



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

**THE EFFECT OF WORKPLACE ENVIRONMENT ON EMPLOYEE
PERFORMANCE: THE CASE OF COMMERCIAL BANK OF
ETHIOPIA**

By:

Endale Akalu W/Tsadik

Advisor:

Atsede T. (PhD)

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

June, 2021

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STUDENT'S DECLARATION SHEET

I hereby declare that this study entitled “**Effect of workplace Environment on employee performance: The case study on Commercial Bank of Ethiopia**” is my original work prepared under the guidance of my advisor Atsedo Tesfaye (PhD). This paper is submitted in partial fulfillment of the requirement for the award of Master of Arts Degree in Human Resource Management and it has not been previously submitted to any diploma or degree in any college or university.

By: Endale Akalu

Signature -----

Date-----

ADVISOR'S APPROVAL SHEET

This is to certify that Endale Akalu carried out his study on the topic entitled **“Effect of workplace Environment on employee performance: The case study on Commercial Bank of Ethiopia”** This work is original in nature and suitable for submission for the award of the Master's Degree in Human Resource Management

Dr. Atsede Tesfaye

(The research advisor)

Signature

Date

ADDIS ABABA UNIVERSITY SCHOOL OF GRADUATE STUDIES



This is to certify that the thesis prepared by Endale Akalu entitled **Effect of workplace Environment on employee performance: The case study on Commercial Bank of Ethiopia**”, which is submitted in partial fulfillment of the requirements for the Degree of Master in Human Resource Management, complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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ACRONYMS

BA	Bachelor of Art
CBE	Commercial Bank of Ethiopia
COMP	Compensation
EAAD	East Addis Ababa District
HR	Human Resources
MA	Masters of Art
NAAD	North Addis Ababa District
OC	Organization Culture
OKR	The Objectives and Key Results (OKR) Framework
PMS	Employee Performance
PWE	Physical Work Environment
SAAD	South Addis Ababa District
SD	Standard deviation
SMART	SMART Specific, Measurable, Attainable, Relevant, Time-bound
SPSS	Statistical Package for Social Science
TD	Training and Development
VIF	Variance Inflation Factor
WAAD	West Addis Ababa District
WLB	Worklife Balance
WLD	Workload

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ABSTRACT

The main objective of this study is to investigate the effect of working environment on employees' performance of Commercial Bank Ethiopia at special and Grade IV Branches in Addis Ababa. To achieve the objective, the researcher employed explanatory research design, and Quantitative research approach is used to analyze data collected from primary sources and secondary sources were used to supplement the primary data gather from questionnaire. The researcher used Convenience and stratified random sampling techniques to reach and distribute questionnaires to respondents. The target population of the study was 645 employees who are working at 12 branches found in Addis Ababa area and 247 sample were drawn. The data was analyzed using (SPSS) version 20 which, the descriptive statistics include the mean and standard deviation. The inferential statistics (correlation analysis and regression analysis) was also used in analyzing the relation between independent and dependent variables. The finding of the study indicated that the organization culture has insignificant effect on employee performance, the trainings need of employees are not identified in appropriate manner and performance expectation set to an employee are not appropriate. Accordingly, the study recommends the management of the bank to make bank wide cultural audit and locating the areas where the top management bodies should intervene to improve organizational cultural practices and employee's performance, to identify employees training need based on performance gap, competency gap and interest of employee and review the current goal and target set by supervisors.

KEY WORDS: Training and development, compensation, organization culture, workload, work life balance, physical work environment and employee performance.

CHAPTER ONE

INTRODUCTON

This chapter deals about background of the study; statement of the problem; objectives of the study; significance of the study; scope of the study; limitations of the study; operational definition of key terms, and organization of the study.

1.1 BACKGROUND OF THE STUDY

Banking sector companies is categorized among the services sector so these industries depend on their employees for generating efficiency, effectiveness, and core competencies for attracting and retaining potential customers and for rendering quality of services to the customers.

In the era of globalization and high competition, it's a priority of an organization to succeed the reason for business existence and survive or compete effectively in the global economy. This can happen only by efficient utilization of available resources. Thus, one of the most potential resources who have the ability to translate the company's goal is human resources. Effective and efficient human resource utilization enables an organization to maintain the reason for existence, survival also organizational growth. Therefore, in order to grasp this potential resource and compete in the potential market, employers or organization must be in the position to promote their employee performance through creating conducive working environment. This is due to the fact that a banking job is considered a job full of stress and government expectation from Commercial Bank of Ethiopia is highly stretched.

Workplace environment is the sum of the interrelationships that exists within the employees and the environment in which they work (Kohun, 2002) According to (Health, 2006) this environment involves the physical location as well as the immediate surroundings, behavioral procedures, policies, rules, culture, resources, working relationships, work location, all of which influence the ways employees perform their work. The quality of the workplace environment impacts on employee's performance and subsequently influences the organization competitiveness. An effective workplace environment management entails making work environment attractive, comfortable, satisfactory and motivating to employees so as to give employees a sense of pride and purpose in what they do (Humphries, 2005) Employees will and are always contented when they feel their immediate environment; both physical sensations and

emotional states are in tandem with their obligations (Farh & Seo, Tesluk, 2012) and how well employees connect with their organizations immediate workplace environment, influences to a great extent their error rate levels, efficiency and innovativeness, collaboration with other employees, absenteeism and, ultimately their retention (Leblebici, 2012)

Employee performance is the combined result of effort, ability, and perception of tasks (Platt & Sobotka, 2010) Employees' performance is imperative for organizational outcomes and success. Many factors influence employee performance; and workplace environment factors stands out as the key determinants of performance. It is the key multi character factor intended to attain outcomes and has a major connection with planned objectives of the organization (SABIR, IQBAL, REHMAN, SHAH, & YAMEEN, 2012). Favorable workplace environment guarantees the wellbeing of employees as well as enables them to exert themselves to their roles with all energy that may translate to higher performance (Taiwo, 2010).

The workplace environment comprises of various factors that are imperative determinants of employee performance (Lambert, Hogan, & Barton, The Impact of Job Satisfaction On Turnover Intent: A Test of Structural Measurement Model Using a National Sample Of Worker, 2019). These factors may positively or negatively contribute to achieving maximum employee performance.

One of the most determinant factors for achievement of employees' performance is organizational culture and organizations should be aware of their culture in order to survive successfully in unstable business environment (Northouse, 2004) . (Omoniyi, SALAU, & Olumuyiwa, 2014) analyze the concept of organizational culture has become a fundamental aspect in business, management, psychology and sociology.

In a related study, (Shah, et al., 2011) maintained that, high performance achievement is directly related to employees' workload when the workload distribution is proportionally related to their ability to cope with the stress associated with their role. The researchers further argued that, excessively high workload and extremely low workload correlate to low performance. Moreover, (Shah, et al., 2011) and (Musau, et al., 2008) contended that a sudden increase or decrease in

workload both lead to impaired performance, but they also warned that sudden increase in workload curve is more sensitive and could badly affects the performance of employees.

The research conducted on selected Five Administration Office, Bole Sub-City, by (Asfaw, Argaw, & Bayissa, 2015) reveled that, Training and development had positively correlated and claimed statistically significant relationship with employee performance and effectiveness. In addition, the study conducted by (Lemma & Alemu, 2016) on CBE East Addis Ababa District found significant relationship between Training and Development & Employee Performance. The researchers claimed the need to conduct need assessment on organization, task and people level, before and after training to confirm the effect of training on employee performance.

Likewise, The Study Conducted by (Tsegaye, 2017) indicated that there was a significant relationship between compensation and employee performance. Moreover, the researcher discussed that, the development of competitive and effective compensation and rewards system will motivate employees' performance.

According to (Obiageli, Uzochukwu, & Ngozi, 2015) work life balance practice is an important factor in increasing employee performance. Also, argued that, creation of different work life balance incentives significantly improves employee performance.

In the case of Physical Working Environment, the study conducted by (Kagw, 2018) established that physical workplace aspects had a great contribution towards the organizations' performance and similarly, (Satyendra, 2019) confirmed that, the physical aspects of a workplace environment have a direct impact on the employees' productivity, performance, health and safety, comfort, concentration, job satisfaction, and morale. A proper, helpful, conducive workplace environment brings improvements to the employees' physical and mental capabilities in performing their daily routine.

In view of, workplace environment effect on employee performance the researcher makes the preliminary review (physical interview, empirical review and observation) on Commercial Bank of Ethiopia selected Offices and find out the most critical factors that affect employee performance i.e. Employees have grievances on Physical environment, Compensation, Work life balance, Training and Development, Organizational Culture and Workload. Consequently, the researcher tried to see if there are any empirical reviews are available and found the earlier

researches and finding aren't enough and the researcher also believes the previous empirical reviews are outdated and focused on few selected factors. Cognizant to this, the study investigate how employee performance is affected by workplace environment factors with more concern to Physical environment, Compensation, Work life balance, Training and Development, Organizational Culture and Workload, finally give recommendation for the findings.

1.2 BACKGROUND OF THE ORGANIZATION

CBE was established as a “State Bank of Ethiopia’ in 1942 and started operation with small capital, employees barely exceeding 40 and 2 branches within the capital city. CBE is now providing services for more than 25.8 million customers throughout the nation over 60 thousand employees 1,607 branches, 3,080 ATM Machine, 4,123 POS Machines while the number of mobile banking users reached 4.8, Active internet banking subscribers reached 3.4 thousand, Active ATM card holders reached 5.9 million, Active CBE Birr Users reached 3.9 million as of September 30, 2020 ((Department, 2020)). It has strong correspondent relationship with more than 50 renowned foreign banks like Commerz Bank A.G.,Royal Bank of Canada, City Bank, HSBC Bank and CBE has a SWIFT bilateral arrangement with more than 700 others banks across the world(<http://www.combanketh.et>)

CBE is expected to play a pivotal role in financing the development efforts of the country and national priority areas. Driven by the ambitious and ever-growing demand of stakeholders, the Bank has been working hard to become a World-Class Commercial Bank by the year 2025 that meets the expectations of all stakeholders. To this end, CBE has re-engineered its business process and is being transformed from a functionally-oriented bank into a process based institution that strives for efficient and effective service delivery. This paradigm shift has radically changed the bank in general and its human resources management system in particular. (Ethiopia, 2020)

1.3 STATEMENT OF THE PROBLEM

Working environment plays an important role towards the employees ‘performance. Working environment is argued to impact immensely on employees’ performance either towards negative or the positive outcomes (Chandrasekar. K., 2011). When people are working in situations that suit their physical and mental abilities, the correct fit between the person and work task is

accomplished, Employees are then in the optimum situation for learning, working and achieving. (Anil & Shirsath, 2014).

Understanding the association workplace environment with employee's job performance is a vital research subject because it is proven by different studies that individuals work performance is crucial for success of organization.

As per the preliminary review (physical interview, empirical review and observation), the researcher found that the bank has not conducted both internal and external recruitment at junior/professional level after the implementation of structure change i.e. 30-Jun-2018, even though there is 393 new branch opening and increase in Service/product.(CBE Noor, Collection of Utility Payments, Pension Collection /payment...etc.) (CBE, CBE Quarter Performance Progres Report, 2021) Which resulted in employee's grievance in relation to their work environment. Especially in terms of the workload, work life balance and compensation. According to (CBE, Digital Utilization Rate QII, 2021) the bank Management Information System quarter Report , average financial transaction of the bank exceeded 97 million of which 70 % of transaction is done using the bank digital channels and the rest 30 % transaction is done by employees, which implies on average 145 customers/day served by an employee in addition to other expected tasks such as Recruiting New/Replacement Digital Channels user, Provide Window Support ...etc.

Moreover, CBE workplace environment and condition have not given due attention to physical working environment, branches have no similar or standardized workplace environment. Furthermore, some of branches physical working conditions lacks sufficient working equipment's, and furniture, poor office arrangement (office layout), narrowness of office, problem of air circulation, ventilation, and lightning, some of the branches are located on the bad weather condition environment, and affected by high noise, and poor at security managements.

CBE has made two round changes on both organization structure and Executive Management. Moreover, new structure change is under study. In order to fill the need of acquiring experienced Management, National Bank has nominated Executive Management from other different private and government banks, who have grown up with different organizational values, norms, attitudes and assumptions, however; culture branding was not get adequate attention parallel to the

deployment. The Survey conducted by the bank confirmed that CBE has weak organizational culture on the following dimension. i.e. (Capability Development, Creating Change, Coordination & Integration, Adaptability) (CBE, Assessment of CBE's Corporate Culture, 2018). Similarly the survey conducted recently revealed that, Only 20.6% of respondents identify correctly all the eight core values of the bank: out of them 35.3% of managers and 18.8% of employees identified all the eight core values correctly; which shows a significant decline relative to the previous two consecutive year surveys. (Solomon & Mehret , 2020).

Studies also indicate that the training in commercial bank of Ethiopia (CBE) have not provided based on the performance gap, competency gap and interest of employee (Gidey, 2016) In addition to this, employees of the bank are feeling that they have unbalanced work life balance since they have busy working life and have missed important times with their family (TIHUT , 2016).

Most of the studies reviewed were conducted Outside of Ethiopia. There are few empirical reviews finding shows the findings aren't adequate, outdated and more focused on few selected work place environment factors.

The fact that there is scanty literature in this area regarding the relationship between workplace environment and employee performance and particularly on effect of work environment factors on the performance of employees in a given organization. It is against this background that the current researcher finds it suitable to investigate the effect of workplace environment on employee performance at the commercial bank of Ethiopia.

1.4 RESEARCH QUESTIONS

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

- ✓ What is the existing Workplace Environment lookalike in Commercial Bank of Ethiopia?
- ✓ What is the existing Employee Performance in Commercial Bank of Ethiopia?
- ✓ What is the relationship between Workplace Environment and Employee Performance in Commercial Bank of Ethiopia?
- ✓ To what extent does the Workplace Environment affect Employees Performance in Commercial Bank of Ethiopia?

1.5 OBJECTIVES OF THE STUDY

1.5.1 GENERAL OBJECTIVE

To examine the effect of Workplace Environment on Employee Performance: The case of Commercial Bank of Ethiopia.

1.5.2 SPECIFIC OBJECTIVES

The specific objectives of the research were:

- ✓ To assess the existing of Workplace Environment in Commercial Bank of Ethiopia
- ✓ To examine the extent of Employee Performance in Commercial Bank of Ethiopia
- ✓ To identify the relationship between Workplace Environment and Employee Performance in Commercial Bank of Ethiopia
- ✓ To investigate the effect of Workplace Environment on Employee Performance in Commercial Bank of Ethiopia

1.6 SIGNIFICANCE OF THE STUDY

It is anticipated that the findings of the study will pave way for the executive Management and Human Resource Management team of the Bank to understand the variable that affects employees' performance. It will enable the organization to know how to address the issues concerning the employees and its working environment to consider to increase employees' performance and productivity.

It will therefore serve as a reference material for future researches in this area. Also, the results will throw more light on factors affecting employee's performance as far as their environments are concerned. The study is expected to provide knowledge and measures to improve the workplace environment of employees for better performance in banking industry.

1.7 SCOPE OF THE STUDY

In Ethiopia there are eighteen commercial banks under operation, Because of time, access, cost and other restriction the study population is limited to special and Grade IV branches of commercial bank of Ethiopia and discovering the whole variables, which will have effect on employee performance, was beyond the scope of this study and so, it was limited to Physical environment, Compensation, Work life balance, Training and Development, employees, Organizational Culture and Workload

The study adopts probability and non-probability sampling procedure. Furthermore, the study used both primary and secondary data sources and the secondary data is used as a supplementary to strengthen the finding drawn from primary data. In addition to that the researcher employ quantitative methods of data analysis.

Finally, this research covered a total eight months duration, which was started on end of November, 2020 and the final thesis paper is going to be submitted on June, 2021.

1.8 LIMITATION OF THE STUDY

To conduct this study there are many challenges that affect the quality of the paper and hinder the progress of the research. Such as; missing to address all workplace variables that have an effect on employee performance may have some impact on the outcome of the study as the dependent variable is subject to other workplace variables considerations as well. In relation to the respondents filling the questionnaire to primary data and included in the sample, might be reluctant to properly respond for the questionnaires given to them and some of them might not be properly respond because of the very confidential nature of some reports of the bank. The study is suffered from budget and time shortage. In addition to this, the findings were not generalizable for other businesses in Ethiopia. So that it requires future research which broaden the sample size to include other businesses

1.9 DEFINITIONS OF TERMS

Physical environment includes land, air, water, plants and animals, buildings and other infrastructure, and all of the natural resources that provide our basic needs and opportunities for social and economic development

Compensation is defined as the total amount of the monetary and non-monetary pay provided to an employee by an employer in return for work performed as required. Essentially, it's a combination of the value of your pay, vacation, bonuses, health insurance, and any other perk you may receive, such as free lunches, free events, and parking. These components are encompassed when you define compensation.

Work life balance is employment practices involved with providing scope for workers to balance what they are doing at work with the responsibilities and interests they need outside work.

Training and development implies a program in which specific knowledge, skills and abilities are imparted to the employees, with the aim of raising their performance level, in their existing roles, as well as providing them learning opportunities, to further their growth.

Workload components are the key tasks characteristics influencing human performance which define how people accomplish a required work and in what manner a person comprehends the task. Task demand is the ratio between time needed to complete a certain task and the available time to satisfy it and pointed out that workload is a combination between the available resources of an operating system, task demand, and people's capability

Organizational Culture defines the proper way to behave within the organization. This culture consists of shared beliefs and values established by leaders and then communicated and reinforced through various methods, ultimately shaping employee perceptions, behaviors and understanding.

Employee Performance: is defined as how an employee fulfills their job duties and executes their required tasks. It refers to the effectiveness, quality, and efficiency of their output. Performance also contributes to our assessment of how valuable an employee is to the organization. Each employee is a serious investment for a company, so the return that each employee provides must be significant.

1.10 ORGANIZATION OF THE STUDY

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

CHAPTER TWO

LITRETURE REVIEW

This literature review attempts to discuss the various literature related to working environment which has an effect on employee performance. The discussion also identifies gaps left by other researchers of similar studies. However, this study will attempt to fill those gaps. Through this literature review was re-packaged and analyzed as a way of bringing new insights into the problem.

2.1 THEORETICAL CONCEPTS

Many theories have been advanced to explain the link between workplace environment and employee performance. The study is grounded on two theories i.e., Herzberg Two Factor Theory and Affective Events Theory.

2.1.1 HERZBERG TWO FACTOR THEORY

The Two Factor Theory was advanced by Frederick Herzberg in 1959. This study is grounded on this theory that has been explored by various scholars to explain the relation between workplace environment and employee performance. Herzberg defined two sets of factors in deciding employees' working attitudes and levels of performance, named motivation and hygiene factors (Robbins and Judge, 2007). He stated that motivation factors are intrinsic factors that will increase employees' job satisfaction; while hygiene factors are extrinsic factors to prevent any employees' dissatisfaction. The theory pointed out that improving the environment in which the job is performed motivates employees to perform better.

Herzberg's theory concentrates on the importance of internal job factors as motivating forces for employees. He wanted to create the opportunity for employees to take part in planning, performing and evaluating their work (Schultz et al., 2010). The content of the theory has been widely accepted as relevant in motivating employees to give their best in organizations. Further research has proved that the employee is more motivated by intrinsic factors as captured by Herzberg's motivator needs than anything else.

There are however other schools of thought that share a different opinion from Herzberg's. One such scholar is King (2005) who sought to eradicate and evaluate five distinct versions of the Two Factor theory. He concluded that two versions are invalid as they are not supported by any

empirical studies. However, the two-factor theory can be said to be a truly outstanding specimen for it to last a long period of time without disapproval. It has been a great influence on the body knowledge about workplace motivation and performance. It has generated a great amount of further research by many scholars. It draws its thought from Maslow's famous hierarchy of needs theory and human behavior. However due to changes in organizational environment and the advancement in technology, it is necessary to develop new methods of analysis. This will provide new ways of conducting research and reevaluating the results of existing findings.

2.1.2 AFFECTIVE EVENTS THEORY

The theory was advanced by Howard M. Weiss and Russel Cropanzano in 1996 (Phua, 2012). The Affective Events Theory explains the link between employees' internal influences and their reactions to incidents that occur in their work environment that affect their performance, organizational commitment and job satisfaction. It proposes that positive-inducing as well as negative emotional incidents at work have significant psychological impact on employees' job satisfaction. The impact results into lasting reactions exhibited through job satisfaction, organizational commitment and job performance.

According to Ashton-James and Ashkanasy (2005) research to date has supported the central tenets of AET that workplace events trigger affective responses in employees and that these affective responses influence workplace cognition and behavior. They assert that AET is both empirically and theoretically, restricted to events that are internal to the organization. The theory also considers how specific events at work other than job characteristics lead to specific emotional and behavioral responses (Briner, 2000). He posits that these events or things that actually happen at work affect the well-being of employees thus affecting their performance.

2.2 WORKPLACE ENVIRONMENT

According to (Tripathi, 2014) the work environment can be defined as the environment in which people work that include physical setting, job profile, culture and market condition. Each aspect is interlinked and impacts on employee's overall performance and productivity. It is the quality of the employees' workplace environment that most impacts on their level of motivation subsequently performance. Work environment can be thought of simply as the environment in which people work (Briner, 2000) as such; it is a very broad category that encompasses the physical setting (e.g. heat, equipment), characteristics of the job itself (e.g. workload, task

complexity). He adds that it also encompasses broader organizational features (e.g. culture, history) and even aspects of the external organizational setting (e.g. local labor market conditions, industry sector, work life balance).

Employees will always be contended when they feel that their immediate environment states are in tandem with their obligations (Farh & Seo, Tesluk, 2012). (Chandrasekar. K., 2011) asserts that the type of workplace environment in which employees operate determines whether or not organizations will prosper. The workplace environment consists of physical factors which include the office layout and design among other factors; while the psychosocial factors include working conditions, role congruity and social support. Other aspects of the workplace environment are the policies which include employment conditions. A better physical workplace environment boosts employees' performance.

2.2.1 WORKPLACE ENVIRONMENT FACTORS AFFECTING EMPLOYEE PERFORMANCE

There are many factors that affect employee performance at the workplace. These factors can affect performance of employees individually and collectively. They can also have either positive or negative impact on employee performance.

2.2.1.1 PHYSICAL WORK ENVIRONMENT

(Ismail, MOHAMAD, MOHAMED, RAFIUDDIN, & Pei ZHEN, 2010) opine that the conditions of physical workplace environment influence the employees' functions and it will determine the well-being of organizations. They add that the physical work environment includes the internal and external office layout, temperature, comfort zone and also the work setting or arrangement. The physical workplace environment factors also include lighting (both artificial and natural), noise, furniture and spatial layouts in workplaces (Vischer J. C., 2007). The physical workplace environment includes comfort level, ventilation and heating, lighting. These features assist on functional and aesthetic side, the decor and design of the workplace environment that ultimately help improve the employees' experience and necessitate better performance.

The comfort level and temperature also substantially influence health of employees. (Niemelä, Hannula, Rautio, Reijula, & Railio, 2002) Found out that there is decrement in work performance when temperatures are high, and low temperature has relation to performance of manual tasks. (Al-Anzi, 2015) Closed office floor plan, which may consist of each Office design

encourages employees to work in a certain way by the way their work stations are built. Spatial layouts contribute a lot towards how the employees perform their tasks employee having a separate office of their own or a few people in each office, allows employees a greater amount of privacy than open plan office layout. It allows employees to work in peace and quiet, keeping them focused on their tasks without a lot of distraction. It also offers employees a thinking frame and creativity without much distraction. According to (McCoy & Evans, 2005) the elements of physical work environment need to be proper so that the employees would not be stressed while doing their job. Physical elements play an important role in developing the network and relationships at work. All in all, the physical work environment should support the desired performance. (Vischer J. , 2008) Stressed that conducive workplace environment should be prioritized as it provides support to the employees in carrying out their jobs. It should be conducive enough to enable performance of tasks by employees.

2.2.1.2 TRAINING AND DEVELOPMENT

(Armstrong, Strategic Human Resource Management: A Handbook of Human Resource Management Practice, 2006) states that development is an unfolding process that enables people to progress from a present state of understanding and capability to a future state in which higher-level skills, knowledge and competencies are required. It takes the form of learning activities that prepare people to exercise wider or increased responsibilities. (Tzafirir, 2005) asserts that training is an important element in producing the human capital. It provides employees with the skills, abilities and knowledge required by the post. The objective of training is to achieve a change in the behavior of those trained. This means that the trainees shall acquire new Manipulative skills, technical knowledge and skills on the job in such a way as to aid in the achievement of organizational goals.

Training helps to reconcile the gap between what should happen and what is happening between desired targets or standards and actual levels of work performance. Training need is any shortfall in employee performance, or potential performance which can be remediated by appropriate training. There are many ways of overcoming deficiencies in human performance at work, and training is one of them. Employee performance may be seen as the result of congruence between training and development and organizational goal.

2.2.1.3 WORK LIFE BALANCE

Work life balance may refer to, organizational support for dependent care, flexible work options and family or personal leave (Estes & Michael, 2005). Work life balance employment practices are concerned with providing scope for employees to balance what they do at work with the responsibilities and interests they have outside work (Armstrong, Strategic Human Resource Management: A Handbook of Human Resource Management Practice, 2006). By so doing, they reconcile the competing claims of work and home by their own needs as well as those of employers. Work life balance policies can lower absence and help tackle the low morale and high degrees of stress that can lead to underperformance since the employees get tired of juggling work and life responsibilities.

2.2.1.4 ORGANIZATIONAL CULTURE

Organizational culture is a system of shared beliefs about what is important, what behaviors are important and about feeling and relationships internally and externally (Purcell, Kinnie, Hutchinson, Rayton, & Swart, 2003). It can enhance employees' performance if what sustains it can be understood. Thus, the culture of an organization acquaints employees with the firm's history as well as current methods of operation that guide employees on expected and accepted future organizational behaviors and norms.

(Bulach, Lunenburg, & Potter, 2008) posit that the effects of organizational culture can be summarized as; knowing the culture of an organization allows employees to understand both the organization's history and current methods of operations. Secondly, organization culture can foster commitment to the organization's philosophy and values. Thirdly, organizational culture, through its norms, serves as a control mechanism to channel behaviors towards desired behaviors and lastly, certain types of organizational cultures may be related directly to greater effectiveness and performance than others

2.2.1.5 COMPENSATION

(Bernadin, 2007) refers to the concept of compensation as all forms of financial pay received by employees as payment for the services rendered. These includes all direct and indirect financial Compensation to employees such as salaries, wages, commissions, overtime pay, bonuses, profit sharing, merit pay, travel allowance, housing allowance and tips.

According to (DeNisi & Ricky , 2001) compensation is a reward system that a company provide to individuals in return for their willingness to perform various jobs and tasks within

organizations. They further stated that relevant and commensurate rewards need to be provided to the employees so that they feel valued and their expectations on exchanging their skills, abilities and contribution to the organization are met. The most competitive compensation will help the organization to attract and sustain the best talent. The compensation package should be as per industry standards. A good compensation package is important to motivate the employees to increase their performance and to increase organizational productivity. (Reddy, 2020)

2.2.1.6 WORKLOAD

There are many terms about the workload that has been known since the 1970s. Various different definitions have been put forward by experts so that it is difficult to get a precise conclusion about workload. One definition of Workload according to experts is the activities that must be completed by employees within a predetermined period of time (Dhaniala, as cited by Situmorang, & Hidayat, 2019). According (Setiawan, as cited by Situmorang, & Hidayat, 2019) to the excessive workload will have the effect of physical and mental fatigue and emotional reactions such as headaches, digestive disorders, and irritability. While a low workload will cause boredom and a sense of monotonous. Boredom in daily routine work because of too little work or work results in a lack of attention to work will potentially harms and lowers employee performance.

2.3 EMPLOYEE PERFORMANCE

(Armstrong, Strategic Human Resource Management: A Handbook of Human Resource Management Practice, 2006) defines performance as the development of quantified objectives. Performance is not only a matter of what people achieve but how they achieve. Performance defined by (Sultana, Irum, Ahmed, & Mehmood, 2012) as the achievement of specified tasks against predetermined or identified standards of accuracy, completeness, cost and speed. High performance is a step towards the achievement of organizational goals and tasks. (Frese & Sonnentag, 2002) opined that an individual performance is highly important for an organization as a whole and the individuals working in it. Organizations need highly performing employees in order to meet their goals and to deliver the products and services they are specialized in and finally to achieve a competitive advantage.

2.3.1 MEASURING OF EMPLOYEE PERFORMANCE

Measuring performance is relatively easy for those who are responsible for achieving quantified targets, like output per hour. Difficulty arises when we desire to measure the conceptions of performance in employees. But this difficulty is alleviated if a distinction is made between the two forms of results, i.e. outputs and outcomes. An output is a result that can be measured quantifiably, while an outcome is a visible effect that is the result of effort but cannot necessarily be measured in quantified terms (Armstrong , Armstrong's Handbook of Human Resource Management Practice, 2009). There are components in all jobs that are difficult to measure quantifiably as outputs, but all jobs produce outcomes even if they are not quantified. It is therefore often necessary to measure performance by reference to what outcomes have been attained in comparison with what outcomes were expected, and the outcomes may be expressed in qualitative terms as a standard or level of competency to be attained (Armstrong , Armstrong's Handbook of Human Resource Management Practice, 2009). Therefore a qualitative measure of outcome of an employee's performance can be attributed to the definition of the aspects that define the work done meets or exceeds expectations of organization, completing tasks satisfactorily, or if operations have reached an agreed upon standard. In measuring employee performance for this particular study, the indexes of measurement for performance were extracted from (Hakala, 2008) and their descriptions are as follows:

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

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

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

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

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

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

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

Assessment Center: The employee is appraised by professional assessors who may evaluate simulated or actual work activities. Objectivity is one advantage of assessment centers, which produce reviews that are not clouded by personal relationships with employees.

2.4 EMPIRICAL (PREVIOUS) STUDIES

Various related studies conducted by different researchers in different parts of the world. However, there are limited numbers of studies conducted in Ethiopia on the effect of work environment on employee performance.

The workplace environment comprises of various factors that are imperative determinants of employee performance (Lambert, Hogan, & Barton, The impact of job satisfaction on turnover intent: a test of a structural measurement model using a national sample of workers, 2001) .These factors may positively or negatively contribute to achieving maximum employee performance. Study conducted by (Nanzushi, THE EFFECT OF WORKPLACE ENVIRONMENT ON EMPLOYEE PERFORMANCE IN THE MOBILE TELECOMMUNICATION FIRMS IN NAIROBI CITY COUNTY, 2015) showed that, work environment is at the core of influencing employees' performance and recommends, organizations to work hard at availing every needed resource in making sure that the work environment supports their employee performance.

A study carried out by (Nanzushi, THE EFFECT OF WORKPLACE ENVIRONMENT ON EMPLOYEE PERFORMANCE IN THE MOBILE TELECOMMUNICATION FIRMS IN NAIROBI CITY COUNTY, 2015) on the effect of workplace environment on employee performance and concluded that there is a significant effect of Physical Work Environment on Employee Performance. The study find employees were satisfied with their physical work

environment aspects and these aspects of the physical work environment help them to improve their performance.

Research by (Alemayehu , 2017) on the effect of training on Employee Performance in Ethiopia Revenue and Customs confirms that training and employee performance, are very closely related. This indicates that the trainees will reach at the desired level of performance if the training is well designed and delivered. Likewise, (Legesse, 2017) in her study found Training and development had positive impact on employees of the African union. However, employee of the organization is facing a lot of challenges with regards to the training plan and system of the organization. The study also revealed that the organization failed to identify the specific need of trainees toward the improvement of their skills. Therefore, it becomes imperative for organization to ascertain the training and development needs of its employees, through its training need analysis and align such need to the organization overall need and objectives in order to actualize the organization vision and mission.

According to (Kandula, Performance Management, 2006) the key factor to good performance is a strong culture. He further maintains that due to difference in organizational culture, same strategies do not yield same results for two organizations in the same industry and in the same location. A positive and strong culture can make an average individual perform and achieve brilliantly whereas a negative and weak culture may discourage outstanding employee to underperform and end up with no achievement. Therefore; organizational culture has an active and direct role in employee performance. (Magee, 2002) contends that without considering the impact of organizational culture, organizational performance could be in danger because the two are interdependent and change in one will impact the other.

Studies conducted over the years indicate a direct link between workload and exhaustion. Job burnout contributes to diminished performance. The effect of workload on employee performance should not be underestimated. According to the American Institute of Stress, 46 percent of workers cite unmanageable workloads as a major stressor. Approximately 26 percent of employees are often or very often burned out on the job. A heavy workload causes stress and anxiety, which in turn may lead to accidents, injuries, conflicts, health issues and poor overall performance. (bizfluent, 2019).

(Etebu, 2016) in their study indicated that, financial compensation received by employees do have significant impact on their performance, the financial compensation received are commensurate with their efforts. The study further indicated to improve performance of employees, the study organization should offer financial compensation that will be specifically designed to link performance.

(Mendis & Weerakkody, 2017) in their study analyzed the impact of work-life balance on employee performance. The study reveals that there is a strong relationship between work life balance and employee performance and this relationship is positive and have significant levels. The research findings give evidence that the better work life balance of the employees leads to increased employee performance and employee job satisfaction.

2.5 CONCEPTUAL FRAMEWORK OF THE STUDY

A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Reichel & Ramey, 2007). It is a research tool intended to assist a researcher develop awareness and understanding of the situation under scrutiny and communicate as it increasingly strengthens and keeps the research study on track (Lecompte & Goetz, 2009).

Based on the Empirical literature reviewed, workplace environment consists of those material and abstract factors, which ease the working of an employee in an organizational set up. In this regard, work environment is a mixture of many factors, which when come together form the environment of an organization. These factors are: Physical environment, Compensation, Work life balance, Training and Development, Organizational Culture and Workload. All these factors together have effect on the performance of an employee. Therefore, in order to gain better results from the employees, it becomes very essential that they should be provided with proper work environment factors.

Thus, the conceptual frame work of the study includes independent variables i.e. Physical environment, compensation, Work life balance, Training and Development, Organizational Culture and Workload and the dependent variable i.e. Employee performance. Independent variables are the factors that the researcher think explains the variation i.e. causes. Dependent variable is the outcome, it is the variable the researcher attempts to predict (Orodho & Kombo, 2002).

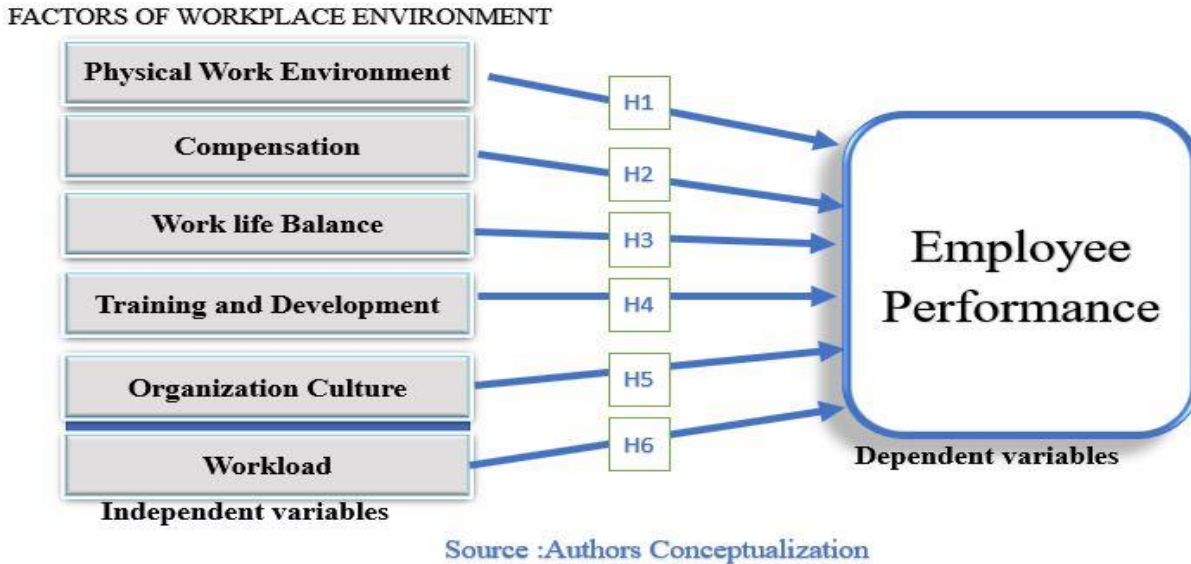


Figure 1 conceptual framework of workplace environment factors and employee performance.

2.6 RESEARCH HYPOTHESIS

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

H1: Conducive Physical environment has positive and significant effect on employee performance.

H2: Organizational culture has positive and significant impact on employee performance.

H3: compensation has positive and significant impact on employee performance

H4: Work life balance has positive and significant impact on employee performance.

H5: Training and Development has positive and significant impact on employee performance.

H6: Workload has negative and significant impact on employee performance.

CHAPTER THREE

RESEARCH METHODOLOGY

The research methodology includes research design, research approach, sampling design, and source of data collection, data collection procedure, instrument of data collection, method of data analysis, validity and reliability and ethical consideration of the study.

3.1 RESEARCH DESIGN

The study applied an explanatory or causal research design as it is relevant to explore the effect of workplace Environment on employee performance in the study company i.e., It is conducted in order to identify the extent and nature of cause-and-effect relationships.

3.2 RESEARCH APPROACH

In order to achieve the study objectives, the research adopted quantitative research approach, since it is appropriate to examine the relationship between two and more variables in the study, and is mainly relevant for theory testing.

3.3 SAMPLING DESIGN

3.3.1 POPULATION OF THE STUDY

The total population of 12,167 employees working under them. (CBE Q1 Performance 2020/21) The branches under the four districts in Addis Ababa region are both city branches and outlying branches of which hundred three (343) branches are found in the city and the rest are outlying branches. Because of the remoteness of the outlying branches and planned structural change by the bank made the sample frame to be narrowed to permanent employees of CBE in city branches only. This was done to undertake the study on homogenous population and to get valuable findings.

Even if the researcher believes that it would more reliable if the study population includes all branches in Addis Ababa the researcher again reduced the target population to total number of employees of selected Grade 4 and Special branches from each of the four districts (three branches from each districts). This was done due to the geographical dispersion of the branches, the homogeneity of structure, homogeneity of the service provided and demographic similarity of the employees. The reason behind choosing special and Grade IV branches is their

convenience to the researcher. Total population of this study thus is presented in the following table.

Table 1 Total Population of the Study

S.N	District	Branch	No of Employees	Branch Type
1	EAAD	Airport Branch	48	Special
2	EAAD	Megenagna Branch	41	IV
3	EAAD	Tefera Degeffie Branch	65	IV
4	NAAD	Arada Ghiorgis Branch	68	Special
5	NAAD	Arat Kilo Branch	67	Special
6	NAAD	Selassie Branch	59	Special
7	SAAD	Finfine Branch	64	Special
8	SAAD	Gofa Sefer Branch	51	Special
9	SAAD	Senga Tera Branch	52	Special
10	WAAD	Abakoran Branch	40	IV
11	WAAD	Mehal Gebeya Branch	44	IV
12	WAAD	Teklehaimanot Branch	46	IV
TOTAL POPULATION			645	

Source CBE Human Resource Progress Report Q1 2020/21

3.3.2 SAMPLE SIZE

The number of target population that used for the study is then 645. Using Taro (Yamane, 1967), sample selection method with a probability of 95 % free error, a total of 247samples would be drawn from the total target population.

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the required sample size, N is the population size and e is the level of precision. The formula was developed by Taro Yamane (1967). BY applying the above formula

$$n = 645 / (1 + 645 (0.05)^2) \quad n = 645 / 2.61 = 246.89 \approx 247$$

So from the target population of 645 employees the researcher selected 247 employees as sample to distribute the questionnaires. Since the number of people in each branch is not the same, the number of samples for each branch is taken based on their proportion of number of employees.

Table 2 Sample Size Determination

District	Branch	Female		Male		Total		Sample Size	Distribution Plan	
		No	%	No	%	No	%		Female	Male
EAAD	Airport Branch	23	48%	25	52%	48	7%	18	9	9
EAAD	Megenagna Branch	19	46%	22	54%	41	6%	16	7	9
EAAD	Tefera Degefie Branch	32	49%	33	51%	65	10%	25	12	13
NAAD	Arada Ghiorgis Branch	29	43%	39	57%	68	11%	26	11	15
NAAD	Arat Kilo Branch	35	52%	32	48%	67	11%	26	14	12
NAAD	Selassie Branch	28	47%	31	53%	59	9%	23	11	12
SAAD	Finfine Branch	26	41%	38	59%	64	10%	25	10	15
SAAD	Gofa Sefer Branch	24	47%	27	53%	51	8%	19	9	10
SAAD	Senga Tera Branch	25	48%	27	52%	52	8%	19	9	10
WAAD	Abakoran Branch	14	35%	26	65%	40	6%	15	5	10
WAAD	Mehal Gebeya Branch	20	45%	24	55%	44	7%	17	8	9
WAAD	Teklehaimanot Branch	20	43%	26	57%	46	7%	18	8	10
Grand Total		295	%	350	%	645	100%	247	113	134

Source CBE HR Progress Report

3.3.3 SAMPLING TECHNIQUE

Convenience sampling technique was used to select the sample target respondents. Researcher chosen Convenience sampling techniques over the others because, this type of sampling can be very useful in situations when the researcher needs to reach a targeted sample quickly. Therefore, based on this fact the researcher had selected this sampling method. The selection of the samples

focuses on permanent employees of the bank due to these are the employees who perform the key activities of the bank. Moreover,

The researcher used Stratified random sampling technique to distribute the questionnaires for respondents. The rationale behind using Stratified random sampling technique for this study is to give each member of the study population equal chance of being selected.

3.4. TYPES AND SOURCE OF DATA

The study employed both primary and secondary sources of data. Primary data was collected through well designed questionnaire adopted from previous study. This were completed by respondents willingly and returned. Secondary data were collected from CBE data base and annual report journals. Besides, variety of books, websites, research journals, thesis and articles were reviewed to make the study fruitful.

3.5 RESEARCH INSTRUMENT AND METHOD OF DATA COLLECTION

Closed/structured questionnaire of data collection is quite popular, particularly in case of big enquiries (Kothari C. R., 2004). Therefore, a structured questionnaire is utilized to collect the data from respondents. These questionnaires are adopted from different literatures and previous studies, for independent variable was adopted from the following previous studies (physical work environment and training & development from (Tesfu, 2019), organization culture from (Nanzushi , The Effect Of Workplace Environment On Employee Performance In The Mobile Telecommunication Firms In Nairobi City County C, 2015) ,workload and compensation from (G.Egziabher B. A., 2019) , work life balance from (Elsabeth , 2019),) with slight modification. The measurement of employee performance developed by (Hakala, 2008) was adopted with slight modification. All the items, except background and demographic information, are measured in five-point scale such as; strongly disagree (SD)=1 disagree(D) = 2; Neutral (N) = 3; Agree (A) = 4; Strongly agree (SA)=5. The use Likert scale is to make it easier for respondents to answer questions. Considering the COVID 19 Pandemic the researchers used the Bank's Internal Mail Service to reach respondents. To this end, the questionnaire was developed using Adobe form which enables the researcher to get complete feedback, since the form urges and shows a message to the respondent to respond to all the questions. The

questionnaires were developed and distributed in English Language and no translation was required since one of their job requirements of employees is the skill of English language.

3.6 METHOD OF DATA ANALYSIS

After the collection of questionnaires, the researcher has checked if there might be unintended participants, who had filled the questionnaire distributed to the samples and had organized the returned questionnaire. The researcher has performed the analysis process for the collected valid data using Statistical package for social science (SPSS V.20).

Descriptive and inferential statistics is employed for the data analysis process. The descriptive statistics includes frequencies, percentages, means and standard deviation. The inferential statistics (correlation analysis and regression analysis) was also used to analyze the relation between independent and dependent variables. For the purpose of this study **multiple linear regression** models is employed to analyze the relationship between the independent and dependent variables. Tables and charts also used to ensure easily understanding of the analysis.

3.7 RELIABILITY AND VALIDITY OF THE INSTRUMENT

3.7.1 VALIDITY

Validity refers to the extent to which the measurement instrument actually measures what it intended to measure. It is used to suggest determining whether the findings are accurate from the standpoint of the researcher, the participant, or the readers an account (Creswell, Researchn Design qualitative, quantitative and mixed approaches., 2014).In order to ensure the quality of this research design content validity of the research instrument is checked. The content validity is verified by the advisor of this research, who looks into the appropriateness of questions and the scales of measurement. Peer discussion with other researchers also conducted, since it is another way of checking the appropriateness of questions. Moreover, copies of the questionnaire were distributed to twenty respondents as a pilot test who is not participate in the main research. This is done to find out whether the developed instruments measures what it is meant to measure and also to check the clarity, length, structure and wording of the questions. This test helps the researcher to get valuable comments to modify some questions.

3.7.2 RELIABILITY TEST

Reliability has to do with the accuracy and precision of a measurement procedure. Cronbach alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of the instrument. According to statistical interpretation, the closer the reading of Cronbach 's Alpha to digit 1, the higher the reliability is in internal consistency. In general, reliabilities less than 0.60 are considered to be poor, those in the 0.70 range are acceptable and those over 0.80 are good.

Before distributing the questionnaire to all respondents, 20 questionnaires for pilot test to make sure the questions are clear and reliable (Adams, Jennifer, Chris, Leslie, & W, 2007). Hence, a total of 20 questioners were distributed to employee who are working in Mexico Branch and 18 Mazoria for the pilot survey which has helped the researcher to ensure that the questionnaire was in fact clear to respondents and reliable. After pretesting questionnaire, it was assessed using Cronbach's coefficient alpha.

Table 3 Reliability Statistics

Variable	N of Items	Cronbach's Alpha
Physical environment	6	.844
Compensation	8	.718
Work life balance	6	.719
Training and Development	8	.943
Organizational Culture	7	.722
Workload	6	.715
Employee Performance	10	.909

Source: Computation from survey data (2021)

This table indicated that the items used for undertaking this research reliable for the study. Henceforth, the variables included under this study signify some sort of reliability.

3.8. ETHICAL CONSIDERATION

With regard to ethical issues, I will be governed and strictly bound by the research code of ethics. Hence respondent's privacy be maintained, their personal values also be kept confidential. Respondents will not be asked to write their names, their telephone numbers and their specific address so that their private secrets never been disclosed.

CHAPTER FOUR

DATA PRESENTATAON, ANALYSIS AND INTERPRETATION

Generally, this chapter is organized in the following manner: It consists of response rate, reliability and Validity test for the measures used, the demographic profile of the respondents was presented and analyzed. To facilitate in conducting the regression analysis, validation of assumption is done so as ensure the model provide the desired result, descriptive analyses were presented first, followed by the results of Pearson’s correlation coefficient and multiple regressions were analyzed. Finally, results and discussions were presented in summarized way.

4.1 RESPONSE RATE

Table 4 Respondents’ response rate

<i>Questionnaires Distributed</i>	<i>Questionnaires Returned</i>	<i>Percentage</i>
245	226	92.24%

Source: Computation from survey data (2021)

As shown in table 4.1 above, about response rate, 245 questionnaires were distributed to respondents and 226 were appropriately filled and returned with the rate of 92.24 %. Based on this sample size (92.24%) the next analysis was carried out.

4.2 DEMOGRAPHIC PROFILE OF RESPONDENTS

For the purposes of this study, the first section of the survey questionnaire provides the demographic profile of the respondents to be used as a building frame for the interpretation of the results. The respondent’s profile is organized in terms of Age, gender, Relationship, level of education, service year and Job Category.

It is evident from the table that the majority of CBE employees are between the ages of 28-37 (73.01%). The major participants were males (52.65%), whilst 47.65 % of the participants were females. Furthermore, the academic qualification of the respondents consists 55.75% first degree and 44.25% second degree. 44.69% respondents were service years between 6-10 years. In summary, the majority of the respondents were males within the age group 28 to 37 having predominantly second-degree and. 28-37 years’ work experiences. This implies that the

respondents have good experience and educational back ground to answer the questionnaire. In other words, they have awareness about the subject matter.

Table 5 Demographic Profile of Respondents

No.	Item	Response		
		No.	%	
1	Gender of Respondents	a) Male	119	52.65
		b) Female	107	47.65
		Total	226	100
2	Age of Respondents	a) 18-27	38	16.81
		b) 28-37	165	73.01
		c) 38-47	23	10.18
	Total	226	100	
3	Marital status	a) Single	127	56.19
		b) Married	91	40.27
		c) Divorce	8	3.54
	Total	226	100	
4	Education	a) BA/BSC	126	55.75
		b) MA/MSc	100	44.25
		Total	226	100
5	Service Year	a) 1-5	51	22.57
		b) 6-10	101	44.69
		c) 11-15	65	28.76
		d) 16-20	4	1.77
		e) >20	5	2.21
	Total	226	100	
6	Job Category	a) Junior Level	8	3.54
		b) Professional	121	53.54
		c) Experienced Professional	62	27.43
		d) Operational Level Management	27	11.95
		e) Middle Level Management	8	3.54
	Total	226	100	

NB CBE Defines Job Category Based on Employees Job grade i.e., Junior Level (Job Grade 7-8), Professional (9), Experienced Professional (11-13), Operational Level Management (11-13 Managerial), Middle Level (15-17) (CBE HR Policy)

Source: Computation from survey data (2021)

4.2 THE EXISTING WORKPLACE ENVIRONMENT IN CBE

In this section, the respondent summarized answer present in the form of table. The tables contain mean, standard deviation of their response. Mean value provides the idea about the central tendency of the values of a variable, standard deviation measures how concentrated the data are around the mean; the more concentrated, the smaller the standard deviation and

according to (Zaidatol & 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. A 5-point Likert scale was used to rate the various indicators whereby 1 point was accorded to ‘Strongly disagree’, 2 point as ‘Disagree’, 3-point as ‘Neutral’, 4-point as ‘Agree’, and 5-point as ‘Strongly Agree’. The computed summary of descriptive statistics for dependent (Employee Performance) and independent (Physical Work environment, Compensation, Work life Balance, Training and Development, Organization Culture and Workload) variable that were included in the questionnaires were indicated in this part. The mean and standard deviation of all variables collected from the respondents were discussed.

Table 6 Employees Response to the Existing workplace factors

Workplace Environment Factors	Mean	Std. Deviation
Physical Work Environment	3.4263	.70007
Compensation	3.7793	.55016
Worklife Balance	3.5317	.66098
Training and Development	3.9015	.72943
Organization Culture	4.0872	.51567
Workload	2.9882	.54488

Source: Computation from survey data (2021)

Table 5 depicts the overall arithmetic mean and standard deviation of dependent and independent variables as responded by the respondents. The finding of this study indicates that most of employees were strongly agreed with Organization Culture and training and development with a cumulative mean value of 4.08 and 0.515 standard deviation and (M= 3.90, SD=.72) respectively. This indicates that, commercial bank of Ethiopia should maintain its strength on both variable in order to have competent employee and improved performance. However, respondents express moderate agreement to compensation variable with a cumulative mean value of 3.77 and .550 standard deviation. This implies that, commercial bank of Ethiopia should give due attention in terms of providing fair compensation to its employees based on objective performance results. Likewise, it is also observed that, respondents moderately agree to the variable work life balance with a mean value of 3.53 and .660 standard deviation, Physical Work Environment mean value of 3.42 and .700 standard deviation. This implies that, the bank should

create conducive and secured workplace, with sufficient breaks to increase employee performance.

On the other hand, respondents show their low agreement to workload with a cumulative mean value of 2.98 and .554 standard deviation. This implies that, the bank needs to ensure the availability of appropriate number of employees at the branch and assign tasks equally to all the team. Moreover, Respondents have shown their disagreement to low supervisory roles related to acknowledge employee’s work, unstandardized physical workplace environment, difficulty in employee training identification and unbalanced work life balance in the bank need management attention. The mean and standard deviation for all items are shown in appendix B

4.3 THE EXISTING EMPLOYEE PERFORMANCE PRACTICE IN CBE

Table 7 Employees Response to the Existing Employee Performance

Construct	Mean	Std. Deviation
I always meet expectation in terms of numbers on each appraisal period.	2.81	1.237
I provide service that is free from errors.	3.02	0.971
I take the appropriate amount of time to complete my tasks.	4.24	0.809
I provide good results with low cost to the organization.	4.14	0.926
I am present on work on a regular basis.	4.1	0.968
I am present on work with appropriate dressing.	4.2	0.845
I came up with creative ideas at work.	4.14	0.898
My work goals are well aligned with that of the company’s.	4.24	0.792
I respect and serve the customers as per the bank policy and procedure.	4.12	0.938
My performance appraised based on objective information.	4.14	0.926
Average	3.91	0.696

Source: Computation from survey data (2021)

As shown on the above table employee performance scored a mean value of 3.91 and .695 standard deviation which implies that employees strongly agree with constructed related to the variable. However, employee show their low agreement to constructs found on 1 and 2. implies that performance expectation set by supervisors are unachievable which violates the Performance Management rule to set SMART objectives. Moreover, employee’s response show, the quality of customer service is in question which need management involvement.

In order to address issues related to goal setting, CBE shall consider the SMART method or the OKR method to achieve result. The OKR method helps employees aim high and break down the goal-setting process into manageable, concrete milestones. Where S.M.A.R.T. goal-setting tends to be a top-down practice, OKRs are a bottom-up, employee-led activity. This encourages employees to create inspirational goals that can motivate them more effectively and stretch their performance.

4.4 THE RELATIONSHIP BETWEEN WORKPLACE ENVIRONMENT AND EMPLOYEE PERFORMANCE IN CBE

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

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

Table 8 the result of Pearson correlation between variables.

		Empl oyee Perfo rman ce	Physical Work Environmen t	Compensatio n	Worklife Balance	Training and Developmen t	Organizatio n Culture
Physical Work Environment	Pearson Correlation	.464*					
	Sig. (2-tailed)	.000					
	N	226					
Compensation	Pearson Correlation	.695*	.711**				

	Sig. (2-tailed)	.000	.000				
	N	226	226				
Worklife Balance	Pearson	.379*	.537**	.662**			
	Correlation	*					
	Sig. (2-tailed)	.000	.000	.000			
	N	226	226	226	226		
Training and Development	Pearson	.968*	.351**	.638**	.336**		
	Correlation	*					
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	226	226	226	226		
Organization Culture	Pearson	.618*	.303**	.532**	.413**	.598**	
	Correlation	*					
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	226	226	226	226	226	
Workload	Pearson	.770*	.353**	.542**	.310**	.761**	.468**
	Correlation	*					
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	226	226	226	226	226	226

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

Source: Computation from survey data (2021)

The result in table 8 indicates that, there is significant positive correlation Physical Work Environment and employee performance ($r = .464$, $N = 226$, Sig (2-tailed) =.000) which is $<.05$. Therefore, there is moderate, positive and statistically significant relationship at 5% significance level.

The correlation coefficient between compensation and employee performance is ($r= .695$, $N = 226$, Sig (2-tailed) =.000), this implies strong, positive and statistically significant relationship at 5% significance level.

The correlation coefficient between work life balance and employee performance is ($r= .379$, $N = 226$, Sig (2-tailed) =.000), this implies moderate, positive and statistically significant relationship at 5% significance level.

The correlation coefficient between Training and Development and employee performance is ($r= .968$, $N = 226$, Sig (2-tailed) =.000), this implies strong, positive and statistically significant relationship at 5% significance level.

The correlation coefficient between organization culture and employee performance is ($r = .618$, $N = 226$, Sig (2-tailed) $= .000$), this implies strong, positive and statistically significant relationship at 5% significance level.

The correlation coefficient between workload and employee performance is ($r = .770$, $N = 226$, Sig (2-tailed) $= .000$), this implies strong, positive and statistically significant relationship at 5% significance level.

Generally, from the above correlation table, the relationship between training and development, Compensation, organization culture, workload is strongly correlated with employee performance, whereas the relationship between physical work environment, work life balance and employee performance are moderately correlated

4.5. ASSUMPTION OF MULTIPLE REGRESSION ANALYSIS

Multiple Regressions is a statistical technique that allows us to predict someone's score on one variable on the basis of their scores on several other variables. Then, the following assumptions test should be done (Pallant, SPSS survival manual: A step by step guide to data analysis using the SPSS program, 2010)

4.5.1 MULTICOLLINEARITY TEST

Multicollinearity is used to describe correlation among independent variables. If there is high correlation between two or more predictor variables, may cause problems when trying to draw inferences about the relative contribution of each predictor variable to the success of the model (Pallant, SPSS survival manual: A step by step guide to data analysis using the SPSS program, 2010).

Multicollinearity in this study was tested using Variance Inflation Factor (VIF) value and tolerance value. If tolerance value closed to 1 and VIF value is around 1 and not more than 10, it can be concluded that there is not multicollinearity between independent variable in the regression model (Pallant, 2010). Below Table 6 shows there is no multicollinearity exist.

Table 9 Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
Physical Work Environment	.466	2.145
Compensation	.252	3.963
Worklife Balance	.527	1.899
Training and Development	.297	3.365
Organization Culture	.583	1.716
Workload	.412	2.426

a. Dependent Variable: Employee Performance

Source: Computation from survey data (2021)

4.5.2 NORMALITY TEST

These assumptions can be checked from the residuals scatterplots which are generated as part of the multiple regression procedure. Residuals are the differences between the obtained and the predicted dependent variable scores. Histograms are bar graphs of the residuals with a superimposed normal curve that show distribution. Only P-P plot and histogram graph are used to check normality. The closer the dots lie to the diagonal line, the closer to normal the residuals are distributed. (*Normal P-P Plot and Histogram shown in appendix C*)

4.5.3 LINEAR RELATIONSHIP

The first assumption of multiple regression is that the relationship between the independent and the dependent can be characterized by a straight line. Standard multiple regression can only accurately estimate the relationship between dependent and independent variables if the relationships are linear in nature (Osborne & Waters, 2002). A relationship is linear if one variable increases by approximately the same rate as the other variables changes by one unit. This means that the points on the scatterplot closely resemble a straight line. If the relationship between independent variables and the dependent variable is not linear, the results of the regression analysis will under-estimate the true relationship (Osborne & Waters, 2002).

4.5.4 HOMOSCEDASTICITY

Homoscedasticity is the variability in scores for variables of independent should be similar at all values of variable dependent. In order to ensure the fulfillment of this relationship between independent variable and dependent variable, the variance of dependent variable values must be equal at each value of independent variables (Hair, 2010). For a basic analysis it is worth plotting

ZRESID (Y-axis) against ZPRED (X-axis), because this plot is useful to determine whether the assumptions of random errors and homoscedasticity have been met. Decision rule: If there were certain variant, such as organize shaping dot (waves, fuse and narrow), therefore no homoscedasticity happened. If there were not certain variant, and dots spreads above and below 0 numbers in axis Y, then homoscedasticity did happen (Pallant, SPSS Survival Guide: A Step by Step Guide to Data Analysis Using SPSS for Windows, 2005). The scatter plots show that there is homoscedasticity. Thus, the assumption is reasonably supported in this study.

4.6 MULTIPLE REGRESSION ANALYSIS

For the purposes of determining the extent to which the explanatory variables (physical work environment, compensation, work life balance, training and development, organization culture and workload) explain the variance in the explained variable (Employee Performance), regression analysis was employed after the study met the regression assumptions. The significance level of 0.05 with 95% confidence interval was used.

In the foregoing correlation analysis, the association between the variables, which is Employee performance and work place environment elements, has been estimated. In effect, six variables showed statistically significant positive correlation with employee performance. It is of interest in this section to further detect the combined effect of these independent variables on the dependent variable using multiple regression analysis.

4.6.1 MODEL SUMMARY R- SQUARED RESULT

The model summary provides us with some very important information about the model: the values of **R**, **R** and Adjusted **R²**. In the column labeled **R** is the values of the multiple correlation coefficients between the predictors and the outcome. The next column gives us a value of **R²**, which we already know is a measure of how much of the variability in the outcome is accounted for (Field, 2009).

As can be seen from SPSS regression output model summary in Table 10, the adjusted **R²** value is 95.7.1 %. Which means 95.7 % of the variation in employee performance is explained by the selected explanatory variables namely Physical Work Environment, compensation, training and

development, organization culture and workload. Moreover, the overall significance of the model is 0 which is statistically significant for 95 % confidence interval of the study.

Table 10 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.979 ^a	.958	.957	.14450	.958	833.111	6	219	.000

a. Predictors: (Constant), Workload, Worklife Balance, Organization Culture, Physical Work Environment, Training and Development, Compensation

Source: Computation from survey data (2021)

4.6.2 REGRESSION COEFFICIENTS

Multiple regressions allow to compare the predictive ability of particular independent variables and to find the best set of variables to predict a dependent variable. It also allows to study how several independent variables act together to determine the value of a dependent variable. The coefficients in the regression equation quantify the nature of these dependencies. Moreover, it computes the standard errors associated with each of these regression coefficients to quantify the precision with depth which we estimate how the different proposed independent variable (Glantz & Slinker, 1990).

Table 11 Coefficients of regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.153	.085		-1.808	.072
Physical Work Environment	.129	.020	.130	6.387	.000
Compensation	.040	.035	.032	1.145	.254
Worklife Balance	-.033	.020	-.031	-1.622	.106
Training and Development	.810	.024	.849	33.440	.000
Organization Culture	.059	.024	.044	2.407	.017
Workload	.064	.028	.050	2.307	.022

a. Dependent Variable: Employee Performance

Source: Computation from survey data (2021)

The coefficients table above shows the individual beta values of each independent variable. If the value is positive, we can tell that there is a positive relationship between the predictor and the outcome, whereas a negative coefficient represents a negative relationship. For these data five predictors: Physical Work Environment, compensation, training and development, organization culture and workload have positive *b*-values indicating positive relationships. But work life balance shows negative Relationship. It tells us also to what degree each predictor affects the outcome. If the Effect of all other predictors is held constant: therefore, as shown in the coefficient Table 9 the model formula is as follows: -

$$Y = .0153 - 0.33X_1 + 0.129X_2 + 0.40X_3 + 0.810X_4 + 0.59X_5 + 0.64X_6$$

Where:

Y = Employee Performance

X₁ = Work life Balance

X₂ = Physical Work Environment

X₃ = Compensation

X₄ = Training and Development

X₅ = Organization Culture

X₆ = Workload

The beta is the amount that the dependent variable increases or decreases when the independent variable increases by one standard deviation. Thus, the largest influence on the Employee Performance is Training and Development (.810), and the next physical work environment (.129) and workload (.064), organization culture (.059) and compensation (0.40) respectively. On the other hand, work life balance with the beta value of -.033 is the poorest predictor of Employee Performance when it is compared with the other explanatory variables under study. With the same explanation of the above paragraphs, all the six variables of the respondent's result were found to be significant predictors of employee performance of the bank at p value <0.05. please see Table 9 above.

4.7 DISCUSSION OF THE RESULT

4.7.1 THE EFFECT OF PHYSICAL WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE

The relationship between the two variable employee performance and Physical Work environment were both analyzed through the Pearson correlation coefficient and multiple regression. There is a positive / direct relationship between the two-variable correlation as $r = 0.464$ and the multiple regressions as illustrated in table 10 above revealed physical environment has positive and statistically significant effect on employee performance with a beta value of $\beta = .129$ and p-value of .000 which is less than 0.05. This implies that, other explanatory variable remains constant, if the mean score value of physical environment increases by 1 unit, on average the mean score value of employee performance increase by 0.129 unit and statistically significant at 5% significance level. On the basis of this result, the researcher rejects the null hypothesis and accepted alternative hypothesis; that means physical environment has significant effect on employee performance. This indicates that, an improvement of physical environment elements (sound, lighting, temperature, work space, design and layout, equipment and tools) will lead to a correspondent increase on employee performance.

The result is supported by other scholars, (Satyendra, 2019) carried out a study to investigate the relationship between physical work environment and employee performance. Based on the result of the study, the physical aspects of a workplace environment have a direct impact on the employees' productivity, performance, health and safety, comfort, concentration, job satisfaction, and morale. A proper, helpful, conducive workplace environment brings improvements to the employees' physical and mental capabilities in performing their daily routine.

4.7.2 THE EFFECT OF COMPENSATION ON EMPLOYEE PERFORMANCE

Concerning the Effect of Compensation, the finding of this study shows that it has positive and insignificant effect on the performance of employees; which is evident by the value of ($R=0.695$, $\beta=0.40$ and p-value 0.254 which is greater than 0.05).

On the basis of this result, the researcher fails to accept directional hypothesis in favor of null hypothesis that means: compensation has no significant effect on employee performance.

4.7.3 THE EFFECT OF WORK LIFE BALANCE ON EMPLOYEE PERFORMANCE

There is a positive / direct relationship between employee performance and work life balance correlation as $r = 0.379$. However, the study showed that work life balance has negative but statistically insignificant effect on employee performance with a beta value of -0.33 and p-value of 0.106 , which is greater than 5% significance level. On the basis of this result, the researcher fails to accept directional hypothesis in favor of null hypothesis that means: work life balance has no significant effect on employee performance.

The research by (Tesfu, 2019), studied the effect of working environment on employee performance a case study of bole lemi industrial park. The research was conducted on 298 employees by using questionnaires from eleven factories. He concluded that there is no significant relationship between work life balance and employee performance with a p value of 0.877 which is greater than 0.05 and it is consistent with the finding of this study. In this study work life balance showed statistically insignificant effect on employee performance and the reason is as we observe from the demographic characteristics of the respondent most of the employee are single and found in young age group, this implies that there is low level of imbalance or conflict between work activities and non-work activities. The study (Butt, Malik, Hu, & Shafi, 2015) also confirms that individuals who are single and young experience low work life conflict than married employees.

4.7.4 THE EFFECT OF TRAINING AND DEVELOPMENT ON EMPLOYEE PERFORMANCE

The outcomes from this study also specified that Training and Development has a significant Effect on employee performance; 96% variance on employee job performance is enlightened by training and development, which is evident by the value ($r = 0.968$, $\beta = 0.810$ $p < 0.05$) illustrates the model's goodness of fit. Therefore, on the basis of these results it can be inferred with confidence that Hypothesis 4 is accepted. Which was further supported by other study conducted by (Dereje, 2016) to examine the effect of Training and Development to the improvement of employee job performance. Based on the result of the study, the overall practice

of training and development has a great deal of impact on employee performance improvement of commercial bank of Ethiopia.

4.7.5 THE EFFECT OF ORGANIZATION CULTURE ON EMPLOYEE PERFORMANCE

Based on the result shown on Table 10, the finding of this study shows that it has positive and insignificant effect between organization culture and performance of employees; which is evident by the value of ($R=0.618$, $\beta=0.59$ and p -value 0.17 which is greater than 0.05). On the basis of this result, the researcher fails to accept directional hypothesis in favor of null hypothesis that means: organization culture has no significant effect on employee performance.

According to (Kandula, Performance Management : Strategies ,Intervation ,Drivers, 2006) the key element to good employee performance is the existence of a strong culture and due to variations in the practice of organizational cultures; same strategies do not yield same results for two organizations in the same industry and in the same location. A positive and strong culture can make an average individual perform and achieve exceptionally whereas a negative and weak culture can be the cause of outstanding employees to be demotivated and to underperform and end up with no achievement. In this case we can see that organization culture of the study organization is weak.

4.7.6 THE EFFECT OF WORKLOAD ON EMPLOYEE PERFORMANCE

Concerning the Effect of workload, the finding of this study shows that it has positive and insignificant effect on the performance of employees; with ($R=0.770$, $\beta=0.64$ and p -value 0.22 which is greater than 0.05).

On the basis of this result, the researcher fails to accept directional hypothesis in favor of null hypothesis that means: compensation has no significant effect on employee performance. According to (Setiawan, as cited by Situmorang, & Hidayat, 2019) excessive workload will have the effect of physical and mental fatigue and emotional reactions such as headaches, digestive disorders, and irritability. While a low workload will cause boredom and a sense of monotonous. Boredom in daily routine work because of too little work or work results in a lack of attention to work will potentially harms and lowers employee performance.

Generally, from the results, except Physical work Environment and Training and Development the all-work place environment variables used in the study has no impact in improving employee performance. The result of this finding is summarized here under.

Table 12 Summary of actual and expected sign of explanatory variables on dependent variable

Explanatory Variables	Expted Sign and Impact	Actual Sign and Impact	Result
Physical Work Environment	Positive and Significant	Positive and Significant	Supported
Compensation	Positive and Significant	Positive and insignificant	Not Supported
Worklife Balance	Positive and Significant	Negative and insignificant	Not Supported
Training and Development	Positive and Significant	Positive and Significant	Supported
Organization Culture	Positive and Significant	Positive and insignificant	Not Supported
Workload	Negative and Significant	Positive and insignificant	Not Supported

Source: Computation from survey data (2021)

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

This chapter provides a summary, conclusions and recommendations of the research undertaken in the study. For clarity purpose the conclusions are based on the research objectives of the study. The general explanations of the findings were discussed and recommendations drawn from the conclusions of the research. Finally, the study shows some limitation of the study and provides of directions for future researches

5.1 SUMMARY OF MAJOR FINDINGS

On the basis of the research results obtained through quantitative data analyses, the following major findings are identified for further consideration. In this section, the finding from respondents is presented in a summarized and informative manner.

The study was undertaken on 12 convenient branches of CBE, by using closed ended questionnaire which is distributed to respondent according to their gender proportion (stratified random sampling technique). the target population of the study were 645: out of 247 sampled employees 226 (91.49%) of them responded properly.

Items used for undertaking this research have 0.954 reliability to answer or satisfy the objectives set ahead of the conducting the study.

Most of the respondent was male employee which shows us 52.65%, in the age category majority of the respondents are in the range of 28-37 year which shows us 73.01%, when we see the educational level most of the respondents are MA/MSc holder which shows us 56.19%, when we see demographic distribution majority of respondents 44.69% served the bank in the range of 6-10 years of work experience which the respondent are young. Finally, marital status of the respondents 56.19% are single and 84.51 of the respondents are non-managerial employee.

Employees of the bank strongly agreed with Organization Culture and training and development with a cumulative mean value of 4.08 and 0.515 standard deviation and (M= 3.90, SD=.72) respectively. In addition, respondents express moderate agreement to compensation, work life balance, Physical Work Environment variable with (M=3.77 SD= .550), (M=3.53 SD= .660),

(M=3.42 SD= .700) respectively. On the other hand, respondents show their low agreement to workload with a cumulative mean value of 2.98 and .554 standard deviation.

Employees response to constructs to measure the existing employee performance practice of the bank show that, performance goal and target set by the bank are difficult to be achieved ,service delivered to customer is not free from error.

According to the research, compensation, training & development, organization culture, workload and employee performance have strong relationship while physical work environment, work life balance have moderate relationship with employee performance.

The model summary of multiple regression revealed that 95.7% of the variation in employee performance is explained by six factors of work place environment included in the study. The remaining 4.3% is explained by another variable that is not included in the model. It was also revealed that, the constructed model is statistically significant even at 1% significance level. (F=833.111, Sig. is .000) The coefficient table also indicates that Training and Development has high impact on employee performance with a beta value of (.810), followed by physical work environment (.129), workload (.064), organization culture (.059), compensation (-.040) and work life balance (-.033). Moreover, from the finding of this study, coefficient table indicate that physical environment and training and development has positive and significant impact on employee performance while compensation, organization culture, workload and work life balance showed positive and insignificant impact on employee performance.

Managing the strengths of the internal operations and recognizing potential opportunities and threats outside of the operations are keys to business success. The strength of employees is another crucial internal business factor. Improving employees' internal influences and their reactions to incidents that occur in their work environment motivates employees to perform better. Motivated, hard-working and talented workers generally produce better results than unmotivated, less-talented employees. Business processes relationships within and between departments and employees also significantly impact business effectiveness and efficiency. In a high-performing workplace, employees not only have talent, but they work well together and collaborate on ideas and resolutions

According to previous researches and theories argued that workplace environment variables such as compensation and organization culture have significant effect on employee's performance the study result were conflicting, which implies that the study organization practice is weak and failed to use variables for improvement of employee performance. Moreover, respondents showed low disagreement on work life balance and workload variables which implies that employees are feeling workload above their responsibility resulted unbalance between work and life. Provided that, it is an indicator of a negative and weak organization culture causing employees to be demotivated and to underperform.

5.2 CONCLUSION

This study aimed to determine the effect workplace environment (Physical work environment, compensation, work life balance, Training and Development, organization culture and workload) on employee performance.

The empirical results show that workplace environment variables used in this study have direct impact on employee performance. The result confirms the hypothesized relationships in the research model. In this regard, it can be concluded about how each variables influence employee performance.

Per the foregoing findings the following conclusions are drawn;

- The result of multiple regression indicates that physical work environment has significant effect on employee performance. The correlation analysis has also indicated that it has positive and moderately correlated with performance of employee in the study organization. However, descriptive analysis has indicated that there is gap on physical work environment.
- The result of multiple regression indicates that compensation have insignificant effect on employee performance. The correlation analysis has indicated that it has positive and highly correlated with employee performance. Even though respondents rate the bank compensation at moderate level on Descriptive analysis, employees also reflect the bank is not recognize, acknowledge, encourage employees work.

- According to the research findings work life balance, has a negative and insignificant effect on employee performance. The descriptive analysis also showed employee strong disagreement on work life balance programs of the bank.
- The result of multiple regression indicates that training and development have significant effect on employee performance. The correlation analysis has also indicated that training and development is positive and strongly correlated with performance of employee. However, the descriptive analysis indicated that there is some gap in identifying employee training need.
- The result of multiple regression indicates that organization culture has insignificant effect on employee performance. The correlation analysis indicated that organization culture is positive and strongly correlated with performance of employee. So, we can conclude organization culture practice of the bank is at low level.
- According to the research findings workload, has a positive and insignificant effect on employee performance. However, descriptive analysis has indicated that there is gap and we can conclude that appropriate workload has a potential to improve employee performance.
- Employee performance goal and target set by the bank are not SMART
- Customer Services of the bank is not error free.

5.3 RECOMMENDATION

Commercial bank of Ethiopia has a vision to become a world-class commercial bank by the year 2025. Therefore, based on the findings of the study, the following measures are recommended to the Management.

CBE should review the existing goal and target set to employees and ensure the quality of customer service is achieved through employee performance appraisal and training.

CBE should have standard physical work environment associated with its brand image or color, in addition to ensuring the branch have adequate and necessary furniture's, equipment's, tools and office layout.

Employee recognition in the workplace is that it can be the foundation of cultivating a culture of self-improvement. Hence, CBE should have Employee recognition wall and employee appreciation event/day for the purpose.

A caring management system should be developed in the organization. This is necessary to exploit the balance between work and non-work life. It has to do with how much employees feel that the organization values their contributions and cares about their wellbeing. Moreover, the bank should enhance the leadership skill of supervisors through training and workshops.

CBE should strengthen its training and development practise by evaluating and ensuring the program enables an employee to achieve the desired objective though examining employee competency before and after the training. Moreover, it is recommended to the bank to identify employees training need based on performance gap, competency gap and interest of employee.

CBE should make bank wide cultural audit and locating the areas where the top management bodies should intervene to improve organizational culture practices and employee's performance and hence; will able to capture the full picture of what its existing culture looks like and for its subsequent development of organizational culture strategies.

The bank should practise job rotation and encourage the culture on creativity so as to make the job enjoyable.

5.4 SUGGESTIONS FOR FURTHER STUDIES

This research was undertaken on selected Special and Grade IV branches of the bank found in Addis Ababa; as such the finding of this study may not represent the entire banking industry through Ethiopia. Therefore, using the finding of this research as a bench mark other researchers need to conduct research in this area. Besides, the researcher recommends that this study only included six work place environment variables such as physical work environment, compensation, work life balance, training and development, Organization culture and work load. There could be other relevant work place environment factors that are more important for the issue under study but excluded due to different reasons. Therefore, it would be better if the future researchers consider more factors of working environment that affect employee performance.

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APPENDIX

S.N	Questions related to Workplace Environment	5	4	3	2	1
		(SA)	(A)	(N)	(D)	(SD)
2	The office have well furnished with adequate and necessary furniture's, equipment's, and tools to perform my tasks efficiently and effectively					
3	Lightning, ventilation, air conditioning system of the branch are favorable that help me to improve my performance					
4	My workplace provides undisturbed environment to perform duties.					
5	The level of crowd influence my job performance					
6	The attractiveness of the office layout is supported me perform better at my job.					
Compensation						
7	My organization provides opportunities for promotion for high performing employees.					
8	Financial support for learning programs motivates me to perform better at work.					
9	I am compensated fairly for the work I do.					
10	The periodical salary increment make me to improve my service delivery.					
11	The various allowances of the bank enhances the staff's life standard and motivate to stay longer at the bank.					
12	Bonus amount granted to employees are rational					
13	The bank recognizes and acknowledges my work so that it is enjoyable to go work.					
14	Praise from my supervisor for a job well done, encourages me to perform my job better					
Work Life Balance						
15	In my life, there is a clear boundary between work and family.					
16	I feel that making a balance between my work, my family and other social responsibilities is difficult					
17	My job is enabling me to spare a suitable time for my family					
18	Good work life management culture of the bank make the employee successful and effective					
19	Employee always finish work on time because of flexible work schedule					

S.N	Questions related to Workplace Environment	5	4	3	2	1
		(SA)	(A)	(N)	(D)	(SD)
20	Workplace does provide technological resource that allow me to work from home if I have family affairs to attend to					
Training and Development						
21	My organization helps me identify my training and development needs through performance appraisals.					
22	The training provided by my organization helped me to improve my skill and knowledge					
23	The training, I received has helped me to improve my performance and motivation to work.					
24	I feel a strong sense of belonging to my organization since it has a good training methods to acquire the needed skills					
25	Training practices of the bank ,makes me committed to accomplish the bank objective					
26	The content and delivery methods provides by the bank assist me in achieving my job performance objectives.					
27	The training provided by the bank helped me to perform my work quickly and efficiently.					
28	Because of the knowledge, skills and attitudes that received from the training, I can accomplish activities effectively.					
Organizational Culture						
29	There is good alignment of team goals with the bank's Strategic objective, mission and vision.					
30	The bank's vision creates excitement and motivation on my work performance.					
31	The bank's core values are shared among the majority of its members.					
32	The bank has a clear and consistent set of values that dictates the way I do my work.					
33	There is an ethical code that guides my behavior and tells the right and the wrong.					
34	As an employee, I am given assignments that are consistent with my strengths, interests and opportunities					
35	Information is widely shared within CBE so that everyone in the bank can get the information he or she needs when it's needed.					
Work Load						
36	The workload is shared fairly					

S.N	Questions related to Workplace Environment	5	4	3	2	1
		(SA)	(A)	(N)	(D)	(SD)
37	The level of responsibility I am given is reasonable.					
38	Staffing levels are adequate for the workload					
39	I feel I have more to do than I can handle comfortably					
40	I would like to reduce my working hours and stress levels, but feel I have no control over the current situation					
41	I am received more target beyond my capacity					

Part II Employee Performance

Please indicate your level of agreement by checking button the extent to which you agree or disagree with the following statements by using the scale of 1-5 where; **1 for Strongly Disagree (SD), 2 Disagree (D), 3 Neutral (N), 4 Agree (A) and 5 Strongly Agree (SA).**

S.N	Questions by Employee performance	5	4	3	2	1
		(SA)	(A)	(N)	(D)	(SD)
1	I always meet expectation in terms of numbers on each appraisal period.					
2	I provide service that is free from errors.					
3	I take the appropriate amount of time to complete my tasks.					
4	I provide good results with low cost to the organization.					
5	I am present on work on a regular basis.					
6	I am present on work with appropriate dressing.					
7	I came up with creative ideas at work.					
8	My work goals are well aligned with that of the company's.					
9	I respect and serve the customers as per the bank policy and procedure.					
10	My performance appraised based on objective information.					

APPENDIX -B

Physical Work Environment

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PWE_1	226	2	5	4.24	0.792
PWE_2	226	1	5	3.02	0.971
PWE_3	226	1	5	3.04	1.004
PWE_4	226	1	5	3.03	0.991
PWE_5	226	1	5	4.2	0.845
PWE_6	226	1	5	3.03	0.984
Valid N (listwise)	226				

Compensation

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
COMP_1	226	1	5	4.20	.845
COMP_2	226	2	5	4.24	.809
COMP_3	226	1	5	3.16	1.170
COMP_4	226	1	5	3.16	1.176
COMP_5	226	1	5	4.28	.868
COMP_6	226	2	5	4.26	.799
COMP_7	226	1	5	3.02	.971
COMP_8	226	1	5	3.92	.868
Valid N (listwise)	226				

Work life Balance

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
WLB_1	226	1	5	3.57	1.061
WLB_2	226	2	5	4.30	.809
WLB_3	226	1	5	3.16	1.170
WLB_4	226	1	5	3.02	.971
WLB_5	226	1	5	3.57	1.061
WLB_6	226	1	5	3.58	1.043
Valid N (listwise)	226				

Training and Development

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
TD_1	226	1	5	2.03	.695
TD_2	226	2	5	4.24	.809
TD_3	226	1	5	4.14	.926
TD_4	226	1	5	4.10	.968
TD_5	226	1	5	4.20	.845
TD_6	226	2	5	4.14	.898
TD_7	226	2	5	4.24	.792
TD_8	226	2	5	4.12	.938
Valid N (listwise)	226				

Organization Culture

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
OC_1	226	2	5	4.12	.938
OC_2	226	1	5	4.15	.817
OC_3	226	2	5	3.92	.821
OC_4	226	2	5	4.17	.759
OC_5	226	2	5	4.23	.695
OC_6	226	1	5	3.92	.868
OC_7	226	1	5	4.10	.968
Valid N (listwise)	226				

Workload

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
WLD_1	226	1	3	1.87	.798
WLD_2	226	1	3	1.82	.723
WLD_3	226	1	3	1.85	.743
WLD_4	226	1	5	4.14	.926
WLD_5	226	2	5	4.12	.938
WLD_6	226	2	5	4.14	.898
Valid N (listwise)	226				

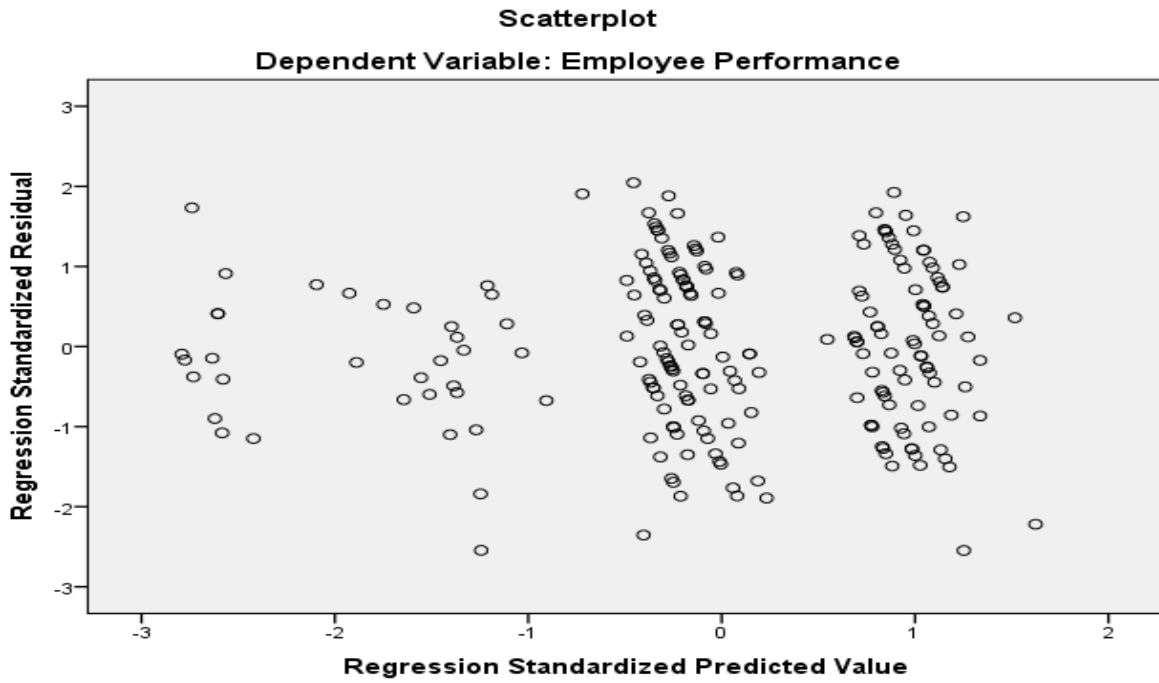
Employee Performance

Descriptive Statistics

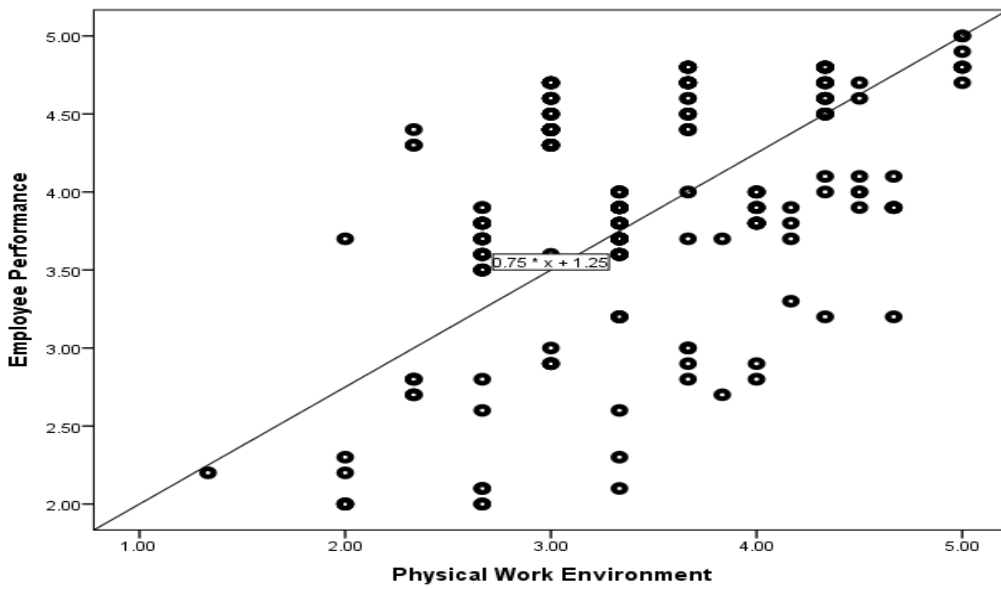
	N	Minimum	Maximum	Mean	Std. Deviation
PMS_1	226	1	5	2.81	1.237
PMS_2	226	1	5	3.02	.971
PMS_3	226	2	5	4.24	.809
PMS_4	226	1	5	4.14	.926
PMS_5	226	1	5	4.10	.968
PMS_6	226	1	5	4.20	.845
PMS_7	226	2	5	4.14	.898
PMS_8	226	2	5	4.24	.792
PMS_9	226	2	5	4.12	.938
PMS_10	226	1	5	4.14	.926
Valid N (listwise)	226				

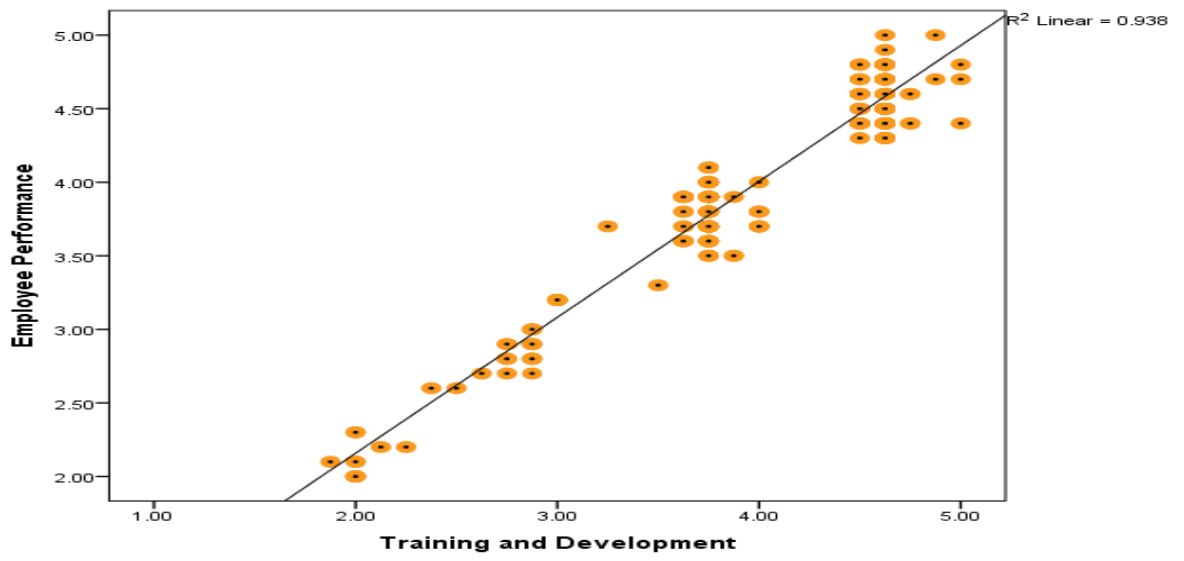
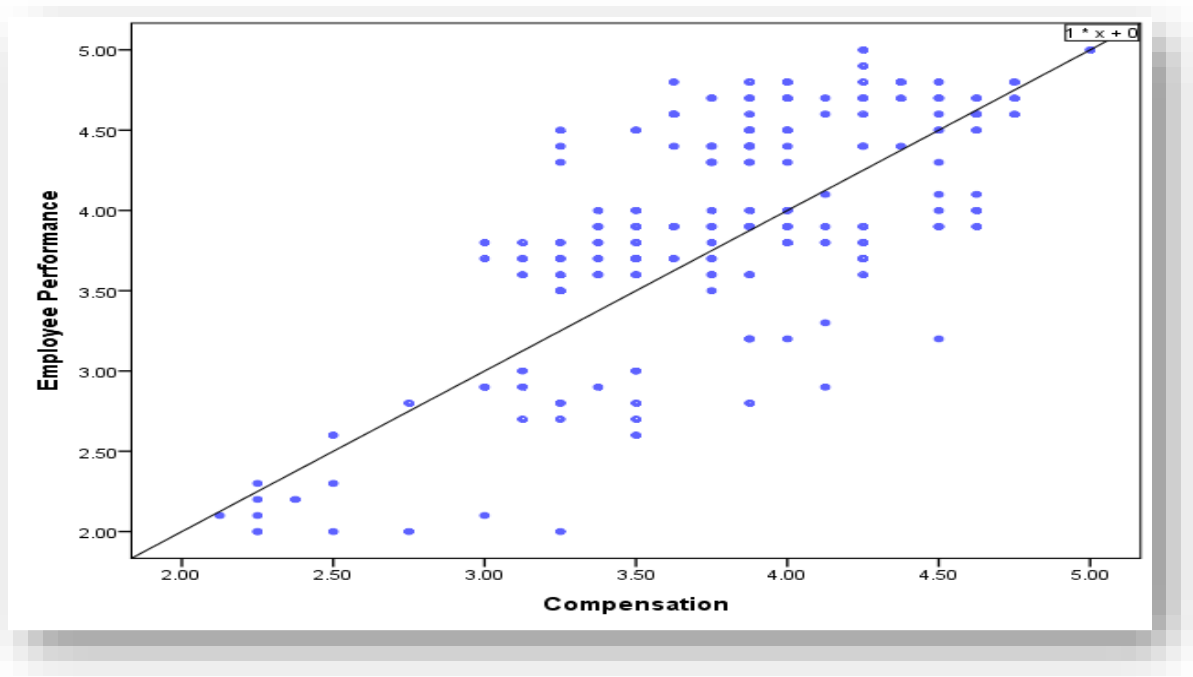
APPENDIX -C

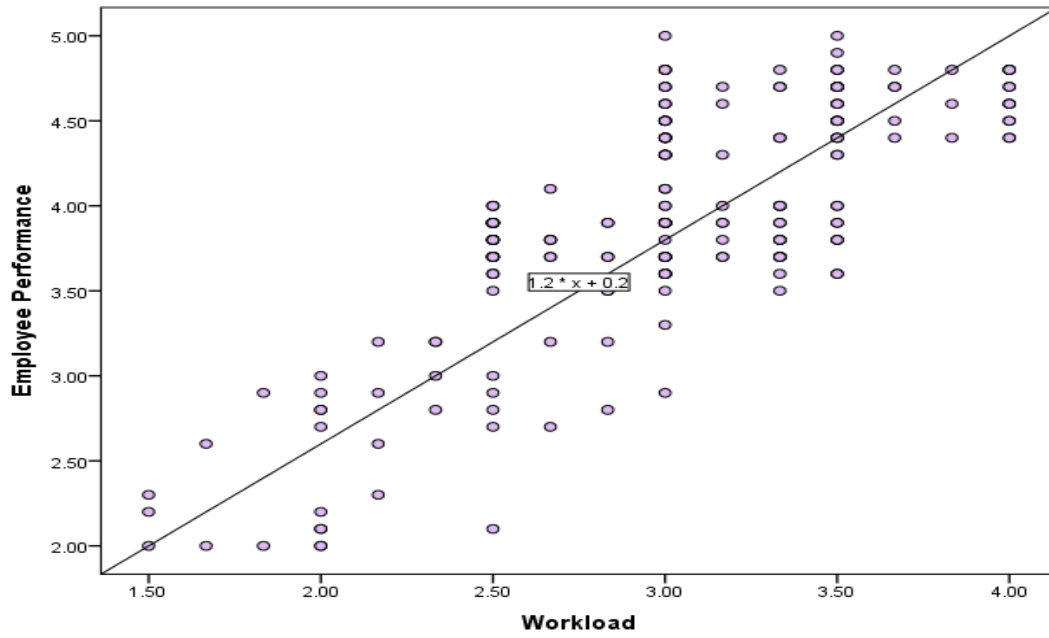
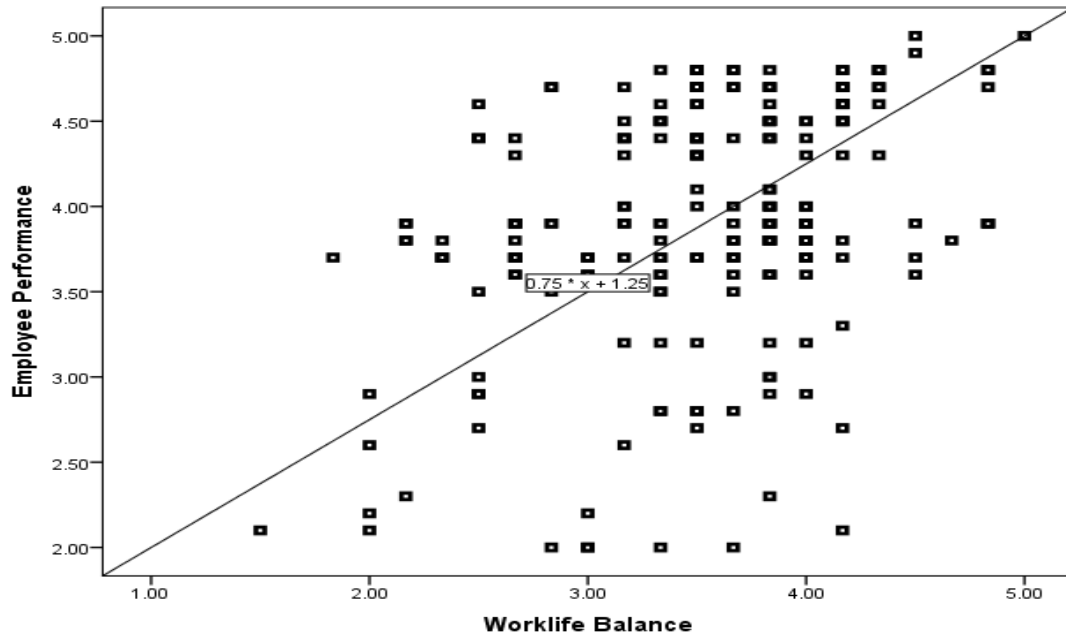
Scatter plot homoscedasticity test

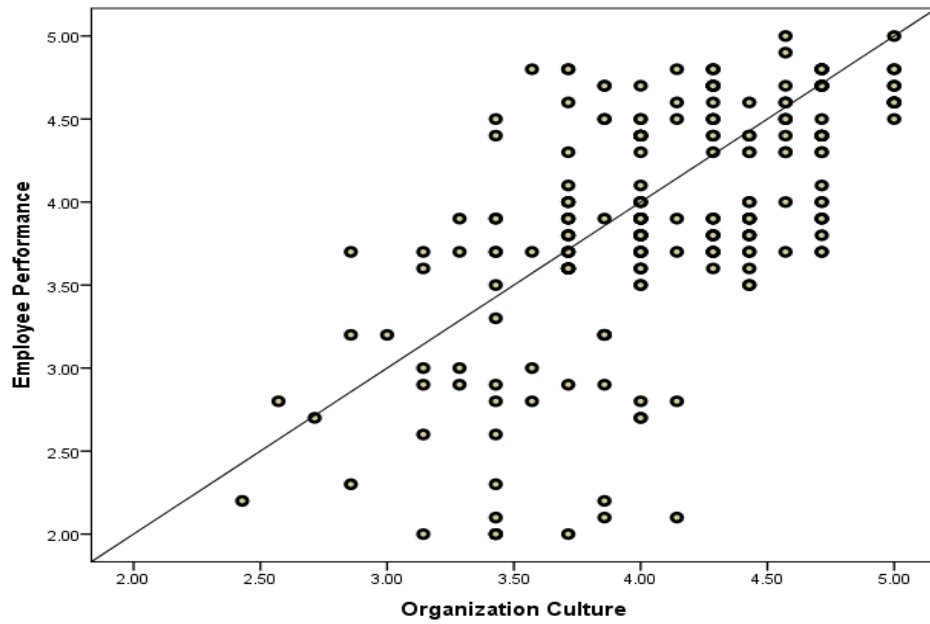


Scatter Plot for Linearity between the independent and the dependent









Normal P-P Plot and Histogram of Regression Standardized Residual Dependent Variable: Employee Performance.

