefs, and behaviors of the employee's difference from the other organization (Hofstede, 2000).

Strong culture in the organization is very helpful to enhance the performance of the employees that leads to the goal achievement and increase the overall performance of the organization .According to the Stewart (2010), norms and values of organizational culture highly effect on those who are directly or indirectly involved with the organization. These norms are invisible but have a great impact on the performance of employees and profitability. The most important characteristic is shared value.

A strong organizational culture supports adaptation and develops organization's employee performance by motivating employees toward a shared goal and objective; and finally shaping and channeling employees' behavior to that specific direction should be at the top of operational and functional strategies. Shared value of employees is one of the basic components of organizational culture.) And also clarifies that shared value which is a set of social norms that define the rules or framework for social interaction and communication behaviors of society's members, is a reflection of causal culture assumptions (Schein, 2004).

#### 2.6.2.1Influences of Culture on Institution

According to Chatman and Cha (2003), the culture and structure of an organization develop over time and in response to a complex set of factors. There are number of key influences those are likely to play an important role in the development of any corporate culture. The reason and manner in which the organization was originally formed, its age, and the philosophy and values of its owners and senior managers will affect culture.

Top executives can have considerable influence on the nature of corporate culture. However, all members of staff help shape the dominant culture of an institution, irrespective of what senior management feels it should be. Culture is also determined by the nature of staff employed and the extent to which they accept management philosophy and policies or pay only "lip service" (Chatman and Cha, 2003).

In order to be effective, the institution must be responsive to external environmental influences. In order that leaders can develop, manage and change their culture for better performance, Chatman and Cha (2003) refer to the use of three managerial tools:-

- Recruitment and selection-hire people who fit the company's culture.
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- Social tools and training-develop practices that enable new people to understand the values, abilities, expected behavioral and social knowledge in order to participate fully as an employee, and to create strong bonds among members.
- Reward system-Culture is an organization's informal reward system but it needs to be intricately connected to formal rewards. Example includes payment of commissions in front of customers/students and parents other staff to good performing employees.

### 2.6.3 Working Environment

According to Leblebici (2012), nowadays the relationship between employees and employers may be seen upside down. Since there the number of job opportunities available for employees has been increasing in a growing worldwide economy, not just employees but also employers need to readjust themselves in order to cope up with the dynamics of business life. Therefore, HR executives need to consider new strategies for recruiting and retaining best fit talents for their organizations. Higher salaries and compensation benefits may seem the most likely way to attract employees. However, quality of the physical workplace environment may also have a strong influence on a company's ability to recruit and retain talented people Some factors in workplace environment may be considered keys affecting employee's engagement, productivity, morale, comfort level etc. both positively and negatively.
Although convenient workplace conditions are requirements for improving productivity and quality of outcomes, working conditions in many organizations may present lack of safety, health and comfort issues such as improper lightening and ventilation, excessive noise and emergency excess. People working under inconvenient conditions may end up with low performance and face occupational health diseases causing high absenteeism and turnover. There are many organizations in which employees encounter with working conditions problems related to environmental and physical factors. Pech and Slade (2006) argued that the employee disengagement is increasing and it becomes more important to make workplaces that positively influence workforce.

Other studies have examined the effect of work environment on workers job satisfaction, performance, and health. For example Scott, (2000) reported that working conditions associates with employees, job involvement and job satisfaction. Strong, M. H., Jeannerert, P. R., McPhail, S. M., & Bleckley, B (1999) in a study observed that social, organizational and physical context serve as the impetus for tasks and activities, and considerably influence workers performance. Researches on quality of work life have also established the importance of safe and healthy working conditions in determining employees‟ job performance.

According to Pech and Slade (2006) the focus is on symptoms of disengagement such as distraction, lack of interest, poor decisions and high absence, rather than the root causes. The working environment is perhaps a key root causing employee's engagement or disengagement. Another research indicates that improving the working environment reduces complaints and absenteeism while increasing productivity (Roelofsen, 2002).Wells (2000) states that workplace satisfaction has been associated with job satisfaction. In recent years, employees comfort on the job, determined by workplace conditions and environment has been recognized as an important factor for measuring their productivity. This is particularly true for those employees who spend most of the day operating a computer terminal. As more and more computers are being installed in workplaces, an increasing number of businesses have been adopting ergonomic designs for offices and plant installations. Ergonomics, also called biomechanics, has become popular because of demand of workers for more human comfort.

Many executives are under the mistaken impression that the level of employee performance on the job is proportional to the size of the employee's compensation package. Although compensation package is one of the extrinsic motivation tool (Ryan and Deci, 2000) it has a limited short term effect on employees' performance. A widely accepted assumption is that better workplace environment motivates employees and produces better results. Office environment can be described in terms of physical and behavioral components. These components can further be divided in the form of different independent variables. An organization's physical environment and its design and layout can affect employee behavior in the workplace. Brill (2002) estimates that improvements in the physical design of the workplace may result in a 5-10 percent increase in employee productivity. Stallworth and Kleiner (1996) argue that increasingly an organization's physical layout is designed around employee needs in order to maximize productivity and satisfaction. They argue that innovative workplaces can be developed to encourage the sharing of information and networking regardless to job boundaries by allowing communication freely across departmental groups. Statt (1994) argues that the modern work physical environment is characterized by technology; computers and machines as well as general furniture and furnishings. To achieve high levels of employee productivity, organizations must ensure that the physical environment is conducive to organizational needs facilitating interaction and privacy, formality and informality, functionality and crossdisciplinarily. Consequently, the physical environment is a tool that can be leveraged both to improve business results and employee well-being (Huang, 2004).

Ensuring adequate facilities are provided to employees is critical to generating greater employee commitment and productivity. The provision of inadequate equipment and adverse working conditions has been shown to affect employee commitment and intention to stay with the organization (Weiss, 1999) as well as levels of job satisfaction and the perception of fairness of pay (Bockerman and Ilmakunnas, 2006). From a safety perspective, Gyekye (2006) indicates that environmental conditions affect employee safety perceptions which impact upon employee commitment.

Extensive scientific research conducted by Roelofsen (2002) has also yielded indications suggesting that improving working environment results in a reduction in a number of complaints and absenteeism and an increase in productivity. The indoor environment has the biggest effect on productivity in relation to job stress and job dissatisfaction. As suggested by Govindarajulu (2004), in the twenty-first century, businesses are taking a more strategic approach to environmental management to enhance their productivity through improving the performance level of the employees. It is evident in the research findings of Patterson M G, West M A, Lawthorn R and Nickell, S., (2003) that the more satisfied workers are with their jobs the better the company is likely to perform in terms of subsequent profitability and particularly productivity. Sekar (2011) argues that the relationship between work, the workplace and the tools of work, workplace becomes an integral part of work itself. The management that dictate how, exactly, to maximize employee productivity center around two major areas of focus: personal motivation and the infrastructure of the work environment (Sekar,2011). There are various literatures that define different factors that influence the performance of the employees. Haynes (2008) explains the behavioral office environment behavioral components of the office environment that have the greatest impact on office productivity. In all of the work patterns, it was found that interaction was perceived to be the component to have the most positive effect on productivity, and distraction was perceived to have the most negative. As people are the most valuable resource of an organization, and that the management of people makes a difference to company performance (Patterson et al., 2003). The workplace environment factors which lead to engagement or disengagement.

Goal setting is an important tool to attract motivation of the employee. There are two important purposes of goals in organizations are to guide the behavior of individuals and to motivate them to perform at higher levels of effectiveness. Specific goals are more effective than generalized goals that difficult goals lead to greater performance than do easy goals, as long as the goals are accepted, and that frequent, relevant feedback is important for goal setting effectiveness. Effective goals, those with the above characteristics, are likely to promote a greater frequency of the work style behaviors. They help generate commitment, both to the goals and to the organization, which results in people doing more than they are required to do. Open communication is encouraged by the existence of effective goals. Members in groups with clear goals are more likely to communicate openly than those with unclear goals (Morrisey, 1997).

Performance Feedback is an information exchange and conflict resolution process between the employee and supervisor. While the supervisor gives his/her feedback and requirements, the employee enables to give his /her feedback regarding his/her requirements. Although this process is formal, it could be managed informally by gaining closer relations for two sides. Each employee has a role in the organization. These roles are explained in Job Descriptions forms in a formal way. Employees' roles and task should be allocated consistently by his / her supervisor which is defined as role congruity (Chandrasekar, 2011).

Le Tran,( 2002) cited on his journal that the influence degree of working environment is the counterpart requirement of a creative job. Higher job satisfaction and lower intentions to leave were found for those individuals whose work environment accompanied the creative requirements of jobs. Enhancing the creative performance of employees has been recommended as dire for remaining competitive in a dynamic environment and for enhancing the overall innovations of an organization (Janssen, O. and NW. Van Yperen, 2004).

Working environment can be divided into two components namely physical and behavioral components. The physical environment consists of elements that relate to the office occupiers' ability to physically connect with their office environment. These connect with their office environment. The behavioral environment consists of components that relate to how well the office occupiers connect with each other, and the impact the office environment can have on the behavior of the individual. According to Haynes (2008), the physical environment with the productivity of its occupants falls into two main categories office layout (open-plan verses cellular offices) and office comfort (matching the office environment to the work processes), and the behavioral environment represents the two main components namely interaction and distraction.

### 2.6.4 Motivation

When we arise a key question at this stage is what the relationship is between motivation and job performance? Soo , O., and Lewis, G. (2009) defines job performance as the result of motivation and ability. Ability includes training, education, equipment and simplicity of task, experience and both inborn mental and physical capacity. Given all of these factors at their peak, an employee may still not perform well on the job if the motivation is not directed at that particular task. Abonam (2001) supports this in stating that people need both motivation and ability. Highly motivated workers will not achieve results if they do not have the necessary skills, expertise and attitude that the organization requires of them. Similarly, employees with expertise, knowledge and skill will not do well if they are unmotivated. He further says that the most widely accepted reason why people are motivated to work and perform is rooted in expectancy theory. Sajuyigbe (2013) forwards the view that if successful performance does in fact lead to organizational rewards, such performance could be a motivational factor for employees. Under such conditions, they can see that their efforts result in rewards. Consequently they may be motivated to exert high level of effort on the job. In summary, not only can motivation influence performance, but also that performance – if followed by rewards can influence motivation.

Verhellen (1994) argues that motivation strategies aim to create a working environment and to develop policies and practices, which will provide for higher levels of performance from employees. They will be concerned with measuring motivation to provide an indication of areas where motivational practices need to be improved; ensuring, so far as possible, that employees feel they are valued; developing behavioral commitment; developing an organization climate which will foster motivation; improving leadership skills; job design; PM; compensation and reward management; and the use of behavioral modification approaches.

Le Tran,( 2002) cited on his journal that motivation is a key determinant of job performance and a poorly motivated force will be costly in terms of excessive staff turnover, higher expenses, negative morale and increased use of managements' time. Therefore, management must know what exactly stimulates their staff so resources are not misallocated and dissatisfaction develops among employees (Jobber, 1994). As Green (2000) has described motivation to be proactive in the sense of; in dealing with employees who are high performers, motivation is essential, otherwise their performance will decline or they will simply leave the job. While dealing with low performers, motivation is a prerequisite; otherwise these employees will drag results down, lower productivity and certainly would not leave the organization, as they will have nowhere else to go.

A motivated workforce is essential because the complete participation of employees will certainly drive the profitability of the organization (Carlsen, 2003), believe motivation is the educating of employees to channel their efforts towards organizational activities and thus increasing the performance of the said boundary spanning roles. According to Denton, a motivated workforce will lead to greater understanding, acceptance, commitment to implementation, understanding of objectives and decision making between management and employees. Among different elements of motivation we will try to discuss on the following:

#### 2.6.4.1 Reward

Reward is clearly central to the employment relationship. While there are plenty of people who enjoy working and who claim that they would not stop working even if they were to win a large sum in a lottery, most of us work in large part because it is the only means of earning the money I need to sustain us and families in the style to which I am accustomed (Torrington & Hal, 2008).

Total reward is the combination of financial and non-financial rewards available to employees. A total reward approach is holistic; reliance is not placed on one or two reward mechanisms operating in isolation, account is taken of every way in which people can be rewarded and obtain satisfaction through their work (Armstrong, 2009).

#### 2.6.4.2 Profit Share

The intention behind profit share schemes is to make the employee feel involved and to give him or her sense of participating in the company‘s future growth (Tyson, 2006).

#### 2.6.4.3 Employee Benefit

Benefit plans have changed remarkably in recent times as companies move away from traditional pension plans, seeking out account balance plan alternatives designed to attract and motivate a 21st-century workforce, which is generally older and has shorter service expectations (Chingo, 2002). A benefit is an indirect reward, such as health insurance, vacation pay, retirement pensions (Mathis & Jackson, 2000), sick pay, insurance cover and company cars (Armstrong, 2009) given to an employee or group of employees as a part of organizational membership (Mathis & Jackson, 2000). Most are fixed and there is a strong movement towards harmonizing most benefits throughout an organization rather than separate schemes for different groups of employees (Stredwick, 2005).

#### 2.6.4.4 Incentive

According to Torrington et al. (2008), incentive is here described as an element of payment linked to the working performance of an individual or working group, as a result of prior arrangement. This includes most of the payment-by-results schemes that have been produced by work study, as well as commission payments to salespeople, skills-based pay schemes and performance-related pay schemes based on the achievement of agreed objectives. The distinguishing feature is that the employee knows what has to be done to earn the payment, though he or she may feel very dependent on other people, or on external circumstances, to receive it.

#### 2.6.4.5 Non-Financial Reward

Non-financial rewards present a large range of desirable extras for organizations. These do not directly increase the employee‘s financial position, but rather add attraction to life on the job (DeCenzo & Robbins, 2005). Rewards which do not involve any direct payments and often arise from the work itself, for example, achievement, autonomy, recognition, scope to use and develop skills, training, career development opportunities and high quality leadership (Armstrong, 2009).

#### 2.6.4.6 Theory of employee motivation

Armstrong (2005) clearly discussed all about employee motivation and some of related concepts are discussed below. Motivation is concerned with the factors that influence people to behave in certain ways.

**Economic man approach**: - people are primarily motivated by economic rewards and it assumes that they will be motivated to work if reward and penalties are tied directly to the results they achieve. Pay awards are contingent up on effective performance.

**Herzberg's two factors model**: - he claimed that money is a so-called "hygiene factors' which serve as a potential dissatisfies if not present in appropriate amounts, but not as potential satisfier or positive motivator. A further reason given by Herzberg for regarding salary as a 'hygiene factor', that is, a factors which prevents disease rather than promotes health, was because its impact on favorable feelings was largely short- term, while its impact on unfavorable feelings was long term extending over periods of several months. But Armstrong and Murlis conclude that this model does not provide reliable basis for developing pay policies.

**Instrumental theory**: - this theory states money provides the means to achieve ends. It is an instrument for gaining desired outcomes and its force will depend on two factors. First, the strength of the need Second, the degree to which people are confident that their behavior will earn the money they want to satisfy the need.

Money acts as a symbol in different ways for different persons and for the same person at different times.

Money is therefore a powerful force because it is linked directly or indirectly to the satisfaction of all the basic needs. But the effectiveness of money as a motivator depends on a number of circumstance, including the values and the needs of individuals and their preference for different types of financial and non-financial rewards.

**Equity theory**: - argues that satisfaction with pay is related to perceptions about the ratio between what one receives from the job (outcomes in form of pay) to what one puts in to it(inputs in the form of effort and skill) compared with the ratios obtained by others (Armstrong, 2005).

**Expectancy theory**: -it states that motivation will be strong if individuals can reasonably expect that their efforts and contributions will produce worthwhile rewards. There two factors determining the effort people put in to their jobs.

- The values of the rewards to individuals in so far as they satisfy their needs for security, social esteem, and self actualizations.
- The probability that rewards depend on effort, as perceived by the individual-in other words, his or her expectations about the relationships between effort and reward.

The greater the value of a set of awards, and the higher the probability that receiving each of these rewards depend up on effective effort, ability, and role perceptions.

In more practical terms, expectancy theory says that an employee will be motivated to exert a high level of effort when he or she believes that effort will lead to a good performance appraisal; that a good appraisal will lead to organizational rewards like a bonus, a salary increase, or a promotion; and that the rewards will satisfy the employee's personal goals (Armstrong, 2005).

### 2.6.5 Training

Le Tran, (2002) cited on his journal that the developing process of employees' skill in order to improve the performance is called training. Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively. Existing literature presents evidence of an existence of obvious effects of training and development on employee performance. (Swanson, 1999)

According to Wright & Geroy (2001) noted that employee competencies change through effective training programs. Training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior (Appiah 2010; Harrison 2000).

Most of managers give training to their employees for three main purposes (Belcourt, Wright and Saks, 2000), which are:

- to increase productivity or the performance of employees;
- to achieve organizational goals; and
- to invest in employees to succeed in the unpredictable and turbulent business environment.

There are 3 most important types of training: training needs assessment (TNA), training contents and delivery approaches, on the job training (OJT).

Effective training and development programs aimed at improving the employees' performance. Training refers to bridging the gap between the current performance and the standard desired performance. Training could be given through different methods such as on coaching and mentoring, peers' cooperation and participation by the subordinates. Training programs not only develops employees but also help an organization to make best use of their human resources in favor of gaining competitive advantage. Therefore, it seems mandatory by the firm to plan for such training programs for its employees to enhance their abilities and competencies that are needed at the workplace, (Jie and Roger, 2005).

Furthermore on a study conducted by Kasau (2014) to assess the relationship between training and performance showed that employees should be trained to equip with positive attitudes towards work and training should also be done with an objective of building the "how" to deliver quality services to the customers. For the employees to perform well, they should be trained and then positioned for any personal growth opportunities available in the company. Vemić (2007) stated that the renewing knowledge is an imperative for the organization, and not an option. Falola , (2014) also argued as training is important for the survival of any organization. It is also imperative for effective performance of employees, enhancement of employees' ability to adapt to the changing and challenging business environment and technology for better performance, increase employees' knowledge to develop creative and problem solving skills. The researcher found the following different studies conducted by different researchers on the impact of training and development on employees' performance helpful to strengthen the literature.

#### 2.6.5.1The Relationship between Training and Employees` Performance

Most of the previous studies provide the evidence that there is a strong positive relationship between human resource management practices and organizational performance (Purcell & Boxall, 2003). As Guest (1997) mentioned in his study that training and development programs as one of the vital human resource management practice, positively affects the quality of the workers knowledge, skills and capability and thus results in higher employee performance on job. This relation ultimately contributes to supreme organizational performance.

According to Swart.(2005), bridging the performance gap refers to implement a relevant training intervention for the sake of developing particular skills and abilities of the workers and enhancing employee performance. He further elaborate the concept by stating that training facilitate organization to recognize that its workers are not performing well and thus their knowledge, skills and attitudes needs to be molded according to the firm needs. There might be various reasons for poor performance of the employees such as workers may not feel motivated any more to use their competencies, or may be not confident enough on their capabilities, or they may be facing work- life conflict. All the above aspects must be considered by the firm while selecting most appropriate training intervention that helps organization to solve all problems and enhance employee motivational level to participate and meet firm expectations by showing desired performance.

As mentioned by Swart.(2005) this employee superior performance occur only because of good quality of training program that leads to employee motivation and their needs fulfillment. According to Wright and Geroy (2001), competencies changes through effective training programs. It not only improves the overall performance of the employees to effectively perform the current job but also enhance the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance. Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve firm objectives in a competitive manner.

However, employee performance is also affected by some environmental factors such as corporate culture, organizational structure, job design, performance appraisal systems, power and politics prevailing in the firm and the group dynamics. If the above mentioned problems exist in the firm, employee performance decreases not due to lack of relevant knowledge, skills and attitude, but because of above mentioned hurdles. To make training effective and to ensure positive effect of training on employee performance these elements should be taken into consideration Wright and Geroy (2001).

#### 2.6.5.2 Establishing Training Objectives

According to Mathis, et al (2008) once training needs have been identified using the various analyses, and then training objectives and priorities must be established. All of the gathered data is used to compile a gap analysis, which identifies the distance between where an organization is with its employee capabilities and where it needs to be. Training objectives are set to close the gap. The success of training should be measured in terms of the objectives set. Useful objectives are measurable. This objective serves as a check on internalization, or whether the person really learned. Objectives for training can be set in any area by using one of the following four dimensions: such as Quantity, Quality, Timeliness, and Cost savings as a result of training. Because training seldom is an unlimited budget item and there are multiple training needs in an organization, it is necessary to prioritize needs. Ideally, training needs are ranked in importance on the basis of organizational objectives. The training most needed to improve the health of the organization is done first in order to produce visible results more quickly.

### 2.6.5.3 Types of Training

Training classified into different types based on different criteria. According to (Mathis et al, 2008) training classified based on the content of training or focus of the program such as, personal computer, team building, sexual harassment, hiring and selection, new equipment operation, Train the trainer, leadership, conducting performance appraisal, new employees orientation and etc.

### 2.6.5.4 Methods of training

According to (Olaniyan and Lucas, 2008) the method of training can be classified as follows:

- **On the job training/coaching -**This relates to formal training on the job. A worker becomes experienced on the job over time due to modification of job behaviors at the point of training or acquisition of skills.
- **Induction/orientation -** This is carried out for new entrants on the job to make them familiar with the total corporate requirements like norms, ethics, values, rules and regulations.
- **Apprenticeship -** A method of training where an unskilled person understudies a skilled person.
- **Demonstration-**Teaching by example, whereby the skilled worker performs the job and the unskilled closely observes so as to understand the job.
- **Vestibule -** This is done through industrial attachment for the purpose of skills and technology transfer. It is therefore achieved through placement of an individual within another area of relevant work or organization. The effect is the acquisition of practical and specialized skills or it is a type of training which occurs in special facilities that replicate the equipment and work demands of jobs (Mathis, et al, 2008).
- **Formal Training -** A practical and theoretical teaching process which could be done within or outside an organization. When training is carried out inside an organization, it is called an in-housetraining. Off-house training is carried out in professionalized training areas like: Universities, Polytechnics and Professional Institutes.

In fact the method that employ by the organization has its own effect on the effectiveness of the organization from the training expenditure. As a result, companies are increasingly searching for the right blend of training methods to maximize the effectiveness of learning. Others are looking for more cost-effective alternatives to online learning which for some enterprises has proven to be a more expensive route than anticipated. Coaching by line-managers and on-the-job training are now playing an increasingly important role in the current financial climate (Blain, 2009). Many training techniques are created almost every year by the rapid development in technology. Deciding among methods usually depends on the type of training intended, the trainees selected, the objectives of the training program and the training method. Training is a situational process that is why no single method is right for every situation. While some objectives could be easily achieved through one method, other objectives could necessitate other methods. Many training programs have learning objective in more than one area. When they do, they need to combine several training methods into an integrated whole (Alipour, Mahdi Salehi,& Ali Shahnavaz, 2009).

According to (Alipour et al, 2009) training methods could be classified as cognitive and behavioral approaches. Cognitive methods provide verbal or written information, demonstrate relationships among concepts, or provide the rules for how to do something. These types of methods can also be called as off the job training methods. On the other hand, behavioral methods allow trainee to practice behavior in real or simulated fashion. They stimulate learning through behavior which is best for skill development and attitude change. These methods can be called as on-the-job training methods.

#### 2.6.5.5Evaluation Challenges in training

According to Ahmed et al, (2010) the most important challenges faced by the organization in conducting productive assessment and evaluation of training. The biggest challenge faced by the organizations are time constraint for assessing, determining corrective actions based on these evaluations, unavailability of proper evaluation method , difficulty in approaching evaluation professionals, converting results in top management language, getting trainees and managers involvement, and difficulty of getting top level management involvement in training evaluation.

#### 2.6.5.6 Techniques to collect information

The training department requires information about competency learning to determine the effectiveness of training delivery and approach. Data concerning the overall effectiveness of training procedures, appropriateness of media and instruction methods and other issues relating to possible revisions in instructional design may prove to be very valuable to the training department and will assist them in better serving the needs of the other stakeholders involved. This information can be obtained through: Questionnaires, Knowledge Review, Observation, Employee Portfolio and Skill Gap Analysis (Carr, 2002).

#### 2.6.5.7 Effectiveness of organization from Training Expenditure

Now firms' competitiveness depends on the quality of labor force/human capital available in company. In order to remain competitive firms try to retain and develop their work force so that they might use their skills to achieve organizational goals. To maintain competitive advantages firms now have to take part in training and development of human capital on regular basis (Ahmed et al, 2010). At the same time the success of any type of training can be gauged by the amount of learning that occurs and is transferred to the job (Mathis, et al, 2008). But, if training is not linked to that which an organization uses, does, and delivers, the investment is better made elsewhere (Kaufman, 1995).

As firms are spending a fair amount on the training of their employees on regular basis, this investment in human capital is to be justified and evaluated in order to give answer to top management. An effective training should not only meet the costs of the training but it should also offer valuable return to the organization (Ahmed et al, 2010). Training must be judged for its impact on organization and that impact may be in form of increased sales, increased market share, reduced operational costs, reduced absenteeism rate, or whatever other objective the training was designed to achieve (Daniels, 2003) as cited by (Ahmed, et al 2010). Too often, unplanned, uncoordinated, and haphazard training efforts significantly reduce the learning that could have occurred.

The primary outcome of a training course is that something must be learned, for example specific knowledge, skills and/or different attitudes. If an employee has learned something, this can result in improved individual production. The transition from learning to improving individual production is however very complicated, and success is not guaranteed. It not only depends on what has been learned, but also on the motivation to actually apply the learning outcomes at the workplace. Both the design of the training program and the motivation of employers and employees are important in this respect (Ahmed et al, 2010).

According (Huang, 2001) to the provision of training may vary in the types of knowledge or skills conveyed duration, numbers and percentages of employees covered, and modes of delivery. As a result of such variances, some types of training are more effective in improving individual firm performance than other. And the study prove that firms that have achieved greater effectiveness in training tend to have a more sophisticated training organization and training system than do those firms whose training methods have been less effective.

As Huang (2001) stated in general, if any organization wants to be effective from the training expenditure, the training program must:

- Focus instruction on the specific knowledge, skills, and attitudes that workers need to do their jobs well.
- Deliver training in ways that effectively address the training objectives and are sensitive to the learning needs of the participants.
- Explicitly focus on the transfer of learned skills to the work environment.
- Evaluate the impact of training on worker job performance and desired client outcomes and ensure that evaluation data are used to identify areas where improvement (and perhaps more and better training) is needed.

Generally, for effective transfer of training from which the training healed to the job, two conditions must be met. First, the trainees must be able to take the material learned in training and apply it to the job context in which they work. Second, use of the learned material must be maintained over time on the job. One way to aid transfer of training to job situations is to ensure that the training is as much like the jobs as possible. In the training situation, trainees should be able to experience the types of situations they can expect on the job (Mathis, et al, 2008).

## 2.7 Empirical Review

Deferent scholars and researchers conducted study to assess what factors affect employees' job performance in order to discharge their responsibilities in the case of different nations and sectors of industries. Mostly, the they focused on factors such as training, motivation, reward in specific manner, age, experience, marital status etc that has effect on job performance. We can summarize this all individual factors in to three categories like individual related factors, work related factors and organization related factors. Thus, in this section the researcher tries to discuss some specific factors that have a numerical result of relationship and effects on employees' job performance.

The result of Farooq and Aslam (2011) study depicts the positive correlation between training and employee performance as r=.233 sig=.000. Thus, we can predict from this finding that it is not possible for the firm to gain higher returns without best utilization of its human resource, and it can only happen when firm is able to meet its employee's job related needs in timely fashion. Training is the only ways of identifying the deprived need of employees and then building their required competence level so that they may perform well to achieve organizational goals.

Moreover, the result of the study of Sultana (2012) conducted in service sector of telecom Pakistan, states the $R^2$ as 0.501 which means that 50.1% of variation in employee performance is brought by training programs. Further, the T-value was 8.58 that explain training is good predictor of employee performance. As depicted by the work of Harrison (2000), learning through training influence the organizational performance by greater employee performance, and is said to be a key factor in the achievement of corporate goals. However, implementing training programs as a solution to covering performance issues such as filling the gap between the standard and the actual performance is an effective way of improving employee performance (Swart, 2005).

According to Rashid Saeed et. al. (2013), in their journal found out that the organizational culture is positively correlated with employees' performance at the value of 0.000. In this study, personal problems are also correlated with employees' performance at the value of 0.000. In regard to, manager's attitude is correlated with employees' performance at the value of 0.000 which was significant. Lastly, financial rewards found that significant at the level of 0.002. Therefore, in this study employees' performance is correlated with organizational culture, manager's attitude, financial rewards and personal problems.

Iqbal N, Anwar S, Haider N (2015), stated that the leadership practices have effect on employees' job performance in their findings. Similarly Rochelle Joy Belonio (2013), in his journal stated that different leadership practice has effect on job performance of the workforces. And the results were Transformational Leadership, Transactional Leadership, and Laissez-faire Leadership has p-vales of 0.030, 0.003 and 0.001 respectively. The result clearly indicates that leadership practice has positive significant relationship with employee's job performance in the study firm

A recent research conducted by Nina Munira Naharuddin and Mohammad Sadegi, (2013): aims to investigate the effect of workplace environment's factors towards employees' performance in which the researchers revealed that work environment has strong positive and significant relationship with employees' job performance with the correlations of 0.828.

Therefore, from above all empirical research discussion we can observe that job performance of employees can be affected by numerous factors. Among that factors which are included in this research such as training, motivation, leadership, organizational culture and work environment have positive and significant relationship with employees' job performance. This helps us to conclude that a positive change in one of the above factors may offer positive significant effect on job performance of employees.

## 2.8 Conceptual Framework

The research is manly based on the conceptual framework which adopted from the journal (Le Tran, 2002) and some modification is taken as depicted in figure below. Based on the conceptual framework, the earlier hypothesis was developed. This research study has mainly five independent variables namely Leadership, organizational Culture, Training, Motivation and working environment and one dependant variable i.e. Employee performance. The purpose of the study as mentioned above was to find out the relationship between independent variables and dependent variable. Moreover, to see to what extent Leadership, organizational Culture, Training, Motivation and working environment factors affect employees' performance in Wegagen Bank and which factor contribute significantly.

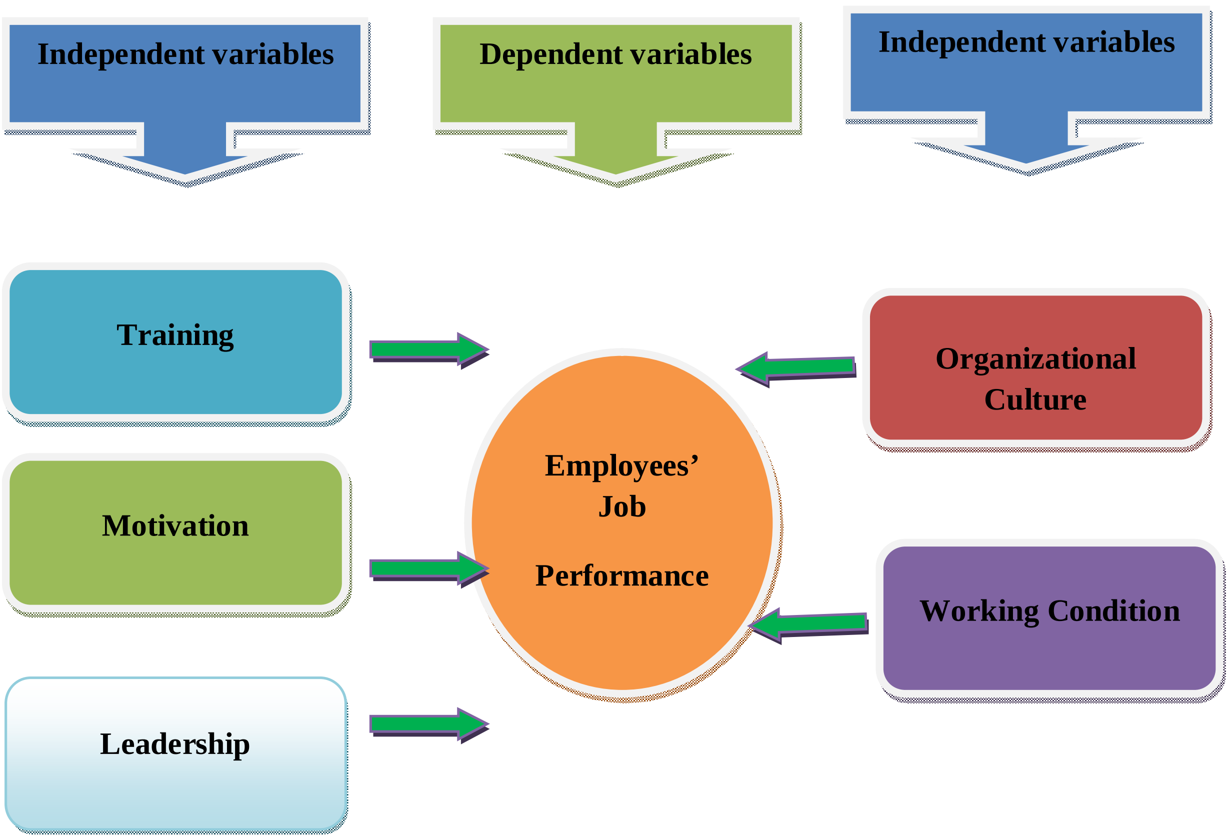



**Figure 1.1: Conceptual Framework, adapted and modified from** Le Tran (2002, P-5)

# CHAPTER THREE

# 3. RESEARCH DESIGN AND METHODOLOGY

## 3.1 Research Design and Methodology

The research design helps the researcher to obtain relevant data to fulfill the objectives of the study (Churchill & Lacobucci, 2002). According to Kothari (2004) research design is a conceptual structure with in which research is conducted; it constitutes the blue print for the collection, measurement and analysis of data. It ensures that the study would be relevant to the problem and that it uses economical procedures. This research is quantitative research because the researcher wants to identify factors which have effect on employees' job performance. A quantitative research design was set out to collect data. Quantitative approach helps researchers to test relationships between variables (Creswell, 2012). The researcher believes that this kind of research approach are provides relevant data about the research topic, and supportive to meet the research objective since it can involves collecting and analyzing numerical data and applying statistical tests. It ensures that the study would be relevant to the problem and that it uses economical procedures. In this study, a quantitative approach which was practiced, as recommended by Creswell (2012). A quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistical data (Creswell, 2012).

Hopkins (2000) suggested that quantitative research work connects independent and dependent variables. Thus, the study was conducted using Quantitative type in which it appeared to be more appropriate to find out the effect of determinant factors on job performance. Furthermore, the study aimed at obtaining information from a representative selection of the population and the researcher was able to generalize the findings to a larger population. Surveys include cross-sectional and longitudinal studies using questionnaires or structured interviews for data collection, with the intent of generalizing from a sample to a population (Creswell, 2012). In short, the study employed a Cross sectional survey method administered through structured questionnaires. Survey was used in order to generalize from a sample to population. This method also preferred because of its high-speed in data collection and its being economical.

The researcher used proportionate stratified sampling technique to select the sample from the population. The data was collected through questionnaire and SPSS Version 20 (Statistical Package for Social Science) used to organize and process the data gather from questionnaires.

## 3.2 Target population

The target population of the study was clerical and professional employees of the Wegagen Bank located at Addis Ababa city branches and at the head office who are working at different job position with a size of 1,399 employees out of the total population (WB S.C Human Resource Database, November 2015). The researcher excluded employees of non-clerical like janitors and securities who are outsourced from other organization; managerial post employees since they are appointed by bank, may alter the research result and also the internal factors which is leadership practice already exercised by themselves; and also employees who have less than one year service were excluded from target population for the reason that the study aimed to investigate the effect of internal factors on employee performance. Moreover, the target population was selected as indicated at annex -5- in consideration of the easy access to data, cost effectiveness and easy manageability of the study.

## 3.3 Sampling techniques

To conduct this research the researcher used proportionate stratified sampling technique to select samples from each department of the total population, and distribute questionnaire and collect the required information from the samples determined.

This technique preferred to assist in minimizing bias when dealing with the population. With this technique, the sampling frame was organized into relatively homogeneous groups (strata) before selecting elements for the sample. According to Janet (2006), this step increases the probability that the final sample will be representative in terms of the stratified groups. The strata are head office and those 36 branches located throughout Addis Ababa city. According to Catherine Dawson (2009), the correct sample size in a study is dependent on the nature of the population and the purpose of the study. Although there are no general rules, the sample size usually depends on the population to be sampled.

In Wegagen bank, the branches are divided into three Tiers (Tier I, Tier II, and Tier III). These branches classified based profit sharing position and transaction volume. Therefore not to leave out any group, the researcher used the branches and the head office as a stratum. The estimated numbers of staffs was identified from each stratum. Then from each stratum respondents were selected in purposively through considering of their tenure were greater than one year service, not outsourced and non management staffs.

### 3.4 Sample Size

In order to determine the sample size of each stratum stratified sampling was used. Applying stratified random sampling technique enables to get more representative samples (Creswell, 2012). The researcher used the following sample determination table to determine the representative sample size which was developed by Carvalho (1984), as referred from marketing research book written by Naresh Malhotra (2007). Consequently, a sample of 200 employees were selected from the target population located at head office and Addis Ababa city Banks since the target population size i.e 1,399 categorized in the sixth row and the samples to be used as lowest (50), medium (125), and highest (200), in order to be more representative in this study the highest sample size of 200 was selected. The following table shows the breakdown of population range the small, medium, and large sample that can be drawn for the study.

**Table 3.1: Sample Determination**

| | **Sample size** | | |
|---|---|---|---|
| **Population Size** | **Low** | **Medium** | **High** |
| 51 – 90 | 5 | 13 | 20 |
| 91 – 150 | 8 | 20 | 32 |
| 151 – 280 | 13 | 32 | 50 |
| 281 – 500 | 20 | 50 | 80 |
| 501 – 1,200 | 32 | 80 | 125 |
| **1,201 – 3,200** | **50** | **125** | **200** |
| 3201 – 10,000 | 80 | 200 | 315 |
| 10,001 – 35,000 | 125 | 315 | 500 |
| 35,001 – 150,000 | 200 | 500 | 800 |

**Source:** Naresh Malhotra (2007)

**Table 3.2:** List of Sample size

| Tier | No. Branches | Total No. of Staff | Proportional sample size | Expected Sample Size from each stratum |
|---|---|---|---|---|
| Tier I | 8 | 310 | 310/1399 = 0.2216 | 0.2216*200 = 44 |
| Tier II | 5 | 197 | 197/1399 = 0.1408 | 0.1408*200 = 28 |
| Tier III | 41 | 725 | 725/1399 = 0.5182 | 0.5182*200 = 104 |
| Head Office | _ | 167 | 167/1399 = 0.1194 | 0.1194*200 = 24 |
| **Total** | **54** | **1,399** | **1** | **200** |

**Source:** WB S.C HR Database, November 2015

## 3.5 Source and Instrument of Data Collection

The study employed both primary and secondary sources of data collection. In order to realize the target, the study used well-designed questionnaire as best instrument. The questionnaire was adopted from different sources which were found to be appropriate for the study. The questionnaire method as instrument of data collection was used because it provides wider coverage to the sample and also facilitates collection of a large amount of data. The questionnaire contained closed ended questions with 5 Likert Scale from "Strongly Disagree" =1 to "Strongly Agree" =5 and it was administered by the researcher. Employees of the bank were taken to serve as the main source of primary data. And, it was fulfilled by the selected Addis Ababa city branches and Head office staffs.

Secondary data on the company's records and on the previous works conducted in the subject matter were collected mainly from reference books, journals, and companies Annual report and websites was reviewed to make the study a complete picture.

## 3.6 Data Analysis Method

Data from questionnaires was analyzed through both descriptive and inferential statistics using SPSS software version 20 (Statistical Package for Social Science). The descriptive statistics (frequency distribution, percentile, minimum, maximum, mean and standard deviation) which helped the researcher to examined the general level of job performance and the selected determinant factors of performance.

This was the further transformation of the processed data to look for patterns and relationship between and/or among data groups by using descriptive and inferential (statistical) analysis. The SPSS was used to analyze the data obtained from primary sources. Specifically, descriptive statistics (mean, standard and deviation) and inferential statistics (correlation and regression analysis) was employed in this study.

## 3.7 Reliability of the Instrument

According to Kothari (2004), a measuring instrument is reliable if it provides consistent results. Cronbachs alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. For testing the reliability of the data instrument, Cronbach's Alpha was calculated to test the reliability of the research instrument.

According to Zikmund, Babin and Griffin (2010) scales with coefficient alpha between 0.8 and 0.95 are considered to have very good quality, scales with coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability.

The reliability of the construct items were evaluated using Cronbach's coefficient alpha. The result of the reliability test was 0.921 which exceeds the minimum acceptable cut-off point. One of the most commonly used indicators of internal consistency is Cronbach's alpha coefficient. Ideally, the Cronbach alpha coefficient of a scale should be above 0.7 (Pallant, 2005). All 49 items measured to test reliability showed that there was internal consistency reliability as indicated in Table 3.3 below. This suggested that the internal reliability in this study was acceptable and signified to be good.

**Table 3.3: Reliability Analysis of Variables**

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|---|---|
| .921 | 49 |

Source: Sample Survey April, 2016

## 3.8 Validity of the Instrument

Content validity involves the degree to which the study is measuring what it is supposed to measure. More simply, it focuses on the accuracy of the measurement (John et.al, 2007). All measures used to construct the instruments have shown acceptable level of construct and content validity in previous studies and are used in this study with slight modification. The questioners are adapted from journal of Asad & Mahfod (2015); Rashid Saeed et.al.(2013); Agusioma (2014); and Veronica Celattia (2011) and thesis conducted by Mulatu Masresha (2014) under related research title.

And sample questionnaires were administered before distributing finalized one for 15 respondents and adjustments were made to the questionnaire items based on the comments of the respondents.

Additionally, several measures were employed to ensure that the results are free from material errors from the design of the questionnaire. Such measures are clarity of instructions, clarity of the questions, the layout of the questionnaire and other comments.

## 3.9 Ethical Consideration

According to Creswell (2012) "as the researchers' anticipate data collectors, they need to respect the participants and sites for the research''. In the study the researcher maintained objectivity, courtesy and high professional standards through scientific process and no falsification, alteration or misrepresentation of data for biased or other purposes.

The study was conducted by considering ethical responsibility. This includes providing information to the respondents the purpose of the study and the use of the information as well. Information obtained was held in strict confidentiality by the researcher. Respondents' anonymity was kept so that participants would feel free and safe to express their ideas.

# CHAPTER FOUR

## 4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

### 4.1 INTRODUCTION

The data collected from head office and city branches using questionnaires are presented and analyzed in this chapter. This section of the study deals with the statistical testing of hypothesis and interpretation of the result using SPSS version 20.

As stated in the previous chapters of this paper, questionnaire were designed and distributed to a total of 200 employees of the Wegagen Bank located in Addis Ababa city. Accordingly, 191 questionnaires were appropriately filled and returned which gives 95.5% return rate. Even though, some variation is showed between expected and actual sample size. But, a total of 191 employee respondents' responses were collected successfully. So, the response rate is enough to carry out the analysis. The detail is summarized in table 4.1 below.

**Table 4.1: Response Rate**

| **Tier** | **No. Branches** | **Expected Sample Size** | **Actual Responded** | **Percentage** |
|---|---|---|---|---|
| Tier I | 8 | 44 | 41 | 93.18% |
| Tier II | 5 | 28 | 25 | 89.29% |
| Tier III | 41 | 104 | 102 | 98.08 % |
| Head Office | _ | 24 | 23 | 95.83 % |
| **Total** | **54** | **200** | **191** | **95.5 %** |

Source: Sample Survey April, 2016

This chapter mainly comprises the demographic characteristics of respondents, the descriptive statistics; and the inferential statistics including correlation analysis and regression analysis.

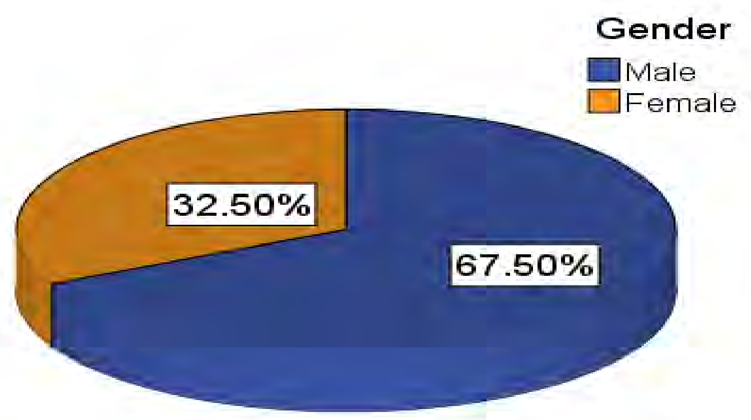
### 4.2 Demographic Characteristics of Respondents

The first part of the questionnaire consists of six items about the demographic information of the respondents. It covers the personal data of respondents, such as gender, age, educational qualification, marital status, year of service and current job position. The following tables, graphs and figures depicted the each demographic characteristic of the respondents.

#### 4.2.1 Gender of Respondents

The demographic data for gender shows that out of the 191 respondents there were 129 males and 62 female. Table 4.1 shows that the male respondents formed majority of the target population with a percentage of 67.5%, while female respondents were representing 32.5%.

**Fig. 4.1 Respondents Age Characteristics**



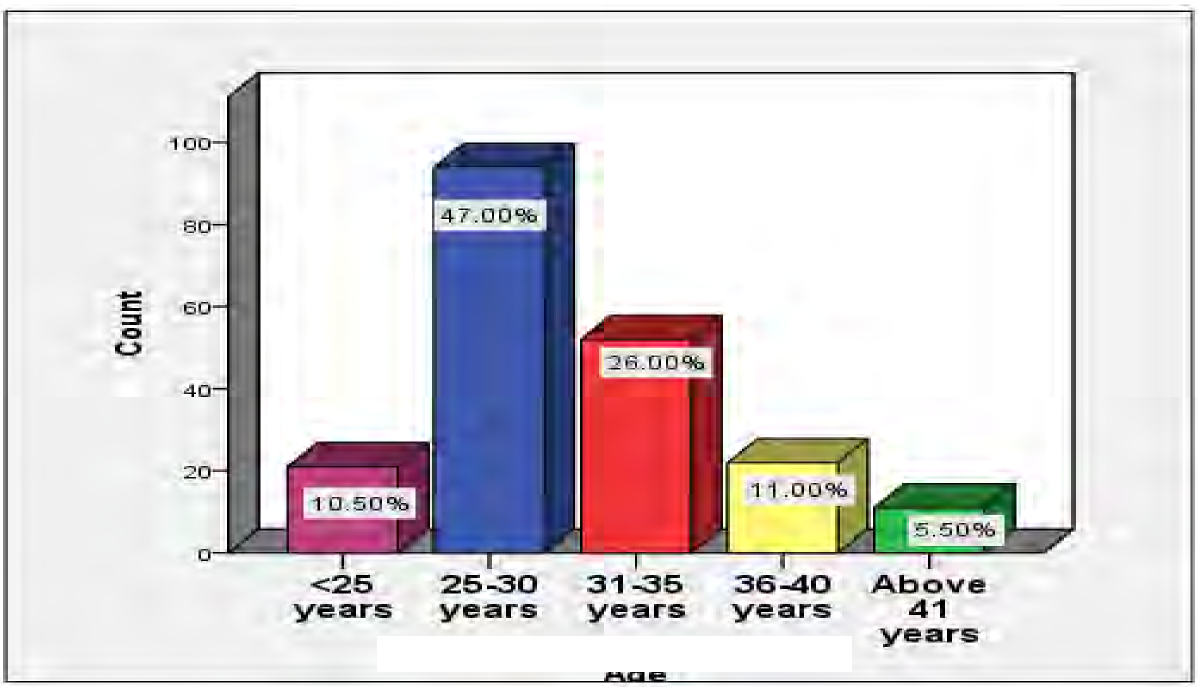

Source: Sample Survey April, 2016

#### 4.2.2 Age of respondents

The sample population age distribution was clearly depicted at fig. 4.2 below is largely dominated by respondents who are at the age of 25 – 30 years old covering 90 (47 %). The next higher group was 49 (26%) fall under age categories of between 31- 35. The remaining groups 21 (11%), 20 (10.5%) and 10 (5.5%) were under the age categories of 36-40, below 25 and above 41 years respectively.

Here the data indicated that most of the employees in the bank are in the maturity age that are productive and can contribute for the achievement of company objectives.

**Fig. 4.2 Age group of respondents**

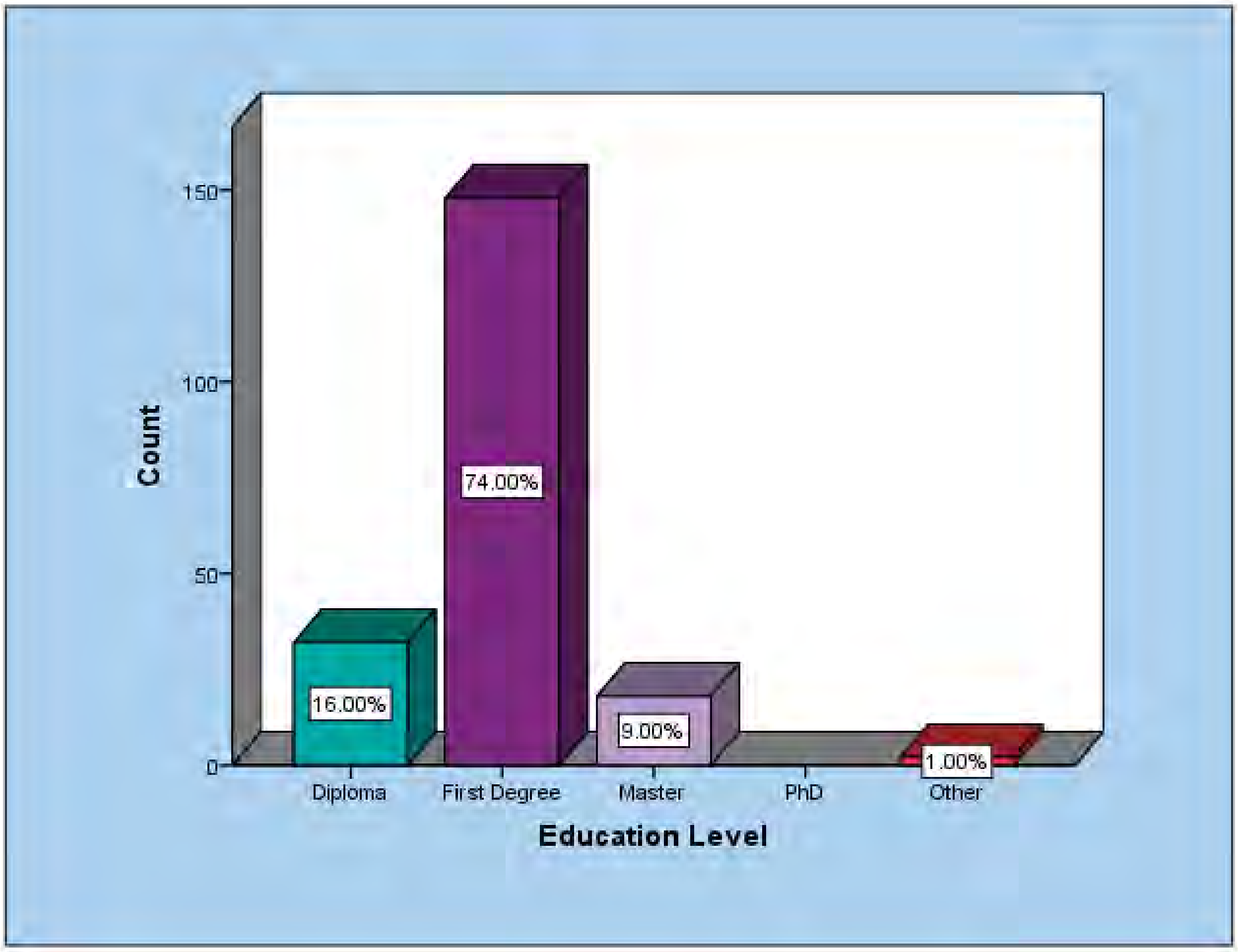



Source: Sample Survey April, 2016

### 4.2.3 Educational Qualification of Respondent

It can be seen from figure 4.3 that respondents hold a range of educational qualification from TVET certificate to master's degree. The majority of the sample group holds a first degree which accounted 141 (74 Percent), 30 (16 Percent) out of 191 respondents were college diploma holders and 17 (9 Percent) of the respondents hold a masters degree and the remaining 2 (1 percent) hold TVETE certificate. And since the majority of the respondents were educated, it can be concluded that almost all employees are capable of using new technology, realizing and doing the objective of the bank.

**Fig. 4.3 Educational Qualification**




Source: Sample Survey April, 2016

### 4.2.4 Marital status of Respondent

The table 4.1 below indicates, single respondents dominated which covers 118 (62%), followed by married respondents which stands second highest number 70 (36.5 %) and the remaining 3(1.5%) are divorce participate as a respondent in the research.

**Table 4.2 Marital Status of respondent**

| Marital Status | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| **Valid** | Single | 118 | 62.0 | 62.0 | 62.0 |
| | Married | 70 | 36.5 | 36.5 | 98.5 |
| | Divorce | 3 | 1.5 | 1.5 | 100.0 |
| | Total | 191 | 100.0 | 100.0 | |

Source: Sample Survey April, 2016

### 4.2.5 Tenure of Respondents

Table 4.3 shows that the respondents have served in Wegagen from one year up to above 20 years. From the respondents, only 2 (1 %) of them have worked more than 20 years in the Bank. The majority of the respondents have served the company between 1 and 4 years which consists 82 (43 %) of the study group. The other 72 (37.5%) respondents worked between 5 - 9 years while respondents who have served for 10-20 years followed with a frequency of 35 representing 18.5%.

According to this figure, employees' of the bank are largely dominated by workers who have been working in the bank for less than five years. Since most of the respondents are youngsters they have few years of work experience.

**Table: 4.3 Years of Service in the company**

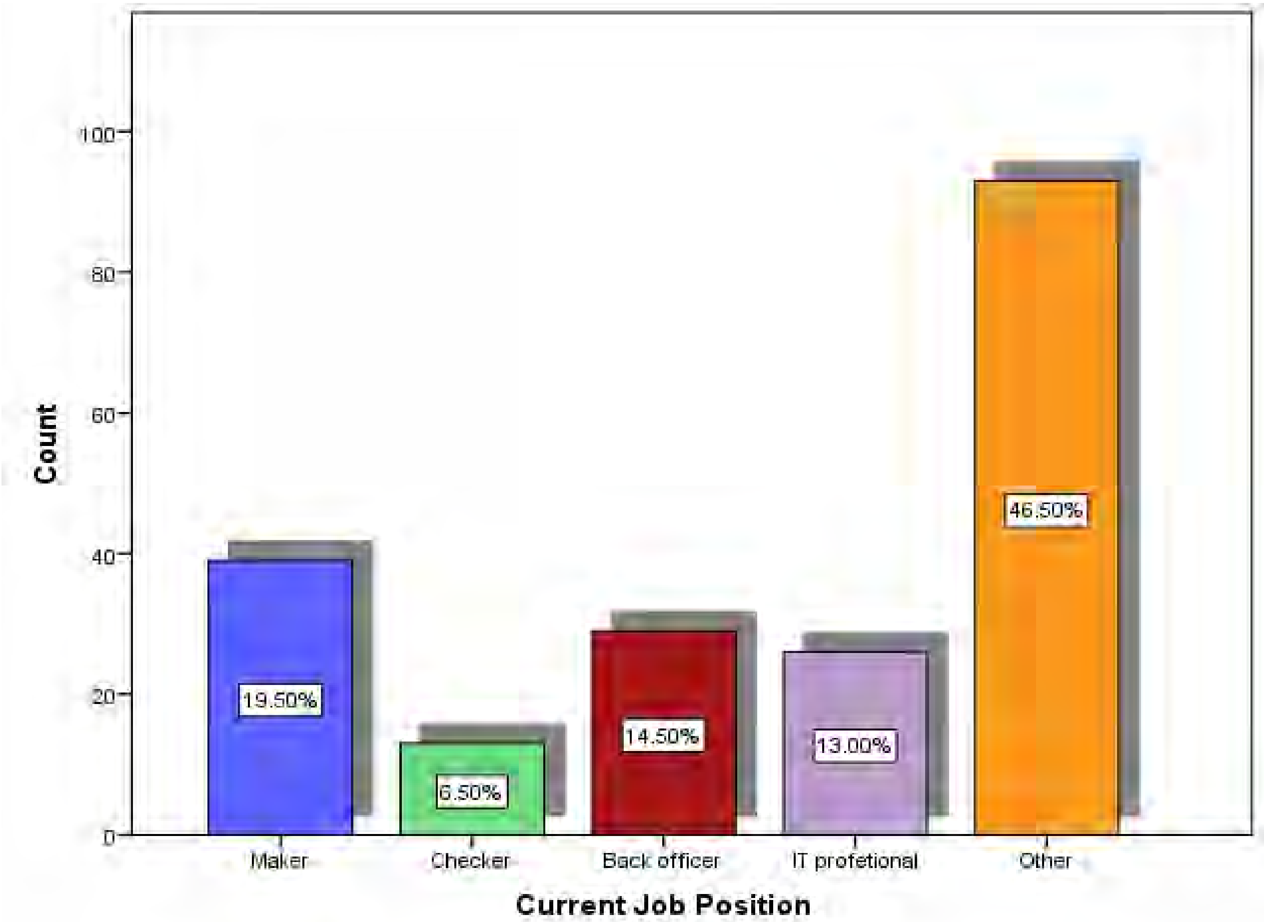
| Service Year | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| **Valid** | 1-4 years | 82 | 43.0 | 43.0 | 43.0 |
| | 5-9 years | 72 | 37.5 | 37.5 | 80.5 |
| | 10-20 years | 35 | 18.5 | 18.5 | 99.0 |
| | Above 20 years | 2 | 1.0 | 1.0 | 100.0 |
| | Total | 191 | 100.0 | 100.0 | |

Source: Sample Survey April, 2016

### 4.2.6 Current Job Position of Respondents

Figure 4.4 illustrate that the position of respondents 89 (46.5%) of them were different professional with job title like marketing officer, loan workout officer, trade service officer, currency management officer, reward and retention officer, international banking officer, credit information officer, secretary, and auditor. And the second higher respondents fall in CSO maker job position which covers 37 (19.5 %). And the remaining 28 (14.5%), 25 (13%) and 12 (6.5%) fall under the job category of CSO Back Officer, IT professional, and CSO Checker respectively. This data indicated that almost all employees of the Wegagen bank were involved in the study, and this might give a good result of study and full representation of respondents.

**Figure 4.4 Current Job Position of respondent**




Source: Sample Survey April, 2016

### 4.3 Descriptive Statistics

In this section various statistical data analysis tools such as mean, standard deviation, frequency and percentile are used to analyze the collected data. The summary of descriptive statistics of all variables that are evaluated based on a 5-point Likert scale ("1" being "strongly disagreed" to "5" being "strongly agreed").

According to Zaidaton & Bagheri (2009) the mean score below 3.39 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considers as high as illustrated by Comparison bases of mean of score of five point Likert scale instrument. Thus, detail of the analysis is presented as follows:

#### 4.3.1 Training

**Table: 4.4 Employees response to Training practices**

| Item | Strongly Disagree | | Disagree | | Undecided | | Agree | | Strongly Agree | | Mean | St. Dev. | Min | Max |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Freq. | % | | | | |
| Q1 | 4 | 2.1 | 5 | 2.63 | 28 | 14.65 | 97 | 50.8 | 57 | 29.8 | 4 | 0.916 | 1 | 5 |
| Q2 | 5 | 2.61 | 13 | 6.8 | 57 | 29.8 | 93 | 48.7 | 23 | 12 | 3.59 | .909 | 1 | 5 |
| Q3 | 8 | 4.2 | 31 | 16.23 | 44 | 23 | 79 | 41.3 | 29 | 15.18 | 3.46 | 1.079 | 1 | 5 |
| Q4 | 6 | 3.14 | 21 | 11 | 46 | 24 | 87 | 45.5 | 31 | 16.23 | 3.59 | 1.008 | 1 | 5 |
| Q5 | 17 | 9 | 41 | 21.47 | 72 | 37.6 | 50 | 26 | 11 | 5.76 | 3 | 1.049 | 1 | 5 |
| Q6 | 12 | 6.28 | 28 | 14.66 | 56 | 29.3 | 66 | 34.5 | 29 | 15.18 | 3.37 | 1.113 | 1 | 5 |
| Q7 | 2 | 1.04 | 22 | 11.52 | 23 | 12 | 94 | 49 | 50 | 26.2 | 3.86 | 0.979 | 1 | 5 |
| Q8 | 20 | 10.5 | 43 | 22.51 | 74 | 38.7 | 41 | 21.4 | 13 | 6.81 | 2.93 | 1.077 | 1 | 5 |
| Q9 | 22 | 11.52 | 42 | 22 | 82 | 42.9 | 35 | 18.3 | 10 | 5.23 | 2.84 | 1.025 | 1 | 5 |
| Q10 | 16 | 8.36 | 28 | 14.67 | 74 | 38.7 | 61 | 31.9 | 12 | 6.28 | 3.14 | 1.032 | 1 | 5 |
| Q11 | 8 | 4.22 | 11 | 5.76 | 45 | 23.5 | 85 | 44.5 | 42 | 22 | 3.72 | 1.023 | 1 | 5 |
| **Average** | | **5.95** | | **13.91** | | **28.42** | | **36.86** | | **14.86** | **3.41** | | | |
| Over All Average Mean= **3.41** , Disagree= **19.86%**, Agree= **51.72% Undecided= 28.42** | | | | | | | | | | | | | | |

Source: Sample Survey April, 2016

According to the above table 4.4 a majority 51.72% of the respondents agreed that training programs which is given by the bank improve their job performance while 19.86 % are disagreed and the remaining 28.42% are undecided (neutral) . These indicate that the existing training practice has a good opportunity in order to improving staff job performance but still we can understand there is some limitation in implementing of this specific practice.

### 4.3.2 Motivation

**Table: 4.5 Employees response to Motivational practices**

| Item | Strongly Disagree | | Disagree | | Undecided | | Agree | | Strongly Agree | | Mean | St. Devia. | Min | Max. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Freq. | % | | | | |
| Q12 | 31 | 16.24 | 36 | 18.85 | 51 | 26.71 | 56 | 29.3 | 17 | 8.9 | 2.93 | 1.209 | 1 | 5 |
| Q13 | 29 | 15.2 | 62 | 32.46 | 44 | 23.03 | 46 | 24.08 | 10 | 5.2 | 2.67 | 1.148 | 1 | 5 |
| Q14 | 36 | 19 | 51 | 26.7 | 42 | 22 | 56 | 29.3 | 6 | 3.14 | 2.68 | 1.134 | 1 | 5 |
| Q15 | 35 | 18.33 | 52 | 27.22 | 56 | 29.33 | 40 | 20.9 | 8 | 4.1 | 2.65 | 1.124 | 1 | 5 |
| Q16 | 39 | 20.42 | 45 | 23.5 | 61 | 32 | 39 | 20.41 | 7 | 3.65 | 2.65 | 1.129 | 1 | 5 |
| Q17 | 35 | 18.33 | 39 | 20.4 | 65 | 34.03 | 38 | 19.8 | 14 | 7.32 | 2.75 | 1.178 | 1 | 5 |
| Q18 | 18 | 9.43 | 29 | 15.18 | 51 | 26.71 | 70 | 36.67 | 23 | 12 | 3.26 | 1.130 | 1 | 5 |
| Q19 | 10 | 5.24 | 21 | 10.9 | 69 | 36.13 | 65 | 34.03 | 26 | 13.5 | 3.10 | 1.007 | 1 | 5 |
| Q20 | 29 | 15.2 | 26 | 13.6 | 54 | 28.3 | 65 | 34.03 | 17 | 8.9 | 3.05 | 1.196 | 1 | 5 |
| Average | | **15.5** | | **21** | | **29.33** | | **27.28** | | **6.89** | **2.86** | | | |
| Over All Average Mean= **2.86** , Disagree= **36.5%**, Agree= **34.17%** **Undecided= 29.33**% | | | | | | | | | | | | | | |

Source: Sample Survey April, 2016

The above table 4.5 shows that the average mean score of Wegagen motivational practice is 2.86 which can be considered as low mean score. This also explained by average percentile 36.5% are disagree to the current motivational practice help to contribute higher level of job performance and 34.17 % are agreed while the remaining 29.33 % are undecided (neutral). From these responses: we can conclude that employees are not satisfied with their salary; they may feel benefit packages are not satisfied; and recognition and promotional practice are not fair. So the motivational practice should be designed carefully so as to improve employee performance.

### 4.3.3 Leadership

**Table: 4.6 Employees response to leadership practices**

| Item | Strongly Disagree | | Disagree | | Undecided | | Agree | | Strongly Agree | | Mean | St. Deviat. | Min | Max. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Freq. | % | | | | |
| Q21 | 48 | 25.13 | 40 | 20.47 | 41 | 21.5 | 46 | 24.2 | 16 | 8.27 | 3.01 | 1.060 | 1 | 5 |
| Q22 | 39 | 20.14 | 55 | 28.7 | 39 | 20.42 | 42 | 22 | 16 | 8.27 | 2.93 | 1.077 | 1 | 5 |
| Q23 | 53 | 27.7 | 41 | 21.49 | 35 | 18.34 | 49 | 25.8 | 13 | 6.18 | 3.07 | 1.010 | 1 | 5 |
| Q24 | 30 | 15.7 | 49 | 25.64 | 30 | 15.8 | 69 | 36.31 | 13 | 6.18 | 3.18 | 1.044 | 1 | 5 |
| Q25 | 38 | 19.8 | 46 | 24 | 40 | 20.95 | 49 | 25.8 | 18 | 9.24 | 2.42 | 1.088 | 1 | 5 |
| Q26 | 44 | 23.03 | 42 | 21.8 | 36 | 18.88 | 50 | 26.27 | 19 | 9.09 | 3.04 | 1.076 | 1 | 5 |
| Q27 | 39 | 20.14 | 47 | 24.6 | 55 | 28.8 | 36 | 18.88 | 14 | 7.3 | 2.93 | 1.165 | 1 | 5 |
| **Average** | | **20.29** | | **23.29** | | **21.92** | | **26.71** | | **7.79** | **2.94** | | | |
| Over All Average Mean= **2.94** , Disagree= **43.58 %**, Agree= **34.5 %** **Undecided= 21.92** % | | | | | | | | | | | | | | |

Source: Sample Survey April, 2016

In the above table 4.6 shows that the majority of the respondents i.e 43.58% (83) have not good attitude towards the existing leadership practice but 34.5% (66) are agreed and the remaining 21.92% (42) are neutral. On the other side we can also observe from the mean average score 2.94 which is below the average likert scale 3.This implies that the existing leadership practice are not exercised well in which the employees are not satisfied, not treated well, and not participated on their concerned issues.

### 4.3.4 Organizational Culture

**Table: 4.7 Employees response to Organizational Culture**

| Item | Strongly Disagree | | Disagree | | Undecided | | Agree | | Strongly Agree | | Mean | St. Devi. | Min | Max. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Freq. | % | | | | |
| Q28 | 43 | 22.6 | 45 | 23.5 | 56 | 29.31 | 25 | 13.08 | 22 | 11.51 | 2.94 | 0.964 | 1 | 5 |
| Q29 | 45 | 23.6 | 66 | 34.05 | 42 | 21.99 | 23 | 12 | 15 | 7.85 | 3.02 | 1.043 | 1 | 5 |
| Q30 | 48 | 25.14 | 47 | 24.6 | 30 | 15.7 | 58 | 30.06 | 8 | 4.18 | 2.67 | 0.905 | 1 | 5 |
| Q31 | 50 | 26.27 | 43 | 22.51 | 33 | 17.27 | 54 | 28.17 | 11 | 5.74 | 3.05 | 0.902 | 1 | 5 |
| Q32 | 31 | 16.26 | 75 | 39.2 | 32 | 16.74 | 31 | 16.23 | 22 | 11.5 | 3.19 | 1.044 | 1 | 5 |
| Q33 | 56 | 29.35 | 54 | 28.17 | 40 | 20.94 | 28 | 14.66 | 13 | 6.8 | 3.08 | 1.004 | 1 | 5 |
| **Average** | | **24.5** | | **26.83** | | **21.75** | | **19.33** | | **7.58** | **2.99** | | | |
| Over All Average Mean= **2.99** , Disagree= **51.33 %**, Agree= **26.91** % Undecided=**21.75** % | | | | | | | | | | | | | | |

Source: Sample Survey April, 2016

As Table 4.7 shows more of the respondents 51.33% (98) are not familiarity with the existing value, belief, mission, and objectives of the bank but only 26.91 % (51) of the respondent agreed with this idea and the remaining 21.75% (42) are undecided. As the majority of the respondents not familiar, it shows that employees of the bank have not understood the shared values and beliefs, there is no a culture of encouraging an employee who come up with new ideas, and employees are not committed to the banks' mission and vision statement.

### 4.3.5 Working Environment

**Table: 4.8 Employees response to Working Condition**

| Item | Strongly Disagree | | Disagree | | Undecided | | Agree | | Strongly Agree | | Mean | St. Devi | Min | Max |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Freq. | % | | | | |
| Q34 | 44 | 23.03 | 50 | 26.3 | 41 | 21.47 | 47 | 24.6 | 9 | 4.71 | 2.46 | 1.147 | 1 | 5 |
| Q35 | 41 | 21.45 | 80 | 41.9 | 34 | 17.82 | 28 | 14.6 | 8 | 4.18 | 2.94 | 1.117 | 1 | 5 |
| Q36 | 41 | 21.45 | 53 | 27.8 | 53 | 27.75 | 32 | 16.74 | 12 | 6.28 | 2.89 | 1.153 | 1 | 5 |
| Q37 | 52 | 27.22 | 54 | 28.28 | 45 | 23.57 | 31 | 16.23 | 9 | 4.71 | 2.79 | 1.087 | 1 | 5 |
| Q38 | 34 | 17.8 | 44 | 23.37 | 49 | 25.65 | 50 | 26.17 | 14 | 7.33 | 3.1 | 0.880 | 1 | 5 |
| Q39 | 33 | 17.2 | 48 | 25.13 | 61 | 31.94 | 38 | 19.85 | 11 | 5.75 | 3.06 | 0.889 | 1 | 5 |
| **Average** | | **17.41** | | **29.33** | | **26.83** | | **21.58** | | **4.83** | 2.87 | | | |
| Over All Average Mean= **2.87** , Disagree= **46.75 %**, Agree= **26.41%, Undecided= 26.83** % | | | | | | | | | | | | | | |

Source: Sample Survey April, 2016

We can see table 4.8 that the working environment in Wegagen bank 46.75% (89) of the respondents are disagreed, 26.41% (51) are agree and the remaining 26.83% (51) are undecided on this issue. From this data we can infer that most of employees of the bank has not good attitude towards the prevailing working environment. For the reason that, there is lack of adequate facilities and resources to do their job; they are not comfort with the physical surrounding; they are not satisfied with the existing space, seating arrangement, ventilation, and lighting.

### 4.3.6 Employee Job performance

**Table: 4.9 Employees response to Job Performance**

| Item | Strongly Disagree | | Disagree | | Undecided | | Agree | | Strongly Agree | | Mean | St. Dev. | Min | Max |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Freq. | % | | | | |
| Q40 | 6 | 3.14 | 50 | 26.17 | 33 | 17.27 | 90 | 47.12 | 12 | 6.28 | 3.84 | 1.001 | 1 | 5 |
| Q41 | 4 | 2.94 | 41 | 21.46 | 23 | 12.04 | 113 | 59.16 | 10 | 5.23 | 3.9 | 0.893 | 1 | 5 |
| Q42 | 4 | 2.94 | 71 | 37.17 | 13 | 6.81 | 95 | 49.74 | 8 | 4.18 | 3.91 | 0.886 | 1 | 5 |
| Q43 | 4 | 2.94 | 31 | 16.23 | 52 | 27.26 | 78 | 40.84 | 26 | 13.61 | 3.54 | 1.007 | 1 | 5 |
| Q44 | 7 | 3.66 | 17 | 8.9 | 65 | 34.03 | 80 | 41.89 | 22 | 11.51 | 3.45 | 0.956 | 1 | 5 |
| Q45 | 4 | 2.94 | 47 | 24.61 | 22 | 11.52 | 109 | 57.07 | 9 | 4.71 | 3.65 | 0.861 | 1 | 5 |
| Q46 | 28 | 14.66 | 12 | 6.28 | 71 | 37.17 | 38 | 19.89 | 42 | 21.99 | 2.8 | 1.007 | 1 | 5 |
| Q47 | 9 | 4.71 | 54 | 28.27 | 35 | 18.32 | 80 | 41.88 | 13 | 6.8 | 3.89 | 1.086 | 1 | 5 |
| Q48 | 24 | 12.57 | 19 | 9.95 | 57 | 29.84 | 58 | 30.36 | 33 | 17.27 | 3.07 | 1.182 | 1 | 5 |
| Q49 | 24 | 12.57 | 18 | 9.42 | 62 | 32.46 | 59 | 30.89 | 28 | 14.66 | 3.19 | 1.107 | 1 | 5 |
| Average | | **6.05** | | **18.55** | | **22.5** | | **42.05** | | **10.8** | **3.52** | | | |
| Over All Average Mean= **3.58** , Disagree= **24.6%**, Agree= **52.85%, Undecided= 22.5**% | | | | | | | | | | | | | | |

Source: Sample Survey April, 2016

Furthermore, the above table 4.9 result shows 52.85 % (101) of the respondent agree that perform their specific task following banks' procedures, use resource effectively and avoiding lateness and absence but still respondents of 24.6 % (47) disagree while the remaining 22.5% (43) are neutral. We can also understand from the mean value 3.58 which shows that employees have good level of job performance because the mean value is considered as moderate. Therefore, we can conclude that employees' of Wegagen Bank S.C have an average level job performance because they are highly dissatisfied with motivational practices, leadership style, organizational culture and working environment.

## 4.4 Correlation Analysis

The hypotheses discussed in the first chapter aimed to investigate the relationship between independent variables (training, motivation, leadership, organizational culture, and working environment) and dependent variable (employees' job performance) in Wegagen bank S.C. Correlation analysis is done to examine this relationship.

The Pearson Product-Moment Correlation Coefficient is a statistic that indicates the degree to which two variables are related to one another. The sign of a correlation coefficient (+ or -) indicates the direction of the relationship between -1.00 and +1.00. Variables may be positively or negatively correlated. A positive correlation indicates a direct positive relationship between two variables. A negative correlation, on the other hand, indicates an inverse, negative relationship between two variables (Ruud et. al. 2012).

Table 4.10 below clearly shows that the relationship between two variables will be negligible, low, moderate, substantial, or very strong.

**Table 4.10 Correlation Coefficient**

| Correlation coefficient(r) | Strength of the correlation |
|---|---|
| **From 0.01 up to 0.09** | Negligible association |
| **From 0.10 up to 0.29** | Low association |
| **From 0.30 up to 0.49** | Moderate association |
| **From0.50 upto0.69** | Substantial association |
| **From 0.70 and above** | Very strong association |

Source: Joe W. Kotrlik, J. C. Atherton, A. Williams and M. KhataJabor.(2011

Determining the degree of association between the selected internal factors (training, motivation, leadership, organizational culture and working environment) and employees' job performance is the main purpose of conducting an analysis using Pearson correlation. So, in this section the first five hypotheses were tested based on the correlation result summarized in table 4.11 below.

**Table 4.11 Correlation Analysis between Independent variables and Dependent Variable**

| Correlations | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Training | Motivation | Leadership | Organizational Culture | Working Environment | Eployees' Job Performance |
| Training | Pearson Correlation | 1 | .365** | .352** | .373** | .358** | .359** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 | .000 |
| | N | 191 | 191 | 191 | 191 | 191 | 191 |
| Motivation | Pearson Correlation | .365** | 1 | .504** | .565** | .436** | .403** |
| | Sig. (2-tailed) | .000 | | .000 | .000 | .000 | .000 |
| | N | 191 | 191 | 191 | 191 | 191 | 191 |
| Leadership | Pearson Correlation | .352** | .504** | 1 | .481** | .402** | .434** |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 | .000 |
| | N | 191 | 191 | 191 | 191 | 191 | 191 |
| Organizational Culture | Pearson Correlation | .373** | .565** | .481** | 1 | .506** | .436** |
| | Sig. (2-tailed) | .000 | .000 | .000 | | .000 | .000 |
| | N | 191 | 191 | 191 | 191 | 191 | 191 |
| Working Environment | Pearson Correlation | .358** | .436** | .402** | .506** | 1 | .379** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | | .000 |
| | N | 191 | 191 | 191 | 191 | 191 | 191 |
| Eployee Job Performance | Pearson Correlation | .359** | .403** | .434** | .436** | .379** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 | |
| | N | 191 | 191 | 191 | 191 | 191 | 191 |
| ****. Correlation is significant at the 0.01 level (2-tailed).** | | | | | | | |

Source: Sample Survey Aprill, 2016

### 4.4.1 Correlation Analysis between Training and Employee Job performance

**Hypothesis: 1**

- $H_1$: There is a positive relationship between training and employees' job performance
- $H_0$: There is no a positive relationship between training and employees' job performance

The result on the above table 4.11 shows that the existing training practice of the bank (r= .505, p<0.01) is moderate positive relation and statistical significantly. This means an increase in training activities will bring an increment in employees' job performance. Therefore, the null hypothesis ($H_0$) is rejected.

### 4.4.2 Correlation Analysis between Motivation and Employee Job performance

**Hypothesis: 2**

- $H_1$: There is a positive relationship between motivation and employees' job performance
- $H_0$: There is no a positive relationship between motivation and employees' job performance

As indicated in the above table 4.11 the correlation coefficient result of motivational practice in Wegagen bank is (r= .403, p<0.01). This implies the presence of moderate relationship between motivational practice and employees' job performance in the Bank which is statistically significant. Therefore, the null hypothesis ($H_0$) is rejected.

### 4.4.3 Correlation Analysis between Leadership and Employee Job performance

**Hypothesis: 3**

- $H_1$: There is a positive relationship between leadership and employees' job performance.
- $H_0$: There is no a positive relationship between leadership and employees' job performance

From the above table 4.11 it can be seen that leadership practice (r=0.434, p<0.01) is positively correlated with employee performance. This implies the presence of moderate relationship between leadership practice and employees' job performance in the Bank which is statistically significant. And change in leadership given to employees has a corresponding effect on job performance of employees. Therefore, the null hypothesis ($H_0$) is rejected.

### 4.4.4 Correlation Analysis between Organizational Culture and Employee Job performance

**Hypothesis: 4**

- $H_1$: There is a positive relationship between the organizational culture and employees' job performance.
- $H_0$: There is no a positive relationship between the organizational culture and employees' performance.

The above table 4.11 it can be shows that organizational Culture (r=0.436, p<0.01) is positively correlated with employee performance. This implies the presence of moderate relationship between organizational culture and employees' job performance in the Bank which is statistically 99 % significant. And change in organizational culture has a corresponding effect on job performance of employees. Therefore, the null hypothesis ($H_0$) is rejected.

### 4.4.5 Correlation Analysis between Working Environment and Employee Job performance

**Hypothesis: 5**

- $H_1$: There is a positive relationship between the working environment and employees' job performance.
- $H_0$: There is no a positive relationship between the working environment and employees' job performance.

From the above table 4.11 it can be infer that working condition ($r=0.379$, $p<0.01$) is positively correlated with employee performance. This implies the presence of moderate relationship between working condition and employees' job performance in the Bank which is statistically significant at 99 %. And change in working condition given to employees has a corresponding effect on job performance of employees. Therefore, the null hypothesis ($H_0$) is rejected.

Thus, we can conclude from the correlation results any corresponding change in the independent variables such as increase relevant training, increase on financial and non financial motivational practice, improved leadership practice, improvement in organizational culture, and improvement in the working environment will have a positive and moderate relative impact on the dependent variable of employees' job performance. However, if the changes in the individual independent constructs are not in a positive manner, then its effect on the dependent variable will be negative.

## 4.5 Regression Analysis

### 4.5.1 Linear Regression Analysis

Linear regression analysis is used to measure the statistical significance of the effect of each individual independent variable on the dependent variable through F and P value. This measurement is made by inferring the value of $R^2$ to explain the magnitude of the effect of the independent variable on the dependent variable. Here below depicted and explained are the linear regression of various independent variables and dependent variable.

#### 4.5.1.1 Training and Employees' Job Performance

**Table: 4.12 ANOVA Regressions for Training and Employees' Job Performance**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 677.149 | 1 | 677.149 | 26.727 | .000[b] |
| | Residual | 5016.431 | 189 | 25.336 | | |
| | Total | 5693.580 | 190 | | | |

a. Dependent Variable: EployeeJobPerformance

b. Predictors: (Constant), Training

Source: Sample Survey April, 2016

Based on the above table 4.12, the relationship between training and employees' job performance is significant (P<0.01). F value, which is the ratio of variance between groups and variance within groups, is well above 1 (if F value is close to 1, it implies that the null hypothesis is accepted). As a result, **the null hypothesis ($H_o$)** which states that training has no effect on employees' job performance is **rejected**.

#### 4.5.1.2 Motivation and Employees' Job Performance

**Table: 4.13 ANOVA Regressions for Motivation and Employees' Job Performance**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 924.864 | 1 | 924.864 | 38.401 | .000[b] |
| | Residual | 4768.716 | 189 | 24.084 | | |
| | Total | 5693.580 | 190 | | | |

a. Dependent Variable: EployeeJobPerformance

b. Predictors: (Constant), Motivation

Source: Sample Survey April, 2016

As table 4.13 shows that the relationship between motivation and employees' job performance is significant (P<0.01, F >1), which ultimately depicts that the **null hypothesis ($H_o$)** which states that motivation has no effect on employees' job performance is **rejected**.

#### 4.5.1.3 Leadership and Employees' Job Performance

**Table: 4.14 ANOVA Regressions for Leadership and Employees' Job Performance**

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| | Regression | 1072.207 | 1 | 1072.207 | 45.938 | .000[b] |
| 1 | Residual | 4621.373 | 189 | 23.340 | | |
| | Total | 5693.580 | 190 | | | |

a. Dependent Variable: EployeeJobPerformance

b. Predictors: (Constant), Leadership

Source: Sample Survey April, 2016

As can be observed from the above table 4.14, there is a significant relationship between leadership and employees' job performance (P<0.01, F>1). Hence, it is concluded that the **null hypothesis ($H_o$)** which states that leadership has no effect on employees' job performance is **rejected**.

#### 4.5.1.4 Organizational Culture and Employees' Job Performance

**Table: 4.15 ANOVA Regressions for Organizational Culture and Employees' Job Performance**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| | Regression | 1081.678 | 1 | 1081.678 | 46.439 | .000[b] |
| 1 | Residual | 4611.902 | 189 | 23.292 | | |
| | Total | 5693.580 | 190 | | | |

a. Dependent Variable: EployeeJobPerformance

b. Predictors: (Constant), OrganizationalCulture

Source: Sample Survey April, 2016

It can be observed from the above table 4.15 that there is a significant relationship between Organizational Culture and employees' job performance (P<0.01, F>1). Hence, it is concluded that the **null hypothesis (Ho)** which states that Organizational Culture has no effect on employees' job performance is **rejected**.

#### 4.5.1.5Working Environment and Employees' Job Performance

**Table: 4.16 ANOVA Regressions for Working Environment and Employees' Job Performance**

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 817.168 | 1 | 817.168 | 33.180 | .000[b] |
| | Residual | 4876.412 | 189 | 24.628 | | |
| | Total | 5693.580 | 190 | | | |

a. Dependent Variable: EployeeJobPerformance

b. Predictors: (Constant), WorkingEnvironment

Source: Sample Survey April, 2016

As we can observe from the above table 4.16, there is a significant relationship between working environment and employees' job performance (P<0.01, F>1). Hence, it is concluded that the **null hypothesis ($H_o$)** which states that working environment has no effect on employees' job performance is **rejected**.

### 4.5.2 Multiple Linear Regression Analysis

Regression analysis is a systematic method that can be used to investigate the effect of one or more predictor variables on dependent variable. That is, it allows us to make statements about how well one or more independent variables will predict the value of a dependent variable. Specifically this multiple regression was conducted in order to investigate the effect overall bundle of selected determinant factors on employees' job performance which is clearly stated at hypothesis 6.

**Hypothesis : 6**

- $H_1$: The overall bundle of determinant factors has an effect on employees' job performance

- $H_0$: The overall bundle of determinant factors has on employees' job performance. has no effect on employees' job performance

**Table 4.17 Multiple Linear Regression Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .548[a] | .301 | .282 | 4.54078 |

a. Predictors: (Constant), Working Environment, Training, Leadership, Motivation, Organizational Culture

Source: Sample Survey April, 2016

As shown in the above table 4.17 the overall bundle of determinant factors of the five independent variables such training, motivation, leadership, organizational culture and working environment explains 30.1 % ($R^2$ = 0.301) of the dependent variable (employees' job performance). This suggests that 30.1 % of employees' job performance level in the bank clearly depends on the independent variables while the remaining 69.9 % is determined by other unaccounted factors in this study. Since as we show table 4.18 the result F= 15.901 which is greater than 1 and P<0.01 we can conclude that the combination of determinant factor have positive effect on employees' job performance which is statistically significant and confident at 99%. Thus, **this study rejects the null hypothesis**.

**Table 4.18 ANOVA**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1639.266 | 5 | 327.853 | 15.901 | .000[b] |
| | Residual | 3814.451 | 185 | 20.619 | | |
| | Total | 5453.717 | 190 | | | |

a. Dependent Variable: Employees Job Performance

b. Predictors: (Constant), Working Environment, Training, Leadership, Motivation, Organizational Culture

Source: Sample Survey April, 2016

**Table 4.19 Multiple Regression Coefficient**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 17.931 | 2.166 | | 8.280 | .000 |
| | Training | .137 | .066 | .163 | 2.073 | .041 |
| | Motivation | .118 | .056 | .135 | 2.096 | .039 |
| | Leadership | .205 | .073 | .207 | 2.790 | .007 |
| | Organizational Culture | .215 | .102 | .173 | 2.109 | .038 |
| | Working Environment | .145 | .075 | .117 | 1.923 | .059 |

a. Dependent Variable: Employees Job Performance
Source: Sample Survey April, 2016

From the above table 4.19, we can easily compare the relative contribution of each of the different variables by taking the beta value under the unstandardized coefficients. The higher the beta value, the strongest its contribution becomes. Accordingly, Organizational Culture (Beta=.215) makes the strongest unique contribution to explaining the dependent variable in which the results revealed that, a one unit increase or positive change in "organizational culture" would lead to a 0.215 unit increase the level of employees' job performance and followed by Leadership (B=.205), then working environment (B=.145). On the other hand, training and motivation are contributors to explaining the dependent variable with beta values of 0.137 and 0.118 respectively.

When we see the statistical significance of each variable from the above coefficients table 4.19, training (Sig. = .041), motivation (Sig. = .039), Leadership (Sig. = .007), and Organizational Culture (Sig. = .038) have a statistically significant contribution (Sig<.05) for the prediction of the dependent variable while working environment (Sig. = .059) which refer that statistically less effect to make any significant prediction.

### 4.5.3 Regression Mathematical Model

The equation of multiple regressions on this study is generally built on around two sets of variables, namely dependent variables (employee job performance) and independent variables (training, motivation, leadership, organizational culture and working environment). The basic objective of using regression equation on this study is to make the researcher more effective at describing, understanding, predicting, and controlling the stated variables.

**Table 4.20 Variables of the study**

| Independent Variable (IV) | Dependent Variable (DV) |
|---|---|
| Training | |
| Motivation | |
| Leadership | Employees' Job Performance |
| Organizational Culture | |
| Working environment | |

Employee performance = f (T,M,L,OC and WE)

EP= $\beta 1+\beta 2T+\beta 3M+\beta 4L+\beta 5OC+\beta 6WE$

Where:-

EP= Employees' Job performance

T= training

M= motivation

L= leadership

OC= organizational Culture

WE= working environment

Mathematically, $Y_i = \beta 1 + \beta 2X2 + \beta 3\ X3 + \beta 4\ X4 + \beta 5\ X5 + \beta 6\ X6 + \beta 7\ X7$

Where Y is the dependent variable- employee performance X2, X3, X4, X5, X6m and X7 are the independent β1 is the intercept term- it gives the mean or average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y when the stated independent variables are set equal to zero. β2, β3, β4, β5, β6 and β7 refer to the coefficient of their respective independent variable which measures the change in the mean value of Y, per unit change in their respective independent variables.

Therefore, based on the result in the regression coefficient table 4.14 and accordingly to the above general mathematical equation the estimated regression model of this study for Wegagen Bank are presented below.

EP= β1+β2T+β3M+β4L+β5OC+β6WE (Adopted from journal of Lydiah W. Wambugu, 2014)

**Figure: 4.5 Multiple Regression Mathematical Equation**

**Employees' job performance = 17.931** + **0.137** Training + **0.118 Motivation**+ **0.205** Leadership + **0.215 Organizational Culture** + **0.145** Working Environment

### 4.5.4 Summary of Hypothesis Testing

**Table 4.21 Summary of Hypothesis testing**

| No. | Developed Hypothesis | Test Result |
|---|---|---|
| **1.** | (Ho1) Training has no a positive relationship and significant effect on employees' job performance. | Rejected |
| **2.** | (Ho2) Motivation has no positive relationship and significant effect on employees' job performance. | Rejected |
| **3.** | (Ho3) Leadership has no a positive relationship and significant effect on employees' job performance. | Rejected |
| **4.** | (Ho4) Organizational culture has no a positive relationship and significant effect on employees' job performance. | Rejected |
| **5.** | (Ho5) Working environment has no a positive relationship and significant effect on employees' job performance. | Rejected |
| **6.** | (Ho6) The overall bundle of determinant factors has on employees' job performance. has no effect on employees' job performance | Rejected |

# CHAPTER FIVE

## 5. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION

### 5.1 INTRODUCTION

This research had an aim of investigating the effect of selected internal factors which are training, motivation, leadership, organizational culture and working environment on employees' job performance. This was done by investigating the relationship between each determinant factors and employees' job performance using correlation analysis and regression analysis to determine the extent of change in employees' job performance due to the selected internal factors. In addition, the research study examine how well the selected internal factors are being exercised how well employees are performing their job in the bank by looking at their mean scores of the response of the participants which is summarized under the descriptive statistical analysis.

In this section, summary of major findings, conclusions inferred from the data analysis in chapter four, and suggested recommendations are illustrated in detail.

### 5.2 SUMMARY OF FINDINGS

The data analyzed using descriptive statistics, correlation and regression major findings were presented below in a summarized as follows:
From the arithmetic mean values generated by the descriptive statistics, it shows that motivation (mean=2.86), leadership (mean=2.94), and work environment (mean=2.87) are below the average cut-off point of 3. While other factors such as training (mean=3.41) and organizational culture (mean=2.99) are above average and closer to average mean respectively. From this we can understand that employees of Wegagen are moderately agreed or satisfied with the internal factors practice. Still these practices need improvements so that employees will bring the better result that as the bank expects from its employees. Especially the motivational practice of the bank, leadership and work environment which have the lowest mean values, are in need of greater attention. And, job performance of employees in the bank under this study is good since the mean score for job performance is 3.58 which are greater than cutoff value and closer to agreement in the likert scale.

The values generated in the Pearson correlation for training (**r=.359, P<0.01**) are significantly and positively correlated with employees' job performance which is similar study depicts the positive correlation between training and employee performance as r=.233 sig=.000 conducted by Farooq and Aslam (2011). Additionally, the regression result which shows the relative contribution of training i.e (**Beta=0.137**) with (**Sig. = .041**) makes the moderate contribution to explaining the dependent variable employees' job performance which is also the same result of Sultana (2012), states the $R^2$ as 0.501 which means that 50.1% of variation in employee performance is brought by training programs. Therefore, the null hypothesis ($H_0$) is rejected.

Motivation has Pearson correlation coefficient **(r= 0.403, p<0.01)** which show positive and significant relation with employees' job performance as hypothesized. And, when we see the regression result (**Beta=0.118**) with (**Sig. = 0.039**) which can infer that motivation has positive and significant effect on employees' job performance as stated in the alternative hypothesis. Thus, the null hypothesis ($H_0$) is rejected.

On the other hand leadership practice has a correlation result **(r=0.434, p<0.01)** and regression result (**Beta=0.205**) with (**Sig. = 0.007**) in which we can conclude that leadership practice has positive and significant relationship and high contribution to explaining the dependent variable of employees' job performance. Consequently, the null hypothesis ($H_0$) is rejected.

Organizational culture has **(r=0.436, p<0.01),** which implies that there is positive significant relationship with employees' job performance as well as (**Beta=0.215**) with (**Sig. = 0.038**) which infer that there is positive effect and high level of contribution among other practices of the bank. The same as with Rashid Saeed et. al. (2013), finds that the organizational culture is positively correlated with employees' performance at the value of **0.000.** Hence, the null hypothesis ($H_0$) is rejected.

Additionally, working environment has the Pearson coefficient **(r=0.379, p<0.01)** which shows a positive correlation with employees' job performance. This implies the presence of moderate relationship between working condition and employees' job performance in Wegagen Bank which is statistically significant at 99 %. Even though, the regression result (**Beta=0.145**) with (**Sig. = 0.059**) of low level of contribution in which statistically insignificant but as we understand from correlation value in which we can conclude that a positive change in working environment has a corresponding positive change in performance of employees' job. Thus, the null hypothesis ($H_0$) is rejected

Finally, overall bundles internal factors which includes training, motivation, leadership, organizational culture and working environment with F-value significant at 0.000 have 30.1 % of the variation on employees' job performance is contributed in Wegagen Bank S.C

## 5.3 CONCLUSION

The study, after doing different analyses that the research objectives need, arrived and based on the major findings, the following conclusions were made:
Determinant internal factors examined in this study, especially motivation, leadership, work environment and organizational culture in the Wegagen bank are not being implemented properly as they have to be put into effect. That means there are still limitations in implementing these practice. Regardless of, moderately well implementation of the banks' practices, the job performance of employees is not bad. But the bank still not get utilize the full potentials of its human recourses due to the above limitations in implementing the human resource management practices properly.

As we shown from correlation and regression results that training has significant positive relation and positive significant effect on employees' job performance in Wegagen bank S.C. This is consistent with the result of Le Tran in his respective study found out organization without viable training programs would fail to provide employees with frequent opportunities to practice and enhance their capabilities, which ultimately affect the performance of employees.

From the statistical analysis the researcher found that motivation has a significant positive relationship with and as well as significant positive effect on employees' job performance in the bank. Thus, we can conclude that a positive change in motivational practice can bring positive improvement on employees' job performance.

On the other hand, leadership has also a positive relationship with performance as well as significant effect on employees' job performance in bank. In this regard the bank has opportunity to get high level of employees' job performance since it has better contribution than other internal factors in this study.

Additionally, organizational culture has a positive relationship and significant effect on employees' job performance. Based on the result we can infer that there is promising chance to alleviate the current employees' job performance because it has greater contribution than other internal factors in this study.

Still, working environment has also a positive significant relationship with employees' job performance. So, a positive change in the working environment has a corresponding positive change in performance of employees' job which was statistically acceptable and validated.

Moreover, the overall bundles of determinant factors incorporated in this study have positive effect on employees' job performance. For that reason, some extent of the employees' job performance is explained by training, motivation, leadership, organizational culture and working environment in the study bank.

## 5.4 RECOMMENDATION

The study investigated that the bank has limitations in properly implementing of the internal factors assessed in this research which are training, motivation, leadership, organizational culture and working environment. Hence, the management of the bank should review their Human resource management implementations. In doing so ensuring the participation of employees from every level in the organization is indispensable. Because, it is essential to get enough direct input concerning the human resource related factors that affect employees. This is basically helpful in developing smart HP policies that could inspire employees for enhanced job performance. If not employees may no longer stay working in this bank where: they do not get adequate training to reduce difficulties in order to discharging their responsibilities, there is no equitable salary and no fair promotion, without freedom in making decision related to their job, no culture of encouraging for an employee who score high level of job performance, and poorly designed office layout which may lead to risk for that specific job.

- Since training was found to be a positive predictor of employees' job performance, the Wegagen Bank management should engage in increasing the qualities and quantities of the training program so as to increase their employee's performance which helps the company to make best use of its human resources in favor of gaining competitive advantage; enhance employees' ability to adapt to the changing and challenging business environment and technology for better performance; increase their knowledge to develop creative and problem solving skills; but also important for the survival of the bank. Even though, the training practice in Wegagen is a good implementation but as we observed from the descriptive analysis output almost half of the remaining respondents are dissatisfied and neutral in their response related to training questions. Therefore, once HR manager decided the training needs have been identified using the various analyses through gathering data to compile all skill gaps which must be identifies the distance between the current performance and the standard desired performance, they should be set the training objectives that are close to the gaps and then priorities must be established. After that, decision should be made to use among different training methods based on the objectives of the training program, the trainees selected, and the type of training intended. Lastly, they should be measure the success of training in terms of the objectives which are already stated in advance. The training department should gather the information concerning the training procedures, appropriateness of media and instruction methods and other relating issues to determine the overall effectiveness of training through formal questionnaires, Knowledge Review, Observation, Employee discussion and Skill Gap Analysis

- A positive motivational practice can be achieved through that: management should increase compensation in accordance with work experience and in equitable manner within the bank and equitable when compare to others which are in the same industry on the basis assessments of the job relative internal value and of the external relativity's i.e. market rate. Besides to equitable salary payment, recognition and promotion programs should be regularly considered to recognize good job performer of the bank. Promotional opportunities should also be administered based on employees performance evaluation score in a fair and transparent way in which considers all employees equally without any discrimination. And also, alternative forms of reinforcement should also be introduced and used frequently, including verbal reinforcement and priority for educational opportunities for employees who excel in their job performance.
- The study concludes leadership has significant contribution account for variance in job performance. The researcher therefore, recommend that Wegagen bank is in the banking industry which want to be more competitive should consider adopting a more democratic leadership style that give room for employee participation and freedom in decision-making, treating all in equal way, help to communicates freely on the goals of the bank, inspires staffs to achieve the company objectives, give values for skills and knowledge of the employee, and help to motivate employees for better job performance than autocratic leadership style since it is has positive association with employees' job performance in the case company. And also, the bank should reduce the autocratic leadership practices. Hence, Wegagen Bank should promote the democratic leadership styles those suites different situations so as to reduce the dominance of autocratic leadership unless in situations where it is necessary. The bank should also formulate polices, which helps encourage leaders to empower employees to be part owner of the bank. Therefore, leaders should create a friendly work relation with employees, give regular feedback on their job performance, communicate well on job related issues, serve as role models and treat all equally for the development of highly committed workforce.

- Since employee's job performance is one of the important factor for Wegagen bank to compete in the banking industry. Thus, the management of the bank should avoid discouraging culture in order to have positive effect on employees' job performance. As we know every individual has different culture, value, and beliefs from his own. So, in order to modify the existing unnecessary culture, management should notified and made to learn the modification of the old (bad) culture that will negatively affect on their job performance. The organizational culture should be binding on all staff of the bank as this will encourage uniformity among members of the bank which can be achieved through orientation and different training programs and thus which can bring to enhance individual commitment to the goals of the bank and also improve group efficiency. Since the shared values and beliefs mostly adopted from top level management thus the bank should give recognition, and verbal reinforcement who has being a role model of good performer and familiar with company's values and beliefs in exchange of encouraging, and respecting his/her subordinates and customers as a core value for survival of the bank.
- As we infer the result shows in the finding that working environment has positive significant relationship with employees' job performance thus, management should provide a better working environment to its employees, which is adequate in terms of offering adequate facilities and resources to do their job effectively; and conducive in terms of space, seating arrangement (ergonomic), ventilation, and lighting for maximum comfort, efficiency, safety, and ease of use which particularly true for those employees who spend most of the day operating a computer terminal. And also the bank should make the layout and seating arrangement apply in a consistent way with clear procedure through all branches in order to be standardized and that will give a unique icon for the bank. Additional, the management should arrange flexible work hours through shifting for employees in order to fulfill their personal affair and provide vacation to have better interpersonal relationship and communication among all staffs in work place. This will contribute towards increase the level of satisfaction and also improvement in employees' job performance.

In conclusion, the bank can even get superior employees' job performance than what they are obtaining if they managed to revise and identify their weak sides in exercising the internal factors practices. Because, inappropriate practice of the above five factors can obviously discourage employees from utilizing their potential which in return negatively affect their job performance and organizational performance as a whole. Therefore, Wegagen Bank should get its employees satisfied for higher level of job performance and organizational performance as a whole this may achieved through the above all recommendations.

### 5.5 Suggestion for Further Research

The study was limited due to its cross-sectional study design. However, these types of relationships may require a longitudinal analysis so; the future researches should examine this relationship over a longer period of time. The researcher was limited to five factors or practices which affect job performance of an employee but the future researchers may focus on different variables or combination of those variables included in this study. The study was conducted in the service industry sector limiting its scope. The future researches may examine the determinant factors on employees' job performance on other sectors and may compare different sectors as well.

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# Annex

# Annex – 1-

## ADDIS ABABA UNIVERSITY

## SCHOOL OF COMMERCE

## MASTERS IN HUMAN RESOURCE MANAGEMENT

## RESEARCH QUESTIONNAIRES

**Research Topic: Determinant Factors Affecting Employees' Job Performance**

**Researcher Name: Getamesay Birhane**

**Dear sir/madam**

I am a post graduate student of Human Resource Management in Addis Ababa University School of Commerce. Currently, I am undertaking a research entitled **Determinant Factors Affecting Employees' job Performance.** You are one of the respondents selected to participate on this study. Please assist me in giving correct and complete information to present a representative finding on the current status of the factors affecting employees' performance in Wegagen Bank within Addis Ababa City Branches. Your participation is entirely voluntary and the questionnaire is completely anonymous.

Finally, I confirm you that the information that you share me will be kept **confidential** and only used for the academic purpose. No individual‘s responses will be identified as such and the identity of persons responding will not be published or released to anyone. All information will be used for academic purposes only.

Thank you in advance for your kind cooperation and dedicating your time.

**Sincerely, Getamesay Birhane**

**Instructions**

- No need of writing your name
- For Likert scale type statements indicate your answers with a check mark (✓) in the appropriate box.

**Note:** Questionnaires are prepared only for employee who has one year and above length of service; and employees who are non- managerial position.

**SECTION A: GENERAL INFORMATION (DEMOGRAPHIC DATA)**

**Fill in the blanks provided by a means of a cross (✓) by indicating your correct choice.**

A. Gender:

1. Male ☐ 2. Female ☐

B. Age

1. Less than 25 ☐ 2. 25- 30 ☐ 3. 31- 35 ☐
4. 36 - 40 ☐ 5. Above 41 ☐

C. level of education

1. Diploma ☐ 2. Bachelor Degree ☐
3. Master ☐ 4. PhD ☐ 5. Other sate here:_____________

D. Marital Status

1. Single ☐ 2. Married ☐ 3. Divorce ☐ 4. Widowed ☐

E. Year of service you have work in Wegagen Bank?

1. 1 – 4 years ☐ 2. 5 – 9 years ☐
2. 3. 10 – 20 years ☐ 4. Above 20 years ☐

F. Current Position

1. CSO Maker ☐ 3. CSO back officer ☐ 5. Other sate here:__________
2. CSO checker ☐ 4. IT related professional ☐

**SECTION B: JOB RELATED QUESTIONS**

**I. Questions related to Training**

Please indicate your responses to each of the following statements regarding training. Indicate with a ✓ in the appropriate answer box, according to the following code definitions:

Please rate your response as follows:

1= Strongly Disagree (SD)2= Disagree (D) 3= Neutral 4= Agree (A) 5= Strongly Agree (SA)

| No. | Questions | 1 SD | 2 D | 3 N | 4 A | 5 SA |
|---|---|---|---|---|---|---|
| 1. | The training leads to improve my performance | | | | | |
| 2. | Employees feel a strong desire to apply what they have learned during the training | | | | | |
| 3. | The necessary training is given to ensure job effectiveness. | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 4. | In-service/on-the job training adequately addresses the skill gaps. | | | | | |
| 5. | Incompetent employees are identified and provided with the necessary support. | | | | | |
| 6. | Professional employees participate in identifying their training needs | | | | | |
| 7. | Training Leads the employee reduce their mistakes | | | | | |
| 8. | The bank follows employee's performance after training | | | | | |
| 9. | The training assessment done only by asking the trainee for their opinions | | | | | |
| 10. | There is an opportunity for career advancement | | | | | |
| 11. | Trainings that provide are enables to boost and affect positively the employees' performance | | | | | |

II. **Questions related to Motivation**

Please indicate your responses to each of the following statements regarding motivation. Indicate with a ✓ in the appropriate answer box, according to the following code definitions:

Please rate your response as follows:

1= Strongly Disagree(SD) 2= Disagree (D) 3= Neutral 4= Agree (A) 5= Strongly Agree (SA)

| **No.** | **Questions** | **1 SD** | **2 D** | **3 N** | **4 A** | **5 SA** |
|---|---|---|---|---|---|---|
| 12. | My salary is equitable when compared with other banks | | | | | |
| 13. | My salary payment is satisfactory in relation to what I do | | | | | |
| 14. | My salary is in accordance with my work experience and increases on fair manner | | | | | |
| 15. | I am satisfied with bank's benefits package. | | | | | |
| 16. | Hard working employees are recognized. | | | | | |
| 17. | Staffs are promoted in a fair and transparent way | | | | | |
| 18. | The benefit packages of the bank has effect on my job performance | | | | | |
| 19. | Employees, who receive frequent feedback concerning their performance, are usually more highly motivated than those who do not. | | | | | |
| 20. | The motivation I got from the bank contributes for high level of job performance | | | | | |

## III. Questions related to leadership

Indicate your response to each of the following statements with regard to leadership. Please place a ✓ mark in the appropriate answer box according to the following code definitions:

Please rate your response as follows:

**1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral 4= Agree (A) 5= Strongly Agree (SA)**

| No. | Questions | 1 SD | 2 D | 3 N | 4 A | 5 SA |
|---|---|---|---|---|---|---|
| 21. | My supervisor values all the ideas and skills I bring to the company | | | | | |
| 22. | I am satisfied with freedom to make decision on my role | | | | | |
| 23. | I have the opportunity to take part when decisions are made | | | | | |
| 24. | My supervisor gives me regular feedback on my performance. | | | | | |
| 25. | My supervisor inspires me to achieve the company objectives. | | | | | |
| 26. | My supervisor is unbiased and treats every employee without discrimination. | | | | | |
| 27. | The existing Leadership style motivate employees for high level of performance | | | | | |

## IV. Questions related to organizational culture

Indicate your response to each of the following statements with regard to organizational culture. Please place √ mark in the appropriate answer box according to the following code definitions:

Please rate your response as follows:

**1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral 4= Agree (A) 5= Strongly Agree (SA)**

| No. | Questions | 1 SD | 2 D | 3 N | 4 A | 5 SA |
|---|---|---|---|---|---|---|
| 28. | I am familiar with the overall bank's shared values and beliefs | | | | | |
| 29. | Employees are encouraged to come up with new ideas | | | | | |
| 30. | Rules set out within the organization are practical | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 31. | There is a shared value of cooperation among employees | | | | | |
| 32. | Employees are committed to the vision, mission and goals of the organization | | | | | |
| 33. | The existing bank's values and beliefs motivated employees for high level of performance | | | | | |

**5 Questions related to Working Environment**

Indicate your response to each of the following statements with regard to employee performance.

Please place ✓ mark in the appropriate answer box according to the following code definitions:

Please rate your response as follows:

**1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral 4= Agree (A) 5= Strongly Agree (SA)**

| No. | Questions | 1 SD | 2 D | 3 N | 4 A | 5 SA |
|---|---|---|---|---|---|---|
| 34. | I am provided with adequate facilities and resources to do my job effectively | | | | | |
| 35. | The physical surrounding where I am working is comfortable and convenient to perform my job | | | | | |
| 36. | The working condition like space, seating arrangement, ventilation, refrigerator, lighting etc helped me to do my duties in better way | | | | | |
| 37. | The bank provides flexible work hours to accommodate my personal needs | | | | | |
| 38. | I get the opportunity to work with my colleagues and to communicate on aspects of our job | | | | | |
| 39. | All in all I am satisfied with the working condition of the bank. | | | | | |

## 6 Questions related to Employee Performance

Indicate your response to each of the following statements with regard to employee performance. Please place ✓ mark in the appropriate answer box according to the following code definitions: Please rate your response as follows:

**1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral 4= Agree (A) 5= Strongly Agree (SA)**

| No. | Questions | 1 SD | 2 D | 3 N | 4 A | 5 SA |
|---|---|---|---|---|---|---|
| 40. | I strictly follow the policies and procedures of the bank (for example dressing code, moral and ethical standards, rules of conduct etc.) | | | | | |
| 41. | I effectively use resources including time and materials | | | | | |
| 42. | I try my best to avoid lateness and absence from my job | | | | | |
| 43. | I receive regular job performance feedback. | | | | | |
| 44. | I believe there is fairness in the way my performance is assessed. | | | | | |
| 45. | I effectively work with other employees | | | | | |
| 46. | My performance is limited by poor leadership of my supervisor. | | | | | |
| 47. | Employee's job performance is affected by the current motivational practice ( like salary, benefit, recognition, promotion, etc.) that the bank is trying to offer | | | | | |
| 48. | The existing benefit packages like medical cost coverage, fuel (transport) allowance, endowment insurance cost and house allowance are helping to motivate employees for higher level of performance | | | | | |
| 49. | The banking work environment is good for employees in terms of enabling them to optimally utilize their knowledge, skill and ability. | | | | | |

**"Thank you for your involvement and precious time"**

# Annex – 2 -

## Collineality diagnostics

| Model | Dimension | Eigen value | Condition Index | Variance Proportions | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Constant | Training | Motivation | Leadership | Organization Culture | Working Environment |
| 1 | 1 | 5.863 | 1.000 | .00 | .00 | .00 | .00 | .00 | .00 |
| | 2 | .039 | 12.211 | .15 | .11 | .40 | .08 | .02 | .02 |
| | 3 | .032 | 13.457 | .03 | .03 | .00 | .34 | .03 | .66 |
| | 4 | .029 | 14.184 | .03 | .05 | .32 | .58 | .02 | .22 |
| | 5 | .022 | 16.471 | .00 | .03 | .25 | .00 | .93 | .11 |
| | 6 | .014 | 20.226 | .78 | .78 | .02 | .00 | .01 | .00 |

a. Dependent Variable: EployeeJobPerformance

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 17.931 | 2.166 | | 8.280 | .000 | | |
| | Training | .137 | .066 | .163 | 2.073 | .041 | .778 | 1.286 |
| | Motivation | .118 | .056 | .135 | 2.096 | .039 | .574 | 1.742 |
| | Leadership | .205 | .073 | .207 | 2.790 | .007 | .656 | 1.524 |
| | OrganizationalCulture | .215 | .102 | .173 | 2.109 | .038 | .560 | 1.786 |
| | WorkingCondition | .145 | .075 | .117 | 1.923 | .059 | .668 | 1.497 |

a. Dependent Variable: EployeeJobPerformance

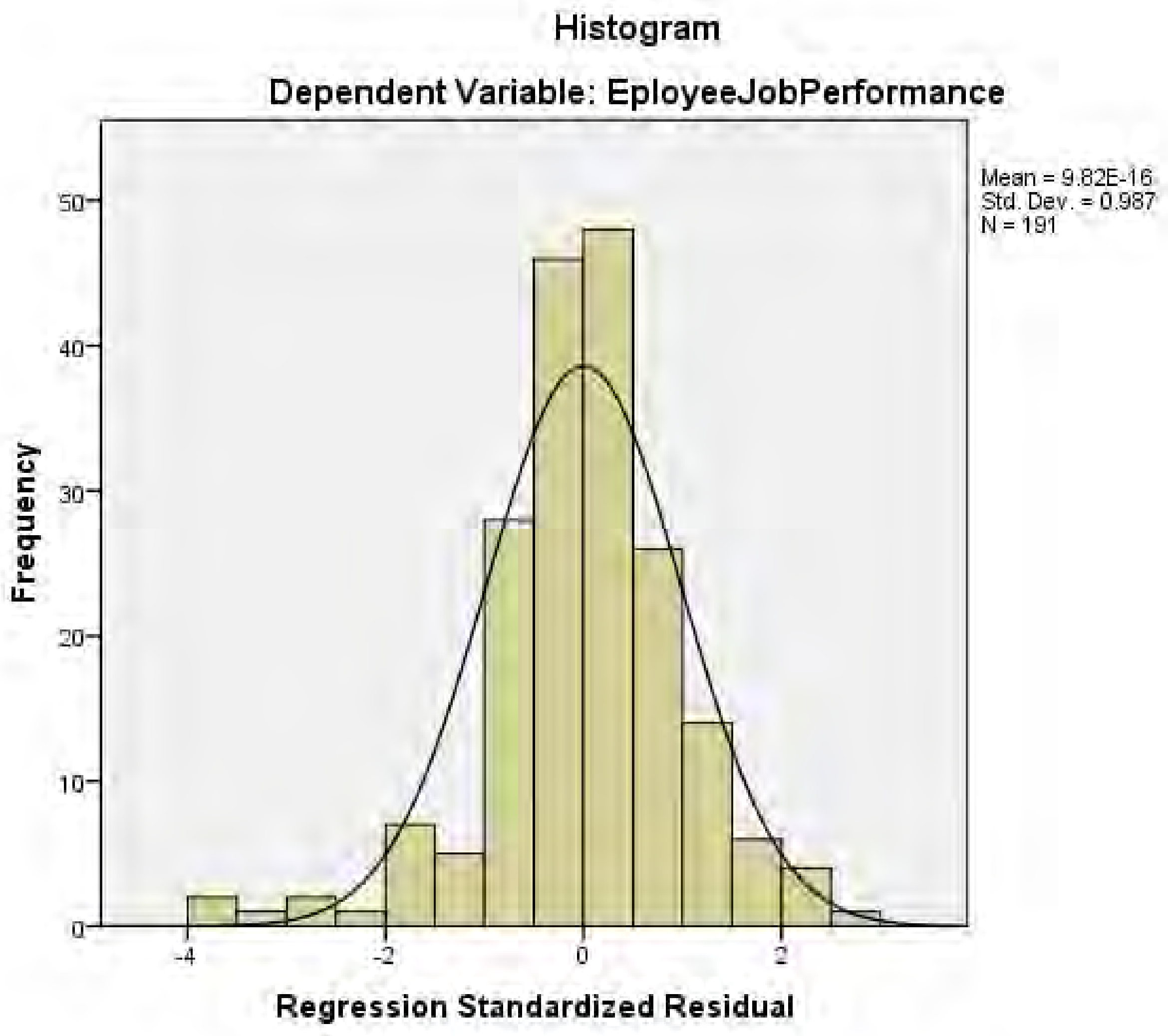
Source: Sample Survey April, 2016

# Annex – 3 – Histogram

**Residuals Statistics[a]**

| | Minimum | Maximum | Mean | Std. Deviation | N |
|---|---|---|---|---|---|
| Predicted Value | 25.9478 | 42.8861 | 35.5131 | 2.93730 | 191 |
| Residual | -17.69140 | 12.83836 | .00000 | 4.48063 | 191 |
| Std. Predicted Value | -3.257 | 2.510 | .000 | 1.000 | 191 |
| Std. Residual | -3.896 | 2.827 | .000 | .987 | 191 |

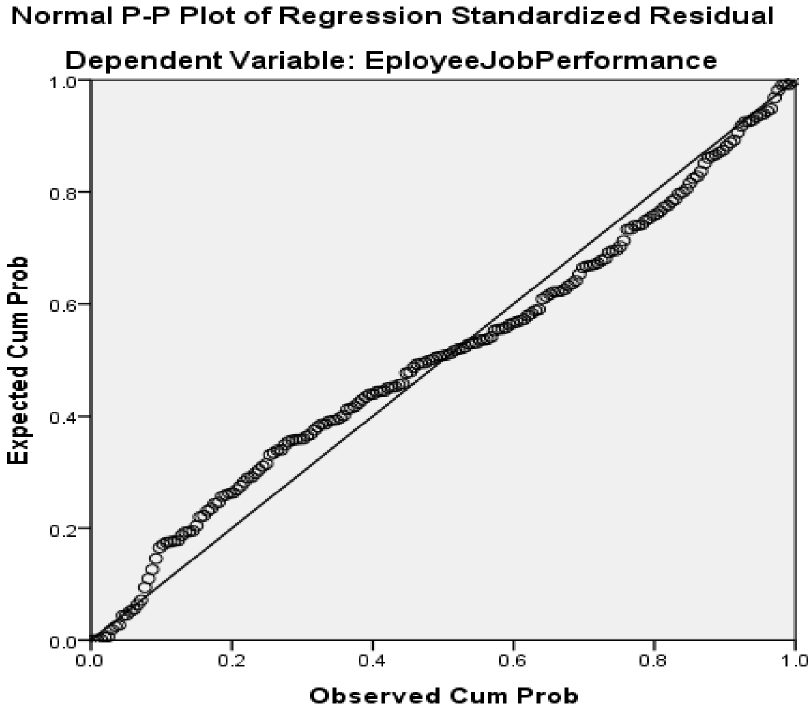
a. Dependent Variable: EployeeJobPerformance

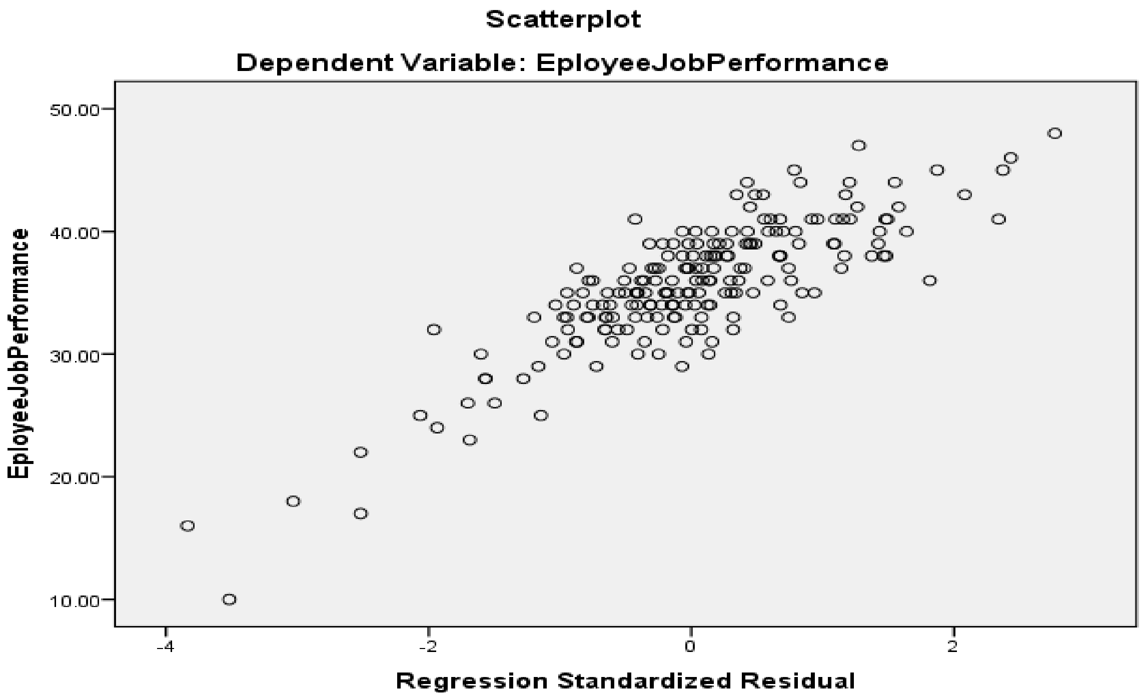



Source: Sample Survey April, 2016

**Annex – 4 -**

**Normal Plot and Scatter plot**




Source: Sample Survey April, 2016

# Annex – 5 -

**Research Participants selected of branch and number of staff:**

| No. | List of Addis Ababa Branch | Participation Status | Number of Research Participant in the Branch | Tier label of the branch |
|---|---|---|---|---|
| - | Head Office | Selected | 23 | -- |
| 1. | Abakoran | Selected | 6 | III |
| 2. | Abinet Area | Selected | 4 | III |
| 3. | Addisu Gebeya | Selected | 2 | III |
| 4. | Africa Avenue | Selected | 6 | III |
| 5. | Africa Union | Not Selected | - | III |
| 6. | Agar | Not Selected | - | III |
| 7. | Alem Bank | Not Selected | - | III |
| 8. | Arada | Selected | 5 | III |
| 9. | Atlas Area | Not Selected | - | III |
| 10. | Ayat Addebabay | Selected | 2 | III |
| 11. | Ayer Tena | Not Selected | - | III |
| 12. | Bambis Area | Selected | 4 | III |
| 13. | Beklobet | Selected | 5 | I |
| 14. | Bisrate Gebriel | Not Selected | - | III |
| 15. | Bole | Selected | 4 | I |
| 16. | Bole Bulbula * | Not Selected | - | III |
| 17. | Bole Medhanialem | Selected | 7 | III |
| 18. | Bole Michael Area | Not Selected | - | III |
| 19. | Cathedral Area | Selected | 4 | II |
| 20. | CMC Area | Selected | 3 | III |
| 21. | Gerji | Selected | 4 | I |
| 22. | Gerji Sunshine Area | Selected | 5 | III |
| 23. | Goffa | Selected | 6 | I |
| 24. | Goffa Camp | Not Selected | - | III |
| 25. | Goffa Mebrat Hail | Not Selected | - | III |
| 26. | Gullele | Not Selected | - | III |
| 27. | Habte Giorgis | Selected | 6 | II |
| 28. | Haya Arat Area | Selected | 2 | III |

| No. | List of Addis Ababa Branch | Participation Status | Number of Research Participant in the Branch | Tier label of the branch |
|---|---|---|---|---|
| 29. | Hayahulet Area | Selected | 5 | III |
| 30. | Gurd Shola | Not Selected | - | III |
| 31. | Jemo | Not Selected | - | III |
| 32. | Kality | Selected | 3 | III |
| 33. | Kality Maseltegna | Selected | 3 | III |
| 34. | Kazanchis Area | Selected | 3 | II |
| 35. | Kidist Mariam Area | Selected | 4 | III |
| 36. | Kotebe * | Not Selected | - | III |
| 37. | Lafto | Not Selected | - | III |
| 38. | Lebu | Not Selected | - | III |
| 39. | Lideta | Selected | 5 | III |
| 40. | Megenagna | Selected | 6 | III |
| 41. | Merkato | Selected | 6 | I |
| 42. | Mesalemia | Selected | 4 | I |
| 43. | Meskel | Selected | 5 | I |
| 44. | Meskel Flower | Selected | 6 | III |
| 45. | Military Tera | Selected | 5 | III |
| 46. | Nefas Silk | Not Selected | - | III |
| 47. | Saris Addisu Sefer | Selected | 4 | III |
| 48. | Sebara Babur Area | Selected | 7 | II |
| 49. | Sengatera | Selected | 5 | III |
| 50. | Shala Menafesha Area | Not Selected | - | III |
| 51. | Stadium | Selected | 5 | III |
| 52. | Summit Area | Selected | 3 | III |
| 53. | Tekle Haymanot | Selected | 7 | I |
| 54. | Wellosefer Area | Selected | 5 | II |
| 55. | Weyra-Bethel Area | Not Selected | - | III |
| 56. | Wuhalimat Area | Selected | 2 | III |
| 57. | Yerer Ber * | Not Selected | - | III |
| Total | | **57** | 191 | |

**Notice:** * Branches which are newly opened at the time of conducting this research study and the total number changed from 54 to 57