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DETERMINANT FACTORS AFFECTING EMPLOYEES’ PERFORMANCE IN ETHIO TELECOM ZONAL OFFICES: The Case of Addis Ababa Zonal Offices

**“A Thesis Submitted to the School of Graduate Studies of Addis
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This is to certify that the thesis prepared by Mulatu Masresha Mekonnen, entitled: *Determinant factors affecting employees' performance in Ethio telecom zonal offices; the case of Addis Ababa Zonal offices* and submitted in partial fulfillment of the requirements for the Masters of Business Administration (MBA) Degree complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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ABSTRACT

The purpose of this paper is to explain the determinants of employees' performance in Ethio telecom within Addis Ababa city by examining the determinant factors of motivation, ability and some bio data variables in Ethio telecom six Zonal offices. The quantitative research approach used through primary data collected from 140 respondents, individual performance, an ordered categorical variable, was regressed on motivation, ability, and certain bio data variables. The respondents were selected using stratified sampling technique. Statistical analyses were performed with the data in order to test the four main research hypotheses. An ordered logistic regression model was employed in the research.

The main findings from results of the STATA routine indicate that, in Ethio telecom, ability has no significant effect on employees' performance. On the other hand, motivation positively determines performance until some stage of experience, beyond which performance declines with experience. Performance increases with age until some point and beyond that point performance declines with an increasing age. Training also significantly determines the performance of employees. Further research is required into the dynamic nature of employees' performance. Panel data econometric models might be used to explain the determinants of performance across time. Similarly, future empirical researches in the area in question will be helpful to consider space-time differences in explaining determinants of employees' performance.

Currently, many organizations like Ethio telecom are striving for the system of performance-based pay. This research has policy implications in relation to designing an effective performance-based pay system. On the other hand, the study contributes to the empirical literature, providing a clearer picture of the determinants of Ethio telecom employees' performance.

Keywords: *Performance management, Ethio telecom, Employee Performance.*

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Abbreviations

| | |
|-------|--------------------------------|
| CAAZ | Central Addis Ababa Zone |
| EAAZ | East Addis Ababa Zone |
| NAAZ | North Addis Ababa Zone |
| SAAZ | South Addis Ababa Zone |
| SWAAZ | South West Addis Ababa Zone |
| HRM | Human Resource Management |
| EPOs | Ethiopian Public Organizations |

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In a knowledge economy, organizations rely heavily on their employees to survive. They can only win a competitive advantage through their people (Alo, 1999). The product or service of any organization is provided to customers with the involvement of people. However, as Mathis *et al.*, (1997) pointed out, people are not only essential resources that an organization has but also problematic ones to manage. This makes human resource management a key ingredient in fostering organizational competitiveness and the ability to fulfill its mission.

Managing employee performance is an integral part of human resource management that all managers and rating officials perform throughout the year. The work of Chris (2011) testifies the fact that performance management is important as managing financial resources and program outcomes because employee performance or the lack thereof has a profound effect on both the financial and program components of any organization.

Although many factors contribute to productivity, job performance is viewed to be the most influential one. One of the indicators in enhancing and improving the service industry is job performance. Job performance refers to the behaviors that are expected in the line of the organizations' goals and the purpose under control of individual employees (Campbell *et al.*, 1993). Performance measurement systems are described as the overall set of metrics used to quantify both the efficiency and effectiveness of action (Shepherd and Gunter, 2006). Psychological studies made over time suggest meaningful variation in individual performance exists at within-person and

between persons level. These studies contend that personal and social factors explain individual performance. In other words, employee performance depends on individual and group behavior.

According to Oreg (2003), factors determining individual differences in job performance include cognitive ability, conscientiousness, goal orientation and motivation. Yeo and Neal (2004) also suggest that over time, practice was significant linear and quadratic predictor of performance scores. That is, individuals improved their performance with practice until some point of experience is reached and performance diminishes thereafter. Similarly, they found that effort intensity was not a significant predictor of performance.

Nickols (2003), and Fort and Voltero (2004), identify factors that are closely related and affect provider's performance in the workplace. They include: clear goals and job expectations, suitable repertoire, immediate feedback, skills to perform, knowledge of the organizational structure, functional feedback system, sound mental models, sufficient motivation through self satisfaction and incentives.

Job performance problems often start small and develop slowly. In the early stages there may be just a few isolated incidents and these may easily be overlooked. It is important to deal with a job performance problem in the early stages while the issues are small. Performance issues can deteriorate to the point of crisis if the early warning signals are not acknowledged and dealt with.

The performance of one employee can affect the productivity of other employees. Poor job performance can place the employee, co-workers and the organization at risk.

As a matter of fact most managers in organizations face with a crucial question of what factors influence employee performance and there is inadequate empirical information that might guide their efforts in enhancing overall job performance among employees (Salleh *et al.*, 2011).

1.2 Statement of the Problem

Economists classify factors of production in to four categories namely: labor (employee), capital, entrepreneurship and land and other natural resources. Among these, employees are regarded as the most valuable assets of any organization without whom no production activity can take place. The success of an organization largely depends on the quality of its employees which is measured by their performance. There are heterogeneities in the quality of employees in an organization, i.e. not all employees are equal in their working and they have different modes of working in that some have the highest capability regardless of the incentive while others may have an irregular tendency of working. If they are handled effectively, the result can be greater productivity and increased employee morale.

Good employees' performance is the ingredient for the success of the organization. Nelson and Quick (2003) contend that a job with high motivation and hygiene factors leads to high performance and few complaints among employees.

Employees' performance like all other systems, they do not function when their components do not work together smoothly and efficiently. Thus, understanding relationship between the organization and its employees is the key to improve the organization's ability to move through change effectively. Organizations need to understand the factors that affect employees' performance because such insight will help them make decisions that will inculcate improved performance from the employees and to an extension the overall performance of the organization (Mwangi, 2012).

Employee performance has been shown to have a significant effect on organizational performance (Collis and Montgomery, 1995). This is due to the reason that individual performance is the foundation of organizational performance (Ivancevich and Matteson, 1999:148). One of the major

pitfalls in an organization occurs when managers believe their organizations are constantly operating at the highest level of efficiency, or that they do not require input from their employees (Foot and Hook, 1999).

The traditional individual performance philosophy of “bureaucratic orientation” was major driving force for the structural capital variation to explain changes in individual performance. Once structural capital is accumulated, Individual performance can be conceptualized in terms of intra-personal and inter-personal factors (Oreg, 2003). On the other hand, Yeo and Neal (2004) found that 57 percent of the variance in individual performance scores was within individuals, leaving the rest to be at the “between persons” level. That is, individual performance can be operationalized using intra-personal factors of motivation, role perception and ability (Robins, 1996 and Gebregziabher, 2009).

Identifying factors that affect employees’ performance can help improve recruitment, retention and organization result (Mohammed and Nimalathan, 2011). Different scholars try to point out the factors affecting employees’ performance in case of different sectors through out different countries. Some of them are: (Hilda, 2006; Mohammed & Nimalathan, 2011; Imran *et.al*, 2011; Gebregziabher, 2009; Charity, 2011; Mohammed, 2011; Ali and Davies, 2003, and they all probes issue about determinant factors and its impact on employees’ performance and their finding indicates performance of the employees has significantly affected by different factors including individual, organizational, and job related factors.

One of the indicators in enhancing and improving the services industry is job performance. Like other organizations Ethio telecom is one of those service providing organizations for the public which relies on the performance of its qualified employees. At the end of the country’s five years development & transformation plan, it is expected to have internationally recognized Telecom

Company capable of providing world-class telecom services being equipped with modern work process and organizational structure as well as staffed with a new generation workforce.

According to *Ken Blanchard companies'* report of 2004, in fact, in discussing those barriers to employee development and their subsequent impact on productivity with senior executives around the world, most senior executives have assessed that their workforce is operating at only 60% to 65% of their potential. This means that organizations can still exploit the remaining around 40% of employees' potential by identifying which factors affect their performance. In this context the level of employee's performance and what factors determine it did not get much attention especially in the case of Ethio telecom. Therefore, it is necessary to generate relevant evidence through a detail study to highlight strategies for improving the performance of employees.

This thesis is aimed at explaining the determinants of employees' performance in Ethio telecom in Addis Ababa city. Specifically, it inquires us to the effect of motivation, ability, and personal characteristics on individual performance. Secondly, this study is aimed at drawing policy implications and indicating directions for further research.

1.3 Research Questions

Hence to determine the factors which affect the performance of employees, the study tried to answer the following main research questions:

- ✚ What are the significant factors affecting the performance of employees in Ethio telecom?
- ✚ What is the effect of those factors on the performance of employees in the study area?
- ✚ Which strategies can be suggested to increase the performance of employees in those of six zonal offices of Ethio telecom in Addis Ababa?

1.4 Research Hypothesis

In order to examine the factors which affect the performance of employees, based on the finding from literature the following hypotheses were developed:

H1. Motivation is non-linearly related to individual performance.

H2. Given experience, ability does not significantly determine individual performance.

H3. Age is non-linearly related with individual performance.

H4. Training significantly determines individual performance.

1.5 Objectives of the Study

1.5.1 General objective

This thesis is aimed at explaining the determinants of employees' performance in Ethio telecom zonal offices in Addis Ababa city.

1.5.2 Specific objectives

- To identify the significant factors affecting the performance of employees in Ethio telecom Zonal offices.
- To determine the effect of each factors on the performance of the individuals in the study area.
- To provide guidelines for the concerned bodies to improve the performance of their employees
- It is aimed at drawing policy implications and indicating directions for further research.

1.6 Scope and Delimitations of the Study

This study has been carried out at Ethio telecom Zonal offices in Addis Ababa. Factors affecting Workforces' performance have been examined. However, the study covers all of those six zonal offices located in Addis Ababa.

The analysis of the study goes up to the intrapersonal factors which determine the performance of individuals.

1.7 Limitation of the Study

The major limitation of this study was failure to address all factors that affect the performance of employees and also covers only Ethio telecom zonal offices in Addis Ababa. Although the population size is finite which requires sample size determination formula but the sample size determined through the formula made the collection of data unmanageable, and the study utilized standardized table which is representative.

1.8 Significance of the Study

The study tries to cover the factors determine the performance of employees in Ethio telecom all Zonal offices which are located in Addis Ababa. The study proposed important recommendations and strategies for improving the performance of employees.

Moreover, the finding of this study will be beneficial to the stakeholders including:

- a) Academician/Researchers

The findings of this study will assist academicians in broadening of the prospectus with respect to this study hence providing a deeper understanding of the determinant factors that affect employees' performance.

b) Ethio telecom

The findings of this study will help the human resource management of the organization and others, within an insight in to the benefits of using different factors that would be studied in this research to predict the factors that affect the performance of employees and design remedial actions to exploit their better performance.

Finally, the information produced from this study is expected to be of some value for decision and policy makers with respect to determinants of employees' performance.

1.9 Organization of the Paper

The research paper was organized into five chapters. The first chapter is Introduction. Related theoretical and empirical literatures discussed in chapter two and chapter three concentrated on model specification and methodological aspects. The fourth chapter of the study presents data analysis and presentation of the main findings of the study. The last chapter discusses conclusion and policy implication of the study based on the major findings of the study.

CHAPTER TWO: LITERATURE REVIEW

2.1 *Definition of Performance Management*

According to Judge and Ferris (1993), perhaps there is no human resources system more important in organizations other than performance evaluation and the ratings of employees' performance represent critical decisions that highly influence a variety of subsequent human resources actions and outcomes.

Performance is often defined simply in output terms – the achievement of quantified objectives. But performance is a matter not only of what people achieve but how they achieve it. *The Oxford English Dictionary* confirms this by including the phrase 'carrying out' in its definition of performance: 'The accomplishment, execution, carrying out, working out of anything ordered or undertaken. High performance results from appropriate behavior, especially discretionary behavior and the effective use of the required knowledge, skills and competencies. Performance management must examine how results are attained because this provides the information necessary to consider what needs to be done to improve those results (Armstrong, 2006:497-498).

According to Asa'd (1991) and Chaplin (2005), employee performance is defined as an individual outcomes based on the size and behavioral standards for the related job, and which led to an outcome, especially behavior that can change the environment in certain ways. On the other hand, Bayley (1990) said that Employee performance is a record of the results produced in a specific job function or activity during a specific time period associated with organizational objectives. It is the result produced by a specific functional unit or individual activity over a given period and not the personal characteristics of employees who performing the work.

Performance is important to us as people and organizations. In fact, most of us believe that we can, and will, improve at what we do, and we expect others to improve over time as well (Temple, 2002). People are an organization's greatest assets: individuals and organizations have learned about the importance of the role of people in an organization, and how the success of an organization depends on its people (Bartlett and Ghoshal, 1995).

For an organization's well performance the quality of workforce at all levels of the organization is vital. The role of human resources in gaining a competitive advantage for an organization is empirically documented by (Brewster *et al.*, 2003). According to them, an organization to accomplish their goals, they must continually look for better ways to organize and manage their work. This was not always the case, as human resources were traditionally seen as a cost.

To summarize, performance means both behavior and result. Behavior emanates from the performer and transforms performance from abstraction into action. Not just a means to an end, the behavior is also an outcome in itself, the product of mental and physical effort applied to the task, which can be judged apart from the result (Armstrong, 2006). Since performance is both a behavior and result, how can it could be managed is the next question to be answered.

According to Katz and Green (1997:7), performance management is a system which comprises of an orderly series of programs designed to define, measure, and improve the performance of an organization. Performance management is a shared process between managers, individuals, and teams they are supervising; it is designed to improve the performance of an organization and the people working within it (Armstrong 1994:1, Torrington and Hall 1998:317).

Performance management is neither a technique nor a single process, it can be considered as a set of process, or a concept, a holistic philosophy that includes motivation of employees to perform well, employees knowledge about what their managers expect of them, development of employees,

monitoring and measuring performance in order to know what areas are to be improved (Wilson, 2005). This indicates that performance is a function of motivation and ability of the employees to achieve the objective of an organization in general and their goal in particular.

According to Mathis and Jackson (2010:320), performance management is a series of activities designed to ensure that the organization gets the performance it needs from its employees. It links organizational strategy to ultimate results. This implies that, performance management enables a company to convert overall strategy into results that support the mission and objectives. However, just having a strategic plan does not guarantee that results will be achieved and objectives will be satisfied. When organizational strategies have been defined, they must be translated into department- or unit-level actions. Then these actions must be assigned to individuals who are held accountable for efficient and effective goal accomplishment.

2.2 *Aims of Performance Management*

The overall aim of performance management is to establish a high performance culture in which individuals and teams take responsibility for the continuous improvement of business processes and for their own skills and contributions within a framework provided by effective leadership. (Armstrong, 2006:494)

The following are the aims of performance management as expressed by a variety of organizations (source IRS, 2003):

- ✓ Empowering, motivating and rewarding employees to do their best. *Armstrong World Industries*
- ✓ Focusing employee's tasks on the right things and doing them right. Aligning everyone's individual goals to the goals of the organization. *Eli Lilly & Co*

- ✓ Proactively managing and resourcing performance against agreed accountabilities and objectives. *ICI Paints*
- ✓ The process and behaviors by which managers manage the performance of their people to deliver a high-achieving organization. *Standard Chartered Bank*
- ✓ Maximizing the potential of individuals and teams to benefit themselves and the organization, focusing on achievement of their objectives. *West Bromwich Building Society*

2.3 Performance Measurement

Measurement and evaluation are used to strengthen and improve performance. According to Armstrong (2006), firstly, performance measures —.are yardsticks which used to determine how well employees produced or provided products or services.” It is important that the required outcome of an intervention to be measured and assessed is clearly defined and known; secondly the appropriate methods are used; and thirdly to determine whether the selected activities and interventions will narrow or close the performance gap.

The importance of measurement in the performance improvement process cannot be overemphasized. As Sutherland *et.al* (1995:12) highlight, —.if you cannot understand something you cannot measure it. If you cannot measure it, you cannot control it. If you cannot control it, you cannot improve it.”

2.4 Determinants of Employees Performance

Job performance refers to the behaviors that are expected in the line of the organizations goals and the purpose under control of individual employees (Campbell *et al.*, 1993). Hunter and Hunter (1984) pointed out that job performance is of interest to the organizations because of the importance

of high productivity in the workplace. Rudman (1998) on the other hand, stated that performance is focused behavior or purposeful work. The determinant factors that affect employee's job performance are documented in the literature. The most widely described determinants of employees' performance are the following.

2.4.1 Motivation

According to Daft (1991), motivation can be described as the arousal, direction, intensity and persistence of individual behavior action. Motivation is an individual phenomenon because people are different and unique in many aspects. Since it is a personal aspect, Megginson *et al.* (1992:420), view motivation as; the process of inducing an individual or a group, each with distinctive needs and personalities to pursue not only the organization's objectives but also personal/group objectives.

Motivation is a constant that changes within individuals over time and across situations (Kanfer and Ackerman, 1989). Ability is a necessary condition for motivation to determine individual performance. That is, trying hard will not help if the individual does not know how to perform the task (Vroom, 1964). Hence, assuming that an employee has reasonable ability to perform a job and fairly knows the expected roles, increased motivation brings about increased individual performance. The converse is also true. Ability predominantly underlies work experience that in turn is a function of time especially in public organizations (Gebregziabher, 2009).

To effectively deliver organization's objectives, qualified and competent employees are harnessed. However, the performance of employees is not only a function of ability (qualification and competence) but also of motivation (Abdulsalam and Abubakar, 2012).

Ngu (1998), contends that the two most important variables explaining employee performance are motivation and ability. And also defines motivation as *–the enthusiasm and persistence with which a*

person does a task, while ability refers to task competence". Impliedly therefore, employees can only reach peak performance if they are adequately motivated assuming that the issue of competence is taken as given.

According to Robbins (1996:126), a popular, although arguably simplistic, way of thinking about employee performance is as a function of the interaction of ability and motivation; that is, $\text{performance} = f(A \times M)$. If either is inadequate, performance will be negatively affected. An individual's intelligence and skills (subsumed under the label "ability") must be considered in addition to motivation if we are to be able to accurately explain and predict employee performance. In addition to this, Vroom (1964), in his study entitled work and motivation found that;

the effects of motivation on performance are dependent on the level of ability of the worker, and the relationship of ability to performance is dependent on the motivation of the worker. The effects of ability and motivation on performance are not additive but interactive. The data presently available on this question suggest something more closely resembling the multiplicative relationship depicted in the formula: $\text{Performance} = f(\text{Ability} \times \text{Motivation})$.

This implies that, people need both ability and motivation to perform well and that if either ability or motivation is zero there will be no effective performance.

The importance of employee motivation cannot be neglected in any sense as today it has become the foundation of organizational survival. Mc Coly and Wise (2002) showed that motivation is a tool to improve performance through learning. Success in the market place is highly related to learning and how to motivate employees to learn (Argyris, 1991). In addition, Smith (1994) stated that motivated employees are required if an organization wishes to survive in a competitive market environment. Research shows that motivated employees play a vital role in the success of the organizations. The

above findings indicate that motivation and employee performance have a direct positive relationship.

Motivation is significant because even people with the required knowledge, skills, and abilities will perform poorly if they are not motivated to devote their time and effort to work (Milapo, 2001). In another word, motivation is an important factor which describes performance. That means it is a driving force contained by the individuals (Mullins, 2007). From the context of the relationship between motivation and performance, the notion that employees who are highly motivated are much more likely to be high performers is widespread in management and organizational psychology literature. In the contrary, other researchers found that motivation has not direct relationship with job performance of individuals.

Motivation determines performance through the propensity of effort allocation to tasks (Yeo and Neal, 2004). Sometimes, employees might not be required to exert much effort to better perform on a given task if there is no entrepreneurship. In this case, additional effort might not be value adding. Through time, the required effort decreases because employees secure competence through learning. On the other hand, as the process of compilation and procedural proceeds, individuals require less effort to reach their maximum level of performance. Greater experience, hence allows individuals to maintain higher levels of performance with less effort. That is, the relationship between effort and performance is weak with practice. In other words, the utility of effort depends on the level of skill acquisition and individual-difference variables that influence the rate of learning.

The relationship between effort and performance ultimately become none significant as individuals automate their tasks. Theoretically, stable personality traits should be more strongly related to effort than to difficulty. When a task is difficult, individuals are prompted to increase their allocation of effort toward on-task activities (Yeo and Neal, 2004). That implies that, an increase in effort is

expected to occur when the task is difficult. Nevertheless, resource allocation theory (Kanfer and Ackerman, 1989) suggests that performance should decline as task difficulty approaches and then exceeds an individual's available capacity.

In the early stage of experience, motivation is a "satisfying" factor. In that case, the presence of motivation strongly affects individual performances through entrepreneurship. Beyond some point of experience however, motivation is a "dissatisfying" factor. That is, absence of motivation has powerful and adverse effect on individual performance through time (Gebregziabher, 2009). This indicates that after some point the performance of employees' decline, which means there is no linear relationship between motivation and employees' performance.

2.4.1.1 Theories of Motivation

Motivation theory can help us to consider the different investments which can be made in people. Investment in workers through motivational measures are made today with the hope of future benefits for an organization (Stella, 2008).

2.4.1.1.1 McGregor Theory X and Theory Y: Vroom and Deci: 1970

In his theory McGregor developed two distinct preconceived perceptions of how people observe human behavior at work and organizational life. He believed that companies follow one of the two opposing approaches. He called these approaches theory X and theory Y.

He argues that in theory X, management has the responsibility to ensure that the productive elements of the enterprise are organized such as money, materials, and people with the purpose of meeting economic ends.

On the other hand theory Y stipulates that management is charged with the responsibility to organize the elements of productive enterprise such as money, materials, equipment and people with the aim of meeting economic ends.

Management in accomplishing its tasks uses these assumptions as guides and this leads to a variety of possibilities which fall between two extremes. In one extreme side management can be hard or strong and on the other management can be soft or weak. Theory X is the standpoint that traditional management has taken towards the work force while many modern organizations are now taking the enlightened position of theory Y (Boeree, 2006:3).

2.4.1.1.2 Abraham Harold Maslow's Theory of Need: Armstrong: 2001

The most popular needs classification is the one developed by Maslow. In his hierarchy of need he developed five major layers of needs, which he listed in order of importance, namely physiological needs, safety needs social needs, esteem needs and self fulfillment needs. He believed that these needs are generally experienced by people.

In his theory he argues that if a person feels threatened then the desire to satisfy that need will be increased and all the other needs above in the pyramid will not be desired, until that need is met.

The argument of his theory is that the need for self fulfillment cannot be satisfied. Man is always wanting and therefore it is only a need that is not satisfied that can motivate behavior and the dominant need is the one that makes one to act in a particular way in order to fulfill it. People develop psychologically as they advance up the hierarchy but progress is not achieved in a straightforward manner.

In line with his argument is that, for adequate work motivation leaders and managers need to understand the active needs that create individual employee motivation.

2.4.1.1.3 *Frederick Herzberg's Hygiene and Motivational Factors Theory: Vroom and Deci: 1970*

In his theory he listed a number of factors that are similar to Maslow's hierarchy of needs, except his theory is more inclined to the working environment. He divided these factors into two major categories namely hygiene factors (dissatisfiers) and motivators (satisfiers). Under the hygiene factors he stated factors such as working conditions, company policies and administrative practices, salary and benefits, supervision, status, job security, co-workers and personal life while the motivators include factors such as recognition, achievement, advancement, growth, responsibility and job challenge. Herzberg argues that hygiene factors must be initially observed in the job before motivators can be used to stimulate the job and the resultant feeling of motivation to be achieved. This implies that you cannot use motivators until all the hygiene factors have been fulfilled. Hygiene's theory spells out unique and distinct issues which people need in their work to enable them feel motivated to perform well.

2.4.1.1.4 *Expectancy Theory*

According to Lunenburg (2011) Vroom's theory provides a process of cognitive variables that reflects individual differences in work motivation. In this model, employees do not act simply because of strong internal drives, unmet needs, or the application of rewards. Instead, they are rational people whose beliefs, perceptions, and probability estimates influence their behavior. From a management standpoint, the expectancy theory has some important implications for motivating employees. It identifies several important things that can be done to motivate employees by altering the person's effort-to-performance expectancy, performance-to-reward expectancy, and reward valences.

2.4.2 Ability

According to Abdulsalam and Abubakar (2012), Ability means qualification and competence to accomplish the assigned tasks.

Vroom (1964) states that, when ability is low, increased motivation results in smaller improvements in performance than when ability is high. The model predicts that the relationship between effort and performance should be stronger for individuals with high cognitive ability than for individuals with low cognitive ability. Effort has the role of “leveraging” performance with cognitive ability as a base for the “leverage”. Learning orientation is one component in propensity of effort allocation, in that, it has effects on performance.

Kanfer and Ackerman (2004) classify intellectual abilities across the adult life span into “fluid intellectual abilities” mostly associated with working memory, abstract reasoning, attention and processing of novel information and “crystallized intellectual abilities” associated with general knowledge, extent of vocabulary and verbal comprehension.

According to Kanfer and Ackerman (2004), work that involves substantial “fluid intellectual abilities” and comparatively lower levels of “crystallized intellectual abilities” place very high demands on “fluid intellectual abilities” and also shows the most diminished performance with age. When “fluid intellectual abilities” decline with age increased effort is expected to become the first-use strategy by which individuals seek to sustain job performance placing high demands on “fluid intellectual abilities”. As “crystallized intellectual abilities” increase with age, individuals engaged in jobs that demand high levels of knowledge and/or experience are expected to maintain their performance without increased effort. Gebregziabher (2009) in his study found out that it can be observed that most jobs in EPOs demand more of “crystallized intellectual ability” and less “fluid

intellectual ability". On top of this, most employees of EPOs are reasonably experienced with respect to their job and these employees work on routine tasks that do not require much fluid intellectual ability.

2.4.3 Individual characteristics

Bio-data is yet another factor explaining variation in individual performance. For example, older employees are often more reluctant to engage in new training and tend to prefer collaborative versus competitive tasks compared with their younger counterparts. According to Kanfer and Ackerman (2004), life-span theorists proposed that person versus environment transactions not only determine the direction, intensity and persistence of action but also help shape the person versus situation context in which motivation takes place. Kanfer and Ackerman (2004) suggest that age is likely to be positively associated with increased preferences for physical security, job security and salary. Similarly, they inferred that in the absence of work-role changes and compensation scheme, the attractiveness of job performance is expected to decline with age.

Research on the relationship between age and work performance contradicts widespread beliefs that performance decreases with age (Davies *et al.*, 1991). There has long been a view of a negative age-performance relationship (Rhodes, 1983), although the belief has endured without conclusive empirical support (McEvoy and Cascio, 1989).

One theoretical rationale for the hypothesized negative relationship is the decremental theory of aging which suggests that increased age causes deterioration in abilities, such as speed, dexterity, motor coordination, and strength (Ginger *et al.*, 1983; Rhodes, 1983; Salthouse, 1979). Similarly, Kliegl and Mayr (1992) have advanced a model that suggests there is an underlying single negative effect of age-related influences on a wide range of cognitive variables.

Although the simplest single factor model (i.e., one underlying factor, affected solely by age, accounts for all declines in cognitive functions) has been shown to be too simplistic, a large number of studies do present evidence of the negative effects of aging, and a form (albeit somewhat more complex than the simplest model) of the single factor model is strongly supported (Verhaeghen and Salthouse, 1997). Notably, age has also been shown to be associated with decreases in performance on tests of learning, memory, reasoning, spatial abilities, and psychomotor speed (Lindenberger and Baltes, 1994; Salthouse, 1991; Schaie and Willis, 1993; Verhaeghen and Salthouse, 1997).

Aging may also affect performance through motivation. Wright and Hamilton (1978) suggest that older employees go through a "grinding down" stage where they accept what is available to them and lessen their expectations. Supporting this proposition, empirical work demonstrates a negative relationship between age and ambition, aspirations, and overall motivation (Giblin, 1986; Judge and Hulin, 1993; Judge & Locke, 1993; Kuhlen, 1977; Rhodes, 1983; Slocum *et al.*, 1985).

Despite the theory suggesting that aging will affect performance, and empirical evidence showing aging's effects on performance-related constructs, research on the age/performance relationship has shown mixed results. Rhodes (1983) reported approximately equal numbers of studies with positive, negative, and no relationships. Meta-analyses have shown that age alone accounts for little variance in job performance (McEvoy and Cascio, 1989; Waldman and Avolio, 1986). It should be noted that not all examinations of aging suggest negative effects.

In particular, crystallized intelligence (e.g., Cattell, 1963)—which entails the cognitive processes and abilities that are embedded in learned cultural meaning, acquired through prior experience has been found to be higher among older people (Dixon *et al.*, 1985; Labouvie-Vief, 1985). Others have made similar arguments, that while physical and mechanical abilities may decline over time, pragmatic abilities may increase (Salthouse, 1995). Thus, performance may remain constant at

higher age levels because job experience may compensate for any detrimental effect of aging (Tesluk and Jacobs, 1998). Accounting for experience, though, should reveal the relationship with age (Avolio *et al.*, 1990).

The theoretical position positing a relationship between age and performance does not imply that the effect of age on performance is linear. Again, we expect a non-linear relationship, with the negative effects of age becoming stronger as employees age increase. Thus, the total relationship between employee age and job performance should be non-linear (Avolio *et al.*, 1990). Evidence supporting this position is mixed. McEvoy and Cascio (1989) found some support for a curvilinear hypothesis. Specifically, they examined studies with young employees versus those of all ages and found that the young samples had a higher age/performance correlation than the other studies.

For example, Gebregziabher (2009), claimed in his research conducted on 128 Ethiopian Public Organization employees'; he found that age is one of the bio data variables that influence employees' performance. Performance increases with age up to some point and beyond that point performance declines with age. That means as the employees become older and older, the lowest effort they will exert on the given task which adversely affects their performance in their respective jobs.

In short, he found that there is a non-linear relationship between age and performance of individuals. While these results are informative, as no other meta-analysis had yet examined such a moderator, it is limited in that it had only a few studies in the younger. More importantly, it did not treat age as a continuous variable and thus did not examine the potential non-linear relationship between age and performance over the plausible range of age values. Others have found support for non-linear effects of age, but lacked a sufficient range (particularly of older workers) in the sample to fully test the nature of the age and performance relationship at all values potentially facing modern employers

(Avolio *et al.*, 1990). For these reasons, stronger support of a non-linear relationship may not have been detected by these previous researches, and further work is necessary to substantiate this proposed non-linear relationship.

Furthermore, no study has looked for a non-linear relationship between age and performance. Based on available theory and in line with previous predictions (e.g., Giniger *et al.*, 1983; McEvoy & Cascio, 1989; Gebregziabher, 2009), this paper posits a non-linear relationship.

Training is one of the variables that can affect the performance of individuals. Training is a process in which people acquire knowledge, skills, experience and attitudes that they need to perform their jobs well for the achievement of their organization's goals (Mathias and Jackson, 1998). Though the effect of formal training on employee performance remains subjective and sometimes doubtful because of lack of sufficient direct transfer to the workplace, formal training remains an important strategy through which organizations ensure their employees' competencies (Beatrice *et al.*, 2009).

Beckman (2009) and Pulakos *et al.*, (2000) comment that organizations without viable training programs would fail to provide employees with frequent opportunities to practice and enhance their capabilities in terms of enhanced employee skills and knowledge. Naturally, such an anomaly leads to poor performance and inefficiency, and ultimately decreased productivity and profitability.

However, Loewenstein and Spletzer (1998) and Bartel (2000) confirm that the effect of an hour of training on productivity growth is about five times as large as the effect on wage growth and that employers reap almost all the returns to company training". As such, investing in human resource development is an integral part of any organization bent of operating efficiently and effectively.

Viscal (2011), in his study points out that enhancing the employee competencies in the workplace strongly depends upon the learning environment of a given organization. This implies that top

management should be committed towards supporting staff training for all staff categories with equitable provision being made within the spirit of equal opportunity for all employees.

In any organization not everyone is fully equipped with any sort of expertise or carry the ability of handling every task he is assigned, except he is well versed in it and has strong track experience regarding that specific assignment. Training has been the main factor for influencing the employees' skills, abilities and attitude. People working in any organization individually or in groups or in the shape of teams have never been able to handle their tasks by their own until and unless they provide healthy support to each other while working on their targets. So, team members should develop the environment where they can bring down the short comings of weak members by consistently contributing to their weak performance (DeLise *et al*, 2010).

Training programs helps in making acquaintance of employees with more advance technology and attaining robust competencies and skills in order to handle the functions and basics of newly introduced technical equipment. More rarely it happens that employees are not fully trained regarding new working and technical techniques and they are unable to deliver to their assignments according to the desire of the organization. Effective training can bring down these flaws (Viscal, 2011).

To summarize training and development is the true compliment of giving a better shape to employees' performance. According to Newton(2006), and Mubashar and Muhammad (2011), in their respective study found out that along with some others favor the importance of training in terms of not only attracting of new staff but also retaining the existing one and it pushes up the abilities of employees to higher stage from where they currently stands.

2.5 Performance Improvement

It is a response to make services of an organization better, affordable and faster. It seeks to rectify any problems that exist and build upon those performance levels that are already good (Katz and Green, 1997).

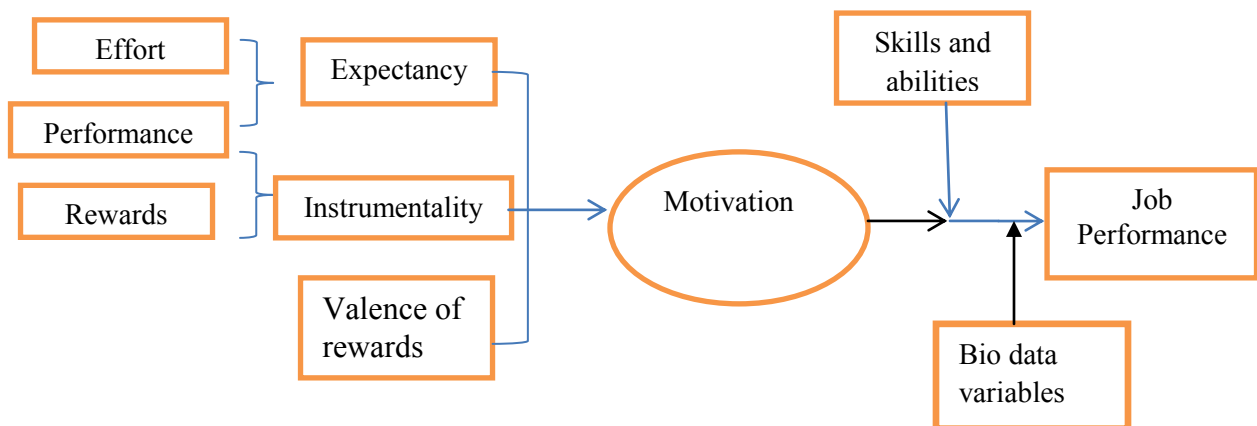
According to Katz and Green (1997, pp.: 200) performance improvement involves the “...resolution of performance problems and the exploitation of performance opportunities”.

Problems may be related to service, practice or governance.

Performance opportunities “...consist of those occasions when, although the performance target is adequate, an opportunity exists to improve the outcome of the service or process by which the service is delivered”.

2.6 Conceptual Framework of the Study

The conceptual framework explains the key concepts used in the study and how they are linked to one another to produce the final outcome.



Source: Gebregziabher, 2009

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

In order to analyze the potential impacts of factors on performance of employees, this study make use of a research methodology. This section provides an overview of the study's research approach which lies within the quantitative strategies. The chapter discusses procedures and activities undertaken, focusing on namely the study's research design, questionnaire design, data collection, sampling strategy, data processing and analysis, and instrument development.

3.2 Procedures and Activities undertaken

The assessment of the factors that affect the performance of employees from Ethio telecom Zonal offices in Addis Ababa involves several activities such as proposal development, literature review, research design, questionnaire design, data collection, sampling procedures, visiting of relevant office/centers, selection of participants, test of validity, data collection and data analysis.

3.2.1 Research Design

Research design is the blueprint for fulfilling research objectives and answering research questions (John *et al.*, 2007:20-84). It ensures that the study would be relevant to the problem and that it uses economical procedures. In this study, a quantitative approach of doing research was employed, which has been practiced, as recommended by Creswell (2009:203-216). A quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistical

data (Creswell, 2003). In short, the study employed a survey design administered through structured questionnaire. Survey was employed in order to generalize from a sample to population. This method is preferred because of its high-speed in data collection and its being economical.

Moreover, the study utilizes cross-sectional in the sense that all relevant data was collected at a single point in time. The reason for preferring a cross-sectional study is due to the vast nature of the study. In addition to this, obtaining information from a cross-section of a population at a single point in time is a reasonable strategy for pursuing many researches (Janet M. Ruane, 2006:94).

3.2.2 Questionnaire Design

The layout of the questionnaire was kept very simple to encourage meaningful participation by the respondents. The questions were kept as concise as possible with care taken to the actual wording and phrasing of the questions. The reason for the appearance and layout of the questionnaire are of great importance in any survey where the questionnaire is to be completed by the respondent (John *et al.*, 2007:128-42). Besides, all questions in the questionnaire were adopted from other sources. The questions that were used in the questionnaire are five-point likert scale type and open ended questions. The type of scales used to measure the items on the instrument is continuous scales (strongly disagree to strongly agree).

3.2.3 Data Collection

The study employed both primary and secondary sources of data collection.

i. Primary Sources

In order to realize the target, the study used well-designed questionnaire as best instrument. This was completed by employees of the selected organization.

ii. Secondary Sources

Secondary data from files, pamphlets, office manuals, circulars and policy papers were used to provide additional information where appropriate. Besides, variety of books, published and/or unpublished government documents, websites, reports and newsletters were reviewed to make the study fruitful.

3.2.4 Sampling technique

Stratified random sampling which is on the basis of their location was used to get information from Ethio telecom employees. This technique is preferred because it is used to assist in minimizing bias when dealing with the population. With this technique, the sampling frame can be organized into relatively homogeneous groups (strata) before selecting elements for the sample. According to Janet (2006:94), this step increases the probability that the final sample will be representative in terms of the stratified groups. The strata are those six Zonal offices located throughout Addis Ababa city.

According to Catherine Dawson (2009:54), the correct sample size in a study is dependent on the nature of the population and the purpose of the study. Although there are no general rules, the sample size usually depends on the population to be sampled. In this study the total population of the study was 1876 formally permanent employees of Ethio telecom in those six Zonal offices as of August, 2012 were obtained. To select the sample; Malhorta Naresh, Marketing Research: an applied approach, 2007 were used. Hence in table 3.1, the above population size categorized in the sixth row and the samples to be used as lowest (50), medium (125), and highest (200), in order to be representative in this study the highest sample size (200 employees) were selected.

Table 3.1 Sample Determinations

| Population size | Sample size | | |
|------------------|-------------|------------|------------|
| | Low | Medium | High |
| 51-90 | 5 | 13 | 20 |
| 91-150 | 8 | 20 | 32 |
| 151-280 | 13 | 32 | 50 |
| 281-500 | 20 | 50 | 80 |
| 501-1200 | 32 | 80 | 125 |
| 1201-3200 | 50 | 125 | 200 |
| 3201-10000 | 80 | 200 | 315 |
| 10001-35000 | 125 | 315 | 500 |
| 35001-150000 | 200 | 500 | 800 |

(Source: Malhorta Naresh, Marketing Research: an applied approach, 2007)

After determining the sample size, respondents were selected from each of those six Zonal offices (strata) based on proportional allocation as shown in the following table. In selecting the representatives following the method of proportional allocation under which the sizes of the samples from different strata are relatively kept proportional to the sizes of the strata. Thereafter, every respondent was selected randomly from each stratum to give equal chance of selection since the study targeted to all of the workers.

Table 3.2 List of Zonal Offices

| S.N^o. | Branch office/Zones | No. of employees | Sample size |
|-------------------------|------------------------------------|-------------------------|---|
| 1 | Central Addis Ababa Zone | 261 | $((261/1876)*200)=28$ |
| 2 | East Addis Ababa Zone | 357 | 38 |
| 3 | North Addis Ababa Zone | 325 | 35 |
| 4 | West Addis Ababa Zone | 331 | 35 |
| 5 | South West Addis Ababa Zone | 294 | 31 |
| 6 | South Addis Ababa Zone | 308 | 33 |
| | Total | 1876 | 200 |

Source: own survey, 2013

3.3 Data Processing and Analyzing

3.3.1 Data Processing

The method of data processing in this study was manual and computerized system. In the data processing procedure editing, coding, classification and tabulation of the collected data were used. Data processing has two phases namely: data clean-up and data reduction. During data clean-up the collected raw data was edited to detect anomalies, errors and omissions in responses and checking that the questions are answered accurately and uniformly. After this, the processes of classification or arranging large volume of raw data into classes or groups on the basis of common characteristics were applied. Data having the common characteristics was placed together and in this way the

entered data were divided into a number of groups. Finally, tabulation and pie charts were used to summarize the raw data and displayed in the form of tabulation for further analysis.

3.3.2 Data Analysis

This is the further transformation of the processed data to look for patterns and relationship between and/or among data groups by using descriptive and inferential (statistical) analysis. The STATA version 12 was used to analyze the data obtained from primary sources. Specifically, descriptive statistics (mean, standard deviation and charts) and inferential statistics (ordered logistics regression model) was employed in this study.

3.4 Instrument Development

Basically, the instruments were developed based on the objectives of the study and research questions. The principles of questionnaires such as, use simple and clear languages, statements should not be too long and use of appropriate punctuations is also considered when developing the instrument.

3.4.1 Design of the Instruments

The instruments were designed in such ways that can strength the viability of the study. The questionnaires were designed in English language.

3.5 Instrument Validity

Validity is the degree to which a test measures what it purports to measure (Creswell, 2009:190-92). Validity defined as the accuracy and meaningfulness of the inferences which are based on the research results. It is the degree to which results obtained from the analysis of the data actually represents the phenomena under study. He contends that the validity of the questionnaire data

depends on a crucial way the ability and willingness of the respondents to provide the information requested.

A pilot study was conducted to refine the methodology and test instrument such as a questionnaire before administering the final phase. Ten questionnaires were distributed and filled before by potential respondents to make the data collecting instruments objective, relevant, suitable to the problem and reliable as recommended by John *et al.* (2007:136). Issues raised by respondents were corrected and questionnaires were refined. Besides, proper detection by an advisor was also taken to ensure validity of the instruments. Finally, the improved version of the questionnaires were printed, duplicated and dispatched.

The instruments selected can help to show determinant factors that affect performance of employees. It can clearly address how these factors affect the performance of employees in six zonal offices of Ethio telecom in the city of Addis Ababa. The relevant data was collected on the determinant factors that affect the job performance of individuals which can better indicate the relationship between factors and the performance of employees. Moreover, to have valid conclusion, inferential statistical model was used to test the relationship between the variables.

3.6 Research Model

Variables considered in this study were the following.

The dependent variable is employee's performance

The independent variables are; motivation, ability and some other bio data variables such as education (educa), training (train), gender (gender), age (age) and marital status (mart). These variables were selected on the framework of reviewed related literature.

According to Robins (1996), given sufficient opportunity to perform a given job individual performance (perfo) is a function of motivation (motiva) and ability (ability) functionally represented as:

$$\text{Perfo} = f(\text{motiva}; \text{ability})$$

To capture individual performance variation due to bio-data (Kanfer *et al.* (2004), variables such as education (educa), training (train), gender (gender), age (age) and marital status (mart) are considered as bio data variables.

Individual performance is an ordered categorical variable that demands a qualitative response model instead of multiple regression models (Gujarati, 2003). In this paper, an ordered logistic regression model was used to treat the ordinality of the dependent variable. In general, a qualitative response model is represented as:

$$Y_i^* = \beta_0 + \sum_{j=1}^k \beta_j X_{ij} + \varepsilon_i$$

Where k captures the number of regressors and ε_i is the disturbance term.

According to Maddala (1992) it is customary to assume normal distribution for the error term with $1, N(0, 1)$. But, using a linear probability model or estimating a qualitative response model using Ordinary Least Square (OLS) makes the results at least inefficient. Hence, ordered Logit model with maximum likelihood method of estimation is more appropriate.

Regressand which has more than two outcomes in the form of likert scale questions are importantly regressed through ordinal logistic regression (Gujarati, 2004). Gujarati (2004 p.623) explains this issue as follow;

In the bivariate logit and probit models we were interested in modeling a yes or no response variable. But often the response variable, or regressand, can have more than two outcomes

and very often these outcomes are **ordinal** in nature; that is, they cannot be expressed on an interval scale. Frequently, in survey-type research the responses are on a Likert-type scale, such as “strongly agree,” “somewhat agree,” or “strongly disagree. These are ordinal scales in that there is clear ranking among the categories.

In this research, the relation between individual performance and the explanatory variables; motivation, ability, and bio data variables was assumed to be logistic over the course of the study.

The following empirical model was used to explain the data:

$$\text{Logit}(\text{Perfo}_i^*) = \ln \frac{p_i}{1-p_i} = \mu + \beta_1 \text{motiva}_i + \beta_2 \text{ability}_i + \beta_3 \text{age}_i + \beta_4 \text{train}_i + \varepsilon_i$$

Where perfo_i^* is the performance of respondent i ($i=1, 2, 3, \dots, 140$),

μ = represents the over all mean

motiva_i = it is the motivation measure of respondent i ($i=1,2,3 \dots 140$)

ability_i = is ability measure for respondent i ($i=1,2,3 \dots 140$),

age_i = is age (years) of respondent i ($i = 1, 2, 3 \dots 140$),

train_i = it is training measure of respondent i ($i= 1,2,3,4, \dots, 140$)

i = represent each respondent whose response were used for analysis

β_j ($j = 1, 2, \text{and } 3$) are logistic regression coefficients to be estimated and ε_i are random errors which are assumed to be independent.

A logistic regression model was developed to test the developed hypotheses so as to determine the significance of the impact of various factors affecting employees' performance. This model in this study incorporates performance of individuals as dependent variable and motivation, ability, training, education, gender, marital status and age as independent variables.

For the purposes of testing the stated hypotheses, outputs obtained from ordered logistic regression analysis are shown in chapter four. The dependent variable and that of the independent variables

were developed by taking the averages of all questions related to them; since the types of the questionnaire was a likert type.

3.7 Specification and Measurement of Variables

Generally, the variables that are considered in the study displayed in detail as follows:

DEPENDENT VARIABLE

Individual Performance (Perfo): It is an ordered categorical variable that takes 1 if the employee has low performance in the execution of the given tasks, 2 if the employee has medium performance, and 3 if the employee has high performance. This variable indicates that if the employee score 75 and above, the employee considered as high performer of the given activities, when they score between 50 and 75, they considered as medium performers , and below 50 as low performers.

U.S. Department of the interior (2004) identified employee performance indicators: of which understanding and adhering to organization's policy and procedures, effective use of resources, number of customers served in a given time, informing supervisors, project initiation, logical and creative solution to problems, working with other employees and receptive to new ideas and concepts were used. In this research respondents were asked the above 8 performance indicator items (questions) with three point rating scale ranging from "low" to "high" orders.

EXPLANATORY VARIABLES

Motivation: Hilda's (2006) questionnaires were adapted and used to measure motivation. The items reliability and validity were checked while adapting them for analysis. There were 17 items that

elicit expectancy, instrumentality, and valences of outcomes which measured on the five point likert scale ranged from strongly disagree (1) to strongly agree (5).

Ability: Ability measures individual employee's capability to perform a given job. For work units that predominantly require "crystallized intellectual abilities" and absence of entrepreneurship, the relationship between ability and performance is weak with experience (Kanfer and Ackerman, 2004). Hence, the squared root of total experience of each employee was used to proxy the respective ability.

Sex of the Employees (Gender): This is dummy variable that takes a value of one if the employee is male and zero otherwise.

Employee's Age (Age): It is measured in number of years. Age of an employee can positively or negatively affect their job performance. In other words, with age an employee can show low performance or high performance while executing the assigned work. There are possible job Performance differences for older and younger workers. However there are mixed results as to the direction of influence. It was hypothesized that Age is non-linearly related with individual performance.

Employee's Education level in schooling (Education): It is continuous variable and is measured in years of formal schooling of the individuals. Education plays an important role in the performance of employees in their job. Further, education is believed to improve the readiness of the employees to accept new ideas and innovations. Therefore an employee with better educational level has a chance to effectively and efficiently perform their tasks that enhance organizational performance.

Marital Status (Mart.): It is a dummy variable that takes 1 for employees' who is married and 0, otherwise.

Training: Training is one of the means by which employees acquire new knowledge and skill and it is measured with a five point likert scale which ranges from “Poor” to “Excellent”. There were 10 items adapted from Hilda (2006) study to measure training and development effect on employee’s performance. Hence, participation in training is expected to positively influence employees’ job performance behavior.

In this research, polynomial and logarithmic variable transformations were alternatively fitted onto the model. Variables namely agesquare and motivesquare are transformations of the original data on age and motivation variables respectively.

CHAPTER FOUR: PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

To facilitate ease in conducting the empirical analysis, the results of descriptive analyses are presented first, followed by the inferential analysis. The purpose of this study is to critically assess the factors affecting the performance of employees in Ethio telecom Zonal offices. Data were collected from employees of Ethio telecom Zonal offices found in Addis Ababa city.

Table 4.1 Questionnaire distribution and Response rate

| Zonal Offices | Questionnaires given | Questionnaires filled | Response rate (%) |
|---------------|----------------------|-----------------------|-------------------|
| CAAZ | 28 | 19 | 68 |
| EAAZ | 38 | 21 | 55 |
| WAAZ | 35 | 22 | 63 |
| SWAAZ | 31 | 29 | 94 |
| NAAZ | 35 | 25 | 71 |
| SAAZ | 33 | 24 | 73 |
| Total | 200 | 140 | 70 |

Source: own survey, 2013

Two hundred questionnaires were distributed across the six Zonal Offices of Ethio telecom located in Addis Ababa city, out of which 140 were completed and retrieved successfully, representing 70% response rate. Out of the 200 questionnaires administered as presented in the above table 28, 38, 35, 31, 35 and 33 were distributed to CAAZ, EAAZ, WAAZ, SWAAZ, NAAZ, and SAAZ of Ethio telecom respectively. The numbers of questionnaires retrieved from these Zonal offices of Ethio

telecom in Addis Ababa city are 19, 21, 22, 29, 25, and 24 respectively. This represents a response rate of 68%, 55%, 63%, 93.5%, 71.4% and 73% for CAAZ, EAAZ, WAAZ, SWAAZ, NAAZ, and SAAZ of Ethio telecom respectively.

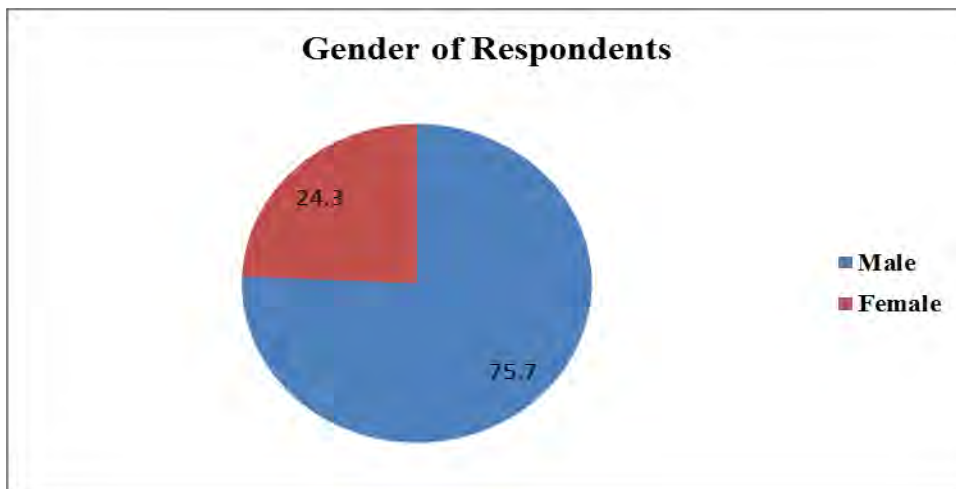
This chapter presents the findings of descriptive and econometric analysis. The descriptive analysis made use of tools such as mean, percentage and standard deviation. The study employed ordered logistics regression application software in the STATA statistical package for the analysis of the impact assessment and to identify factors influencing employees' performance.

4.2 Descriptive Analysis

The descriptive statistical analysis classified in to two parts, the first is for dummy variables such as gender and marital status by using percentages. The other part contains explanation about the remaining continuous variables like age, experience, and ability.

4.2.1 Sex of Employees

Figure 1 Distribution of sample employees by sex



Source: Own survey, 2013

From the above pie chart regarding their gender that from those 140 respondents included for the analysis in this study, 75.7% of them are males whereas the remaining 24.3% are females. Randomly, this indicates that there is male dominancy with in the respondents for the study under consideration.

4.2.2 Marital Status of Respondents

Table 4.2 Marital Status of sample respondents

| Marital status | Frequency | Percentage (%) |
|----------------|-----------|----------------|
| Married | 97 | 69.3 |
| Others | 43 | 30.7 |
| Total | 140 | 100 |

Source: own survey, 2013

The above table presents the marital status of respondents; which showed 69.3% of them are married employees and the remaining 30.7% are not. Here we can understand that majority of the respondents are married.

4.2.3 Aspects related to Training and Development of Employees

This section attempts to ascertain the level of knowledge and skills of employees for implementation of the goals of the organization. Respondents were asked the role of training and development on their job performance with ten items according to five alternative ratings and their average response as indicated in the following chart.

Figure 2 Sample responses about Training and development



Source: own survey, 2013

The above chart presents around 31% of respondents replied that training and development role in their job performance is poor; while 29% of them agreed that it played average for their task accomplishment; and the remaining 40% responded that the contribution of training and development is good. In short, 69% of them assured that training and development is one of the key functions of HRM that helps employees to develop their abilities and skills in the execution of the assigned tasks. Hence employees' development consists of individual and over all growth of the employee as when employees of the organization would develop the organization, organization would be more flourished and the employee performance would increase. Therefore, there is a direct relationship between training and development, and employee performance.

4.2.4 Aspects related to continuous variables

Table 4.3 Descriptive Statistics of the data

| Variable | Minimum | Maximum | Mean | Standard deviation | Skewness |
|-------------|---------|---------|-------|--------------------|----------|
| Perfo | 1 | 3 | 2 | 0.729 | 0 |
| Gender | - | - | - | - | -1.199 |
| Age | 21 | 72 | 36.7 | 9.956 | 0.854 |
| Agesquare | 441 | 5184 | 1450 | 827.737 | 0.932 |
| Mart | - | - | - | - | -0.836 |
| Training | 1 | 5 | 3.18 | 1.103 | 0.112 |
| Motivation | 1 | 4 | 2.88 | 0.763 | -0.085 |
| Motivsquare | 1 | 16 | 8.86 | 4.39 | 0.401 |
| Education | 13 | 19 | 15.53 | 1.694 | -0.052 |
| Ability | 1 | 6.1 | 3.30 | 1.1982 | 0.0683 |

Source: own survey, 2013

The Skewness statistic of all variables in Table 4.3 (Skewness < 1) indicates that the distribution of each of the variables is normal. Hence, normality assumptions of the statistical tests considered in this study are justified.

Regarding to the continuous variables; the first variable to be analyzed is the age of the employees of the sample respondents that ranged from 21 to 72 years with an average of 36.7 years, and standard deviation of 9.95. Here it indicated that most of the employees in the organization are in

the maturity age that are productive and contribute for the effectiveness of organizational objectives. For example, it is commonly noted that older workers, relative to younger workers, are often more reluctant to engage in new skill training and tend to prefer collaborative (versus competitive) tasks (Kanfer and Ackerman, 2004). In addition to this, Giniger *et al.*, 1983), suggests that increased age causes deterioration in abilities, such as speed, dexterity, motor coordination, and strength (Giniger *et al.*, 1983; Rhodes, 1983; Salthouse, 1979).

The other variable is the educational level of employees which affect their job performance. Educational qualification of respondents was measured on the number of years employees spent on the formal education in the school. The number of year employees spent on formal schooling ranged from 13 to 19 years with an average of 15.53 years in the school. The educational qualification of respondents obtained as college diploma, degree, as well as master degree holders. The work experience of respondents ranged from 1 to 38 years in their respective job position which had average work experience of 12.53 years.

As shown in table 4.3 respondents have average ability to perform the job they are assigned to and their educational background is concentrated around degree holders. The reason behind is that the work is repetitive and routine which can be done by using their procedural knowledge (knowledge about how to perform various cognitive activities using the procedure stated by their supervisors)

4.3 Econometric Result

Prior to the estimation of the logistic regression, different econometric assumptions were tested using appropriate techniques. Post estimation variance inflation factors (VIF) were used to check the multicollinearity problem of all the explanatory variables. Based on the VIF (X_i) values, the variable “Experience” has a serious multicollinearity problem. However, for other variables, the value of VIF

is by far less than 10¹. According to statistical rule of thumb maximum of 10 is allowable to say there is no collinearity problem among the independent variables. So in this study the VIF result shows 1.64 which is less than the maximum allowable result of 10. Thus, there is no collinearity problem among the independent variables or predictors. Or the independent variables similarity among each other is very low and it is right to take all of them except “experience” within the model separately. As a result, all quantitative explanatory variables except experience of the employees are included in the model (Annex table 1).

The presence of heteroscedasticity mostly problem of cross-sectional data, were checked by white test and Breush-Pagan test, and the p-value was **0.0316** and **0.0321** respectively, which is implying there is constant variance or the absence of the problem of heteroscedasticity (annex table 2). Heteroscedasticity which would be tested through **hettest** about the influences of error term compared with predictor variables.

More over the model specification were checked by **linktest**, the test of **hatsq** is **0.564** which is not significant. This is to say that **linktest** has failed to reject the assumption that the model is specified correctly. Link test employed to test functional form specification or either the model properly functioned/specified or not. Hatsq is used to know model specification appropriateness. Thus, the above hat square result shows there is no model specification problem. Basically, the null hypotheses states there is link failure or model specification problem through giving 10% allowable degree of freedom. Because any types of Hatsq p value more than 0.1 shows there is no functional specification problem. As a result, there is no functional form specification problem or the function

¹ 10 is the rule of thumb to detect the problem of multicollinearity using VIF. If the VIF of a variable exceeds 10, then that variable is said to be highly collinear, otherwise not (Gujarati, 2004).

is specified correctly. Therefore, it seems to us that we don't have a specification error (Annex table 3).

4.3.1 Model Summary

Table 4.4 Ordered Logistics Regression model summary

| | | |
|-----------------------------|-------------------------|--------|
| Ordered logistic regression | Number of obs = | 140 |
| | LR χ^2 (9) = | 141.78 |
| | Prob> χ^2 = | 0.0000 |
| Log likelihood = -74.67 | Pseudo R ² = | 0.4870 |

Source: own survey, 2013

From the above result we can understand that pseudo R² of 48.7 percent implies that it is good enough in qualitative response models such as Ordered Logit for policy implication purpose though not for prediction purpose. This shows that 48.7 % of the variation in individual's performance was explained by the independent (or predictor) variables in this model.

Table 4.5. Ordered Logistic regression result from STATA

| <i>Variables</i> | <i>Coefficients</i> | <i>Standard Error</i> | <i>Z- Value (p-value)</i> |
|-----------------------------------|---------------------|-----------------------|---------------------------|
| Gender | 0.250 | 0.624 | 0.40 (0.668) |
| Age | 101.854 | 42.486 | 2.40 (0.017)** |
| Agesquare | -13.032 | 5.860 | -2.22 (0.026)** |
| Mart. | 0.667 | 0.600 | 1.11 (0.266) |
| Training | 0.546 | 0.253 | 2.15 (0.031)** |
| Motivation | 9.434 | 4.631 | 2.04 (0.042)** |
| Motivsquare | -15.520 | 9.185 | -1.69 (0.091)*** |
| Education | 0.286 | 0.146 | 1.95 (0.051)*** |
| Ability | 0.035 | 0.211 | 0.17 (0.866) |
| Cut1 | 196.46 | 77.822 | |
| Cut2 | 201.03 | 77.900 | |
| <i>Sample Size (N)</i> | <i>140</i> | | |
| <i>Pseudo-R²</i> | <i>0.4870</i> | | |
| <i>LR x² value (9)</i> | <i>141.78</i> | | |
| <i>p-value</i> | <i>0.0000</i> | | |
| <i>Log-likelihood</i> | <i>-74.671</i> | | |

Source: Own Data Survey, 2013 Note: *, ** and *** represent significant at the level of 1%, 5% and 10%, respectively

4.3.2 Relationship between Motivation and Performance

According to the literatures, motivation and performance have not a direct relationship. From the above table, motivation is a significant predictor of individual performance. The above table

indicates motivation (with $\beta=9.43$, P-value=0.042) significantly determines performance at 5% level of significance. The motivsquare variable shows ($\beta= -15.52$, P=0.09) a negative sign representing that motivation has a non-linear relationship with the performance of an individual. This implied that after some point of time the performance of individuals decline.

On the other hand, table 4.6 shows that at early stages of experience those motivated employees have 82 percent more probability of higher performance than those of non-motivated ones. However, through years of experience both motivated and non-motivated employees tend to have similar individual performance. This means that after some period of time the provision of motivation to the employees couldn't assure the exploitation of their better performance while performing their job.

Motivation affects performance of employees by influencing the way that individuals allocate effort to tasks and sometimes employees may not be required to exert much effort to perform their tasks. This result is consistent to the findings of Yeo and Neal (2004), and Kanfer and Ackerman (1989).

Most respondents in the opinion survey responded that they could hardly add value on their tasks by exerting additional effort when they develop sufficient ability to perform their jobs. In other words, the level of work innovation in particular and entrepreneurship in general is very low in Ethio telecom.

One possible reason behind for the low level of work innovation in the organization might be the fact that employees tend to follow the rules and regulations of their organization regardless of organizational value flow patterns. Employees tend to perform based on a "boss driven" instead of "value driven" work environment. To this end, the performance measurement system of Ethio telecom is far from what the literature said (Holzer and Kloby, 2005; Greiling, 2005). That is, Ethio

telecom hardly rewards the “right” performance behavior. Hence, in Ethio telecom, entrepreneurship particularly work innovation is minimal. This is mainly due to problems in measuring performance; employees prefer to perform the minimum requirement as per the rules and regulations that ultimately please one’s boss in one way or another.

4.3.3 The Relationship between Ability and Performance

According to table 4.5 the result on ability ($\beta=0.03$, P-value=0.86) shows that ability does not significantly determine individual performance. In the theoretical point of view, ability is one of the major predictors of individual performance. However, in this research the finding indicates that ability does not significantly determine individual job performance in Ethio telecom.

This might be due to the fact that most, if not all, of the employees of Ethio telecom has five and more years of work experience. At the same token, the nature of the jobs in the units of observations’ work units was repetitive and procedural and hence easily learned. The result obtained on ability supports the conclusion of Vroom (1964) and Gebregziabher (2009) that ability significantly affects the performance of individuals only during the early stages of experience. In terms of ability; Ethio telecom employees are of comparable ability to perform their job.

4.3.4 The Relationship between Bio data variables and Performance

The above ordered logistic regression output (table 4.5) indicates that age ($\beta=101.85$, P-value=0.017) significantly affects the performance of individual’s job performance at 5% level of significance. On the other hand, agesquare variable (with $\beta= -13.03$, and P-value=0.026) has a significant and negative relationship with individual performance. That is, individual performance increases with age until some point of time beyond which it declines. Table 4.6 shows that aged employees have 7.5 percent higher probability of excellent performance than those of the younger

counterparts. Beyond some point however, the differential individual performance due to age decreases.

Age is one of the bio data variables that could statistically determine the performance of individuals. Performance increases with age until some point and beyond that point the performance of employee declines with an increasing age. In this research the result regarding age and performance relationship agrees with that of Kanfer and Ackerman (1989) claiming that the attractiveness of higher levels of job performance is expected to decline with age. Youngsters tend to perform better and exert much effort so as to create good image with their supervisor. This practice continues until the employee builds good image.

Employees' propensities to exert effort declines when jobs tend to be monotonous and hence lower job satisfaction, unless counteractions such as job enlargement and role definitions are taken place. After a point in time, the newcomers become mentors and "acculturate" themselves to the existing organizational culture. They start to think in terms of what they did for the organization instead of what they can do. As age increases, they tend to feel that they need to be benefited proportionately to their experience rather than on merit.

The above table 4.5 shows that the education variable with ($\beta=0.28$, and $P\text{-value}=0.051$) significantly determines individual performance at 10% level of significance. As the education level of employees increases their performance also tends to increase. This finding contradicts against the finding of Gebregziabher (2009) that claims level of education adversely determine the performance of individuals, that is when the level of education increases their performance tends to decline. In table 4.6, those employees who have higher educational background showed 33 percent higher probability of excellent performance as compared to those who have lower educational qualification.

This implies that education qualification and performance of employees have a direct positive relationship in Ethio telecom.

The other bio data variable is training which is shown from table 4.5 logistic regression output indicate ($\beta=0.54$, and P-value=0.031) that training significantly affects the performance of individuals. That means the finding of this study shows there is a positive relationship between training and employees job performance in Ethio telecom. Those employees who get sufficient job related training have a 72 percent higher probability of scoring excellent job performance that those who didn't get training and development opportunities. The result about this variable contradicts with the finding of Gebregziabher (2009) which claimed training is insignificant for job performance of employees.

Newton (2006), Viscal (2011), Pulakos *et al.* (2000), and Mubashar & Muhammad (2011) in their respective study found out those organizations without viable training programs would fail to provide employees with frequent opportunities to practice and enhance their capabilities in terms of enhanced employee skills and knowledge, which ultimately affects the performance of employees.

Nonetheless, bio data variables other than age, education, and training are not statistically significant predictors of individual performance.

Table 4.6. Exponentiated results of the ordered logistic regression model

| <i>Variables</i> | <i>Odds Ratio</i> | <i>Standard Error</i> | <i>Z- Value (p-value)</i> |
|------------------|-------------------|-----------------------|---------------------------|
| Gender | 1.284 | 0.801 | 0.40 (0.668) |
| Age | 1.075 | 7.290 | 2.40 (0.017)** |
| Agesquare | 1.194 | 0.258 | -2.22 (0.026)** |
| Mart | 1.949 | 1.171 | 1.11 (0.266) |
| Training | 1.726 | 0.438 | 2.15 (0.031)** |
| Motivation | 1.820 | 1.670 | 2.04 (0.042)** |
| Motivsquare | 0.723 | 0.009 | -1.69 (0.091)*** |
| Education | 1.331 | 0.195 | 1.95 (0.051)*** |
| Ability | 1.036 | 0.219 | 0.17 (0.866) |

Source: Own Data Survey, 2013 Note: *, ** and *** represent significant at the level of 1%, 5% and 10%, respectively

CHAPTER FIVE: CONCLUSION AND IMPLICATION

5.1. Conclusion

The purpose of this research was to explain the determinant factors affecting individual performance in Ethio telecom Zonal offices in Addis Ababa. Ability has insignificant role in explaining employee performance. Employees of Ethio telecom lack entrepreneurial skill thereby intensifying the insignificance of ability. Motivation strongly determines employee performance in Ethio telecom. As we see the extent of motivation, motivated young employees perform better than their elder counterparts showing that youngsters are more entrepreneurial. Youngsters tend to perform better and exert more effort compared to their elder counterparts. Hence, through years of experience both motivated and non-motivated employees tend to have similar individual performance. This means that after some period of time the provision of motivation to the employees couldn't assure the exploitation of their better performance while performing their job.

For example, Ali and Davies (2003); Gebregziabher (2009); Kanfer and Ackerman (1989) showed that the relationship between age and job performance takes the shape of an inverted U shape, which means age and job performance has non-linear relationship.

In this research the result regarding age and performance relationship agrees with that of Kanfer and Ackerman (1989) claiming that the attractiveness of higher levels of job performance is expected to decline with age. Youngsters tend to perform better and exert much effort so as to create good image with their supervisor. As employees got older and older ultimately their performance will decline.

On the other hand, those employees with a higher educational qualification are greatly dissatisfied with their jobs. This is perhaps the work environment is not conducive for them. The incentives and other motivators in the organization are not as expected and equivalent to their educational

qualification. Though they might know the theoretical basis of entrepreneurship, they could not make it in practice. In fact, due to relatively higher level of job satisfaction, those employees with low educational qualifications perform better than their highly educated counterparts.

Training has a direct and significant effect on the performance of employees of Ethio telecom. Newton (2006), Viscal (2011), Pulakos *et al.* (2000), and Mubashar & Muhammad (2011) in their respective study found out those organizations without viable training programs would fail to provide employees with frequent opportunities to practice and enhance their capabilities, which ultimately affect the performance of employees.

5.2. Implications

Granting Motivation for employees without bias is recommendable to perform their task. The motivators have the ability to create an effective motivation in individuals in order to be able to perform and exert considerable effort but Ethio telecom cannot use motivators until all the hygiene factors have been fulfilled. This implies that non-monetary incentives (like recognition of their work and career development) are better to keep employees motivated and satisfied in their work.

It is better for Ethio telecom to enhance employees' performance by investing more in training and development program. Employees need up-to-date knowledge and skills to perform well because training continually nourish their work attitude and behavior.

Therefore, further research should investigate in depth how individual performance within Ethio telecom Zonal offices varies over time. Panel data econometric modeling might be used to explain the determinants of performance across time. Similarly, future empirical research in the area in question will be helpful in considering the space-time differences in explaining determinants of individual performance.

It would be interesting to perform similar tests, including other variables such as role perception; the role of the supervisor as a determinant of performance in employees could be added to the model. Practically all existing theories of leadership contend that supervisors (i.e. leaders) can have a significant effect on the performance of individuals inside organizations. More research is also required on how entrepreneurship ability can be developed and “made to happen” in the Ethio telecom context.

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ANNEXES

Annex 1. Variance inflation factors for independent variables

| Variables | VIF | 1/VIF |
|-------------|-------------|--------|
| Gender | 1.70 | 0.5874 |
| Mart | 1.67 | 0.5999 |
| Training | 1.57 | 0.6379 |
| Motivation | 1.41 | 0.7102 |
| Education | 1.33 | 0.7497 |
| Age | 1.27 | 0.7867 |
| Ability | 1.12 | 0.8959 |
| Motivsquare | 2.14 | 0.4672 |
| Agesquare | 2.61 | 0.3831 |
| Mean VIF | 1.64 | |

Annex 2. Heteroscedasticity tests

A. Cameron & Trivedi's decomposition of IM-test

| Source | χ^2 (chi2) | Degree of freedom | p-value |
|----------------------------------|-----------------|-------------------|---------------|
| <i>Heteroscedasticity</i> | 63.46 | 48 | 0.0316 |
| Skewness | 46.88 | 9 | 0.0000 |
| Kurtosis | 15.27 | 1 | 0.0001 |
| Total | 125.61 | 58 | 0.0317 |

B. Breusch-Pagan / Cook-Weisberg test for Heteroscedasticity

Variables: fitted values of PERFORMANCE

chi2(1) *137.18*

p-value ***0.0321***

Annex 3. model specification test

Specification link test for single-equation models

| PERFORMANCE | <i>Coefficients</i> | <i>Standard Error</i> | <i>t- Value (p-value)</i> |
|-------------|---------------------|-----------------------|---------------------------|
| _hat | 1.2738 | 0.4790 | 2.66 (0.009) |
| _hatsq | 0.0641 | 0.1110 | 0.58 (0.564) |
| _cons | 0.2718 | 0.4922 | 0.55 (0.582) |

Sample Size (N) 140

Pseudo-R² 0.4870

Annex 4
QUESTIONNAIRE
ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT
MBA PROGRAM

Dear sir/madam

I am a graduate student in the department of management, Addis Ababa University. Currently, I am undertaking a research entitled „**Determinant Factors Affecting Employees’ Performance**“. You are one of the respondents selected to participate on this study. Please assist me in giving correct and complete information to present a representative finding on the current status of the factors affecting employees’ performance in Ethio Telecom within Addis Ababa. Your participation is entirely voluntary and the questionnaire is completely anonymous.

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

Sincerely,

Mulatu Masresha

Instructions

- ✓ No need of writing your name
- ✓ For Likert scale type statements and multiple choice questions indicate your answers with a check mark (X) in the appropriate block.

SECTION A: (GENERAL INFORMATION).

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

1. Gender: Male Female

2. Age (Years)

i. 21–30

ii. 31- 40

iii. 41- 50

iv. 51- Above

3.1. What is your level of education in years of schooling? (The number of years you spent on education).....

3.2. Please indicate your level of education

i. Below 12 grade

v. Degree

ii. 12 grade complete

vi. Master and above

iii. Certificate

iv. Diploma

4. How long have you worked in your current organization?-----

5. What is your current job position in the organization?-----

SECTION B: JOB RELATED QUESTIONS

Training and Development

6. Indicate how you regard your knowledge and skills in your current job position by placing an X in the appropriate box.

Please indicate your response as follows:

Very Poor=1, Poor=2, Average=3, Good=4, Excellent=5

| 6.1 | Statements | 1 | 2 | 3 | 4 | 5 |
|------|--|---|---|---|---|---|
| 6.2 | Opportunities for advancing in the organization exist | | | | | |
| 6.3 | Good opportunities for continuing education are available. | | | | | |
| 6.4 | The necessary training is given to ensure job effectiveness. | | | | | |
| 6.5 | Job specific refresher courses are available. | | | | | |
| 6.6 | In-service/on-the job training adequately addresses the skill gaps. | | | | | |
| 6.7 | Incompetent employees are identified and provided with the necessary support. | | | | | |
| 6.8 | Good leadership/management training available. | | | | | |
| 6.9 | Professional employees participate in identifying their staff development needs. | | | | | |
| 6.10 | There is fragmentation of training function | | | | | |
| 6.11 | There are malpractices in identifying trainees | | | | | |

Questions about Motivation

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

Strongly disagree=1, Disagree =2, Uncertain =3, Agree =4, Strongly agree=5

| | Statements | 1 | 2 | 3 | 4 | 5 |
|------|---|---|---|---|---|---|
| 7.1 | Your remuneration is competitive compared with other organizations | | | | | |
| 7.2 | Remuneration is in accordance with your work experience | | | | | |
| 7.3 | Remuneration is in accordance with your job responsibility. | | | | | |
| 7.4 | Fringe benefits are known to you. | | | | | |
| 7.5 | You are satisfied with your fringe benefits. | | | | | |
| 7.6 | Opportunities exist for career advancement. | | | | | |
| 7.7 | Hard working employees are recognized. | | | | | |
| 7.8 | Provides me with assistance in exchange for my efforts. | | | | | |
| 7.9 | Your supervisor fails to interfere until problems become serious | | | | | |
| 7.10 | Avoids getting involved when important issues arise | | | | | |
| 7.11 | Focuses attention on irregularities, mistakes, exceptions, and deviations from standards | | | | | |
| 7.12 | Management's leadership style has an effect on the level of performance inclination. | | | | | |
| 7.13 | A position of authority is required in management positions to ensure successful influencing of subordinates. | | | | | |

| | | | | | | |
|------|---|--|--|--|--|--|
| 7.14 | Talks enthusiastically about what needs to be accomplished | | | | | |
| 7.15 | Your level of effort while performing the job is not influenced by motivation. | | | | | |
| 7.16 | Employees, who receive frequent feedback concerning their performance, are usually more highly motivated than those who do not. | | | | | |
| 7.17 | The motives you got from the organization contributes for job accomplishment | | | | | |

Questions related to Employee Performance

8. Indicate your response to each of the following statements with regard to employee performance. Please place an X in the appropriate answer box according to the following code definitions:

Low=1, Medium=2, and High=3

| s.no | Statements | 1 | 2 | 3 |
|------|--|---|---|---|
| 8.1 | I well understand and adhere to policies and procedures of Ethio telecom | | | |
| 8.2 | I effectively use resources including time and materials | | | |
| 8.3 | I serve as many customers as possible | | | |
| 8.4 | I well keep my supervisor informed | | | |
| 8.5 | I actively peruse or initiate projects for the benefit of Ethio telecom | | | |

| | | | | |
|-----|---|--|--|--|
| 8.6 | I develop logical and creative solution to problems | | | |
| 8.7 | I effectively work with other employees | | | |
| 8.8 | I think I am receptive to new ideas and concepts | | | |

SECTION C: Organization opinion survey

Information to respondents

The questions in this section ask for your views about the organization where you work and some of its activities.

The opinion survey offers an opportunity to give honest and objective feedback. Your responses are entirely confidential. No one in the organization will see the answer you give, so please answer the questions as honestly as possible. There are no ‘right’ or ‘wrong’ answers. It is your view that is important. The most honest you are, the more valuable your response will be.

Strongly disagree=1

Agree=4

Disagree=2

Strongly agree=5

Neither agree nor disagree=3

| S.no | Statements | 1 | 2 | 3 | 4 | 5 |
|------|---|---|---|---|---|---|
| 9 | I work with skilled competent people who are good at their job. | | | | | |
| 10 | I find my work rewarding | | | | | |
| 11 | My performance is judged more by how much work I do than by how well I do it. | | | | | |
| 12 | I am afraid to openly express my ideas and opinions. | | | | | |

| | | | | | | |
|----|--|--|--|--|--|--|
| 13 | People in this organization have a shared sense of purpose. | | | | | |
| 14 | Doing this job makes me feel good about myself. | | | | | |
| 15 | I am subject to personal criticism and abuse | | | | | |
| 16 | People in this organization put more energy into identifying mistakes than into figuring out how to do things right. | | | | | |
| 17 | I do not like the way the organization operates | | | | | |
| 18 | The way things are organized around here makes it hard for people to do their best work. | | | | | |
| 19 | I am proud to tell people that I work for this organization. | | | | | |
| 20 | I am constantly seeking out new challenges at work. | | | | | |
| 21 | In this organization, people in different departments or programs try to help each other. | | | | | |
| 22 | Most people here know how their work contributes to this organization's mission. | | | | | |
| 23 | I receive prompt acknowledgement and recognition for doing a good job. | | | | | |
| 24 | My manager/supervisor inspires me to do my best. | | | | | |
| 25 | Judgment about my performance is fair. | | | | | |
| 26 | This organization's mission is understood by everyone who works here. | | | | | |

| | | | | | | |
|----|--|--|--|--|--|--|
| 27 | The people I work with are comfortable in suggesting changes and improvements to each other. | | | | | |
| 28 | Senior managers in this organization are open to new ideas and suggestions. | | | | | |
| 29 | I am clear about the objectives I need to achieve | | | | | |

| | | | | | | |
|----|--|--|--|--|--|--|
| 30 | I trust and respect my immediate supervisor. | | | | | |
| 31 | My manager emphasizes my positive contributions when reviewing my performance. | | | | | |
| 32 | When changes are made in the way things are done, management always first informs the people who will be affected. | | | | | |
| 33 | There is a great deal of cooperation between people in this organization. | | | | | |
| 34 | When I retire I will receive a reasonable pension from this organization. | | | | | |
| 35 | I am given enough authority to allow me to do my job effectively. | | | | | |
| 36 | If I have an idea for improving the way we do our work, my supervisor/manager will usually listen to me. | | | | | |
| 37 | I feel my work contributes to the organization's performance. | | | | | |
| 38 | The work I do gives me a feeling of personal achievement. | | | | | |

| | | | | | | |
|----|---|--|--|--|--|--|
| 39 | My colleagues value my contribution | | | | | |
| 40 | My manager/supervisor gives me regular, timely feedback that helps me to improve my performance | | | | | |
| 41 | This organization provides me with skills and knowledge that will benefit my future career | | | | | |

Declaration

I, the undersigned, declare that this thesis is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the thesis have been duly acknowledged. The examiners' comments have been also duly incorporated.

Name: Mulatu Masresha Mekonnen

Signature: _____

Date: _____

Confirmed by (Advisor):

Name: Zewdie Shibre (PhD)

Signature: _____

Date: _____

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