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COLLEGE OF BUSINESS AND ECONOMICS
MBA PROGRAM

**THE EFFECT OF JOB CHARACTERISTICS ON EMPLOYEE
PERFORMANCE; MOTIVATION AS A MEDIATING
VARIABLE: THE CASE OF DEVELOPMENT BANK OF
ETHIOPIA**

By

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DECLARATION

I, the undersigned, declare that this study was original and has been done by myself, the work has not been submitted to any other Institute for any degree or diploma or other professional qualifications, all sources of materials used for the study have been properly acknowledged by citing them in the text and giving their detail information in the reference.

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CERTIFICATION

This is to certify that the work contained in the thesis entitled “The Effect of Job Characteristics on Employee Performance; Motivation as a mediating variable: The Case of Development Bank of Ethiopia”, by “Yenesew Andualem”, has been carried out under my supervision and this Research Paper has been presented for Examination with my Approval.

Tsegabrhan Mekonen (PhD)

Advisor

A handwritten signature in black ink, appearing to read 'Tsegabrhan Mekonen', is written over a horizontal line.

Signature

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Abstract

The main objective of this study was to examine the effect of job characteristics on performance of employee's with mediating role of motivation at DBE. To achieve its objectives, the study employed explanatory research design to examine the relationship between dependent, mediating and independent variable of the study. Quantitative research approach was also used in order to analyze the collected data from the respondents with the help of statistical package for social sciences (SPSS) version 26. The data has been collected through questionnaires, by using stratified random sampling technique. Accordingly, by using statistical tools like mean, correlation and multiple linear regressions the required analysis has been made in order to identify the possible effect of job characteristics on employee's performance and to test mediation effect of employee motivation. The finding of the study reveals that all studied job characteristics dimensions have a positive and significant effect on employee's performance and motivation has partially mediated the relationship. The levels of existence or degree of occurrence of all job characteristics dimensions in the bank were moderate. This implies that the job design in DBE has moderately incorporated the suggested job dimensions. Therefore, DBE shall improve its job design in order be productive and take labour competitive advantage from banking industry.

Key Words: *Skill Variety, Task Identity, Task Significance, Autonomy, Feedback, Employee Motivation and Employee Performance*

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Acronyms

DBE: Development Bank of Ethiopia

EP: Employee Performance

JC: Job Characteristics

EM: Employee Motivation

JCM: Job Characteristics Model

HRM: Human Resource Management

IWPQ: Individual Work Performance Questionnaire

SKV: Skill Variety

TSKI: Task identity

TSKS: Task significance

AUT: Autonomy

FDB: Feedback

CHAPTER ONE

1. Introduction

1.1. Background of the Study

The success of any business depends on the effectiveness, quality of output and commitment of its employees. This can be achieved through effective Human Resource Management (HRM), which manages its human capital properly, design jobs to empower and motivate its employees which, in turn, improves the performance of employees as well. Performance in an organization is the achievement of goals in the form of financial results or productivity, which is achieved through its employees

According to Munjuri (2011), various human resource practices adopted by organizations enhance the skills of employees and motivate to work hard so as to achieve the set targets. Such Human Resource Management practices include, job enrichment, job enlargement, employee training and development, performance management, compensation and incentives.

Employee performance is an achievement of tasks within a planned period of time keeping the expected quality and quantity (Evelyn et al, 2014). Employee motivation has a great influence on organizations' productivity in such a way that motivated personnel are highly engaged and committed to their job (Armstrong, 2009).

Campion and Thayer (1995) suggested that the outcomes of employees and the employer could be influenced by job design. When job is designed, it can consider issues such as motivating its workers, maximizing productivity, improving production efficiency and minimizing physical strain.

Employees are a means to get a competitive advantage in such a way that competent workers can push the progress of the business to the highest level. Organizations, to keep its performance and competitive advantage, need to have human resource strategy to preserve employees motivated and satisfied (Haque, Haque and Islam, 2014).

According to Abasalizadeh and Dadgarinezhad, government institutions should enhance their performance through appropriate human development programs; hence the government is struggling to establish an excellent workforce group with excellent skill and capacity so as to meet the expectation of the management and the public sector. Appropriate human capital can

be created by designing motivational features of tasks. Hackman and Oldham, 1975, proposed five job dimensions (namely skill variety, task identity, task significance, autonomy and feedback) that have an effect on work-related outcomes and employee performance.

According to Assefa (2018) there is a connection between employee motivation and work performance where by whenever motivation increases the performance increment as well. Further studies also support the idea. For instance, Pawirosumarto, Sarjana and Muchtar (2017) found that employee motivation positively and significantly affects the employee's performance.

Organizations need to have motivational strategies that will create conducive working environment and maintain high level of performance. Providing the means to achieve their goals will help people to be motivated. There are various factors affecting their motivational strategies, such as the need for work which provides people with the means to achieve their goals, a reasonable degree of autonomy, and extent for the use of their skills and competences. Specifically, achievements, responsibilities and the opportunity to use and develop skill intrinsically motivate people as well (Armstrong, 2009).

As suggested by Hackman and Oldham (1976), employees who work on jobs with high job dimensions show high work motivation, satisfaction, and performance. Incorporating job characteristics elements will make the job more motivating by promoting three psychological states, such as perceptions of employee about their works meaningfulness, the insight of employees about the responsibility of their job outcome, and employees knowledge about their work effectiveness which, in turn, leads to different personal and work outcomes such as better work motivation, quality work piece, greater work satisfaction, minimized absenteeism and low turnover.

1.2. Background of the Organization

Development Bank of Ethiopia is one of the state owned financial organizations which mainly provide short, medium and long term credit. The bank has been central role in promoting overall economic development of the country since its establishment. Development Bank of Ethiopia is a strategic financial institution and a policy bank mandated to finance selected priority projects that support the socio-economic development of the country. The priority projects are chosen by country strategy document, which are projects related to export oriented, agro-processing, manufacturing, and commercial farming. In addition, the Bank is providing

lease financing to government priority areas for those small and micro enterprises which are not financed by micro-finance institutions and commercial banks are not willing to finance. The bank has been established around 1905 E.C and has changed its name several times in relation to Ethiopian political changes. Currently the bank has more than 79 branches throughout the country and more than 2000 employees. The human resource of the bank is composed of various experts some of these includes economists, management and accounting professionals, engineers, lawyers, IT professionals, agricultural professionals, statisticians etc.

1.3. Statement of the problem

For an organization to be successful and sustainable, it needs to have employees with high individual performance. Employee's performance will, in turn, be optimized if they feel good about their job and motivated. Motivated employees treat the organization, its clients very well and provide quality service, be persistent, creative, productive, and willing (Ganta, 2014).

On the other hand, employee motivation is becoming a crucial difficulty for managers and leaders. Unmotivated employees are likely to spend little or no effort in their jobs, avoid the workplace as much as possible, exit the organization if given the opportunity, and produce low quality work (Ganta, 2014).

Employees can be motivated intrinsically by the job itself if their job can provide sufficient variety, sufficient complexity, and sufficient skill, sufficient challenges to engage the ability of the worker (Armstrong, 2009). Hackman and Oldham (1974) suggested the five job dimensions or characteristics.

Globally, many theories such as Hackman and Oldham's Job characteristics theory and Herzberg's two-factor theory, support that the characteristics of a job can affect employee motivation and performance. In addition, various empirical studies are conducted and came up with inconsistent conclusions regarding the effects of job dimensions on employee performance.

Among various empirical studies, the study on the relationship between Job Characteristics and Employee Performance in Kenya private equity firms, incorporated all the job dimensions in Hackman and Oldham job characteristics model and found that all job dimensions except job significance have an effect on employee performance (Evelyne, *Kilika and Muathe*, 2018).

The study conducted on Commercial Banks in Kisumu, Kenya “Effect of Job Redesign on Employee Performance ”, incorporated four job characteristics namely skill variety, task identity, task significance and task autonomy. The result of the study found that the three job dimensions, skill variety, job identity and job significance, have an effect on employee performance on commercial banks in Kisumu Kenya. But, the study concluded that task autonomy doesn’t affect the performance of employees in commercial banks of Kisumu, Kenya.

Similarly, Kassem & Sarhan (2013), conducted a study that examined the influence of job characteristics on employee performance and employee satisfaction. Their study was in the Egyptian agricultural extension system and came up with the conclusion that four job dimensions have an effect on satisfaction and performance, but, job autonomy doesn’t affect both.

Contradicting these, another study was conducted by Tungkiatsilp (2013), which examined the dual influence of job dimensions and workers satisfaction on performance. The result of the study concluded that job autonomy was the only job dimension which significantly and positively related to job performance (Tungkiatsilp, 2013).

Abasalizadeh and Dadgarinezhad (2018) investigated the effect of job characteristics on job involvement and job performance including five job dimensions. The result of the study shows that all job characteristics have a significant effect on employee involvement and performance. Another influential study on “Job characteristics as a predictor of work motivation and job satisfaction of Bank employees”, found that only three job dimensions, namely task significance, autonomy and feedback, significantly predict intrinsic motivation and hence employee performance (Safari, Thirupalu and Subhan, 2012).

In Ethiopia, as far as the researcher’s awareness, much research has not been undertaken to address the effect of job characteristics on employee performance. Moreover, except done by Evelyn, (2014) on private equity firms in Kenya, much researches have not been conducted directly addressing the effect of job characteristics on employee performance with mediating role of employee motivation in our country level in general and at Development Bank of Ethiopia in particular.

Since Development Bank of Ethiopia is a service giving organization, all of its business depends on its human resource. To deliver quality service, it needs competent, motivated and

satisfied employees. According to DBE's, Five Years Strategic Reform Plan (2019) the Bank's leadership and human resource capacity is in a serious problem in terms of delivering results efficiently and effectively, and the internal environment assessment identified capacity limitations and decreased commitment.

Thus, the student researcher is initiated to investigate the effect of job characteristics on employee performance with a mediating role of employee motivation for attempting to partially fill this empirical research gap in Ethiopian context at banking sector particularly Development Bank of Ethiopia through incorporating the five dimensions of job characteristics into the research design.

1.3.1. Research Questions

Keeping the aforementioned statement into account, this research study intends to answer the following basic research questions.

- To what extent does skill variety affect employee performance in Development Bank of Ethiopia?
- To what degree does task identity affect employee performance in Development Bank of Ethiopia?
- How does task significance affect employee performance Development Bank of Ethiopia?
- Is there relationship between task autonomy and employee performance in Development Bank of Ethiopia?
- What is the effect of feedback on employee performance in Development Bank of Ethiopia?
- To what extent does motivation mediate the relationship of job characteristics and employee performance?

1.4. Objective of the study

1.4.1. General objective

The general objective of the study was observing the influence of job characteristics on the performance of employees with a mediating role of employee motivation in Development Bank of Ethiopia

1.4.2. Specific objectives

- To examine the influence of skill variety on the performance of employees in Development Bank of Ethiopia.

- To investigate the effect of task identity on the performance of employees in Development Bank of Ethiopia.
- To analyze the effect of task significance on the performance of employees in Development Bank of Ethiopia.
- To examine the effect of autonomy on the performance of employees in Development Bank of Ethiopia.
- To observe the effect of feedback on the performance of employees in Development Bank of Ethiopia.
- To determine the mediating effect of employee motivation on the relationship between job characteristics and the performance of employees in Development Bank of Ethiopia.

1.5. Significance of the study

This thesis is significant to human resource policy makers within the Bank which they will benefit from this study as it provide proficiency on how to motivate employees through incorporating job characteristics as an intrinsic motivation factors, beyond extrinsic motivation factors, so as to enhance employee performance and productivity which in turn improve the overall organizational performance. Specifically, the research will give an insight to human resource management process of Development Bank of Ethiopia in reviewing its HR policy and try to incorporate major job dimensions in its job redesign. In addition, employees in the organization will be benefited by being rational on short and long term effects of job characteristics on their performance. Furthermore, this thesis will serve as a literature for future studies.

1.6. Scope of the study

The study focused on the effect of job characteristics on employee performance taking motivation as a mediating variable in Development Bank of Ethiopia. The population of the study was all permanent and professional employees of Development bank of Ethiopia, which the researcher believed that it will provide sufficient population and sample to discover reliable results. Geographically, the study covers District and Branch offices of DBE all over Ethiopia and Head Office. This study used explanatory research design and quantitative approach of research. Furthermore, stratified random sampling was used to select respondents and structured questionnaire was used as data collection instrument.

The study covered the period from March 1, 2020 to December 31, 2020. The study explored or discussed theoretical concepts such as performance theory and Herzberg's two factor theory. In addition, models such as Job Characteristics Model (which is a guiding model for this research) and Demand Control Model has been used as supporting models for this study. Moreover, empirical studies regarding employee motivation, job characteristics and employee performance have been addressed.

1.7. Organization of the paper

The study has been organized in to five chapters. The first chapter consists of the introduction, background and brief of the study, the background of organization, problem statement section, objective of the study, major significance of the study and the scope in which the study covers. The second chapter provided detailed explanations of the problem under study; review of related theories, review of related empirical studies, and summary of literature review or conceptual framework. Thirdly, the methodology section in which the researcher provided the way how the study was conducted; consisting of a brief about the research design, target population, sampling technique, sample size, source of data, data collection instruments, empirical model and data analysis method. The fourth chapter is about the data analysis part, which the data collected was processed, analysed and discussed. Finally, the summary, conclusion and recommendation has been presented under chapter five.

CHAPTER TWO

2. Literature review

Reviewing related literature is necessary to understand the theoretical concept of the problem under study. Hence, this chapter focuses on presentation of related literature in the area of job characteristics, employee motivation and employee task performance. Theoretically, the Herzberg two factor theory, Demand Control Model (DCM), Performance theories and concepts, and Job Characteristics Model (JCM) are used to explain the relationship between job characteristics and employee performance as well as employee motivation. Furthermore, various empirical evidences from different scholars related to the problem under study are reviewed to show the effect of job characteristics on employee performance. Then, to make a summary of literature review and to show study variables in precise way, the conceptual framework will be presented. Finally, based on the related literatures review, research hypothesis was developed.

2.1. Theoretical review

2.1.1. Motivation-Hygiene Theory

Fredrik Herzberg, on his work of two factor theory or motivation- hygiene theory identified that, human beings has two types of motivation factors independent of one another. Both factors of motivation exist in man at the same time, but one factor doesn't substitute another factor.

The first motivation factor, According to Herzberg (1957), is an intrinsic motivation factor which emanate from the work itself and these factors promotes the individuals need for self-realization and self-actualization. Herzberg concluded that, these factors are directly allied with job content and he named them as motivators or satisfiers, which consists of achievement, recognition, work itself, responsibility, advancement and growth. Work itself, job responsibility and advancement, compared to the rest of job content elements which has less contribution, are the most important factors in influencing human attitudes in work place (Herzberg 1957).

As proved by Herzberg, motivators can't satisfy human being's need for avoidance, but the fulfilment of such factors highly contributes to the achievement of self- realization. To support

the effect of these motivation factors, Herzberg offers the following psychological example in the growth of children (Herzberg 1957).

“When a child learns to ride a bicycle, he is becoming more competent, increasing the repertory of his behaviour, expanding his skills - psychologically growing. In the process of the child's learning to master a bicycle, the parents can love him with all the zeal and compassion of the most devoted mother and father. They can safeguard the child from injury by providing the safest and most hygienic area in which to practice; they can offer all kinds of incentives and rewards, and they can provide the most expert instructions. But the child will never, never learn to ride the bicycle - unless he is given a bicycle. The hygiene factors are not a valid contributor to psychological growth. The substance of a task is required to achieve growth goals. Similarly, you cannot love an engineer into creativity, although by this approach you can avoid his dissatisfactions with the way you treat him. Creativity will require a potentially creative task to do” (Noell, 1976, p. 11).

The second factors, hygiene factors, are emanated from the context of the work an individual is working around or the environment of the work in which people are working. These factors results to deteriorated job attitudes, which are also referred to as maintenance factors, and mainly extrinsic to the work itself. These factors, which causes dissatisfaction on individuals work, includes company policy and administration, immediate bosses supervision, working situations, the relationship with co-workers, position of individual workers, job security, salary and pay, and personal life of workers (Herzberg 1957).

Furthermore, Herzberg supported his argument that human being's has two sets of need considering the biblical personages of Adam and Abraham. Human beings, as Adam, are visualized as an animal, who are primarily trying to escape from predictable discomfort and pains from the environment they are living. On the other hand, the Abraham concept of human being's states that, a man has a need to determine, discover, progress, achieve, actualize and improve his existence beyond his need to avoid pains (Herzberg 1957).

Fredric Herzberg also justified that, the above two sets of motivation factors (motivators and hygiene factors) are not opposite to one another. Lack of satisfaction in the job doesn't mean dissatisfaction, rather it is no satisfaction. In the same way, absence of dissatisfaction in the job is not satisfaction, but it is no dissatisfaction. To explain this thinking towards attitude, Herzberg presented the following supporting example: “Let us characterize job satisfaction as vision and job dissatisfaction as hearing. It is readily seen that we are talking about two separate

dimensions, since the stimulus for vision is light, and increasing and decreasing light will have no effect on man's hearing. The stimulus for audition is sound, and, in a similar fashion, increasing or decreasing loudness will have no effect on vision” (Herzberg 1957, p.96).

This theory helps us to explain the importance of job satisfaction (motivation) and to identify the contributing factors. As can be seen from the theory, elements of job characteristics, which are independent variables in this study, are intrinsic motivators which are included under a work itself and this in turn will result to better job performance. As a result, this theory has a greater influence in the process of job enrichment and points out ways to design the job so that it will achieve intrinsic job satisfaction and improved working life (Herzberg 1957).

2.1.2. Performance theories and Concepts

According to Frese (2005), the concept of performance can be understood by differentiating between action performance and outcome facet of performance. The action aspect of performance (also called the behavioural aspect of performance) refers to the action of individuals in the work situation, whereas the outcome aspect of performance is the result of the action aspect. The outcome aspect of performance depends on behavioural aspects of performance, even though there are other factors other than action aspects of performance in which outcome performance can rely on (Frese, 2005)

Moreover, Frese (2005), argued that performance is a multi-dimensional concept. Borman and Motowidlo (1993), as cited by Frese (2005), pointed out a difference between task performance and contextual performance. The former refers to individual's competency towards the contribution to the organization's technical core. But, the later doesn't perform activities which directly contribute to the company's technical core, rather it focuses on the support of organizational, social and psychological environment (Frese, 2005).

The differentiation between task and contextual performance is based on the following assumptions. Firstly, task performance activities are variable across jobs, but contextual performance related activities are similar across jobs. Secondly, task performance is mostly interconnected with the capacity of individuals to do something, whereas contextual performance is related with individual's personality and motivation. Lastly, task performance is agreed with role-behaviour and contextual performance has more freedom to decide and perform actions beyond predetermined role (Frese, 2005).

Furthermore, according to Frese (2005), the study of performance can be differentiated into the following three perspectives. The first is an individual difference perspective which argues that

the difference in individual's performance is due to variability of abilities, personality and motivation among individuals. More specifically, factors affecting individual performance, in this perspective are cognitive ability, professional experience, motivation and personality, and the individual difference in performance can be improved through training, personal selection and exposure to specific experience (Frese, 2005).

According to the second perspective, situational perspective, performance is affected by the individual's environment or situations around individuals. Conducive situations or work environment inspires individuals to perform better and unfavorable situation hinders them to perform well. Job characteristics is one basic factor that enhance and facilitate performance by affecting the critical psychological states of individuals which in turn affects personal and work outcomes (Hackman & Oldham, 1976). Furthermore, according to this perspective, the less the role stressors and situational constraints the better an individual performance will be, job design will improve performance (Frese, 2005).

The focus of the third perspective, performance regulation perspective, focuses on the performance process itself and situations happening when someone performing. It can be improved through goal setting, feedback involvements, behavior modification and improvement of action process, Training and job design (Frese, 2005).

2.1.3. Elgar's Theory of Performance

Elgar's theory of performance has been developed based on the following foundational concepts. Firstly, performance is defined as the process of producing valuable results by integrating various skills and knowledge as well as effort, which this process will pass through various complex series of actions. The second foundational concept is performer. A performer is an individual who undertake or handle the process of producing valuable results or groups collaborating to do so.

According to Elgar, performance is not a one-time action rather it is a journey and this has been taken as the third foundational concept. The location in the journey is labelled as "level of performance and each level typify the effectiveness or quality of a performance. As one goes up from level one, the quality of results (product) in terms of satisfying the expectation of users increases. In addition, as the level of performance increases, the performer becomes cost effective in which the amount of financial resources, efforts and product wastage decreases. Similarly, the capability to confront challenging performance and the capacity to produce more products will raise as the level in journey of performance increases. Furthermore, as the level

of performance upturns, the performer's knowledge, ability to set goals, and capability to preserve positive outlooks increases. Finally, as the level of performance advances, organizations and individuals develop their own identity and increase their motivation (Elger, 2007).

Components of performance has been considered as another foundational concept, and components that holistically interact to establish level of performance are identified. The first component is the *Level of Identity*, which is basically associated with individuals and organizations maturity in life, culture, discipline. Individuals own uniqueness will be elevated as they mature in disciplines, and as organizations mature they tend to develop their own way of doing business, goals, mission and vision. Second, the *level of skill* which is a specific action used by organizations and individuals to perform something. *Level of knowledge*, as the third component of performance, is associated with human experience which can be communicated or recognized. Knowledge comprises facts, information, concepts, theories, or principles developed by a person or group through experience or education. The fourth component of performance, *context of performance*, is associated with factors within the context or situational factors in which an individual or organizations perform in. *Personal factors* are identified as the fifth component of performance, which are interconnected to individual's life situation. Finally, there are an immutable factors in which individuals can not alter those situations while performing and those factors are identified as sixth components of performance and referred to as *fixed factors* (Elger, 2007).

The final foundational factor focuses on how to improve performance. According to Elgar, factors that influence performance improvement falls in three categories. The performer's mindset, as the first category, involves actions that engage positive emotions through setting challenging goals, allowing failure as a natural part of attaining high performance, and providing conditions in such a way that the performer is feeling safe. The second category is immersion, in which performance can be improved through involvement of physical, social and intellectual environment by stimulating personal and professional development. Putting in other way, social interactions, disciplinary knowledge, active learning, emotions and spiritual alignment can promote performance. Finally, performance can be improved by reflective practices in which people can learn from experience through observing the present level of performance, analyzing strengths and areas for improvements, analyzing and develop identity, and improving levels of knowledge (Elger, 2007).

2.1.4. The Job Characteristics Model (JCM)

This study, basically, is based on the Job Characteristics Model (JCM) which is developed by Hackman and Oldham in 1974. This model, therefore is the guiding model of this research. According to the Job Characteristics Model, five core job dimensions (namely skill variety, task identity, task significance, task autonomy, and feedback) are distinguished as the basic contributors to the emergence of the three psychological states. Those psychological states are experienced knowledge of actual results of work activities, the work meaningfulness which employees are experienced through time and responsibility recognized by employees for outcomes of their work which in turn promotes a number of good human and work outcomes (Hackman and Oldham, 1974).

The JCM defines skill variety as it is a situation in which the job holder (job performer) requires various capacities and knowledge to accomplish different activities available with in his/her job. A job holder should also perform a part his/her activities in the job from the start to final output, which Hackman and Oldham in their JCM referred it as Task Identity. Task significance is the usefulness or the influence (either positively or negatively) of ones job on others life, activity, job and environment. Autonomy, as its name indicates, is a situation in which the job performer feels free while performing their job in such a way that he or she can schedule the work and determine the procedure in carrying it out. Finally, feedback is defined as the extent to which the job performer can get clear and direct information about the effectiveness of work activities carried out by him or her (Hackman and Oldham, 1974).

Moreover, those five core job dimensions foster the emergence of the three mental states of individuals. Experienced meaningfulness is the degree to which an individual expects that the job is generally worthwhile, valuable and meaningful, which is enhanced by three job dimensions (namely skill variety, task identity and task significance). Individuals find work as meaningful, if he or she can assemble a complete product, deliver complete service, engage in challenging activities, use his skills and talents exhaustively, and understand his activity has an influence on others (Hackman and Oldham, 1974).

Experienced responsibility for work outcomes, enhanced by task autonomy, is the degree to which an individual feel that he or she is responsible to the result of the work activity that he or she does. As job provides high autonomy, an individual feel a sense of responsibility and the results of a work highly depends on an individual's initiative, effort and decisions. Experienced knowledge of results on the other hand is enhanced by work feedback.

Hackman and Oldham JCM (1974) clearly indicates that, when an individual fails to perform well, he or she lacks to experience an internally reinforcing states of affaires and bring worse performance. In addition, according to the JCM, the existence of all the three psychological states the better the self-generated individual motivation (Hackman and Oldham, 1974).

The Job Characteristics Model also proved that, the overall motivating potential of a job is high when it has high autonomy, high feedback and at least one of (better all of) the job dimensions that lead to experienced meaningfulness. The model developed the motivating potential score (MPS), which is the degree to which the above conditions are seen.

Accordingly,
$$MPS = \left(\frac{\text{skill variety} + \text{task identity} + \text{task significance}}{3} \right) \times \text{task autonomy} \times \text{feedback}$$

2.1.5. Job Demand Control Model

The concept of Job Demand -Control (-Support) comprehends three basic components: demanding work, control over the job, and collective support of co-workers in the workplace. The model has been introduced by Robert Karasek in 1979, in which the effect of a demanding job, control over individuals, and social support on an individual's well-being, motivation, and productivity are anticipated.

According to Karasek (1979), job demands are defined as the composition of physical, social, or organizational aspects of the job that have a need for physical or conceptual exertion. These aspects comprise work pacing, time pressure, exacting task requirements, and overall workload demands. Control is an individual's degree of autonomy or freedom to make decisions over-performing tasks independently. Workplace social support is the co-workers, supervisors, and other employee's relationship to job-related matters.

Karasek (1979), viewed the relationship between Job demand, and job control as high strain jobs, active jobs, passive jobs and low strain jobs. A high strain jobs are characterized by very high job demand and low control which leads to the decrement of an individual's wellbeing. This is because, in such cases, individuals are exposed to devote high cognitive effort to satisfy demands which would result in a high level of diminishing psychological well-being and physical impairment. But, along with a sufficient level of control, a highly demanding job can result in a positive outcome. Workers can actively practice the control they have been afforded to satisfy demands and this helps them to achieve greater performance than high demand and low control situations, which Karasek (1979) referred this situation as active jobs. Passive jobs, according to Karasek (1979), are characterized by the combination of low job demand and low

control, in this situation, workers are disposed to experience wasting of their skills due to underutilization. The final combination (low job demand and high control) of job demand and control results in low strain jobs. In this type of job, workers can value from near to the ground job demand and high autonomy (Karasek, 1979).

The Job Demand Control Model (DCM), further incorporated workplace social support as the third predictor of well-being and strain, which (Karasek and Theorell, 1990) termed this extension of the model as the Job Demand Control Support model. According to this model, high social support at workplace minimizes job strain, but low social support aggravates the effect of high strain jobs. In such conditions, workers experience high strain due to social isolation which results in negative outcomes of job (Karasek and Theorell, 1990).

This model is relevant to this study, as it shows how job characteristics influence employees' psychological well-being and it illustrates how the combinations of job demands and control can cause stress for employees, which in turn has an influence on their performance.

2.2. Empirical review

2.2.1. Task Identity and Employee performance

A research study by, Divya et al. (2016), was conducted to investigate the impact of job enrichment on employee performance considering task significance, task identity, and skill variety as important elements of job enrichment, in IT industry. This study employed qualitative research to explore the relationship of factors of job enrichment (Task Significance, Task Identity and Skill Variety) on employee performance. Accordingly, the study find out that, among job enrichment factors Task Identity gives more towards enhancing the performance of individual employees and came up with recommendations that the IT Industry should emphasize giving freedom to their employees to perform their task properly which would enable them to exploit their skills and ability and space should be provided for the employees to accomplish their job on their own (Divya, Pujar and Sangeetha, 2016).

Based on the job characteristics model and the content theories of motivation, Choge, Chepkiyeng, and Chelimo (2014) conducted a study to see whether task identity and employee motivation has relationship between each other using correlational research design. Accordingly, the study came up with the finding that task identity has a positive and significant

effect on employee motivation and advised managers to take care of making human resource decisions regarding job analysis.

2.2.2. Skill variety and Employee performance

According to Diamantidis and Chatzoglou (2019), employee skill flexibility can be highly influenced by the support from management in the form of training and it directly or indirectly has an impact on employee performance.

Scholars also conducted an exploratory study to identify the main contributors to performance in the health care industry mainly based on the goal-setting theory and job characteristic model. The study was mainly targeted to see the relationship between designing the job and performance of workers. Specifically, determining the influence of two job dimensions (feedback and skill variety) on performance was the main objective of nurses in Moi Teaching and Referral Hospital Eldoret. This study adopted both descriptive statistics and inferential statistics to analyze the data and came up with the following two findings. Firstly, the research found empirical evidence to conclude that skills variety significantly and positively related to job performance with the implication that hospitals should offer their nurses more training to improve their skills in order to advance nurses job performance (Ambrose, Geoffrey, Nehemiah and Augustine, 2013).

A study has also been conducted to identify key issues of job design and practice to motivate employees' performance, concluded that skill variety is the key factor to influence employee's job performance. It leads individuals to experience positive affective commitment and, hence, effective job design is one of the noticeable aspects of human resource management so as organizations to survive in the global workplace (Garg and Rastogi, 2005).

Julaei & Mahdiye, 2015, guaranteed that there exists a positive cause and effect relationship in between skill variety and employee task performance. Accordingly, organizations are advised to implement numerous tasks with clearly defined and identified work activities so as to enhance the performance of employees. According to Julaei & Mahdiye, 2015, it is essential to impart employees sufficiently to undertake several job accountabilities.

2.2.3. Task Significance and Employee Performance

Task significance is one element of job characteristics that has a contribution to employee performance. A significant task is characterized by influencing others task, others life and work environment (Rentsch & Steel, 2004). Job crafting is a method of framing and reframing the

purpose of a particular job, which in turn helps to reframe its sense (Wrezesniewski and Dutton, 2001).

Achieng (2014) in his study showed that the performance of an employee depends on the status of task significance, in such a way that, the higher the significance of the particular task, the better the performance of an employee.

Similarly, Hamid Julaei and Omid Mahdiye (2015) have conducted a study on the relationship between Job characteristics and employees Job performance. Basically, the study tried to establish the relationship between job characteristics (the five job dimensions, as identified by Hackman and Oldham's job characteristics model) and employee performance. The study collected data through questionnaires from 186 people. According to this study, job characteristics identified under the Hackman and Oldham model have a positive and significant impact on employee performance.

2.2.4. Autonomy and Employee performance

Evelyn, Ochieng, and Owuor (2014), in their study "Effect of Job Redesign on Employee Performance in Commercial Banks in Kisumu, Kenya", found that job redesign has an effect on performance of employees. In this study, a cross sectional study was applied and primary data has been collected through questionnaire and interviews. More specifically, the finding concluded that, among the elements of job redesign, job autonomy does not affect the employee performance. Conversely, other three elements (namely skill variety, task significance and task identity) have an impact on employee performance.

Job autonomy has a positive relationship with employee level of proactivity, which is an indication that the level of freedom to act, plan and process the work by themselves helps employees to forecast future situations and find solutions for problematic job situations. Employees need their own space to do in advance challenging job circumstances and propose pioneering ideas and solutions (Diamantidis & Chatzoglou, 2019).

The work of Morgeson and Campion (2003), focused in assessing the importance of job freedom in determining performance has also found that Job autonomy strangely and positively related to role breadth, role breadth in turn is positively related to job performance and mediates the relationship between autonomy and job performance.

Fried, Hollenbeck, Slowik, Tieg, & Ben-David (1999), provides insight that increased autonomy will permit individuals greater flexibility in how they define their part because they will have greater option in deciding how to complete the work.

Furthermore, researches suggested that organizations need to let their employees to participate in organizational decision makings, forward basic ideas, get room for independence. This helps to motivate employees and to develop sense of commitment in employees which in turn increases their job performances. Hence, to enhance employees job autonomy, managers has to apply job vertical expansion that causes employees to accept more responsibilities and execute their authorities (Julaei & Mahdiye, 2015).

2.2.5. Feedback and Employee Performance

The last dimension of job characteristics is feedback which is the employee's chance of acquiring information towards their outcomes and effectiveness through direct and indirect ways of information channels (Hackman & Oldham, 1975).

According to Humphrey et al. 2007, feedback from the job is expected to provide pure information to job performers what their output seem like and about their achievements.

On the other hand, researchers conducted a study to evaluate the relationship between performance and job design (incorporating job characteristics elements), and found no indication that feedback affects job performance of nurses, which is contrary to the job characteristics model (Ambrose, Geoffrey, Nehemiah and Augustine, 2013).

A related research was conducted by Kemboi et al. (2013), to determine the influence of skill variety and feedback on workers performance. The result of the study shows that feedback can assist nurses to realize they have an impact on work environment they are working in.

Task feedback has an impact on employee performance in such a way that when workers have knowhow about their progress of outcome it results in employee motivation which promotes personal control goodness in their work and feels confident of accomplishing their job properly. Hence managers are advised to periodically dispose of task information to employees either formally or informally, so as to enhance feedback (Julaei & Mahdiye, 2015).

2.2.6. Employee Motivation and Employee Performance

Diamantidis & Chatzoglou, 2019, conducted an empirical study in order to examine how the three factors (environmental, job and employee related) are related each other, and their impact on employee performance. To see the relationship between these variables and the effect on

employee performance (EP), the study adopted the structural equation modelling approach. Accordingly, the study came up with the following finding.

Job environment has a direct and indirect effects on employee performance, and hence an adverse effect on job environment consequences directly and indirectly to lower employee performance. This effect is because of negative employees' intrinsic motivation, low job satisfaction, declined employees' level of the initiative during job executions, decreased level of employees' adaptability in which they will not confront problematic job-related situations and it results in decreasing employee job performance (Diamantidis & Chatzoglou, 2019).

A related study has been conducted on the impact of job design on performance considering satisfaction as a mediator in FMCG's sector in Pakistan. Among several methods of job design, this study used the Job Characteristics Model under consideration. The main objective of the study was to find out the effect of job design (specifically 5 job dimensions of the JCM) on employee task performance in the mediating role of satisfaction and the study adopted a quantitative method of research. The result of the study shows that job design has a positive impact on employee performance. Similarly, the mediating role of satisfaction also has positive effect on performance (Nisbat and Muhammad, 2014).

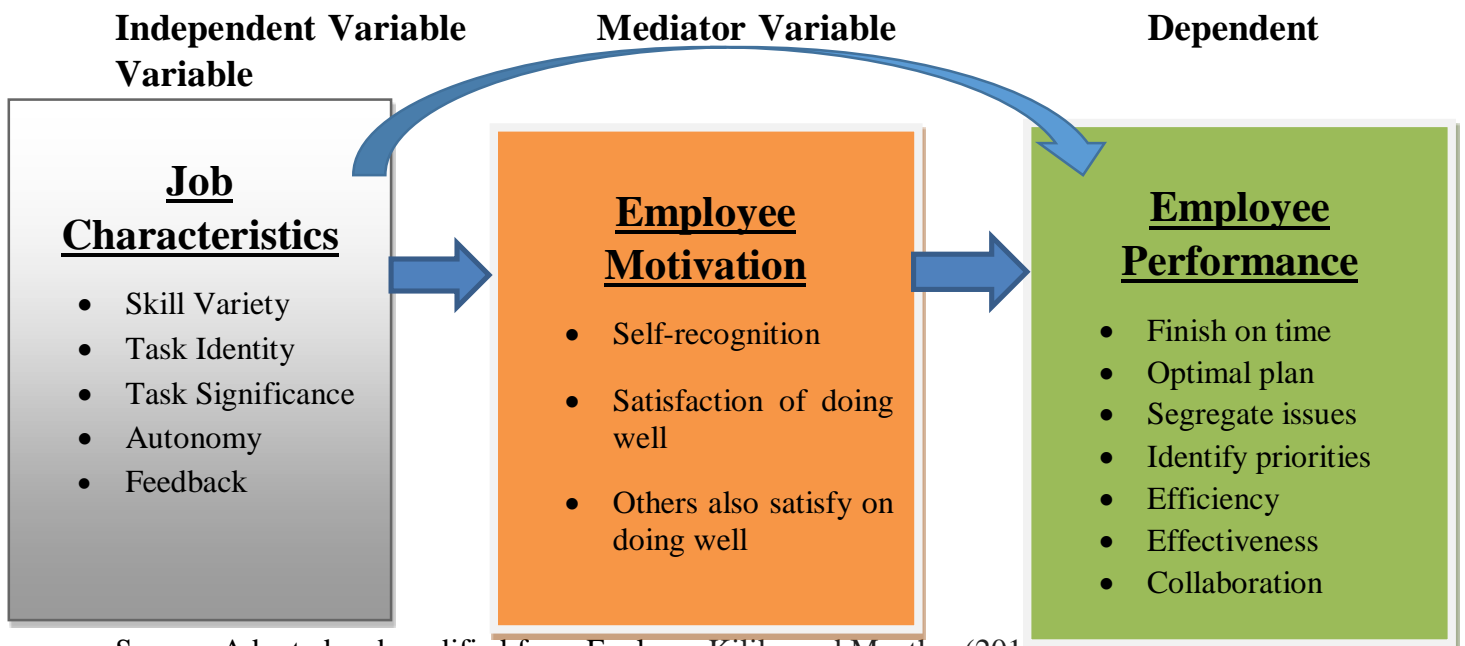
2.3. Conceptual framework

In the literature review section, various concepts and aspects of job characteristics, employee motivation, and employee performance have been presented. Scholars, such as Creswell (2009), recommended establishing a mapped structure after collecting different theoretical and literature reviews to illustrate what is expected to find out and to identify relevant variables, and to map out the way they might relate to each other. Accordingly, based on the various kind of literature in the previous section, the following conceptual framework is developed to provide a visual format for the study.

As shown in the figure, employee performance (the dependent variable in this study) is optimized when employees are able to finish their task on time, achieve plan according to their priorities, and accomplish their task efficiently and effectively. The study put forward that job characteristics (independent variable) has five dimensions (namely skill variety, task identity, task significance, autonomy and feedback) and it would determine employee task performance. The study also proposed that employee motivation would mediate the relationship between job characteristics and employee performance. Therefore the expected relationship was that when

the job design properly considers job characteristics, employees would be motivated for a job and hence employee performance would be enhanced.

Figure 2. 1 Conceptual Framework



Source: Adopted and modified from Evelyne, Kilika and Muathe, (2018)

2.4. Hypothesis of the study

According to Kothari (2004), a proposition or a set of proposition set forth as an explanation for the occurrence of some specified group of phenomena. In other words, a research hypothesis is a predictive statement, capable of being tested by scientific methods, that relates an independent variable to some dependent variable.

Based on the review of theoretical and empirical literature in relation to job characteristics, employee motivation and performance of employee, the following hypotheses are developed to guide the empirical work of this study:

Hypotheses 1 (H1): Skill variety has a significant effect on the performance of employees in Development Bank Ethiopia.

Hypotheses 2 (H2): Task identity has a significant effect on the performance of employees in Development Bank Ethiopia.

Hypotheses 3 (H3): Task significance has a significant effect on the performance of employees in Development Bank Ethiopia.

Hypotheses 4 (H4): Autonomy has a significant effect on the performance of employees in Development Bank Ethiopia.

Hypotheses 5 (H5): Feedback has a significant effect on the performance of employees in Development Bank Ethiopia.

Hypotheses 6 (H6): Employee motivation mediates the relationship between job characteristics and the performance of employees in Development Bank Ethiopia.

CHAPTER THREE

3. Research methodology

This chapter presents the methodology that has been used for the study. It describes the research design, defines about the population, sample size and sampling techniques, and the research instruments that has been applied in collecting data for the study, the data collection methods and data analysis technique, an empirical model and technique of measuring variables.

3.1. Research design

According to Sounders, Lewis and Thornhill (2007), based on the purpose of a research, there are three basic types of research design. The first one is an exploratory study which is a valuable means of finding out ‘what is happening; to seek new insights; to ask questions and to assess phenomena in a new light’. It is particularly useful to clarify the understanding of a problem, such as if someone is not sure of the precise nature of the problem. The second is descriptive research design, which is aimed to portray profiles situations or phenomenon to answer what, where, when and how questions. The third one is explanatory research design, which establishes causal relationships between variables.

Thus, the study used explanatory research or causal research design to establish a relationship between job characteristics and employee performance in the Development Bank of Ethiopia. Because the researcher has attempted to study the effect of job dimension on employee performance, which is cause and effect nature. To separate such causes and to articulate to what extent that job characteristics affect employee performance, an explanatory research design was used. The emphasis of explanatory research is on studying a state of affairs in order to give an explanation of the relationships between variables (Saunders, Lewis, & Thornhill, 2019).

3.2. Research approach

Qualitative approach is data collection technique (such as an interview) or data analysis procedure (such as categorising data), that generates or use non-numerical data. Qualitative therefore can refer to data other than words, such as pictures and video clips (Saunders, Lewis, & Thornhill, 2019).

Whereas, according to Creswell (2005), quantitative research is a type of research in which the researcher decides what to study, asks specific narrow questions, collects numeric data from participants and analyzes these numbers using statistics, and conducts the inquiry in an

unbiased, objective manner. Variables can be defined as attributes or characteristics of individuals, groups, or sub-groups of individuals (Creswell, 2005).

In Addition, quantitative research deals with quantifying and analyzing variables in order to get results. It involves the utilization and analysis of numerical data using specific statistical techniques to answer questions like who, how much, what, where, when, how many, and how. It also describes the methods of explaining an issue or phenomenon through gathering data in numerical form Apuke (2017).

Therefore, the study was engaged a quantitative approach in which the researcher answered the research questions and draw conclusions after a series of observations and analysis of data.

3.3. Target population and Sampling design

3.3.1. Target population

This research was aimed to examine the relationship between job characteristics and the employee's performance in DBE. Therefore, the population of the study are all permanent employees of the branch and district offices of Development Bank of Ethiopia (all branches under 12 districts) and head office. Then, the total numbers of permanent and professional employees are 2148.

3.3.2. Sampling Design

In order to make the sample more representative, the researcher applied a stratified random sampling technique where the total population was divided into a series of strata, in this case, District offices. Then, a simple random sample has been drawn from each stratum so as to obtain accurate representatives, as shown in table 3.1 below.

Using the simplified sample size calculation formula (Yamane,1967), $n = \frac{N}{1+N(e)^2}$ where n is sample size, N represents the total population, and e is the precision level equals to 5 percent and 95% confidence interval. Accordingly, the sample size will be $n = \frac{2148}{1+2148(.05)^2} = \mathbf{337}$.

This sample size was distributed to each stratum, in this case to each district, according to the proportion of their respective population.

Table 3. 1 Total population and Sample size determination

District	Number of employee	Proportional Percentage	Sample to be selected
Head Office	919	42.8%	144
Addis Ababa District	231	10.8%	36
Adama District	94	4.4%	15
Bahir Dar District	120	5.6%	19
Gondar District	61	2.8%	10
Mekele District	110	5.1%	17
Dessie District	89	4.1%	14
Dire Dawa District	73	3.4%	11
Hawassa District	177	8.2%	28
Wolayta Sodo District	72	3.4%	11
Jimma District	78	3.6%	12
Gambella District	31	1.4%	5
Nekemt District	93	4.3%	15
Total	2,148		337

3.4. Data Source and Data collection instrument

The researcher collected data from randomly selected staff in all districts. A primary source of data was collected through a structured questionnaire, where the questionnaires of the independent and mediator variables are adapted from the Job Diagnostic Survey (Hackman and Oldham, 1974), and the questionnaires of employee task performance are directly adopted from

the development of an individual work performance questionnaire (Koopmans, Bernaards, Hildebrandt, Buuren, van der Beek & de Vet, 2012)

Close-ended questionnaire has been used as an instrument to collect the required information from target participants or sample respondents. The questionnaire was distributed and collected in hard copy for those sample respondents in head office, Addis Ababa city branches & outline branches around Addis Ababa, and for the rest of respondents questionnaire has been sent and collected via DBE intranet. The researcher has made a maximum effort in carrying out the collection of the questionnaire.

3.5. Data Analysis Method

This section describes the way how the collected information was analyzed, the effect of variables has been tested and the way how the result is going to be presented. Therefore, the researcher applied both descriptive statistics and regression analysis.

The descriptive statistics is mainly used to summarize the demographic characteristics of respondents. Descriptive statistics has also been used to understand the level of employee perception towards the effect of job characteristics on their performance. The description is based on the mean and standard deviation of responses of each item. For this purpose, Zaidatol & Bagheri (2009) developed three categories of mean scores and the researcher's decision was based on this categorization.

Table 3. 2 Decision rule of mean score for five point Likert Scale

Mean Score	Decision
Below 3.39	Low
Between 3.40 and 3.79	Moderate
Above 3.80	High

Source: Zaidatol & Bagheri (2009)

Inferential statistics, i.e. Regression analysis, has also been applied to answer research questions and to make an inference. During regression analysis, the correlation between variables was addressed and assumptions were tested if they are violated; such as

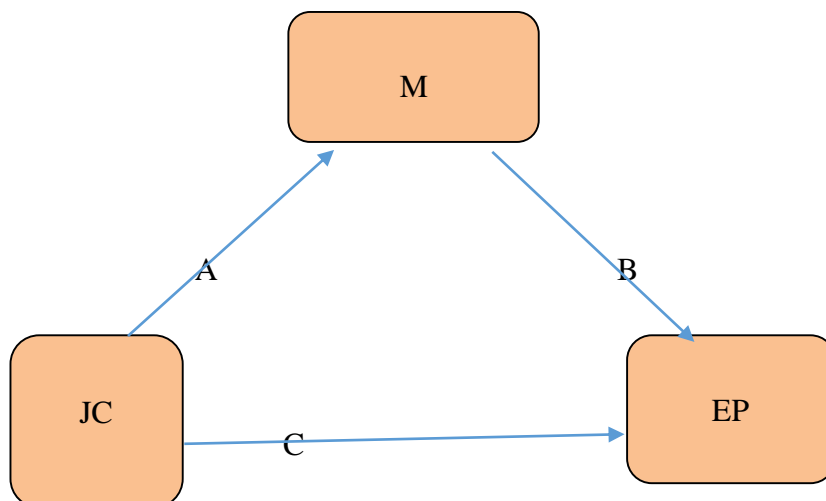
The second model was used to regress the mediating variable (motivation) on the independent variables (job characteristics) to ratify that the explanatory variable is a significant predictor of the mediating variable. To mediate the dependent and independent variable, the mediating variable should possibly associate with the independent variable.

Baron and Kenny (1986) developed a mediation diagram, shown in Figure 3.1 below, with the following requirements; (1) a change in levels of the independent variable significantly affects the changes in the mediator variable (A); (2) there is a significant relationship between the mediator and the dependent variable (B); (3) a change in levels of the independent variable significantly affects the changes in the outcome variable (C) and (4) when the previously defined paths are controlled, a previously significant relation between the explanatory and dependent variables is insignificant (Baron and Kenny,1986).

According to Valeri & Vanderweele (2013), condition 4 may not be necessary for partial mediation, for which the effect of the independent variable on the dependent variable is still significant, but the effect ought to be significantly reduced in the presence of mediator variable (Valeri & Vanderweele, 2013).

The student researcher used this mediation model (Baron and Kenny, 1986) because it has been supported by many scholars, such as MacKinnon, Fairchild and Fritz (2007), Rucker, Preacher, Tormala, and Petty (2011), and Valeri & Vanderweele, 2013 and

Figure 3. 1 Mediation Path



Source: Baron and Kenny (1986)

$$Me = \beta_3o + \beta_{31}X1+ \epsilon_i..... (2)$$

Where, Me represents the mediation variable, B30 represents the intercept (constant), β_{31} is the coefficient of independent variable, X1 is job characteristics and ϵ_i is the error term.

The third model was used to regress the dependent variable on both the motivation (mediator) and job characteristics (independent variable).

$$Y = \beta_{40} + \beta_{41}Me + \beta_{42}X1 + \epsilon_i \dots\dots\dots (3)$$

This is aimed to confirm that motivation is a significant predictor of employee performance and to check that the strength of the coefficient of the independent variable in equation 3 (β_{42}) is greatly reduced compared to the coefficient β_{21} in equation 1. In other words, β_{42} should be reduced in absolute value than the original effect for the independent variable β_{21} .

3.7. Measurement of variables

The independent variables were measured by 15 questions (Appendix A) adopted from Job diagnostic survey (JDS) Hackman and Oldham (1974) and all items were measured using a five-point Likert scale where 1 denoted for strongly disagree and 5 for strongly agree.

In this study, mediating variable (employee motivation) were measured using four questions (Appendix A), which is similarly adopted from Job diagnostic survey (JDS) Hackman and Oldham (1974).

The dependent variable for this study, employee performance, was measured by 6 questions which were adopted from Koopmans et al. (2012) Individual Work Performance Questionnaire (IWPQ)?.

3.8. Reliability of the Instrument

In order to ensure the soundness of results, reliability of results, accuracy of results, increase transparency and decrease the probability of researchers biasedness, scholars such as Mohajan, 2017, advises to establish reliability and validity tests. Reliability indicates the degree to which the measurement is without bias or error free and validity is a test of an instrument whether it measures the intended measurement or not.

Similarly, reliability test is necessary in quantitative research to properly confirm the result of the study are similar for repeated measurements on similar subjects under the same conditions. In addition, validity test is also essential to ensure whether the measurement instrument is accurate (Ursachi, Horodnic, & Zait, 2015).

Accordingly, to check the internal consistency of questionnaires, a researcher has used Cronbach's alpha as a measure of reliability. A reliability coefficient of 0.70 and above is considered "acceptable" in most social science research situations.

Table 3. 3 Reliability Test of Instruments

Variables	Cronbach's Alpha Value	Number of questions
Skill Variety	.853	3
Task Identity	.852	3
Task Significance	.851	3
Job Autonomy	.887	3
Job Feedback	.867	3
Employee motivation	.850	4
Employee performance	.841	6
Over All Item	.857	25

Source: Result of SPSS 26

3.9. Validity of Instruments

According to Field (2005), validity of instruments can be tested by the sampling adequacy which is measured by KMO value. In addition, according to Verma (2012), the concept used in factor analysis technique is to investigate the relationship among the group of variables and segregate them in different factors on the basis of their relationship. Therefore the value of KMO ranges from 0 to 1, in which the larger the value (approaching to 1) indicates the more adequate is the sample for running factor analysis. Verma (2012) suggested that any KMO value above 0.5 is significant to carry out factor analysis, and more clearly, the following decision rule has been developed (Verma, 2012, p. 365).

Table 3. 4 Decision rule for validity test

KMO Value	Decision
0.5 to 0.7	Mediocre
0.7 o 0.8	Good
0.8 to 0.9	Great
Above 0.9	Superb

Source: (Verma, 2012, p. 365)

The overall KMO result of variable in this study was 0.866 and this is great. Moreover, the Bartlett test of variable, as can be seen from table 3.5 below, is 0.000, which indicates the very good significance level. Consequently, it can be generalized that the sample of this study is appropriate and valid.

Table 3. 5 KMO and Bartlett's Test of sampling adequacy

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.863
Bartlett's Test of Sphericity	Approx. Chi-Square	984.041
	Df	21
	Sig.	.000

3.10. Ethical considerations

First and foremost, the researcher has contacted the supervisor (advisor) while choosing title and then gets an approval to the proposal. Further, a researcher provided freedom to

respondents; informed respondents to give information based on their full consent, avoided offensive language while preparing questionnaire, privacy of respondents was secured, properly acknowledged the work of others, maintained highest possible level of objectivity in the study, and avoided biasedness.

CHAPTER FOUR

4. DATA PRESENTATION AND ANALYSIS

The data analysis was conducted using descriptive statistics and inferential statistics. A total of 337 questionnaires were distributed to targeted sample respondents and 297 were collected. More than 82% of distributed questionnaire (276 questionnaires) was correctly filled and the rest 6% was rejected due to its inconsistency and incompleteness. The analysis was performed with 82% response rate is believed sufficient to carry out the analysis.

4.1. Descriptive statistics of Demographic information

4.1.1. Gender of Respondents

Table 4. 1 Employee Gender related information

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	187	67.8	67.8	67.8
	female	89	32.2	32.2	100.0
	Total	276	100.0	100.0	

Source: Result of SPSS 26

As can be seen in the table 4.1 above, the total number of male respondents depicts 68% which is 187 in number and the remaining 32% (89 in number) of respondents were females. This implies that, most of sample respondents were males.

4.1.2. Respondents Age related Information

Table 4. 2 Age related information of respondents

		Repetition	Percentage	Percentage (Valid)	Total Percentage
Valid	Between 20 and 30	17	6.2	6.2	6.2
	Between 31 and 40	170	61.6	61.6	67.8
	Between 41 and 50	60	21.7	21.7	89.5
	more than 51	29	10.5	10.5	100.0
	Total	276	100.0	100.0	

Source: Result of SPSS 26

The other demographic factor was respondent's age. In this study, the age of respondents was categorized into four intervals as shown in table 4.2 above. The descriptive statistics indicates

that most of the respondents are adults (above 31 years old) and this implies that intrinsic work characteristics can highly motivate employees in DBE. Employee's general satisfaction increases as their age increases and younger employees are less satisfied with intrinsic work characteristics (Lee and Wilbur, 1985).

4.1.3. Marriage Information of Respondents

Table 4. 3 Respondents marriage information

		Repetition	Percentage	Percentage (Valid)	Total Percentage
Valid	Single	57	20.7	20.7	20.7
	Married	162	58.7	58.7	79.3
	Divorced	42	15.2	15.2	94.6
	Widowed	15	5.4	5.4	100.0
	Total	276	100.0	100.0	

Source: Result of SPSS 26

Marital status was another demographic variable incorporated in this study, and the result of descriptive statistics shows that, among respondents, 20.7% are single , 58,7% are married, 15.2% are divorced and 5.4 are widowed. Employee satisfaction varies from married to unmarried employees, as married employees are better in job satisfaction (Saner and Eyüpoğlu, 2013) and the performance of married employees are higher than unmarried employees (Mehay and Bowman, 2005). Here, one can understand that most employees in DBE are married and are productive.

4.1.4. Education Level

Table 4. 4 Educational background of respondents

		Repetition	Percentage value	Percentage (Valid)	Total Percentage
Valid	Diploma	3	1.1	1.1	1.1
	Degree	184	66.7	66.7	67.8
	Masters	60	21.7	21.7	89.5
	Others	29	10.5	10.5	100.0
	Total	276	100.0	100.0	

Source: Result of SPSS 26

The level of education was also one of the demographic variables in this research and the result are provided in table 4.4 above. According to the result of descriptive statistics, respondents

with diploma level are only 3 or 1.1 %, degree holders depicts 66.7% or 184 in number, 60 master holders or 21,7%, and the rest 10.5% are other categories. This implies that, majority of respondents are degree and master holders, which they will be better to easily understand the content of the questionnaire and fill properly.

4.1.5. Work Experience of Respondents

Table 4. 5 Respondents Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5 year and below	31	11.2	11.2	11.2
	6 to 10 years	112	40.6	40.6	51.8
	11 to 15 years	89	32.2	32.2	84.1
	more than 16 years	44	15.9	15.9	100.0
	Total	276	100.0	100.0	

Source: Result of SPSS 26

Regarding the experience in the bank, 31 respondents have been working for five years and below this means around 11% of sample employees. The rest 40.6% belongs under the range between 6 and 10 years work experience, 32.2% are in between 11 and 15 year experience, and the rest 15.9% are working in the bank for more than 15 years. Generally, most sample respondents are well experienced and this implies that they can easily understand the job dimensions of the bank.

4.1.6. Respondents Current Position

Table 4. 6 Respondents level of position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	junior employees	97	35.1	35.1	35.1
	officer level employees	116	42.0	42.0	77.2
	senior level employees	41	14.9	14.9	92.0
	managerial level employees	22	8.0	8.0	100.0
	Total	276	100.0	100.0	

Source: Result of SPSS 26

Position of respondents is the final demographic information the researcher tried to observe. The result of descriptive statistics shows that about 35.1% of sample respondents are junior level, the remaining 64.9% are above junior of which 42% are officer level employees, 14.9% are senior level employees, and 8% of sample respondents are managerial level. This infers that, the more the employee seniority position elevated, the better he/she will be familiar with job dimensions which they are able to give better information for the researcher.

4.2. Descriptive Statistics of Variable

4.2.1. Level of Employee Insight towards Job Characteristics

Table 4. 7 Descriptive statistics of independent variables

Measurement Items	N	Mean	Std. Deviation
The job that I am doing requires variety of complex and high level skills and talents	276	3.7065	.74645
My job consists of variety of tasks to complete	276	3.9022	.75404
My job provides me a flexibility to perform more tasks	276	3.9312	.74270
Skill Variety		3.847	0.748
My job has obvious beginning and end	276	3.7428	.61121
The job that I am doing is composed of several tasks which together make visible outcome.	276	3.6196	.60016
The job provides me the chance to completely finish the pieces of work I begin.	276	3.7174	.57826
Task Identity		3.693	0.597
The content of my job has an effect on several other jobs	276	3.7899	.59639
My job is a critical economic contributor of the organizations survival.	276	3.7428	.58694
A lot of other people can be affected by how well my work gets done.	276	3.7790	.61354
Task Significance		3.771	0.5989
The job gives me considerable opportunity for independence in how I do the work.	276	3.7428	.64027
My job gives responsibility of work outcomes on me as the job holder.	276	3.7065	.62444
The job verses me a freedom to decide on the schedule of my work activities for myself.	276	3.7899	.65453
Autonomy		3.746	0.640

The job has sufficient channels to provide me a feedback on my work performance.	276	3.6703	.64101
I am able to keep an eye on the progress of any work as I perform.	276	3.6486	.62931
The job design in our organization is suitable to the flow of information across departments.	276	3.6558	.62755
Feedback		3.658	0.633
Overall Level of mean and standard deviation		3.743	0.643

Source: Result of SPSS 26

Table 4.7 above summarizes the perception of respondents towards job characteristics in Development Bank of Ethiopia. Here, the researcher tried to compare the mean and standard deviations of responses for each specific statement. Accordingly, the views of respondents on the three items of measurement of skill variety in average is high, as per Zaidatol and Bagheri (2009) mean score specification, with mean level of 3.847. This indicates that there is high existence of skill variety in the Bank, which shows the existence of variety of skill requirement, diverse type of tasks and sufficient level of flexibility in performing jobs.

However, respondent's insight on measurements of other Job Characteristics elements is moderate with the average mean value shown in table below. This implies that, there is a moderate level of composition of tasks, reasonable level of task beginning and ending. In addition, the view of respondents on the effect of their job on other's jobs, the economic contribution of their job, and the effect of their task on other people is moderate. Furthermore, respondents are reasonably responsible to their task outcome, and have moderate level of freedom of decision.

The general response for fifteen measurements of job characteristics shows the mean of 3.743. This means respondents have moderately agreed to measurement questions, which we can generalize that there is reasonable level of implementation or practice of job characteristics in Development Bank of Ethiopia.

A standard deviation is a number that tells us to what extent a set of numbers (responses in this case) lie apart. A standard deviation can range from 0 to infinity and standard deviation close to zero indicates that data points are close to the mean. The standard deviation ranges from 0.597 to 0.748 with overall standard deviation of 0.643 shows us that there is no a high variation

between responses of respondents. Therefore, this might have an impact on employee performance.

4.2.2. Descriptive Statistics of Mediator Variable

Table 4. 8 Descriptive statistics of Mediator variable

Descriptive Statistics			
	N	Mean	Std. Deviation
My opinion of myself goes up when I do this job well.	276	3.9167	.88848
I feel a great sense of personal satisfaction when I do this job well.	276	3.9710	.74777
I feel bad and unhappy when I discover that I have performed poorly on this job.	276	3.689	.68686
Most people on this job feel a great sense of personal satisfaction when they do the job well.	276	3.640	.71935
Total	276	3.804	0.76

Source: Result of SPSS 26

Respondents were asked to measure their level of motivation by four measurement standards, with five point Likert Scale. Consequently, the result of two measurement statements have a high mean value, but the rest two have moderate mean value. In aggregate, as shown in table 4.8, the respondents view towards employee motivation is high with mean value of 3.804, which indicates the existence of motivation when employees perform their job well, and feel bad or absence of motivation when the reverse is true.

4.2.3. Descriptive Statistics of Dependent Variable

Table 4. 9 Descriptive statistics of Dependent variable

Descriptive Statistics			
	N	Mean	Std. Deviation
I managed to plan my work, so that it was done on time.	276	3.9239	.76611
My planning was optimal	276	3.7971	.74501
I was able to separate main issues from side issues	276	3.9203	.80509
I knew how to set the right priorities	276	3.9565	.75191
I was able to perform my work with minimal effort and time	276	3.8406	.78852
Collaboration with others was productive	276	3.9493	.85555
Total	276	3.89795	0.785365

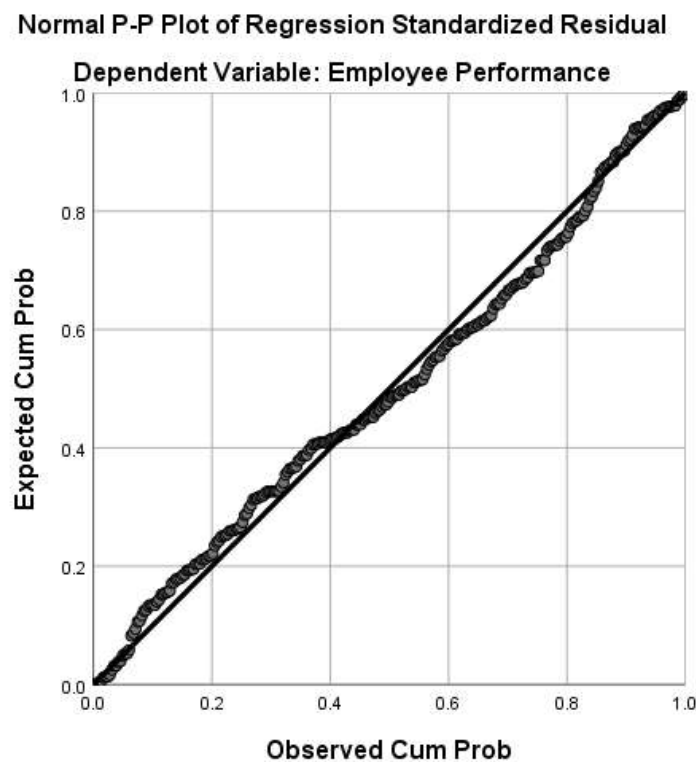
Source: Result of SPSS 26

Table 4.9 above summarizes the result of responses of respondents on the measurement elements of employee performance (a dependent variable in this study). The mean value for each specific measurement is high, according to Zaidatol and Bagheri (2009), above 3.79. This indicates that, all the respondents highly agree on performance measurement items. Thus, we can conclude that employees are able to finish their tasks on time, they plan optimally, they can segregate issues, can identify priorities, they are efficient and they collaborate with colleagues.

4.3. Assumptions of Linear Regression

4.3.1. Linearity Test

Figure 4. 1 Linearity Plot



Source: Result of SPSS 26

In linear regression there should be a linear relationship between independent variable and mean of dependent variables, so that the residuals should have a straight line relationship with the predicted responses (Osborne & Waters, 2002). Therefore, as shown from figure 4.1 above, the p-p plot for this study is straight line and the linearity assumption is satisfied.

4.3.2. Multicollinearity Test

Table 4. 10 Variance Inflation Factor (VIF)

		Tolerance	VIF
1	SKV	.514	1.947
	TSKI	.609	1.642
	TSKS	.524	1.908
	AUT	.783	1.277
	FDB	.625	1.600
a. Dependent Variable: PER			

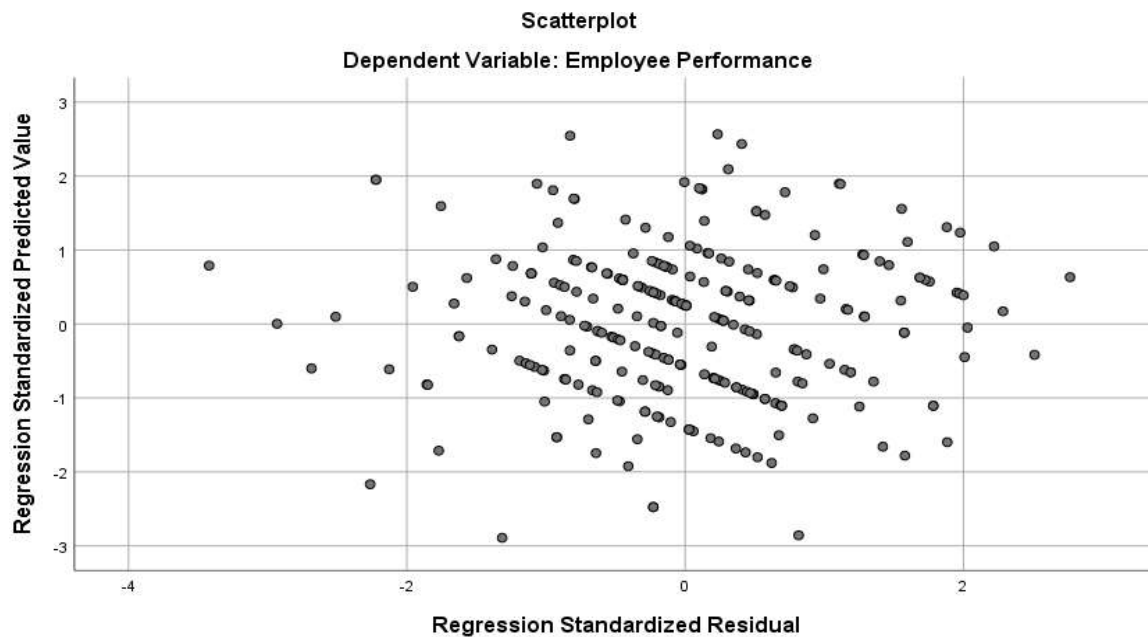
Source: Result of SPSS 26

Multicollinearity is the degree to which one independent variable is highly correlated with another single or many independent variables, and can be checked using two ways; correlation coefficient and variance inflation factor (VIF). Multicollinearity will exist if the correlation coefficient for each independent variables is greater than 0.80 and similarly the VIF for each is greater than 10 (Alin, A., 2010).

Accordingly, the correlation coefficient for all independent variables (Skill variety, Task Identity, Task Significance, Feedback, and autonomy) is below 0.8 as can be seen from table 4.12 below. Similarly, by referring the variance inflation factor in table 4.10 above, VIF for each independent variable is less than 10, even below 5. This result indicates that there is no Multicollinearity problem.

4.3.3. Heteroscedasticity Test

Figure 4. 2 Scatter Plot



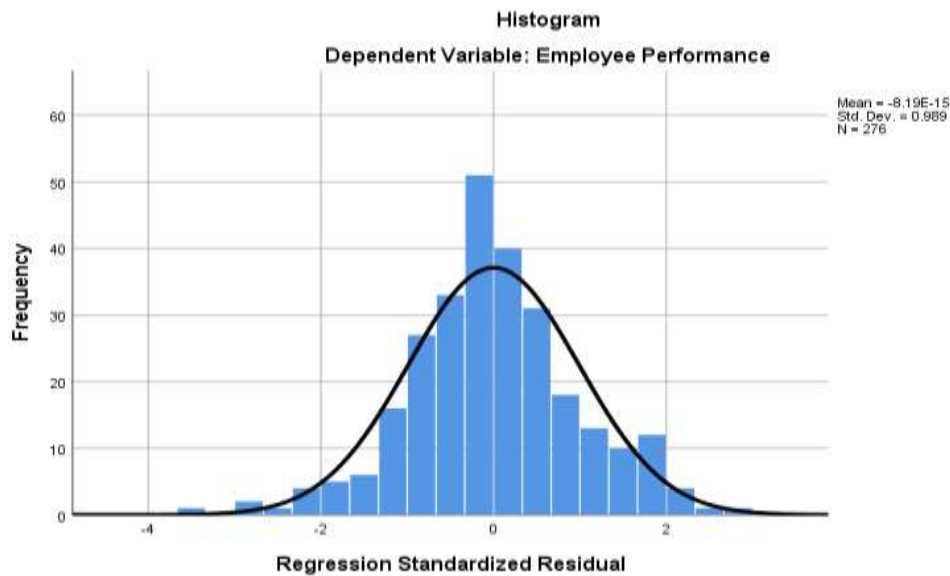
Source: Result of SPSS 26

Heteroscedasticity is the situation in which the variance of the residual in the model is not constant and in addition related to the independent variables. In other words, Heteroscedasticity is the case in which the variance not constant (Health and Nutrition Survey, 2006).

From Figure 4.2 above, points are distributed evenly within the scatter plot, or there is no outliers or no evidence of funnel-like shape of points on one side than the other. This indicates that there is no Heteroscedasticity problem.

4.3.4. Normality Test

Figure 4. 3 Histogram



Source: Result of SPSS 26

In regression, there should be normality assumption in which variables have normally distributed. There will not be outliers, no highly skewed or Kurtotic variables in Histogram (Osborne, J.W., and Waters, E., 2002). Specifically, considering that errors are normally distributed for any arrangement of values on the predictor variables (Osborne and Waters, 2002).

The figure 4.3 above indicates that the distribution of errors of predictor variables is normal, as the pick of the histogram is close to the zero, which implies the data is fairly normally distributed to the dependent variable.

4.4. Regression Analysis

4.4.1. Correlation Analysis

According to Schober, Boer and Schwarte (2018), correlation analysis is used to quantitatively address the relationship between two or more observed variables in which both the strength and direction of association is provided. In Pearson correlation matrix, correlation coefficient ranges from -1 to 1, with this boundary the correlation coefficient of -1 indicates perfect negative correlation, coefficient of 0 shows no relationship, and coefficient of 1 indicates perfect positive relationship (Field, 2006).

Davis (1971), developed correlation descriptor used to interpret the strength and direction of association between variables. The table below shows the descriptor boundary.

Table 4. 11 The strength of correlation between variables

Correlation coefficient	Strength of relation
.70 – 1.00	Very strong correlation
.50 – .69	Substantial correlation
.30– .49	Moderate correlation
.10– .29	Low correlation
.01– .09	Negligible correlation

Source: Assefa, 2014

In this study the Pearson product-moment correlation has been used to measure the relationship between, mainly, the dependent variable (employee performance), mediation variable (employee motivation) and independent variable (job characteristics).

According to the SPSS result, employee performance has substantial level of association with skill variety, task identity, task significance, and feedback and employee motivation, however the relationship between autonomy and employee performance has moderate level. In addition, employee performance has positive relation with all the variables, and the relation is linear as far as the significant level is less than the P value ($p < 0.01$) as shown in table 4.13.

Table 4. 12 Correlation Matrix

		SKV	TSKI	TSKS	AUT	FDB	EMOT
EPER	Pearson Correlation	.657**	.604**	.659**	.458**	.555**	.614**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	276	276	276	276	276	276

Source: Result of SPSS 26

4.4.2. The Effect of Job Characteristics elements on Employee Performance

A multiple regression analysis was carried out to examine the level of effect of Job Characteristics elements on employee performance. Thus, the below multiple regression analysis was performed to address the research questions 1 to 5 that is, to assess whether the five job dimensions of the JCM have a significant impact on employees job performance or not.

Table 4. 13 Regression result of JC on EP

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.792 ^a	.627	.620	.31309		
a. Predictors: (Constant), FDB, AUT, TSKI, TSKS, SKV						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	44.482	5	8.896	90.756	.000 ^b
	Residual	26.467	270	.098		
	Total	70.949	275			
a. Dependent Variable: EPER						
b. Predictors: (Constant), FDB, AUT, TSKI, TSKS, SKV						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
3	(Constant)	.182	.184		0.988	.324
	SKV	.229	.043	.276	5.330	.000
	TSKI	.206	.049	.198	4.162	.000
	TSKS	.243	.052	.242	4.714	.000
	AUT	.167	.041	.170	4.045	.000
	FDB	.146	.043	.159	3.337	.001
a. Dependent Variable: EPER						

Source: Result of SPSS 26

The result of the regression as shown in table 4.13 above indicates that the R squared value, which indicates to what extent the dependent variable is explained by explanatory variables, has a value of 0.627. This implies that the independent variables (dimensions of job characteristics) explain 62.7 % of the variability of the dependent variable (employee performance) and 37.3% of the variation is affected by other factors which are not incorporated in this model.

Adjusted R squared expresses how well the data points fit a regression line showing the percentage of variation explained only by the independent variables that actually affect the dependent variable. Consequently, adjusted R squared is used to adjust the number of terms in

a model. A good fit of model should have low discrepancy between values of R squared and adjusted R squared (Dhakal, 2019).

Accordingly, the value of adjusted R squared in this study for a regression of JC on employee performance shows 62%, not far from R squared and it implies the model is good fit. In connection with this, the value of standard error of the estimate indicates that the average wrong estimation of employee performance in this model is 31.3%.

The ANOVA table also shows us that, job characteristics elements statistically significantly predict employee performance and the regression model is good fit, since the P value (0.000) is much less than 0.05.

In table 4.13 above, the coefficient table indicates us that all independent variable are statistically significant, as the P value for each specific independent variable is less than 0.05 and one can assure that each explanatory variable are necessary to be in the model.

The general form of the equation to predict performance from Job Characteristics elements, is then

$$EP = 0.182 + 0.229 (\text{Skill Variety}) + 0.206 (\text{Task Identity}) + 0.243 (\text{Task Significance}) + 0.167 (\text{Autonomy}) + 0.146 (\text{Feedback}) + \epsilon_i$$

Therefore the finding for this regression result is as follows;

- Holding other variables constant, on average, a unit change (increase or decrease) in skill variety, task identity, task significance, autonomy and feedback could have a change (increase or decrease) on employee performance by 0.229, 0.206, 0.243, 0.167, and 0.146 respectively.

Hence, research questions (question 1 to 5) in this study can be answered here, in such a way that all job characteristics elements have an effect on employee performance.

4.4.3. The Overall Effect of Job Characteristics on Employee Performance

Table 4. 14 Overall effect of JC on EP

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

1		.791 ^a	.626	.623		.30836
a. Predictors: (Constant), JC						
ANOVA^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	43.601	1	43.601	458.534	.000 ^b
	Residual	26.054	274	.095		
	Total	69.654	275			
a. Dependent Variable: EPER						
b. Predictors: (Constant), JC						
Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.159	.176		.905	.366
	JC	.999	.047	.791	21.413	.000
a. Dependent Variable: EPER						

Source: Result of SPSS 26

Table 4.14 above shows the overall regression result of JC on employee performance. According to the SPSS result, the R squared value is 0.626 which indicates that our independent variable explains the dependent variable by 62.6% and the variation between R squared and adjusted R squared is no exaggerated, which implies the model is good fit. Similarly, the ANOVA table has the P value of 0.000, which designates the independent variable (Job Characteristics) can statistically significantly determine employee performance.

Then the general form of the equation will be **EP = 0.159 + 0.999 (JC) + εi**. from this equation, our finding will be, keeping other variables constant, on average, a unit change (increase or decrease) in job characteristics could have a change (increase or decrease) on employee performance by 0.999.

4.4.4. The Effect of Job Characteristics on Employee Motivation

Table 4. 15 The influence of Job Characteristics on Employee Motivation

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.704 ^a	.495	.493	.37988		
a. Predictors: (Constant), JC						
ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.777	1	38.777	268.718	.000 ^b
	Residual	39.540	274	.144		
	Total	78.317	275			
a. Dependent Variable: EMOT						
b. Predictors: (Constant), JC						
Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.282	.216		1.304	.193
	JC	.942	.057	.704	16.393	.000
a. Dependent Variable: EMOT						

Source; Result of SPSS 26

A regression analysis has also been made to test whether job characteristics has statistical effect on employee motivation. The result as shown in table 4.15 indicates that, there is statistically significant relationship between JC and motivation, since the significance level in the ANOVA table is much less than the P value. In addition, in this model job characteristics explains employee motivation by 49.5%.

Furthermore, a unit change (increase or decrease) in job characteristics would have a change on employee motivation by 0.942 and the General model will be as follows:

$$\text{Employee motivation} = 0.282 + 0.942 (\text{Job characteristics}) + \epsilon_i$$

4.4.5. The Effect of Employee Motivation on Employee Performance

In order to assess the relation between employee motivation and employee performance, the following regression analysis was conducted on employee performance predicted by employee motivation.

Table 4. 16 Regression result of employee performance on Motivation

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.614 ^a	.377	.375	.40157		
a. Predictors: (Constant), EMOT						
ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	26.765	1	26.765	165.975	.000 ^b
	Residual	44.184	274	.161		
	Total	70.949	275			
a. Dependent Variable: EPER						
b. Predictors: (Constant), EMOT						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.673	.174		9.590	.000
	Employee Motivation	.585	.045	.614	12.883	.000
a. Dependent Variable: EPER						

Source: Result of SPSS 26

As shown in table 4.16 above, the value of R squared is 0.377 indicating that the mediating variable explains the dependent variable by 37.7%. The association between the two variable is significant, as the P value is less than 0.05.

The general model will be then, $EP = 1.673 + 0.585 (\text{Employee Motivation}) + \epsilon_i$, which implies that, on average, a unit change in employee motivation would have a change on employee performance by 0.585.

4.4.6. The effect of Job Characteristics and Employee Motivation on Employee Performance

Table 4. 17 Regression of Motivation on Job Characteristics

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.795 ^a	.632	.629	.30946		
a. Predictors: (Constant), EMOT, JC						
ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	44.805	2	22.403	233.936	.000 ^b
	Residual	26.144	273	.096		
	Total	70.949	275			
a. Dependent Variable: EPER						
b. Predictors: (Constant), EMOT, JC						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.098	.177		.556	.438
	JC	.904	.066	.710	13.725	.000
	EMOT	.109	.049	.115	2.221	.027
a. Dependent Variable: EPER						

Source: Results of SPSS 26

As can be seen in table 4.17 above, motivation and job characteristics has significant influence on performance of employees at a P value of 0.000 for job characteristics and 0.027 for

employee motivation, which is less than 0.05. The model is good fit, because the variation between R squared and adjusted R squared is very low. The general model will be

$$EP = 0.098 + 0.904 (\text{Job Characteristics}) + 0.109 (\text{Employee Motivation}) + \epsilon_i$$

In addition, from table 4.17 above the coefficient of job characteristics in predicting employee performance has reduced (from 0.999 to 0.904) in this regression model than the first regression where JC alone predicts employee performance. This show that employee motivation has a mediating role in relationship between the dependent variable (employee performance) and independent variable (Job Characteristics).

4.4.7. Hypothesis Testing

In this study six hypotheses were formulated. Hypothesis testing is based on unstandardized coefficients beta and P-value to test whether the hypothesis are accepted or rejected. The last hypothesis (the 6th one) testing is based on the comparison between the beta coefficient of regression of JC on employee performance and the regression of both JC and employee motivation on employee performance.

Hypotheses 1 (H1): Skill variety has a significant effect on the performance of employees in Development Bank Ethiopia.

From table 4.14, the significant value for skill variety is 0.000 which is less than p value of 0.05, which indicates that skill variety has a statistically significant influence on the employee performance of Development Bank of Ethiopia. Besides, the value of beta for skill variety is ($\beta = 0.229$) and this shows that skill variety has a positive effect on employee performance of Development Bank of Ethiopia. Therefore, hypothesis 1 is accepted.

Hypotheses 2 (H2): Task identity has a significant effect on the performance of employees in Development Bank Ethiopia.

The results of multiple regression as presented in table 4.14 illustrates there is a positive and significant relationship between Task identity and employee performance with a beta value of 0.206, and significant value is 0.00. Hence, Hypothesis 2 is accepted.

Hypotheses 3 (H3): Task significance has a significant effect on the performance of employees in Development Bank Ethiopia.

From table 4.14, the significant value for task significance is 0.000 which is less than p value of 0.05, which indicates that task significance has a statistically significant effect on the performance of workers of Development Bank of Ethiopia. Besides, the value of beta for task

significance is ($\beta = 0.243$) and this shows that task significance has a positive effect on employee performance of Development Bank of Ethiopia. Therefore, hypothesis 3 is accepted.

Hypotheses 4 (H4): Autonomy has a significant effect on the performance of employees in Development Bank Ethiopia.

Similarly, according to the result of the regression shown in table 4.14, autonomy has a significant and positive influence on employee’s performance. This is because, the beta coefficient is ($\beta=0.167$) and the P value is 0.00. As a result, the Hypothesis 3 is accepted.

Hypotheses 5 (H5): Feedback has a significant effect on the performance of employees in Development Bank Ethiopia.

As it is shown in the above table (Table 4.14), feedback has a positive and a significant effect on employee performance with beta value of 0.146 and p-value of 0.001 ($p<0.05$). Therefore, the study support the alterative hypothesis 5.

Hypotheses 6 (H6): Employee motivation mediates the relationship between job characteristics and the performance of employees in Development Bank Ethiopia.

As presented in table 4.18, job characteristics and employee motivation has positive and significant effect on employee performance with beta coefficient of 0.904 and 0.109 respectively and with P value of 0.000 and 0.027 respectively ($P<0.05$). Moreover, the beta coefficient of job characteristics was decreased from 0.999 (in the first regression) to 0.904 (in the third regression), which is an indicator of partial mediation role of employee motivation. Hence, hypothesis 6 is accepted.

Table 4. 18 Summary of hypothesis test

Hypothesis	Decision	Reason
Skill variety has a significant effect on the performance of employees in Development Bank Ethiopia.	Accepted	$\beta=0.229$ $P=0.000$
Task identity has a significant effect on the performance of employees in Development Bank Ethiopia.	Accepted	$\beta=0.206$ $P=0.000$
Task significance has a significant effect on the performance of employees in Development Bank Ethiopia.	Accepted	$\beta=0.243$ $P=0.000$
Autonomy has a significant effect on the performance of employees in Development Bank Ethiopia.	Accepted	$\beta=0.167$ $P=0.000$
Feedback has a significant effect on the performance of employees in Development Bank Ethiopia.	Accepted	$\beta=0.146$ $P=0.000$

Employee motivation mediates the relationship between job characteristics and the performance of employees in Development Bank Ethiopia.	Accepted	$\beta=0.109$ $P=0.027$ Decreased coefficient of JC in the first regression than the third regression.
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Source: Own survey, 2020

4.5. Discussion of findings

The major objective of the study was to examine job characteristics and its effect on employee performance in the case of DBE. The study assessed the following major things such as the degree of the effect of each job characteristics dimensions on employee performance, the mediation role of employee motivation and the dual effect of employee motivation and job characteristics on employee performance. Accordingly the major findings are discussed as follows:

4.5.1. Skill Variety

Firstly, according to the regression result of this study, skill variety has a strong correlation with employee performance and has correlation coefficient of 0.657. The regression result also shows that, skill variety has significant and positive effect on employee performance with the unstandardized beta coefficient of 0.229.

Scholars, such as Diamantidis and Chatzoglou 2019, found that skill variety has a significant impact on employee job performance. According to Ambrose et al., 2013, skill variety is the main contributor of employee performance of nurses in Moi Teaching and Referral Hospital Eldoret. Similar empirical evidences such as, Garg and Rastogi (2005), Julaei and Mahdiye (2015), Kemboi, Biwott, Chenuos, and Rutto (2013) and Achieng (2014), also proved that skill variety has significant effect on employee performance.

4.5.2. Task Identity

Regarding task identity, the study confirmed that it has significant influence on employee work performance. As the response of respondents and then the regression result of this study indicates, there is clear begging and ending of the job, the job is composed of several tasks to make visible output, and employees have a chance of completing tasks they begin, which in turn improves their performance.

This is supported by the study of Divya, Pujar, and Sangeetha (2016), which concluded task identity is the main contributor of individual work performance. Similarly, Choge, Chepkuyeng

and Chelimo (2014) in their study proved that task identity is a significant predictor of employee motivation and hence employee performance. Furthermore studies by Humphrey, Stephen, Jennifer, Nahrgang, and Frederick (2007) and Kemboi, Biwott, Chenuos, and Rutto (2013) concluded that task identity significantly affects performance of employee.

4.5.3. Task significance

Likewise, the study found that task significance was highest contributor of employee performance with beta coefficient of 0.243. This shows us that, individual work performance is highly affected by the meaningfulness of task. In addition, employees' response indicates that, their job has an economic contribution, affect other jobs and other people. Scholars such as, Rentsch and Steel (2004), Wrzesniewski and Dutton (2001), Hamid and Omid (2015), and Achieng (2014) also found that, meaningfulness of tasks affects employee performance.

4.5.4. Autonomy

The study also tried to assess whether there is a relationship between autonomy and employee performance. Accordingly, the study demonstrated the existence of the association between the two variables as well as task autonomy has a significant impact on individuals work performance. This implies that, the freedom to decide, self-determination to plan, the independence to take responsibilities on work outcomes, and the self-government to do tasks improve employee performance.

The study found empirical evidence to support this aspect accordingly Kassem & Sarhan (2013) found that when employees enjoy independence in their work, their probability of tiredness reduces. Furthermore Saragih (2011) and Evelyne, Kilika, and Muathe (2018) in their study concluded that autonomy had significantly affect job performance of the employee.

4.5.5. Feedback

As well, the study assessed the relationship between and the effect of feedback on employee performance. Accordingly, the study found that there is a significant relationship between the two variables with the correlation coefficient of 0.555 and feedback considerably affects work performance with the beta coefficient of 0.146. This provides an answer to a research question "What is the effect of feedback on employee performance in Development Bank of Ethiopia".

Linked to this aspect, Hackman and Oldham (1975) supports the idea that clear and direct information about the outcome of their work encourage employee and enhances their performance. Furthermore, the effect of feedback on employee work performance was

supported by scholars such as, (Humphrey, Stephen, Jennifer, Nahrgang, and Frederick (2007), Kemboi, Biwott, Chenuos, and Rutto (2013), Elkins & Phillips (2000)).

4.5.6. Employee Motivation

Finally, in this study, employee motivation was assessed in its mediating role in relation between JC and employee performance. At the very beginning, one of the specific objective of this study was to determine whether employee performance has a mediating role between the independent variables and dependent variables. Accordingly, the result of the study verified that there is the mediation role of employee motivation in the relation between job characteristics and employee performance.

To test this role, a researcher conducted three regression analyses. The first was a regression of aggregate job characteristics on employee performance, in which JC has significant impact on EP with beta coefficient of 0.999. Second, employee motivation was regressed on EP, which the result indicates employee motivation is a significant predictor of EP with beta coefficient of 0.585. Thirdly, job characteristics and employee performance were regressed on employee performance, which results that both have significant influence on EP with beta coefficient of 0.904 and 0.109 respectively.

Comparing the third regression result to the first one helps us to determine the mediation effect of employee motivation. The beta coefficient of job characteristics was decreased from 0.999 (in the first regression) to 0.904 (in the third regression), and the coefficient of determination or R squared was increased from 0.626 (in the first regression) to 0.632 (in third regression).

According to Valeri & Vanderweele, (2013), the mediator variable should reduce the effect of an independent variable on outcome variable, in the third regression. In other words, the coefficient of explanatory variable should possibly be reduced when it predicts the dependent variable with the mediator variable than it predicts the dependent variable alone. Consequently, we conclude that employee motivation has a mediation role in relationship between job characteristics and employee performance in Development Bank of Ethiopia.

CHAPTER FIVE

5. Summary, conclusion and Recommendation of the study

5.1. Summary of findings

The main purpose of the study was to determine the impact of job characteristics on performance of employee and to see whether motivation has a mediation role in the relationship between the independent and dependent variables. The study has successfully achieved its specific objectives and answered its research questions, hence the result of findings are summarized as follows.

Firstly, in descriptive statistics, the researcher tried to present the employees perception towards the dimensions of job characteristics, where the employees expression shows high level of existence or practice or implementation of skill variety with mean value of 3.847 and moderate level of implementation of task identity, task significance, autonomy and feedback with mean value of 3.693, 3.77, 3.746 and 3.658 respectively. Similarly, employee's perception towards the effect of motivation on performance was high level with mean value of 3.804.

This implies that tasks or jobs in DBE needed high level of skill, talent and complexity of work in order to well perform piece of work. The other implication is that the job is reasonably composed of several tasks which together make visible outcome and job provides the chance to completely finish the pieces of work. Additionally, employees have reasonable opportunity to complete a whole piece of work by themselves independently. Furthermore, employee's task has a moderate impact on lives of other people or work of other people. In addition to this, employees have access to information related to their output, and the outcome by itself provides clear information.

Secondly, the researcher tried to present the relationship between dimensions of job characteristics and their expected work outcomes. Thus, based on the correlation analysis result, all job characteristics dimensions have positively and significantly correlated with the performance of employees and similarly with employee motivation.

Thirdly, the researcher has tried to study and analyze the dimensions of job characteristics, individually and with employee motivation, influencing the employees work outcomes. Thus, depending on the result of regression, among the five independent variables, task significance has the highest impact on employee performance than others, followed by skill variety and task

identity respectively. Feedback contributes the least influence on employee performance followed by autonomy. However all job dimensions have significant and positive effect on employee performance.

Finally, the researcher tried to see the mediating effect of employee motivation, and the result of regression indicates that it mediates the relation between characteristics of job and performance, because the effect of the independent variable is significantly reduced after mediation.

5.2. Conclusion

The importance of incorporating job characteristics elements in job design should be emphasized to enhance the productivity of employees which, in turn, enhances the performance of the organization. To this end, the study examined the relationship between some measures of job characteristics (skill variety, task identity, task significance, autonomy and feedback) and employee performance in DBE with the mediating role of employee motivation. To achieve this objective both descriptive and regression analysis was applied and the analysis was performed using SPSS.

From the descriptive analysis, the study therefore concluded that there is high level of implementation of skill variety in the Bank. This implies that the job in the bank is composed of variety of tasks and it requires high level of skills. However, the existence or implementation of other job dimensions (Task Identity, Task Significance, Autonomy and Feedback) is not sufficient. This implied that workers have no optimum level of doing their job from the beginning to the end with identifiable output; employees have moderate perception that their job affects others, employees are not sufficiently free to decide on issues related to their job and the job provides moderate level of feedback to employees.

In addition, there is positive and significant relationship between employee performance and job characteristics. Moreover, each job characteristics elements has positive and significant effect on employee job performance, which implies that the necessity of properly incorporating job dimensions in job design. Further, the analysis indicates that employee motivation has a mediation role in the relationship between employee job performance and job characteristics.

5.3. Recommendation

For employees of Development Bank of Ethiopia a better implementation of job characteristics while in job design must be put in practice, to improve their work performance, so as to encourage employees to exert the most effort to the achievements of organizational goals. Thus,

on the base of the findings/conclusion derived; the following recommendation was made by the researcher.

- Development Bank of Ethiopia should establish effective job characteristics implementation system to utilize staff effectively through developing knowledge of employee, raising new skills and upgrading the understanding of operations and improve employee's performance.
- Development Bank of Ethiopia should implement effective job design by incorporating all job characteristics elements, to motivate employees, to avoid tiresomeness, and to identify where employees are good on.
- The management DBE is expected to be sure that the job design in the bank is in consideration of one's task has an influences on the life of others and has economic contribution as well.
- Development Bank of Ethiopia should effectively implement task autonomy in such a way that letting employee to decide, plan, and schedule their job by themselves.
- The management of DBE out to develop effective information channel in which employee are able to acquire feedback about their own work performance and at the same time about other departments.

5.4. Suggestions for Further Studies

This study focused on the influence of job characteristics (skill variety, task identity, task significance, autonomy and feedback) on the on employee performance of Development Bank of Ethiopia. Therefore, the researcher used dimensions of job characteristics as an independent variables and performance of employee as a dependent variable and employee motivation as mediating variable. The researcher used questionnaires as an instrument of data collection. Therefore, the following two suggestions are very important for future investigation.

- Due to the Covid 19 pandemic, the study has been limited itself to use only questionnaires and hence, quantitative analysis was conducted. Therefore, future researchers may employ mixed approach (qualitative and quantitative) in their data type; by including interviews.
- The study was also limited to the relationship between job characteristics and employee performance in Development Bank of Ethiopia. To make the conclusion and recommendation more wide and applicable for banking industry, future researches may focus in industry wide by increasing the sample size.

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Appendix

Questionnaire

Dear Sir/Madam

I am a Master’s student in Addis Ababa University, college of business and economics, in business administration department, currently; I am conducting a research study entitled as “*The Effect of Job characteristics on Employee’s Performance; employee motivation as mediating variable in Development Bank of Ethiopia*”. I have designed this questionnaire to collect data from employees working in Development bank of Ethiopia.

The questionnaire will used to collect the primary data needed for a research study. Therefore, I seek your assistance to be as open, fair, and honest in terms of responding to your response to each question as much as possible you can. The researcher assures you that no individuals will be identified from their responses and there are no requests for confidential information included in the questionnaire. The results of the analysis will be strictly used by the researchers for study purposes only.

The questionnaire comprises four sections:

- ❖ Section 1: General information questionnaire
- ❖ Section 2: Job characteristics questionnaire
- ❖ Section 3: Employee motivation questionnaire and
- ❖ Section 4: Employee performance questionnaire

Instructions

- ❖ No need for writing your name in this questionnaire
- ❖ Read each statement carefully and give the corresponding answer correctly.
- ❖ Make a "√" in the appropriate box and tables

Section A

- | | | | | |
|-----------------------|-------------|--------------|---------------|----------------|
| 1. Gender | Male | Female | | |
| 2. Age | 20-30 | 31-40 | 41- 50 | Above 50 |
| 3 .Level of education | Diploma | Degree | Master | Other----- |
| 4. Marital Status | Single | Married | Divorce | Widowed |
| 5. Work experience | 1 – 5 years | 6 – 10 years | 11 – 15 years | above 15 years |

6. Current Position

Trainee Junior Junior officer senior officer managerial

Section B

For the following set of statements, respondents are requested to indicate their own assessment regarding each job dimensions in a scale 1 to 5.

1= strongly disagree (SD), 2=disagree (D), 3=Neutral (N), 4=agree (A), and 5=strongly agree (SA)

Skill Variety	SD	D	N	A	SA
The job that I am doing requires variety of complex and high level skills and talents					
My job consists of variety of tasks to complete					
My job provides me a flexibility to perform more tasks					

Task identity	SD	D	N	A	SA
My job has obvious beginning and end					
The job that I am doing is composed of several tasks which together make visible outcome.					
The job provides me the chance to completely finish the pieces of work I begin.					

Task significance	SD	D	N	A	SA
The content of my job has an effect on several other jobs					
My job is a critical economic contributor of the organizations survival.					
A lot of other people can be affected by how well my work gets done.					

Autonomy	SD	D	N	A	SA
The job gives me considerable opportunity for independence in how I do the work.					

My job gives responsibility of work outcomes on me as the job holder.					
The job verses me a freedom to decide on the schedule of my work activities for myself.					

Feedback	SD	D	N	A	SA
The job has sufficient channels to provide me a feedback on my work performance.					
I am able to keep an eye on the progress of any work as I perform.					
The job design in our organization is suitable to the flow of information across departments.					

Motivation	SD	D	N	A	SA
My opinion of myself goes up when I do this job well.					
I feel a great sense of personal satisfaction when I do this job well.					
I feel bad and unhappy when I discover that I have performed poorly on this job.					
Most people on this job feel a great sense of personal satisfaction when they do the job well.					

Employee Performance	SD	D	N	A	SA
I managed to plan my work, so that it was done on time.					
My planning was optimal					
I was able to separate main issues from side issues					
I knew how to set the right priorities					
I was able to perform my work with minimal effort and time					
Collaboration with others was productive					