



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY !



*Examining The Effect of Perception on Employees' Support for the Impending Privatization of Government Owned Companies: A case of Ethio telecom, South Addis Ababa zone*

**By:** Aberham Abeje

**Advisor:** Tilahun Teklu (PhD)

*A Thesis Submitted to Addis Ababa University College of Business and Economics in Partial Fulfillment of Master of Science in Business Administration Specialization in Management*

**March, 2021**

**Addis Ababa**

## **DECLARATIONS**

I Aberham Abeje, registration number/I.D. number GSE/6952/11, do hereby declare that this thesis is my original work and that it has not been submitted partially; or in full, by any other person for an award of degree in any other university/institution.

### **Submitted by:**

Full Name **Aberham Abeje** Signature \_\_\_\_\_ Date \_\_\_\_\_

### **Approved by:**

This Thesis has been submitted for examination with my approval.

Name of Advisor **Tilahun Teklu (PhD)** Signature \_\_\_\_\_ Date \_\_\_\_\_

## APPROVAL

The undersigned certify that they have read and hereby recommend to Addis Ababa University College of Business and Economics to accept the thesis submitted by ***Aberham Abeje*** and entitled ***The effect of perception on employees' support for the impending privatization of government owned companies: the case of Ethio telecom SAAZ*** in partial fulfilment of the requirements for the award of a Master's Degree in ***Business Administration***.

### Submitted by:

Full Name **Aberham Abeje** Signature \_\_\_\_\_ Date \_\_\_\_\_

### Approved by:

Name of Advisor **Tilahun Teklu (PhD)** Signature \_\_\_\_\_ Date \_\_\_\_\_

Name of Internal Examiner **Yohannes Workaferahu (PhD)** Signature \_\_\_\_\_ Date \_\_\_\_\_

Name of External Examiner **Habtamu Endris (PhD)** Signature \_\_\_\_\_ Date \_\_\_\_\_

## **ACKNOWLEDGEMENTS**

Before saying anything, I would like to thank Almighty of God for His overflowing grace which enabled me to complete this thesis.

Secondly, I acknowledge my Thesis Advisor Tilahun Teklu (PhD) for his advice and positive comment on my paper.

Thirdly, I would also like to thank my parents and family for your endless love and support. It would have been impossible without you.

Finally, I would like to extend my deep gratitude and special appreciation to my friends/brothers, Dejene Gobu and Tewodros Kibatu for helping me in distributing the questionnaire and also collecting the dispersed questionnaire.

**Thank you all.**

## **TABLE OF CONTENT**

### Contents

DECLARATIONS	i
APPROVAL	ii
ACKNOWLEDGEMENTS	iii
LIST OF TABLES	vii
LIST OF ACRONYMS/ABBREVIATIONS	ix
ABSTRACT	x
1. CHAPTER ONE: INTRODUCTION	1
1.1. Background of the Study	1
1.2. Statement of the problem	4
1.3. Research Questions	6
1.4. Objective of the Study	7
1.4.1. General Objective	7
1.4.2. Specific Objectives	7
1.4.3. Hypothesis of the study	7
1.5. Significance of the Study	8
1.6. Scope of the study	8
1.7. Limitation of the study	8
1.8. Definitions of Terms	9
1.9. Organizations of the paper	10
2. CHAPTER TWO: LITERATURE REVIEW	10
2.1. Introduction	10
2.2. Theoretical literature review	11
2.2.1. Forms of privatization	11
2.2.2. Motives for privatization	12
2.2.3. Employees' perceived change in condition of employability on privatization	12

2.2.4. Employees' perceived change participation in a decision-making process on privatization	14
2.2.5. Strategies for enhanced Positive Employees' Perceptions on Privatization	15
2.3. Theoretical Framework	16
2.3.1. The Theory of Bounded Rationality	16
2.3.2. Perception Based View Model	17
2.4. Conceptual Framework	18
2.5. Empirical literature review	19
<b>3. CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY</b>	<b>21</b>
3.1. Introduction	21
3.2. Research Approach	21
3.3. Research Design	21
3.4. Study Area	22
3.5. Targeted Population	22
3.6. Sampling Procedure and Sample Size	22
3.6.1. Sampling procedure/techniques	22
3.6.2. Sample size Determination	23
3.7. Data collection	25
3.8. Instrument Development	25
3.9. Data analysis methods and models	26
3.9.1. Data Analysis and Interpretations	26
3.9.2. Specification of Econometrics Model	26
3.10. Validity and Reliability	27
3.10.1. Reliability Test	27
3.10.2. Validity	27
3.11. Ethical Consideration	28
<b>4. CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION</b>	<b>29</b>
4.1. Introduction	29
4.2. Demographic characteristics of the respondents	29
4.2.1. Gender composition rate	29
4.2.2. Respondents age category	30
4.2.3. Educational level of the respondents	31
4.2.4. Work experience of respondents	31
4.2.5. Marital status of the respondents	32
4.2.6. Current position of the respondents	33

4.2.7. Work domain of the respondents	33
4.3. Descriptive Statistics of the Variables	34
4.3.1. Descriptive statistics of independent variables	34
4.3.1.1. Descriptive statistics of Perceived condition of Employment	36
4.3.1.2. Descriptive statistics of Perceived Participation in a decision making processes	38
4.3.1.3. Descriptive statistics of demographic characteristics and its influence on Perceived condition of Employment	39
4.3.1.4. Descriptive statistics of Measures to improve positive employees' perceptions and attitudes	45
4.3.2. Descriptive statistics of dependent variable	47
4.3.3. Summary of descriptive analysis of the variables	48
4.4. Analysis of inferential statistics	48
4.4.1. Pearson Correlation Analysis	49
4.4.1.1. Employees support for privatization and perceived employment correlation	49
4.4.1.2. Employees support for privatization and perceived participation in decision making	50
4.4.2. Regression analysis	50
4.4.2.1. Test for normality	51
4.4.2.2. Multi Collinearity Test	51
4.4.2.3. Test for Linearity	52
4.4.2.4. Test for Homoscedasticity	53
4.4.2.5. Regression Analysis of Independent Variables and Dependent Variable	54
4.5. Interpretation of variable coefficients	55
4.6. Hypothesis testing	55
5. CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	58
5.1. Summary of Major Findings	58
5.2. Conclusions	59
5.2.1. Conclusions on Demographic Profile	59
5.2.2. Conclusions on Independent Variables of the Study	59
5.2.3. Conclusions for Dependent Variable of the Study	60
5.3. Recommendation	60
5.4. Suggestion for Future Study	61
REFERENCE	62
APPENDIX A: QUESTIONNAIRE	67

## **LIST OF TABLES**

Table 3. 1 List of Sample size in each work divisions in SAAZ.....	24
Table 3. 2 Instrument Development.....	25
Table 3. 3 Cronbach's Alpha .....	27
Table 4. 1 work experience of the respondents.....	31
Table 4. 2 Five-Scaled Likert's Criterion .....	35
Table 4. 3 Perceived condition of Employment.....	36
Table 4. 4 Perceived Participation in a decision making processes.....	38
Table 4. 5 Gender and Age of Respondents and its influence on Perceived change of employment condition .....	40
Table 4. 6 Educational level and Work Experience of respondents and its influence on Perceived change of employment condition.....	41
Table 4. 7 Marital Status and current Position of respondents and its influence on Perceived change of employment condition.....	43
Table 4. 8 Work domain of respondents and its influence on Perceived change of employment condition. ....	44
Table 4. 9 measures to improve positive employee's perception .....	45
Table 4. 10 employees support for privatization .....	47
Table 4. 11 summary of descriptive analysis of the variables .....	48
Table 4. 12 employees support for privatization and perceived employment condition .....	49
Table 4. 13 employees support and perceived participation in decision making .....	50
Table 4. 14 multi collinearity test .....	52

Table 4. 15 model summary.....	54
Table 4. 16 Independent Variables with their Coefficients and P-Value .....	55
Table 4. 17 Summary of Hypothesis Testing.....	57

## **LIST OF FIGURES**

Figure 2. 1 Conceptual framework .....	19
Figure 4. 1 genders of respondents .....	29
Figure 4. 2 respondents age category.....	30
Figure 4. 3 educational level of the respondent .....	31
Figure 4. 4 marital statuses of the respondents .....	32
Figure 4. 5 current positions of the respondents .....	33
Figure 4. 6 work domain of the respondents.....	33
Figure 4. 7 Test for normality .....	51
Figure 4. 8 Normal P-P plot.....	53
Figure 4. 9 Homoscedasticity Test.....	54

## **LIST OF ACRONYMS/ABBREVIATIONS**

<b>SAAZ</b>	South Addis Ababa Zone
<b>ETC</b>	Ethiopian Telecommunications Corporation
<b>SOE</b>	State Owned Enterprise
<b>GTP</b>	Growth Transformation Plan
<b>ETB</b>	Ethiopian Birr
<b>PBV</b>	Perception-Based View
<b>BOT</b>	Built, Operate and Transfer
<b>IMF</b>	International Monetary Fund
<b>HRM</b>	Human Resource Management
<b>ERP</b>	Enterprise Resource Management
<b>SPSS</b>	Statistical Package for the Social Sciences
<b>CEO</b>	Chief Executive Officer
<b>DM</b>	Decision Making

## ABSTRACT

*The main purpose of this study was examining the effect of perception on employees' support for the implementation of successful privatization. Since employees are the main stakeholders, understanding their perceptions' towards the change are a key to implement successful privatization program. The researcher conducted the study based on perception based view model (PBV) to identify and measure variables.*

*A structured close ended questionnaire was used to collect data from a sample of 215 employees in Ethio telecom (South Addis Ababa zone). The SPSS version 22 was used to conduct the statistical analysis of all data in this study. Pearson Correlation and multiple regression analyses were conducted to examine the suggested hypothesis and test the direct relationships among variables. The overall findings indicated that the proposed variables such as perceived employment conditions have positive influence to support privatization and the perceived participation in decision making was indifferent. On the other hand, employees' demographic characteristics has an influence on their perceptions for e.g., regardless of other factors masters and degree holders are positive attitude for privatization than diploma and below holders, employees who are working in technical and commercial work domains have positive attitude for privatization than those who are working in support domain and male employees have positive attitude than female employees. For future research, finding of this study will create knowledge and information for academicians and other researchers.*

***Key words: Privatization, Perception, Attitude, Government owned enterprise, Successful privatization.***

# **1. CHAPTER ONE: INTRODUCTION**

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

Privatization in general refers to moving the provision of a service or an asset from the public to the private sector. Having this in mind the Ethiopian government, announced to partially and fully privatize some of the major state owned factories and service sector enterprise including Ethio telecom. Concerning this, different reaction and critics are venting in social Medias even if the government is the majority shareholder enterprise. The way forward, how Ethiopian's assets will be valued and how the shares are going to be floated to potential buyers are still blurred.

From the World Bank's standpoint, privatization was part of an efficient and equitable economic growth that focuses on poverty reduction and protection of the environment. More specifically, the three main reasons for privatization are improving the use of public resources, operating efficiency and dynamic efficiency (Shirley, 1992). The World Bank set the Structural Adjustment Program, and hence privatization, as a key condition for extending loans to third world countries (Noorbakhsh & Paloni, 1999).

Worldwide Privatization programs however face oppositions from different stakeholders. According to Birdsall and Nellis (2003), privatization has never been a popular reform policy and much of the criticism is based on the (negative) perception that privatization has been unfair to the poor and the workers but only beneficial to the privileged. It is perceived to throw the masses out of work or forces them to accept jobs with lower pay, less security, and fewer benefits thus making the rich richer and the poor poorer (Ssentamu and Mugune, 2003). However, the stakeholders' perceptions and reactions to privatization initiatives based on its actual and perceived implications are varied worldwide.

According to Wood (2004), public support for privatization in Latin America has dropped more rapidly than in any other region, leading even to violent protests. The Latin Barometer (2001) findings showed that negative perceptions about privatization had increased significantly in certain Latin American countries (e.g. Argentina, Brazil, and Colombia) and that in all the 17 countries surveyed, the percentage holding a negative perception had grown significantly based on the

perceived loss of national sovereignty and the common belief that privatization leads to increased unemployment (Wood, 2004).

Similarly, in Europe greater or equal magnitude expressions of popular dissatisfaction with privatization were found in transition countries generally and Russia in particular (Nellis and Birdsall, 2003). In Asia, the Kuwait government faced strong opposition on its privatization initiatives from workers' unions based on its perceived adverse impacts on employees (Arab Times, 4th May 2006).

Regionally, studies on privatization in Uganda have indicated that concerns have been raised by workers' unions and civil societies that privatization has hurt the socioeconomic welfare of the majority, resulting into the feeling that locals and workers have been robbed of national assets built through accumulation of Taxpayers' contributions (Ssentamu and Mugume, 2001).

On the other hand, several studies have been conducted worldwide on the privatization of SOEs and empirical evidence from studies conducted in the late 1980s make a strong case for the ability of privatization programs to increase the efficiency and productivity of the privatized SOEs (Wood, 2004). However, while the impact of privatization on the performance of state owned enterprises with regard to efficiency and productivity improvements has been extensively investigated (Martin and Parker, 1997; Shleifer, 1998), the relationship between privatization and the firm's work environment particularly with regard to the employees has received less attention (Megginson and Netter, 2001) even as researchers and practitioners posit that employees reactions to change have critical implications for successful change implementation and the firm's performance (Kotter and Cohen, 2002). It is thus apparent that very little attention has been given to the employees' perceptions on privatization and the associated effects of such perceptions on the privatization implementation process.

As the reason employees may view the value of organizational change not only on the content of organizational change (e.g., reasons for change and the expected outcomes) but also on the process of organizational change (e.g., how a change is designed, evaluated, selected and implemented). Specifically, a perception that an organization does not allow employees to participate in a decision-making or express their opinion, concerns, or suggestions may give a signal that an

organization does not care about employees' feelings (Vithessonthi, 2005). Based on the social exchange theory (Blau, 1964), employees may return in kind the favors of the organization; that is, they may react negatively to the change

As discussed, employees' resistance to change is reported to be a source of problems for organizations and has subsequent negative effects on firm performance. "Understanding employees' perceptions and attitudes before, during, and after the implementation of organizational change may prove to be valuable to firms, managers, and consultants" (Vithessonthi, 2005).

Ethiopia is one of the many countries in sub-Saharan Africa attempting to privatize various state-owned enterprises since 1994. As stated in Proclamation No. 146/1998, the Ethiopian government identified the following three objectives of privatization: 1) generating revenue required for financing development activities to be undertaken by the government; 2) changing the role and participation of the government in the economy to enable it to exert more effort on activities requiring its attention; 3) promoting the country's economic development through encouraging the expansion of the private sector. Tadesse (1996) argues that the main motive for Ethiopia's privatization seems to be generating revenue from the sale of the state enterprises, making the first objective the most important of the three.

However, the government also decided to keep the majority of state owned enterprises while privatizing others of them. According to Proclamation No. 37/1996, areas of investment exclusively reserved for the state-owned enterprises include production and supply of electrical energy with installed capacity of above 25 megawatts, air transport services using aircraft with a seating capacity of more than 20 passengers or with a cargo capacity of more than 2,700 kg, rail transport services, and telecommunication and postal services with the exception of courier services.

Ethio telecom is one of the SOEs currently programed for privatization. The company provide an integrated telecommunication service in Ethiopia, with the monopoly over the telecommunication service.

The industry is established by Emperor Menelik II in 1894, by installing the telephone line construction from Harrar to capital city, Addis Ababa. Many important centers in the empire were interconnected by lines, thus facilitating long distance communication with the assistance of operators at intermediate stations as verbal human repeaters between the calling parties. As a continuation of its growth the Ethiopian government focused on improvement of services previously rendered by the organization. It is a general fact that telecom sector is major role player for the development of the country GTP objectives.

As of July 30, 2020, Ethio Telecom has 46.2 million total subscribers. 44.5 million Mobile voice users, 23.8 million internet and other data users, 980 thousand fixed line customers and 212.2 thousand fixed broadband customers. Regarding the Economic figures of the last fiscal year (as of 28 of July 2020), the company earned 47.7 billion ETB revenue and currently have more than 16500 indefinite and 19900 definite term employees (*Official Records of Ethio Telecom, July 2020*)

This paper is intended to assess the perception of Ethio telecom employees on the relevance and factors of privatization and their attitude towards the coming change. Which the result will have some insight for the government and particularly for the company to consider the different factors before the implementation of the newly economic reform program. Insight for the government to consider different mitigation plan to handle the impending challenges.

## **1.2. Statement of the problem**

The success of any organization in the long run depends very much on its supportive and highly engaged employees. This is especially true in the service-oriented industry like telecommunication where improvements in service have to be continuously made to meet the growing expectations of the customers.

According to research's, employees have unfavorable attitude towards privatization (eg. Madzikanda & Njoku, 2008 and Bhaskar & Khan, 1995). Research findings from a study conducted on the employees' attitudes towards the privatization of Kuwait's state owned enterprises showed that employees attitudes towards privatization was terribly negative

(Madzikanda and Njoku, 2008). Ssentamu and Mugume (2001) showed that, concerns have raised worker's unions and civil societies that privatization has hurt the socio-economic welfare of the majority in Uganda. In Latin America, Nellis et al. (2004) observed that the opposition to privatization turned to violent and leading the cancelation of the program in Bolivia and abandoned the sales in Peru.

Vithessonhi (2005) Clearly stated that, "improved firm performance is one of the main objectives of organizational change, but intermediate outcomes are more proximal indicators of its success or failure. Employees' performance can be considered as an immediate outcome or a path through which changes in organizations affect firm performance". Therefore, one can also reason that employees' resistance to or support for change which are arguably predictive of their performance at the time of the organizational change, can be seen as an indicator forecasting the probability of success of the change (Kotter, 1995; Kotter and Cohen, 2002).

Even though employees' perceptions are being an important factor to implement privatization or/and organizational change, there is not enough academic literature in the area of employees' perception to find the influence of employees' perception on the implementation of successful privatization in Ethiopia.

The main concern of the research was to find out whether or not the planned privatization of Ethio telecom may implement successfully. The general truth is moving with the change and changing the strategy with the changing environment is the only chance that the companies can fit with market and sustain long. Even if the government believes that privatization of state owed companies will boost the economy, its successful implementation will fall on many different circumstances. Factors like perceptions and measures will be used to shape such perception cannot be forgettable to such planned projects as the future is full of uncertainty.

To implement as such a wonder planned privatization project, understanding the perception of the stakeholders and coming up with the strategies to reshape their perception to the objective of the project is the first thing that should be concerned. As a stakeholder with positive perception will warmly accept the plan, those have a negative perception may act against the planned privatization.

So, dealing with the perception of the stakeholders to the planned privatization is the crucial point to the success implementation of the privatization.

Despite the importance of the privatization, employees' attitudinal effect which may affect the process significantly, seems to attract less attention by the government. According to Birdsall and Nellis (2003) privatization initiatives worldwide have not come without opposition from different quarters based on negative perceptions and attitudes held by such stakeholders.

As the Ethio telecom employees are one of the shareholders of the company, they are the one who will be affected (negatively or positively) by the implementation of the planned privatization. This expected positive or negative affect from the privatization will shape their perception to the plan. In addition to the expected benefit or cost, the perception is can be affected by the demographical factors of the individuals too. Understanding to the perception of the employees to the plan and taking some measures to improve it will help the company to achieve its objective successfully.

Hence it is very important to track employee perceptions and attitudes on the planned privatization of Ethio telecom and other nominated SOEs in order to restrain the concerns of government and workers similarly for a smooth and effective implementation of the process.

Accordingly, a study on employees' perception on the privatization of Ethio telecom may broaden the scope of investigation of other planned privatizations in Ethiopia for a better understanding, improved privatization acceptability, and effective implementation of the process.

### **1.3. Research Questions**

The above statements guide the researcher to builds up research questions regarding the influence of employees' perception on employees' support for privatization in Ethio telecom zonal office particularly in South Addis Ababa zone(SAAZ), the study tried to answer the following main research questions:

1. What is the effect of perceived change in conditions of employment on employees' support for the impending privatization of Ethio telecom?
2. What is the effect of perceived change in the level of participation in decision-making on employees' support for the impending privatization of Ethio telecom?

3. To what extent do demographic characteristics influence their perceptions on employees' support for the impending privatization of Ethio telecom?
4. What suitable strategies and mitigation measures can be employed to address the employees' concerns for enhanced acceptability and positive perception/attitude on the impending privatization of Ethio telecom?

## **1.4. Objective of the Study**

### **1.4.1. General Objective**

The general objective of the study is to examine the effect of perceptions on employees' support for the impending privatization of government owned company: A case of Ethio telecom at South Addis Ababa zone, Addis Ababa, Ethiopia.

### **1.4.2. Specific Objectives**

The research will have the following specific objectives:

1. To examine the effect of perceived change in conditions of employment on employees' support for the impending privatization of Ethio telecom.
2. To examine the effect of perceived change in the level of participation in decision-making on employees' support for the impending privatization of Ethio telecom.
3. To examine the extent to which Demographic Characteristics influence their perceptions on employees' support for the planned privatization of Ethio telecom.
4. To suggest suitable strategies and mitigation measures that can be employed to address the employees' concerns for enhanced positive perceptions, attitude and acceptability of the impending privatization of Ethio telecom.

### **1.4.3. Hypothesis of the study**

#### **Hypothesis 1**

- ✦ **H<sub>01</sub>**: Employees' perceived change in conditions of employment has no effect on employees' support for the impending privatization of Ethio telecom.

- ✦ **Ha1:** Employees' perceived change in conditions of employment has an effect on employees' support for the impending privatization of Ethio telecom.

### **Hypothesis 2**

- ✦ **Ho2:** Employees' perceived change in the level of participation in decision-making has no effect on employees' support for the coming privatization of Ethio telecom.
- ✦ **Ha2:** Employees' perceived change in the level of participation in decision-making has an effect on employees' support for the planned privatization of Ethio telecom.

## **1.5. Significance of the Study**

- ✓ To create knowledge and information for academicians and other researchers on employees' perception on privatization.
- ✓ To gain insights and understanding on the perceptions and attitudes of employees on the planned privatization of government owned Telecom Company and the associated implications on the implementation process.
- ✓ To identified key factors that shape the employees' perceptions and attitudes and to recommend suitable mitigation measures which may be taken to address such concerns for enhanced acceptability of the program.
- ✓ To benefit scholars as it is a contribution to the body of knowledge in this broad, and to fill the gap which existed in the area of study.

## **1.6. Scope of the study**

The study will be carried out in Ethio telecom Addis Ababa zonal office, particularly in South Addis Ababa zone. The study is delimited to examine the influence of employees' perception on employees' support for privatization in the context of Ethio Telecom (South Addis Ababa Zone). In addition, the study implements explanatory research design and quantitative research approach and limited to one point of data collection through cross-sectional survey.

## **1.7. Limitation of the study**

The first limitation of the study was limited on the effect perception on employees' support for the impending privatization at Ethio Telecom in South Addis Ababa because of geographical scope and limited resources, it would have been more comprehensive if it had included Ethio Telecom

as a whole and other organizations. The second limitation was lack of cooperation from some employees and respondents were not dedicated enough to respond the questionnaires, rather they leave the question not answered because of Employees are very busy. To overcome the problem, the researcher explained the Purpose of the Study and give a realistic estimate of the time it will take to response. Finally, some respondents were reluctant and kept conveying their idea freely, on what they really believe in.

## **1.8. Definitions of Terms**

**Perceived Change** - Expected change that will take place in Ethio telecom as a result of Privatization of the Company.

**Employees' Conditions of Employment** - Conditions of employment in Ethio telecom.

**Employees' Level of Participation in Decision-Making** - The level of employees' involvement in decision making in Ethio telecom.

**Demographic Characteristics** - An individual employees' personal characteristics that defines him/her uniquely.

**Privatization** - A method and process of transferring through legal means the functions, roles, mechanisms or management right, ownership, etc., originally belonging to a Public department to a private organization for the latter to replace all or part of Government functions for the sake of improving performance.

**Perception** - A complex process by which people select, organize, and interpret sensory stimulation into a meaningful and coherent picture of a situation or the world around them performed within the limits of the mind and informs one's attitude.

**Attitude** - A learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object, situation or person.

**Negative Perception** - A negative mental picture of a situation, condition or process that informs an individual's unfavorable attitude of the situation or condition.

**Positive Perception** - A positive mental picture of a situation, condition or process that informs an individual's favorable attitude of the situation or condition.

**Employees-** Workers employed by and working for Ethio telecom.

**State Enterprises** – Ethiopian government owned company.

## **1.9. Organizations of the paper**

The study organized in five chapters. The first chapter introduces the background of the study that provides the introduction and contextualization of the research topic, statement of the problem, basic research questions, the objectives of the study, research hypothesis, significance, scope and limitation of the study.

In chapter two review of related literature including theoretical and empirical evidences related to the study work is presented and discussed in order to develop a conceptual framework to evaluate the research findings in the case of the study area of employees' perception on privatization.

In chapter three methods of the study including research design, target population, sampling technique, sample size, sources of data, data collection method, instrument development, method of data analysis, reliability test and validity test have been described.

Chapter four contains Data Analysis, Presentation and Interpretation, which summarizes the results or findings of the study and it also interprets and discusses the findings by extensive use of the literature review.

In chapter five summary of findings, conclusions, and possible recommendations and suggestions have been described precisely.

## **2. CHAPTER TWO: LITERATURE REVIEW**

### **2.1. Introduction**

This chapter presents the review of journals, presentations, publications and past literatures and studies in privatization regarding employees' perceptions/attitudes. This is to present a link and basis for the study and previous employees' perception research that examines the impact of privatization or organizational change on employees' positive/negative attitude to support or reject is summarized. In addition, findings of previous research on the impact of privatization on employees' perceptions are reviewed to present the foundation upon which the current research expands. Based on arguments emerging through literature review, a detailed discussion is provided to explain the concept of privatization and the major factors which drives employees' attitude to change will be applied to address research objectives. A set of assumptions that address relationships between variables in interest of the current research are set forth. Discussions are developed to explain the concept of privatization and effect that will have on the employees'

perception. In this study, the contribution will be reviewed to show the effect of privatization on employees' attitude whether negatively or positively.

## **2.2. Theoretical literature review**

### **2.2.1. Forms of privatization**

An effective means of analyzing and understanding privatization is to examine its various forms. A number of approaches has been employed to meet privatization goals. The use of one or some of these privatization options might be used concurrently as part of a broader private/public partnership initiative. The forms of privatization vary in the extent to which they move ownership, finance, and accountability out of the public sector. The range of alternatives runs from total privatization (as in government disengagement from some policy domain) to partial privatization (as in contracting out or vouchers). The term, privatization may consist of policies anywhere along this spectrum; yet, the implications of privatization vary with its degree. In cases of partial privatization, the government may continue to finance but not to operate services, or it may continue to own but not to manage assets. Privatization may, therefore, slight government control and accountability without eliminating them. Where governments pay for privately produced services, they must continue to collect taxes. Privatization in this sense diminishes the operational but not the fiscal or functional sphere of government action (Starr, 1988).

There are many ways to categorize the various forms of privatization. However, privatization can often be classified into two main typologies. According to (Starr, 1988) full privatization is where governments, which can be national, regional or local, separates public services and transfers their ownership and responsibility into private hands through trade sale, share flotation, voucher issue or liquidation including any related risks. And partial privatization is for partial or incomplete privatization, in which the state hand over its assets to the private sector while retaining some amount of control, ownership or oversight.

Different scholars provide forms of privatization in different ways, according to Al-Quaryoty (1989) privatization formed in load shedding, contracting-out, franchises, deregulation, joint ventures, partial or total selling of a public enterprise to the private sector, whether to domestic or international investors, and various forms of build, operate and transfer (BOT) schemes.

Daintith (1994:45), also specify privatization in six major forms; change in ownership (from the public to private sector), change in public activities or assets (in the terms of their reduction), change in legal status of public provisions (such as liquidation), change in economic status of the public sector (from direct producer to indirect provider), and change in competitive environment (by withdrawing monopoly rights of public enterprises).

### **2.2.2. Motives for privatization**

A number of studies and critical review of the existing literature have been report motives for privatization from the rationale given by different governments that have privatized their SOEs includes the following.

1. Realization of revenues (Vickers and Yarrow, 1988; Ramanadham, 1994),
2. Efficiency and effectiveness improvement (Miller and Simmons, 1998; Shirley and Walsh, 2001; Al-Obaidan, 2002),
3. Reducing budgetary deficits/ tax burden reduction (Shirley and Walsh, 2001),
4. Cost savings /competition (Savas, 1987),
5. Encouraging greater domestic as well as foreign direct investments (Megginson and Sutter, 2006), and
6. Pressure from international financial institutions such as the IMF and the World Bank (Eurodad, 2006)

### **2.2.3. Employees' perceived change in condition of employability on privatization**

Studies reveled that public sector firms are associated with over staffing, wage premium and high levels of employment security due to lack of competition, unionization and some government intervention (Boycko, 1996; Florio, 2004). Wood (2004) also observed that due to maximization of social welfare and largely to political reason public sector firms have exaggerated wages above

the market would have borne naturally than private sector firms, they also have intension to employ additional workers beyond the point where their marginal cost is equal to their marginal revenue.

Given an initial condition of over-employment in public own firms, one can thus assume that upon privatizing a state own industry, employees will experience a reduction in numbers, as the new owner improves the efficiency of the production process (Bhaskar and Khan, 1995). They also stated that due to their business objectives private firms are more concerned about profit than publicly owned firms, and less concerned about employment. Employment levels will fall after privatization as firms attempt to cut labor costs and secure efficiency gains (Madzikanda & Njoku, 2008).

According to Wood (2004), resulting changes in the conditions of employment such as increased workload & pressure, increased hours worked, reduced job security and employee benefits can have a direct and often negative impact on how employees perceive changes in their conditions of employment, especially where employees have made large non-diversifiable investments in their human capital. He further observed that changes in conditions of employment, especially those that impact on an employee's immediate work environment (e.g. pay and hours worked), can have a significant impact on employee commitment and attitude towards privatization.

Employees enter a firm with certain needs, and the ability of the firm and its management to provide an environment in which they can satisfy these needs determines employee commitment and subsequent behavior (Mowday, et al., 1982). Employee commitment can be seen as a psychological state that characterizes employees' relationship with the organization (Meyer and Allen, 1997). When employees feel management ignore their needs due to privatization, they will respond through poor performance and lack of commitment (Coyle- Shapiro and Kessler, 2000)

The stress literature suggests that the fear of losing one's job could be as hurtful as losing the job itself, and numerous studies indicate that job insecurity may indeed have important consequences for both the individual and the organization (Chirumbolo and Hellgren, 2003).

Job insecurity has both objective and subjective components. On the one hand, it rejects changes that occur within a company and the society in general; on the other, it refers to a subjective

experience based on individual perceptions of uncertainty. This means that, even when exposed to the same objective situation, the feeling of job insecurity may vary from one individual to another (Greenhalgh and Rosenblatt, 1984). In this sense, job insecurity is undoubtedly a subjective experience based on perceptions and interpretations of the actual work environment (Klandermans and van Vuuren, 1999).

Thus, research conducted over the last decades shows how job insecurity can be generally harmful to both the individual and the organization (Chirumbolo, A., & Hellgren, J., 2003).

Davy et al. (1991) found support for a model in which job security predicted (reduced) turnover intention both directly and indirectly through job satisfaction which, in turn, predicted organizational commitment, which then predicted turnover intention.

The above review can be summarized that concerns about conditions of employment; job security, work load, salary and progression (recruitment and promotion) influence perceptions and attitudes of workers on privatization negatively with possible negative implications on the implementation process.

#### **2.2.4. Employees' perceived change participation in a decision-making process on privatization**

Privatization often involves a reduction in the number of managerial layers, the decentralization of decision-making authority, and the establishment of market-based business units (O'Connell, 1993). This kind of structure will help employees more close to lower managers, and it allows managers to supervise and control employee's decisions in the work place. This kind of interaction will help employees to exercise participation in decision making.

Research on participation in decision-making has suggested that participation in decision-making is related to a variety of work-related attitudes and decisions. For example, a study by Ruh, Kenneth, and Wood (1975) has found a correlation between participation in decision-making and job involvement. In other study by Allen, Shore and Griffeth (2003) has found a significant negative and significant correlation between participation in decision-making and turnover

intentions and a significant positive relationship between participation in decision-making and perceived organizational support.

Goic (1999) studied employees' attitudes towards employee ownership and financial participation in Croatia. He observed that employees there demonstrated strong eagerness to participate in enterprises ownership not only because of the mere worth of the property and possible financial results but because of the wish to access information, participation in decision making and the safeguard of working place.

Furthermore, researchers have emphasized the role of participation in decision-making for endorsing employees' acceptance of change (e.g., Coch and French, 1948, Lewin, 1951). "Extending the logic of previous research, one might expect that employees who perceive a low level of their participation in an organization's decision-making concerning organizational change tend to react more negatively to change than those who perceive a high level of their participation in decision-making" (Vithessonthi, 2005).

### **2.2.5. Strategies for enhanced Positive Employees' Perceptions on Privatization**

Privatization is not just an economic project and political philosophy and for it to be successful, human factors require central considerations (Fernandez and Smith, 2006). It is important to win the hearts and minds of employees since their attitudes will determine whether privatization will succeed or not (Madzikanda & Njoku, 2008).

Therefore, ensuring that employees hold favorable attitudes towards privatization is essential to the success of any privatization program. Furthermore, a good strategy that wins labor support for privatization and creates a social safety net for laid off workers might be necessary for a successful implementation of privatization (Cam, 1999).

This study considers attitudes to be a learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object, situation or person (Buchanan and Huczynski, 1997; Nicholson and Stepina, 1998; Rokeach, 1973). With the knowledge and

understanding of employees' attitudes, privatization planners can configure ways to improve the fears that employees might have and formulate appropriate strategies (Madzikanda & Njoku, 2008).

Although privatization brings with it some benefits for the economy, it is also important to note its impact on employees, as stakeholders. The concerns of these employees are not to be neglected if a successful and smooth privatization is to be implemented (Madzikanda & Njoku, 2008).

## **2.3. Theoretical Framework**

The section presents theoretical knowledge that seeks to explain the rationale behind the employees' varied perceptions/ attitudes and their associated implications on the privatization process implementation. This study is anchored on two theories, namely; (1) Theory of Bounded Rationality propounded by Simon A. Herbert in 1972, (2) Vithessonhi's Perception Based Model (2005).

### **2.3.1. The Theory of Bounded Rationality**

The Theory of Bounded Rationality was originated by Simon A. Herbert in 1972. Bounded rationality (BR) is a concept that suggests that decision-makers are limited by their values, unconscious reflexes, skills, habits, less than complete information and knowledge (Griffin, 2005). According to this theory, the rationality of individuals in decision-making is thus controlled by the information they have, the cognitive limitation of their minds, and the finite amount of time they have to make a decision. In other words, bounded rationality is that, because decision-makers lack the ability and resources to arrive at the optimum solution, they instead apply their rationality only after having critically simplified the choices available. The theory suggests that although people try to be rational decision makers, their rationality has limits. The theory thus provides for decision making under a state of uncertainty where the decision maker does not know all the alternatives, the risk associated with each alternative, or the likely consequences of each alternative. Intuition, judgement, and experience play a major role in the decision making process under conditions of uncertainty (Griffin, 2005). In addition, several researchers have stressed the existence of intuitive and irrational decision-making (Isenberg, 1986; Fiske, 1992). That is, decision-making processes

sometimes contain experience-based mental routines, creating quick decisions without rational thought.

In the same vein, conditions that inform the employees' perceptions and attitudes on the impending privatization of Ethio telecom is that of great uncertainty where employees do not know all the benefits and risks associated with the process and the consequences of their actions for or against the privatization process. This thus shall explain the expected varied employees' perceptions and attitudes on the programmed privatization of Ethio telecom and the associated implications of such perceptions on the implementation process.

### **2.3.2. Perception Based View Model**

In contrast to the rational decision-making approach commonly used in the mainstream research in management science, an alternative approach labelled as 'a perception-based view' in decision-making propounded by Chaipom Vithessonthi in 2005 focuses on the use of perception, attitude or emotion for the purpose of selecting a sensible alternative in pursuit of one's goals. The main purpose of the perception-based view (PBV) of the employee in this study is to explain the variations in decisions and/or behavior among employees in the same context. That is, it attempts to answer two primary questions: (1) why do individuals in the similar setting and facing the same object have differing decisions; and (2) why do individuals make decisions that might seem irrational, and be contradictory to those predicted by rational choice theories?

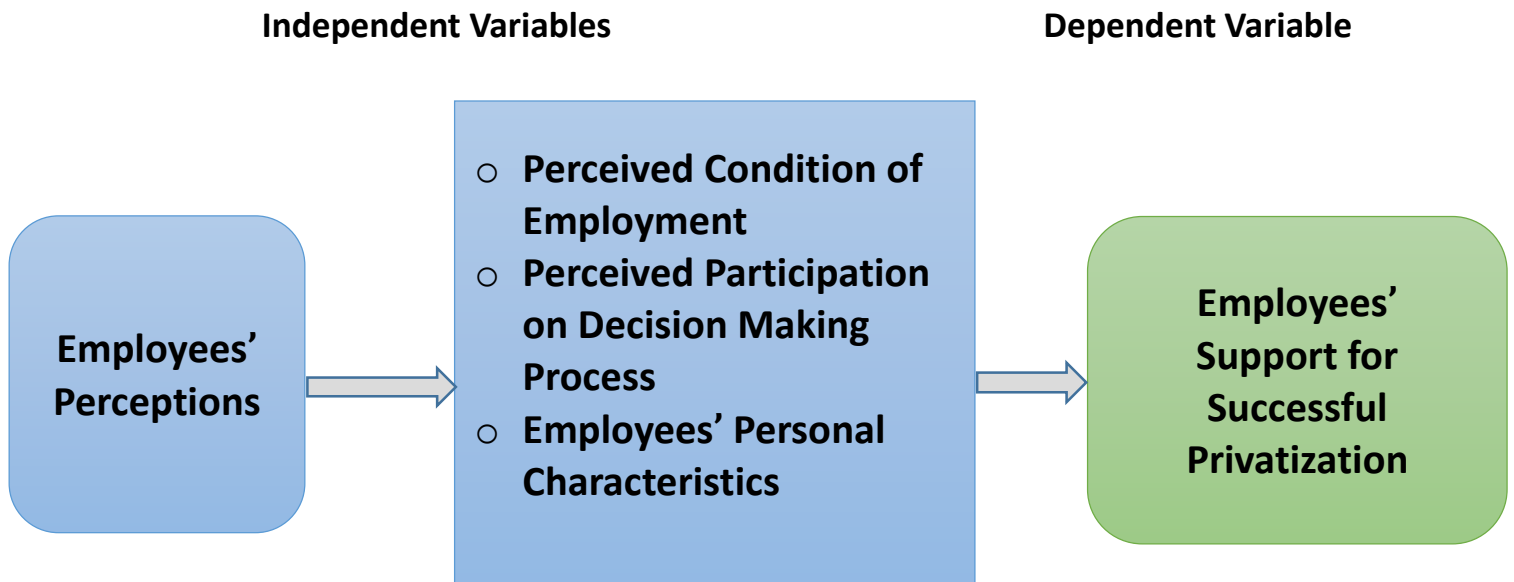
Perceptions are multi-dimensional and have behavioral implications for humans' decision-making. What, then, are the implications of perceptions on decisions and behaviors? The central idea here is that a person may obtain a different perception of a stimulus than others do, and each reacts to this stimulus according to his or her interpretation process and is thereby motivated to make a decision that is different to one another. The PBV perspective deals with how perceptions, attitudes, and emotions are used by individuals to solve a problem or to make a decision. The review of the literature on employees' reactions to various organizational decisions (e.g., layoff, turnaround strategy, and employee compensation plan) has identified several perception variables that are expected to exert an influence either on their resistance to change or support for change.

Empirical research has shown that in organizational settings, certain perceptions such as the perception of uncertainty are associated with people's behaviors. An empirical study by Ashford (1989), for example, has shown evidence for a positive relationship between perceived job insecurity and intention to quit. Another empirical

A study by Fasolo and Davis-LeMastro (1990) has showed that employees' perceived organizational support or lack of it is related to various attitudes and behaviors. Accordingly, using the employee as the unit of analysis, one can explore perception or attitude as a predictor of employees' reaction to change (Privatization in this case) based on the observation that the relationships between perceptions and reactions to change are more direct (Vithessonthi, 2005).

## **2.4. Conceptual Framework**

Conceptual framework is a hypothesized model identifying the concepts under investigation and their relationships (Mugenda & Mugenda, 2003). It establishes the significance of proposed relationships between the variables of investigation. Based on the results of the initial literature review, a conceptual framework for this study, as illustrated in Figure 2.1, was developed. The independent variables in this proposed study are the employees' perceptions/ attitudes on the impending privatization of Ethio telecom whose components are; perceived change in employees' conditions of employment, perceived change in employees' level of participation in decision making, and individual employee characteristics & perception/attitude on privatization. The dependent variable is the employees' support & successful privatization of Ethio telecom.



**Figure 2. 1 Conceptual framework**

**Source:** Model developed using literatures by the researcher (Madzikanda & Njoku, 2008; Vithessonhi, 2005)

## **2.5. Empirical literature review**

This section analysis previous studies which has been conducted on employees' perception on privatization of public enterprises. In many countries privatization results the reduction of in employment.

Privatization will result removal of massive workforce, in order to eliminate redundancies and secure efficiency gains (Madzikanda & Njoku, 2008). For example, privatization in Latin America led to the loss of several jobs; in Argentina, privatization between 1987 and 1997 led to the loss of 150,000 jobs ; in Mexico privatization of public enterprises was followed by the dismissal of 50% of the workforce; in Brazil, the privatization of railways led to a reduction of more than 90,000 jobs, and in Nicaragua, the privatization that resulted as part of a government-led transition from a command-economy to a market economy led to the dismissal of 15% of the labor force (Nellis et al. 2004).

Privatization will shake out surplus and inefficient labour and thus negative employment effects around the time of privatization are expected (Wood, 2004). A shake out effect would be necessary in order to remove excessive redundancies and derive efficiency gains unless the government intervenes to protect employees (Birdsall and Nellis, 2003). A survey of 308 privatized firms in developing countries shows post-sale employment reductions in 78.4% of cases, with no change or job gains in the rest (Chong and Lopez-de-Silanes, 2002).

In a study conducted in Kuwait concerning “employees’ attitudes towards privatization”, Madzikanda and Njoku (2008) found that female employees reject privatization in higher degree than male employees due to its impact on job security (84% vs 69%). Also managements are less worried about privatization compared to non-management employees (73% vs 81%).

In other study by Bhaskar and Khan (1995) concerning privatization and employment in Bangladesh industries, the reduction in employment was primarily clerical and managerial workers which are typically classified as support staffs, which is five times greater than manual workers (technical staffs).

In China, Dong et al. (2002) found that employees with higher levels of education consistently report lower levels of job satisfaction and perceive that they have less participation in firm decision-making.

### **3. CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY**

#### **3.1. Introduction**

This chapter presents the research methodology that used to conduct the study and it covers the following main topics: Research approach, research design, population and sampling techniques, data collection methods, research procedures, and data analysis methods.

#### **3.2. Research Approach**

This study has adopted quantitative research approach. A quantitative research approach is the process of collecting numerical data through standardized techniques, then applying statistical methods to derive insights from it (Manu bhatia, 2018). The study has adopted quantitative approach because the data collection instrument i.e. the questionnaire is best for this approach. Quantitative research is beneficial because it enables the researcher to collect objective and numerical data to apply statistical tools and establishes relationship and causation between variables. This approach uses deductive logic, in which researchers start with hypotheses and then collect data which can be used to determine whether empirical evidence to support that hypothesis exists.

#### **3.3. Research Design**

Research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. It also represents the design and plans employed in gathering, analyzing and interpreting data (Ebrary.net, 2014).

The researcher conducted the research using explanatory research type because, the objective of the study identified was to see the effect of perceived condition of employment, perceived participation of decision making process and the influence of demographic characteristics on employees' support on successful privatization. And the research adopted quantitative approach.

Furthermore, the study aimed at obtaining information from a representative selection of the population and the researcher generalizes the findings to a larger population. In short, the study employs a Cross sectional (one time) survey method administered through structured

questionnaires. This method also preferred because of its high-speed in data collection and its being economical.

### **3.4. Study Area**

The study was conducted in Ethio telecom employees whom they are strongly significant for the study. The respondents who will participate in this study will be selected from sample of South Addis Ababa of Ethio telecom staffs located in Addis Ababa due to time and other constraints. Due to the homogeneous structure of Ethio telecom zones the sample which was taken from SAAZ will represent all Addis Ababa zonal offices.

### **3.5. Targeted Population**

Target population is the collection of elements that possess information sought for by a researcher to support the study (Oso and Onen, 2005). The population aspect however refers to the individual participant or object on which the measurement is taken, and it is the unit of study (Cooper and Schindler, 2011).

According to Bluman (2009) researcher could save lot of time and money by using sample, moreover they could get more detailed information which may not be available otherwise. The target population for this study consists Ethio telecom, South Addis Ababa Zone (SAAZ) permanent employees, a total of 449 management and non-management staffs from twelve divisions: CEO office(3 employees), Communication Division(3 employees), Finance Division(36 employees), Fixed Network Division(173 employees), Fleet and Facilities Division(34 employees), Human Resources Division(6 employees), Information System Division(2 employees), Legal Division(7 employees), Sales Division(135 employees), Security Division(11 employees), Supply Chain Division(9 employees) and Wireless Network Division(30 employees).

### **3.6. Sampling Procedure and Sample Size**

#### **3.6.1. Sampling procedure/techniques**

Stratified Random Sampling Method was used as a sampling technique. This technique was chosen because it helps to divide the population into separate group like work positions, managerial levels,

work domain, educational background, gender. And also it is used to assist in minimizing bias when dealing with the population. In this technique no significant group is left unrepresented. In addition to all this, time and cost of data collection were saved with this sampling technique.

With this technique, the sampling frame can be organized into relatively homogeneous groups (strata) before selecting elements for the sample. According to Janet (2006), this step increases the probability that the final sample is representative in terms of the stratified groups. The strata are those twelve work divisions within South Addis Ababa zone (SAAZ).

### **3.6.2. Sample size Determination**

A sample design is a definite plan for obtaining a sample from a given population. The sample size will determine who is included or excluded from participating in the study and their number. Consequently, the researcher will get the sample size from employees of South Addis Ababa zone by using a simplified formula to calculate sample sizes (Yamane, 1967:886). From the calculation the sample sizes in the target population is 215.

$$n = \frac{N}{1 + N(e)^2} = \frac{449}{1 + 449 * 0.05^2} = 215$$

Where n= sample size N=targeted population

e = error term Sample size e =level of precision given that 95% confidence level and P = ±5 % are assumed.

**Table 3. 1 List of Sample size in each work divisions in SAAZ**

No	Divisions	Domain	No of Employees	Proportional sample size	Expected Sample Size From each stratum
1	CEO office	Support	3	$3/449=0.007$	$0.007*215=1$
2	Communication Division	Support	3	$3/449=0.007$	$0.007*215=1$
3	Finance Division	Support	36	$36/449=0.08$	$0.08*215=17$
4	Fixed Network Division	Technical	173	$173/449=0.39$	$0.39*215=83$
5	Fleet and Facilities Division	Support	34	$34/449=0.08$	$0.08*215=17$
6	HR Division	Support	6	$6/449=0.013$	$0.013*215=3$
7	Information System Division	Technical	2	$1/449=0.004$	$0.004*215=1$
8	Legal division	Support	7	$7/449=0.02$	$0.02*215=4$
9	Sales Division	Commercial	135	$135/449=0.3$	$0.3*215=64$
10	Security Division	Support	11	$11/449=0.02$	$0.02*215=4$
11	Supply Chain Division	Support	9	$9/449=0.02$	$0.02*215=4$
12	Wireless Network Division	Technical	30	$30/449=0.07$	$0.07*215=15$
		<b>TOTAL</b>	<b>449</b>		<b>214</b>

Source: Ethio Telecom HRM ERP, September 2020

### 3.7. Data collection

The study used primary and secondary data sources to collect the data. Secondary data is already available data, the researcher will refer the data which are already been collected and analyzed by someone else (Kothari, 2004). Secondary data will be taken from published and unpublished materials and annual reports of Ethio Telecom. This study also used primary data by using structured questionnaire used to collect the data for obtaining information from respondents.

### 3.8. Instrument Development

The following table summarizes the instrument development of the study;

**Table 3. 2 Instrument Development**

Variable		Description	Level of Measurement	Types of Scale	Adopted From
Independent Variable	Condition of employment	Conditions of employment in the organization.	Scale	Likert scale	Vithessonthi, 2005 And Madzikanda & Njoku, 2008
	Level participation in decision making process	The level of employees' involvement in decision making in the organization.	Scale	Likert scale	Vithessonthi, 2005
	Possible measurement to enhance positive perception	Suitable strategies and mitigation measures that can be employed to address the employees' concerns for enhanced positive perceptions, attitude a	Nominal	Yes/no	Madzikanda & Njoku, 2008
Dependent Variable	Employee support for change	Employees acceptance and support for the change occurs in an organization	Scale	Likert scale	Vithessonthi, 2005

Source: Own 2021

### **3.9. Data analysis methods and models**

#### **3.9.1. Data Analysis and Interpretations**

The collected data was encoded and processed with SPSS software after the raw data was well organized with appropriate format. The descriptive and inferential statistics analysis and interpretation was also used to review the collected data. To investigate the objective of this research, Multiple linear regression was used. Using a table, the data were analyzed based on descriptive and inferential statistics using SPSS version 22 software.

#### **3.9.2. Specification of Econometrics Model**

This study searches for the effect of perception on employees' support for the impending privatization of Ethio telecom. The survey data was collected randomly from the stratum (different work divisions in SAAZ). The research used multiple linear regression model specification to identify those perceptions and their level of influential using continuous variables which was calculated from 5-Point Likert scale data.

The econometric model such as multiple linear regression techniques was applied. The primary data for the model was collected by using five-point Likert scale questionnaires for each variable and analyze using quantitative techniques such as descriptive statistics (mean, standard deviation, min max). The model specification is given as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$$

**Where,**

- ✓ **Y** is the dependent variable (employees support for planned privatization)
- ✓  **$\beta_0$**  is a constant or y intercept when the estimated value of independent variables are zero
- ✓  **$\beta_1$**  is the estimated effect of perceived change of employment condition
- ✓  **$\beta_2$**  is the estimated effect of perceived change of participation in DM
- ✓ **e** is error term (represents all other factors affecting the dependent variable other than the independent variables in the study).
- ✓ **X<sub>1</sub>** is perceived change of employment condition
- ✓ **X<sub>2</sub>** is perceived change of participation in DM

### 3.10. Validity and Reliability

Reducing the possibility of getting the answer wrong means that attention must be paid to two emphases on research design these are reliability and validity.

#### 3.10.1. Reliability Test

According to Zikmund, Babin and Griffin (2010) scales with coefficient alpha between 0.8 and 0.95 are considered to have very good quality, scales with coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability.

For the result of the reliability test, as table 3.3 shows, the Cronbach's alpha calculated for both items was, 0.82 for perceived condition of employment and 0.772 for Perceived participation on decision making process. This result confirms that all questions related to each variable are reliable and have good quality.

**Table 3. 3 Cronbach's Alpha**

No	Categories	No of Item	Cronbach's Alpha	Status
1	Perceived condition of employment	11	0.82	very good quality(Reliable)
2	Perceived participation in decision making	3	0.772	good quality(Reliable)
	Average		0.796	good quality(Reliable)

Source: Survey of Questionnaire, 2021

#### 3.10.2. Validity

Validity refers to how accurately a method measures what it is intended to measure, and high reliability is one indicator that a measurement is valid. Validity is concerned with whether the

research findings are really about what they appear to be about. It simply means that a test or instrument is accurately measuring what it's supposed to.

The issue of validity was addressed through the review of literature and adapting instruments used in previous research works (vithessonthi, 2005 and Madzikanda & Njoku, 2008). In this research, Criterion-related validity was undertaken using statistical analysis such as correlation.

### **3.11. Ethical Consideration**

Designated participants have given information regarding the aims of this study, appropriateness to participate in this study, possible benefits of participating in this study and concerns with regard to data keeping and confidentiality issues. Moreover, they were informed that participating in the study was completely voluntary. Among the research ethics, all the data were highly confidential with regard the right to privacy of the respondents.

## 4. CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

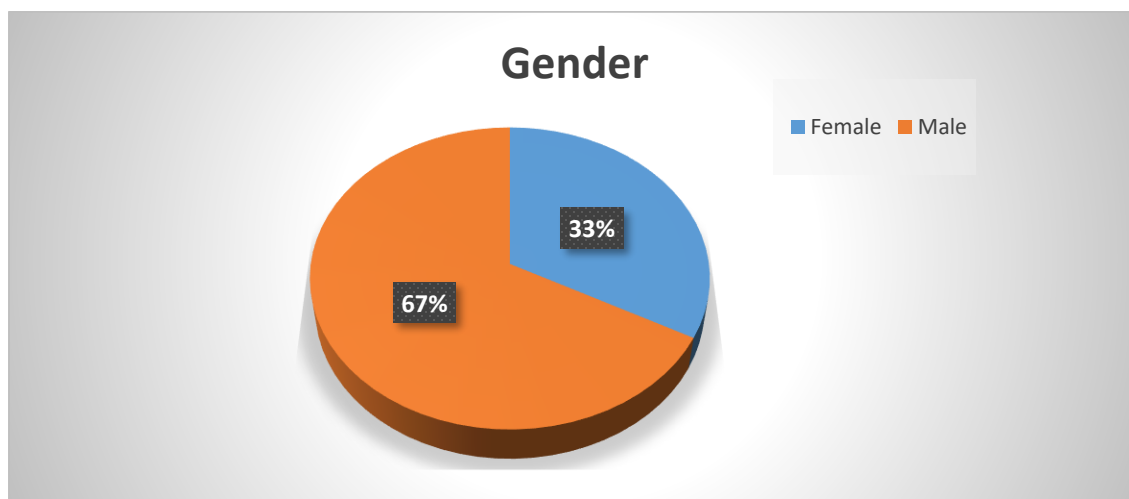
### 4.1. Introduction

This chapter deals with the presentation, analysis and interpretation of the data gathered from employees of Ethio telecom, South Addis Ababa Zonal Office. As the main purpose of the research was to examine the effect of perception on employees' support for successful privatization in the case of Ethio telecom, to achieve this objective 215 sample respondents of Ethio telecom employees were selected by using (Taro Yamane, 1967) sample size determination formula. From the total questionnaires, 198 (92.1%) were collected back and used for the presentation, analysis and interpretations after they entered to SPSS version of 22. Various statistical steps were applied to arrive at the desired output for the analysis and interpretations. The analyses were undertaken by using both the descriptive and inferential statistics.

### 4.2. Demographic characteristics of the respondents

The demographic profiles of respondents are presented to show the composition of employees in Ethio telecom, at South Addis Ababa Zonal Office. This involves the discussion of the percentage distribution for gender, age, education level, experience, marital status, position and work domain of the research participants.

#### 4.2.1. Gender composition rate

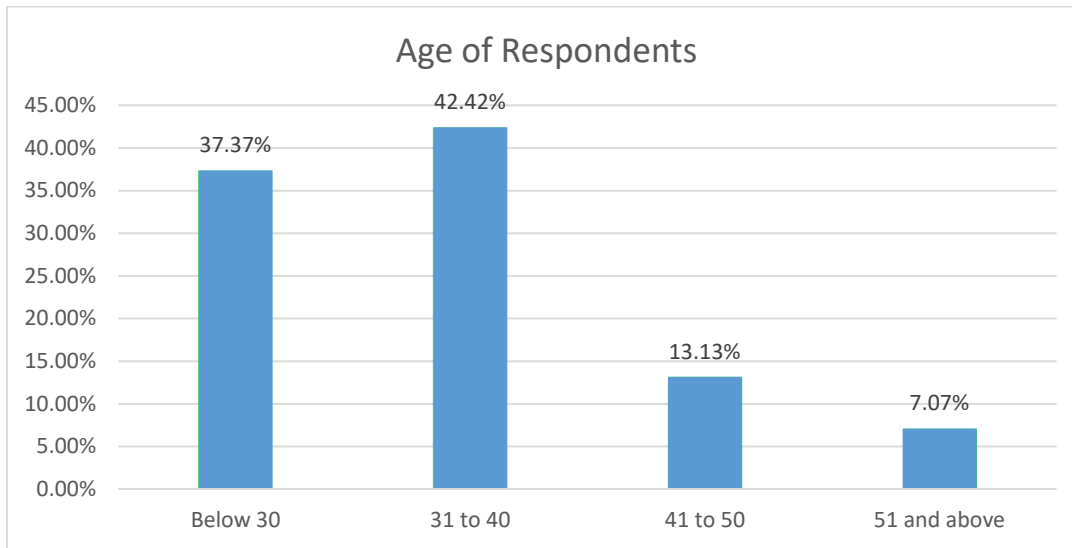


**Figure 4. 1** genders of respondents

Source: Survey of Questionnaire, 2021

In figure 4.1 above, gender distributions were presented. From 198 respondents of Ethio telecom employees, 67% are male and 33% are female employees. This figure shows that the domination of male employees over the women employees for this research and this may have the results could be more depend on the male respondents and gender biased.

#### 4.2.2. Respondents age category

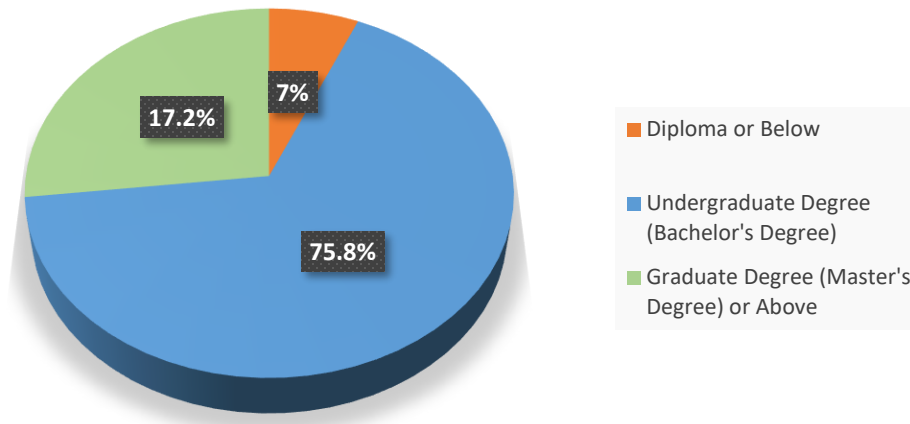


**Figure 4. 2** respondents age category

**Source: Survey of Questionnaire, 2021**

Figure 4.2, show us the age category of the respondents. For the total participant of this research, the age was categorized into for groups which are below 30, 31 – 40, 41 – 50 and 51 and above. As the figure shows, the second age category which is (from 31 – 40) has possessed the majorities of the respondents within 42.42%. The employees with less than 30 years old are the second highly numbered with 37.37%, while with the age of 41 – 50 years old are 13.13% and the rests are 51 and above years old. This show the employees of the company's dominated by young (energetic) employees and this can help the company to successfully privatized as they can adapt to the coming environments than old age employees.

### 4.2.3. Educational level of the respondents



**Figure 4. 3** educational level of the respondent

**Source: Survey of Questionnaire, 2021**

The figure 4.3 above also presents the respondents level of education. For this research the employee’s educational level was categorized into three groups, which are diploma, and below, first degree and masters and above. From the total research participants, 75.76% of the respondents are covers by first degree holders, 17.17% are by diploma and certificates and only 7.07% are master’s degree and above master’s degree holders. This show the company’s dominated by degree holders and it can help the company to achieve its objective as they are well educated.

### 4.2.4. Work experience of respondents

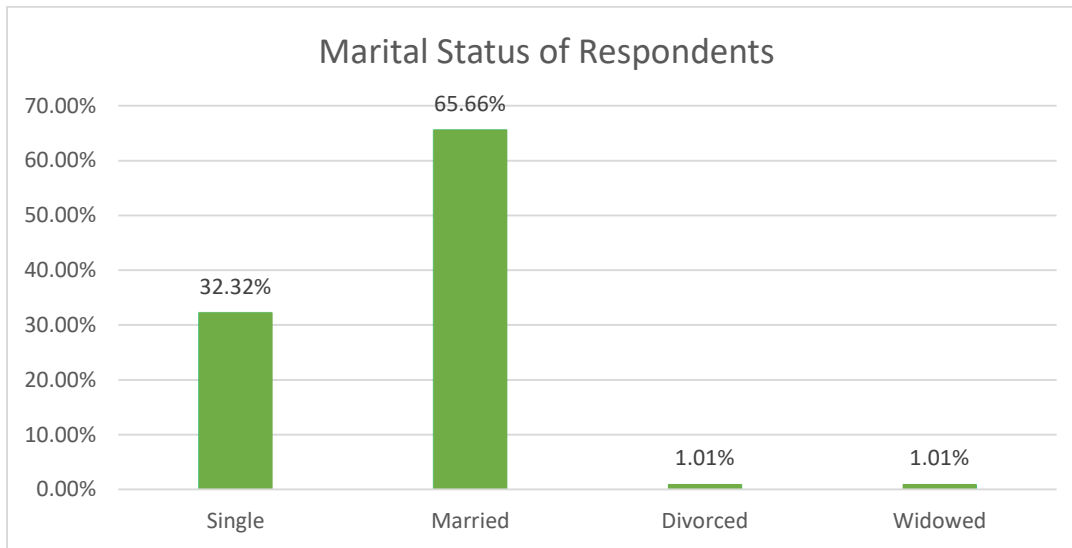
**Table 4. 1** work experience of the respondents

YEARS OF SERVICE	FREQUENCY	PERCENT
0 to 5 years	59	29.8%
6 to 10 years	56	28.28%
11 to 15 years	32	16.16%
Above 15 years	51	25.76%
<b>TOTAL</b>	<b>198</b>	<b>100.0%</b>

**Source: Survey of Questionnaire, 2021**

From Table 4.1 we can see the employee's experience of the research participants. The experience was categorized to four groups based on the year of service in the company. As we can see, employees with 0 – 5 years' experience constitute 29.80%, with 6 – 10 are 28.28%, with 11 – 15 are 16.16% and 25.76% are above 15 years of experience. The employees are well experienced and it may help the company to privatize successfully.

#### 4.2.5. Marital status of the respondents

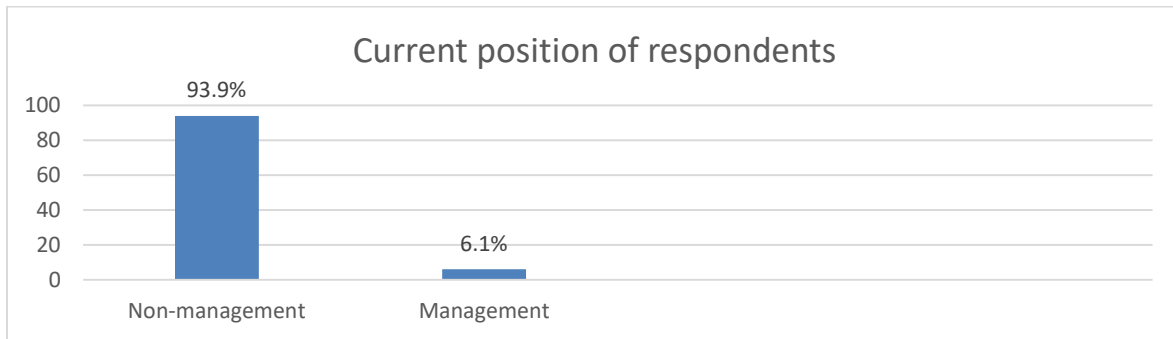


**Figure 4. 4** marital statuses of the respondents

**Source: Survey of Questionnaire, 2021**

As we can see from figure 4.4 the marital status of the respondents are presented. From the total respondents, 32.32% are single, 65.66% are married and the rest of 2.02% are divorced and widowed. This may help the company as the majorities of the employees are married and married employees are stabled and more loyal to their job than others.

#### 4.2.6. Current position of the respondents

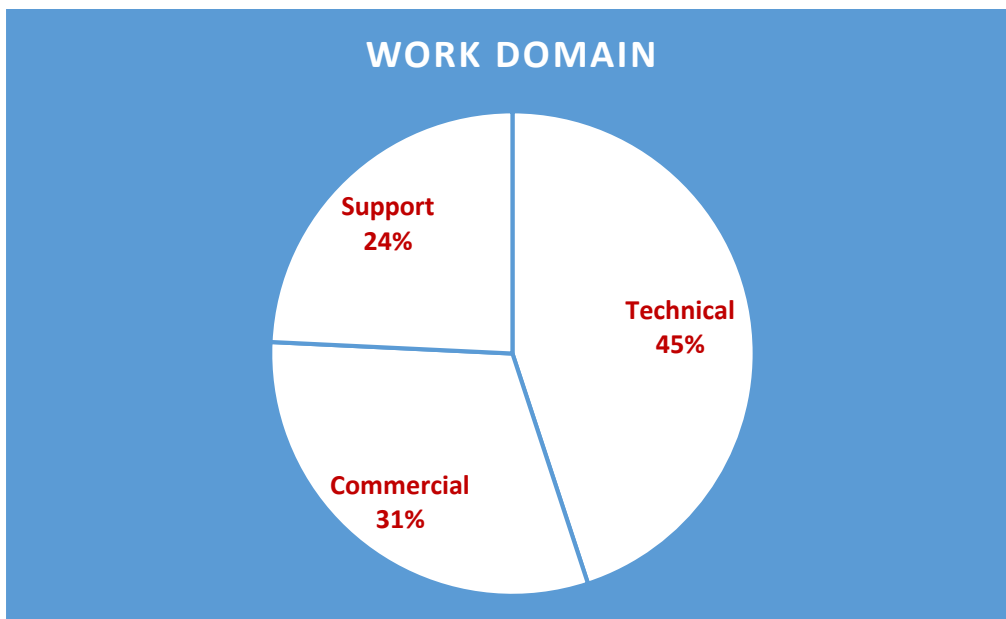


**Figure 4. 5** current positions of the respondents

**Source: Survey of Questionnaire, 2021**

Figure 4.5 is showing us the current position of the respondents in the company. Their position was categorized as managerial and non-managerial. From the total respondents, 93.94% are non-managers and the rests are who are working in the company at managerial level. This may be able to affect the privatization if the non-managerial employees cannot participate in decision making as the company's work environment is dominated by non-managerial employees.

#### 4.2.7. Work domain of the respondents



**Figure 4. 6** work domain of the respondents

**Source: Survey of Questionnaire, 2021**

From figure 4.6 we can see the work domain of the employees. There are three major work domain in the company, which are technical, commercial and support. From the total participant of the research, 24.24% are from support work domain, 30.81% are from commercial work domain and 44.95% are from technical work domain.

Generally, the demographic characteristics of the respondents was dominated by male for gender, by young employees for age, by first degree holders for educational level, by 0 – 10 years for year of experience, by married employees for marital status, by non-managerial for position and by technical fork domain. The following results can be affected by the dominated characteristics of these demographic factors.

### **4.3. Descriptive Statistics of the Variables**

#### **4.3.1. Descriptive statistics of independent variables**

This part of the analysis is made based on questionnaire gathered from 198 employees of Ethio telecom, South Addis Ababa Zonal Office using five point's Likert's scale. This research has three independent variables and one dependent variable. The importance of using this statistical description is to interpret the importance average responses of the respondents to each statement of the variables.

The researcher considers, for his measure, an inherent assumption, which states that with the usage of any Likert scale that although the scale is truly ordinal in nature, it is assumed to be on an interval scale with which statistical properties such as the mean can be justifiably used. It is an assumption made quite frequently in empirical studies (Edmindson, 2005). Accordingly, the study applies mean and standard deviation as the best measures for analysis based on the mean range developed by (Al-Sayaad, J., Rabea, A., Samrah, A., 2006) of the following table:

**Table 4. 2 Five-Scaled Likert's Criterion**

No	Mean range option	Response option
1	1.00 – 1.80	Strongly disagree
2	1.80 – 2.60	Disagree
3	2.60 – 3.40	Neutral
4	3.40 – 4.20	Agree
5	4.20 – 5.00	Strongly agree

Source: (Al-Sayaad, J., Rabea, A., Samrah, A., 2006)

Standard deviation is a widely used measurement of variability or diversity used in statistics and probability theory. It shows how much variation or "dispersion" there is from the average (mean, or expected value). The minimum and maximum values are also considered to show that exact answers of the respondents of the questionnaire. The sample mean is to show the majority of respondents as best predictors of the population.

### 4.3.1.1. Descriptive statistics of Perceived condition of Employment

**Table 4. 3 Perceived condition of Employment**

No	Statement	N	Mini mum	Maxi mum	Mea n	Std. Deviation
1	I am certain(sure) about what my future career picture looks like after privatization of Ethio telecom.	198	1	5	3.19	1.081
2	I am certain about what my responsibilities will be after privatization of Ethio telecom.	198	1	5	3.39	.974
3	I am certain about my job security after privatization of Ethio telecom.	198	1	5	3.45	1.074
4	Basic Pay/ Remuneration will be better when Ethio telecom is privatized.	198	1	5	3.71	.999
5	Progression (Recruitment & Promotion) will be improved after Ethio telecom is privatized.	198	1	5	3.74	.919
6	Incentives & other benefits will increase when Ethio telecom privatized.	198	1	5	3.66	.999
7	I am very confident at learning and developing new skills relevant for my job.	198	1	5	4.12	.822
8	I know I am very capable of keeping up with new techniques and knowledge required for my job.	198	2	5	4.21	.749
9	I can develop my career-relevant skills.	198	1	5	4.14	.806
10	I have no problem to have a new job at the same level with another organization.	198	1	5	3.75	1.036
11	I trust my ability to find a better job when I need one.	198	1	5	3.86	.938
	<b>Valid N (listwise)</b>	<b>198</b>				

Source: Survey of Questionnaire, 2021

As shown in the above table 4.3, the respondents were asked on perceived condition of employment in the future. Accordingly, the results of survey for item 1 and 2 which are “I am certain (sure) about what my future career picture looks like after privatization of Ethio telecom” and “I am certain about what my responsibilities will be after privatization of Ethio telecom” the tables show their mean value of 3.13 and 3.39 respectively. These shows, the majorities of the respondents are indifferent on the statements used to address the persevered condition of employment.

The same table also shows the result of item 3 and 4 such as “I am certain about my job security after privatization of Ethio telecom” and “Basic Pay/ Remuneration will be better when Ethio telecom is privatized” and the table expresses the mean values of the items as 3.45 and 3.71. the result shows the majorities of the respondents are agreed on the statements used to the condition of employments after the privatization of Ethio telecom.

This table also describes item 5, 6, 7, 8, 9, 10 and 11 which are “Progression (Recruitment & Promotion) will be improved after Ethio telecom is privatized”, “Incentives & other benefits will increase when Ethio telecom privatized”, “I am very confident at learning and developing new skills relevant for my job”, “I know I am very capable of keeping up with new techniques and knowledge required for my job”, “I can develop my career-relevant skills”, “I have no problem to have a new job at the same level with another organization” and “I trust my ability to find a better job when I need one” the table also shows the mean for the items are between 3.4 to 4.2 which means the majorities of the respondents are agreed on the statements used to address the employment condition after the privatization of Ethio telecom.

Generally, the response from Ethio telecom employees at South Addis Ababa zonal office on the perceived condition of employments has cumulative mean result of 3.747. This result implies that the respondents are agreed on the above statements used to express what the employment condition will look like on their perception after the Ethio telecom is privatized. Their perception was positive to the employment conditions as they have a good perception of their job after the privatization. This variable also has 0.94 values of cumulative standard deviation which shows the variation of employees' perception to items used. Therefore, there will be possibilities of employees support for successful privatization of Ethio telecom as majorities of the respondent has a good or positive perception of employment condition, since it is one of the variables which can affect the successful privatization of Ethio telecom.

These findings inform an overall Positive perception and attitude held by the majority of the employees on the planned privatization of Ethio telecom on account of anticipated favorable changes in their conditions of employment. This opposes with the research findings from a study conducted by Madzikanda and Njoku (2008) on the employees' attitudes towards the privatization of Kuwait's state owned enterprises where it was established that employees' attitudes towards privatization were overwhelmingly negative. These findings are also contradicted with the views of Wood (2004) who observed that changes in conditions of employment, especially those that impact on an employee's immediate work environment (e.g. pay and hours worked), can have a significant impact on employees' commitment and attitudes towards privatization. Maybe this is because of this research is conducted prior to the implementation program.

It therefore follows that, since perceptions concerning organizational change processes are significantly predictive of employees' reactions to change (Vithessonthi, 2005), the Positive employees' perception established in this study would be associated with possible support by employees of Ethio telecom to the planned privatization program. The employees are likely to support the privatization implementation process since they perceive the reform program as having the possibility of being favorable to their conditions of employment.

#### 4.3.1.2. Descriptive statistics of Perceived Participation in a decision making processes

Table 4. 4 Perceived Participation in a decision making processes

Descriptive Statistics of Perceived Participation in a decision making processes					
	N	Mini mum	Maxi mum	Me an	Std. Deviation
I am allowed to participate in decisions regarding privatization of Ethio telecom.	198	1	5	3.16	.750
I am satisfied with ways in which I can express my views on privatization of Ethio telecom.	198	1	5	3.16	.796
I really have a chance of giving my opinions on privatization of Ethio telecom to decision-makers.	198	1	5	3.20	.804
<b>Valid N (listwise)</b>	<b>198</b>				

Source: Survey of Questionnaire, 2021

This table 4.4 shows as the descriptive statistics of perceived participation in decision making processes of the employees. So, the result of the survey for the three items is shown in the table. For the all statement 1, 2 and 3 which are “I am allowed to participate in decisions regarding privatization of Ethio telecom”, “I am satisfied with ways in which I can express my views on privatization of Ethio telecom” and “I really have a chance of giving my opinions on privatization of Ethio telecom to decision-makers” the mean results are 3.16, 3.16 and 3.20 respectively.

Generally, the result of the survey from Ethio telecom at South Addis Ababa zonal office for the variable of perceived participation in decision making has a cumulative mean of 3.17 which is between 2.6 and 3.4. This result shows that the employees of the company at South Addis Ababa zonal office are indifferent on the statement used to measure the perceived participation of employees in the decision making process. The variable also has the cumulative standard deviation of 0.78 which shows the variation of the responses from the research participants.

These findings imply that majority of Ethio telecom employees perceived indifferent (neither negative nor positive) change in the level of employees' involvement in the firm's strategic decision making issues upon privatization of the company, it follows that the employees are a tendency to resist the privatization of the company so as to protect their representation and interests in the firm's decision making structures. This argument is in line with the views expressed by Vithessonthi (2005) that employees who perceive a low level of their participation in an organization's decision-making concerning organizational change tend to react more negatively to change than those who perceive a high level of their participation in decision-making and vice versa. He argued that perceived degree of participation in decision-making tends to be associated with employees' resistance to change and support for change.

#### **4.3.1.3. Descriptive statistics of demographic characteristics and its influence on Perceived condition of Employment**

Studies have shown that people's characteristics may have a manner on the kind of decisions they make when faced with certain situations or when in certain circumstances. In this study, the researcher wanted to examine the extent to which employees' demographic characteristics influenced their perceptions on privatization of Ethio telecom on the basis of responses given by each respondent guided by a range of indicators across the variables of investigation.

The results obtained were summarized and discussed under the following subthemes:

**Table 4. 5 Gender and Age of Respondents and its influence on Perceived change of employment condition**

Statement	Likert scale	Gender of Respondents		Total		
		Female	Male			
Perceived change of employment condition	Strongly Disagree	41.2%	58.8%	100.0%		
	Disagree	31.0%	69.0%	100.0%		
	Neutral	30.6%	69.4%	100.0%		
	Agree	40.0%	60.0%	100.0%		
	Strongly Agree	15.0%	85.0%	100.0%		
Total		32.8%	67.2%	100.0%		
Statement	Likert scale	Age of Respondents				Total
		Below 30	31 to 40	41 to 50	51 & above	
Perceived change of employment condition	Strongly Disagree	17.6%	64.7%	17.6%		100.0%
	Disagree	37.9%	48.3%	3.4%	10.3%	100.0%
	Neutral	34.7%	40.3%	15.3%	9.7%	100.0%
	Agree	51.7%	33.3%	10.0%	5.0%	100.0%
	Strongly Agree	20.0%	50.0%	25.0%	5.0%	100.0%
Total		37.4%	42.4%	13.1%	7.1%	100.0%

**Source: Survey of Questionnaire, 2021**

Table 4.5 shows the influence of gender and age on the perceived change of employment condition. Based on their gender from the table, majorities of the females are answered negatively (45.7% negatively, 19.39 neutral and 34.85 positively) while the majorities of male respondents are positive (37.34% negatively, 20.28% neutral and 42.36% positively) to the perceived condition of employment. In accordance with their age, majorities of the employees with the age of less than 30 answered positively (34.28% negatively, 21.44% neutral and 44.28% positively), with the age of 31 – 40 are negatively (47.76% negatively, 17.03% neutral and 35.21% positively), for 41 – 50 years olds are positively (29.44% negatively, 21.46% neutral and 49.08% positively) and those who are above 50 years olds are answered negatively (34.33% negatively, 32.33% neutral and 33.32% positively) to the perception of employment condition.

The result shows that majority of female employees perceived negative condition of employment on the planned privatization of Ethio telecom. This finding in line with Madzikanda and Njoku (2008), In a study conducted in Kuwait concerning “employees’ attitudes towards privatization”, found that female employees reject privatization in higher degree than male employees due to its impact on job security (84% vs 69%).

**Table 4. 6 Educational level and Work Experience of respondents and its influence on Perceived change of employment condition.**

Statement	Likert scale	Educational Level of Respondents			Total	
		Diploma or below	Degree	Masters & above		
Perceived change of employment condition	Strongly Disagree	5.9%	88.2%	5.9%	100.0%	
	Disagree	20.7%	62.1%	17.2%	100.0%	
	Neutral	6.9%	72.2%	20.8%	100.0%	
	Agree	3.3%	78.3%	18.3%	100.0%	
	Strongly Agree		90.0%	10.0%	100.0%	
Total		7.1%	75.8%	17.2%	100.0%	
Statement	Likert scale	Work Experience of Respondents				Total
		0 to 5	6 to 10	11 to 15	Above 15	
Perceived change of employment condition	Strongly Disagree	29.4%	23.5%	29.4%	17.6%	100.0%
	Disagree	41.4%	20.7%	20.7%	17.2%	100.0%
	Neutral	22.2%	34.7%	12.5%	30.6%	100.0%
	Agree	36.7%	28.3%	13.3%	21.7%	100.0%
	Strongly Agree	20.0%	20.0%	20.0%	40.0%	100.0%
Total		29.8%	28.3%	16.2%	25.8%	100.0%

**Source: Survey of Questionnaire, 2021**

Table 4.6 shows the influence of educational level and work experience on the perceived change of employment condition. Based on educational level, diploma and below diploma holders are answered negatively (72.28% negatively, 18.75% neutral and 8.97% positively) while both the first degree (38.46% negatively, 18.47% neutral and 43.06% positively) and master and above are answered positively (31.99% negatively, 28.8% neutral and 32.7% positively) to the perceived

employment condition. In accordance to their experience employees who are experienced from 0 – 5 are answered to negatively (47.28% negatively, 14.82 neutral and 37.87% positively), from 6 – 10 are positively (34.74% negatively, 27.18% neutral and 37.97% positively), from 11 -15 are negatively (52.23% negatively, 13.03% neutral and 34.71% positively) and those who has an experience of more than 15 years are answered positively (27.34% negatively, 24.07% are neutral and 48.54% positively).

Based on these results, it is evident that respondent's level of education influenced their responses significantly since those with lower academic qualifications projected more of perceived negative condition of employment upon privatization of the Company compared to the respondents with higher academic qualifications.

It therefore follows that Ethio telecom's employees with higher academic qualifications are more likely to embrace or support the privatization of the Company as opposed to those with lower education levels. These findings concur with those of Madzikanda and Njoku (2008) in a study of employees' attitudes towards privatization conducted in Kuwait, where they established that workers who had higher academic qualifications were less worried about their job security following privatization compared to those with lower academic qualifications.

**Table 4. 7 Marital Status and current Position of respondents and its influence on Perceived change of employment condition.**

Statement	Likert scale	Marital Status of Respondents				Total
		Single	Married	Divorced	Widowed	
Perceived change of employment condition	Strongly Disagree	41.2%	58.8%			100.0%
	Disagree	41.4%	58.6%			100.0%
	Neutral	30.6%	66.7%	1.4%	1.4%	100.0%
	Agree	31.7%	66.7%	1.7%		100.0%
	Strongly Agree	20.0%	75.0%		5.0%	100.0%
Total		32.3%	65.7%	1.0%	1.0%	100.0%
Statement	Likert scale	Current Position of Respondents		Total		
		Managerial	Non-Managerial			
Perceived change of employment condition	Strongly Disagree		100.0%	100.0%		
	Disagree	10.3%	89.7%	100.0%		
	Neutral	5.6%	94.4%	100.0%		
	Agree	6.7%	93.3%	100.0%		
	Strongly Agree	5.0%	95.0%	100.0%		
Total		6.1%	93.9%	100.0%		

**Source: Survey of Questionnaire, 2021**

Table 4.7 shows the influence of marital status and current position on the perceived change of employment condition. On the base of marital status, the employees are answered positively except the unmarried (single) employees are responses negatively (50.08% negatively, 18.55% neutral and 31.35% are positively)

According to their positions managers are responses positively (37.32% negatively, 20.28 neutral and 42.39% positive) and non-managers are responses negatively (40.14% negatively, 19.98 neutral and 39.89% positively) to the statement.

These findings imply that management employees of Ethio telecom are less worried about their job security on privatization of the Company as compared to the non-management staff. This is again in agreement with the findings of Madzikanda and Njoku (2008) in a study of employee's

attitudes towards privatization conducted in Kuwait, where they found that Managers were less worried about their job security following privatization compared to low-level employees (at 73% against 81%).

**Table 4. 8 Work domain of respondents and its influence on Perceived change of employment condition.**

Statement	Likert scale	Work Domain of Respondents			Total
		Technical	Commercial	Support	
Perceived change of employment condition	Strongly Disagree	35.3%	23.5%	41.2%	100.0%
	Disagree	31.0%	34.5%	34.5%	100.0%
	Neutral	45.8%	37.5%	16.7%	100.0%
	Agree	51.7%	25.0%	23.3%	100.0%
	Strongly Agree	50.0%	25.0%	25.0%	100.0%
Total		44.9%	30.8%	24.2%	100.0%

**Source: Survey of Questionnaire, 2021**

Table 4.8 shows the influence of work domain on the perceived change of employment condition. Based on their work domain, except the support work domain employees (53.8 negatively, 11.87% neutral and 34.32% positively), both the technical (31% negatively, 21.42% neutral and 47.56% positively) and commercial (34.36% negatively, 25.77% neutral and 39.86 % are positively) work domain employees answered positively to the perceived employment condition.

This finding shows negative perceived employment condition of supports domain staffs towards privatization than commercial and technical domain staffs. This negative attitude is associated with the fear of job loss after privatization. This finding supported by empirical study by Bhaskar and Khan (1995) concerning privatization and employment in Bangladesh industries, the reduction in employment was primarily clerical and managerial workers which are typically classified as support staffs, which is five times greater than manual workers (technical staffs).

### 4.3.1.4. Descriptive statistics of Measures to improve positive employees' perceptions and attitudes

**Table 4. 9 measures to improve positive employee's perception**

<b>Signing of employee retention or no lay-off agreements</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	153	77.3	77.3	77.3
	No	45	22.7	22.7	100.0
	Total	198	100.0	100.0	
<b>Providing significant shares for employees in the sale agreements of the privatized Company.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	152	76.8	76.8	76.8
	No	46	23.2	23.2	100.0
	Total	198	100.0	100.0	
<b>Providing for effective employees Union representation in Key Management decision making organs of the privatized Company.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	157	79.3	79.3	79.3
	No	41	20.7	20.7	100.0
	Total	198	100.0	100.0	
<b>Providing performance based staff recruitment, promotion &amp; remuneration in the privatized Company.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	172	86.9	86.9	86.9
	No	26	13.1	13.1	100.0
	Total	198	100.0	100.0	
<b>Training and equipping employees who might lose jobs due to privatization.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	144	72.7	72.7	72.7
	No	54	27.3	27.3	100.0
	Total	198	100.0	100.0	

**Source: Survey of Questionnaire, 2021**

Table 4.9 is showing the descriptive statics result of measures to improve employee's perception. As the table shows the results are presented by percent as the responses are collected by yes or no questions. The results of the responses for all items which are "Signing of employee retention or no lay-off agreements", "Providing significant shares for employees in the sale agreements of the privatized Company", "Providing for effective employees Union representation in Key Management decision making organs of the privatized Company", "Providing performance based staff recruitment, promotion & remuneration in the privatized Company" and "Training and equipping employees who might lose jobs due to privatization" are expressed in the table. So, the majority of the respondent says "yes" to the statements with 77.3%, 76.8%, 79.3%, 86.9% and 72.7 respectively.

Generally, the result of the survey from Ethio telecom at South Addis Ababa zonal office for the variable of measures to improve employee's perception to successful privatization, says "yes" to the variable with the cumulative percent of 78.6%. This results shows that the respondents will be happy to support the privatization of the company heartily, if the above condition will be handled very well.

The result implies that privatization as a public sector reform policy brings with it far reaching implications to the employees of the privatized firm hence the need to come up measures and strategies that would create a common ground upon which management and employees engage with one another. Consequently, a good strategy that wins employees support for privatization and creates social welfare for workers might be necessary for successful implementation of a privatization program (Cam, 1999). This coincides with the views of McCarthy, Reeves and Turner (2006), who observed that creating employee shareholders can be expected to align the objectives of employees and management, thus facilitating greater employee understanding and acceptability in relation to changes in conditions of employment brought about by privatization.

### 4.3.2. Descriptive statistics of dependent variable

**Table 4. 10 employees support for privatization**

Descriptive Statistics of employees support for privatization					
Statements	N	Minimum	Maximum	Mean	Std. Deviation
I will accept the privatization of Ethio telecom positively.	198	1	5	3.64	.848
I fully cooperate with the Ethio telecom on this change.	198	1	5	3.62	.796
This privatization program gets my full support. I am interested to support the privatization process.	198	1	5	3.46	.834
I agree with the Ethio telecom's decision to make this privatization.	198	1	5	3.54	.835
This privatization program is acceptable	198	1	5	3.57	.856
I surely (positively) comply with this privatization idea.	198	1	5	3.49	.811
<b>Valid N (leastwise)</b>	<b>198</b>				

**Source: Survey of Questionnaire, 2021**

The above table shows the descriptive statistics of the dependent variable result, which is the employee's support for the privatization. So from the table we can see the results of all the items which are "I will accept the privatization of Ethio telecom positively", "I fully cooperate with the Ethio telecom on this change", "This privatization program gets my full support. I am interested to support the privatization process", "I agree with the Ethio telecom's decision to make this privatization", "This privatization program is acceptable to me" and "I surely (positively) comply with this privatization idea" used to measure the employees support for the privatization. The results to the mentioned items have a mean value of 3.64, 3.62, 3.46, 3.54, 3.57 and 3.49 respectively.

Generally, the result of the survey from Ethio telecom at South Addis Ababa zonal office for the variable of the employee support for the privatization has 3.55 cumulative mean which means the majorities of the respondents are agreed to the statements used to measure the probability of the employees support for the successful privatization of the company. Therefore, there is a possibility of the company's privatization will become successful.

### 4.3.3. Summary of descriptive analysis of the variables

Under this section the summary of the variables will be presented. The variables are described here according to their cumulative mean value and percent's.

**Table 4. 11 summary of descriptive analysis of the variables**

No	Variables	C. mean	C. %	Scale used	Scale level
1	Perceived employment condition	3.75		Ordinal	Agree
2	Perceived participation in DM	3.17		Ordinal	Indifferent
3	Measures to improve perception		78.6	Nominal	Yes
4	Employees support for the privatization	3.55		Ordinal	Agree

**Source: Survey of Questionnaire, 2021**

To summarize the above table, all the independent variables (perceived employment conditions, perceived participation in decision making and measures to improve perceptions) are response on the positive side of the measurements. These variables got the scale level of “agree”, “indifferent” and “yes” respectively. For the dependent variable the scale result was “agree”. To generalize the exact relationships of the variables and the research model the inferential analysis was undertaken in the next portion.

### 4.4. Analysis of inferential statistics

In this section, the results of inferential statistics are presented. The dependent variable, which is the employees support for the planned privatization is used for inferential analysis against the

independent variables. For the purpose of achieving of the objective of the study, both Karl Pearson's Correlation Coefficient and regression analyses were performed.

#### 4.4.1. Pearson Correlation Analysis

The researcher uses Karl Pearson's coefficient of correlation (or simple correlation), because it is the most widely used method of measuring the degree of relationship between two variables (C.R. Kothari, 1985).

##### 4.4.1.1. Employees support for privatization and perceived employment correlation

**Table 4. 12 employees support for privatization and perceived employment condition**

Correlations			
		Employees' Support for successful privatization	Perceived condition of Employment
Employees' Support for successful privatization	Pearson Correlation	1	.807**
	Sig. (2-tailed)		.000
	N	198	198
Perceived condition of Employment	Pearson Correlation	.807**	1
	Sig. (2-tailed)	.000	
	N	198	198
**. Correlation is significant at the 0.01 level (2-tailed).			

**Source: Survey of Questionnaire, 2021**

Table 4.12 shows the perfect positive correlation between employees support for the planned privatization and perceived employment condition and which is significant at 0.01 levels. Therefore, the relationship between the employees support for the planned privatization and perceived employment condition has a very strong correlation which is perfectly related.

### 4.4.1.2. Employees support for privatization and perceived participation in decision making

**Table 4. 13 employees support and perceived participation in decision making**

Correlations			
		Employees' Support for successful privatization	Perceived Participation in a decision making processes
Employees' Support for successful privatization	Pearson Correlation	1	.700**
	Sig. (2-tailed)		.000
	N	198	198
Perceived Participation in a decision making processes	Pearson Correlation	.700**	1
	Sig. (2-tailed)	.000	
	N	198	198
**. Correlation is significant at the 0.01 level (2-tailed).			

**Source: Survey of Questionnaire, 2021**

Table 4.13 shows the perfect positive correlation between employees support for the planned privatization and perceived participation in decision making and which is significant at 0.01 levels. Therefore, the relationship between the employees support for the planned privatization and perceived participation in decision making has a strong correlation which is perfectly related.

### 4.4.2. Regression analysis

Multiple regression analysis was applied in the study to examine the variables explanatory nature. Multiple regressions are usually used in the research where there are two or more independent variables that are hypothesized to influence one or more dependent variables (Paul Baker, 2006). Regression analysis can determine how much of the variation in the dependent variable can be explained by the independent variables. In this study, prior to employing regression analysis and testing the research hypothesis, a preliminary analysis was revealed to validate the important assumptions of regressions such as Multi collinearity, linearity, and normality tests.

#### 4.4.2.1. Test for normality

Test for normality, its determining whether the data is well modeled by normal distribution or not. This test of normal distribution could be checked by graphical method of tests. The normality assumption assumes a critical role when a study is dealing with a small sample size, data less than 100 observations. Even though the normality assumption is not a treat since the observation or sample size of the study is large enough, more than 100 observations, and the researcher tested it using histogram.

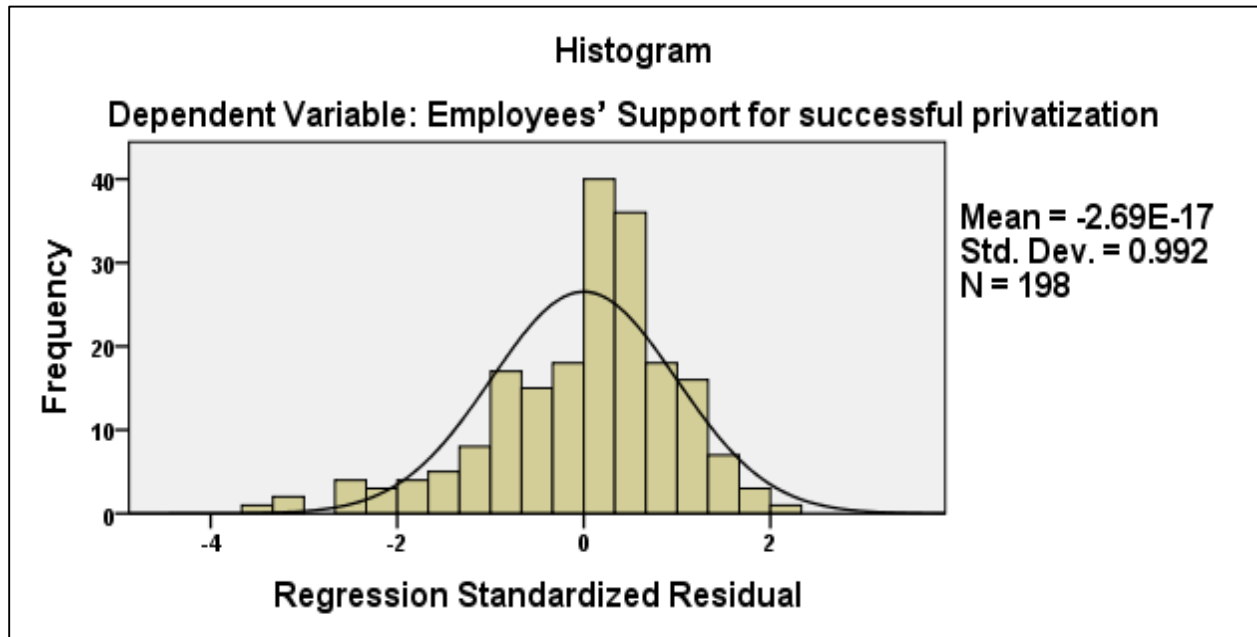


Figure 4. 7 Test for normality

Source: Survey of Questionnaire, 2021

The above figure shows that the residual of the model is normally distributed and the model is free from normality problem.

#### 4.4.2.2. Multi Collinearity Test

The Variance Inflation Factor (VIF) is a measure of multi Collinearity among the independent variables. For the multi collinearity to be good or less, the tolerance values should be greater than 0.1 and the VIF values should not exceed 10.0 (Pallant J., 2011).

**Table 4. 14 multi collinearity test**

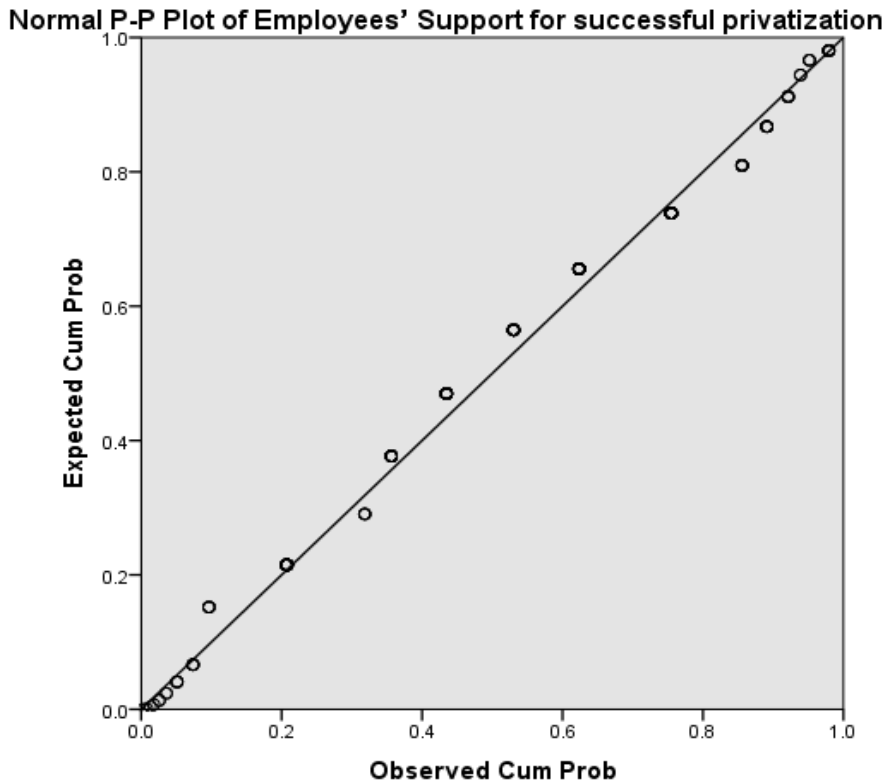
Coefficients <sup>a</sup>								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	-.538	.229		-2.355	.020		
	Perceived condition of Employment	.738	.058	.598	12.629	.000	.628	<b>1.592</b>
	Perceived Participation in a decision making processes	.366	.051	.340	7.244	.000	.642	<b>1.559</b>
a. Dependent Variable: Employees' Support for successful privatization								

**Source: Survey of Questionnaire, 2021**

Table 4.14 shows the multi collinearity of among independent variables. As the table depicts the result of the variance inflation factor (VIF) is greater than 0.1 and less than 10, the variables are free from collinearity problem.

#### **4.4.2.3. Test for Linearity**

The relationship between the independent and dependent variables to be linear and this assumption is checked by using Normal P-P plot. To determine whether the relationship between the dependent variables and the independent variables is linear; scatter plots of the regression residuals for each model through SPSS software had been used. The linearity assumption can best be tested with scatter plots and checked by looking at a histogram or a P-P-Plot. The scatter plot of residuals (see figure 4.8 below) showed that the points lie in a reasonably straight line from bottom left to top right. Therefore, in this study, assumption of linearity was not violated.

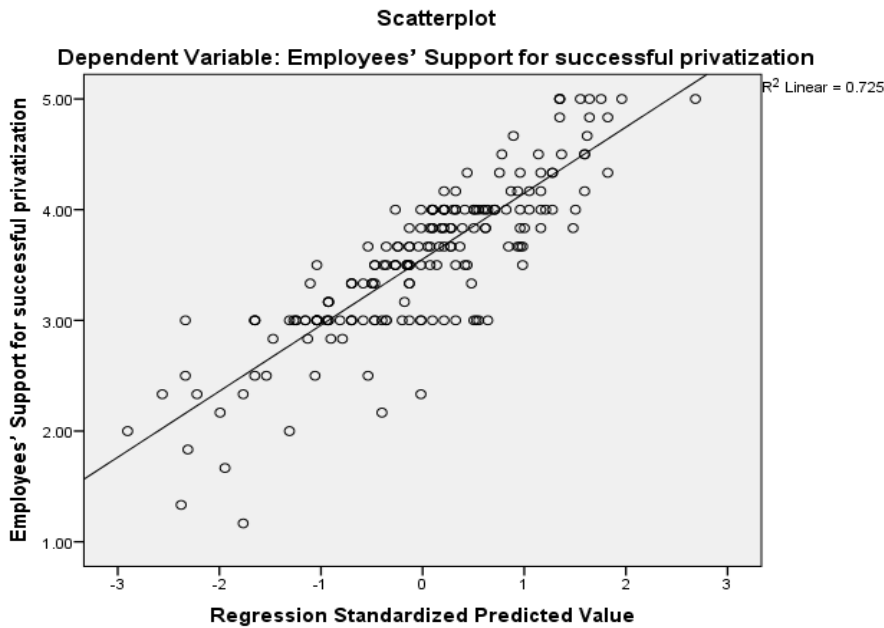


**Figure 4. 8** Normal P-P plot

**Source:** Survey of Questionnaire, 2021

#### **4.4.2.4. Test for Homoscedasticity**

Homoscedasticity refers that errors are spread out consistently between the variables (Keith, 2006). Statistical software scatter plots of residuals with independent variables are the method for examining this assumption (Keith, 2006). Therefore, as shown the graph below that errors are spread out consistently between the independent variables (means the assumption of homoscedasticity was not violated).



**Figure 4. 9** Homoscedasticity Test

Source: Survey of Questionnaire, 2021

#### 4.4.2.5. Regression Analysis of Independent Variables and Dependent Variable

This section presents finding obtained from the data gathered through questionnaire by using multiple linear regression analysis. Multiple regressions analysis was conducted to determine whether a relationship exists between the independent variables and the dependent variable and their level of significance.

**Table 4. 15** model summary

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.852 <sup>a</sup>	.725	.722	.3691
a. Predictors: (Constant), Perceived Participation in a decision making processes, Perceived condition of Employment				
b. Dependent Variable: Employees' Support for successful privatization				

Source: Survey of Questionnaire, 2021

From table 4.15 above, “R” has a score of .852. It is a multiple correlation coefficient between dependent and independent variables of the study. “R” represents the value of the multiple correlation coefficients between the predictors and the outcome (Field, A., 2005).

From this table, also we can see the value of  $R^2$  which is  $R^2 = .725$ . This implies that 72.5 percent of the total variation in the dependent variable is explained or caused by the influence of these independent variables

#### 4.5. Interpretation of variable coefficients

**Table 4. 16 Independent Variables with their Coefficients and P-Value**

Model	B	Beta ( $\beta$ )	P-value (sig.)
(constant)	<b>-.538</b>		<b>.020</b>
Perceived condition of Employment		.598	<b>.00</b>
Perceived Participation in a decision making processes		.340	<b>.00</b>

**Source: Survey of Questionnaire, 2021**

As the table 4.16 shows that at 5% significance level, perceived condition of employment has positive and significant influence on employees’ support for privatization (B= 0.598,  $P < 0.05$  i.e.  $0.00 < 0.05$ ), Perceived participation in decision making has significant influence on employees’ support for privatization (B= 0.34,  $P < 0.05$  i.e.  $0.00 < 0.05$ ).

The b-values tell us about the relationship between the Employee support for privatization and each predictor, that is, it tells us what degree of each predictors affects the outcome. If there is an additional value of 1 on the perceived condition of Employment variable will increase employee support for privatization by 59.8% and an additional unit of 1 on the perceived participation in decision making process variable will increase employee support for privatization by 34%.

#### 4.6. Hypothesis testing

The goal of hypothesis testing is to determine the likelihood that a population parameter is likely to be true. The researcher tests whether the value stated in the null hypothesis is likely to be true. An alternative hypothesis ( $H_a$ ) is a statement that directly contradicts the null hypothesis.

The significance (sig.) value expresses a value to accept or reject the (null) hypotheses. The p-value is the probability that the correlation is one just by chance. Therefore, the smaller the p-

value, the better will be. The general rule is: reject  $H_0$  if  $p < .05$  and accept  $H_0$  if  $p \geq .05$  (Pallant J., 2011).

This part of the study, proof of the null hypothesis is made based on table 4.14, which is the table calculated for multi collinearity test.

There were two null and two alternative hypotheses proposed in the study. Here testing results are discussed.

### **Hypothesis 1**

**H<sub>01</sub>:** Employees' perceived change in conditions of employment has no effect on employees' support for privatization of Ethio telecom.

**H<sub>a1</sub>:** Employees' perceived change in conditions of employment has an effect on employees' support for privatization of Ethio telecom.

Table 4.16 shows that the perceived change in condition of employment has an effect as the p-value of the variable is less than 0.05. So, we can reject the null hypothesis (**H<sub>01</sub>**) and accept the alternative one (**H<sub>a1</sub>**).

### **Hypothesis 2**

**H<sub>02</sub>:** Employees' perceived change in the level of participation in decision-making has no effect on employees' support for privatization of Ethio telecom

**H<sub>a2</sub>:** Employees' perceived change in the level of participation in decision-making has an effect on employees' support for privatization of Ethio telecom

The above table also shows Employees' perceived change in the level of participation in decision-making has an effect on employees' support for privatization of Ethio telecom as the variable p-values is less than .05. Therefore, we can reject the null hypothesis (**H<sub>02</sub>**) and accept the alternative one (**H<sub>a2</sub>**).

**Table 4. 17 Summary of Hypothesis Testing**

No.	Hypothesis	Tool	Result
Ha <sub>1</sub>	Employees' perceived change in conditions of employment has an effect on employees' support for privatization of Ethio telecom.	Inferential Regression	<b>Accepted</b>
Ha <sub>2</sub>	Employees' perceived change in the level of participation in decision-making has an effect on employees' support for privatization of Ethio telecom.	Inferential Regression	<b>Accepted</b>

**Source: Survey of Questionnaire, 2021**

In addition to this, by using the results of the above table which is the multi collinearity test coefficients, the following regression equation was formulated for this study and tries to show the effects of independent variables and the dependent variable.

Depending on the equation formula proposed by researcher, in chapter three:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$$

And, by taking a result from table 4.16;

$$Y = -.538 + (.598)X_1 + (.34)X_2 + e$$

**Whereas,**

- ✓ **Y** is the dependent variable (employees support for planned privatization)
- ✓ **β<sub>0</sub>** is a constant or y intercept when the estimated value of independent variables is zero
- ✓ **β<sub>1</sub>** is the estimated effect of perceived change of employment condition
- ✓ **β<sub>2</sub>** is the estimated effect of perceived change of participation in DM
- ✓ **e** is error term
- ✓ **X<sub>1</sub>** is perceived change of employment condition
- ✓ **X<sub>2</sub>** is perceived change of participation in DM

## **5. CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

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

The main objective of the study was to examine the effect of perceptions on employees' support for the impending privatization of government owned company; a case of Ethio telecom at South Addis Ababa zone, Addis Ababa, Ethiopia. There were a total of 198 questionnaires from respondents are used for the in the study. The collected data was analyzed using SPSS software of 22 versions for both descriptive and inferential statistics. Based on the analysis, discussion and related issues of the research, the following summaries are made; accordingly,

- ✓ Regarding to demographic analysis, all the attributes used are shows majority of the respondents are male, young, first degree holders, well experienced, married, non-managerial and support work domains.
- ✓ For the descriptive analysis of independent variables of the study, as it is clearly observed from the mean value and its analyses, the independent variables possess average mean values of 3.747 for perceived working condition of employment which shows positive perception to the variable and 3.17 for perceived perception to the participation in decision making, which shows indifferent to the variable. The third variable which is the measures to improve perception and attitudes got 78.6% which shows a positive perception to a measure can be taken to improve the perception.
- ✓ The descriptive analysis of the dependent variable also indicates the existence of positive perception to the planned privatization of Ethio telecom with a cumulative mean of 3.55.
- ✓ The result of inferential analysis of the study verifies strong and perfectly positive relationships of variables.
- ✓ According to regression model summary, the coefficient of determination is  $(R^2) = 72.5\%$ . This shows about 72.5% of the total variance in the in the dependent variable is caused by these explanatory variables used under this research.
- ✓ The influences of independent variables over the dependent variable, from highest influence to lowest is perceived condition of employment and perceived participation in decision making process respectively.

## **5.2. Conclusions**

This research was conducted on Ethio telecom to examine the effect of perception on employees' support for the impending privatization of Government Owned Company in a case of Ethio telecom, which is measured by the data collected from the company's employees. Based on the objectives and findings of the study, the following conclusions were worth drawn by alleviating the factors of perception to planned privatization.

### **5.2.1. Conclusions on Demographic Profile**

- ✓ Majority of the respondents are male constituting 67.17% of the total participants of the research while females are 32.83%. From this finding, females were responding negatively to the variables than males, as they respond to the variables.
- ✓ Majority of the respondents are young, and they response positively to perceived employment condition, perceived participation in the decision making and measure that can improve perception to planned privatization.
- ✓ Majorities of the respondents are first degree holders, and they response positively while the diploma and below holders are response negatively to the planned privatization of Ethio telecom.
- ✓ Majorities of the respondents are well experienced, and they response positively to the planned privatization.
- ✓ Majorities of the respondents are married employees, and they responses positively to the planned privatization.
- ✓ Majorities of the respondents are non-managerial, and they response positively but less positive than the managerial employees.
- ✓ Majorities of the respondents are employees from technical work domain and they responses positively to the planned privatization.

### **5.2.2. Conclusions on Independent Variables of the Study**

- ✓ Majority of the respondents are positively agreed on the item provided to address the perception of employees on perceived condition of employments. Therefore, there is a possibility of the planned privatization will be implemented successfully as it is one of the factors that initiates the company to achieve the planned privatization.

- ✓ Also, majority of the respondents are indifferent on the item provided to address the perception of employees on perceive participation in decision making. This is the potential chance for the company, if it can change the employee's perception from indifferent to positive direction as it will help the company to implement the planned privatization.
- ✓ And also, majority of the respondents are positively agreed on the item provided to address the perception of employees on the measure can be taken to improve perception and attitude to the planned privatization of Ethio telecom. Therefore, the possibility of the planned privatization to be successful is high, since this variable also one of the factors that can shape the perception of employees to the privatization.
- ✓ Generally, the proposed variables such as perceived employment condition, and measure that will shape the perception of employees got positive response and the perceived participation in decision making was indifferent. Therefore, the company's privatization plan can be successfully implemented while improving the employee's perception to perceived participation in decision making.

### **5.2.3. Conclusions for Dependent Variable of the Study**

Majority of the respondents are positively agreed on the item provided to address the perception of employees on the employees support for the privatization of Ethio telecom. Therefore, the privatization of the company will be successful as the employee's shows their positive support to the planned privatization.

### **5.3. Recommendation**

As suggestions for corrective and complementary measures to employee's perception and support for the privatization of Ethio telecom are required, based on the findings and conclusions of the study, the following recommendations are forwarded.

- ✓ The company should give a great consideration how can motivate and positively change the perception on female employees to support the privatization.
- ✓ The company should give an attention how can to include those who are diploma and below diploma holders to get the full support of the privatization.

- ✓ The company should find a way it can involve and motivate the old aged employees in the company to get the full support of the privatization.
- ✓ The company should have to move the indifferent employee's perception on the perceived participation of decision making to a favorable point that can support the privatization of the company.
- ✓ The company should follow merit based staff recruitment, promotion and remuneration; signing no lay off agreement for a given period of time; making significant shares for employees for enhanced employee support for privatization.
- ✓ Finally, the company should have to follow-up with possible perception that can hinder the support of the company privatization.

#### **5.4. Suggestion for Future Study**

This study explores the employee's perception to the support of Ethio telecom privatization plan by the variables of perceived condition of employment, perceived participation in the decision making and measures that can improve perception and attitude. But it's obvious that it needs more to conduct such research with regard to privatization of government owned companies as there are so many in the country. For further and future research, the following areas are suggested:

- ✓ This paper has focused only on Ethio telecom. So, it is possible to extend the scope of this research at country level for the whole government owned companies.
- ✓ As this paper explores the employee's perception to the support of Ethio telecom privatization plan, it will be better to undertake including other variables, like economic policies of the country and other possibilities to do so.
- ✓ Finally, employees' perception is not the only thing that can promise the successful implementation of planned privatization of the company, so it needs further studies on the organizational change factors and skills of the change leaders too.
- ✓ If this privatization program has implemented, researchers will conduct a study that examines the effect of privatization on employment and other variables and will use this research as a reference.

## REFERENCE

- Allen, D. G., Shore, L. M., & Griffeth, R. W. (2003). The role of perceived organizational support and supportive human resource practices in the turnover process. *Journal of management*, 29(1), 99-118.
- Al-Obaidan, A. M. (2002). Efficiency effect of privatization in the developing countries. *Applied Economics*, 34(1), 111-117.
- Al-Quaryoty, M. Q. A. (1989). Prospects for privatization in Jordan. *Journal of Arab Affairs*, 8(2), 159.
- Al-Sayaad, J., Rabea, A., & Samrah, A. (2006). *Statistics for economics and administration studies. Jeddah: Dar Hafez.*
- Baker, P. (2006). *Using corpora in discourse analysis.* A&C Black.
- Bhaskar, V., & Khan, M. (1995). Privatization and employment: A study of the jute industry in Bangladesh. *The American Economic Review*, 85(1), 267-273.
- Birdsall, N., & Nellis, J. (2003). Winners and losers: assessing the distributional impact of privatization. *World development*, 31(10), 1617-1633.
- Blau, P. M. (1964). Justice in social exchange. *Sociological inquiry*, 34(2), 193-206.
- Bluman, A. G. (2009). *Elementary statistics: A step by step approach.* New York, NY: McGraw-Hill Higher Education.
- Boycko, M., Shleifer, A., & Vishny, R. W. (1996). A theory of privatisation. *The Economic Journal*, 106(435), 309-319.
- Buchanan, D., & Huczynski, A. (1997). *Organisational Behaviour—Hertfordshire.*
- Cam S. (1999). 'Job Security, Unionization, Wages and Privatization: A Case Study in the Turkish Cement Industry', *Sociological Review*, Volume 47, Issue 4.
- Chirumbolo, A., & Hellgren, J. (2003). Individual and organizational consequences of job insecurity: A European study. *Economic and Industrial Democracy*, 24(2), 217-240.
- Chong, Alberto, and Florencio Lopez-de-Silanes. (2002). Privatization and labor force restructuring around the world. Policy Research Working Paper, no. 2884. Washington, D.C.: World Bank.
- Coch, L., & French Jr, J. R. (1948). Overcoming resistance to change. *Human relations*, 1(4), 512-532.

- Cooper, D. R., Schindler, P. S., & Sun, J. (2006). *Business research methods* (Vol. 9, pp. 1-744). New York: Mcgraw-hill.
- Cooper and Schindler (2008). *Business Research Methods*. McGraw-Hill Irwin ISBN 13. New York.
- Coyle-Shapiro, J., & Kessler, I. (2000). Consequences of the psychological contract for the employment relationship: A large scale survey. *Journal of management studies*, 37(7), 903-930.
- Eurodad (2006). 'World Bank and IMF conditionality: a development injustice', The World Bank Discussion paper, The World Bank, Washington D.C.
- Fasolo P. and Davis-Lamastro V. (1990). Perceived Organizational Support and employee Diligence, Commitment, and Innovation. *Journal of Applied Psychology*. American Psychological Association Inc., Vol. 75 (1).
- Edmondson, D. (2005, May). Likert scales: A history. In *Proceedings of the Conference on Historical Analysis and Research in Marketing* (Vol. 12, pp. 127-133).
- Fernandez, S., & Smith, C. R. (2006). Looking for evidence of public employee opposition to privatization: An empirical study with implications for practice. *Review of Public Personnel Administration*, 26(4), 356-381
- Florio, M. (2004). *The great divestiture: Evaluating the welfare impact of the British privatizations, 1979-1997*. MIT press.
- Fraenkel, J. R., & Norman, E. Wallen. (1990). *How to Design and Evaluate Research in Education*. New York. NY: McGraw Hall.
- Greenhalgh, L., & Rosenblatt, Z. (1984). Job insecurity: Toward conceptual clarity. *Academy of management review*, 9(3), 438-448.
- Griffin, R. W., & Lopez, Y. P. (2005). "Bad behavior" in organizations: A review and typology for future research. *Journal of Management*, 31(6), 988-1005.
- Goic, S. (1999). Employees' attitudes towards employee ownership and financial participation in Croatia: Experiences and cases. *Journal of Business Ethics*, 21(2-3), 145-155.
- Haque, M. S. (2001). Privatization in developing countries: formal causes, critical reasons, and adverse impacts. *Contributions in Economics and Economic History*, 217-238
- Isenberg D.J. (1986). *Knowing Organisation*. School of Information. University of Texas. Austin.
- Kathuri, N. J., & Pals, D. A. (1993). *Introduction to educational research*.

- Keith, T. (2006). *Multiple regression and beyond*. PEARSON Allyn & Bacon, Boston
- Kikeri, S., Nellis, J., & Shirley, M. (1992). *Privatization: the lessons of experience*. The World Bank.
- Kikeri, S., & Nellis, J. (2004). An assessment of privatization. *The World Bank Research Observer*, 19(1), 87-118.
- Klandermans, B., & van Vuuren, T. (1999). Job insecurity: introduction. *European Journal of Work and Organizational Psychology*, 8(2), 145-153.
- Kothari, C. R. (2004). *Research methodology: Methods and techniques*. New Age International.
- Kotter, J. P. (1995). *Leading change: Why transformation efforts fail*.
- Kotter, J. P., & Cohen, D. S. (2002). Creative ways to empower action to change the organization: Cases in point. *Journal of Organizational Excellence*, 22(1), 73-82.
- Janet, M. (2006). *Essentials of Research Methods: A Guide to Social Science Research*. USA: Blackwell Publishing.
- Lewin, K. (1951). *Intention, will and need*.
- Lopez-de-Silanes, F., & Chong, A. (2002). Privatization and labor force restructuring around the world.
- Madzikanda, D. D., & Njoku, E. I. (2008). Employee Attitudes Towards the Privatization of Kuwait Government Departments and State Owned Enterprises. *International Public Management Review*, 9(1), 107-129.
- Bhatia, M. (2018). *A complete guide to quantitative research methods*. *Humans of Data*.
- McCarthy, D., Reeves, E., & Turner, T. (2010). The impact of privatization and employee share ownership on employee commitment and citizen behavior. *Economic and Industrial Democracy*, 31(3), 307-326.
- Meggison, W. L., & Sutter, N. L. (2006). Privatisation in developing countries. *Corporate Governance: An International Review*, 14(4), 234-265.
- Miller, H. T., & Simmons, J. R. (1998). The irony of privatization. *Administration & Society*, 30(5), 513-532.
- Meyer, J. P., & Allen, N. J. (1997). *Commitment in the workplace: Theory, research, and application*. Sage.
- Nicholson, J. D., & Stepina, L. P. (1998). Cultural values: a cross-national study. *Cross Cultural Management: An International Journal*.

- Noorbakhsh, F., & Paloni, A. (1999). The implementation of policy conditions in structural adjustment programmes: The case of Sub-Saharan African countries.
- O'Connell D. J. (1993). *Privatization & Employment Relations: The Case of the Water Industry*. London: Mansell Publishing Limited.
- Oso W. Y and Onen D.O. (2005). *A general Guide to Writing Research Proposal and Report*. Option Press and Publishers. Kisumu.
- Pallant, J. (2011). *Survival manual. A step by step guide to data analysis using SPSS, 4*.
- Pedhazur, E. J. (1997). *Multiple regression in behavioral research*, Orlando, FL: Harcourt Brace.
- Proclamation No. 146/1998. (1998). *Privatization of Public Enterprises Proclamation*. Retrieved From: <http://faolex.fao.org/docs/pdf/eth135264.pdf>.
- Ramanadham, V. V. (1994). *Privatization and Economic Efficiency*.
- Rokeach, M. (1973). *The nature of human values*. Free press.
- Ruh, R. A., White, J. K., & Wood, R. R. (1975). Job involvement, values, personal background, participation in decision making, and job attitudes. *Academy of Management Journal*, 18(2), 300-312.
- Ssentamu J.D. and Mugume A. (2001). *Privatization Process and its Impact on Society*. Uganda National NGO Forum Structural Adjustment Participatory Review Initiative (SAPRI). Makerere University.
- Savas, E. S. (1987). *Privatization: The key to better government*. Chatham House Pub.
- Starr, P. (1988). The meaning of privatization. *Yale Law & Policy Review*, 6(1), 6-41.
- Shirley, M., & Walsh, P. (2001). *Public vs. private ownership*, World Bank policy research working paper 2420. Washington, DC: World Bank.
- Simon A.H. (1972). *Decisions and Organizations: 'Theories of Bounded Rationality'*. North-Holland Publishing Company. Amsterdam.
- Wodajo, T., & Senbet, D. (2017). Does Privatization Improve Productivity? Empirical Evidence from Ethiopia. *International Journal of African Development*, 4(2), 3.
- Bhaskar, V., & Khan, M. (1995). *Privatization and employment: A study of the jute industry in Bangladesh*. *The American Economic Review*, 85(1), 267-273.
- Vickers, J., & Yarrow, G. K. (1988). *Privatization: An economic analysis* (Vol. 18). MIT press.
- Vithessonthi, C. (2005). *A Perception Based View of the Employee. A Study of Employees' Reactions to Change. Un-Published Ph. D Thesis, University of St. Gallen*.

Wood, R. S. (2004). The Privatization of Public Utilities: What are the Gains? Why the Popular Opposition. *Research Paper*.

Yamane, Taro. (1967). *Statistics: An Introductory Analysis*, 2nd Edition, New York: Harper and Row.

Zikmund, William G.; Babin, Barry J.; Carr, Jon C.; Griffin, Mitch, (2010). *Business Research Methods*. Published by South-Western College Pub. ISBN 10: 0324320620 ISBN 13: 9780324320626

## **APPENDIX A: QUESTIONNAIRE**



**ADDIS ABABA UNIVERSITY**

**COLLEGE OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF MBA**

**MSc IN BUSINESS ADMINISTRATION**

### **RESEARCH QUESTIONNAIRES**

**Research Topic:** The influence of Employees' perception on privatization: The case of Ethio-Telecom Addis Ababa Zonal Office.

**Researcher Name:** Aberham Abeje

**For any clarification:** 0911230873

**Dear sir/madam**

I am a post graduate student of business administration in AAU. Currently, I am undertaking a research entitled Employee's perception on privatization: The case of Ethio-Telecom Addis Ababa Zonal Office. You are one of the respondents selected to participate on this study.

Please assist me in giving correct and complete information to present a representative finding. Your participation is entirely voluntary and the questionnaire is completely anonymous.

Finally, I confirm you that the information that you share with me will be kept **confidential** and only used for academic purpose. Thank you in advance for your kind cooperation and dedicating your time.

Sincerely, Aberham Abeje

**Instructions**

- ❖ No need of writing your name
- ❖ Indicate your answers with a check mark (✓) in the appropriate box.

**SECTION A: GENERAL INFORMATION (DEMOGRAPHIC DATA)**

1. Gender: Male  Female

2. Age (Years)

A. Below 30  B. 31- 40  C. 41- 50  D. 51 & Above

3. Please indicate your level of education

A. Diploma or below  B. Degree  C. Master and above

4. How many years have you been worked in Ethio telecom?

A. 0 – 5 years  B. 6 – 10 years  C. 11 – 15 years  D. Above 15 years

5. What is your marital status?

A. Single  B. Married  C. Divorced  D. widowed

6. Your current position in the Ethio telecom?

A. Managerial  B. Non-managerial

7. Your Current work domain?

A. Technical  B. Commercial  C. Support

**SECTION B: OPINION INVESTIGATION ON EMPLOYEES' PERCEPTION ON THE COMING PRIVATIZATION PROGRAM OF ETHIO TELECOM**

### General Instruction

For each of the questions in the following sections, please tick a number that represents your choice as to the level of agreement or disagreement with a check mark (√).

**Strongly disagree=1, Disagree =2, Neutral =3, Agree =4, strongly agree=5**

What is your opinion towards the conditions of employment due to privatization of Ethio telecom?						
1. Perceived condition of Employment		Rating scale				
No	Statements	1	2	3	4	5
1	I am certain( <b>sure</b> ) about what my future career picture looks like after privatization of Ethio telecom.					
2	I am certain about what my responsibilities will be after privatization of Ethio telecom.					
3	I am certain about my job security after privatization of Ethio telecom .					
4	Basic Pay/ Remuneration will be better when Ethio telecom is privatized.					
5	Progression (Recruitment & Promotion) will be improved after Ethio telecom is privatized.					
6	Incentives & other benefits will increase when Ethio telecom privatized.					
7	I am very confident at learning and developing new skills relevant for my job.					
8	I know I am very capable of keeping up with new techniques and knowledge required for my job.					
9	I can develop my career-relevant skills.					
10	I have no problem to have a new job at the same level with another organization.					

11	I trust my ability to find a better job when I need one.					
<b>What is your expectations towards employees' participation in the decision making for the privatization process of ethio telecom?</b>						
<b>2.</b>	<b>Perceived Participation in the decision making processes</b>	<b>Rating Scale</b>				
No	Statements	1	2	3	4	5
1	I am allowed to participate in decisions regarding privatization of Ethio telecom.					
2	I am satisfied with ways in which I can express my views on privatization of Ethio telecom.					
3	I really have a chance of giving my opinions on privatization of Ethio telecom to decision-makers.					

<b>3.</b>	<b>Employees' Support for successful privatization</b>	<b>Rating scale</b>				
No	Statements	1	2	3	4	5
1	I will accept the privatization of Ethio telecom positively.					
2	I fully cooperate with the Ethio telecom on this change.					
3	This privatization program gets my full support. I am interested to support the privatization process					
4	I agree with the Ethio telecom's decision to make this privatization.					

5	This privatization program is acceptable to me.					
6	I surely(positively) comply with this privatization idea.					
<p><b>In your own opinion, can the following measures help in improving Employees' positive perception &amp; attitude towards the planned privatization process of Ethio telecom?</b></p> <p><b>• Measures for improvement of employees' positive perception and attitudes</b></p>						
No	Statements	Y e s	N o			
1	Signing of employee retention or no lay-off ( <b>no dismissal of employees</b> ) agreements for a reasonable period of time to minimize the fear of job loss in the privatized Company.					
2	Providing significant <b>shares</b> for employees in the sale agreements of the privatized Company.					
3	Providing for effective employees Union representation in Key Management decision making organs of the privatized Company.					
4	Providing <b>performance based</b> staff recruitment, promotion & remuneration in the privatized Company.					
5	Training and equipping employees who might lose jobs due to privatization with skills for self-employment, or re-					

	employment into some other public or private sectors.		
--	---	--	--

*“Thank you for your involvement and precious time”*