



**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
MASTER OF BUSINESS ADMINISTRATION**

**EFFECTS OF WORKING ENVIROMENT ON EMPLOYEE
PERFORMANCE: IN THE CASE OF BOLE LEMI INDUSTRIAL PARK**

**A THESIS SUBMITTED TO DEPARTMENT OF MANAGEMENT IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD
OF MASTER OF BUSINESS ADMINISTRATION (MBA)**

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Statement of Declaration

I, the under signed, declare that this thesis titled “The Effect of working environment on employee performance: in the case of Bole Lemi Industrial Park” 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

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Statement of certification

This is to certify that Awoke Tesfu Ayalew carried out his research work on the topic entitled “The Effect of working environment on employee performance: In the case of Bole Lemi Industrial park,” The work is original in nature and is suitable for submission for the award of the Degree of Master of Business Administration in management at Addis Ababa University.

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Declaration

This is to certify that the thesis prepared by **Awoke Tesfu Ayalew**, entitled: “*The Effect of working environment on employee performance: in the case of Bole Lemi Industrial Park.*” and submitted in partial fulfillment of the requirements for the degree of Master of Business Administration in management complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

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Abstract

The aim of this study was to investigate the effects of working environment on employee performance in Bole lemi Industrial Park found around Addis Ababa. Quantitative research approach with explanatory research design was adopted in carrying out this research. Cross sectional data was collected to address research objectives of the study using self-administered questionnaire from 315 employees using random probability sampling technique. The collected data were analyzed using descriptive statistics, correlation and regression analysis through statistical package for social science (SPSS) version 25. The study used seven major working environment factors including: physical environment, reward, democratic leadership style, work life balance, training, workload and discrimination as predictor variables and employee performance as dependent variable. The finding of the research highlights that physical work environment, reward and training have positive and statistically significant impact on employee performance while, workload and discrimination have negative and statistically significant impact on employee performance. On the other hand, democratic leadership style and work life balance have showed statistically insignificant impact on employee performance. Based on the findings of study, recommendations made for management of the industrial park are: physical work environment in terms of lighting, noise level, temperature and ventilation should be made sure that they stay at an acceptable level, discrimination has to be minimized at work place by encouraging employee irrespective of gender, age, ethnic group or religious belief to participate in decision making as this will help to reduce discrimination in the workplace.

Keywords: *bole lemi industrial park, Employee performance, working environment.*

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Acronyms

AET	Affective Event Theory
ANOVA	Analysis of Variance
CLRM	Classical Linear Regression Model
DW	Durbin-Watson
IPDC	Industrial Parks Development Corporation
OLS	Ordinary Least Square
VIF	Variance Inflation Factor
WES REP	Working Environment Survey Report

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CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Ethiopia is implementing phase II of its growth and transformation plan that is anchored on building a solid and vibrant industrial bases which will engender in structural economic transformation inclusive growth (National Planning Commission, 2016). Ethiopian government's overarching plan is to make the country the leading manufacturing hub of Africa and aims in building more industrial parks to enable the manufacturing sector to contribute to 20 percent of GDP and 50 percent of export volume by 2025. Therefore, the Manufacturing industry is one of the most important sectors for Ethiopians economy development. Employees in turn are one key assets of manufacturing industry. They can largely determine the industry profitability and survival fate in good or bad way. When employee work in un-conducive work environment it results in absenteeism, low productivity or other measurements by employees that can directly or indirectly affect their performance as well as the organization performance.

Job Performance is a very significant factor for any organization in order to achieve and accomplish the assigned tasks efficiently and effectively which can lead to the profitability for the organization and means of satisfaction for employee (Muchhal, 2014). However, in most organization the performance of employee is affected by several factors among those working environment, in which employee perform their tasks, plays a great role towards affecting employee performance positively or negatively (Chandrasekhar, 2011).

According to Gerber *et al* (1998); working environment encompasses the social, psychological work environment and the physical design of the job. According to Tripathi (2014) the work environment can be defined as the environment in which people work that include physical setting, job profile, work load, leadership style, culture and market condition. Each aspect is inter linked and impacts on employees overall performance and productivity. It is the quality of the employees' workplace environment that most impacts on their level of motivation subsequently performance. Work environment can be thought of simply as the environment in which people work (Briner, 2000) as such; it is a very broad category that encompasses the physical environment (e.g. heat, equipment), characteristics of the job itself (e.g. workload, task complexity), organizational features (e.g. culture, history) and even aspects of the external

organizational setting (e.g. local labor market conditions, industry sector, work life balance). Other factors of working environment also identified by previous studies; work load (Ali et al, 2013), training (Robertson *et al.*, 2016) and discrimination in work place (Robertson *et al.*, 2016).

There are lots of organizations in which their employees run into different problems with working conditions related to environmental and physical factors (Leblebici, 2012). It is the quality of the employee's workplace environment that most impacts on their level of motivation and subsequent performance. How well they engage with the organization, especially with their immediate environment, influences to a great extent their error rate, level of innovation and collaboration with other employees, absenteeism and ultimately, how long they stay in the job. Many studies have revealed that most employees leave their organization because of the relationship with their immediate supervisor or manager (Chandrasekar, 2011). Therefore, by having proper workplace environment, it's possible to reduce number of absenteeism, increased productivity and maximize quality at workplace.

According to Cooke (2016) employee performance can be defined as the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and speed. Employee's performance is depending on the willingness and also the openness of the employees itself on doing their job. By having this willingness and openness of the employees in doing their job, it could automatically increase the employees' productivity which also leads to the performance (Sinha, 2001). Armstrong (2006) defines performance as the development of quantified objectives. Performance is not only a matter of what people achieves but how they achieve.

According to the previous studies, there are different points of view regarding the employee's performance. Some scholars have argued the job performance as a result of behavior. Moto wildo & Scotter (20013) stated that performance is based on behaviors or activities that are associated with the goals of an organization. Moreover, job performance is the action or behavior itself and not the result of actions or a consequence. According to Borman & Motowidlo (1997), there are two types of employees' behavior that could leads to the employees' performance as task performance and contextual performance.

Task performance refers to the prescribed role an employee should comply with in order to attain organizational goals. It can be defined as the efficacy with which incumbents perform activities that contribute to the development of the organization's technical core. This contribution can be direct, including the application of a part of organizational technology, or indirect, providing materials or services needed to perform organizational technical processes (Borman *et al*, 2007). Contextual performance, also called citizenship performance, involves those behaviors not directly related to job tasks, but having a significant impact on organizational, social, and psychological contexts. In measuring employee task performance behavior for this particular study, the indexes of measurement for performance were extracted from (Hakala, 2009)

Various studies revealed that there is relationship between working environment and employee job performance. If there is appropriate, fitting and suitable working environment in terms of physical design as well as psychosocial it highly increases the performance of employees (Chandrasekhar, 2011; Buhter, 1997). Khan *et al* (2011) examined the impact of working environment and infrastructure on employee performance in education sector in Pakistan and the result showed that there is a positive relationship between reward and employee performance.

Haneen Okasheh and Khaled Al-Omari (2017) investigated their study on the influence of workplace environment on job performance the case of engineering company in Jordan and the result showed that there is a positive relationship between physical environment and job performance and also they suggested that employers should have to take courage and make the working environment suitable in order to increase employees job performance.

Khan *et al* (2011) examined the impact of working environment and infrastructure on employee performance in education sector in Pakistan and the result showed that there is a positive relationship between reward and employee performance. Al-Omari *et al*, (2017) investigated their study on the influence of workplace environment on job performance the case of engineering company in Jordan and the result showed that there is a positive relationship between physical environment and job performance and also they suggested that employers should have to take courage and make the working environment suitable in order to increase employees job performance.

Even if many researches are done on the concepts of working environment in different part of the world however there is lack of literatures in Ethiopian cases. Clearly, there is insufficient literature that could help comprehending the relationship of working environment and employee performance among industrial parks. This study, therefore, investigated the effect of working environment on employee performance; in the case of Bole Lemi Industrial Park.

1.2. Background of the Organization

The Government of Ethiopia places high importance to industrial parks development and is establishing over 20 state-of-the-art industrial parks located along key development corridors – each with distinct specialty in priority sectors. These industrial parks will be developed and financed through different mechanisms ensuring a sustainable and inclusive partnership between the Government and private industrial park developers. Furthermore, investors planning on entering the industrial parks are meticulously selected to ensure cohesive and cordial relationships among them with a shared vision of ensuring higher productivity and competitiveness in the park. Among those bole lemi industrial park is operational since 2014. Bole Lemi is Ethiopia's first industrial park developed by IPDC with a focus on exports. Bole Lemi Phase 1 (156 hectares) has started operations in 2014, with all pre-erected factories already rented-out to more than 12 different corporations including several investors from Taiwan, China, India and South Korea in sectors such as textile, garment and shoe production. According to the agreement with the investors, almost 95 percent of the products are supplied to foreign market, and thereby enhance the nation's currency earning capacity. Moreover, the firms use local raw materials such as skin and hides as an input for their products. Bole Lemi Phase 2 (186 hectares) is currently being developed in collaboration with the World Bank Group. Bole Lemi Industrial Park is a large Export Zone and a modern Industrial Park located in Addis Ababa, the capital city of Ethiopia. The facility is located at IPDC, Bishangari Building, Comoros Street in Addis Ababa. Many foreign countries are based there doing Export of Apparel related business and other kinds of commercial activities. The area generally includes 2 large parts, with the first one being 155 hectares and the other one being 185 hectares. The facility is developing under administration and control of the Ethiopian Industrial Parks Development Corporation (IPDC).

1.3. Statement of the Problem

In today's competitive environment when any company come into existence, in addition to providing service to customers, they want to make profit or cover their production cost at least to survive, this is done through the mental and physical abilities of their employee. However, there are different factors that affect the performance of employee in organization; among those factors working environment plays a great role towards determining the performance and productivity of employee in any organization (El-Zeiny, 2013).

Anugwom (2004) stated that un-conducive work environment creates a feeling of un-fulfillment, inhuman treatment and neglect for the workers and with this feeling; they can really put in their best. Onogori(2007)asserts that when the worker fail to find his work fulfilling and satisfying, it lead to boredom, reduced efficiency, fatigue, frustration and dependency. Preparing sustainable workplace environment improves employee's performance in organization (Shilkdar and Shawaqed, 2003). According to Chandrasekhar (2011), there are different key factors that could have very big impact towards the performance of employee. When employees are working in condition that matches their physical and mental abilities there is a correct fit between employee and task. Employees are then making themselves ready for any learning, challenging tasks and achievement.

Empirical studies done include Naharuddin and Sadegi (2013), did a study on factors of workplace environment that affects employee performance a case of miyazu Malaysia. The finding showed that only supervisors support have insignificant relationship on employee performance, while job aid and physical workplace environment had a significant relationship towards employee performance. A study by Roelofsen (2002) who looked at the effect of working environment on employee performance showed that improving the working environment reduces the grievance and absenteeism while increasing productivity.

Similarly, Hameed *et al* (2009) studied the impact of office design on employee productivity Case Study of Banking Organizations of Abbottabad, Pakistan. To find out the relationship between office design and productivity they used 13 banks and contacted 31 branches of those banks. Finally, the result of the study revealed that Comfortable and ergonomic workplace style motivates the workers and will increase their performance well. Teklehaimanot et al (2007) also

conducted a study on Health Extension Workers' working conditions in the Ethiopian context. Luna berihu (2017) also looked at the effect of working environment on employee performance in ayka Addis textile and investment group plc. The finding showed that there is significant relationship between physical working environment and employee performance and training have no relationship with employee performance.

Today industrial parks are faced with challenges of attracting; retaining, and motivating employees which subsequently affect performance. This is especially in terms of bad physical work environment, unfair workplace reward, and poor leadership style, lack of training, work overload and discrimination. Therefore the researcher took it as a challenge to conduct a study on this topic and bring out the problems for those who are performing less at work due to bad workplace environment (Brehane H, 2018)

The conducted preliminary survey through personal observation and unstructured interview on industrial parks before beginning the actual study shows that there is bad working environment in the industry which directly or indirectly affects employee performance. The major factors that create bad working environments in bole lemi industrial park was; poor physical environment, unfair workplace reward, poor leadership style, lack of balance between work and personal life, lack of regular training, work overload and discrimination which directly reduce the productive capability of employee. So, there is requirement for each factory to have healthier, motivated and productive employees which can be maintained through creating conducive working environment. In turn suitable working environment enhances productivity and maximize employee performance.

Even though, significant amount of research has been undertaken to add their own contribution to the concept of working environment, employee performance and effects of working environment on employee performance; Most of these studies were however carried out in developed countries and few developing countries. The finding of the study in one country may not serve to another. More clearly, there is a gap on the area that is done in Ethiopian industrial parks regarding to the effect of working environment on employee performance. As far as concerned the researcher knowledge, the researcher cannot find research studies conducted using the working environment factors physical environment, workplace reward, leadership style, work life balance, training, workload and discrimination and its impact on employee performance in

Ethiopia industrial parks. Due to shortage of performing research in this field particularly in Ethiopia and also special importance of maximizing employee performance; the researcher was interested to fill this research gap in Ethiopia industrial park by conducting this study. In addition the researcher was also interested to know about the impact of working environment on employee performance in detail. Therefore, the current study examines the effect of working environment on employee performance the case of bole lemi industrial park.

1.4. Research Questions

Based on the research problems, the study addressed the following research questions:-

1. What is the effect of physical work environment on employee performance?
2. What is the effect of reward on employee performance?
3. What is the effect of democratic leadership style on employee performance?
4. What is the effect of work life balance on employee performance?
5. What is the effect of training on employee performance?
6. What is the effect of workload on employee performance?
7. What is the effect of discrimination on employee performance?

1.5. Objectives of the Study

1.5.1 General Objective

The general objective of this study was to examine the effect of working environment on employee performance the case of bole lemi industrial park.

1.5.2 .Specific Objectives

The specific objectives of the research were:

1. To examine the effect of physical work environment on employee performance.
2. To examine the effect of workplace reward on employee performance.
3. To examine the effect of democratic leadership style on employee performance.

4. To examine the effect of work life balance on employee performance.
5. To examine the effect of training on employee performance.
6. To examine the effect of workload on employee performance.
7. To examine the effect of discrimination on employee performance.

1.6. Research Hypothesis

In order to find out the relationship and effect of working environment on employee's performance, the following hypothesis was developed based on theoretical and empirical review:

H1: 1 Physical environment has positive and significant impact on employee performance.

H1: 2 Reward has positive and significant impact on employee performance

H1: 3 Democratic Leadership style has positive and significant impact on employee performance

H1: 4 Work life balance has positive and significant impact on employee performance.

H1: 5 Training has positive and significant impact on employee performance.

H1: 6 Workload has negative and significant impact on employee performance.

H1: 7 Discrimination has negative and significant impact on employee performance.

1.7. Scope of the Study

The scope of this study covers the effect of working environment on employee performance in the case of bole lemi industrial park. Among 7 industrial parks in Ethiopia, the reason why the researcher selected Bole lemi Industrial Park is firstly, there was a labor strike because of bad workplace environment; secondly it's difficult to conduct research across several industrial parks as it requires much time and money. From theoretical perspective, only physical work environment, reward, democratic leadership style, work life balance, training, workload and discrimination are considered as factor of working environment and employee task performance as dependent variable. Methodologically, this study used simple random probability sampling technique method in attempt to achieve its objective.

1.8. Significance of the Study

The main rationale of this study was to investigate the effects of working environment on employee performance. Therefore, the outcome of this study mainly benefit, the country, companies, other researchers and for the researcher itself.

- ☞ Findings of this study would assist to make concrete recommendations to the industrial parks about the effect of working environment has on employee performance, which helps the country to achieve its goal at large.
- ☞ Today, when companies come into existence their primary objective is to make profit and to be competitive in the industry and this is done through the mental and physical abilities of their employee. However, according to preliminary study there is high turnover rate; absenteeism rate and productivity of employees are diminished because of different factors in bole lemi industrial parks. To solve the above problems making the working environment suitable plays a great role in inspiring employees to perform their assigned job.
- ☞ In line with the above facts, primarily it's hoped that the result of this study provide adequate information for the organizations regarding to the effect of working environment has on employee performance. In addition, it also visualize that the findings of this study would help the organization to understand and know how to address issues related to employee and its working environment.
- ☞ The findings of this study will serve as reference material for other researchers who conduct research in this area.
- ☞ Lastly, the study would benefit to enhance and practice the ability and creativity of the researcher in the area of its field.

1.9. Limitation of the Study

In undertaking the study, there are some limitations against achieving its objectives effectively. Firstly, lack of accessing records of employee performance and previous studies in this area. Secondly, since this study only includes bole lemi industrial park and generalization of the findings for other industrial parks will be done with consideration. Thirdly, there was lack of cooperation in some respondents and management bodies during distributing the questionnaire

and carelessly filling. In addition the researcher only included seven working environment factors; however, other variables may have impact on employee performance.

1.10. Organization of the Paper

The study has five chapters. The first chapter talks about the study background, statement of the problem, general and specific objectives including the research questions the study addressed. The second chapter focuses on the literature review both theoretical and empirical with the key finding of the study area including key variable theoretical review and definitions. The third chapter entirely focuses on the methodology of the study and the fourth chapter talks about the data analysis and interpretation, and last chapter is focused on the key findings, conclusions and recommendations of the study.

CHAPTER TWO: RELATED LITERATURE REVIEW

2.1. Introduction

This chapter presents a comprehensive review of relevant literature in an attempt to position the study in an appropriate theoretical framework. It review theoretical, conceptual, and empirical literature related to the study it comprises theories related to factor of workplace environment that affect the performance of employee, such as physical environment, reward ,democratic leadership style, work life balance work load and discrimination. It furthers discusses findings of related researches.

2.2. Definition of Working Environment

Kohun (1992) defines the working environment as the totality of forces, actions, and alternatives prestigious factors that are presently and probably competitive with the employee performance (as cited in Taiwo, 2010). Working environment is the sum of the interrelationship that exists within the staff and also the environment during which employee work. Brenner (2004) was of the opinion that “the ability to share knowledge throughout the organizations depends on how the working environment is designed to enable organizations to utilize work environment as if it were an asset. This helps organizations to improve effectiveness and allow employees to benefit from collective knowledge”. In addition, he argued that working environment designed to suit employee’s satisfaction and free flow of exchange of ideas is a better medium of motivating employees towards higher productivity.

Briner, (2000) Elaborated working environment as a awfully broad class that encompasses the physical setting (e.g. heat, equipments etc.), characteristics of the work itself (e.g. workload, task complexity),broader structure options (e.g. culture, history) and even aspects of the additional organizational setting (e.g. native marketplace conditions, trade sector, work life balance) It means that work environment is the sum of the interrelationship that exists among the employees and the employers and the environment in which the employees work which includes the technical, the human and the organizational environment.

Opperman (2002) defines working environment could be a composite of three major sub environments: the technical environment, the human environment and the organizational environment. The technical environment refers to tools, equipment, technology, infrastructure,

and alternative physical parts. The technical environment creates elements that enable employees perform their respective responsibilities and activities. The human environment refers to peers, others within whom workers relates, team and work teams, mutual problems, the leadership and management. These environments are meant in such some way that encourages informal interaction within the work place so the chance to share data and exchange ideas may well be increased. This can be a basis to achieve the most productivity. Organizational environment embody systems, procedures, practices, values, and philosophies. Measurement system wherever employees are rewarded on amount, therefore employees can have very little interest in serving to those workers who try to boost quality. Thus, problems with organizational environment influence employee's productivity. Management has control over organizational environment. Measurement system where people are rewarded on quantity, hence workers will have little interest in helping those workers who are trying to improve quality. Thus, issues of organizational environment influence employee's productivity and performance.

2.3. Factors of Working Environment That Affect Employee Performance.

Work environments have many properties, components or factors that may affect both physical and psychological well-being of workers (Briner, 2000). How well employees engage with factors in their working environments influences to a great extent in their error rate, level of innovation and collaboration with other employees, absenteeism and ultimately, how long they stay in the job which is a function of their commitment towards work (Chandrasekar, 2011). Chandrasekar identified twelve factors in workplace environment which either lead to engagement or disengagement of workers. These factors include: goal-setting, performance feedback, role congruity, defined processes, workplace incentives, supervisor support, mentoring/coaching, opportunity to apply new skills, job aids, environmental factors, and physical factors.

Arsalani *et al* (2011) also pointed out that factors of working environments are divided in to two parts physical and psychosocial. The physical includes the lighting, noise and poor ergonomics while psychosocial includes, influence at work, meaning of work, quality leadership and insecurity at work. Many other researchers have also showed various factors of working environment which include two broader dimensions such as work and context. Work includes different characteristics of the job like job carried out and completed, task activities training, job

autonomy and achievement. Context comprises of physical working condition and social working conditions (Sousa-Poza&Sousa-Poza, 2000; Gazioglu&Tanselb, 2006; Skalli, Theodosius, &Vasileiou, 2008).

from several working environment factors presented in previous studies, the present study however, takes; physical environment, reward, democratic leadership style, work life balance, training, workload and discrimination as a major working environment factors.

2.3.1. Physical Environment

Ismail *et al.* (2010) state that physical environment in which employee performs has an impact on their performance as well as it limits the prosperity of the organization. And also they state that the physical work environment consists of internal and external office layout, temperature, comfort zone and also the work setting or arrangement.

According to vischer (2007) the spatial layouts, noise, furniture and lightning are included under physical working condition factor. The physical work atmosphere includes comfort level, ventilation and lighting. This option assists on practical and aesthetic facet, the interior decoration and style of the work atmosphere that ultimately improves employee expertise and necessitates higher performance. The comfort level and temperature additionally well influence health of workers. Niemela *et al.* (2002) revealed that if there is high temperature the performance of the employee are reduced ,and low temperature has relation to performance of manual tasks. Office style encourages staff to figure in a very bound manner by the way their work stations are designed. Spatial layout contributes plenty towards however the workers perform their tasks (Al Anzi, 2009). Closed workplace plan, which can carries with it every worker having a separate workplace of their own or some individuals in each office, permits workers a larger quantity of privacy than open arrange work place layout. It permits staff to figure in peace and quiet, keeping them centered on their tasks while not plenty of distraction. It additionally offers staff a thinking frame and ability while not a lot of distraction.

According to McCoy and Evans (2005) the weather of physical work setting has to be correct so the workers wouldn't be stressed whereas doing their job. Physical components play a vital role in developing the network and relationships at work. All in all, the physical work atmosphere ought to support the specified performance. Vischer (2008) stressed that contributing

geographical point setting ought to be prioritized because it provides support to the staff in closing their jobs. It should be conducive enough to enable performance of tasks by employees. For the purpose of this study the researcher identified five dimensions of physical work environment including: lighting, ventilation, noise, ergonomics, and spatial layout.

2.3.2. Reward

According to Luthans (2000), Rewards may be financial and non-financial and that they can be utilized completely to boost performance of staff. According to McCormick and Tiffelin (1979), rewards are classified into two those are intrinsic reward (non-financial) and extrinsic reward (financial). Intrinsic rewards are inherent within the job itself together with what the workers enjoy as a result of finishing tasks successfully or attaining his goals. They are intangible benefits comprise of autonomy, feedback, achievement and recognition. Employees are experience satisfy when they have carried out something well worth in work and orally liked through the organization.

On the other hand extrinsic reward comes from external and it is tangible in order to appreciate the task performed by employee. Extrinsic rewards are external to the task of the job, including pay, work condition, fringe benefits, security, and promotion, contract of service, salary, incentives, bonuses, payments and job security the work environment and conditions of work (Akanbi, 2008). A reward package will influence worker performance; it can facilitate to extend employee performance by enhancing employee skills, information and talents so as to realize structure objectives (Ajila and Abiola, 2004).

Studies have revealed that if a corporation fails to reward staff, it'll decrease worker performance which Associate in Nursing economical reward system may be an honest inducement however inefficient reward system will result in demotivation of staff in terms of low performance, internal conflicts, absence, high turnover, lack of commitment and loyalty and timing (Heng, *et al.*,2012). For the purpose of this study the researcher identified both extrinsic and intrinsic dimensions of reward.

2.3.3. Democratic Leadership Style

Leadership style refers to a type of relationship whereby a person makes use of his methods and technique to make many people work collectively for a commonplace undertaking (Fiedler,.

There are three types of leaders (democratic, autocratic and laissez faire) which is most widely frequent and used (Tannenbaum and Schmidt, 1958). Dahl (1989) and Fishkin (1991) proclaimed that democratic leadership influences people in a manner consistent with the basics of democratic principles and process, such as deliberation, equal participation, inclusiveness and self-determination.

Democratic leadership encourages innovation, team work, creativity and people are often being engaged in projects that lead to increased performance, job satisfaction and increased productivity (Verba, 2015). Iqbal, et al. (2015) stated that democratic leader makes no suggestions, however they enquire the opinions of others. This leadership promotes all team members to participate to make final decision and develop entire process to reach their goals (Trivisonno & Barling, 2016). One of the major benefit of democratic leadership style is that the process facilitates in development of some additional leaders who can majorly serve the organization and have active involvement on the part of everyone in the team (Armstrong & Taylor, 2014). Democratic leaders encourage and invite team members to play a significant role in the final decision making process but the ultimate power relies in the hands of leaders and he/she guides the team on what to do, how to do, and employees communicate their suggestions, experience and recommendations (Skogstad, 2015).

2.3.4. Work Life Balance

Work life balance might talk over with one among the following: structure support for dependent care, versatile work choices and family or personal leave (Estes and Michael, 2005). Work life balance employment practices are involved with providing scope for workers to balance what they are doing at work with the responsibilities and interests they need outside work (Armstrong, 2006). By thus doing, they reconcile the competitive claims of labor and residential by their own desires yet as those of employers. Work life balance policies can lower absence and facilitate tackle the low morale and high degrees of stress which will result in underperformance since the staff get uninterested in moving work and life responsibilities. Several researchers have united on necessary role of labor life balance because it is expounded with employees' psychological well-being and overall sense of harmony in life (Clark, 2000). Balanced work-life is related to magnified job satisfaction and structure commitment. Employees' work life experiences deepen their role-related engagement that is expounded to structure performance improvement

2.3.5. Training

Nassazi (2013) remarks that employee training has an important role in the improvement and increasing productivity. It takes the shape of learning activities that prepare employee to exercise wider or magnified responsibilities. Tzafrir (2005) asserts that training is a vital part generating the human capital. It provides staff with the abilities, skills and data needed by the post. The target of training is to realize a modification within the behavior of these trained. This implies that the trainees shall acquire new artful skills, technical data and skills on the duty in such the simplest way on aid within the accomplishment of structure goals.

According to (Armstrong, 2006) training is helpful in order to fill the gap between what ought to happen and what's happening between desired targets or standards and actual levels of labor performance. Training would like is any inadequacy in worker performance, or potential performance which might be remediated by acceptable coaching. There are some ways of overcoming deficiencies in human performance at work, and coaching is one amongst them. Worker performance is also seen because the results of harmony between coaching and development and structure goal.

2.3.6. Work Load

Workload in a very work setting is delineated as wherever tasks and responsibilities taken on will be accomplished with success among the time offered. DiDomenico and Nassbaum, (2008) state that workload is set by the link between task demands, the circumstances beneath that that task takes place and therefore the perceptions, actions, skills and information of the individual playacting the task. The task demands could embrace physical actions, psychological feature tasks and/or a spread of different factors. Hart &Stave land (1988) the expenditure incurred by someone, given their capacities (resources), whereas achieving a selected level of performance on a particular task with bound demands. These definitions imply that employment is that the attribute of labor that may be known because the personal set of skills staff have and the way they execute task demands inside the given time.

Rizzo *et al.*, 1970 described Work overload as mismatch between the role requirements and the amount of “time” and “resources” available to meet the duty (As cited by Orly Michael, 2009). More clearly, Work overload is happen when employees perceive the time and resource available

as not enough to complete the existing duty. Two types of Work over load are identified by researcher: qualitative and quantitative. “Qualitative overload happen when people feel they lack the ability required to complete their jobs or that performance standards have been set too high. On the other hand, quantitative overload results from having too many things to do or insufficient time to complete a job” (Ivancevic *et al.*, 2012).

2.3.7. Discrimination

The United Nations’ International Labor Organization (2015) defines Work place discrimination refers to a working environment that exhibits bias in the treatment of employees based on gender, ethnicity, religion, age, disability and belief. It occurs. It occurs in hiring, promotion, job assignment, and composition. This conceptualization reflects world recognition of the persistence of unfair employment experience of individuals from spread of social group. Workplace discrimination not only hurts those who are discriminated against, it can also damage the entire organization. Companies may have trouble retaining employees, and those who stay may be dissatisfied with their jobs and distrustful of each other and of company management.

Discrimination in workplace could be direct or indirect. It is direct discrimination when an employer treats an employee less favorably than someone else. But indirect discrimination happens when a working conditions or rule disadvantages one group of people more than another. According to Hassan and Ali (2014); and Fatima and Omar (2014), the different dimensions of workplace discrimination are; gender discrimination, religion discrimination and ethnic discrimination. Other scholars identified six main types of discrimination which are; disabilities discrimination, sexual harassment, ethnic discrimination, age discrimination, sexual orientation discrimination and gender discrimination (Hemphill and Haines 1997). For the purpose of this study the researcher identified four dimensions of discrimination such as; age, gender, religion and ethnicity discrimination.

2.4. Employee Performance

Organizations are undergoing a transformation for coping against the changing needs of the environment and excelling in the business by building up their adaptive capabilities for managing change proactively. Sustainability of business organization is depends on talent, skill, knowledge and experience of employees and on their performance (Armstrong Michael, 2009).

Performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. Employee's performance is the contribution of employees for the achievement of organization objective. Employees expected to perform acceptable level of the standard and managers follow up, and evaluate the performance of employees to attain the stated objective of an organization (Armstrong Michael, 2009). According to Cooke (2001) performance can be defined as the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and speed. In an employment contract, performance is deemed to be the accomplishment of a commitment in such a manner that releases the performer from all liabilities laid down under the contract.

Employee performance is generally checked out in terms of outcomes. However, it can even be checked out in terms of behavior (Armstrong 2000). Kenney *et al.* (1992) declared that employee's performance is measured against the performance standards set by the organization. There are varieties of measures which will be taken into thought once measure performance for instance exploitation of productivity, efficiency, effectiveness, quality and gain measures (Ahuja, 1992) as in brief explained hereafter. Profitability is that the ability to earn profits systematically over a amount of your time. It's expressed because the quantitative relation of profits to sales or come on capital utilized (Wood & Stangster 2002). Potency and effectiveness - efficiency is that the ability to provide the required outcomes by exploitation as bottom resources as do able whereas effectiveness is the ability of workers to satisfy the desired objectives or target (Stoner 1996). Productivity is expressed as a quantitative relation of output to it of input (Stoner, freewoman and Gilbert, 1995). It is a measure of how the individual, organization and industry converts input resources into goods and services. The measure of how much output is produced per unit of resources employed (Lipsey, 1989). Quality is the characteristic of products or services that bear an ability to satisfy the stated or implied needs (Kotler & Armstrong 2002). It is increasingly achieving better products and services at a progressively more competitive price (Stoner 1996).

As noted by Daft (1988), it's the responsibility of the corporate managers to confirm that the organizations attempt to and so bring home the bacon high performance levels. This thus implies that managers need to set the specified levels of performance for any periods in question. This

they will interact as an example setting goals and standards against that individual performance is measured. Corporations make sure that their workers are contributive to manufacturing top quality product and/or services through the method of worker performance management. This management method encourages workers to induce concerned in coming up with for the corporate, and thus participates by having a job within the entire method thus making motivation for top performance levels. It is necessary to notice that performance management includes activities that make sure that structure goals are being systematically met in a good and efficient manner. Performance management will concentrate on performance of the staff, a department, processes to make a product or service, etc. Earlier analysis on productivity of employees has showed that workers who are glad with their job can have higher job performance, and therefore supreme job retention, than those that aren't proud of their jobs (Landy, 1985). Any still, Kinicki & Kreitner (2007) document that worker performance is higher in happy and glad employees and therefore the management realize it straightforward to inspire high performers to realize firm targets.

2.4.1. Measurements of Employee Performance

Measuring performance is relatively easy for those who are responsible for achieving quantified targets, like output per hour. Difficulty arises when we desire to measure the conceptions of performance in employees. But this difficulty is alleviated if a distinction is made between the two forms of results, i.e. outputs and outcomes. An output is a result that can be measured quantifiably, while an outcome is a visible effect that is the result of effort but cannot necessarily be measured in quantified terms (Armstrong, 2009). There are components in all jobs that are difficult to measure quantifiably as outputs, but all jobs produce outcomes even if they are not quantified. It is therefore often necessary to measure performance by reference to what outcomes have been attained in comparison with what outcomes were expected, and the outcomes may be expressed in qualitative terms as a standard or level of competency to be attained (Armstrong, 2009). Therefore a qualitative measure of outcome of an employee's performance can be attributed to the definition of the aspects that define the work done meets or exceeds expectations of organization, completing tasks satisfactorily, or if operations have reached an agreed upon standard. In measuring employee performance for this particular study, the indexes of

measurement for performance were extracted from Hakala (2009), and their descriptions are as follows:

Quantity: The number of units produced, processed or sold is a good objective indicator of performance. Be careful of placing too much emphasis on quantity, lest quality suffer.

Quality: The quality of work performed can be measured by several means. The percentage of work output that must be redone or is rejected is one such indicator. In a sales environment, the percentage of inquiries converted to sales is an indicator of salesmanship quality.

Timeliness: How fast work is performed is another performance indicator that should be used with caution. In field service, the average customer's downtime is a good indicator of timeliness. In manufacturing, it might be the number of units produced per hour.

Cost-Effectiveness: The cost of work performed should be used as a measure of performance only if the employee has some degree of control over costs. For example, a customer-service representative's performance is indicated by the percentage of calls that he or she must escalate to more experienced and expensive reps.

Absenteeism/Tardiness: An employee is obviously not performing when he or she is not at work. Other employees' performance may be adversely impacted by absences, too.

Creativity: It can be difficult to quantify creativity as a performance indicator, but in many white-collar jobs, it is vitally important. Supervisors and employees should keep track of creative work examples and attempt to quantify them. Are important

Adherence to Policy: This may seem to be the opposite of creativity, but it is merely a boundary on creativity. Deviations from policy indicate an employee whose performance goals are not well aligned with those of the company

Manager Appraisal: A manager appraises the employee's performance and delivers the appraisal to the employee. Manager appraisal is by nature top-down and does not encourage the employee's active participation. It is often met with resistance, because the employee has no investment in its development.

2.5. Theories Related to Employee Performance.

Many theories have been advanced to explain the link between workplace environment and employee performance. Maslow (1943) said that people work to survive and live through financial compensation, to make new friends, to have job security, for a sense of achievement and to feel important in the society, to have a sense of identity, and most especially to have job satisfaction. All employees that have job satisfaction are high performers in their respective workplaces. On the other hand, Taylor (1911) opined that the most important motivator of workers is salary and wages when he said that "non-incentive wage system encourages low productivity". He said that if employees receive the same wage irrespective of their individual contribution to the goal, they will work less and that employees think working at a higher rate means fewer employees may be needed which discourages employees to work more (Gardner and Lambert 1972). Basing on this, the following theories are reviewed to indicate the relationship between workplace environment factors and employee performance.

2.5.1. Victor Vroom's Expectancy Theory

Currently, one of the most widely accepted explanation of motivation is victor vroom's expectancy theory. This theory of motivation deals with a coupling of three beliefs (Robbins and judge, 2013): effort leads to performance, good performance will lead to organizational rewards (bonus, salary, promotion), and reward will satisfy his or her personal goals. The theory, therefore, focuses on the three relationships (expectancy, instrumentality, and valence)

Effort-Performance Relationship (expectancy): Defined as the probability perceived by the individual that exerting a given amount of effort will lead to successful performance. If the employee believes that effort will not result in successful performance or that the performance will not be accurately reflected in the performance appraisal, little effort will be expended.

Performance-Reward Relationship (instrumentality): The degree to which the individual believes that performing at a particular level will lead to the attainment of a desired outcome. Unless the relationship between strong performance appraisals and rewards is clear, little effort will be expended to achieve those high appraisal marks.

Rewards-Personal Goals Relationship (valence): The degree to which organizational rewards satisfy an individual's personal goals or needs and the attractiveness of those potential rewards for the individual. Unless organizational rewards are tailored to individual employee wants and needs, they will not be very motivational and little effort will be expended. While the research results are mixed, there is some support for this theory. It may be considered somewhat idealistic, considering the current realities of the workplace.

Generally, expectancy theory offers a powerful explanation of performance variables such as employee productivity, absenteeism, and turnover. Therefore, at work place managers should take steps to improve expectancy, instrumentality and valence which will lead workers to perform better and maximize productivity.

2.5.2. Adam's Equity (Fairness) Theory

Equity theory is a concept in industrial psychology that focuses on individual's perceptions of how equitably they are being treated in their work organization. The theory based on an individual's subjective judgments about the fairness of the reward she or he got, relative to the inputs (which may include many factors such as effort, experience, education, and so on), in comparison with the rewards of others.

According to Muchinsky & Culbertson (2015) in order to understand equity theory, there must be an understanding of its different components including; person (the individual for whom equity or inequity is perceived), comparison (any group or person used by person as a referent regarding the ratio of inputs and outcomes), inputs (the individual characteristics brought by person to the job), and outcomes (what person received from the job (e.g., recognition, fringe benefits, pay). According to this theory if workers perceive that their output/input ration is less than the referent they feel inequity. An employee who feels they are being treated inequitably may become absent more, steal from their organization, or may give the same effort they were giving before.

Generally from this theory we can understand that, directly related to employee performance. Unfair workplace rewards reduce employee performance. On the other hand, fair work place rewards boost employee performance. This makes it important to understand the concepts that

makeup equity theory, and put mechanisms in place to create the perception of more equitable work place environment.

2.5.3. Herzberg Two Factor Theory

The Two Factor Theory was advanced by Frederick Herzberg in 1959. This study is grounded on this theory that has been explored by various scholars to explain the relation between workplace environment and employee performance. Herzberg defined two sets of factors in deciding employees' working attitudes and levels of performance, named motivation and hygiene factors (Robbins and Judge, 2007). He stated that motivation factors are intrinsic factors that will increase employees' job satisfaction; while hygiene factors are extrinsic factors to prevent any employees' dissatisfaction. The theory pointed out that improving the environment in which the job is performed motivates employees to perform better. Herzberg's theory concentrates on the importance of internal job factors as motivating forces for employees. He wanted to create the opportunity for employees to take part in planning, performing and evaluating their work (Schultz *et al.*, 2010). The content of the theory has been widely accepted as relevant in motivating employees to give their best in organizations. Further research has proved that the employee is more motivated by intrinsic factors as captured by Herzberg's motivator needs than anything else.

There are however other schools of thought that share a different opinion from Herzberg's. One such scholar is King (2005) who sought to eradicate and evaluate five distinct versions of the Two Factor theory. He concluded that two versions are invalid as they are not supported by any empirical studies. However, the two factor theory can be said to be a truly outstanding specimen for it to last a long period of time without disapproval. It has been a great influence on the body knowledge about workplace motivation and performance. It has generated a great amount of further research by many scholars. It draws its thought from Maslow's famous hierarchy of needs theory and human behavior. However due to changes in organizational environment and the advancement in technology, it is necessary to develop new methods of analysis. This will provide new ways of conducting research and reevaluating the results of existing findings.

2.5.4. Affective Events Theory

The theory was advanced by Howard M. Weiss and Russel Cropanzano in 1996 (Phua, 2012). The Affective Events Theory explains the link between employees' internal influences and their

reactions to incidents that occur in their work environment that affect their performance, organizational commitment and job satisfaction. It proposes that positive-inducing as well as negative emotional incidents at work have significant psychological impact on employees' job satisfaction. The impact results into lasting reactions exhibited through job satisfaction, organizational commitment and job performance. According to Ashton-James and Ashkanasy (2005) research to date has supported the central tenets of AET that workplace events trigger affective responses in employees and that these affective responses influence workplace cognition and behavior. They assert that AET is both empirically and theoretically, restricted to events that are internal to the organization. The theory also considers how specific events at work other than job characteristics lead to specific emotional and behavioral responses (Briner, 2000). He posits that these events or things that actually happen at work affect the well-being of employees thus affecting their performance.

2.6. Empirical Study

In this part, the researcher was tried to analyze and discuss different findings or studies regarding to the effect of working condition on employee performance the case of bole lemi industrial park. Ravi (2017), conduct research on the impact of workplace environment on the health of leather factory workers in sirpurm, India. The methodology they used is cross-sectional. descriptive study with one time interview and pretested questionnaires' from 230 employee who were working in different eight leather industries and cluster sampling methodology were used to collect data. Finally the result showed that workplace environment have an effect on the health status of workers and require adequate measure to improve the facilities and thereby the health status of workers.

Bhat (2013) investigated the impact of training on employee performance: a study of retail banking sector in India. The study drew 180 bank employees. The study was elucidated information by using five point Likert scale. Findings revealed that there is positive and significant relationship between training and employee performance.

Lankeshwara (2016) studied the impact of workplace environment on employee performance: with reference to brandex intimate-awissawella. The study has utilized primary data and a sample of 85 employees has been chosen through proportionate sampling technique using

already developed questionnaires'. Finally the result showed that work environment have significant effect on employee performance.

Leblebici (2012) studied the on the impact of workplace quality on employee productivity a case study of a foreign private bank in Turkey. The result of the study showed that employees are inspired while working in a modernized office, well decorated and well-arranged and with good storage facilities.

Khan *et al.* (2011) studied the impact of workplace environment and infrastructure on employees' performance from the education in Pakistan. Finally the result showed that workplace rewards have a positive impact on employee performance. A study by Ranjan *et al* (2017), which undertaken to examine the Impact of Rewards on Employee Performance: A Case of Indian Oil Corporation, Patna Region revealed that; work place reward has positive and statistically significant impact on employee performance. A research finding of Aslam (2018), on the influence of work life balance on employee performance in education sector Pakistan indicates, work life balance has positive and significant effect on employee performance.

Raziq *et al*, (2015) studied the impact of working environment in job satisfaction from banking sector, educational institute and telecommunication industry in Quetta, Pakistan. The study employed a quantitative methodology; the target population consists of educational institutes, banking sector and telecommunication industry operating in the city of Quetta, Pakistan. Simple random sampling is used for collection of data from 210 employees. Finally the result of the study showed that there is a positive relationship between working environment and job satisfaction. Al-Omari *et al*, (2017) conducted research on the influence of work environment on job performance the case study of engineering company Jordan. The study take 85 employees as a sample size and quantitative methodology implying cross sectional survey was used. Different dimensions were examined in relation to the work environment factors, including noise; temperature; air; light and color; space and employers' satisfaction. Finally the Findings revealed that noise, office furniture, ventilation and light have a negative impact on job performance.

Asante (2012) conducted a research on the impact of office ergonomics in Ghana National Petroleum Corporation (GNPC). The result of the study revealed that if there is incompleteness in office ergonomics the performance of the employee is affected by 20-80 percent.

Nduku *et al* (2015) studied the impact of working condition on performance of employees of Kenya commercial bank head office. A sample of 172 employees was subjected to stratified random sampling. Primary data was collected by use of questionnaires. Finally the result showed that, working condition has a positive effect on employee performance. And the study recommended that the bank should put effort in ensuring that working conditions are favorable and focus more on the physical conditions which has the greatest effect on employee performance.

Nzewi *et al* (2018) conducted a research on the physical work environment and employee performance in selected brewing firms in anambra state, Nigeria. The sample size was 233 arrived at using yemane formula while questionnaires were allocated using bowely proportion allocation formula. Finally the finding of study revealed that there is a significant and positive relationship between physical work environment and employee performance. The study recommended that employees should be consulted before mounting equipment and adjustments' should be built into the design and layout if possible so as to adjust positioning to suits different categories of workers.

Ushie *et al*, (2015) examined the effect of work environment on employees' commitment in agro-based industries in Cross River State, Nigeria. The study drew participants from two major agro industries in the state. One thousand, one hundred and ninety four (1194) respondents were purposively selected for the study. Information was elucidated from participants using four point Likert scale questionnaire. Data obtained was analyzed using Pearson Product Moment Correlation (r). The Findings revealed that work environment such as consistent communication flow, manageable workload, availability of electricity, and work place that is free from known dangers are positively associated with employees' commitment, and hence performance. The study recommended among others that management of agro-based industries in Cross River State should establish and promote good work environments in their organizations so as to boost employees' commitment, wellbeing and overall performance and productivity.

Teklehaimanot *et al*. (2007) studied on the working condition of health extension workers in Ethiopia .The overall objective of the study was to assess the working condition of health extension workers and its impact on job satisfaction. The methods they used was an in depth field study in 50 health posts from six region,23 zones and 27 woreda the select 60 health

extension workers. Finally the result revealed that, there are difficulties in sustaining staffing pattern and fulfilling favorable working condition is critical to enhance employee satisfaction.

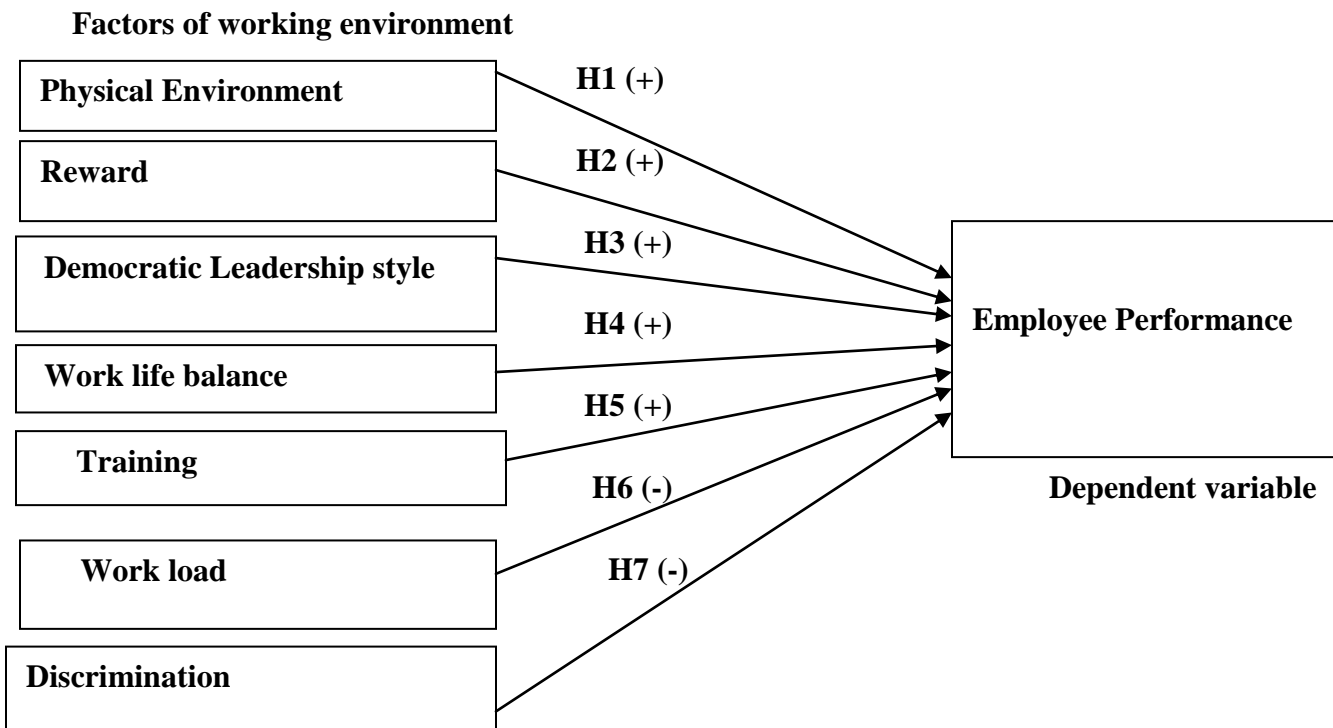
Omoh, *et al.*, (2015) evaluated workplace discrimination and its influence on employees 'performance in Ghana. Questionnaires were collected from 159 employees drawn from 5 different organizations in 5 different sectors on whether discrimination at the workplace has any influence on employees' performance. Finally, the finding of the research indicates that discrimination has significant negative impact on employee performance. Khan *et al*, (2013), have undertaken research on the determinants of employee performance in corporate sector: case of an emerged market, Pakistan. The study collected data through questionnaire from three different eight companies. The study used Convenience sampling technique to select 240 respondents. The researchers came up with the result that there is positive and statistically significant relationship between leadership and employee performance.

2.7. Conceptual Framework of the Study

The conceptual model formulates to show association of working environment and employee performance. In this study employee performance is dependent variable while working environment dimensions, namely; physical environment, reward, democratic leadership style, work life balance, training, work load and discrimination are independent variable.

Onen and Oso (2009) note that an abstract framework could be delineate presentation of a theory which it's presented as a model once analysis variables and also the relationship between them are translated into a visible image for instance the inter connections between independent and dependent variables. The abstract framework is so a theme of ideas that the study employee in order to realize the set objectives. The subsequent figure illustrates the schematic conceptual framework for the independent and dependent variables.

Figure 1; Conceptual Framework of Working Environment Factors and Employee Performance.



Independent variables

Source: Nduku (2015)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This section basically describes how the study was undertaken, the data collection methods used, and its analysis and presentation techniques. It is a very essential portion as it provides reasons to why a specific method of research, sampling, data collection and data analysis is chosen; it also gives the design of the study, population, and validity and reliability test. Clearly speaking, this chapter is deals with research methodology, which are the master plan specifying methods and procedures for collecting and analyzing collected data.

3.2. Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 1990). A research design is also a plan for study that provides specification of procedures to be followed by the researcher in order to achieve the research objective as well as, to test the hypothesis (McDaniel and Gates, 2006). For the purpose of this study, Explanatory research design was employed to explain effect of independent variables, (working environment dimension) on the dependent variable (employee performance). The research is cross sectional type; in a sense that data was collected at one point of time due to limit of time and cost.

3.3. Research Approach

According to Creswell (2009), there are three basic research approach; quantitative, qualitative and mixed approach. Quantitative approach is an approach in which the researcher determines what to study asks the respondent close ended questions and gather numeric data from the respondent and analyze this numbers using statistics Creswell (2005). In order to achieve study objective, this research has undertaken quantitative research approach to analyze data collected from bole lemi industrial park employee by using close ended questionnaire.

3.4. Source of Data

The main emphasis of this research was to investigate the effect of working environment on employee performance of bole lemi industrial park. The principal source of data for this study was primary. Primary source of data refers to information obtained first hand by the researcher on the variable of interest for specific purpose of the study (Sekaran, 2003). The primary source of data for this research was collected from operational workers of industrial park via self administered questionnaire.

3.5. Data Collection Instruments and Measurement

Questionnaire

In order to gather data for this study, the researcher used a questionnaire as a method of data collection instrument. The questionnaire has two sections. With the first section contains background and demographic information of the respondent, and the second section contains information about working environment and employee performance.

The researcher used self administered question to gather information about background and demographic information (regarding sex, age marital status and educational level) and to gather information regarding with workplace environment factors and employee performance. The questionnaire, which has acceptable psychometric test score, for independent variable was adopted from the following previous studies (al-khonzondar, 2015, Buckingham, 2004, WES REP, 2011, Schwab, 1993 and nzewi *et al*, 2018). The measurement of employee performance developed by Hakala (2009) was adopted with slight modification. All the items, except background and demographic information, is measured in five point scale such as; strongly disagree(SD)=1 disagree(D) = 2; Neutral (N) = 3; Agree (A) = 4; Strongly agree (SA)=5. The use Likert scale is to make it easier for respondent to answer question.

3.6. Target Population of the Study and Sample Size

3.6.1 Target Population

Population is the total collection of individuals to be studied and from which sample is drawn (Sekaran, 2016). Therefore, the targeted populations for this study were operational workers of bole lemi industrial park. Accordingly, the target population of the study was 14,030 employees.

3.6.2. Sample Size

The main emphasis of this study was to identify the effect of working environment on employee performance. The target populations for this study were all employee of industrial park under study. The sample size required for the study is computed based on sample size determination developed by Carvalho (1984).

Table 3.1: Sample Size Determination

Population size	Small	Medium	Large
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1, 200	32	80	125
1, 201-3, 200	50	125	200
3, 201-10, 000	80	200	315
10, 001-35, 000	125	315	500
35, 001-150, 000	200	500	800

Source; carvalho (1984)

Therefore, based on Carvalho (1984) sample size determination method, for this study because of time and budget shortage medium sample size equals to 315, respondents were selected from the total population of 14,030 of 11 factories according to the proportion to each factory population on the basis of simple random sampling. The sample size selected here is considered as representative of the target population and large enough to allow for precision, confidence and generalization of the research findings. The sample taken from each factory is illustrated in table 3.2 below.

Table 3.2: Number of Employees and Proportion of Samples taken From Each factories

<u>No</u>	Company name	Product type	Target population	Proportional sample size
1	New wide garment	Garment	1571	$[(1571/14030) \times 315] = 35$
2	George shu Ethiopia	Shoes	858	$[(858/14030) \times 315] = 19$
3	Arvind life style	Garment	835	$[(835/14030) \times 315] = 19$
4	Vestis garment	Garment	452	$[(452/14030) \times 315] = 10$
5	Ja,Ja textile	Garment	3881	$[(3881/14030) \times 315] = 87$
6	Lyu shouta factory	Garment	353	$[(353/14030) \times 315] = 8$
7	Ever top sportswear plc	Sports wear	342	$[(342/14030) \times 315] = 8$
8	Sumec garment	Garment	450	$[(450/14030) \times 315] = 10$
9	Shints ETP garment	Garment	3550	$[(3550/14030) \times 315] = 80$
10	K,E,I industrial engineering	Garment	28	$[(28/14030) \times 315] = 1$
11	Ashton apparel	Garment	1710	$[(1710/14030) \times 315] = 38$
Total	11		14,030	315

Source: internal report of factory and own construction.

3.7. Sampling Techniques

Since the aim of this study is to get actual information about affects of working environment on employee performance in bole lemi industrial park, so that, the study was focused on operational employee from each sector. The rationality of focusing on operational employee was to get accurate and unbiased information about working environment factors. The study was applied probability sampling techniques in order to give equal opportunity for the target population. According to Kothari (2004), “probability sampling is also known as ‘random sampling’ or ‘chance sampling’. Under this sampling design, every item of the universe has an equal chance of inclusion in the sample”. It is, so to say, a lottery method in which individual units are picked up from the whole group not deliberately but by some mechanical process. After having the representative sample size from each factory, the researcher applied simple random sampling

techniques to select sample respondents from each factory according to their proportionate to gather data about working environment and employee performance.

3.8. Method of Data Processing and Analysis

3.8.1. Data Processing

The data collected from questionnaire was processed both in manual and computerized method. In order to detect errors and omissions the raw data were edited. In order to reduce the response into limited numbers of categories the raw data were coded by using numerical and other symbols. The research also used tabulation in order to summarize the raw data and display in the compact form for further analysis.

3.8.2. Data Analysis

The data collected from the respondents was analyzed by using descriptive statistics such as mean, percentage and standard deviation and inferential statistics such as Pearson correlation and regression analysis. In order to know the strength of relationship between independent and dependent variable correlation test was employed. Finally to test the hypothesis, regression and analysis of variance was employed. In analyzing the data the researcher used SPSS version 25 software package.

3.8.2.1. Descriptive Analysis

Descriptive analysis was used to interpret a variable which deals with background or demographic of the respondents and mean score of working environment dimensions and employee performance. The results are presented in tabular, frequency distribution and percentage. This was employed through the computation of means and standard deviations of data gathered for the variables.

3.8.2.2. Inferential Statistics

Inferential statistics was used to show the relationship between the variables and to analyze the effect of working environment on employee performance. As stated in Kothari (1990), “amongst the measures of relationship, Karl Pearson’s coefficient of correlation is the frequently used measure in case of statistics of variables”. Field (2006), states that the output of correlation

matrix can be the correlation coefficient that lies between -1 and +1 within this framework, a correlation coefficient of +1 indicates a perfect positive relationship, and a correlation coefficient of -1 indicates a perfect negative relationship; whereas a coefficient of 0 indicates no linear relationship at all. Therefore to find out the relationship between working environment dimensions and employee performance Pearson product moment correlation was applied.

Multiple regression analysis refers to the analysis concerning relationship between the dependent and independent variables; with the multiple regressions equation describing the relationship (Kothari, 1990). This approach was used in this study to analyze effect of working environment dimensions on employee performance.

3.9. Model Specification

It could be inferred from the works reviewed in the previous sections; that employee performance is determined by some factors of working environment. Thus in respect of the hypotheses stated above, the main issue is an investigation of relationship that exists between employee performance and each of explanatory variables that had been identified through literature and theories i.e. physical work environments, reward, democratic leadership style, work life balance , training, workload and discrimination. Other factors that are not explicitly included in the model were captured by the error term in the model. Therefore, the general model which incorporates all of the variables to test hypotheses of the study was;

$$EP = \beta_0 + \beta_1(PE) + \beta_2(R) + \beta_3(DLS) + \beta_4(WLB) + \beta_5(TR) + \beta_6(WL) + \beta_7(DS) + \mu$$

Where;

EP=Employee Performance (Dependent Variable)

β_0 = constant term

PE=Physical Environment

WPR= Reward

LS=Democratic leadership style

WLB= work life balance

TR= training

WL= workload

DS= discrimination

μ = error term

β : coefficients associated with each independent variable which measures the change in value of Y, per unit change in their respective independent variables.

3.10. Factor Analysis

Factor analysis was first conducted on a pre selected set of measures derived. Factor analysis help in revealing underlying factors and assist in identifying what the factors represent conceptually. The analysis was performed using SPSS 25 based on the principal components factoring method with varimax rotation on the correlations of the observed variables. The following criteria were used in making decisions about inclusion or exclusion of items in scales and sub scales. Items with loading less than 0.40 were excluded from further analysis as they were considered to be weak (Hair, Black, Babin, & Anderson, 2010). In case of an item cross loaded on two different factors with a loading of less than 0.40 on the second factor, it was also excluded (Refer Appendix: C)

3.11. Reliability and Validity of Instruments

3.11.1. Reliability Test

Aimed at the point that even if the research were repeated they would end up with similar results or the consistency or dependability of a measurement technique, and it's concerned with the consistency or stability of the score obtained from a measure or assessment overtime and across settings or conditions. If the measurement is reliable, then there is less chance that the obtained score is due to random factors and measurement error (Marczyh, et al., 2005). According to George and Mallery (2003, as cited in Joseph & Rosemary, 2003) Cronbach's alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistence or reliability of a psychometric test score for a sample of examinees. Cronbach's alpha reliability coefficient normally ranges between 0 and 1.

Table 3.3: Rule of Thumb of Cronbach’s Alpha

Cronbach’s Alpha	Description
$\geq .9$	Excellent
$\geq .8$ but $< .9$	Good
$\geq .7$ but $< .8$	Acceptable
$\geq .6$ but $< .7$	Questionable
$\geq .5$ but $< .6$	Poor
$\leq .5$	Unacceptable

Source: Zikmund, et al, 2010.

Based on this to ensure the reliability this study used self-administered questionnaire .then the questionnaires are pre-tested based on pilot study, to guarantee a common understating of questions among respondents. The alpha results for the items of the questionnaire and their alpha values have met an acceptable figure (which is ≥ 0.75) in relation to the aforementioned requirement range.

Table 3.4: Reliability Statistics Result of the Study

Variables	Cronbach’s alpha	No. of items
Physical environment	0.848	5
Reward	0.876	8
Democratic Leadership style	0.882	8
Work life balance	0.869	5
Training	0.898	5
Workload	0.905	5
Discrimination	0.860	6
Employee performance	0.959	7

Source; survey (2019) SPSS output

3.11.2. Validity Test

Refers to the extent to which the concept one wishes to measure is actually being measured by a particular scale or index. According to Kothari (2004), validity aims at establishing the results which are linked with the condition. It is concerned with the extent that the scale accurately represents the construct of interest. In order to assure the validity of the measurement instrument of the study is conducted based on the literally accepted conceptual framework that clearly indicate the theoretical construct and associated with the measurements valid to evaluate the effects of working environment (independent variables) on employee performance (dependent variable). Where possible this should be supported and consideration given to practical things. So that pre-questionnaire were distributed to the managers of industrial park to check the validity of questions to further data collection process. As per the comments and the discussion with industrial park experts the question prepared to primary data collection for the research objective is found valid by researcher. Further, this instruments or variables of working environment and employee performance were tested by previous studies for content validation.

3.12. Ethical Consideration

Mugenda (2008) underlines that participation of the respondents should be in voluntary bases and they have right not to give response without researcher obligation. Therefore, the researcher was contacted and received informed consent from the respondent. The respondents are not forced to take part in the study, thus the principle of volunteerism was practiced all through data collection method. Furthermore, the respondents were informed that information obtained is only for academic purpose and remain confidential.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATIONS

4.1. Introduction

In the preceding chapters, important literatures related to the topic that may give enough understanding about the subject matter and the methodology selected to meet research hypotheses had been discussed. In this chapter, detail analysis about the descriptive statistics and regression results has been made. Specifically, the chapter has included four sections. The first section presented descriptive analysis of variables. The second section deals with the correlation analysis and shows the degree of association between the study variables. Section three presented the classical linear regression model assumption diagnostic test results. Finally the fourth section has presented the results of the regression analysis and discussions on regression analysis.

4.2. Questionnaire Response Rate

The researcher distributed 315 questionnaires for eleven factories in the industrial park. Out of which 298 were completed and returned. The response rate for this study is 94% which is considered as a very good response rate as described by Babbie (2010).

4.3. Descriptive Statistics

4.3.1. Background Information of the Respondents

The demographic characteristics include: gender, age, marital status and level of education. This aspect of the analysis deals with the personal data on the respondents of the questionnaires given to them. Therefore in order to validate the reliability of data collected its mandatory to analyze the demographic profile of the respondent.

Table 4.5: gender of respondents

Gender	Frequency	Percent
Male	163	45.3
Female	135	54.7
Total	298	100

Source; survey (2019) SPSS output

As indicated in the above table 4.5 the gender proportion of male respondents represented 54.7%, on the other hand 45.7% were females. The survey showed that there were more female as compared to males.

Table 4.6: age category of the respondents

Age range	Frequency	Percent
18-25	172	57.7
26-33	111	37.2
34-41	15	5
Total	298	100

Source; survey (2019) SPSS output

In the above table 4.6 the age distribution of the respondent who participated in this study is provided. From the table we can observe that 57.7% of the respondent lies within 18 up to 25 age group. 37.2% of the respondents are in the range of 26-33 and 5% of the respondents are within 34-41 age group. From this we can say that most of bole lemi industrial park employees are very young.

Table 4.7: Marital Status of the Respondents

Marital status	Frequency	Percent
Single	193	64.8
Married	104	34.9
Divorced	1	0.03
Total	298	100

Source; survey (2019) SPSS output.

As far as composition of marital status is concerned 193 (64.8%) of the respondents are single, 104 (34.9%) are married, and 1 (0.03%) is divorced. From this, it can be understood that

employees working in bole lemi industrial park consists of all types of marital status with majority of single people with 64.8%.

Table 4.8: level of education

Educational level	Frequency	Percent
Below12	145	48.7
12th	38	12.8
Diploma	84	28.2
Degree	31	10.4
Total	298	100

Source: survey (2019) SPSS output

As far as composition of level of education is concerned 145 (48.7%) of the respondents are below 12, 38(12.8%) are grade 12th, 84 (28.2%) are in the diploma level, 31 10.4%) are in the degree level as revealed from the table. From this, it can be understood that employees working in bole lemi industrial park consists of all levels of educated people with majority of below 12.

4.3.2. Descriptive Statistics of the Variables

The computed summary of descriptive statistics for dependent (employee performance) and independent (physical environment, reward, democratic leadership style, training, workload and discrimination) variable that were included in the questionnaires were indicated in this part. The mean and standard deviation of all variables collected from the respondents were discussed.

Table 4.9: Descriptive Statistics of the Variables

Variables	Minimum	Maximum	Mean	Std. Dev
Employee performance	1.00	5.00	3.97	1.150
Physical environment	1.00	5.00	3.47	.977
Reward	1.00	5.00	2.63	1.100
Democratic Leadership style	1.00	5.00	3.55	0.907
Work life balance	1.00	5.00	3.33	1.095

Training	1.00	5.00	3.49	1.083
Workload	1.00	5.00	2.39	1.100
Discrimination	1.00	5.00	3.02	1.149
Valid N (list wise)				

Source; survey (2019) SPSS output

Table 4.9 depicts the overall arithmetic mean and standard deviation of dependent and independent variables as responded by the respondents. The finding of this study indicates that most of employees were sufficiently agreed with democratic leadership style with a mean value of 3.55 and 0.907 standard deviation, training with a cumulative mean value of 3.49 and 1.083 standard deviation, physical environment scored a mean value of 3.47 and 0.977 standard deviation. This indicates that, bole lemi industrial park should maintain its strength on physical environment, democratic leadership style and training in order to have competent employee and improved performance. However, employees on other variables such as work life balance agreed with a cumulative mean value of 3.33 and 1.095 standard deviation and Discrimination with a mean value of 3.02 and 1.149 standard deviation. This implies that, bole lemi industrial park has to work in balancing work personal life of the employees and avoid the prevalence of work place discrimination.

On the other hand, workload scored a mean value of 2.39 and 1.100 standard deviation; reward scored a mean value of 2.63 and 1.100 standard deviation. This implies that, bole lemi industrial park have to give due attention to give reasonable workload, sufficient breaks for its employee. Additionally, it should give due attention in terms of providing fair reward for its workers. Finally, employee performance scored a mean value of 3.97 and 1.150 standard deviation. The mean and standard deviation for all items are shown in appendix B

4.4. Inferential Statistics

In this section the result of inferential statistics employed in the study supported on Pearson correlation coefficient and multiple regressions were elaborated.

4.4.1. Correlation Analysis

Correlation describes the strength of association between variables. According to Brooks (2008), correlation analysis measures the degree of linear association between dependant and independent variable. The value of correlation coefficient ranges from -1 to 1. A correlation coefficient of 1 indicates that there is perfect positive relationship between two variables; while -1 indicates that there is perfect negative relationship between two variables. On the other hand, a correlation coefficient of zero indicates no relationship between variables.

According to McDaniel and gates (2006), a value of correlation coefficient between 0.1 and 0.29 indicates the association among the items is poor. A correlation coefficient between 0.3 and 0.49 implies there is moderate relationship correlation coefficient greater than 0.5 implies strong relationship between two variables. Based on this as noted by gujarati, 2004, most generally used bi-variant correlation coefficient, normally known as Pearson correlation were utilized in order to find out the relationship between working environment dimensions and employee performance. Table below 4.10 presents the result of Pearson correlation between variables.

Table 4.10: The Relationship between Working Environment Dimensions and Employee Performance

	EP	PE	R	DLS	WLB	TR	WL	DS
PE	.689**	1						
R	.557**	0.562	1					
DLS	.552**	0.619	0.446	1				
WLB	.527**	0.600	0.534	0.594	1			
TR	.583**	0.625	0.433	0.618	0.578	1		
WL	-.526**	(0.454)	(0.353)	(0.339)	(0.401)	(0.377)	1	
DS	-.442**	(0.318)	(0.311)	(0.270)	(0.292)	(0.276)	(0.511)	1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: survey (2019) SPSS output.

The result in table 4.10 indicates that, there is significant positive correlation between physical environment and employee performance with a correlation coefficient $r=.689$ and sig. (2-tailed) is $.000$, which is $<.05$. Therefore there is strong and statistically significant relationship at 5% significance level. Reward is positively related to employee performance with a Pearson correlation coefficient $r=.557$ and sig. (2-tailed) is $.000$, which is $<.05$. Therefore there is strong and statistically significant relationship at 5% significance level. The correlation coefficient between democratic leadership style and employee performance is $r=.552$ and sign. (2-tailed) $.000$, this implies strong, positive and statistically significant relationship at 5% significance level. Work life balance is positively related to employee performance with a Pearson correlation coefficient $r=.527$ and sig. (2-tailed) $.000$, which indicates strong, positive association and statistically significant at 5% significance level. The correlation coefficient between training employee performance $r=.583$ and sig. (2-tailed) $.000$, which indicates strong, positive association and statistically significant at 5% significance level.

On the other hand, the correlation coefficient between workload and employee performance is $-.526$ and sig. (2-tailed) $.000$, this indicate strong, negative association and statistically significant at 5% significance level. Discrimination is negatively related to employee performance with correlation coefficient $r=-.442$ and sig. (2-tailed) $.000$, which is $<.05$. Therefore there is moderate and statistically significant relationship between discrimination and employee performance.

4.4.2. Testing Assumptions of Classical Linear Regression Model (CLRM)

In order to estimate the parameters in multiple linear regression models and minimize the sum of squared error or the difference between observed value and predicted value ordinary least square method (OLS) method were employed for this study. While using OLS method in order to have correct estimator value the five key underlying assumptions should be satisfied. When the assumptions are violated OLS estimators produce biased, inconsistent and in efficient result. Therefore tests of hypothesis are no longer valid, since the standard errors are wrong. Therefore, in order to protect against the chance of getting and interpreting wrong regression results the researcher conducted a diagnostic test. To make sure that the model is unbiased, consistent, efficient and valid the following tests are conducted.

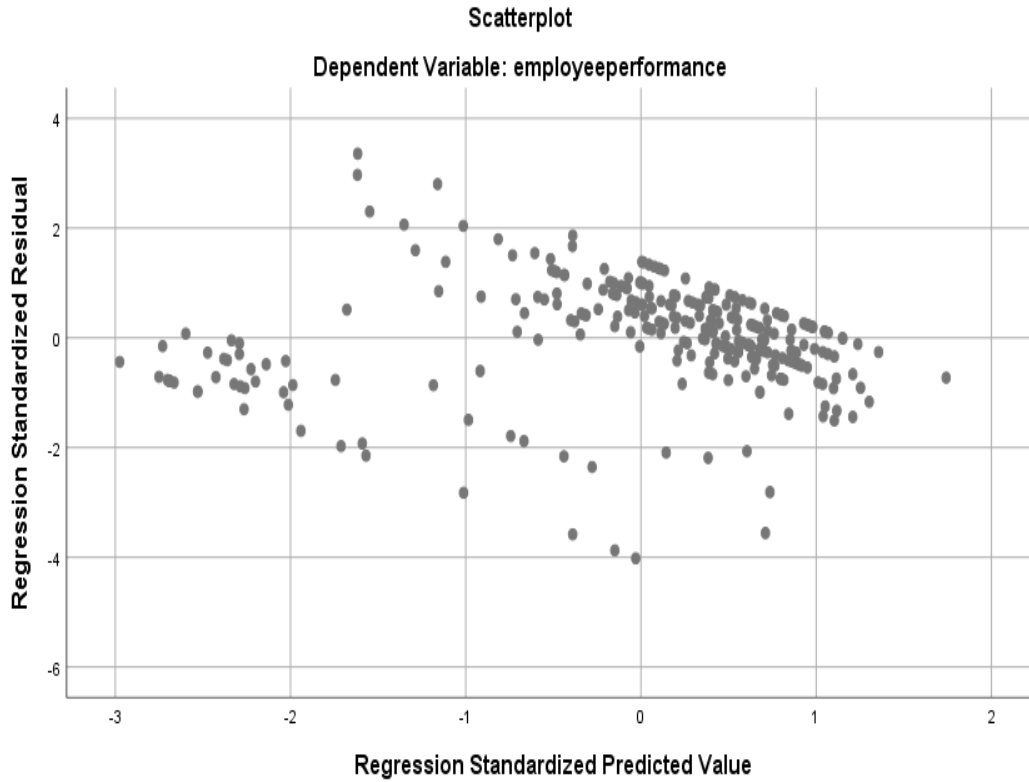
4.4.2.1. Test for Residual Has Zero Mean

Classical linear regression models assume that the error terms zero mean value. In fact, if a constant term is included in regression model equation this assumption will never be violated (brooks, 2008). In this study the researcher included the constant term in the regression equation. Therefore it's expected that the error terms have zero mean value and the assumption is not violated.

4.4.2.2. Test for Heteroscedasticity

Classical linear regression model assume the variance of the error term is constant, this is known as homoscedasticity. If the variance of the error term is not the same, they are said to be heteroscedastic. In order to check the violation of this assumption the research used scatter plot technique. The result plots the standardized residual, against standardized predicted value. If the plots have a pattern it implies the presence of heteroscedasticity. Conversely if the plots depict a pattern there is no evidence for the presence of heteroscedasticity. As illustrated in the figure, 4.2, below the graph looks like a random array dots or the plots have no pattern. So, homoscedasticity assumption is not violated.

Figure 4.2 hetroscedasticity test



Source: survey (2019) SPSS output

4.4.2.3. Test for Autocorrelation

Classical linear regression model assume cross-sectionally the covariance between the error term is zero. In other word it assumes there is no serial correlation among error terms. The research applied Durbin Watson test, which is most commonly used techniques of detecting autocorrelation. Thus, if the value of DW test is between 1.5 and 2.5 there is no evidence for the presence serial correlation among error terms (Hassen et al, 2017). As illustrated in table 4.11 the DW test falls in the acceptable range, which implies absence of serial correlation among errors.

Table 4.11: Durbin Watson test result

Model	Durbin Watson
1	1.524

Source: survey (2019) SPSS output

4.4.2.4. Test for Multicollinearity

CLRM model assume no correlation between explanatory variable. Multicollinearity refers to the situation were some or all explanatory variables are highly inter-connected or the existence of exact linear association. According to Gujarati (2004), if multicollinearity is ideal the regression coefficients of independent variables are undetermined and difficult to measure their standard error. In order to test the multicollinearity problem the researcher applied variance inflation factor (VIF) and correlation coefficient of explanatory variables. If the VIF of the variables exceed 10%, multicollinearity can be a potential problem (Hair et al., 2013). As illustrated in table 4.12 the value of variance inflation factor for all explanatory variables is less than 10%. Therefore, it implies that there is no multicollinearity between explanatory variables.

Table 4.12: VIF and Tolerance Statistics for Multicollinearity

Model		Collinearity statistics	
		Tolerance(1/VIF)	VIF (%)
1	Physical environment	0.424	2.357
	Reward	0.611	1.638
	Democratic Leadership style	0.490	2.040
	Work life balance	0.491	2.035
	Training	0.494	2.026
	Workload	0.629	1.590
	Discrimination.	0.716	1.398

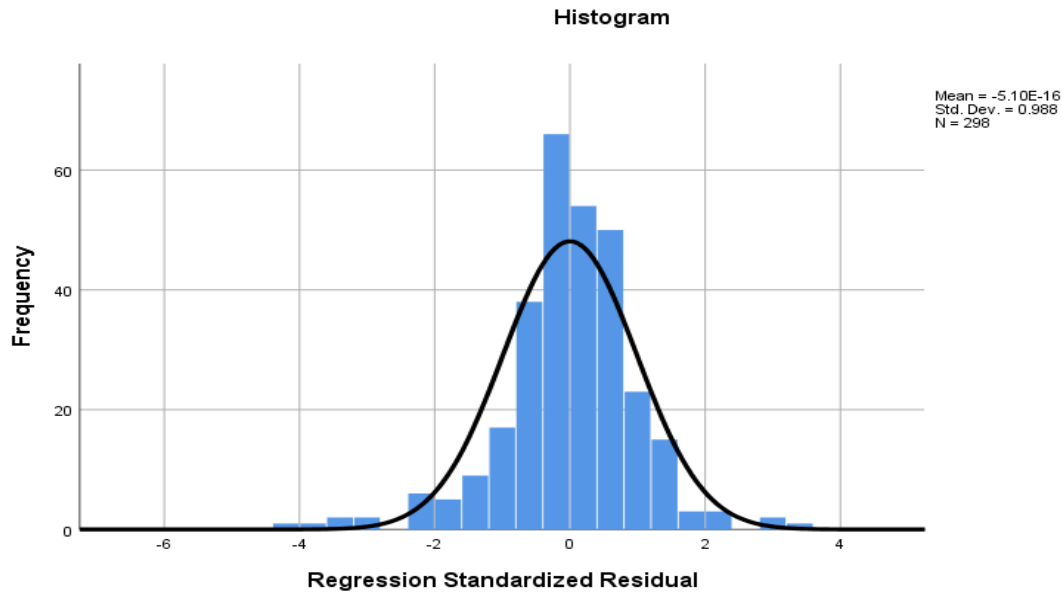
Source: survey (2019) SPSS output

4.4.2.5. Test for Normality

CLRM assume that the distribution of the error term is normally distributed. As field (2009), noted, that normality assumption is important while using regression and worthwhile, if we want to make inference about the population parameter from the sample parameters. If the mean of the residual is zero and constant variance the error is normally distributed. Thus, the result in figure

4.3 illustrates that the mean of the residual is zero and approximately its variance is 1, which implies that the distribution of the error is normally distributed.

Figure 4.3: normality test



Source: survey (2019) SPSS output

4.4.3. Analysis of Variance (ANOVA)

Analysis of variance was also done to establish the overall significance of the model. ANOVA also tells whether the overall effect of the seven independent variables on employee performance is significant. As depicted in table 4.13, at 95% confidence interval, significant P-value of .000 and F-value of 62.766 was recorded. This implies the regression model is a suitable prediction for explaining the effect of working environment on employee performance in bole lemi industrial park.

Table 4.13: Analysis of Variance (ANOVA).

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	236.926	7	33.847	62.766	.000 ^b
	Residual	156.384	290	.539		
	Total	393.310	297			
a. Dependent Variable: employee performance						
b. Predictors: (Constant), discrimination, democratic leadership style, reward, workload, training, work life balance, physical environment						

Source: survey (2019) SPSS output

4.4.4. Results of Regression Analysis

In accordance with classical linear regression model, the model has satisfied the five diagnostic tests. Based on this, multiple regression analysis was determined in order to reveal the value of coefficient included in the model. Accordingly table below depicts, the result of regression model that examine the effect of explanatory variables on employee performance. Hence, employee performance is explained variable whereas physical environment, reward, democratic leadership style, work life balance, training, workload and discrimination are explanatory variable.

Table 4.14: Coefficients of Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.010	.294		6.832	.000
	Physical environment	.388	.067	.329	5.792	.000
	Reward	.179	.050	.171	3.602	.000
	Democratic Leadership style	.114	.067	.090	1.707	.089
	Work life balance	-.009	.055	-.008	-.154	.877
	Training	.169	.058	.153	2.912	.004
	Workload	-.169	.049	-.161	-3.455	.001
	Discrimination	-.137	.044	-.137	-3.130	.002
a. Dependent Variable: employee performance						

Source: survey (2019) SPSS output

Thus, the model applied in this study was ordinary least square method. The regression equation can be stated as:

$$EP=2.010+0.388PE+0.17R+0.114DLS-0.009WLB+0.169TR-0.169WL-0.137DS+\mu$$

Table 4.15: model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.776 ^a	.602	.593	.73434
a. Predictors:(Constant), discrimination, training, work life balance, workload, Reward, physical environment, democratic leadership style				
b. Dependent Variable: employee performance				

Source: survey (2019) SPSS output

4.4.5. Interpretation of R-square and Adjusted R-square

R-square- is statistical measure that tells the proportion of the variance for a dependent variable that’s explained by an independent variable or variables included in regression model. R²- also explains to what extent the variance of one variable explains the variance of other variable. R-squared value range from 0 to 1and commonly stated as a percentage from 0%to100%. An R-square of 100% indicates that, dependent variable is completely explained by independent variable of the model. 0% shows the model explains none of the variability of the response data around its mean. The value of R-square in this study was found to be 0.602. This indicates that, 60.2% of variation in employee performance is explained by selected explanatory variables and other factors captured by the constant.

According to Brooks (2008), “R-square has some problems; the first one is when we add predictor variables in the model, every time, even if its irrelevant R-square never decreases. Consequently, a model with more variable may appear to have high R-square. Second, if the model rearranged and the dependent variable changes, r-square will change in order to get around these problems, a modification is often made that takes in to account the loss of degree of freedom associated with adding extra variables, this is known as adjusted R-square”. Adjusted R-square is a modified version of R-squared that has been adjusted for the number of predictor in the model. Therefore, adjusted R-square compares the explanatory power of regression models that contain different number of predictors. The value of adjusted R-square in this study found to

be 59.3%. This implies that, 59.3% of changes that occur in employee performance are attributable to independent variables.

The other factors such as, harassment, violence, Welfare Facilities, Association and bargaining power and other remaining factors that were not included in the model but could help in explaining employee performance account the remaining 40.7%.

4.4.6. Interpretation of Regression Result and Hypothesis Testing

In this part of the study the relationship between the dependent variable and independent variable were discussed. The dependent variable was employee performance whereas independent variables were physical environment, reward, democratic leadership style, work life balance, training, work load and discrimination.

In regression output, the Unstandardized coefficients of determination were used to replace the unknown beta value of the regression model. Beta indicates that the level of influence of each predictor variable on dependent variable: as well it indicates the direction of relationship. Positive beta coefficient indicates the variable has positive effect on dependent variable whereas negative beta coefficient the variable has negative effect on dependent variable and it tells us on average when mean score value of independent variable increase by one unit mean score value of dependent variable increase or decrease by beta amount if the variable is statistically significant. The significance value (p-value) implies the statistical significance of the relationship. The constant term of the model indicates the value of employee performance if all explanatory variables held constant.

As illustrated in table 4.14 the coefficient of regression analysis indicates physical environment, reward, training showed positive effect whereas workload and discrimination showed negative effect and statistically significant at 5% significance level. Conversely, work life balance showed a negative effect but statistically insignificant and democratic leadership style showed positive but statistically insignificant. Therefore, in the next section the researcher present and discuss the effect of predictor variables on employee performance.

Hypothesis 1

H1:1 physical environment has positive and significant effect on employee performance.

Results discussion; The result of multiple regressions as illustrated in table 4.14 above revealed that physical environment has positive and statistically significant effect on employee performance with a beta value of 0.388 and p-value of .000 which is less than 0.05. This implies that, other explanatory variable remain constant, if the mean score value of physical environment increase by 1 unit, on average the mean score value of employee performance increase by 0.388 unit and statistically significant at 5% significance level.

Decision; the researcher rejects the null hypothesis and accepted alternative hypothesis; that means physical environment has significant effect on employee performance. This indicates that, an improvement of physical environment elements (sound, lighting, temperature, work space, design and layout, equipment and tools) will lead to a correspondent increase on employee performance.

Other researchers finding; The research made by nzewi et al (2018), investigated the relationship between physical work environment and employee performance in selected brewing firms in anambra state, Nigeria. The research was cross-sectional study and conducted on 233 employee of brewing firms. They state that physical work environment has positive and significant effect on employee performance; which is consistent with the result of this study.

Hypothesis 2

H1: 2 Reward has positive and significant effect on employee performance

Results discussion; The result of table 4.14 showed that reward has positive and statistically significant effect on employee performance with a beta coefficient of 0.179 and p-value of 0.000, which is less than 0.05. This implies that, other explanatory variable remain constant, if the mean score value of Reward increase by 1unit on average the mean score value of employee performance increase by 0.179 unit and statistically significant at 5% significance level.

Decision; The researcher rejects the null hypothesis and accepted alternative hypothesis; that means reward has significant effect on employee performance. This shows that an increase in

Reward elements like; payment, benefits, promotion and recognition will lead to correspondent increase on employee performance.

Other researchers finding; The research by mansor et al, (2012), studied the effect of reward towards employee job performance in chemical based industries Malaysia. The research was applied quantitative approach and conducted on 127 employees. The finding of the study revealed that reward has significant and positive effect on employee job performance which is in line with the result of this study. The study of salah, m. (2016), titled on the influence of rewards on employee performance also concluded that reward has positive and significant effect on employee job performance.

Hypothesis 3

H1: 3 democratic leadership style has positive and significant effect on employee performance.

Results discussion; As table 4.14 indicates, democratic leadership style showed positive and statistically insignificant effect on employee performance with a beta value of 0.114 and p-value 0.089 which is greater than 0.05.

Decision; the researcher fail to accept directional hypothesis in favor of null hypothesis that means: democratic leadership style has no significant effect on employee performance.

Hypothesis 4

H1; 4 work life balance has positive and significant effect on employee performance.

Results discussion; the result of table 4.14 showed that work life balance has negative but statistically insignificant effect on employee performance with a beta value of -0.009 and p-value of 0.877, which is greater than 5% significance level.

Decision; the research fail to accept hypothesis four or directional hypothesis in favor of null hypothesis that means; work life balance has no significant effect on employee performance.

Other researchers finding; the research by shoaib et al (2013), studied the impact of non financial reward on employee performance a case study of business institutes of Karachi. The

research was conducted on 217 employees by using questionnaires from nine universities. They concluded that there is no significant relationship between work life balance and employee performance with a beta value of 0.430 which is greater than 0.05 and it is consistent with the finding of this study. In this study work life balance showed statistically insignificant effect on employee performance and the reason is as we observe from the demographic characteristics of the respondent most of the employee are single and found in young age group, this implies that there is low level of imbalance or conflict between work activities and non-work activities. The study of Martins' *et al.* (2002) also confirms that individuals who are single and young experience low work life conflict than married employees.

Hypothesis 5

H1; 5 Training has positive and significant effect on employee performance

Results discussion; as table 4.14 depicts that, training has positive and significant effect on employee performance with a beta value of 0.169 and p-value 0.004 which is less than 0.05. This implies that, other explanatory variable remain constant, if the mean score value of training increase by 1 unit on average the mean score value of employee performance increase by 0.169 unit and the relationship is statistically significant at 5% significance level.

Decision; the researcher rejects the null hypothesis and accepted directional hypothesis that means; training has significant effect on employee performance. This shows that when employee get on the job as well as off the job training, identified based on skill gap and evaluated after and before training this will lead to equivalent improvement in their job performance.

Other researchers finding; the study of Afroz (2018), on the effect of training on employee performance a study in banking sector, Tangail Bangladesh, showed that training has a positive and significant impact on employee performance, which is in line with the finding of this research.

Hypothesis 6

H1; 6 work load has negative and significant effect on employee performance.

Results discussion; the result of multiple regression as presented in table4.14 above revealed that, work load has negative significant effect on employee performance with a beta value of -0.169 and p-value of 0.001 which is less than 0.05. This shows that, other explanatory variable remain constant, if the mean score value of work over load increase by 1 unit, on average the mean score value of employee performance decrease by 0.169 unit and the relationship is statistically significant at 5% significance level.

Decision; the researcher rejects the null hypothesis and accepted the directional hypothesis that means: work load has significant effect on employee performance. This implies that, when work is evenly distributed, physically manageable and workers get sufficient break in their job, this will lead to equivalent improvement in their performance.

Other researchers finding; the research finding of kaleem et al (2012), which is titled “the effect of work over load on employee performance “that is conducted in Pakistan water and power development authority indicate that: work overload has significant negative effect on employee performance, which is consistent to the finding of this research. Ali et al (2013) also concluded in their research that work overload has significant negative effect on employee performance.

Hypothesis 7

H1; 7Discrimination has negative and significant effect on employee performance.

Results discussion: furthermore, the results of table4.14 showed that discrimination has significant negative effect on employee performance with a beta value of (-.137) and p- value (0.002) which is less than 0.05. This shows that, other explanatory variable remain constant, if the mean score value of discrimination increase by 1 unit on average the mean score value of employee performance decrease by 0.137 unit and the relationship is significant at 5% significance level.

Decision; the researcher rejects the null hypothesis and accepted the directional hypothesis: this implies that, when discrimination based on gender, age, religion and ethnicity increases, the performance of employee reduces drastically.

Other researchers finding: the research finding of Alagah et al (2017), which is titled “the discrimination and employee performance” that is conducted in Nigeria food and beverage sector indicates that: discrimination has negative significant effect on employee performance, which is similar to the finding of this research. Omoh et al (2015) also concluded that discrimination has significant negative impact on employee performance.

Generally from the results, all work environmental variables except work life balance and democratic leadership style used in the study had greatest impact in improving employee performance. The result of this finding is summarized in table4.16

Table 4.16: Summary of actual and expected sign of explanatory variables on dependent variable.

No.	Explanatory variables	Expected sign and impact	Actual sign and impact	Result
1	Physical environment	Positive and significant	Positive and significant	Supported
2	Reward	Positive and significant	Positive and significant	Supported
3	Democratic Leadership style	Positive and significant	Positive and insignificant	Not Supported
4	Work life balance	Positive and significant	Negative and insignificant	Not Supported
5	Training	Positive and significant	Positive and significant	Supported
6	Work overload	Negative and significant	Negative and significant	Supported
7	Discrimination	Negative and significant	Negative and significant	Supported

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

INTRODUCTION

This chapter presents overall summary of main findings of the analysis part, followed by the conclusion of the study through which the research objective was addressed. Furthermore, this part also includes possible recommendations and suggestions for further studies.

5.1. SUMMARY OF FINDINGS

The objective of the study was to investigate and analyze the impact of working environment on employee performance using major factors of working environment physical environment, Reward, democratic leadership style, work life balance, training, work load and discrimination. The research was undertaken in 11 factories found in Bole lemi Industrial park. The study was conducted using self administered questionnaires to the target population of 14,030 operational employees: out of 315 sampled employees 298 of them responded properly. Furthermore, the research is analyzed by using statistical package for social science version 25.

The descriptive statistics of the variables revealed that, most of the employees agreed with democratic leadership style with a cumulative mean value of 3.55 and 0.907 standard deviation, training with a mean value of 3.49 and 1.083 standard deviation, physical environment scored mean value of 3.47 and 0.997 standard deviation and employee performance with a cumulative mean and standard deviation (3.97 and 1.150) respectively While employee on other variables agreed work life balance (3.33 and 1.095), discrimination (3.02 and 1.149) mean and standard deviation respectively. However, work load scored mean value of 2.39 and 1.100 standard deviation; reward scored a mean value of 2.63 and 1.100 standard deviation.

Pearson product moment correlation coefficient results showed a significant positive relationship between physical environment, reward, democratic leadership style, work life balance, training and employee performance while negative significant relationship is found between workload, discrimination and employee performance. The finding further revealed that, strong relationship is found between physical environment, reward, democratic leadership style, work life balance,

training, and workload and employee performance. Moderate relationship is revealed between discrimination and employee performance.

The model summary of multiple regression revealed that 60.2% of the variation in employee performance is explained by seven factors of working environment included in the study. The remaining 39.9% is explained by other variable that is not included in the model. The Anova table also revealed that, the constructed model is statistically significant even at 1% significance level. The coefficient table also indicates that physical environment has high impact on employee performance with a beta value of (.388), followed by reward (.179), training (.169), workload (-.169), discrimination (-.137), democratic leadership style (.114) and work life balance (-.009). Moreover, from the finding of this study, coefficient table indicate that physical environment, reward and training has positive and significant impact on employee performance while discrimination and workload showed negative and significant impact on employee performance. However, work life balance showed negative insignificant effect, and democratic leadership style has positive but statistically insignificant impact on employee performance.

5.2. CONCLUSIONS

- ❖ The regression output revealed that Physical environment has positive and statistically significant impact on employee performance. The correlation analysis also confirmed positive and significant relationship. From this it was concluded that as suitability of physical working environment increase it lead to correspondent increase in their performance.
- ❖ The coefficient of reward variable in the model is positive and statistically significant at 5% significance level. Correlation analysis also reveals that, there is significant and positive relationship between reward and employee performance. Thus, an increase in reward result in dramatically increased employee performance.
- ❖ Democratic Leadership style has positive relationship with employee performance; however the regression output reveals that it has positive impact and statistically insignificant. As such, it has been concluded that leadership style has low impact on employee performance.
- ❖ Work life balance found to have a positive and significant relationship with employee performance. However, the coefficient table revealed it has negative impact and

statistically insignificant. Therefore, work life balance has a little impact on employee performance.

- ❖ Regarding training, the coefficient table showed that, the performance of employee increase when training increase. Thus, training has positive and statistically significant impact at 5% significance level. Correlation analysis also revealed positive and significant relationship. The higher workers get training tends to have increased performance.
- ❖ Regarding workload, the coefficient table showed that it has negative impact and statistically significant at 5% significance level. The correlation analysis also reveals negative and statistically significant relationship. From this, it was concluded that when employees overworked, this result in poor performance of employees, as they take work as burden and start losing interest.
- ❖ The regression output of discrimination showed that it has negative and significant impact on employee performance. Correlation analysis also reveals negative and significant relationship. Thus, higher discrimination at work place results in equivalent decrease on employee performance.

5.3. RECOMMENDATIONS

On the basis of the above summary of finding and conclusions of the study, the following recommendations are forwarded to the management of industrial park.

- ☞ Since physical working environment has strong relationship with employee performance; suitable work environment allow workers to perform better, improve productivity, and maximize quality in their performance. Therefore, its recommended that physical environment (in terms of lighting, noise level, temperature and ventilation) should be made sure that they stay at an acceptable level so as employees don't get distracted or bothered by them on their job).
- ☞ Since reward has strong relationship with employee performance; appropriate reward will lead employee to be encourage at work which also helps to increase their performance. Thus, the management needs to design a remuneration package Fair salary, reasonable overtime payment and managers should establish criteria for

identifying employees who are eligible for recognition, then recognize anyone who meets the criteria by being consistently fair.

- ☞ When employees get sufficient training related to their work, helps them to perform better, improve productivity and maximize performance. Thus, the management within organizations should realize the importance of providing on-the job as well as off-the job training and evaluating performance after training is conducted and this will bring a fruitful change in their performance.
- ☞ The more employees provided with work which is matched with their physical and mental ability, the more likely to perform better and improve their performance. Therefore, the management should make sure that workers are not burdened, to have sufficient breaks and assigning the right skill at the right job.
- ☞ When discrimination prevail in work place employee feel ignored because of their age, gender, religion and ethnicity and this lead to significant decrease on their performance. Therefore, the management should enact workplace policy to reduce discrimination and such policy should be reviewed frequently to ensure that its effectiveness is maintained. Additionally, the culture of the organization should inspire employees irrespective of gender, age, ethnic group or religious belief to participate in decision making as this will help to reduce discrimination in the workplace.

5.4. SUGGESTIONS FOR FURTHER STUDIES

This research was undertaken only in bole lemi industrial park found around Addis Ababa; as such the finding of this study may not represent the entire industrial parks through Ethiopia. Therefore, using the finding of this research as a bench mark other researchers need to conduct research in this area. Besides, the researcher recommends that this study only included seven working environment variables such as physical environment, reward, democratic leadership style, work life balance, training, work load and discrimination. There could be other relevant working environment factors that are more important for the issue under study but excluded due to different reasons. Therefore, it would be better if the future researchers consider more factors of working environment that affect employee performance like mill availability, work place violence, job autonomy, harassment, transportation problem and occupational health and safety.

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Appendix A: Questionnaire
Addis Ababa University

College of Business and Economics

MBA Program

Dear respondents: This questionnaire is prepared for a research study purpose entitled “Effect of working environment on employee’s performance”. The expected respondents for this questionnaire will be Operational Employees of bole lemi industrial park. The researcher asks respondents to give sincere and accurate data to make proper analysis of. The researcher would like to note that data will be kept confidential and will only be used for study purpose. I would like to thank you in advance for your honest cooperation.

Put a “√” on your choice of agreement.

Section one: Demographic Information

1. Gender: Male Female
2. Age 18-25 26-33 34-41 42-49 Above50
3. Marital Status: Single married divorced
4. Education status below grade 12 Grade 12 Diploma Degree

Section two: The table that follows in the next section consist list of items, Please put “√” mark for every statement based on your level of agreement.

5: Strongly agree 4: Agree 3: Neutral 2: Disagree 1: Strongly Disagree

	Description of items	strongly disagree	disagree	neutral	agree	Strongly agree
		1	2	3	4	5
<u>No</u>	1. Physical work environment.					
1	There is an air conditioning facility to control the heat when the machines are working.					
2	The machineries in the organization are placed in such a way that is appropriate to operate them.					
3	My workplace provides an undisturbed					

	environment without any noise that gives me alone time to perform my duties.					
4	The equipment I use suits my posture and I can easily adjust.					
5	I can see very well while working with machines in the organizations because lighting issues is considered while Placing them.					
	2. Reward					
1	The basics of payment, for example, over time payment are reasonable.					
2	I earn the same as or more than other people on a similar job.					
3	My salary is satisfactory in relation to what I do.					
4	The benefit system of the organization treats each employee reasonably.					
5	My medical scheme is satisfactory.					
6	The opportunity for promotion exists in this organization.					
7	I am praised regularly for my good work.					
8	I have the authority to correct daily problem when they occur					
	3. democratic leadership style					
3	My immediate supervisor encourages me to express my opinions in planning and implementing the work					
2	My immediate supervisor concerns the working procedures and gives me freedom to choose tasks because he trusts my opinions					

	and decisions.					
3	My immediate supervisor encourages me to be creative in my work and bring new ideas.					
4	My immediate supervisor participate me in decision making process.					
5	My immediate supervisor use varied methods of reward as required by situation and conditions					
6	My supervisor delegates some of his power to employee working with him					
7	My immediate supervisor gives me the opportunity to initiative in facing difficult situations.					
8	My immediate supervisor follow me when I am late believing that strict supervision make me feel the importance of my work					
	4. work life balance					
1	I have support at work to balance my work and personal life.					
2	Work doesn't interfere with my time for family and friends.					
3	My work doesn't interfere with activities outside of work.					
4	I am satisfied with the number of hours I work.					
5	I am satisfied with the balance between my work and personal life.					
	5. Training					
1	Workers who need training are identified based on their skill gap.					
2	Our organization provides regular training to					

	develop skills that will help us to work properly.					
3	My organization provide training for employees by using on-the job training method.					
4	My organization provides training for employees by using off-the job training method.					
5	My organization conducts training evaluation after training is conducted.					
	6. work load					
1	I didn't work long and difficult working hours and days					
2	I am able to meet the dead line I have for my work					
3	I didn't feel over worked by the demand place on me					
4	I didn't feel tired by the demand placed on me					
5	I am able to take sufficient breaks					
	7.Discrimination					
1	The company hire employee regardless of their gender					
2	Fair treatment is given to all employees, whether they are male or female.					
3	Discrimination based on age doesn't prevail in work place.					
4	My supervisor includes all members of different ethnicity in problem solving and decision making.					
5	The company provides equal opportunity for					

	workers regardless of their race.					
6	Discrimination based on religion doesn't prevail in work place.					
	Employee Performance					
1	I meet the target quantity required by the organization.					
2	I produce products that are free from defects.					
3	I take the appropriate amount of time to complete my tasks.					
4	I produce good results with low cost to the organization.					
5	I am present on work on a regular basis.					
6	I came up with creative ideas at work.					
7	My work goals are well aligned with that of the company's.					

'THANK YOU FOR YOUR PARTICIPATION'

2.2	እኔ ሌሎች ሰዎች በተመሳሳይ የስራ መደብ ላይ ሆነው ከሚያገኙት ጋር እኩል ወይም ከዚያ በላይ አገኛለሁ።						
2.3	ደመወዜ ከምሰራው ስራ አንጻር አጥጋቢ ነው።						
2.4	የድርጅቱ የጥቅማጥቅም ስርአት እያንዳንዱ ሰራተኛ በምክንያታዊነት ያስተናግዳል።						
2.5	የሕክምና ዐቅድ አጥጋቢ ነው።						
2.6	በዚህ ድርጅት ውስጥ የእድገት እድል አለ።						
2.7	ለሰራሁት ጥሩ ስራ ሁል ጊዜም እመሰግናለሁ።						
2.8	በየቀኑ ችግሮች ሲፈጠሩ የማስተካከሉ ስልጣን አለኝ።						
	3. ዲሞክራሲያዊ የአመራር አይነት						
3.1	የቅርብ አለቃዬ በስራ እቅድ እና አተገባበር ላይ ሃሳቤን እንድገልፅ ያበረታታኛል።						
3.2	የቅርብ አለቃዬ ስለ ስራ አሰራሮች ትኩረት ይሰጣል። እንደዚሁም ሃሳቦቼን እና ውሳኔዎቼ ላይ ስለሚተማመን ስራ እንድበልጥ ነፃነቴን ይሰጠኛል።						
3.3	የቅርብ አለቃዬ በስራዬ የፈጠራ ችሎታ እንዲኖረኝ እና አዳዲስ ሃሳቦችን እንዳመጣ ያበረታታኛል።						
3.4	የቅርብ አለቃዬ በውሳኔ አሰጣጥ ሂደት ላይ ያሳትፈኛል።						
3.5	የቅርብ አለቃዬ እንደ አግባቡ እና እንደ ሁኔታው አስፈላጊነት የተለያዩ የማበረታቻ እና የቅጣት ዘዴዎችን ይጠቀማል።						
3.6	የቅርብ አለቃዬ አብሮ ለሚሰሩት ሰራተኞች የተወሰኑ ስልጣኖቹ ላይ ይወክላቸዋል።						
3.7	የቅርብ አለቃዬ ከባድ ሁኔታዎችን ለመጋፈጥ እንድንሳሳ እድሉን ይሰጠኛል።						
3.8	የቅርብ አለቃዬ ይከታተላል፤ በኋላ ሳምንት ጥብቅ ቁጥጥር የስራ አስፈላጊነት እንዲገባኝ አድርጓል።						
	4. የስራና የኑሮ ሚዛን						
4.1	በስራዬ ላይ ስራዬን እና የግል ሕይወቴን እንዳመጣጥን ድጋፍ አለኝ።						
4.2	ስራዬ ለቤተሰብ እና ለጓደኞች ካለኝ ጊዜ ጋር ጣልቃ አይገባብኝም።						
4.3	የእኔ ሥራ ከስራ ውጭ ያሉ ስራዎችን እያስተጓጉልኝ						
4.4	በምሰራው የሰዓት ብዛት ረክቻለሁ።						
4.5	በስራዬ እና በግል ሕይወቴ መካከል ባለው መመጣጠን ረክቻለሁ።						
	5. ስልጠና						
5.1	ድርጅቱ ሰራተኞችን ባላቸው የሙያ ክፍተት ላይ ተመስርቶ ለስልጠና ይለያቸዋል።						
5.2	ድርጅታችን በአግባቡ ለመስራት የሚረዳ ክህሎት ለማዳበር የሚጠቅሙ መደበኛ ስልጠናዎችን ይሰጣል።						
5.3	ድርጅቱ የስራ ላይ ስልጠና ዘዴን በመከተል ለሰራተኞች ስልጠና ይሰጣል።						
5.4	ድርጅቱ ከስራ ውጪ ስልጠና ዘዴን በመከተል ለሰራተኞች ስልጠና ይሰጣል።						
5.5	ድርጅቱ ስልጠና ከተከናወነ በኋላ የስልጠና ምዘና ያከናውናል።						

	6. የስራ ጫና						
6.1	ረጅም እና ከባድ የስራ ሰዓታት እና ቀናትን አልሰራም።						
6.2	ለስራዬ ያለኝን የጊዜ ገደብ ማሳካት እችላለሁ።						
6.3	ባለብኝ ጫና ከልክ በላይ እንደሰራሁ ሆኖ አይሰማኝም።						
6.4	ባለብኝ ጫና የድካም ስሜት አይሰማኝም።						
6.5	በቂ የስራ መሃል እረፍቶችን ማድረግ እችላለሁ።						
	7. መድልክ						
7.1	ድርጅቱ ሰራተኞችን በጾታቸው ሳይለያቸው ይቀጥራል።						
7.2	ወንድም ይሁን ሴት ለሁሉም ሰራተኞች እኩል መስተንግዶ ይሰጣቸዋል።						
7.3	በስራ ቦታ በእድሜ ላይ የተመሰረተ መድልክ የለም።						
7.4	የቅርብ አለቃዬ በችግር አፈታት እና በውሳኔ አሰጣጥ ላይ የሁሉንም የተለያዩ ብሄር አባላትን ያሳትፋል።						
7.5	ድርጅቱ ብሄር ላይ ሳይመሰረት ለሰራተኞች እኩል እድል ይሰጣቸዋል።						
7.6	በስራ ቦታ በሐይማኖት ላይ የተመሰረተ መድልክ የለም።						
	የስራ አፈጻጸም						
8.1	በድርጅቱ የሚወሰነው የምርት ግብ አሟላለሁ						
8.2	ከእርግት ነፃ የሆኑ ምርቶችን አመርታለሁ						
8.3	የተሰጠኝን ስራ በተገቢው ሰዓት እጨርሳለሁ						
8.4	ድርጅቱን ብዙ ወጪ ሳላስወጣ ጥሩ ውጤት አሳያለሁ						
8.5	በስራ ገበታዬ ላይ ሁልጊዜ እገኛለሁ						
8.6	በስራ ላይ በተሻለ ሁኔታ የፈጠራ ሀሳቦችን አመጣለሁ						
8.7	የስራ ግብጭክ ድርጅቱ አላማ ጋር የተቆራኘ ነው						

Appendix B: Descriptive statistics for each items
Physical working environment item

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
PE1	298	1	5	3.44	1.355
PE2.	298	1	5	3.76	1.142
PE3	298	1	5	2.77	1.312
PE4	298	1	5	3.72	1.175
PE5	298	1	5	3.71	1.202
Valid N (list wise)	298				

Reward items

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
R1	298	1	5	3.06	1.383
R2	298	1	5	3.13	1.421
R3	298	1	5	2.32	1.309
R4	298	1	5	2.32	1.324
R5	298	1	5	3.14	1.397
R6	298	1	5	3.10	1.405
R7	298	1	5	2.30	1.272
R8	298	1	5	2.29	1.304
Valid N (listwise)	298				

Democratic Leadership style items

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
DLS1	298	1	5	3.43	1.238
DLS2	298	1	5	3.42	1.248
DLS3	298	1	5	3.46	1.245
DLS4	298	1	5	3.86	1.247

DLS5	298	1	5	3.46	1.247
DLS6	298	1	5	3.34	1.234
DLS7	298	1	5	3.51	1.190
DLS8	298	1	5	3.95	1.167
Valid N (list wise)	298				

Work life balance items

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
WLB1	298	1	5	3.27	1.278
WLB2	298	1	5	3.18	1.237
WLB3	298	1	5	3.66	1.336
WLB4	298	1	5	3.21	1.302
WLB5	298	1	5	3.38	1.529
Valid N (listwise)	298				

Training items

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
T1	298	1	5	3.55	1.330
T2	298	1	5	3.64	1.093
T3	298	1	5	3.15	1.224
T4	298	1	5	3.56	1.312
.T5	298	1	5	3.58	1.237
Valid N (list wise)	298				

Workload items

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
WL1	298	1	5	2.48	1.285
WL2	298	1	5	2.33	1.297
WL3	298	1	5	2.41	1.276
WL4	298	1	5	2.50	1.324
WL5	298	1	5	2.16	1.309
Valid N (list wise)	298				

Workplace discrimination items

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
D1	298	1	5	3.06	1.562
D2	298	1	5	3.23	1.427
D3	298	1	5	2.69	1.567
D4	298	1	5	3.07	1.445
D5	298	1	5	3.26	1.425
D6	298	1	5	2.84	1.560
Valid N (list wise)	298				

Employee performance items

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
EP1	298	1	5	4.32	1.275
EP2	298	1	5	3.94	1.257
EP3	298	1	5	4.09	1.290
EP4	298	1	5	3.79	1.307
EP5	298	1	5	4.26	1.310
EP6	298	1	5	3.21	1.119
EP7	298	1	5	4.23	1.416
Valid N (list wise)	298				

Appendix C: Factor Analysis

Component matrix	
Physical environment	Factor loading
There is an air conditioning facility to control the heat when the machines are working	0.813
The machineries in the organization are placed in such a way that is appropriate to operate them.	0.861
My workplace provides an undisturbed environment without any noise that gives me alone time to perform my duties.	0.589
The equipment I use suits my posture and I can easily adjust.	0.834
I can see very well while working with machines in the organizations because lighting issues is considered while Placing them.	0.861

Reward	Factor loading
The basics of payment, for example, over time payment are reasonable.	0.804
I earn the same as or more than other people on a similar job.	0.766
My salary is satisfactory in relation to what I do.	0.643
The benefit system of the organization treats each employee reasonably.	0.701
My medical scheme is satisfactory.	0.787
The opportunity for promotion exists in this organization.	0.764
I am praised regularly for my good work.	0.701
I have the authority to correct daily problem when they occur	0.679

Democratic Leadership style	Factor loading
My immediate supervisor encourages me to express my opinions in planning and implementing the work	0.745
My immediate supervisor concerns the working procedures and gives me freedom to choose tasks because he trusts my opinions and decisions.	0.647
My immediate supervisor encourages me to be creative in my work and bring new ideas.	0.797
My immediate supervisor participate me in decision making process.	0.741
My immediate supervisor use varied methods of reward and punishment as required by situation and conditions	0.713
My supervisor delegates some of his power to employee working with him	0.733
My immediate supervisor gives me the opportunity to initiative in facing difficult situations.	0.81
My immediate supervisor follow me when I am late believing that strict supervision make me feel the importance of my work.	0.732

Work life balance	Factor loading
I have support at work to balance my work and personal life.	0.858
Work doesn't interfere with my time for family and friends.	0.829
My work doesn't interfere with activities outside of work.	0.859
I am satisfied with the number of hours I work.	0.886
I am satisfied with the balance between my work and personal life.	0.644

Training	Factor loading
Workers who need training are identified based on their skill gap.	0.901
Our organization provides regular training to develop skills that will help us to work properly.	0.888
My organization provide training for employees by using on-the job training method.	0.699
My organization provides training for employees by using off-the job training method.	0.860
My organization conducts training evaluation after training is conducted.	0.869

Workload	Factor loading
I didn't work long and difficult working hours and days	0.906
I am able to meet the dead line I have for my work	0.892
I didn't t feel over worked by the demand place on me	0.914
I didn't feel tired by the demand placed on me	0.905
I am able to take sufficient breaks	0.632

Discrimination	Factor loading
The company hire employee regardless of their gender	0.806
Fair treatment is given to all employees, whether they are male or female.	0.712
Discrimination based on age doesn't prevail in work place.	0.722
My supervisor includes all members of different ethnicity in problem solving and decision making.	0.848
The company provides equal opportunity for workers regardless of their race.	0.705
Discrimination based on religion doesn't prevail in work place.	0.808

Employee performance	Factor loading
I meet the target quantity required by the organization.	0.939
I produce products that are free from defects.	0.892
I take the appropriate amount of time to complete my tasks.	0.944
I produce good results with low cost to the organization.	0.890
I am present on work on a regular basis.	0.939
I came up with creative ideas at work.	0.724
My work goals are well aligned with that of the company's.	0.930