

**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**SCHOOL OF COMMERCE**



**THE INFLUENCE OF WORK ENVIRONMENT ON EMPLOYEE  
PERFORMANCE: A CASE STUDY ON ABAY INSURANCE SHARE  
COMPANY**

*A Thesis Submitted to Addis Ababa University School of Commerce in Partial Fulfillment of the  
Requirement for the Degree of Master of Arts in Human Resource Management*

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**ADDIS ABABA UNIVERSITY**  
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**THE INFLUENCE OF WORK ENVIRONMENT ON EMPLOYEE**  
**PERFORMANCE**  
**(In The CASE of ABAY INSURANCE SHARE COMPANY)**

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## **Letter of Certification**

This is to certify that, this project work “The Influence of Work Environment on Employee Performance: A Case Study on Abay Insurance Share Company”, undertaken by Iman Ibrahim for the partial fulfillment of Master’s of Art (HRM) at Addis Ababa University school of commerce, is an original work and not submitted earlier for any degree either at this university or any other university.

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**Abeba Beyene (PhD)**

**Research advisor**

## **Letter of Declaration**

I, **Iman Ibrahim Yusuf**, declare that this study entitled “The Influence of Work Environment on Employee Performance: A Case Study on Abay Insurance Share Company”, is carried out by me and only me independently except for the guidance and suggestions of the research advisor. The paper was not submitted for any other degree or diploma in this or other university by any other person so far. I also declare that I have fully acknowledged all the sources used and I have not committed plagiarism in any form.

Iman Ibrahim Yusuf

Signature: \_\_\_\_\_

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# Table of Contents

Acknowledgements .....	iii
Table of Contents .....	iv
List of Tables .....	vii
Acronyms.....	viii
Abstract.....	ix
CHAPTER ONE;INTRODUCTION .....	1
1.1.    Background of the Study .....	1
1.2.    Statement of the Problem.....	3
1.3.    Objectives of the study .....	4
1.3.1.    General Objective.....	4
1.3.2.    Specific objectives.....	4
1.4.    Basic Research Question .....	5
1.5.    Significance of the problem.....	5
1.6.    Scope of the Study .....	5
1.7.    Limitation of the Study.....	6
1.8.    Operational Definition Key Terms.....	6
1.9.    Limitations and Implications for further research.....	7
1.10.    Organization of the research report .....	7
CHAPTER TWO;LITERATURE REVIEW .....	8
2.1.    Employee performance.....	8
2.2.    Theories of Employee Performance .....	9
2.2.1.    Contingency theory.....	9
2.2.2.    Resource-based view .....	10
2.2.3.    AMO framework. ....	10
2.3.    Workplace Factors that Affect Employee Performance .....	11

2.3.1.	Physical Work Environment .....	11
2.3.1.1.	Furniture.....	12
2.3.1.2.	Lighting and Ventilation .....	12
2.3.1.3.	Noise .....	13
2.3.2.	Psychosocial Work Environment .....	13
2.3.2.1.	Supervisory support .....	14
2.3.2.2.	Role Congruity .....	14
2.3.2.3.	Quality Leaders.....	15
2.3.3.	Work Life Balance.....	16
2.3.3.1.	Work-Family Conflict and Family-Work conflict.....	17
2.4.	Relationship between Workplace Factors and employee performance .....	18
2.4.1.	Relationship between Physical work environment and employee performance .....	19
2.4.2.	Relationship between psychosocial work environment and employee performance.....	20
2.4.3.	Relationship between work life balance and employee performance .....	22
2.5.	Conceptual Framework .....	22
2.6.	Research Hypotheses.....	23
CHAPTER THREE;RESEARCHMETHODOLOGY .....		24
3.1.	Research Setting and Approach .....	24
3.2.	Organizational Context.....	24
3.3.	Research Design.....	25
3.4.	Population and Sample .....	25
3.5.	Data Collection Methods .....	25
3.6.	Reliability and Validity .....	26
3.7.	Data preparation.....	27
3.8.	Data Collection Instruments and Procedure .....	27
3.9.	Method of Data Analysis .....	28
3.10.	Ethical Considerations .....	28
CHAPTER FOUR;DATA ANALYSIS AND INTERPERTATION .....		29
4.1.	Respondents' profile.....	29
4.2.	Descriptive Analysis.....	31

4.3.	Correlation Analysis between work environment and employee performance .....	34
4.4.	Regression analysis .....	36
4.4.1.	Multiple Regressions .....	36
4.5.	Hypothesis Testing .....	39
Chapter Fiv;Findings, Conclusions and Recommendation, .....		40
5.1.	Summary of Findings .....	40
5.2.	Conclusions.....	41
5.3.	Recommendations .....	42
Reference .....		x

## **Appendixes**

Appendix 1; Questionnaires

Appendix 2; Interview Questions

Appendix 3; Back Ground of Respondent and Descriptive Statistics

Appendix 4; Reliability Test

Appendix 5; Correlation Analysis

Appendix 6; Regression Analysis

# List of Tables

Table 1:Pre-test results of Cronbach’s Alpha .....	27
Table 3:Respondents’ profile .....	30
Table 4:Descriptive Statistics.....	32
Table 5:Correlation.....	34
Table 6:Table Multiple linear regression result model summary .....	36
Table 7:ANOVA <sup>a</sup> .....	36
Table 8 Coefficients <sup>a</sup> .....	37

## **Acronyms**

ANOVA= Analysis of Variance

AIC=Abay Insurance Company

AMO=Ability Motivation and opportunity

SPSS = Statistical Package for Social science

WWW=World Wide Web

WLB=Work Life balance

WFC=Family-work conflict

FWC=Work-family conflict

## **Abstract**

*This research was conducted to assess the influence of work environment on employee performance Abay Insurance Share Company. Employees' performance level depends on the factors of workplace environment which are psychosocial environment, physical environment and work life balance adapted from (Gitahi, Waiganjo and Koima, 2015), (Allen, 2001) and (Babin and Boles,1998). A total of 156 questionnaires were distributed to all Abay Insurance Share Company employee to assess the influence of work environment on AIC employee performance and 149 questionnaires were returned and usable for a comprehensive empirical analysis. Both descriptive and inferential statistics have been used to find mean score and to test hypothesis and to investigate research problem, objectives and questions. From the descriptive result it found that the work extracurricular activity, furniture, noise and supervisory found to be somewhat conducive for the employee others are not conducive or good working environment. From the correlation analysis it was found that all working environment variables correlated with employee performance. From the regression analysis done, it has been found that working environment variables have positive association with employee performance. To determine the relative importance of the work environment variables the regression analysis has also revealed that work life balance variables has been found to be the most important variable in affecting employee performance followed by physical and psychosocial working environment variables. Therefore, AIC should try to make every effort to prioritize the important variable while creating conducive working environment to improve the performance of its employee*

**Key words:** *Performance, Physical environment, psychosocial environment and work-life balance*

# CHAPTER ONE

## INTRODUCTION

This chapter presents an overall introduction about the nature of the problem the researcher studied and raises the research question answered and research objectives met.

### **1.1. Background of the Study**

Job performance of employees is one of the fundamental concerns of all organizations. There is also a consensus that employees perform better when the workplace environment is perceived to be conducive for them. Job performance has been studied by several scholars. It refers to the behaviors or activities that are performed towards achieving the organization's goals and objectives (Motowidlo, Borman, and Schmit, 1999). According to Rothman and Coetzer, (2003) job performance is defined as a multidimensional construct which indicates how well employees perform their tasks, the initiative they take and the resourcefulness they show in solving problems.

Performance is important for organizations as employee performance leads to business success and performance is important for individual as accomplishing tasks can be a source of satisfaction (Muchhal,2014). It became an issue since in the early 1960s when the performance appraisal system was in practice and it's still revolving. The concepts of performance are studied through evaluation of overall performance and the management of the performance; and the evaluation of performance is the process classifying certain outcomes within a definite timeframe (Coens and Jenkins,2002). Following performance appraisal, studies were made on how to improve employee performance, and studying the factors affecting it has become inevitable concern.

Now a day we are in a dynamic working environment and the management's new challenge is to form an environment that attracts, retains and motivates its workforce. The responsibility to create conducive work environment lies with managers and supervisors at all levels of the organization. They have to create a working environment where people enjoy what they do, feel like they have a purpose, have pride in what they do and can reach their potential. (Opperman,2002) defines working environment is a composite of three major sub-environments: the technical environment, the human environment and the organizational environment.

Technical environment refers to tools, equipment, technological infrastructure and other physical or technical elements. The technical environment creates elements that enable employees perform their respective responsibilities and activities. The human environment refers to peers, others with whom employees relate, team and work groups, interactional issues, the leadership and management. This environment is designed in such a way that encourages informal interaction in the work place so that the opportunity to share knowledge and exchange ideas could be enhanced.

Factors of workplace environment play an important role towards the employees' performance. According to Chandrasekar,(2011) the factors of workplace environment give an immense impact to the employees' either towards the negative outcomes or the positive outcomes. To survive in the industry company needs to have work environment that attract and retain employee. Work environment play a vital role in the employee performance there by to the organization. Now a day the industry facing in prevailing of shortage of experienced work force, therefore it is important that the organization are responsible to attract and retain talented employee to sustain in the industry. Reviews of studies in the area verify that the contributions of work environment in employee performance as well as organizational performance have long been accepted all over the world.

To realize the aim working environment can be regarded as means for the enhancement of employee's performance. Abay Insurance Share Company is one of insurance company in the country currently providing diversified insurance service to meet ever changing exposure facing public by using ethical profession. Therefore to achieve its objectives it has to embrace strategies of keeping the quality of the workplace environment highly conducive and smooth that employees perceive as they expected in which they are able to utilize their full potential.

Employees' performance level depends on the factors of workplace environment which are psychosocial environment, physical environment and work life balance. These three factors determine how the employees' get engaged with or attached to the organization. By conducting this study, the researcher was able to identify the factors that could contribute to workplace environment that affect employees' performance.

Therefore, this study focuses on assessing the influence of work environment on employee performance. Employee performance is strongly related to organizational

performance; effective and efficient employee performance positively influences organizational performance. Thus, as stated by Borman,(2004) work environment has an important impact in employee performance and which in turn affects the organizational performance.

## **1.2. Statement of the Problem**

The work environment in an organization plays a crucial role in determining employees' performance (Mutia and Sikalieh, 2014). Even though researches show that more than half of the performance problems relay on work environment, many organizations pay a lot of attentions to the employee's performance enhancement through the acquisition of skill (Gitahi 2014, Awan and Tahir,2015 cited Taiwo,2010). Now a days, organizations are working to improve the physical work environment, psychosocial environments and the work life balance of employee and also working on such activities like motivation, training and development, the relationship between management and employees and the relationship between co-workers which are mandatory for the enhancement of employee performance (Smith ,2010).

Earlier studies Gitahi, Awan and Tahir, (2015) investigated only the psychosocial aspects that influence employees performance and the result showed strong relationship between psychosocial aspects and performance. Taiwo (2010) studied the work environment (internal and external) on employee performance and the result showed the existence of positive relationship between work environment and employees performance.

This indicates that most studies in the past revealed either one of the three variables and/or employees' performance measurement was missing. This research used the three variables as well as performance measurement; in addition it incorporated work family conflict on the conceptual frame work to conduct the research.

Insurance industry make significant investments in recruiting knowledgeable personnel and side by side different facilities of physical environment such as furniture, lightening and ventilation that are extremely important to maximizing individual performance. Besides, the non-physical aspects work-life balance and psychosocial environments which are mandatory for the enhancement of performance. The earlier studies Gitahi (2014), Awan and Tahir(2015) investigated only the psychosocial aspects that influence employees performance and the result

showed strong relationship between psychosocial aspects and performance. Taiwo (2010) studied the work environment on employee performance in the selected oil and gas industry in Nigeria, and the study provide more attention for the blue collar workers. And the result showed the existence of positive relationship between work environment and employees performance.

According to Gitah, (2010) more than half of the performance problems relay on the related to work environment, many organizations pay a lot of attentions to the employee's performance enhancement through the acquisition of skill. The researcher identified work environment problems that hinder the performance of employees in Abay Insurance Share Company, so the research purposely designed to assess the influences of work environments (psychosocial, physical and work life balance) on the employee's performance. The researcher selected Abay Insurance Share Company, as the company is now facing a growing competition with the prevailing shortage of experienced professionals; therefore, it is important to focus on employees' motivation and performance so as to ensure it sustainability. More than 75% of employees at Abay Insurance have less than two years work experience. At the same time the industry requires professional and specialized workforce, and majorly depend on human talent, hence, it is imperative for organizations to concentrate on employees' performance and utilize the workforce as a competitive advantage. Moreover, employee turnover and employees' movement among the industry has turned out to be a major concern for organizations in the industry.

### **1.3. Objectives of the study**

#### **1.3.1. General Objective**

The general objective of this study was to assess the influence of work environment on employee performance of Abay Insurance Share Company.

#### **1.3.2. Specific objectives**

The research focuses on the following specific points:

- To assess to what extents physical work environments (furniture, lighting & ventilation and noise) can influence employee's performance in Abay Insurance Share Company.
- To assess to what extents psychosocial work environments (supervisory support, role congruity and quality leaders) can influence employees' performance in Abay Insurance Share Company.

- To assess to what extents Work Life Balance (work-family conflict, family-work and work-extracurricular conflict) can influence employees' performance in Abay Insurance Share Company.

#### **1.4. Basic Research Question**

- To what extents does physical work environments can influence employee's performance in Abay Insurance Share Company?
- To what extents does a psychosocial work environment can influence employees' performance in Abay Insurance Share Company?
- To what extents does a Work Life Balance can influence employees' performance in Abay Insurance Share Company?

#### **1.5. Significance of the problem**

Companies in the insurance industry are experiencing high level of competition and are struggling to get competitive advantage. The only way they can make a difference is through people (doing things in a different and better way). Therefore, the research is conducted to identify and analyze factors affecting the work environment. The results of this study will mainly help the company to fix its problem thereby improving its performance. In addition, the study finding will have important implications for the management specifically for the human resource management. It also will provide insights on what the working environment looks like; instigate the responsible bodies to create smooth working conditions.

#### **1.6. Scope of the Study**

This research was concentrated on the effect of work environment on employees performance in the Abay insurance industry. To study the effect comprehensively, a wider area of investigation would be essential. As this study was conducted in one organization that is Abay Insurance Company S.C it might not be generalized to other Insurance company. Moreover, interviews which were administered to the management staffs were conducted for those who reside in Addis Ababa due to time and cost constraints. Therefore, future research should be conducted on large scale by considering more than one organization.

## 1.7. Limitation of the Study

This research had some problem regarding time and financial constraint in collecting, analyzing and interpreting the data. Therefore, time was a significant constraint to develop a proper finding.

## 1.8. Operational Definition Key Terms

**Performance:** as how well a person completes responsibilities and also the attitude with which he/she completes the tasks (Brown, 2008).

**Employee performance** is depending on the willingness and openness of the employees in doing their job, it could increase the employees' productivity which also leads to the performance (Sinha, 2001).

**Work environment** is the totting up of interrelationships that exists and contained by the employees and the environment in which they operates their work (Gitahi, 2015).

**Physical work environment** Is the environment where these human beings are fit with their job. This physical work environment might include the noise, lightings, ventilation and also the temperature (Stup, 2003).

**Psychosocial environment** refers to the interaction between the environment and working conditions, organization provides for the workers such as training and development, motivation, the relationship between workers and management, the workers themselves and other complex conditions (Stup, 2003).

**Work life balance** defined by one researcher as satisfaction and good functioning at work and at home with a minimum of role conflict (Clark, 2001).

**Furniture** is a composition of desks chairs, the filing system, shelves, drawers, etc.

**Lighting and Ventilation** is dimness or brightness work environments can result in eyestrain, headaches, irritability and, inevitably, reduced productivity (Sarose and Shirsath, 2014).

**Noise** is element of the work environment, which has an important role in affecting employee productivity (Keeling and Kallaus, 1996).

**Supervisory support** is also known as a person with an experience leader, a person who can solve problem and also the role model at the first level of organizational management (Adair, 1988).

**Leadership style** Leadership is an ability of a manager to induce the subordinates to work with confidence and zeal ( Adair,2002).

**Work-family conflict (WFC)** is a form of inter role conflict in which general demands of, time devoted to, and strain created by the family interfere with performing work-related responsibilities (Clarke, 2004).

## **1.9. Limitations and Implications for further research**

The present study was conducted in one organization that is Abay Insurance Company S.C and the finding might not be generalized to other Insurance company. Therefore, future researches should be conducted on large scale by considering more than one organization. Similarly, future researcher may use more time and resource in order to make all-round assessment in this area. Besides, this study used the three variables that are physical, psychosocial and work life balance which explain or influence only 41.6 percent of the variance in work environment. Therefore, future researcher may investigate other additional variables which have the potential to influence the variance in working environment.

## **1.10. Organization of the research report**

The study is organized into five major chapters. The first part will be an introductory part composed of background of the study, research problem and questions.. The second chapter deal with related literature reviews and related articles were synthesized. The third chapter was about the research methodology used and research design, sampling techniques and others are described. In the fourth chapter the findings and analysis was presented and finally the last chapter five discuss the conclusion and recommendations.

# CHAPTER TWO

## LITERATURE REVIEW

The aim of a literature review is to assess the critical points of current knowledge including substantive findings as well as theoretical and methodological contributions to a particular topic. This part builds a theoretical foundation for the research through a thorough review of the existing literature on the effects of the influence of work environment on employee performance.

### **2.1. Employee performance**

According to Brown (2008) Performance is defined as how well a person completes responsibilities and also the attitude with which he/she completes the tasks. Employers have to get the employees task to be done on track as to achieve the organization goal or target. By having the work or job done on track, employers could be able to monitor their employees and help them to improve their performance (Stup, 2003). There are several factors that were used towards describing the success of employees' performance. The factors are such as physical work environment, psychosocial work environment, Work Life Balance, knowledge, skills and attitudes.

Employee performance depends on many factors like motivation, training, good leadership, positive relationship among employees and the leaders, positive relation between co-workers. The performances of public sector organizations depend on the performance of their employees. If the above things are fulfilled, all the employees of an organization are working as a team, where employees work in agreement with their skills and competencies and in harmonization with one another to realize organizational objectives (Khan, 1964). Most writers agree that providing appropriate working condition is essential to make sure the performance of employees meet the required standard.

High employee performance is compulsory for every organization. Since an organization's success is dependent upon the employee's inspiration, innovation and loyalty, the development of performances and productivity are important for the growth of the company.

Employees are more likely to bend to absent and turnover if they are not satisfied and hence de-motivated to show superior performance. Employee performance is higher in happy

and satisfied employees and the management found it easier to motivate high performers to arrive at firm targets (Khan, 1964).

Therefore, employee performance is an imperative for an organization and factors which put down the base for high performance and must be considered by the organizations. Since all organization cannot steps forward by one or two individuals' effort, rather through collective effort of all the members of the organization. Performance is the most important multidimensional concept aimed to achieve results and has a strong relation to strategic goals of an organization (Mwita, 2000).

## **2.2. Theories of Employee Performance**

### **2.2.1. Contingency theory**

According to Storey and Sisson, (2000) there is no one best HRM practices and or policies, but rather they are contingent to an organization's context, business strategy, and culture. Contingency theory emphasizes on best fit, which requires that HR practices are suitable for organization's situation, such as the culture, internal and external environments, and operational procedures. The organizational performance HRM strategy has to fit with business strategy to have better employee performance as well as organizational performance. Contingency scholars argued that HRM strategy would be more effective only when appropriately integrated with a specific organizational and environmental context. The organizations that closely coordinate their business strategy and HRM strategy achieve better performance outcomes in comparison to organizations that do not (Miles and Snow, 1978). Therefore, best fit facilitates a clear and strong connection between internal HRM practices and policies and the external strategies concerned with the business market. This creates competence and ultimately led to superior employee performance that is reflected in organizational success (Marchington and Grugulis,2006). As per Guest, (1989) the emphasis should be on the understanding that employee capabilities and talents are vital in driving an organization's competitive advantage and that HRM practices are central in promoting employee performance, if not many organizations may overlook or fail to acknowledge the link between SHRM and employee performance. According to this approach, the manager's task is to identify which technique will in a particular situation under particular circumstances and at particular time, best contribute to the attainment of management goals. Methods which are highly effective in one situation may not work in other situations. Results differ with situation difference. A major criticism against this approach is that it overly trivializes

the reality. The views of this theory are also applicable in designing organizational structure, in deciding the degree of centralization and decentralization, in planning information, decision systems, in motivational and leadership approaches, in establishing communication and control systems, in resolving conflicts and managing change in employee development and training programs.

### **2.2.2. Resource-based view**

Resources are valuable thing that they allow the organization to implement strategies that improve their efficiency and efficacy. If resources can be duplicated or imitated by another organization, then they are not a source of sustainable competitive advantage. The unique bundles of intangible and tangible assets that are valuable, imperfectly imitable, sustainable and rare referrers to the resource based view are the fundamental of firm competitiveness (Barney, 1991).The theory of resource based view of the firm in strategic human resource management has gained great deal of attention (Wright and Snell, 1991). Human being is a significant part of an organization's resources based on RBV theory. Therefore, organizations that manage to value this resource will get advantages in compare with their competitors which ultimately usher them to long term profitability (Barney, 1991). Organizations have the ability to apply human resource practices which lead them to develop strategies and eventually to a sustained competitive advantage (Schuler and MacMillan, 1984; Ulrich and Lake, 1991). Regarding to the potential of resources, resource of sustained competitive advantage has a recognizable quality such as inimitable, valuable, non-substitutable and rare (Barney, 1991).

### **2.2.3. AMO framework.**

Ability, Motivation and Opportunity, (AMO) theory from Appelbaum, Bailey, Berg,and Kalleberg, (2000) proposed HRM-performance framework and argues that organizational performance was best served by employees who have the ability to do the work, possessed the necessary skills and knowledge who were motivated to work and who had the opportunity to arrange their skills in doing their work. But Appelbaum, Bailey, Berg,and Kalleberg, (2000), viewed performance as a function of Ability Motivation plus Opportunity (AMO). The philosophy of the AMO theory was that there was no specific list of HR practices that may influence performance. Instead, the whole process depended on HR architecture that covered policies designed to build and retain human capital that influenced employee behavior. HRM polices that were required in order to turn AMO into action were usually considered to be

recruitment and selection, training and development of career opportunities, these are linked to ability and skill; rewards and incentives, are linked to motivation and involvement, team working, work-life balance, while welfare services and autonomy are linked to opportunity to participate. According to Appelbaum, Bailey, Berg, and Kalleberg, (2000) the theory therefore implied that specific personal performance hinged on ownership of requisite capabilities, skills and high innate impetus. It is important for organizations to implement the Human Resource Management practices that promote extraordinary abilities and skills such as strategic recruitment and selection, they should invest in strategic instructional practices; motivational practices like employee involvement and performance related pay or compensation. According to Purcel, (2011) skilled, motivated and flexible workforce can help develop an organization's sustainable core competencies which increased their performance.

Ability, Motivation and Opportunity (AMO) policies are argued to develop attitudes and feelings of satisfaction, commitment and motivation in most employees since these translate into great performance (Purcel, 2011). This theory also claims that people will perform if they possess the essential knowledge skills as well as qualifications to perform the task. The theory asserts that the people perform the task since they have the motivation, their performance improves whenever the atmosphere they are working in provides necessary support, (provide machines or technology needed). Leapak, (2007) stated organizations that adopt strategic HRM practices, including strategic recruitment and selection, strategic training practices, strategic voice mechanisms, welfare services that are strategic and compensation strategies yield an immense employee performance.

## **2.3. Workplace Factors that Affect Employee Performance**

### **2.3.1. Physical Work Environment**

As Croome, (1997) better outcomes and improved performance is supposed to be the result of better workplace environment. Physical environment have an effect on how employees in an organization act as one, execute responsibilities, and even in a straight line affected the human intelligence and finely changed interpersonal communication and thus their performance and productivity. Superior physical environment will boosts and improves employees' performance and productivity. The worse physical environment is playing the most important role in the failure of employees' performance and productivity.

As Smith, (2010) the physical work environment is the most decisive issues that keeping an employee pleased in today's business world. Now a day's work is different, diverse, and constantly changing. The typical employer/employee relationship of old has been turned upside down. Employees are living in a growing economy and have almost never ending job opportunities. This combination of factors has created an environment where the business needs its employees more than the employees need the business.

According to Stoessel, (2001) the physical working environment influenced by many factors such as technologies like computer, machines, furniture, and recreational place, reading materials such as books, magazines, brochures and etc, since these have a capacity to influence employees to stay in the work place. Kohun, (2002) also stated that the ability of the physical work environment now a day's greatly influence behaviors and create an image particularly for the education sector such universities and colleges .According to Temessek, (2009) the physical work environment includes but not limited to the Furniture, Lighting and Ventilation and Noise etc and these ultimately helps improve the workers experience and improve the employees performance.

#### **2.3.1.1. Furniture**

Office furniture comprises of desks chairs, the filing system, shelves, drawers, etc. All these components have a specific role to play in the proper functioning of any office and the productivity and the efficiency of the employees and, one of the most important thing to be considered while buying office furniture is to ensure whether it is ergonomic or not. Ergonomics of office furniture is important because an employee has to work with them for the entire time that he is on duty, and if they are uncomfortable and not user friendly, their working style and efficiency gets hampered considerably, in turn affecting the overall organization. (Sarode and Shirsath, 2014).

#### **2.3.1.2. Lighting and Ventilation**

Working in dim or overbright work environments can result in eyestrain, headaches, irritability and, inevitably, reduced productivity. Light sources, including the sun, can create unwanted reflections, glare and shadows in the workplace that can cause discomfort and distraction, and can interfere with the performance of visual tasks. Low levels of lighting can cause depression, which for some people may be severe. In addition to that ventilation is

important for the control of dust, fumes, gases, aerosols, climate and thermal comfort factors. Exposure to different types of dust can result in fibrosis of the lung, allergic reactions and asthma attacks. Various vapours, gases and aerosols have the ability to cause respiratory and skin damage. Extremes of heat can reduce concentration and motivation and cause a number of heat-related illnesses. Extremes of heat can also reduce tolerance to chemical and noise exposure, and increase the risk of heart attacks. (Sarode and Shirsath, 2014)

### **2.3.1.3. Noise**

Noise is element of the work environment, which has an important role in affecting employee productivity. Too much noise, such as sound from equipment, tools, and people's conversation, may prevent workers concentrating on their jobs, consequently decreasing their productivity. However, people cannot achieve good performance in a silent environment, because at some level, sound may generate a healthy background and can also assist employees accomplish their work. (Keeling and Kallaus,1996).

### **2.3.2. Psychosocial Work Environment**

As per Kohun, (2002) Psychology is an applied science, which tries to elucidate human behavior in a particular manner and try to envisage performance of individuals. It has contributed in the direction of diverse theories on learning, motivation, personality, training and development, theories on individual decision making, leadership, job satisfaction, performance appraisal, attitude, ego state, job design, work stress and conflict management. Studies of these theories can look up personal skills, bring change in attitude and develop positive approach to organizational systems. A variety of psychological tests are conducted in the organizations for selection of employees, measuring personality attributes and aptitude. Various other dimensions of human personality are also measured. These instruments are scientific in nature and have been finalized after a great deal of research. This discipline continues to walk around new areas related to the field of organizational behavior. Contribution of psychology has enriched the organizational behavior field. Sociology is a science that studies the impact of way of life on group behavior and has contributed to a large coverage to the field of group-dynamics, roles that individual plays in the organization, communication, norms, status, power, conflict management, formal organization theory, group processes and group decision-making. Psychosocial is the combination of both fields. Working organizations are the collection of people who are assigned

specific jobs and play a central role in formulating human behavior. It is a subject where thought of psychology and sociology are blend to achieve better human behavior in organization. The field has contributed to manage change, group decision-making, communication and ability of people in the organization, to maintain social norms.

According to Vischer, (2008) knowing the psychosocial work environment is vital and considered to be the most important issues in the contemporary and future organizations to achieve its object. Noe, (2008) psychosocial environment refers to the interaction between the environment and working circumstances, organization provides for the employees such as training and development, motivation, the relationship between employees and management, the workers(colleagues) relationship themselves and other multipart situation. Due to the combination of the work, the environment and the worker itself it is difficult to understand easily. In addition to this he defines employee's workplace welfare in terms Supervisory support, Role Congruity and Quality Leaders.

#### **2.3.2.1. Supervisory support**

A supervisor is also known as a person with an experience leader, a person who can solve problem and also the role model at the first level of organizational management (Adair, 1988; Nijman, 2004). Therefore, as an experience leader, the supervisors had always been involved in conducting a training program. The training program that is being conducted are such as establishing the objectives, selecting the trainer, developing a lesson plans, selecting the program method and techniques that is being used, preparing the materials, scheduling the program and also conduct a training needs analysis (Adair, 1988; Elangovan and Karakowsky,1999). Ramlall, (2004) stated that, a supervisor could be a trainer to the employees, as the trainer will assist the employees in getting their job done by guiding employees on the operational process especially when it comes to a new operational procedure. A supervisor support could lead to the employees' performance but there is a case that the supervisor had failed in supporting their employees. For example, the miscommunication between employees and the supervisor in term of delivering the information or process on the job to the employees (Harris, 2000).

#### **2.3.2.2. Role Congruity**

Role Congruity need to be unambiguous, clearly explained, relevant to the work tasks undertaken by employees and achievable. The criteria should not include factors beyond the

control of the individual employee. Supervisors also need to be trained to provide regular, meaningful and constructive feedback. Employees should also be provided with appropriate training and development opportunities to overcome weaknesses in performance identified through the appraisal process. The assessment of individual employee performance also needs to focus on evaluating employee behavior and work performance and not the personality of the employee (Harris, 2000).

### **2.3.2.3. Quality Leaders**

No performance can succeed without management's involvement and commitment managers can best show their commitment to performance result for example: the top management must work on continuous performance improvement has to be a role model for its follower. According to Adair,(2002), "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and to improve their performance and to direct them towards goals. Leadership is a process by which an executive can direct, guide and influence the behavior and work of others toward the accomplishment of specific goals in a given situation.

An effective leader has a responsibility to provide guidance and share the knowledge to the employee to lead them for better performance and make them expert for maintaining the quality. And to become a head of all the team members is such a great responsibility. The introduction of clear standards of leadership promotes the core values and maturity on their role and responsibility. As the situation affects which functions the leaders carries out, it would also affect the manner in which the functions are performed. There are broadly three types of leadership styles according to Coens (2002) and he also explains the different traits of each style that significantly affect the employee performance.

**Autocratic/Authoritarian:** Both words describe the type of leaders who give orders and expect instant obedient without argument. Plans and policies are made in isolation from the group. Orders are given without explanation for the reasons or of future intentions. The autocratic leaders do not become part of them at all, but merely direct it. Traits of autocratic style: All decision making power is theirs, unrealistic in demands, uses excessive discipline and punishment, does not allow others to question decisions or authority, feels he/she is the abilities, critical of differing opinions, rarely

gives recognition, is easily offended is offended, uses others for his/her benefit, actions oriented, highly competitive, useful in the short term focus.

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

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

### **2.3.3. Work Life Balance**

The term work-life balance is commonly used as a more comprehensive expression to describe policies that have been previously termed 'family-friendly', but are now extended beyond the scope of the family. The origin of work-life balance practices spans from work-life conflict experienced by employee (Redmond, Valiulis and Drew, 2006). .Work Life Conflict is the inter-role conflict that results when one’s roles as an employee is incompatible with one other area such as being a spouse, parent or with other religious and leisure activities. The concept of Work Life Conflict recognizes that most individuals have multiple roles. Work-life balance practices help minimize the amount of Work Life Conflict and also target the antecedents (Lero and Bardoel, 2007).

Work Life Balance proposed by Hudson Resourcing, (2005) would be adopted because it is broad and encompassing “Employers working constructively with their employees to put in place arrangements, which take into account the needs of the business as well as the non-work aspects of employees’ lives”. It comprise of both employees and employers who are both central to the subsequent use and successful implementation of Work Life Balance policies and practices. This can only be achieved as a joint effort between employers and employees.

Work life balance are practices that are meant to help employees better manage their work and non-working times are called in the literature as work-family policies, family-friendly

or family-responsive policies. In recent years, the term “work-life balance” has replaced what used to be known as “work-family balance” (Hudson Resourcing, 2005), there are other life activities that need to be balanced with employment may include study, travel, sport, voluntary work, personal development, leisure or eldercare. Work life balance in its broadest sense, is defined as a satisfactory level of involvement or ‘fit’ between the multiple roles in a person’s life.

According to Clarke, Koch and Hill (2004), work-life balance is generally associated with equilibrium between the amount of time and effort somebody devotes to work and personal activities, in order to maintain an overall sense of harmony in life. To understand work-life balance, it is important to be aware of the different demands upon us and our personal resources- our time and our energy- that we can deploy to address them. Research has indicated that those workers who have some form of control over their working environment tend to suffer less stress-related ill-health, with clear implications for the concept of work-life balance. Organizations can implement various work-life balance initiatives that may assist employees to better balance their work and family responsibilities, gain improvements in well-being and provide organizational benefits. There are a large variety of family friendly policies which include, but are not limited to the following: flexible working hours, job sharing, part-time work, compressed work weeks, parental leave, telecommuting, on-site child care facility (Lero and Bardoel, 2007).

#### **2.3.3.1. *Work-Family Conflict and Family-Work conflict***

A major deterrent to employee job satisfaction and performance is stress associated with managing work and family demands. This balancing act subsequently leads to work-family conflict (Geurts and Demerouti, 2003). Work-family conflict is a form of inter-role conflict that occurs when pressures associated with membership in one role interferes with membership in another (Kahn, Wolfe, Quinn, Snoek, and Rosenthal, 1964). In their seminal theoretical paper, Greenhaus and Beutell (1985) defined the construct as “a form of inter role conflict in which the role pressures from the work and family domains are mutually incompatible in some respect”. Specifically, work-to-family conflict (WFC) is the extent to which participation in the family role is made more difficult by participation in the work role, while family-to-work conflict (FWC) refers to the extent to which participation in the work role is made more difficult by participation in the family role.

Greenhaus and Beutell (1985) further identified three forms of conflict within WFC and FWC. Firstly, time-based conflict occurs when “time devoted to the requirements of one role makes it difficult to fulfill requirements of another”; secondly, behavior-based conflict occurs when “specific behaviors required by one role make it difficult to fulfill the requirements of another”; and lastly, strain-based conflict occurs when “strain from participation in one role makes it difficult to fulfill requirements of another”.

## **2.4. Relationship between Workplace Factors and employee performance**

This empirical Review attempts to discuss various studies on the influence of working environments on employee performance. As Hammed, (2009) described in his study the influence of workplace environment on employee’s performance in financial institutions that is banks and discovered the positive relationship between the two.

Sinha, (2001) as he investigated in his study manager’s attitude have influenced employees’ performance the Banking sector. And the final result shows that there is a positive relationship between the manager’s attitude and employees’ performance. Waweru, (2010) on the effect of internal and external environment on employee’s performance and the study revealed that both environments contributed for the increment of employee performance and he suggested that inclusion of both systems be integrated for optimal performance. Ismail, (2010) investigated the relationship between the physical environments (comfort level; temperature) with employee performance. And his finding show that physical environment (comfort level, temperature) strongly influences the employee performance.

The recent study Awan, (2015),studied about the impact of working environment on employee’s performance and he observed that the factors like supervisor support, relation with co-workers, training and development, attractive and fast incentives and recognition plans, adequate work load at work place are helpful in developing a working environment that has positive impact on employee’s level performance in the organizations. Taiwo, (2010) found that the performance of employees would increase by keeping working conditions and working environment up to certain threshold level. Waweru, (2010) found that the psychosocial work environment factors had an impact on to increase level of performance and commitment. Noah and Steven, (2011) studied about the influence of working environment on employee’s

performance and found strong relationship between the two. Ajala, (2015) studied about influence of workplace environment on workers welfare and productivity and the results showed that workplace environment at workplace have effect on productivity. According to Taiwo, (2010), conducive and better work environment can lead to the improve in employees performance.

It stimulates creativity of employees that may lead to better methods to enhance performance and productivity. As O'Neil, (2007) indicated workplace factors has a direct relationship between employee behaviour and has an impact in achieving strategic business goals. The find showed that there is a direct relationship between workplace factors and employees performance Josphat, (2011)studied employees relationships and organizational performance and it revealed the existence of strong relationship between employees relation and organizational performance.

The study by Gitah, (2014) Investigate the effect of work environment on the performance of Bank employees in Nakuru Town. The study showed that physical work environment and psychosocial work environment had strong influence on the employee's performance. Sharman, (2000) in his study stated that the purpose of work environments was to improve job performance. The study revealed that performance will improve with environment if a correlation is exists. Astri, (2011)also stated that ,joint effort facilitates the meeting of partner desires within the workplace and has been honestly linked to employees performance.

Mohapatra and Srivastava, (2003) established a link between working conditions and job performance having the right environmental factors physical, psychosocial and work life balance will lead to increase performance.

#### **2.4.1. Relationship between Physical work environment and employee performance**

**H1: Physical Workplace Factors have Significant Effect on employee performance.**

Huges, (2007) as he investigated in his study the number of work pertains to the study of multiple offices and office buildings indicated that the factors such as dissatisfaction, cluttered workplaces and physical environment are playing a major role in the loss or employees productivity. He surveyed two thousand employees pertain to various organizations and industries in multiple levels. The results of this survey show that a better workplace affects

attitude of employees and enhance their productivity. Employees in different organizations have different office designs. Every office has unique furniture and spatial arrangements, lightening and heating arrangements and different level of noise.

(Roelofsen, 2002) stated that a physical feature of the work environment affects psychologically and could become part of success and failure of the organization. In service sector, physical settings of the office or department help to communicate and influence employee. Mentally relaxed and satisfied work environment plays an important role in productivity. The most significant indoor environmental parameter is room temperature. Heating and air conditioning system directly affect on employees productivity. Employees should give opinions regarding their workplace so that they feel comfort and concentrate on their work and fulfill the desired level of productivity.

#### **2.4.2. Relationship between psychosocial work environment and employee performance**

##### **H2: Psychosocial Workplace Factors have Significant Effect on Employees Performance.**

Harris, Simon, and Bone, (2000) stated that a supervisor support could leads to the better employees' performance but there is in a case that the supervisor had failed in supporting their employees .For example, the miscommunication between the employees and the supervisor in term of delivering the information or process on the job to the employees. As a result to this miscommunication, it will leads to the poor employees' job performance (Chiaburu and Takleab, 2005). On the other hand Foxon (1993) stated that if the supervisor has a very good communication skill especially during the training program, the employees will probably increase their competency and job performance. In order to gain the employees performance, both party in between the employees and supervisor needs to play their part which is to commit with the relationship. If full commitment is given, it will leads to positive result to the performance from the employees.

Blau, (1964) studied Immediate supervisors act as advocates for employees, gathering and distributing the resources needed by the employees for them to be able to do a good job and providing positive encouragement for a job well done. As the working environment factor,

supervisor interpersonal role is important to encourage positive relations and increase self-confidence of the employee and in return improve employee performance.

According to Gomes, (2010) the role that the employee is required to perform is consistent with their expectations on joining the organization and any subsequent training. The organization's role expectations are typically reflected in formal documents, such as Job Descriptions and Role Specifications. These expectations are consistent with tasks allocated by the employee's immediate supervisor. Job description helps to ensure effective performance and provides a clear guide to all that are involved about the position, its requirements and expected outcomes. It means that role congruity can have influence on employee performance in return to the organizational goal. If an organization is to meet its goals effectively and efficiently ways of accurately measuring management performance must be implemented for performance to be effective employers.

Leadership styles have significant and substantial effects in the small businesses and also in the world's largest corporations. These styles affect everyone from senior and top management to the new entrant even of employees and new firms. They create the corporate culture that influences the organization and performance of employees in term of meeting deadline projects. Leadership style refers to a leader's behavior and attitude of governance and supervision. It is the result of personality traits, experience, attitude and philosophy of the leaders. Northouse, (2001) argue that Participative leadership style: the leaders invite and encourage the team members to play an important role in decision making process, though the ultimate decision making power rests with the leaders. Leaders tell and guide the employees what to do? and how to do? And at the other hand, employees communicate to the leader their experience, suggestions and recommendations. The main benefits of this leadership style are that it leads to satisfied, motivated and more skilled employees. It leads to an optimistic and open work environment and also encourages creativity. This leadership style has the only negative aspect is that it is more time-consuming. Duckett and Macfarlane, (2003) stated that there is also pragmatic oriented leadership which emphasizes on leadership of equality between the leaders and subordinates. All members of the organization have equal and same law, information and perspective and the role of the leader is facilitating the formation of the organization. This kind of leadership is most successful. Successful leadership is therefore very vital for the effectiveness of any organization and employee performance. Leadership style affects a range of factors such as job satisfaction, performance turnover intention and stress and so contributes to organizational

success. Managers need therefore to adopt appropriate leadership behavior in order to improve employee performance.

### **2.4.3. Relationship between work life balance and employee performance**

#### **H3: Work Life Balance Factors have Significant Effect on employee performance**

According to Ebys, Casper, Lockwood, Bordeaux, and Brinley (2005) Work life balance is a very important phenomenon that is of great concern to various employees in both private and public sector. It goes beyond prioritizing the work role and one's personal life. It also affects the social, psychological, economical and mental well being of the individual. All these is been reflected in the output of the individual, which affects his or her performance in the work place on the long run. Work life balance has implication on employee attitudes, behaviors, wellbeing as well as organizational effectiveness.

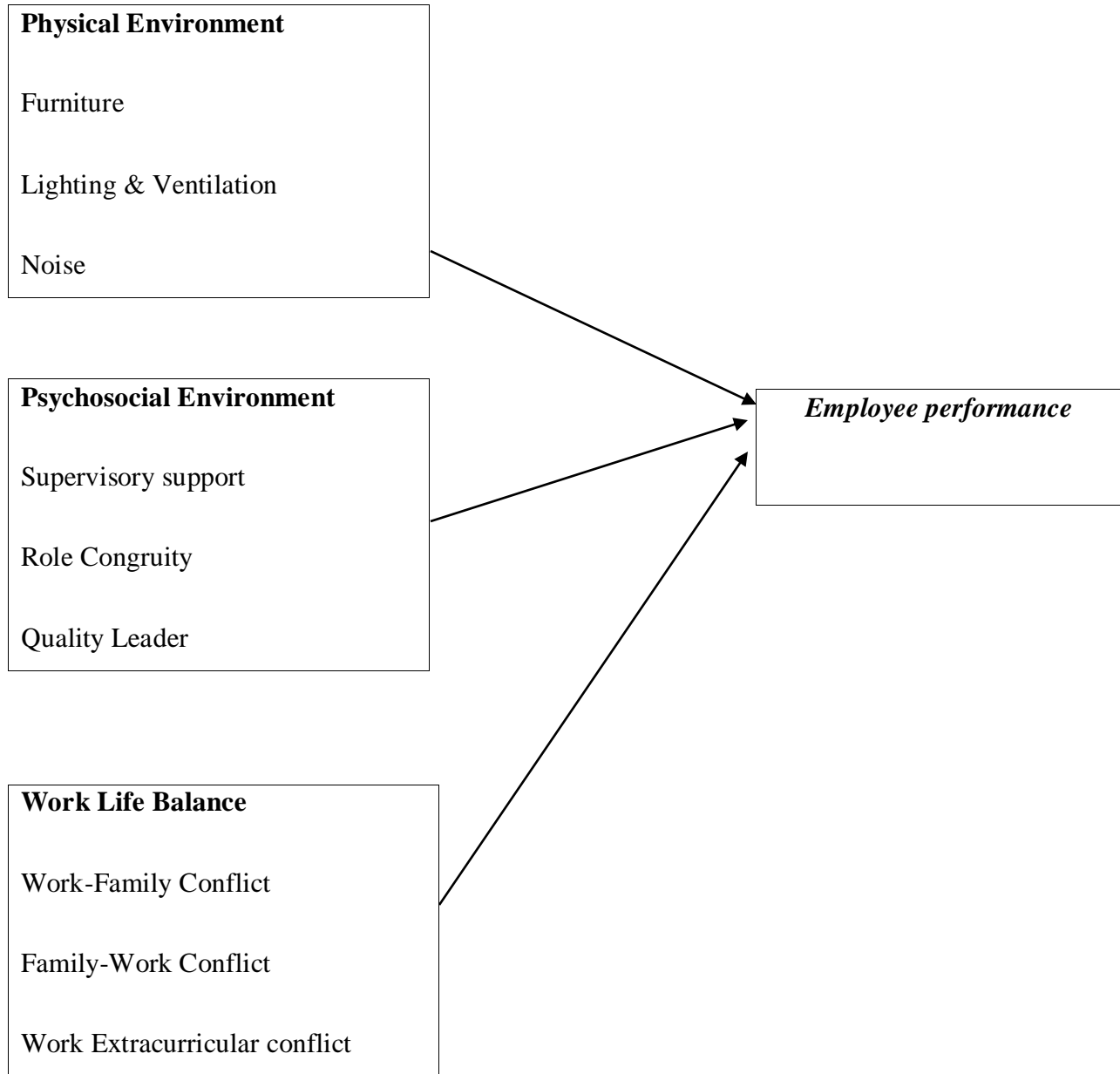
According to Gornick and Meyers, (2003) Work–family conflicts are a common source of stress and have been linked to employees' health and family functioning, as well as labor market decisions and fertility decisions . Frone, Russell and Cooper, (2010) also stated Stress has the implications for the individual as well as the organization and it can no longer be considered merely as the individual manager's problem. It is now generally accepted that prolonged or intense stress can have a negative impact on an individual's mental and physical health. When trying to balance work and family responsibilities, many workers experience conflict between these two roles (Day and Chamberlain, 2006). Work – family conflict has been defined as a mutual compatibility between the demands of the work role and demand of the family role. Juggling work and family responsibilities is a common experience for many employees. Although engaging in both work and family roles can have positive effects for individuals, but if workers are unable to balance the responsibilities associated with both roles, the potential for conflicts between roles increases (Frone, Russell and Cooper, 2010).

## **2.5. Conceptual Framework**

The conceptual framework illustrates the relationship between the dependent and independent variables. The independent variables are the physical factors, psychosocial factors and work life balance factors. These variables are expected to influence the dependent variables being employee performance.

*Independent Variable*

*Dependent Variable*



*Source Joel Koima (2014) (as cited in Gitahi, Waiganjo, Koima 2015)*

## **2.6. Research Hypotheses**

H1: Physical Workplace Factors have Significant Effect on employee performance.

H2: Psychosocial Workplace Factors have Significant Effect on Employees Performance.

H3: Work Life Balance Factors have Significant Effect on employee performance.

# CHAPTER THREE

## *RESEARCH METHODOLOGY*

### **3.1. Research Setting and Approach**

The study was conducted in the Abay Insurance Share Company. This study aimed to target all professional employees in the company. The questionnaires were distributed to all employees in all branches and head office through mail and fax and the interviews were conducted only with the managers who are located at head office.

### **3.2. Organizational Context**

In Ethiopia the total number of insurance companies operating in the country are 17 from which 16 are privately owned. Abay Insurance Share Company is one of the private owned organizations which was established in July 2010 with paid up capital of 1.4 million as at June 30, 2017. The company currently has 174 permanent staff of which 7% second degree holder, 64.5% are first degree, 19.8% diploma and the rest goes to TVET level. The guarding and cleaning service has been given to outsource. The company has 25 branches on which 14 are located in Addis Ababa the rest across the country. The company has registered a gross written premium of birr 2.1 million this shows a growth rate of 2% from the previous year (2016/17) and 81.5% achievement against the target. The company gives different kinds of insurance services life insurance as well as non life insurance services.

The company strongly believes that its success depends on the wellbeing and goodness of the society where it operates. The company has contributed its part in creating job opportunities by opening branches in different areas of the country. The company believes that employees are its key strategic resources and hence has a strong belief in staff training and development in addition to that it believes in career development and promotion.

Abay Insurance share company envisions to provide diversified insurance services tailored to meet the ever changing risk exposure facing the public by using ethical professionals and technology enablers in an innovative and cost effective ways and its vision is to be the most preferred and iconic insurance company in Africa. The core values are continuous learning and

improvement Research and Development, innovation and critics are valuable for its vision achievement, quality and ethical professionalism are part of its day to day activities, social responsibility, transparency, and accountability are the basis for its sustainable growth, employees are its non-replaceable strategic resources.

### **3.3. Research Design**

The objective of this research was to assess the influence of work environment on job performance of employee. The research design for this study was both quantitative and qualitative. For this study the researcher used both descriptive and explanatory design because as Chandran, (2004) the descriptive design was useful in classifying, analyzing and exploring the existing facts and the variables. The study also employed explanatory design utilizing correlation and regression analysis method in investigating the relationship between work environment and employee performance.

### **3.4. Population and Sample**

The population of the study was the total employees of Abay Insurance share company. The total population was 174 permanent employees.

The questionnaire was distributed to all Abay Insurance share company professional employees and interviews was made to all management staff situated at the head office.

### **3.5. Data Collection Methods**

**Primary data:-**In this research, primarily data was gathered by using structured questionnaires that was distributed to Abay Insurance Share Company employees and unstructured interview to the management staff.

**Secondary data:-**The research examined documents such as internal memo, manual kept in the Abay Insurance Share Company and various annual as well as periodic reports of the organization.

### **3.6. Reliability and Validity**

According to the definition of Kothari, (2004) Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure.

According to John Adams, Hafiz T.A, Khan, Robert Raeside and David White (2007) Reliability estimates the consistency of the measurement or more simply, the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects.

In order to ensure the validity and reliability of the research the researcher distributed some questioner to the sample of the intended population and subject area experts as a pilot test of 18 employees before a full-fledged study of the research was conducted in addition to this the researcher avoided ambiguous words to get reliable response.

Moreover, the researcher also used questioners of previous researchers in the area with some modification that helped the respondents to understand easily.

#### **Pre-Test**

Before conducting the main survey, a pre-testing (pilot study) conducted to validate the instrument. The pre-test affords an opportunity to check whether there are any ambiguous or biased questions. The pre-testing studies sent to 18 respondents were selected on a convenience basis. In the pre-test the respondent asked to comment on the length of the instrument, the format, general understanding of the words used, and wording of the scales. Once the pilot phase completed, the survey questionnaire distributed to the intended respondent. In this study, the pre-testing was conducted by distributing 18 questionnaires distributed and all questionnaire returns. Based on statistical analysis was made on this pre-test all variables of the Cronbach's Alpha is above the cut of point of 0.7 As it is calculated from the pilot test the value of the variable or the elements in the pilot test the reliability of the instrument is revealed above 0.7which is acceptable.

**Table 1:Pre-test results of Cronbach’s Alpha**

<b>Measurement</b>	<b>No of Items</b>	<b>Cronbach’s Alpha</b>
Physical work environment	5	0.709
Psychosocial work environment	6	0.904
Work to Life Balance	16	0.923
Performance	5	0.859

### **3.7. Data preparation**

In this research, after the data were secured, table was prepared to list the variables, sorting variables, counting the variables, represent them in “code”, entered in to computer to use SPSS, reverse quation was trated using and editing was done, In addition descriptive analysis was done to present interview results.

### **3.8. Data Collection Instruments and Procedure**

In this study the researcher used both questionnaire (close ended) and semi structure interviews as the primary tools to collect the primary data from the respondents. Data were obtained from both the management and non-management staff about the influence of work environment on their performance. The questionnaire had two sections; the first section included personal information about the respondent’s gender, age, marital status, educational status, and experience. The second section included physical, psychosocial, work life balance and performance of employee in different dimensions. The interview was held after collecting the questionnaire to complete the information collected from the questioner.

Guidance on filling in the questionnaire was given and likert scale was used to answer the questions based on the opinion that response rating scales to measure their positive or negative response. The researcher uses the Instrument consisted of three variables adapted from Gitahi, Waiganjo & Koima (2015); Allen (2001) and employee performance measure question adopted by Babin & Boles (1998) validated in prior research with a total of 29 adaptable questionnaire item.

The outlines of the questionnaire were kept very simple to persuade significant participation by the respondents. The questions were kept as brief as possible giving care to the actual wording and phrasing of the questions. The reason for the appearance and outline of the questionnaire are of enormous significance in any survey where the questionnaire is to be completed by the respondent (John, Hafiz. Khan, Robert and David, 2007)

The study took the total population as a sample. First the researcher took supporting letter from the department to request support from the organization. The survey questionnaires were distributed to all employees during business hours through hand, fax and e-mail delivery. During the distribution time, employees were asked to complete the survey questionnaire, and to return it back within one week.

### **3.9. Method of Data Analysis**

Since the variables are identified first, each of them were analyzed and their weight was measured in percent and the appropriate interpretation was accompanied to see its impact of each variable under study. The data analysis part was conducted using SPSS (Statistical Package for the Social Science) version 20 application program and to test hypothesis correlation and regression analysis was used.

### **3.10. Ethical Considerations**

There are certain ethical protocols that were followed by the researcher. The first was soliciting explicit consent from the respondents. This ensured that their participation to the study was not out of their own volition. The researcher also ensured that the respondents were aware of the objectives of the research and their contribution to its completion. One other ethical measure exercised by researcher was treating the respondents with respect and courtesy (Leary2004). This was done so that the respondents were at ease and more likely to give honest responses to the questionnaire.

There were also ethical measures that have been followed in the data analysis. To ensure the integrity of data, the researcher checked the accuracy of encoding of the survey responses. This was carried out to ensure that the statistics generated from the study are truthful and verifiable (Leary2004).

# CHAPTER FOUR

## *DATA ANALYSIS AND INTERPERTATION*

In this chapter, the data collected from respondents has been analyzed and interpreted. It comprises reliability analysis, respondents' profile, and correlation analysis among work environment and employee performance and regression analysis results for relative importance of work environment factors on employee performance.

A total of 156 questionnaires were distributed to collect data from respondents. Overall, 149 out of 156 questionnaires were collected and usable for comprehensive empirical analysis which is a response rate of 96 % as shown in the table above.

### **4.1. Respondents' profile**

Respondents were asked to report their sex, their age to know in which age group they are from the option of 18 and above, their educational level from master, degree, diploma and other qualification, their marital status single, married, separated, divorced and widowed finally their work experience less than 3years, between 4-5years and more than five. So, they exhibited the following report in table below.

**Table 2: Respondents' profile**

Sex	Frequency	Percent	Valid Percent	Cumulative Percent
Female	63	42.3	42.3	42.3
Male	86	57.7	57.7	100.0
Total	149	100.0	100.0	
<b>Age</b>				
18-30	98	65.8	65.8	65.8
31-40	43	28.9	28.9	94.6
41-50	8	5.4	5.4	100.0
Total	149	100.0	100.0	
<b>marital status of employee</b>				
Singel	97	65.1	65.1	65.1
Married	51	34.2	34.2	99.3
Separated	1	.7	.7	100.0
Total	149	100.0	100.0	
<b>Educational Level</b>				
Diploma	29	19.5	19.5	19.5
Degree	100	67.1	67.1	86.6
Master	8	5.4	5.4	91.9
Other	12	8.1	8.1	100.0
Total	149	100.0	100.0	
<b>Work experience at Abay insurance s.c</b>				
<3 Yr	122	81.9	81.9	81.9
4-5Yr	21	14.1	14.1	96.0
>5Yr	6	4.0	4.0	100.0
Total	149	100.0	100.0	

**Source:** Survey report from respondents

Table 3 presents the profile of the respondents: of the whole respondents, 86 (57.7%) were males and 63 (42.3%) females. This shows that the male staffs mainly dominated in number. As for their age 98 (65.8%) of the respondents were in between 18-30 age group, 43 (28.9%) were between 31-40 age groups, 8 (5.4%) were between 41-50 age group this implies that most of the respondents are young and productive. With regards to educational qualifications 8 (5.4%) reported to be post-graduates, 100 (67.1%) were degree holder, 29 (19.5%) were diploma and

other qualification were 12 (8.1%) of employees from this we can conclude that the majority of the respondents are degree realized that the organization has qualified HR resources to carry out its day today activities in a better way. As to the marital status of respondents 97 (65.1%) were single, 51 (34.2%) were married, 1 (7%) are separated. Regarding their work experience at Abay insurance S.C, most of the respondents who represent 122 (81.9%) respondents have less than three years of work experience, 21(14.1%) have 4-5 years of experience, 6(4%) have more than five years above. This indicates that the staff of AIC does not stay at post for a very long period and the turnover prevailing in the organization having adverse impact for the achievement of the missions and visions of the organization and the subsequent effect is that, AIC loses the rich knowledge and experiences that it could access organizational benefits. Most of them eventually end up becoming assets to other competitors in the same industry. This and many others should be the reason why management would have to take another look at working environment again for its own benefits.

## **4.2. Descriptive Analysis**

The Mean scores have been computed for all the six work environment factors and employee performance dimensions that are physical, Psychosocial work environment work life balance and performance convenience by equally weighting the mean scores of (4) variables of all the items under each dimension. Respondents were asked to rate their perception on a five-point likert type scale ranging from 1 being strongly disagree to 5 strongly agree. The result is presented in table below.

**Table 3: Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Furniture	144	1.00	5.00	3.4097	1.20264
Noise	149	1.00	5.00	3.4530	.90109
Lightning and ventilation	148	1.00	5.00	2.7466	.91751
Supervisory support	149	1.00	5.00	3.2718	.93989
Role congruity	149	1.00	5.00	3.2919	1.04639
Quality leader	148	1.00	5.00	3.7331	.93753
Work-life conflict	149	1.25	5.00	3.1169	.72944
Family-work conflict	149	1.60	5.00	3.3210	.74675
Work extracurricular activity	149	1.50	5.00	3.5145	.80333
Employee performance	149	1.60	5.00	3.2372	.75889
Valid N (listwise)	142				

High means express high agreement with the statement, moderate mean express moderate agreement while low means stand for lower agreement. Therefore in the study the mean scores perceived for Furniture, noise, Quality Leader, Work Extracurricular conflict is 3.41, 3.45, 3.73 and 3.51 respectively According to Zaidaton and Bagheri, (2009) the mean score the mean score was moderate. The moderate mean score indicates the respondents' work environment, such as the office furniture, is somewhat comfortable, easy to rearrange and there is no such unnecessary noise. The quality leader shows that there is information flow from manager to employee about important decisions and the line manager helps its subordinates to some extent. The work extracurricular conflict is also moderate that the time the job takes and the job strain from extracurricular activity.

Lighting and Ventilation, Role Congruity, Supervisory support, Work -Family Conflict, Family- Work Conflict, Employee performance 2.75, 3.29, 3.27, 3.32, 3.12 and 3.24 received the lower mean score which shows that these work environment are not good and favorable as the respondents expected. This indicated that the light and the office temperature are not comfortable for the respondents. As for role congruity, the role and responsibility of employee weren't clearly stated. There is no close interaction between the supervisor and subordinates. Work-family and family-work conflict clearly lower showing interface of one on another; work activities takes family time and vice versa. Regarding employee performance the employee performance is lower which implies that the employees are affected by the above factors with low mean score. As noted in Table standard deviation scores were less than 1 for most of the

variable, it shows the response distribution for all of the variables are close to the mean, thus consistent, except for two variables lit bit more than one still it is taken as consistent since it is not far from one.

If the estimated standard deviation is large, meaning that response distribution values do not fall close to the mean of the distribution, the responses are inconsistent. On the other hand, if the estimated standard deviation is small, meaning that response distributions are close to the mean, the responses are consistent (Hair et al., 2007; Sclove, 2001). The level of standard deviation boundary is supposed to vary according to the applied range of scale. For the purpose of this study, the boundary for 5-point Likert scale defined by Sclove, (2001) is employed. According to Zaidaton and Bagheri,(2009) the mean score below 3.39 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considers as high as illustrated by Comparison bases of mean of score of five point Likert scale instrument.

To complement the information gathered from the employees through questionnaire, the researcher had conducted interview with the all department and section managers located at head office nine in number. Open ended questions were administered to get in-depth information regarding the management view point of the extent to which the three factors influence employees' performance.

According to the interview result to describe the overall working environment, majority of the interviewees pointed that their working environment is good contrary to the questionnaire where it could be concluded that the environment is not good and favorable as most employees have expected. On the questionnaire the majority of the respondents said that there is absence of conducive and favorable physical working environment. Psychological work environment is also not conducive and favorable work environment as that of physical. Yet both are considered to be favorable and have positive impact per the result of the interview. Regarding the work life balance the managers claim that the company has no such thing. One of the managers suggested that the organization should have to give more attention and work on these areas so as to retain employee and as to boasts employee performance.

### 4.3. Correlation Analysis between work environment and employee performance

The correlation analysis was done to assess the relationship between work environment variables and performance of employee and the correlation among work environment variables. The result is shown in table 5 below.

**Table 4:Correlation**

	Furniture	noise	Lightning & Ventilation	Supervisory support	Role Congruity	Quality Leader	Work-family Conflict	Family-work conflict	Work Extracurricular activity	Employee performance
furniture	1	.450**	.230**	.333**	.346**	.428**	.450**	.392**	.207*	.293**
noise	.450**	1	.553**	.318**	.391**	.479**	.388**	.492**	.410**	.485**
Lightning & Ventilation	.230**	.553**	1	.302**	.272**	.317**	.297**	.260**	.201*	.337**
Supervisory support	.333**	.318**	.302**	1	.331**	.574**	.418**	.355**	.226**	.328**
Role Congruity	.346**	.391**	.272**	.331**	1	.592**	.451**	.475**	.284**	.378**
Quality Leader	.428**	.479**	.317**	.574**	.592**	1	.637**	.575**	.355**	.425**
Work-family Conflict	.450**	.388**	.297**	.418**	.451**	.637**	1	.666**	.451**	.519**
Family-work conflict	.392**	.492**	.260**	.355**	.475**	.575**	.666**	1	.514**	.575**
Work Extracurricular activity	.207*	.410**	.201*	.226**	.284**	.355**	.451**	.514**	1	.442**
Employee performance	.293**	.485**	.337**	.328**	.378**	.425**	.519**	.575**	.442**	1

Source: Survey report from respondents

Per table 5 above: The entire variable significantly and positively correlated with employee performance. All variables physical work environment variables (furniture, noise and lightening and ventilation) is found to be significantly and positively correlated with employee performance ( $r = 0.29, 0.485, 0.34$  respectively and;  $P < .001$ ). In line with this study the past study Ismail (2010) revealed the existence of strong relation between physical work environment and employee's performance, physical work environment strongly influences employee's performance. Also the psychosocial work environment (supervisory support, role congruity and leadership quality) is found to be positively correlated with employee performance ( $r = 0.33, 0.38, 0.43$  respectively and;  $P < .001$ ) This finding confirms to the previous studies Shrestha ,(2007) described the existence of positive relationship between psychosocial work environment and employees performance. Work life balance (work-family conflict, family-work conflict and work extracurricular activity) is found to be significantly and positively correlated with employee performance ( $r = 0.52, 0.58, 0.44$  respectively and;  $P < .001$ ) according to Azeem and Akhtar, (2014) supported the finding that there is a positive relationship between work life balance and employee performance.

The result of correlation analysis indicates that Work-family, family-work, noise, work extracurricular activity, leadership quality has significant and high relationship and the correlation coefficient of the supervisory support, furniture, lightning an ventilation role congruity variables has medium relationship.

Per the interview result the company has performance no proper evaluation method and its importance was not given, there was no clear guide line as how to evaluate so it's more of subjective. However one of the managers said that emphasis should be given to the performance evaluation in order to be more objective. He added, top managers should change the performance management scheme and align employees development and bonus packages with performance result so as to change the performance and growth of the company.

The correlation among the above nine variables also indicated that there has been significant correlation among them at ( $P < .001$  and  $P < .005$ ).

## 4.4. Regression analysis

The regression analysis has been conducted to measure the variables that explain the variance in the employee performance. The result has been shown in table below.

### 4.4.1. Multiple Regressions

In order to determine the extent to which the explanatory (independent) variables explain the variance in the explained (dependent) variable, multiple regression analysis was performed.

**Table 5:Table Multiple linear regression result model summary**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645 <sup>a</sup>	.416	.404	.58576

a. Predictors: (Constant), physical, psychosocial and work life balance

On the above table, the result indicated that correlation of the nine independent variables (work environment) with the dependent variable (employee performance) is 0.645 and almost 41.6 percent of the variance in respondents' perception of employee performance was explained by these three variables i.e physical environment, psychosocial environment and work life balance. From the table above, R Square is 0.416 which means 41.6 percent of the variance in working environment is influenced by the three variables that are physical environment, psychosocial environment and work life balance. This is means that 41.6% of variance in employee performance is explained by over all work environment, while 58.4% of variation in employee performance can be attributed to other variables which are not considered in this study.

**Table 6:ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	35.484	3	11.828	34.472	.000 <sup>b</sup>
	Residual	49.752	145	.343		
	Total	85.236	148			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), physical, psychosocial and work life balance

**Source:** Survey report from respondents

On table 7, the F value is 34.47 at significant level of 0.000 implies the variation in employee performance that is explained and influenced by over all work environments is statistically significant.

The relative importance of over all work environments was also conducted using regression coefficient as presented in table below.

**Table 7 Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.532	0.272		1.96	0.052
	Work life balance	0.561	0.1	0.469	5.612	0
	Physical environment	0.205	0.077	0.209	2.652	0.009
	Psychosocial environment	0.057	0.081	0.06	0.701	0.484

a. Dependent Variable: Employee Performance

On table 8, the result of regression analysis based on three independent variables (physical environment, psychosocial environment and work life balance) is reflected in Table above. The results indicate the positive and statistically significant relationship of these variables with physical environment, psychosocial environment and work life balance. It can be seen from the results provided in table above that the R-square is 0.416. These three independent variables explain 41.6 percent ( $R^2 = 0.416$ ) of variation in overall working environment. This indicates that there is other variable which influences employee performance particularly in the case of AIC. The relationship of work life balance with employee performance is positive and statistically significant ( $p < 0.01$ ). The relationship of physical environment dimension is also positive and statistically significant ( $p < 0.1$ ) with employee performance. The relationship of the psychosocial environment with employee performance is positive but not statistically significant ( $p > 0.05$ ).

According to the interview for questions raised regarding the physical work environment and employee performance all of the managers interviewed replied similar answer in terms of Furniture, Lighting & Ventilation and Noise. Per their reply there is the physical working environment moderately have positive influence on employees' performance, however, there is no standardized and uniform furniture arrangement Yet, they claimed that their employees were motivated to some extent on physical working environment.

The Psychosocial environment per the management staffs was conducive in line with the Supervisory support, Role Congruity and Quality Leader for the employees to increase their performance. One of the managers suggested that supervisory support is the best way to boost employees' performance, same was confirmed by the other interviewees. Employee performance can be best achieved through these psychosocial work environment especially quality leadership style and the psychosocial work environment in the company is attractive and conferrable to have better performance of employee per the management. Moreover, the relationships between co-workers and the existence of positive relationship between employees and management, it has became one of the major benefit that improve employees performance to utilize their maximum efforts. One of the interviewee said that most of management show participative type of leadership and they tried to be role model to the employee. This assured that positive and friendly relationship between employees and management can boasts employee's performance.

Per the management staffs, the work-life balance of the company is somewhat reasonable. In terms of Family Work Conflict, and work-family conflict, the management staff feel that their interference is high, yet, for Work Extracurricular conflict, the general attitude of the respondents revel that there is a positive relationship between work life balance and employee performance. As per a respondent, work and family time some time intermingled nevertheless, there is plenty of time for extracurricular activities as there are engagement packages within the company.

Further, the results of the regression analysis highlighted the priority areas of work environment improvement and revealed that not all the variables contribute equally to the employee performance context of AIC. The study indicated that among the various work environment variables, work life balance is the first with the largest  $\beta$  value of 0.47 followed by physical environment with  $\beta$  value of 0.29 and with  $\beta$  value of 0.06. Therefore, superior performance on the most important variable work life balance may be helpful in providing

enhanced employee performance while the performance on less important variable for psychosocial environment may not significantly impact of employee performance in the current study.

#### **4.5. Hypothesis Testing**

This part will assess the result of hypothesis testing related to relationship between dependent variables and independent variable. The hypothesis was tested by using regression analysis. Regression analysis was conducted to measure the variables that explain the variance in the overall working environment. The result indicated that correlation of the employee performance (dependent variables) with overall work environment (independent variable) is 0.645. The result also indicated that 41.6 percent of the variance in students' perception of employee performance has been explained by these three variables.

From the regression analysis indicated in table above, researcher observed that H1 and H3 have been accepted or supported in this study that are H1: Physical Workplace Factors have Significant Effect on employee performance and H3: Work Life Balance Factors have Significant Effect on employee performance while H2 were rejected that are H2: Psychosocial Workplace Factors have Significant Effect on employee performance.

Whereas the correlation analysis has revealed that all the work environment dimensions have correlated with employee performance as exhibited in table above.

# Chapter Five

## *Findings, Conclusions and Recommendation, and Limitations and Implications for further research*

In this chapter, the findings obtained from the analysis part, conclusion and recommendation drawn based on the findings have been discussed.

### **5.1. Summary of Findings**

The present study assesses the influence of work environment on the performance of Abay Insurance Share Company employees with a questionnaire that contains 29 items.

From the correlation analysis done, it is evident that all the three working environment variables namely physical, psychosocial, work life balance variables have positive and significant correlation with employee performance. This implies that all variables of work environment are important for employee at AIC to have to exert their energy and to have high performance as much as they can. It has also been observed that family-work conflict has the highest significant correlation with employee performance (with  $r = 0.58$ ;  $p < 0.01$ ) compared to the eight other variables. Next to family-work conflict from two to nine, work-family conflict, work extracurricular activity, noise, quality leadership, role congruity, lightning and ventilating, supervisory support and furniture has positive and significant correlation with employee performance with  $r=0.52, 0.49, 0.44, 0.43, 0.37, 0.34, 0.33, 0.29$  respectively. Therefore, it is true that all the working environment dimensions are important in affecting employee performance of AIC. Besides that, the correlation among working environment variables has shown that there is positive correlation among them

From descriptive analysis the mean scores of all the physical, psychosocial and work life balance variables of work environment have been indicated in their order as Quality Leader (Mean=3.73;SD=0.94), Work Extracurricular (Mean=3.51; SD=0.80), noise (Mean=3.45; SD=0.90), Furniture (Mean=3.41; SD=1.20), Lighting and Ventilation (Mean=2.75; SD=0.90), Role Congruity (Mean=3.30; SD=1.05), Supervisory support (Mean=2.75; SD=0.94), Work - Family Conflict (Mean=3.27; SD=0.73), Family- Work Conflict (Mean=3.3210; SD=0.75), Employee performance (Mean=3.12; SD=0.76). Further, the study in the regression analysis highlighted the relative importance of working environment attributes and revealed that work life

balance ( $\beta$  value of 0.47) is the most important variables followed by physical environment ( $\beta$  value of 0.21 ) and psychosocial environment ( $\beta$  value of 0.06). This would enable AIC to focus and improve more in the areas of importance.

Besides that, from the regression model summary table above in the analysis part above, R Square is 0.416 which means 41.6 percent of the variance in working environment is influenced by these three variables that are physical, psychosocial and work life balance. In the same table the result indicated also that correlation of the three independent variables with the dependent variable is  $R= 0.645$ . Accordingly, the interview also confirmed that all the independent variables have positive influence on the dependent variable. As for AIC. all the work environments have been explained to positively affect the employees' performance.

## **5.2. Conclusions**

This study tries to assess the work environment towards the employee performance of AIC. To assess the influence of work environment, many researchers have categorized various variables according to their focus of the research.

Thus, Based on the findings of the study the researcher could draw following conclusions:

- ❖ Employees of AIC are not satisfied with the present working environment (physical, psychosocial working environment and the work life balance of the organization) variables, though the physical work environment is moderately better than the rest of the working environments. Yet we can conclude that the general working environment of the company is not conducive compared to other companies in the industry.
- ❖ The psychosocial and the work-life balance environments are found to be not conducive for employees whereas, all the environments are deemed to be conducive for the management staffs. Therefore, it could be generalized that there is no common perception of the environment between the management and the subordinates.
- ❖ As the finding shows that the mean score of employee's performance is 3.12 and this is low mean score. This implies that employees of AIC performance were not good due to many factors among that the working environment problem is one. As working environment has positive influence on employees performance and the employees of AIC do not have positive viewpoint of their working environment, employees' performance is low in the company.

- ❖ All working environment (psychosocial, physical working environment and work life balance) variables have significance in the improvement of the working environment of AIC. Management of the company must understand that work environment towards employee performance are very significant.
- ❖ All working environment are found to have influence on employee performance. Yet only Work extracurricular activity, noise, furniture and quality leadership style have been found to have positive effect on employee performance on AIC.
- ❖ Therefore, if all the working environments are enhanced, they will have a positive and significant effect on employees' performance.

### **5.3. Recommendations**

Based on the analysis of this study, several recommendations have been forwarded to improve the working environment of AIC. Management of the company must understand that work environment towards employee performance based on their significance. Therefore, AIC must make every effort to pay attention on improving family to work, work to family, light and ventilation; role congruity, and supervisory support. The management of the company should encourage their employee on the participation of decision making and enhance their relationship with their subordinates. The company can also create child care assistance, day nursery and after school childcare which will help the employee to perform their tasks and assist them in their family life.

Moreover the company should investigate office light and ventilation and make proper adjustment to better met employees' expectation. The company should also revise the role congruity as it is the most importance work environment variables in terms motivation. This indicates that AIC needs to have to provide clear job description that go in line with the qualification of employees.

The office place should also be comfortable and attractive to see so as to make them happy to stay for a long time. The overall office layout should rearrange to get the maximum benefit of work environment.

Besides all that, creating an attractive work environment is very crucial to an organization's future and to this end AIC should retain and attract experienced and talented employee and thereby it can enhance organizational performance.

All in all, by managing the working environment variables in order of their importance, AIC can improve the performance of employee in returned it can improve the performance of the organization.

Management of AIC needs to conduct a research of this kind periodically to study the influence of work environment towards its employee performance, check its progress and identify which variable significantly affect the performance of employee .





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## Appendix 1. Questionnaire



**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
SCHOOL OF COMMERCE  
MA IN HUMAN RESOURCES MANAGEMENT**

**Questionnaire to be filled by Employees, Supervisors and Managers of Abay Insurance  
S.C.**

**Dear Respondents:**

The purpose of this study is to examine the influence of work environment on employee performance. This questionnaire is purely for academic purpose used for my partial fulfillment of MA in Human Resource Management.

The questionnaire has two sections that are demographic and general work environments, physical environment, psychosocial environment, work life balance and employee performance. Please spend a few minutes from your precious time to fill up this questionnaire. Read each question properly and tick inside the boxes corresponding to the response that most accurately represents your level of agreement and view. Please answer as truthfully as you can. Be assured that individual answers are going to remain confidential.

**Thank you**

### **Section 1 – Demographic Information**

Please complete the following biographical information by ticking (√) from the alternative that is the most applicable answer to you in respect of each of the following items.

#### **1. Socio-demographic data**

1.1. Sex    A. Male     B. Female

1.2. Age (in years)

A. 18-30     B. 31-40     C. 41-50     D. Above 50

1.3. Marital status

A. Single     B. married     C. Separated     D. Divorced     E. Widowed

Others (please specify) \_\_\_\_\_

1.4. What is your educational background?    A. Diploma     B. Degree     C. Master

Others please state \_\_\_\_\_

1.5. How long have you been working in Abay Insurance share Company?

A. Less than 3 year's     B. Between 4 and 5     C. More than 5 year's

**Section 2: Research related questions** physical environments, psychosocial environment, work life balance and employee performance. **Instructions:** Please tick (✓) the number that you feel most appropriate, using the scale from 1 to 5 (Where 1 =strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree).

No.	Items	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
<b>A</b>	<b>Physical work environment question</b> <i>Source: Gitahi, Waiganjo &amp; Koima (2015)</i>					
<b>1</b>	The furniture I use is comfortable, flexible to adjust, easy to rearrange or reorganize					
<b>2</b>	The office is devoid of unnecessary noise					
<b>3</b>	The working space area is sufficient and roomy enough					
<b>4</b>	The room or office I operate from is well illuminated					
<b>5</b>	The temperatures in the room or office I operate from is appropriate					
<b>B</b>	<b>Psychosocial work environment questions</b> <i>Source: Gitahi, Waiganjo &amp; Koima (2015)</i>					
<b>6</b>	I frequently meet with my supervisor about my personal development					
<b>7</b>	My supervisor respects the co-worker's opinions.					
<b>8</b>	My roles & responsibilities are clearly stated					
<b>9</b>	My job requires the performance of a wide range of tasks					
<b>10</b>	Managers inform employees about important decisions, changes, or plans for the future					
<b>11</b>	can rely on my supervisor/line manager to help me out with a work problem					
<b>C</b>	<b>Work- Family Conflict</b> <i>Source: Gitahi , Waiganjo &amp; Koima (2015)</i>					
<b>12</b>	Due to work-related duties, I keep on making changes to my plans for family activities					
<b>13</b>	The demands of my work interfere with my home and family life					

14	The amount of time my job takes up makes it difficult to fulfill family responsibilities					
15	My job produces strain that makes it difficult to fulfill family duties					
<b>D</b>	<b>Family- Work Conflict</b> <i>Source: Allen, 2001; Grzywacz and Marks 2000; Netemeyer 1996.</i>					
16	The demands of my family or spouse/ partner interfere with work-related activities					
17	I have to put off doing things at work because of demands on my time at home					
18	Things I want to do at work don't get done because of the demands of my family or spouse/partner					
19	My home life interferes with my responsibilities at work such as getting to work on time, accomplishing daily tasks, and working overtime					
20	Family-related strain interferes with my ability to perform job-related duties					
<b>E</b>	<b>Work Extracurricular conflicts</b> <i>Source: Gũthi , Waiganjo &amp; Koima (2015)</i>					
21	The amount of time my job takes up makes it difficult to fulfill extracurricular responsibilities					
22	My job produces strain that makes it difficult to fulfill my extracurricular activities					
23	Due to work-related duties, I have to make changes to my plans for extracurricular activities.					
24	The demands of my work interfere with my extracurricular activities					
<b>F</b>	<b>Employees' performance</b> <i>Source: Babin &amp; Boles (1998)</i>					
25	I am a top performer					
26	I am in top 10 percent of employees here					
27	I know more about services delivered to employees here					
28	I get along with customers better than others					
29	I know what my customers expect better than others					

***Thank you for your participation!!!***

## Appendix 2.

### Addis Ababa University School of Commerce

#### **Interview questions**

**The interview questions will be forwarded to Managers of Abay Insurance Share Company**

The purpose of this interview question is to assess the influence of work environment on employee performance of Abay Insurance Share Company

1. Please describe the physical work environment of your organization?

In terms of;

- (Furniture, Lighting & Ventilation and Noise)

2. Please describe the psychosocial work environment of your organization?

In terms of;

- ( Supervisory support, Role Congruity and Quality Leader)

3. Please describe the work life balance of your organization?

In terms of;

- ( Family Work Conflict, work to family conflict and Work Extracurricular conflict)

5. Describe the relationship between you and your colleagues' management staffs?

6. How could you describe your performance?

7. Do you think this is a good place to work?

8. Does your job create difficulty to fulfill family responsibilities?

9. How do you describe the overall working environment?

### Appendix 3.

## BACKGROUND OF RESPONDENTS AND DESCRIPTIVE STATISTICS

### Statistics Table of Background of Respondents:

		Statistics				
		Gender	Age	marital status of employee	Work experience at Abay insurance s.c	Educational Level
N	Valid	149	149	149	149	149
	Missing	0	0	0	0	0

### Sex of Respondents

		Sex			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	63	42.3	42.3	42.3
	Male	86	57.7	57.7	100.0
	Total	149	100.0	100.0	

### Age of respondent

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30	98	65.8	65.8	65.8
	31-40	43	28.9	28.9	94.6
	41-50	8	5.4	5.4	100.0
	Total	149	100.0	100.0	

## Marital Status of respondent

marital status					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Singel	97	65.1	65.1	65.1
	Married	51	34.2	34.2	99.3
	Separated	1	.7	.7	100.0
	Total	149	100.0	100.0	

## Work Experience of respondent at Abay Insurance S.C

Work experience at Abay insurance s.c					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	<3 Yr	122	81.9	81.9	81.9
	4-5Yr	21	14.1	14.1	96.0
	>5Yr	6	4.0	4.0	100.0
	Total	149	100.0	100.0	

## Education Level of respondent

Educational Level					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Diploma	29	19.5	19.5	19.5
	Degree	100	67.1	67.1	86.6
	Master	8	5.4	5.4	91.9
	Other	12	8.1	8.1	100.0
	Total	149	100.0	100.0	

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Furniture	144	1.00	5.00	3.4097	1.20264
Noise	149	1.00	5.00	3.4530	.90109
Lightning and Ventilation	148	1.00	5.00	2.7466	.91751
Supervisory support	149	1.00	5.00	3.2718	.93989
Role congruity	149	1.00	5.00	3.2919	1.04639
Quality leader	148	1.00	5.00	3.7331	.93753
Work-family conflict	149	1.25	5.00	3.1169	.72944
Family-work conflict	149	1.60	5.00	3.3210	.74675
Work extracurricular conflict	149	1.50	5.00	3.5145	.80333
Performance of employee	149	1.60	5.00	3.2372	.75889
Valid N (list wise)	142				

## APPENDIX 4

### Pre and final result of Reliability test (Cronbach Alpha)

#### **physical**

Final Result

**Reliability Statistics**

Cronbach's Alpha	N of Items
.757	5

Pre test Result

**Reliability Statistics**

Cronbach's Alpha	N of Items
.709	5

#### **psychosocial**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.819	6

**Reliability Statistics**

Cronbach's Alpha	N of Items
.904	6

#### **work life balance**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.882	16

**Reliability Statistics**

Cronbach's Alpha	N of Items
.851	4



Work-family conflict	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	143	148	147	148	148	148	148	148	148	148
	Pearson Correlation	.450**	.388**	.297**	.418**	.451**	.637**	1	.666**	.451**	.519**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000	.000	.000
Family-work conflict	N	144	149	148	149	149	148	149	149	149	149
	Pearson Correlation	.392**	.492**	.260**	.355**	.475**	.575**	.666**	1	.514**	.575**
	Sig. (2-tailed)	.000	.000	.001	.000	.000	.000	.000		.000	.000
	N	144	149	148	149	149	148	149	149	149	149
work extracurricular	Pearson Correlation	.207*	.410**	.201*	.226**	.284**	.355**	.451**	.514**	1	.442**
	Sig. (2-tailed)	.013	.000	.014	.006	.000	.000	.000	.000		.000
	N	144	149	148	149	149	148	149	149	149	149
	Pearson Correlation	.293**	.485**	.337**	.328**	.378**	.425**	.519**	.575**	.442**	1
performance	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	144	149	148	149	149	148	149	149	149	149

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

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

**APPENDIX 6**  
**Regression analysis**

**Multiple linear regression result model**

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	psychosocial, physical, work life balance <sup>b</sup>		Enter

- a. Dependent Variable: performance  
b. All requested variables entered.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645 <sup>a</sup>	.416	.404	.58576

- a. Predictors: (Constant), psychosocial, physical, work life balance

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.484	3	11.828	34.472	.000 <sup>b</sup>
	Residual	49.752	145	.343		
	Total	85.236	148			

- a. Dependent Variable: performance  
b. Predictors: (Constant), psychosocial, physical, work life balance

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.532	.272		1.960	.052
	work life balance	.561	.100	.469	5.612	.000
	physical	.205	.077	.209	2.652	.009
	psychosocial	.057	.081	.060	.701	.484

- a. Dependent Variable: performance