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FACTORS AFFECTING EMPLOYEE PERFORMANCE IN A COMPETITIVE MARKET

THE CASE OF ETHIO TELECOM, ADDIS ABABA ZONES

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A thesis submitted in partial fulfillment of the requirements for the degree of

Master of Arts in Business Administration (MBA)

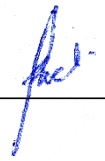
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DECLARATION

I, Abel Abreha, declare that this thesis "HUMAN RESOURCE FACTORS AFFECTING EMPLOYEE PERFORMANCE IN A COMPETITIVE TELECOMMUNICATIONS MARKET:" is my original work and has not been submitted for any other degree or examination at any university or institution of higher learning. All information and data sources mentioned in this thesis have been acknowledged by referencing the sources in the text and also in the reference list at the end of this thesis.

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ABSTRACT

The telecoms market in Ethiopia was a fast-changing place. Safaricom sat in like a kid in a sweetshop, and suddenly what was once a monopolist; Ethio Telecom; had to take seriously what competitiveness really meant. This report seeks to establish six HR factors that may account for variation in performance between some workers versus others in five Addis Ababa zone offices of Ethio Telecom. These were: Motivation; Training & Development, Leadership Style; Compensation & Benefits; Work Environment; and Organizational Culture. These factors were used as a practically hypothesized Strategic HR Bundle; then any one item wasn't so important as the fact that the six used as a bundle explained performance variation. 340 staff surveys were completed (343 issued, 340 returned 99.1%) and analyzed in SPSS. A Likert five-point scale was used. Variance explained was around 53.2% (R = 730, R squared = 532 Adjusted R squared = 524, 6,333) ANOVA < .001. Training & Development was the most significant predictor ($\beta = .245$, $p < .001$). The next best were Organization ($\beta = .159$), Motivation ($\beta = .152$), Leadership Style ($\beta = .139$) and Work Environment ($\beta = .129$). Compensation & Benefits was not significant ($\beta = .069$, $p = .129$) though it was the most poorly rated variable in the survey (M = 2.799). Five of the six hypotheses were supported. The main points for the Ethio Telecom boss fix the training first structural intractability in compensation is a ticking bomb. Cultural flexibility is the gap which could be destructive down the line.

Keywords: *Employee Performance, Motivation, Training and Development, Leadership Style, Compensation and Benefits, Work Environment, Organizational Culture, SHRM, Ethio Telecom.*

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Until very recently, Ethio Telecom hadn't faced any competition since it was the only telecoms provider in a country of more than 120 million people, and that monopoly meant that performance management was already an administrative task rather than a strategic one. But the game changed with the arrival of Safaricom into the Ethiopian market. Now, Ethio Telecom's staff were not just supporting customers, but being compared in real time with a competitor.

This matters because employee performance isn't something you can solve with a memo. Rather It's a function of a complex system like the motivation you're providing, training received, leadership practiced, the compensation system compared to others compitaters, work environment, and culture. Do those six things well together and you've got a workforce capable of competing. Get them wrong or manage them separately and there is no way of technology investment will save you.

Extensive research evidence on the topic is taken over many years. As Baluff (see Barney 1991) pointed out, human capital is one of the few sustainable source of competitive advantage, because it is almost impossible to replicate. Becker (1964) demonstrated that investing in people can be profitable. Social Exchange Theory (Blau, 1964) helps to understand why. When organizations provide employees with resources; good leadership, training opportunities, 65 fair pay and a friendly environment- employees reciprocate by increased effort. It is the exchange relationship that fuels performance.

This paper covers all of the six factors in combination, looking at all five Addis Ababa zones, and with data collected after Safaricom's entry. It's the first Ethio Telecom study to do this from those the researcher reviewed, and the competitive setting makes it very real and urgent rather than merely an interesting academic analysis.

1.2 Statement of the Problem

Ethio Telecom no longer enjoys the buffer of margin for error that it had for much of its history. Following the end of the company's 80-year monopoly in 2022 by Safaricom, a 2025 World Bank report attributed "around a 70 percent reduction in national mobile data tariffs"

and "the fastest growth in 4G population coverage anywhere in the world" in threeyears to ensuing competition. Ethio Telecom has responded with its own expansion, deploying 5G technology to scores of towns and growing its subscribers beyond 80 million, yet on the ground employee productivity has yet to keep pace. That discrepancy between what the company is implementing and what its staff are actually producing, is where we begin.

However, the most urgent problem is not a tower or a tariff. Data from recent internal review show high attrition and overt dissatisfaction among employees, much of it related to talent management and compensation practices that are lagging the market that now has a place to go elsewhere. This is more important for Ethio Telecom than for most businesses, because in a service industry, the employee is usually the entire product that the customer experiences. Management considers human capital the biggest determinant of performance, but many employees claim that leadership and training and development are not moving fast enough to catch up to the standards that a competitive market has set.

None of this has been matched by existing work on Ethio Telecom's human resources, for three related reasons. Much of it predates not just the entry of Safaricom but the later move of the government to a market based foreign exchange regime, which has had to recast the pricing of services and the apportionment of resources since; the 1970s monopoly literature describes a company which, in many ways, no longer exists. Where contemporary work has been done, it tends to focus on one HR factor at a time rather than understanding a HR system: a 2005 study of talent management in the West Zone, for example, did not go into Psychological Work Environment or Organizational Culture, and looked at only one of five zone branches in Addis Ababa. And in spite of Ethio Telecom's current strategic plan's promise to put a premium on being a people-centric business, no equivalent means of tracking whether that promise is translating into results at the zonal level has been devised.

Left unaddressed, these deficiencies threaten Ethio Telecom's most valuable human assets—best educated, most skilled workers—to firms with more enlightened HR strategies, when it can least least afford to. This research will take away that threat by rigorously testing motivation, training, leadership, work environment, culture and compensation simultaneously,

through all five zones of Addis Ababa, so that the Lead Growth Strategy of the company is founded on evidence, not conjecture.

1.3 Research Gap

There are five particular gaps in the current literature leading to this research, which I will take in turn. The first of these is the issue of timing: this paper made its way to Ethiopia to study only time that Safaricom had entered the market, in 2021, or a sector which was under no competitive pressure at all. Competitive pressure above and beyond just working in a sector affects how people think about work effort, pay loyalty to a particular employer. A person with a credible alternative employer down the road makes different decisions about optimizing work effort than one without, and no current research has looked into this.

The second is conceptual. No prior Ethio Telecom studies have ever considered more than 2-3 HR factors together, despite the notion in SHRM Bundle Theory (Sohel-Uz-Zaman et al., 2022) that HR practices reinforce each other and that bundling them yields greater predictive power than any individual practice alone. Reported R2 values in previous Ethio Telecom studies hover around .47 at best, and that study used job satisfaction and engagement as proxies for performance in the absence of any actual performance data. Here is the first study to test the entire six-factor bundle and if full bundle complementarity is indeed present in this setting.

The third and fourth gaps also concern methodology rather than object. Ethio Telecom's work has been limited to fewer areas than the most aggressive study to date: Wubshet (2013) only studied the East Region, Girma (2022) only studied three of twelve zones, and Habete (2023) only studied headquarters, with none of the four research articles studying all five zones of Addis Ababa with a sample constructed to adequately represent the population in those five zones. Most of the studies used a convenience or simple random sampling approach as opposed to a stratified approach and simply ignored confidence intervals altogether, so even if the use of a certain variable could be determined to be significant, a confident estimate of the roll-off in the population could not be determined. This study overcomes both of these issues: it specified a stratified random sampling strategy over all five zones of Addis Ababa and published confidence intervals for every variable.

The fifth gap is theoretical. As most of the previous research adopted one theory to one variable such as Human Capital Theory for training, Equity Theory for compensation and so on rather than an integrated framework in studying the relationship; in this research, the author is integrating the Resource-Based View, Human Capital Theory, Social Exchange Theory, SHRM Bundle Theory and some individual motivation theories into the single model and Ethio Telecom is the first to take up this model.

1.4 Research Objectives

1.4.1 General Objective

To examine the combined and individual effects of six human resource factors; Motivation, Training and Development, Leadership Style, Compensation and Benefits, Work Environment, and Organizational Culture; on the performance of permanent employees at Ethio Telecom's Addis Ababa zonal offices.

1.4.2 Specific Objectives

1. To examine the effect of motivation on employee performance at Ethio Telecom.
2. To examine the effect of training and development on employee performance at Ethio Telecom.
3. To examine the effect of leadership style on employee performance at Ethio Telecom.
4. To examine the effect of compensation and benefits on employee performance at Ethio Telecom.
5. To examine the effect of work environment on employee performance at Ethio Telecom.
6. To examine the effect of organizational culture on employee performance at Ethio Telecom.

1.3 Research Questions

The study addresses the following seven questions:

1. What is the effect of motivation on employee performance at Ethio Telecom?

2. What is the effect of training and development on employee performance at Ethio Telecom?
3. What is the effect of leadership style on employee performance at Ethio Telecom?
4. What is the effect of compensation and benefits on employee performance at Ethio Telecom?
5. What is the effect of work environment on employee performance at Ethio Telecom?
6. What is the effect of organizational culture on employee performance at Ethio Telecom?

1.5 Research Hypotheses

H1 Motivation is positively related with employee performance.

H2 Training and Development is positively related with employee performance.

H3 Leadership Style is positively related with employee performance.

H4 Compensation and Benefits is positively related with employee performance.

H5 Work Environment is positively related with employee performance.

H6 Organizational Culture is positively related with employee performance..

1.6 Significance of the Study

For the management of Ethio Telecom, this research provides them with all-zones, postcompetition snapshot into what truly motivates performance that can support the case for HR budget allocations that are easier to defend and get right. For further studies of academic, it contributes to filling some gaps in the Ethiopian SHRM literature by testing out a multi-factor bundle model in a service organization like ethio telecom that is on the way to transition from monopoly into competition. The transition context , public incumbent against private new entrant, is largely absent from Sub-Saharan HRM research and this research design can be directly replicated.

1.7 Scope of the Study

The sample in this study was made up of only the permanently employed workers of 5 of the 12 Addis Ababa zones of Ethio Telecom. It did not include contract staff, head office workers, and regional employees outside of Addis Ababa as they experience different

competitive environments or, in the case of the contract workforce, may not have had sufficient service to give an informed perspective on the HR practices.

1.8 Limitations of the Study

Because of the cross-sectional nature of the study causality cannot be inferred- the predictor and the outcome variables were measured at the same time point. Self-report measures can be subject to social desirability bias on performance items (where employees rate themselves more generously). There are many individual factors that were not measured such as personality, cognitive ability and previous experience and this can partly account for the unexplained variance in the regression model.

1.9 Definition of Key Terms

Employee Performance:- Achieving job duties with in an acceptable quality and acceptable standard accurately on time continuously. (Armstrong, 2010).

Motivation:- What drives effort, what modulates effort, and what sustains effort. (Kanfer, Frese, & Johnson, 2017).

Training and Development:- is an investments by the company that will help to increasing the Knowledge, skills and abilities (KSA) of employees to improve their performance currently and also help for future job performance (Noe, 2017).

Leadership Style:-The way and the manner in which that the supervisor provides different direction to workers that will including the use of a transformational leadership approach versus a transactional approach (Bass, 1985).

Work Environment:- Any physical conditions and tools in the organization and also the social climate, and the psychological security of the environment in the organization in which the individuals daily work occurs (Hackman & Oldham, 1976).

Organizational Culture:- The set of different shared values in the organization, priorities, and assumptions (often unspoken) that will guides the way people do things around the organization (Schein, 1985).

Compensation and Benefits:- All financial and nonfinancial benefits and rewards for an employee for his or her work contributions (Adams, 1963).

Strategic HR Bundle: A system of HR practices held to be interdependent and in which the effect of the bundle as a whole is assumed to be greater than the sum of the effects of each practice singularly. (Sohel-Uz-Zaman et al., 2022).

1.10 Organization of the Study

Five chapters. Chapter one, introduces the issue and sets the scene. Chapter two looks at what the literature has to say about each of the factors and provides the theoretical arguments for using the bundle of factors. Chapter three, deals about how the studies data was gathered and analyzed. Chapter four, presents and discus the findings of this study and discusses their implications. Finally chapter five, summarizes all the findings in the study and offers recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is the academic foundation for the subsequent chapters of the study . Its aim is not to review what others have published, but to construct an argument. It is argued that six HR variables influence employee performance in a way that the prior Ethio Telecom research that the researcher review did not reveal, and it is demonstrated that the statement can be substantiated logically and empirically. The structure: 2.2 discusses the dependent variable, employee performance, defines it and discusses the dimensions; 2.3 discusses the ten alternative theoretical foundations, their founders, assumptions, advantages, disadvantages and relates them to the environment; 2.4 examines the 6 independent variables; 2.5 assesses the empirical models from three different locations; 2.6–2.9 discuss the literature insufficiencies, the conceptual framework, the hypotheses and the chapter conclusion.

2.2 Theoretical Literature Review

2.2.1 Employee Performance: Definitions, Dimensions, and Significance

Definitions from Different Scholars

Employee performance. Sounds straightforward enough, until you attempt to define it precisely, when it becomes quite difficult. Campbell (1990) was one of the first to provide a systematic approach. He described performance as- behavior: what people do that is relevant to the goals of an organization and distinct from quality of performance (effectiveness) and efficiency of performance (i.e., productivity). Armstrong (2010, p. 111) defines it as the: achievement of specific tasks measured against predetermined standards of accuracy, completeness, cost, and speed. Motowildo, Borman, and Schmit (1997) formalised the task vs contextual distinction: task performance is defined as behavior characterized by the job description; contextual performance refers to behaviour that is discretionary and supports the social and psychological context of the work. Aguinis (2019) defined performance as: the record of outcomes produced on a specific job function during a specified time period, deliberately excluding ability to emphasize that performance reflects what people do, not what they are capable of doing.

Some newer researchers have expanded the concept further. Viswesvaran and Ones (2000) created a hierarchical construct splitting overall performance into task performance, interpersonal facilitation, and job dedication. Pulakos et al. (2000) then added adaptive performance; the ability to adapt to changes in the work environment; as a critical component of performance in rapidly-changing industries like telecommunications. In this research, performance of an individual employee will be measured by how often an employee meets or exceeds their goals in task, contextual, and adaptive performance in the form of a self-ratings of quality of work, efficiency, and contribution of innovation to the work. This spans Campbell's (1990) behavioral definition, Armstrong's (2010) standards-oriented interpretation, and Aguinis's (2019) "the amount of actual work being accomplished" conceptualization..

Dimensions and Measurement in Telecommunications

Within service organisations; and telecoms in particular; employee performance is multi-layered. Task performance is obvious; was the employee able to deal with the question being asked? Contextual performance covers the extra-role behaviours; did the employee assist a colleague to learn to use a new billing system; did the employee notify the supervisor to a re-occurring customer query? Adaptive performance is what competitive environments contribute to the mix; can the employee react appropriately when Safaricom's marketing begins to influence what customers ask; when their network upgrade changes the technical processes they have been executing for years?

Self-report performance measures were validated by Wall et al. (2004) in an organisational research context; significant relationships with objective measures were seen when respondents used clear standards of performance as a point of reference in their responses. Zeithaml, Bitner and Gremler (2018) state that in telecoms, customer satisfaction is most determined by frontline employee performance, especially responsiveness and reliability. A six-item selfreport scale was proposed, comprising target achievement, customer efficiency, work quality, task timeliness, output standard attainment and innovation delivery, all of which reflect the three performance domains.

2.3 Theoretical Foundations

This study is based on ten theories. Each theory is introduced alongside its inventor, main principles, elements, strengths and weaknesses, and its direct applicability to this research questions. Towards the end, the theories are synthesized.

Each of the six independent variables examined in this study is grounded directly in one or more of these theories. Motivation draws on Self-Determination Theory, Goal Setting Theory, and Social Exchange Theory. Training and Development is anchored in Human Capital Theory and Transfer of Training Theory. Leadership Style is grounded in Transformational Leadership Theory. Compensation and Benefits is explained jointly by Equity Theory and Herzberg's Two-Factor Theory. Work Environment is grounded in the Job Demands-Resources Model. Organizational Culture is grounded in Schein's cultural model and the Competing Values Framework. The Resource-Based View and SHRM Bundle Theory operate at the level of the whole model, explaining why these six factors combine into a coherent strategic HR bundle rather than functioning as six unrelated administrative practices. Section 2.4 reviews each of the six variables individually against this theoretical grounding, and Section 2.5 reviews the empirical evidence supporting each one.

2.3.1 Resource-Based View

Founder and VRIN Framework. The RBV of Jay Barney (1991), recently revisited by Gerhart and Feng (2021) in their integrative review of the resource-based view and human capital theory, is built upon the earlier work of Penrose (1959) on firm growth. There are two key assumptions: resources are heterogeneously distributed across firms, and these heterogeneities tend to persist because resources are not perfectly mobile. Durably valuable resources are VRIN characteristic (i.e. Valuable, Rare, Difficult to Imitate, and Non-Substitutable). Human capital; the knowledge, skills and long-term relational network of an employee; generally exhibit all four if they are developed by many years spent working in a firm. Ethio Telecom employs experienced staff who have on average spent over ten years accumulating human capital in the company. Safaricom's new team cannot reflect this accumulated human capital in their new environment. Socially complex, causally ambiguous resources; and network-specific customer knowledge, the ability to navigate regulation; are just examples of resources that the RBV would agree exist as real competitive advantages.

Strengths and Weaknesses. The explanatory power from the RBV is its main strength; sustained performance advantages that cannot be explained otherwise. Priem and Butler (2001)

identified the tautology risk; a resource is labeled 'valuable' because it confers advantage, which in turn is explained by its value. Teece, Pisano and Shuen (1997) later applied the framework toward Dynamic Capabilities to theorize the evolution of resources over time. This framework underpins this paper's use of the RBV to treat all six HR factors as origins of human capital development, retention, and deployment, rather than administrative costs.

2.3.2 Human Capital Theory

Founder and Core Assumptions. Human Capital Theory was developed by Theodore Schultz (1961) and Gary Becker (1964) as an offshoot of welfare economics, with Gerhart and Feng (2021) offering a more recent synthesis of how human capital and resource-based thinking jointly explain firm performance. Becker's main contribution was the perception that knowledge and skill could be viewed as capital; resources that yielded quantifiable returns. There are also distinctions to be made between general human capital which could be transferred from one firm to another and firm-specific capital which was only of value within this specific organization. The rationality behind investment in both types of capital was explained by the model should the resulting increase in productivity outweigh the expenses of training. The empirical grounding is formidable and found within labour economics over the past thirty years. The real flaw in the model as Bowles and Gintis (1975) noted was its mechanistic account of the human subject which would not consider social or motivational factors that would ensure the capital was actually used. For this paper, Human Capital Theory underpins the Training and Development component; its second place overall performance (.245) supports the predictions of the theory.

2.3.3 Social Exchange Theory

Founder and Mechanism. The most influential organisational social exchange theory (SET) paper in Exchange and Power in Social Life by Peter Blau (1964), recently revisited in Ahmad et al.'s (2023) systematic review of the theory's organisational applications. The mechanism central to SET is the process of social behaviour occurring via exchange relationships, where actors exchange resources on the implicit, but powerful, expectation of reciprocity, as opposed to formal contractual agreement, through the internalized norm of reciprocity (Blau, 1964; Eisenberger et al., 1986). In essence, by investing in employees through a variety of HR investments, individuals feel constrained to reciprocate with effort and

commitment. What sets SET apart from alternative theories in this field is its sheer elegant explanation of extra-role work and discretionary effort absent from transactional contractualism, yet perhaps this is also its weakness in terms of the internalized norm of reciprocity being culturally variable (Blau, 1964; Eisenberger et al., 1986). In this paper, SET is the primary theory underpinning the holistic explanation of the environment and six HR factors working in unison to give a greater performance effect than any individual factor.

2.3.4 Herzberg's Two-Factor Theory

Founder and Components. Herzberg, Mausner and Snyderman (1959) published The Motivation to Work providing the results of interviews with 203 engineers and accountants; a recent systematic review by Wang et al. (2025) confirms the hygiene-motivator distinction continues to hold across contemporary workplace settings. The significant conclusion: the conditions leading to satisfaction are not simply the converse of those leading to dissatisfaction but are separate. Workers do not get motivated positives from characteristics that are hygiene factors; salary, working conditions, supervision, job security; but rather the motivising positives from factors such as achievement, recognition, responsibility and advancement. An application of this would be increased salary eliminating dissatisfaction without improving performance.

Strengths, Weaknesses, Relevance. A major methodological weakness to the theory is the attribution bias inherent in the interview method; people tend to favorably attribute satisfying events to themselves, and negatively attribute dissatisfying events to external factors (Hackman & Oldham, 1976). Cross-cultural replication has been inconsistent. For the present study, Two-Factor Theory accounted for directly the non-significance of the direct regression coefficient for Compensation and Benefits ($\beta = .069$, $p = .129$); it is behaving in typical hygiene fashion. It also supports targeting recognition, autonomy, and career development rather than financial rewards for motivational intervention.

2.3.5 Goal Setting Theory

Founders and Evidence. The concept of conscious goals influencing behaviour was first proposed by Edwin Locke (1968); his work with Gary Latham as co-author of A Theory of Goal Setting and Task Performance (1990) formed the basis of one of the most robust and empirically supported models of organisational psychology, a status reaffirmed in Latham,

Chen, Piccolo, and Itzchakov's (2023) updated meta-analysis of goal-related organisational behaviour. A meta-analyses of 1990 reassured the theory's predictions were sound, combining the results of more than 200 different studies demonstrating four ways in which goals direct attention, effort, persistence and strategies. These interactions are moderated by the factors of commitment, feedback, goal difficulty and self-efficacy. In this questionnaire MOT6 assesses the clarity of the supervisor's goals directly: providing a firm theoretical base for the motivation variable. The presence of participative goal-setting's (LS4) link to performance can also be explained by the theory: participation dramatically increases commitment to the task12.

2.3.6 Transformational Leadership Theory

Origins and Four Components. The transformational-transactional dichotomy was identified in Leadership (James MacGregor Burns, 1978) and used experimentally in Leadership and Performance Beyond Expectations (Bass, 1985), a framework whose effectiveness Deng, Gulseren, Isola, Grocutt, and Turner (2022) confirm in their evidence-based review of transformational leadership outcomes. The Four Is are: Idealised Influence; behaviours that build standards and followers' trust; Inspirational Motivation; the communication of a strategic vision; Intellectual Stimulation; leadership through innovation by stimulating critical thinking; and Individualised Consideration; leadership through attention to the needs of each individual. The dimension most pertinent for a company opposing a more nimble competitor is probably 'Intellectual Stimulation' but transactional leadership "is based on contingent rewards and management-by-exception that is, obtaining compliance rather than inspiration."

Evidence and Relevance. . A meta analysis by Judge and Piccolo (2004) across 87 studies showed that transformational leadership had a corrected correlation of .44 with follower performance, better than transactional.123 In the meta analysis van Knippenberg and Sitkin (2013) acknowledge the overlap in measurement among the Four Is as a weakness; the components are highly correlated so identifying the mechanism that led to said results is difficult. For Ethio Telecom's competitive context the strategically-critical leadership dimension is Intellectual Stimulation, the one that increases innovation performance at the team level. LS2's low scores (M = 3.382, CI lower bound in Neutral) are the data signature of this gap.

2.3.7 Equity Theory

Framework and Restoration Mechanisms. John Stacey Adams (1963, 1965) Equity Theory based on GE research, recently revisited by Shinde (2025) in the context of contemporary workforce retention. Work is evaluated by establishing a ratio of 'inputs' to work 'outcomes' and comparing this to a 'reference person' or situation of comparison. Inputs=effort, skill/knowledge, loyalty, experience. Outcomes=salary, promotion, recognition, fringe benefits, status. Any perception of inequity (either over or under payment for inputs) causes distress and motivates 1 of 6 behaviors to reduce gap: change inputs, change outcomes, distort perceptions, avoid the comparison(person), change the reference person, leave. At Ethio Telecom, with Safaricom providing external benchmark, the first two behaviors (reduction of effort or leaving) are likely to be the most problematic. Supported by Tidd et al.1985 (p.44), CB2's lower bound for the CI falls below 3.00, indicating not just a generic dissatisfaction with pay as a system, but an active and disadvantageous comparison.

2.3.8 Job Demands-Resources Model

Origins and Core Components. Bakker and Demerouti (2007) developed the JD-R Model as a generalised extension of earlier Demands-Control-Support frameworks (Karasek, 1979), with Bakker, Demerouti, and Sanz-Vergel (2023) providing a ten-years-later update that confirms and extends the model's core propositions. The key innovation: any occupational characteristic can be classified as either a demand (requiring sustained effort, associated with costs; workload, time pressure, difficult customers) or a resource (facilitating goal achievement, reducing demands, stimulating growth; supervisor support, feedback, tools, autonomy). Two psychological pathways: a health impairment pathway where chronic demands exhaust employees leading to burnout, and a motivational pathway where resources energise employees leading to engagement and performance.

Relevance. Four of the six independent variables in this study correspond directly to JD-R resources: Training and Development, which corresponds to the skill-building resource, Work Environment (physical and technological resources), Leadership Style (social resource), and Organizational Culture (organisation-wide resource). When resources are high, the model expects employees to take on the demands of a competitive marketplace without becoming burned out, which is why Work Environment was significant (though it was the least

significant and still was) and yet still had a significant composite CI [3.268, 3.469] that was consistent with the JD-R prediction of adequacy.

2.3.9 Organizational Culture Theory

Schein's Three Levels. Schein's model (published in 1985, in his book 'Organizational Culture and Leadership') suggests three levels of organizational culture. Artefacts and creations are the most obvious, followed by statements of vision and mission, and finally deepest assumptions are the hardest to change and operate unconsciously. Monopoly-era operating assumptions about customer-provider relations, such as Ethio Telecom's 'they have no alternative', are at this level.

Competing Values Framework and Denison's Performance Link. Quinn and Rohrbaugh (1983) divided up cultures into four parts: Clan (internal, flexible; teamwork), Hierarchy (internal, controlled; procedures), Market (external, controlled; achievement) and Adhocracy (external, flexible; innovation). Denison (1990) proved empirically the predictability of revenue growth was far higher in terms of adaptability; directly related to the finding on OC4 for Ethio Telecom: M = 3.347, CI lower bound Neutral. A recent systematic review by Tadesse Bogale and Debela (2024) confirms that these culture-performance relationships continue to hold across contemporary organisational settings, including in Sub-Saharan African contexts. Ethio Telecoms seemingly Clan-Hierarchy culture means the gap in cultural adaptability is one most exposed under competitive conditions.

2.3.10 SHRM Bundle Theory

Origins and Core Propositions. In the 80s–90s, scholars developed the emerging strategic HRM paradigm to account for the inconsistency of the results of the same HR interventions across firms. MacDuffie (1995) proposed the bundle framework, HR practices as synergies interdependent systems, which was updated by Sohel-Uz-Zaman, Anjalin, and Karim (2022) to the knowledge based economy. There are three types of fit, internal (institutionalization), external (supply chain and HR strategy) and vertical (HR strategy with organisation's strategic goals). IT predicted that organizations with all three fit types outperform organizations with single or random combinations of HR practices, for the synergistic effects should exceed the summative effects of the separate individual parts. This

supports the numerical prediction of R 2 = .532 for the six-factor combination far outstripped any single factor solutions.

2.3.11 Theoretical Synthesis

The ten theories are so linked that they build one explanatory structure, not six parallel independent structures. The RBV set out the reason why HR investment is strategically significant. Human Capital Theory accounts for the mechanism by which investment is directed specifically at training. Social Exchange Theory accounts for the motivational rationale linking all six HR factors with performance; Employees reciprocate investments perceived to be made by the organisation. SHRM Bundle Theory accounts for why six factors combined explained 53.2% of performance variance while any factor alone would achieve far less.

On the individual level Herzberg's Two-Factor Theory accounts for the indirect-only performance effect of compensation. Goal Setting Theory accounts for the calibration of motivation to steady performance output via goal clarity and feedback. Equity Theory accounts for the calibration of performance to motivational context via the perceptual variable; perceptions of fairness; even where pay does not predict performance. On the situational level, the JD-R Model accounts for work environment and leadership as buffering-job resources against competitive demands. Transformational Leadership Theory accounts for which leader-behaviours; Intellectual Stimulation in particular; channel performance into innovation. Schein's cultural theory accounts for the productive nature of Clan-dominant cultures in stable environments, and their constraining effect on innovation under competitive conditions.

Table 1 summarises which of the six study variables each theory directly supports, consolidating the linkages established throughout this section.

Table 1: Mapping of Theoretical Foundations to Study Variables

Theory	Founder(s)	Variable(s) Supported
Resource-Based View	Barney (1991)	Whole-model strategic rationale (all six HR factors); Employee Performance

Theory	Founder(s)	Variable(s) Supported
Human Capital Theory	Schultz (1961); Becker (1964)	Training and Development
Social Exchange Theory	Blau (1964)	Whole-model integrative mechanism (all six HR factors)
Herzberg's Two-Factor Theory	Herzberg, Mausner, & Snyderman (1959)	Compensation and Benefits
Goal Setting Theory	Locke (1968); Locke & Latham (1990)	Motivation
Transformational Leadership Theory	Burns (1978); Bass (1985)	Leadership Style
Equity Theory	Adams (1963, 1965)	Compensation and Benefits
Job Demands-Resources Model	Bakker & Demerouti (2007)	Work Environment; Leadership Style; Training and Development; Organizational Culture
Organizational Culture Theory / Competing Values Framework	Schein (1985); Quinn & Rohrbaugh (1983); Denison (1990)	Organizational Culture
SHRM Bundle Theory	MacDuffie (1995); Sohel-Uz-Zaman et al. (2022)	Whole-model bundle complementarity (all six HR factors); Employee Performance

2.4 Review of Independent Variables and Their Relationship to Employee Performance

2.4.1 Motivation and Employee Performance

Concept and Dimensions. Motivation is the proximal cause of whether, and how much of, performance occurs: it is the bridge from what individuals are capable of and what they do. Encompassing the whole person, Kanfer, Frese and Johnson (2017, p. 338) define motivation as the 'energizing force(s) both within and outside of the person' that drives work-related behaviour, and defines the nature, intensity, direction and duration of that behaviour. Self-Determination Theory (Deci & Ryan, 2000)—a recently-formed, updated version of an

enduringly influential view of motivation applied to workplaces (e.g., Deci & Ryan, 1985)—makes a useful distinction: autonomous motivation, acting for reasons in accord with one's own values, versus controlled motivation, acting due to external or internal pressure. This distinction is more than semantics: autonomous motivation leads employees to generate higher quality work on complex service tasks, respond more creatively to unusual customer problems, and maintain work effort without supervision, while controlled motivation may only get acceptable compliance on routine tasks and break down under stress. That distinction is supported by the evidence. Motivation was the most powerful single predictor in a recent Ethio Telecom zonal study (β = .48; Feyori Bekele, 2016) and a significant predictor in the Ethiopian Ministry of Revenue (r = .47; Hailegebriel Welana, 2020), and Kanfer et al.'s (2017) meta-analysis of 255 studies showed moderate-to-strong correlations between the constructs. More than anything, this evidence shows that motivation rarely fails all by itself: it appears to break down when management doesn't work to shape and leverage existing motivation.

2.4.2 Training and Development and Employee Performance

Concept and Transfer Theory. Training is the systematic acquisition of skills, knowledge and attitudes that enable present role incumbents to perform well in their current roles; development is the enhancement of perform- ance capabilities for future performance (Noe, 2017). Human Capital Theory (Becker, 1964) provides the theoretical framework: training can be justified by producing productivity improvements that exceed the investment. Transfer of Training Theory (Baldwin & Ford, 1988), summarized and updated by Mdhlalose (2022), expands on the theory: transfer is affected by the training participants' motivation and self-efficacy, the Trainees motivation and self-efficacy; design and training relevance, and Transfer Climate: the work environment factors that promote transfer including supervisor support and The opportunity to demonstrate and apply the skills learned. When The transfer climate is poor, even high quality training will not appear successful.Teshome Wubshet (2013) identified training as the most important performance driver at Ethio Telecom, East Region (beta=.42), and Islam et al (2022) conclude that Training supported by supervisory feedback is more effective than training alone, in Bangladeshi telecoms. Throughout the literature, the emphasis is on what must follow the training to ensure its effectiveness: content quality is not enough; reinforcement and demonstrated application are needed.

2.4.3 Leadership Style and Employee Performance

Transformational, Transactional, and Participative Leadership. However, three leadership types are most relevant here. Transformational leadership (Bass, 1985)—characterized as inspirational, intellectually stimulating, and demonstrably considerate of individual needs—encourages extra-effort by using internal motivation rather than adhering to formal rules; transactional leadership (Burns, 1978) orients employees toward achieving established goals with formal structure and contingent rewards, and participative leadership (Vroom & Yetton,1973)—eliciting input of employees—averages out over time to produce high goal commitment, especially in complex tasks. Judge and Piccolo's (2004) meta-analysis reports a corrected-relationship of .44 between transformational leadership and changes in a follower's performance. With Ethio Telecom's change from monopoly to competition, the contextual stakes are much higher for which of these styles take hold: while a transactional approach was sufficient for a monopoly, now with the entrance of Safaricom, the company requires a leader who inspires customer-centered innovation and models the overt standards that the need for competitiveness has introduced. Mwaisaka, K'Aol, and Ouma (2019) examined a similar transition in Kenyan banking and observed a similar pattern—supportive leadership was present, but not depth-of-inspiration, and subsequently, innovation performance suffered.

2.4.4 Compensation and Benefits and Employee Performance

Financial and Non-Financial Rewards. . Compensation systems fulfill three roles, attracting, retaining and motivating, (Gerhart & Rynes, 2003). In monetary terms, the most conspicuous component is salary, performance-related pay, bonuses etc, but employees in complex jobs can value non-monetary rewards just as highly, rewards such as recognition, development opportunities, and more flexible working arrangements. What matters more is less the amount of the reward than the extent to which employees can see a link to performance, absent which the motivating value of the reward drops to almost nil, regardless of its dollar value (Vroom, 1964). Equity Theory (Adams, 1963) views pay as standardized in comparison with other factors:what counts with respect to pay, its fairness or unfairness, is not the pay in isolation but the size of the pay packet in relation to a pertinent comparison group; this 'comparison' process will have happened whether or not management have addressed it. One

possible basis for the weak, because in the multivariate models the effect is much diluted, links between compensation and performance, is Herzberg's (1959) grouping of pay as a hygiene.

2.4.5 Work Environment and Employee Performance

Physical, Psychological, and Technological Dimensions. Work environment encompasses three levels: the physical environment, consisting of the conditions and lighting of the physical workspace that can drain effort and attention; the psychological environment, consisting of social relationships, safety, and perceived organizational support that influences innovation and proactive behaviours; and the technological environment, consisting of systems and equipment that employees require to do their jobs and maintain connectivity to the organisation that will ultimately enable them to provide competitive service. Of these, psychological safety, the feeling that individuals can make errors, take risks, and speak up without retribution (Edmondson, 1999), specifically influences innovation-related performance, as without it, the intellectual stimulation upon which transformational leadership (Bass, 1985) relies has no avenue of implantation. The JD-R Model (Bakker & Demerouti, 2007) considers work environment as an obstacle or hindrance to job demands rather than an antecedent of performance, and Kamau and Waithaka (2021) observed this effect in Kenyan service organisations: sufficient resources maintained operations but did not, above that point, enable performance to increase.

2.4.6 Organizational Culture and Employee Performance

Types, Adaptability, and Competitive Culture. Of Schein's (1985) three levels identified, artefacts, espoused values and assumptions, assumption level is where a monopoly mentality is likely to reside: assumptions about market position, public-service obligation and relations between managers and workers that were created at a time when it was also untested and unmeasured by competition. Changing assumptions that deep is normally a long, continuing explicitly managed process not a singular change in strategy.Denison and Mishra (1995) among 7 of a number of dimensions of culture which they studied, identified adaptability as the best predictor of revenue growth for 764 organisations—a result which squares well with the suggestion that a lack of adaptability actively dampens performance when competition arises. Wanjiru and Ngugi (2018) revealed Safaricom Kenya's competitive strength to be primarily the promotion of adhocracy—which is characterized by quicker

decision cycles, greater willingness to take risk and active competition benchmarking and the same organization now operates in Ethiopia.

2.5 Empirical Literature Review

This section summarizes 33 empirical studies from the international, African and Ethiopian literature. Instead of categorizing the literature by country, the studies are ordered by the six HR factors being examined in this thesis: Motivation, Training and Development, Leadership Style, Compensation and Benefits, Work Environment and Organizational Culture. The structuring of evidence in this manner makes transparent the evidence backing a given variable in this study's model; it also highlights the gaps to be addressed in Section 2.6.

Of motivation, the empirical evidence is numerous and consistent. Paais and Pattiruhu (2020) found motivation a direct predictor of performance in Indonesian organisations (n = 95) with job satisfaction as a partial mediator; Asante & Boateng (2019) found motivation significantly correlated with performance in Ghanaian telecoms (r = .52, n = 175); Okafor & Nwosu (2021) found motivation among three significant predictors of performance in Nigerian telecoms (n = 295). Within Ethiopia the record is even more solid: Teshome Wubshet (2013) found motivation a significant predictor of performance at Ethio Telecom East Region (β = .38, n = 188); Feyori Bekele (2016) found it had the greatest impact of any predictor in a performance model at Ethio Telecom Zonal (β = .48, n = 210); Hailegebriel Welana (2020) found it significant at Ethiopian Ministry of Revenue (β = .31, n = 246); Tiruwork Girma (2022) found it a moderate predictor in customer-service performance at Ethio Telecom (n = 174). Using Herzberg's Two-Factor Theory, Samrawit Mulat (2014) found that hygiene factors — such as peer contact and working environment — predicted job satisfaction of Ethio Telecom frontline workers better than motivator factors such as recognition or success. The relationship remains strong in all cases, but its efficacy depends greatly on how actively management fosters it through recognition and positive feedback rather than merely leaving it entirely to chance.

Training and Development is the most reliably significant predictor in all the literature examined. Islam, Hossain, and Iqbal (2022) found the strongest of three significant predictors in Bangladeshi telecoms (β = .38, n = 310); Ahmad, Shahzad, and Nasim (2019) demonstrated the strongest of two significant predictors of performance in Pakistani banking (n= 280); to more elaborate is the synthesis by Noe, Hollenbeck, Gerhart, and Wright (2019), which concluded that training's return on investment hinges on the transfer climate more than content. In African telecoms, Okafor and Nwosu (2021) found the strongest of three significant

predictors in Nigeria (β = .41, n = 295). The Ethiopian record by far is most impressive: Teshome Wubshet (2013) found training the strongest predictor in Ethio Telecom East Region (β = .42, n = 188); Mulatu Masresha (2014) identified quality of training as a key predictor of performance in all Ethio Telecom zones (n = 196); Hailegebriel Welana (2020) found training significant at the Ethiopian Ministry of Revenue (β = .28); Mulugeta Tadesse (2019) found training among three predictors that explain 47% of performance variance in the Ethiopian service sector (n = 289); Berhanu Fikire (2021) revealed a direct link from pay compensation to training to performance in Ethiopian banking (n = 315); and Tiruwork Girma (2022) found training the most significant predictor of customer-service performance at Ethio Telecom. More recently, Yordanos Tilahun (2023) broke down the training process itself at Ethio Telecom's southwest Addis Ababa shop offices and found need assessment, implementation, and evaluation all significantly predicted performance, with need assessment having the strongest effect, while trainee selection was not significant in this study. If there is one message to be taken from this robust evidence, it is that training's effects are contingent upon the design of the intervention as well as the intervention itself.

Leadership literature is also abundant. Farooq, Shams and Niazi (2015) identified participative leadership and positive work relations as significant predictors of telecom performance in Afghanistan (R2 = .38, n = 220). Paais and Pattiruhu (2020) identified leadership as a direct predictor of performance in Indonesia. Van Knippenberg and Sitkin's (2013) review of transformational leadership conceptually identified issues with construct-validity of the Four-I model. Myrmola and Mandaros (2014), Carroll (2010) and Omorede et al. (2020) demonstrated the importance of leadership for telecom performance in Finland, Nigeria and Indonesia. In banking, Mwaisaka, K'Aol and Ouma (2019) identified participative and transformational leadership in Kenya (n = 220), and Mwangi and Ouma (2017) identified strategic leadership alignment explaining 42% of the variance in performance of Kenya's largest telecom operator, Safaricom. Asante and Boateng (2019) identified transformational leadership as significantly correlated with telecom performance in Ghana (r = .47), while in Ethiopia, Mulugeta Tadesse (2019) identified leadership among three significant predictors in the service sector; Dereje Mandefro (2020) identified leadership as significant in the Ethiopian public sector, and in the largest telecom (Ethio Telecom), Tiruwork Girma (2022) identified leadership as the most significant predictor of customer-service performance. Medhn Desta

and Mulie (2024) investigated how empowering leadership behaviors among Ethio Telecom sales representatives in Addis Ababa (n = 214) was low and correlated with low work engagement, while Yadene Temesgen (2024) found leadership approach significantly predicted employee performance at Ethiopia's Ethio Telecom headquarters. Together, this corpus raises the issue of which dimensions of leadership, not whether leadership matters.

The empirical evidence on compensation is the most intriguing from the perspective of theory, given the uniformity of the direct-vs-indirect dichotomy. Islam et al. (2022) identified compensation as a direct variable of importance for telecoms in Bangladesh (β = 0.29). Ahmad et al. (2019) found compensation among the robust set of variables for performance in banks in Pakistan. Noe et al.'s (2019) meta-analysis of 18 performance studies concluded that compensation's direct effect was highly contextual. Nzuki and Nジャgi (2022) found it significant bivariate between culture and performance in Kenya, while subsequently finding its multivariate significance disappeared once culture was statistically controlled for. In Ethiopia, Yodit Zewdu (2019) singled out compensation as the top predictor of Ethio Telecom employees' job satisfaction for a sample of back-office employees (n = 152), while a significant direct compensation-performance relationship was uncovered by Fikire (2021) with a multivariate path β = 0.35 (n = 315). As Gada Gemsisa (2024) studied compensation regulation at the Ethio Telecom contact centre after the Safaricom incursion, he noted that compensation remained a perennial employee grievance even when pace of work was consistent with output standards. The lesson again is not that compensation is superfluous, but that its influence on performance may be mediated via job satisfaction, motivation or perceptions of equity.

Evidence on the work environment is grounded in the JD-R framework. Islam et al. (2022) identified work environment as a key predictor in Bangladeshi telecoms (β =.24). Bakker and Demerouti's (2017) decade-long review of JD-R research strengthened the case that job resources consistently predict engagement and performance. Okafor and Nwosu (2021) found work environment among three key predictors in Nigerian telecoms. Kamau and Waithaka (2021) found quality of work environment a key predictor of performance in Kenyan service organisations (n=218). Hailegebriel Welana (2020) reported significance of the work environment at the Ethiopian Ministry of Revenue (β =.25). Samrawit Mulat (2014) identified working conditions as the strongest predictor of frontline employee satisfaction at Ethio Telecom, and Yadene Temesgen (2024) identified two physical improvements to the work

environment as significant direct drivers of employee performance at the company's headquarters. The evidence largely considers the work environment as a resource that facilitates performance, rather than something that intrinsically predicts it.

Cultural evidence differs to those above because it is about adaptability and innovation orientation. Chen and Huang (2021) found Adhocracy and Market culture types to be the significant predictors of performance and innovation in Chinese state owned telecoms (n = 421); Wanjiru and Ngugi (2018) found performance at Safaricom Kenya to be greatly effected by Adhocracy culture and employee involvement (n= 186); Abubakar, Elrehail, and Alatailat (2020) found that in Nigeria culture moderated the Knowledge management to creativity relationship (n= 327); the finding by Nzuki and Njagis (2022) that culture was the mediating variable in the compensation performance relationship is directly relevant. In Ethiopia, Mulugeta Tadesse (2019) found culture among three significant predictors in the service sector and Dereje Mandefro (2020) found it the stronger predictor than leadership during a period of stability and a noncompetitive environment. What is striking from all of these pieces of evidence is that it appears to be culture's adaptability, rather than strength itself, that is most associated with performance in competitive situations.

2.6 Literature Gaps

Five clear gaps make this study necessary. They're not trivial. They're meaningful deficiencies that limit what the current literature offers practitioners and policymakers regarding HR-fueled performance in competitive Ethiopia telecoms.

2.6.1 Contextual Gap

All three studies undertaken in Ethiopia, from what we have read, have been conducted pre-entry (before 2021) or in a monopolistic setting. This is crucial as competition should change the fundamental considerations governing incentives, pay equity, and motivation of employees. Employees who are exposed to true competitive threats are not behaving or motivating the way that employees in an old monopoly setting do. No existing research on HR issues in these settings address this issue of the effect of competition. This is what we seek to do.

2.6.2 Conceptual Integration Gap

Previous Ethio Telecom research examined one or two and at most three of the HR factors in bundle with each other. All versions of SHRM Bundle Theory (Sohel-Uz-Zaman et al., 2022) portray bundle theories as crucial methods for improving explanatory power. The greatest R2 found among the previous Ethio Telecom study was approximately.47 for the employment of satisfaction and engagement as proxies. No study has empirically examined the whole six-factor HR input bundle examined here, much less its bundle complementarities impacts.

2.6.3 Geographical Gap

For instance 5 Zones in Addis Ababa are the most competitive operating terrain of Ethio Telecom. But previous researches used one Zone or Department as the scope. For example Teshome Wubshet (2013) used East Region while Tiruwork Girma (2022) used three Zones and Etsehiwot Habete (2023) used the Head Quarter (HQ) Scope. There is no a research on all the 5 Addis Ababa Zones with statistically representative stratified sample frame. This research does.

2.6.4 Methodological Gap

Two methodologic problems seem to recur. Firstly (and this is complicated by the second problem), simple random (or convenience sampling) was used in most if not all of the Ethiopian studies and no stratified sampling procedures adopted. Secondly (and this is least often mentioned), no 95% confidence intervals (CIs) are reported for the descriptive data and for the regression coefficients and ORs, so inferences to the population are not provided, even were the point estimates to be perfectly accurate. This in the present study is remedied by the fact that we took a stratified random sample of the population and report CIs on all estimates.

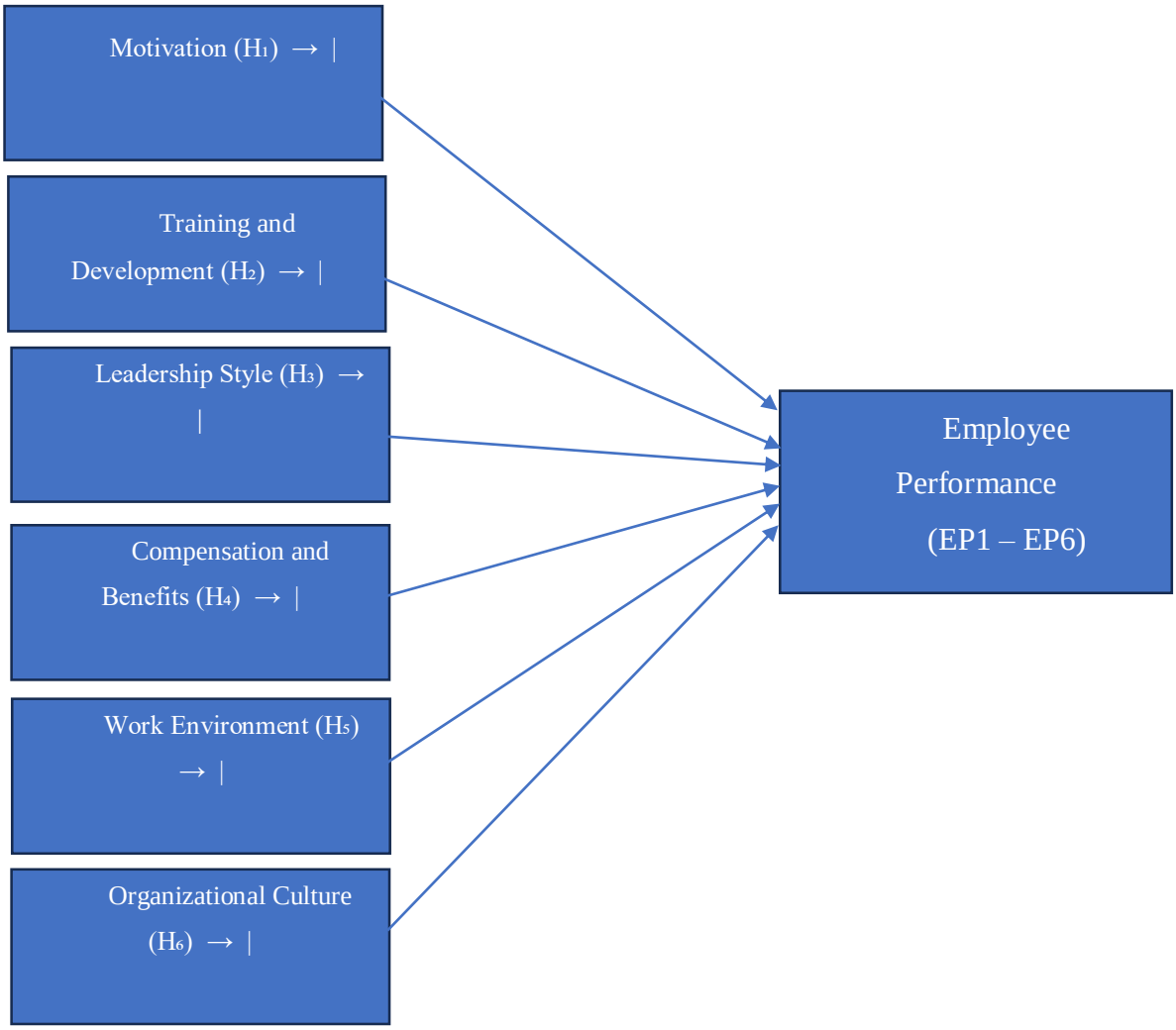
2.6.5 Theoretical Gap

Almost all the existing studies have employed a unidimensional theory; Human Capital Theory underlines the theoretical framework of training and Equity Theory that underpins the compensation. The study's conceptual framework: RBV, Human Capital Theory, Social Exchange Theory, the SHRM Bundle Theory and Theories of individual-level Motivation has not been utilized in Ethio Telecom yet. Empirical testing of bundle complementarity in the Ethiopian telecom operators has not been explored.

2.7 Conceptual Framework

The conceptual model depicted below is shown in Figure 1. Six independent variables of Motivation, Training and Development, Leadership Style, Compensation and Benefits, Work Environment and Organizational Culture are hypothesized to have a direct impact on Employee Performance. Each independent variable is measured using six items. The dependent variable includes task, contextual and adaptive domains of performance.

Figure 1:Conceptual Framework of the Study



Note. *Source: Researcher's model (2024), grounded in SHRM Bundle Theory (Sohel-Uz-Zaman et al., 2022), Social Exchange Theory (Blau, 1964), and the Resource-Based View (Barney, 1991).*

This framework is based on the SHRM Bundle Theory; HR practices functioning as a complementary bundle produce effects disproportionate to the sum of its individual practices.

Social Exchange Theory is the micro-level rationale, where employees observe the bundle of HR practices and respond with higher level performance. The RBV underpins the macro-level logic: controlling these six dimensions establishes the human capital arrangement that underpins sustained competitive advantage.

2.8 Hypothesis Development

2.8.1 Motivation and Performance (H_1)

Motivation specifies effort's direction, strength and persistence, which directly correspond with levels of performance (Kanfer et al., 2017). Autonomous and controlled motivation as proven by Self-Determination Theory (Deci & Ryan, 2000) are both important for performance, with autonomous motivation as demonstrated by complex service tasks performing more strongly than controlled motivation. Additionally, Goal Setting Theory (Locke & Latham, 1990) has specified that goal-directed behavior, aided by feedback, more reliably leads to performance improvements. Empirical examination has found that positive effects are at the very least one of the most consistently replicated results in organisational psychology (Feyori Bekele, 2016; Hailegebriel Welana, 2020; Paais & Pattiruhu, 2020).

H_1: Motivation has a significant positive effect on employee performance at Ethio Telecom.

2.8.2 Training and Development and Performance (H_2)

According to Human Capital Theory (Becker, 1964), training increases productivity through developing productive capacity. Transfer of Training Theory (Baldwin & Ford, 1988) expands on this, emphasizing that the transfer is contingent upon the quality of training design and supervisor reinforcement; however, it still validates positive transfer under proper conditions; and Teshome Wubshet (2013), Mulatu Masresha (2014), Islam et al. (2022), and Okafor and Nwosu (2021) found training as the strongest or joint-strongest predictor in telecoms contexts.

H_2: Training and Development has a significant positive effect on employee performance at Ethio Telecom.

2.8.3 Leadership Style and Performance (H_3)

Transformational Leadership Theory (Bass, 1985) suggests inspirational and intellectually stimulating leaders are able to motivate followers to perform above and beyond

transactional expectations. LMX Theory (Graen & Uhl-Bien, 1995), with Wang's (2023) review confirming its continued relevance to employee job performance, suggests higher supervisor-employee relationship quality will predict performance over and above general style. Results from Judge and Piccolo 2004 meta-analysis show a corrected rs of .44 between transformational leadership and follower performance. Mwaisaka et al. 2019 and Asante and Boateng 2019 produce results of positive effect in structurally similar African telecoms contexts.

H_3: Leadership Style has a significant positive effect on employee performance at Ethio Telecom.

2.8.4 Compensation and Benefits and Performance (H_4)

Equity Theory (Adams, 1963) has been theorised to support that a psychological perception of undervaluing on the part of the individual with respect to relevant others leads to an attempt to close the gap by ‘contributing less.' This mechanism is vividly in evidence where a competitor affords a visible frame of reference. Expectancy Theory (Vroom, 1964), applied more recently by Le Thu and Nguyen Van (2024) to employee motivation in the banking sector, conversely would support that in work where a detectable relationship between individual effort and rewards is not attainable, the motivational faith is betrayed; eluding the 'motivational cord.' Whilst value of compensation is shown by this research to have a non-significant direct effect; in line with Herzberg's (1959) hygiene factor taxonomy, the directional hypothesis is positive and theoretically supported by the fact that compensation acts as a cap for the motivational 'set-point'.

H_4: Compensation and Benefits have a significant positive effect on employee performance at Ethio Telecom.

2.8.5 Work Environment and Performance (H_5)

The JD-R Model(Bakker & Demerouti, 2007) hypothesizes that job resources promote goal accomplishment and reduce job demands, in support of the job resources-to-performance pathway to motivation. Kamau and Waithaka (2021) found work environment significantly predicted Kenyan service organisation performance. Hailegebriel Welana (2020) found $\beta = .25$ at the Ethiopian Ministry of Revenue. The modest and significant current finding ($\beta = .129$) appears to fit with sufficient-but-not-enabling resources.

H_5: Work Environment has a significant positive effect on employee performance at Ethio Telecom.

2.8.6 Organizational Culture and Performance (H_6)

Schein'(1985) states that culture is the shared values and underlying assumptions influencing employee behaviour at the most basic level which cannot be influenced by formal incentive or supervision. Denison (1990) has tested and empirically revealed that cultural dimensions had served as predictor in determining effectiveness of 764 organisations, of which adaptability was the best predictor for revenue increase. In China, Chen and Huang (2021) determined that cultures types were significant for prediction of performance in large Chinese state telecoms, which is almost exactly as in the case of Ethio Telecom's performance with state enterprise.

H_6: Organizational Culture has a significant positive effect on employee performance at Ethio Telecom.

2.9 Chapter Summary

The chapter established the theoretical and empirical basis for the research. Employee performance was conceptualized as the sustained and consistent delivery of targets along task, contextual and adaptive dimensions, synthesising Campbell (1990), Armstrong (2010) and Aguinis (2019). Ten theoretical perspectives were reviewed and synthesised into a single, integrated model linking strategic, exchange, individual motivation, situational and cultural theories and models.

Items from thirty-three empirical articles were surveyed. T&D emerged as the most consistently significant predictor across all the three geographical clusters. Five literature gaps were noticed; contextual (post-event) conceptual (bundle convergence), geographical (five zones of Addis Ababa), methodological (CI percent and stratified sampling) and theoretical (multi-theory integrated model). Six hypotheses were constructed with theoretical rationalization and empirical validation from previous research studies. The conceptual model anchors the six-variable model within the domain of Social Exchange Theory (SET) and SHRM Bundle Theory; BC.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the methodological architecture of the study; the systematic plan governing how data were collected, measured, and analysed to answer the research questions and test H1–H6. Every choice here is justified theoretically and practically. The approach is quantitative and explanatory appropriate for this study with a purpose is testing pre-specified hypotheses about HR-performance relationships in a specific competitive market context.

The other sections of the chapter are the research philosophy of the research in section 3.2, about the research approach in section 3.3, in section 3.4 and 3.5 about the research design and study area respectively, and section 3.6 about population , sampling in section 3.7, about sample size , data sources , instruments , pilot testing from section 3.8 to section 3.11, about reliability 3.12, validity 3.13, data collection procedure 3.14, ethics 3.15, analysis methods 3.16, model specification 3.17, diagnostic tests 3.18 and lastly chapter summary in section 3.19.

3.2 Research Philosophy

Research philosophy refers to a general level of beliefs about the knowledge, what it is, how it can be obtained and what constitutes evidence that is considered appropriate (Saunders, Lewis & Thornhill 2019). Positivism is the research philosophy adopted for the purposes of this study. It has two basic assumptions, that the social world exists independently of our knowledge of it, and that the scientific approach or natural science, can be applied to the social world: it can be observed, measured and hypothesized.

There are three reasons for taking a positivist approach in this study. Firstly, the two research questions relate to whether there are correlations (and how strong they are) between HR variables and employee performance; these are by definition empirical questions that can be answered using quantitative data collection and analysis. Secondly, the sample size (n= 340) is large enough for the results to be analysed through statistical generalisation. Thirdly, the practical aim; to give useful HR evidence to Ethio Telecom managers; requires quantifed, generalisable findings instead of thick description (Bryman, 2016).

3.3 Research Approach

My research incorporates the deductive method. Deduction is theory-led a deductive approach makes use of predefined theoretical considerations, which it then converts into a hypothesis or set of hypotheses and tests with the data; an empirical program. (Bryman, 2016). My research question does not ask what might affect performance; it asks whether these particular hypotheticised (i.e. those based upon pre-existing theories) can affect performance at Ethio Telecom, given the current competitive set: a hypothesis-testing question, which demands deduction.

3.4 Research Design

The design of the study has been an explanatory quantitative cross-sectional design. Explanatory design is appropriate where the aim of a study is to identify and quantify relationships between variables; to go from descriptive to explanatory (Saunders et al., 2019). The quantitative approach is necessary so that statistical hypotheses can be tested, effect sizes can be quantified and the sample results extrapolated back to the population. Cross-sectional data collection was driven by pragmatic needs (a specific time frame within the academic calendar) as well as analytical reasons: cross-sectional regression allows the testing of "predictive" relationships contemporaneously and is the correct design for testing whether any HR variables predict current performance levels.

3.5 Study Area and Organisational Background

3.5.1 Ethio Telecom Overview

Ethio Telecom is an Ethiopian government-owned telecommunications company, established in 1894. It was renamed in 2010 from the Ethiopian Telecommunications Corporation. It provides mobile, fixed-line, internet and data services within Ethiopia. By 2023, the network had around 66 million mobile subscribers (one of the largest single-country telecoms operators in Africa), and employed over 12,000 permanent Ethiopian staff, the largest concentration being in Addis Ababa.

3.5.2 Addis Ababa Zones and Competitive Context

The five geographical zones of Addis Ababa Network of Ethio Telecom are divided as a North Zone, South Zone, East Zone, West Zone and South West Zone. Each Zone is operating semi-independently to deliver customer service, network operations and commercial results in the specific zone. These zones currently provide service to some 5.5 million mobile customers in Addis Ababa, the company's most valuable and competitive business.

In 2021, the Government of Ethiopia issued a second operating licence to the Safaricom spearheaded Global Partnership for Ethiopia consortium. Safaricom's launch of services in 2022 (initially limited to the capital in Addis Ababa) introduced, price competition, service quality benchmark as well as active talent attraction into a market which previously suffered from lack of competitive pressure. By 2023, Safaricom had accumulated over 6m Ethiopian customers, signaling a competitive challenge compelling HR-led performance management at Ethio Telecom to assume strategic urgency.

3.6 Population of the Study

The target population consists of all permanent employees working at Ethio Telecom's five Addis Ababa zonal offices. Contract employees, seconded staff, head office personnel, and regional employees outside Addis Ababa are excluded. These boundaries were chosen because: permanence ensures respondents have sufficient tenure to evaluate HR practices meaningfully; zonal focus ensures all respondents operate in the same competitive environment; and Addis Ababa concentration reflects the area of highest competitive intensity.

The population is defined as the total number of permanent employees in the five zonal offices of Ethio Telecom, Addis Ababa zones. Contract employees, seconded employees, employees of the Head Office, and employees outside Addis Ababa (but within the regions) were excluded from this population. These boundaries were selected for the following reasons: employees in a permanent state are more likely to have worked for a given amount of time to allow them to have a reasonable basis for commenting on HR practices within the organization; focusing on the five zonal offices of the head office focuses all of the respondents within the same competitive environment; concentrating on Addis Ababa reflects that where competition is fiercest in the country as a whole. Based on official Human Resources staffing records supplied prior to the survey, the population of all permanent employees in the five zones was 2,400. The zone breakdown is shown in table 4 (see sampling section)..

3.7 Sampling Design

3.7.1 Sampling Frame and Technique

Sampling frame was the official employee registry of the Ethio Telecom Department of HR and contained information of all permanent employees categorized by zone, department and type of employment. Permission was obtained through a research approval document from the management at zone-level.

Stratified random sampling was employed with the five Addis Ababa zones as the stratification variable. Two factors led to the selection of stratification and not simple random sampling: the size, nature of activities and market competition differed significantly among the five zones so it was more logical to sample proportionately; and, statistically, stratification was more efficient in the sense that the standard errors in proportional stratification of a population with heterogeneity would usually be smaller, given the same sample size as simple random sampling (Cochran, 1977). Therefore, the sample was proportionate to each zone and within each zone simple random sampling of individual respondents was used by selecting members of a register from the zone.

3.8 Sample Size Determination

The number of samples were calculated by employing the simplified sampling formula by Yamane (1967). That is, for a population of known size, N, the number of samples, n, to be studied with a certain probability of error, e, is given as.

The actual formula is simply :$n = N / (1 + N \times e^2)$ Where n represents the sample size I am trying to find, N is the population I know (2,400), and e is the margin of error; chosen here as 0.05, or 5% with an estimate that I am 95% confident. Working through: n = 2,400 / (1 + 2,400 × (0.05) 2)n = 2,400 / (1 + 2,400 × 0.0025)n = 2,400 / (1 + 6.00)n = 2,400 / 7.00n = 342.86 ≈ 343

Sample Required was 343. A 5% loss with 95% confidence is a common margin of error in social science research (Sekaran & Bougie, 2016; Kothari, 2004) and would be considered suitable for this study's wider population and scope. Out of a total 343 questionnaires

circulated, 340 were collected, representing a response rate of 99.1 percent, which exceeded the number needed.

3.9 Sources of Data

3.9.1 Primary Data

Primary data were obtained directly from Ethio Telecom employees by using a carefully designed self-administered questionnaire. Primary data collection was essential in this research as its objective requires an understanding of perception (subjective views) of the organization members (employees) on HR practices and employees' personal judgement on performance which can not be available from organizational records or second level datasets.

3.9.2 Secondary Data

Secondary data for the literature review and organisational background came from peer reviewed journal articles and books accessed through Google Scholar, JSTOR and the Addis Ababa University electronic library database; Ethio Telecom annual reports; Ethiopian Telecommunications Authority regulatory documents; and unpublished master theses at Addis Ababa University.

3.10. Proportional Stratification of samples

The five Addis Ababa zones served as the stratification variable, with questionnaires distributed proportionally across each. North Addis Ababa had 490 permanent employees ; 20.4% of the total population ; so 70 questionnaires went out, and all 70 came back. South Addis Ababa was a bit larger at 512 employees (21.3%), pulling 73 allocated questionnaires; again, full return. East Addis Ababa was the smallest zone at 430 employees (17.9%), with 61 questionnaires sent out and 60 returned ; one short, but nothing that affects proportional representation. West Addis Ababa sat at 452 employees (18.8%), and its 64 allocated questionnaires were all returned. Southwest Addis Ababa was the biggest zone, 516 employees strong (21.5%), with 75 questionnaires allocated; 72 made it back.

The overall population for the five zones was 2,400 permanent staff. The proportional stratification calculation gave a target of 343 questionnaires. Final returns of 340 gave a response rate of 99.1%, which comfortably surpassed the minimum required. The short fall of

three questionnaires (all in the Southwest and East zones) did not have any significant effect on the proportional representation of any of the zones in the final sample.

3.10 Data Collection Instruments

3.10.1 Questionnaire Design

The main instrument was a self-administered questionnaire built around a Likert scale, split into three parts: demographic information, the six independent variables, and employee performance. Altogether it came to 42 measurement items plus 5 demographic questions. Rather than writing items from scratch, I adapted wording from established instruments in prior research; then ran everything past my thesis advisor and two HRM specialists to make sure the items held up.

3.10.2 Measurement Scale

All 42 items ran on a five-point Likert scale ; 1 being Strongly Disagree, 5 being Strongly Agree. This is probably the most common format for attitudinal and perceptual data in management research (Sekaran & Bougie, 2016), and it works well for the stats this study needed: means, standard deviations, Pearson correlations, and multiple regression. Treating Likert responses as interval-level data is standard in quantitative HR research, and a position that holds up across several methodological studies (Norman, 2010; Sullivan & Artino, 2013).

3.10.3 Variable Operationalisation Table

Table 2: Variable Operationalisation Table

Variable	Role	Indicators	Items	Source	Scale
Motivation	IV	Commitment, recognition, extra effort, non-financial incentives, autonomy, goal clarity	MOT1–MOT6	Kanfer et al. (2017); Feyori Bekele (2016)	Likert 1–5

Variable	Role	Indicators	Items	Source	Scale
Training & Development	IV	Training regularity, competitive handling, tech alignment, quality satisfaction, new-tech skills, career development	TRN1–TRN6	Noe (2017); Teshome Wubshet (2013)	Likert 1–5
Leadership Style	IV	Direction & support, innovation encouragement, motivational style, participative decisions, inspirational support, constructive feedback	LS1–LS6	Bass (1985); Northouse (2019)	Likert 1–5
Compensation & Benefits	IV	Salary satisfaction, external competitiveness, performance linkage, benefits adequacy, retention capacity, non-financial fairness	CB1–CB6	Adams (1963); Gerhart & Rynes (2003)	Likert 1–5
Work Environment	IV	Physical comfort, technology access, competitive culture, teamwork, customer handling efficiency, team collaboration	WE1–WE6	Bakker & Demerouti (2007); Hackman & Oldham (1976)	Likert 1–5
Organizational Culture	IV	Innovation values, competitive culture, teamwork, market flexibility, improvement	OC1–OC6	Schein (1985); Quinn & Rohrbaugh (1983)	Likert 1–5

Variable	Role	Indicators	Items	Source	Scale
		orientation, sense of belonging			
Employee Performance	DV	Target attainment, customer efficiency, competitive quality, task timeliness, quality standards, innovative solutions	EP1–EP6	Campbell (1990); Armstrong (2010)	Likert 1–5

Note. *Table 3.2: Operational Definition of Study Variables. IV = Independent Variable; DV = Dependent Variable.*

3.11 Pilot Testing

Preliminary testing involved a pilot study of 30 permanent employees of Ethio Telecom (excluding final sample), about 10% of the sample size we expected to reach, still within the recommendation (Bryman, 2016). The aims of the pilot were four: to identify confusing items, estimate the time required to complete the survey (aim was 15–20 minutes), to provide pilot reliability data for each of the scales initially, and to examine the survey formatting. All pilot alpha values were over .70. As a result of the pilot, two items were retitled (MOT4;CB3 ; due to suggestion that a different item in the scale was more appropriate; they were revised accordingly) prior to distribution..

3.12 Reliability Analysis

Reliability refers to how consistently an instrument produces the same results under the same conditions (Nunnally & Bernstein, 1994). I measured it using Cronbach's Alpha ; the standard reliability index in quantitative social science research:

$$\alpha = (k / k\text{-}1) \times (1 - \Sigma\sigma^2_i / \sigma^2_t)$$

Where k = number of items; $\Sigma\sigma^2_i$ = sum of individual item variances; σ^2_t = variance of total scale scores.

Nunnally & Bernstein's (1994) thresholds are widely used as the benchmark: $\alpha \geq .90$ = Excellent; $\alpha \geq .80$ = Good; $\alpha \geq .70$ = Acceptable; $\alpha \geq .60$ = Questionable; $\alpha < .60$ = Poor.

All seven scales in this study returned alpha values between .852 and .889 ; comfortably in the Good range; confirming sufficient internal consistency to justify using composite mean scores in the analysis.

3.13 Validity Tests

3.13.1 Content Validity

Validity of content refers to whether items fully represent the domain of the construct (Sekaran & Bougie, 2016). Content validity of study items was developed through adaptation of items from previously validated measures (see Table 3.2), with review and approval of all items by the thesis advisor and two human resource management specialists, who concurred that all items fully represented the intended constructs and content area.

3.13.2 Construct Validity

Construct validity is concerned with whether a scale measures the theoretical construct we think it does (Cronbach & Meehl, 1955). Convergent validity (items on a scale should be more correlated than with items from other scales) was supported by the SPSS reliability output: all item to total correlations were above .40. Discriminant validity (scales should be less correlated than the scales are reliable at) was demonstrated in the correlation matrix with correlations between scales (.392–.641) falling well short of scale reliabilities (.852–.889).

3.13.3 Face Validity

Face validity; subjective judgment as to whether the respondents believe the items to measure what they purport to measure; was evaluated throughout the pilot test. Ninety percent or more of the pilot population found all items to be understandable and relevant. Questions about the validity were modified prior to final distribution.

3.14 Data Collection Procedure

Six stages. Stage 1: formal research and permission approval sought from Addis Ababa University's School of Graduate Studies and from Ethio Telecom's HR Department. Stage 2: study briefing held with zone management and office administrators about aims of the study and confidentiality as well as research logistics; formal agreements of co-operation secured

from each zone. Stage 3: zone HR officers assisted by generating proportional simple random samples of employees from their registers. Stage 4: questionnaires were delivered in person (80% of cases) during group sessions, or through zone co-ordinators to sampled employees, who were given one week to complete them. Stage 5: questionnaires were collected in sealed envelopes and a follow up reminder in day four. Stage 6: all questionnaires that were returned were checked for completeness before coding in SPSS. All 340 questionnaires were complete and therefore none was discarded.

3.15 Ethical Considerations

The research conformed to the standards set by Addis Ababa University's ethics policies and the British Psychological Society (2021) guidelines for research in ethical social science. There were four commitments in governing this enterprise – informed consent, willingness of participation, anonymity, and ethics clearance.

This research adhered to the ethics policy of Addis Ababa University and the four principles for conducting ethical social science outlined by the British Psychological Society (2021). I ran the whole thing according to four basic commitments ofinformed consent; willing participant; anonymisation; formal approval.

For anonymity, none of the questionnaires contained any form of identification. All data were kept in total confidentiality and stored securely, for academic use only, with results being reported at an aggregate level only (i.e. no individual data),

Lastly, the School of Graduate Studies of Addis Ababa University approved the research proposal officially before the distribution of the single questionnaire.

3.16. Methods of Data Analysis

Data analysis ran through four stages in SPSS Version 27.0.

The first stage covered data cleaning, coding, and entry. Every questionnaire was checked for missing items and demographic variables were coded numerically. Likert responses were entered as 1 if answered, 0 if not ; and the consistency check came back clean, no missing data anywhere. Composite mean scores were then computed using SPSS's Compute Variable function.

Stage two moved into descriptive statistics. Frequency distributions and percentages covered the demographic variables, while means, standard deviations, 95% confidence intervals, skewness, and kurtosis were produced for all 42 items and the seven composite variables (Analyze → Descriptive Statistics → Descriptives).

Stage three ran reliability analysis ; Cronbach's Alpha for all seven scales via Analyze → Scale → Reliability Analysis, with item-total correlations checked throughout. Stage four handled the inferential statistics. Pearson bivariate correlations (Analyze → Correlate → Bivariate) tested the pairwise relationships between variables, and multiple linear regression using the Enter method (Analyze → Regression → Linear) tested the multivariate relationships. Outputs pulled in unstandardised and standardised coefficients, 95% CIs for B, t-values, significance levels, and collinearity diagnostics.

3.17 Model Specification

The multiple linear regression model:

$$\mathbf{EP = \beta_0 + \beta_1 MOT + \beta_2 TRD + \beta_3 LS + \beta_4 CB + \beta_5 WE + \beta_6 OC + \varepsilon}$$

Where: EP= Employee Performance (mean EP1–EP6); β0= Constant ; MOT= Motivation; TRD= Training and Development; LS=Leadership Style; CB= Compensation and Benefits; WE=Work Environment; OC=Organizational Culture; B1-β6= Partial regression coefficients; ε=error term.

Several reasons: (1) the DV is continuous and roughly normally distributed; (2) multiple continuous predictors are estimated simultaneously; (3) testing the directions and magnitude of individual predictor effects after controlling for others; (4) R2 directly tests the SHRM Bundle Theory contrast that six combined factors will predict more variance that any individual predictor (Hair et al., 2010). The Enter was selected as the preferred method since theoretical motivation exists for all six predictors and simultaneous entry is the appropriate option when there is no theoretical justification to exclude any variables in the model initially.

3.18 Diagnostic Tests for Regression Assumptions

First, the researcher checked whether residuals were normally distributed ; using skewness, kurtosis, the Kolmogorov-Smirnov test, Shapiro-Wilk, and a Normal P-P plot.

George and Mallery (2010) set the benchmarks here: skewness within ±1.0, kurtosis within ±2.0, and K-S p > .05. Next, multicollinearity was assessed through VIF and Tolerance scores via SPSS Collinearity Diagnostics ; Hair et al. (2010) recommend VIF below 10 and Tolerance above 0.10, which served as the cutoffs. Linearity was examined through partial regression plots and scatterplots of each predictor against the dependent variable, looking for roughly straight-line relationships with no systematic curving (Tabachnick & Fidell, 2013). Homoscedasticity was examined using the ZRESID vs ZPRED to determine if the data was randomly scattered around zero and showed no fanning in either direction (Field, 2018). Lastly, the standard Durbin-Watson statistic was employed to determine if the errors were independent, with the desirable values lying within the range 1.5–2.5 (Field, 2018).

All five assumptions were satisfied. Full diagnostic results are reported in Section 4.7 of Chapter Four.

3.19 Chapter Summary

The chapter began with a brief overview of the methodological framework of the study. The quantitative, explanatory, descriptive and cross sectional research strategy was selected based on the implementation of a positivist paradigm and the deductive research approach. The study setting; Ethio Telecom's five Addis Ababa zones of the recently privatized telecoms market of Ethiopia was described, with a focus on the post- Safaricom competitive environment.The target population (2,400 official employees) was sampled through proportional stratified random sampling, with a sample size of 343 decided on using the Yamane formula. All 340 returned questionnaires were usable, giving a response rate of 99.1%. Questionnaires (42 item, 5 point Likert scale)were adapted, based on validated scales, with a pilot test of 30 respondents for a test re-test reliability α =.852 889 (i.e.89.2%), as well as content, construct and face validity. Data analysis were conducted using the SPSS program: descriptive data,Pearson correlation and multiple linear regression using Enter as the method. The diagnostics to test five multiple regression assumptions were described in Section 3.18. Ethical considerations were outlined; including adherence to ethical guidelines; obtaining informed consent; informing respondents that participation was voluntary; ensuring anonymity and confidentiality.

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CHAPTER FOUR: RESULTS AND DISCUSSION

4.1 Introduction

This chapter introduces the results in the order of their presentation response rate, demography, reliability, descriptive statistics, correlation analysis, tests for regression assumptions, multiple regression analysis, hypothesis testing, critical discussion of results with references to the literature and conceptual framework. Each table is interpreted, not merely described. (Analysis was performed in SPSS 27.0).

4.2 Response Rate

A total of 343 questionnaires were distributed across all five zones in Addis Ababa 340 came back. It is an impressive almost 99.1% return rate by any standards, above the 70% that Sekaran and Bougie (2016) would consider a yield sufficient for inference. No questionnaires were returned blank or incomplete therefore all 340 were used.

Table 3: Response Rate Summary

Description	Count / Rate
Questionnaires distributed	343
Questionnaires returned	340
Unusable / incomplete	0
Net usable responses	340
Response rate	99.1%

4.3 Demographic Profile

4.3.1 Gender

Table 4: Gender Distribution (N = 340)

Gender	Frequency	Percentage (%)
Male	215	63.2

Gender	Frequency	Percentage (%)
Female	125	36.8
Total	340	100.0

Out of the 340 respondents, 215 were male (63.2%) and the remaining 125 (36.8%) were female. This distribution is similar to Ethio Telecom's overall organizational workforce where the technical and operational positions are still male dominated. The percentage of female respondents in this study is much higher as compared to previous studies conducted by Ethio Telecom that the researcher reviewed for this study that was based on their entire organization which might suggest a trend of some progress in this area but still an obvious imbalance.

4.3.2 Age

Table 5: Age Distribution (N = 340)

Age Category	Frequency	Percentage (%)
18–25 years	16	4.7
26–35 years	133	39.1
36–45 years	121	35.6
Above 45 years	70	20.6
Total	340	100.0

Based on the sample in this study 39.1% of respondents age is from 26-35 years lids in the top and from 36-45 years counts 35.6% ,the reaming % 20.6% and 4.7% respondents are from age 36-45 years and from 18- 25 years respectively.

4.3.3 Education Level

Table 6: Educational Level (N = 340)

Level	Frequency	Percentage (%)
Diploma	35	10.3
First Degree	231	67.9
Masters & Above	74	21.8
Total	340	100.0

89.7% had gained at least their first degree. This implies that it is is a highly educated workforce that will help and providing a valid self-report data as well as support the researcher's decision to use multi-item Likert scales instead of simpler scales.

4.3.4 Work Experience

Table 7: Work Experience at Ethio Telecom (N = 340)

Experience	Frequency	Percentage (%)
Below 2 years	20	5.9
2–5 years	102	30.0
6–10 years	86	25.3
Above 10 years	132	38.8
Total	340	100.0

38.8% of respondents participated in this study had been with Ethio Telecom for more than 10 years that's a great deal and have accumulated knowledge in the organization , which the Resource-Based View (Barney, 1991) would call a true strategic resource. This means that many employees set their Pay expectations during a time of monopoly, which could explain why perception of pay is so bleak today now that there is a competitor.

4.3.5 Zone Distribution

Table 8: Distribution by Assigned Zone (N = 340)

Zone	Frequency	Percentage (%)
North Addis Ababa	70	20.6
South Addis Ababa	74	21.8
East Addis Ababa	60	17.6
West Addis Ababa	64	18.8
Southwest Addis Ababa	72	21.2
Total	340	100.0

When we see Zonal coverage it was from 17.6 to 21.8 % so the study has fairly balanced coverage across all the five zones , confirming that the stratified sampling design was appropriate and that the results were not driven by any one zone experience.

4.4 Reliability Analysis

Assessed by Cronbach's Alpha and SPSS (Analyze → Scale → Reliability Analysis). All 7 scales passed the α = .70 mark with some room to spare.

Table 9: Cronbach's Alpha Reliability (N = 340)

Construct	Items	Alpha (α)	Interpretation
Motivation	6	.871	Good
Training and Development	6	.857	Good
Leadership Style	6	.852	Good
Compensation and Benefits	6	.881	Good
Work Environment	6	.889	Good
Organizational Culture	6	.883	Good
Employee Performance	6	.872	Good

Alphas for the seven scales ranged from .852 (Leadership Style) to .889 (Work Environment); all are in the 'Good' band and none are below .80. Work Environment was by

far the most internally consistent scale; Leadership Style the least, but even this alpha is well above any standard cutoff point that would be a concern for the researcher. These inter-item reliability coefficients further support the calculation of composite mean scores on all seven constructs. They also provide evidence for the appropriateness of the standardized questionnaire items for use in Ethiopia's telecoms setting.

4.5 Descriptive Statistics of Study Variables

Descriptive Statistics were calculated for all seven composite variables, using SPSS (Analyze → Descriptive Statistics → Descriptives). The mean of 6 separate Likert-items (1 (Strongly Disagree) to 5 (Strongly Agree)). were averaged to arrive at the following composite scores, which were categorized according to the bands: 4.21 – 5.00 Strongly Agree, 3.41 – 4.20 Agree, 2.61 – 3.40 Neutral, 1.81 – 2.60 Disagree, 1.00 – 1.80 Strongly Disagree. All seven variables are shown in Table 4.8 before each will be discussed individually.

Table 10: Summary of Composite Descriptive Statistics (N = 340)

Variable	Mean	Std. Dev.	Min	Max	Interpretation
Motivation (IV)	3.517	0.914	1.00	5.00	Agree
Training & Development (IV)	3.472	0.899	1.00	5.00	Agree
Leadership Style (IV)	3.484	0.865	1.33	5.00	Agree
Compensation & Benefits (IV)	2.799	1.074	1.00	5.00	Neutral
Work Environment (IV)	3.368	0.941	1.00	5.00	Neutral
Organizational Culture (IV)	3.441	0.850	1.00	5.00	Agree
Employee Performance (DV)	3.824	0.839	1.50	5.00	Agree

Note. *IV = Independent Variable; DV = Dependent Variable. N = 340 for all variables.*

4.5.1 Motivation

Motivation measured at an average of M=3.517 with a SD of =0.914, based on the result. It was the highest-rated independent variable. See table 4.9 for the item-by-item breakdown of motivation.

Table 11: Item-Level Descriptive Statistics; Motivation (N = 340)

Item	Question (abbreviated)	Mean	SD	% Agree + SA	Interpretation
MOT1	Commitment to organisational goals	3.885	1.148	74.7%	Agree
MOT2	Recognition motivates better performance	3.456	1.155	56.4%	Agree
MOT3	Willingness to put in extra effort	3.835	1.198	68.9%	Agree
MOT4	Non-financial incentives boost morale	3.159	1.194	45.9%	Neutral
MOT5	Autonomy in customer service decisions	3.562	1.041	60.9%	Agree
MOT6	Clear performance goals from supervisor	3.453	1.158	53.8%	Agree

Note. *% Agree + SA = combined percentage of Agree and Strongly Agree responses.*

There is something heartening about the pattern across the items though, at least in part. For example, MOT1; commitment to organisational aims; and MOT3; willingness to go the extra mile; both came in at just over 3.80, with about 75% and 69% of respondents in agreement respectively. Such intrinsic commitment cannot be simply contrived (it's in the database!), and we know that employees who are more intrinsically motivated perform better, even if they don't always say so! The item on decision-making autonomy, MOT5, returned a mean score of 3.562; a modest level of agreement, there is room here to further develop frontline empowerment, where the face-to-face role can be considerably more customer responsive and where Safaricom's more nimble delivery model could usefully be experienced day to day as a comparator.

However, the most unnoticeable gap is MOT4; non-financial incentives (M=3.159, Neutral). Only 45.9% of employees stated that the management has adequate non-financial rewards. According to Herzberg's (1959) Two-Factor Theory, recognition ranks high as a primary motivator, a necessity that could actual motivate high performance, but not simply offset against dissatisfaction. The unremarkable score indicates that employee sincerely contribute their commitment to the organization, but there is not systematic outflow of encouraging recognition and feedback to maintain their commitment.

4.5.2 Training and Development

Training and Development scored M = 3.472 (SD = 0.899) and was in the Agree band, and was the third highest independent variable. This is actually more important than this would seem: the multiple regression found Training and Development to be the single strongest predictor of Employee Performance in the entire model (β = .245). Even fairly small improvements in this area are predicted to bring the greatest improvements in Performance. Results can be seen in Table 4.10.

Table 12: Item-Level Descriptive Statistics; Training and Development (N = 340)

Item	Question (abbreviated)	Mean	SD	% Agree + SA	Interpretation
TRN1	Organisation provides regular training	3.547	1.188	59.7%	Agree
TRN2	Training helps handle competitive challenges	3.594	1.102	59.7%	Agree
TRN3	Training aligned with technological changes	3.641	1.170	62.1%	Agree
TRN4	Satisfied with training frequency and quality	3.465	1.143	56.5%	Agree
TRN5	Training equips skills for new technologies	3.676	1.114	64.4%	Agree
TRN6	Career development improves productivity	3.335	1.212	50.6%	Neutral

Note. *% Agree + SA = combined percentage of Agree and Strongly Agree responses.*

TRN5 and TRN3 were the best: they received the highest scores of M = 3.676 and M = 3.641 respectively. Both questions were on relevance to technology and keeping up to date with the industry. 64.4% and 62.1% of people agreed that training provides them with the right skills for their jobs and that they keep up with industry changes. The good news is people think it is relevant when they do get training. TRN4; satisfaction with frequency and quality (ranking below); - had an average of M = 3.465 and only 56.5% of people agreed. Content is relevant but frequency and quality needs improving.

TRN6; career development as a productivity motivator; 6 came out as a weak point on this employee dimension (M = 3.335, Neutral). Only 50.6% of employees agreed or strongly agreed with the statement: "career development opportunities motivate me," while 24.1% disagreed or strongly disagreed. The Transfer of Training Theory (Baldwin & Ford, 1988) explains both this and other employee dimensions well, as training that reduces productivity with no foreseeable career trajectory quickly diminishes in motivation potential.

4.5.3 Leadership Style

Leadership Style scored M = 3.484 (SD=0.865), Agree band – second highest independent variable. Not only is this the second-highest independent variable, but it has the lowest SD (0.865) out of all six independent variables. This indicates that the range of items for this perception are the most consistent across all respondents of any other independent variable. The scores for the individual items are listed in Table 4.11.

Table 13: Item-Level Descriptive Statistics; Leadership Style (N = 340)

Item	Question (abbreviated)	Mean	SD	% Agree + SA	Interpretation
LS1	Supervisor provides clear direction and support	3.459	1.220	57.4%	Agree
LS2	Leadership encourages innovation	3.382	1.158	51.8%	Neutral
LS3	Supervisor's style keeps motivation high	3.491	0.985	57.3%	Agree
LS4	Supervisor involves in decision-making	3.529	1.161	60.9%	Agree

Item	Question (abbreviated)	Mean	SD	% Agree + SA	Interpretation
LS5	Supervisor provides inspirational support	3.526	1.076	59.8%	Agree
LS6	Leader gives constructive feedback	3.465	1.057	55.3%	Agree

Note. *% Agree + SA = combined percentage of Agree and Strongly Agree responses.*

LS4 and LS5; supervisory involvement in decisions and inspirational support; were the two highest scoring items of this category, with 60.9% and 59.8% of respondents in agreement. These two, along with LS3 demonstrate that respondents do value a supportive and participative leadership style. LS3 also scored positively (M =3.491): supervisors are doing a good job of maintaining motivation in the high pressure situation of a recession. However, LS6: constructive feedback (M =3.465) was apparently the second least liked item; the importance of quality feedback has been established above, as it is the mechanism upon which Transfer of Training Theory rests.

LS2; 'leadership encourages innovation to keep ahead of competitors'; was the only leadership item to score within the Neutral band (M = 3.382). 24.2% of respondents disagreed. That's the Transformational leadership gap in plain sight. Transformational Leadership Theory (Bass, 1985) speaks of intellectual stimulation; providing opportunity for creative thought and innovation; as a fundamental catalyst of superior performance. With Safaricom 's routinely lauded innovation culture setting an everyday reference point, this gap between employee 's experience and what competitive leadership demands; is a genuine strategic issue.

4.5.4 Compensation and Benefits

Compensation and Benefits had the lowest composite mean in the study: M=2.799, SD=1.074. This places it in the middle of the Neutral band. The standard deviation of 1.074 is the highest of all the composites, indicating not that the experiences of compensation are terrible, but that they are inconsistent and polarising, creating its own kinds of equity problems. The table below, 4.12, shows the lowest rating of every item.

Table 14: Item-Level Descriptive Statistics; Compensation and Benefits (N = 340)

Item	Question (abbreviated)	Mean	SD	% Disagree + SD	Interpretation
CB1	Satisfied with salary and benefits package	2.715	1.510	48.2%	Neutral
CB2	Compensation competitive vs. other firms	2.859	1.300	45.0%	Neutral
CB3	Reward system linked to actual performance	2.744	1.342	45.0%	Neutral
CB4	Benefits package meets basic needs	2.897	1.296	36.8%	Neutral
CB5	Pay and incentives retain top performers	2.800	1.297	42.7%	Neutral
CB6	Non-financial benefits reward extra effort	2.812	1.214	38.8%	Neutral

Note. *% Disagree + SD = combined percentage of Disagree and Strongly Disagree responses, used here because this scale warrants attention to negative sentiment.*

CB1; pay satisfaction measured as 'How satisfied are you with your pay?' received M = 2.715, with SD=1.510, the maximum variance of any item in the entire study. 48.2% disagreed or strongly disagreed, suggesting that pretty much half of staff are not happy with their basic pay in the equation. CB3; do pay and reward systems have a clear connection to performance; received almost as poor a result (M = 2.744), with 45.0% disagreeing. One of the core assumptions of Expectancy Theory (Vroom, 1964) is that this connection will disintegrate when the system falls apart, causing performance motivation to dissolve at the source. CB2; can pay support retention? received a slightly worse result of 45.0% indicating they disagree with the statement that their pay has been sufficient to ensure they would not consider going elsewhere. Bearing in mind that Safaricom are actively headhunting in the sector, this is not just a philosophical consideration.

CB4, asking as it does whether the benefits package is sufficient, was the least negative (mean=2.897, 36.8% DIS) component of the package; indicating disagreement with the general package, but a lesser amount of disagreement in terms of the non-wage side. Salary is the core issue, with the visibility; or lack thereof; of a fair and transparent pay-for-performance system at the heart of the problem. Adams'(1963) Equity Theory would have us expect to find exactly the type of negative feedback on equity perception that was observed: day-to-day comparisons to a competitor's pay structure means that individuals will believe that they are receiving under-reward, and modify their discretionary effort accordingly, regardless of what formal performance management systems tell them.

4.5.5 Work Environment

Work Environment recorded M = 3.368 (SD = 0.941); band 4 (Neutral), 5th-highest independent variable. It is low enough to be below the limit of 3.41 that would label it Agree, yet the item breakdown in Table 4.13 indicates a polarized effect: some items cross into the Agree band, and some remain Neutral.

Table 15: Item-Level Descriptive Statistics; Work Environment (N = 340)

Item	Question (abbreviated)	Mean	SD	% Agree + SA	Interpretation
WE1	Physical environment conducive to productivity	3.450	1.116	55.3%	Agree
WE2	Access to modern tools and technology	3.476	1.158	57.3%	Agree
WE3	Culture promotes healthy competition	3.300	1.136	48.2%	Neutral
WE4	Culture encourages teamwork and cooperation	3.503	1.128	51.8%	Agree
WE5	Workspace enables efficient customer handling	3.406	1.118	50.6%	Neutral

Item	Question (abbreviated)	Mean	SD	% Agree + SA	Interpretation
WE6	Team collaboration reduces stress and boosts output	3.538	1.073	50.6%	Agree

Note. *% Agree + SA = combined percentage of Agree and Strongly Agree responses.*

Work Environment was M = 3.368 (SD = 0.941); the neutral band, fifth-highest independent variable. Barely misses being in the Agree range at 3.41, and was the strongest item, item breakdWE6; team work, camaraderie, and stress reduction increases productivity; achieved a score of 3.538, and WE4; culture of sharing; teamwork and cooperation; ranked third with a score of 3.503. Both are relational, and not infrastructural, which is interesting: the best attribute of the work environment, by far, is how well the people work together, rather than the technology they work with. WE1 and WE2; physical comfort and facilities and equipment availability; crossed the Agree threshold, with scores of 3.450 and 3.476, but that just tells you the basics are there; it isn't a differentiator anymore in a market where the infrastructure dollars rolled out by Safaricom are so transparent.own shows a divided picture: some crossed into Agree while others remain neutral.

WE3; the culture encourages healthy competition; was also the weakest work environment item (M = 3.300, Neutral); with 24.1% disagreeing. WE5; workspace and tools available for dealing with customers efficiently; was also in the Neutral range (M = 3.406). Both of these items are where the work environment is most directly tied to performance outputs; the strongest and weakest areas where the work environment links through to performance outcomes. The JD-R Model (Bakker & Demerouti, 2007) predicts that; when resources are generally roughly at the level of demands; stable baseline performance is maintained but performance is not propelled through the roof. The fully neutral scores on these work environment items are compatible with the regression results; where Work Environment is a significant predictor; but one of the weakest predictors to reach significance (β = .129).

4.5.6 Organizational Culture

Organizational Culture scored M = 3.441 (SD = 0.850); Agree band, but just a little above the 3.41 boundary. It functionally falls at the boundary between the Agree and Neutral and this

is demonstrated by the item scale data in Table 4.14: this scale includes some clear positive cultural experiences but also some significant gaps.

Table 16: Item-Level Descriptive Statistics; Organizational Culture (N = 340)

Item	Question (abbreviated)	Mean	SD	% Agree + SA	Interpretation
OC1	Values encourage innovation and proactivity	3.382	1.147	51.8%	Neutral
OC2	Culture promotes healthy competition among staff	3.347	1.069	51.8%	Neutral
OC3	Strong sense of teamwork across departments	3.453	1.045	55.3%	Agree
OC4	Culture flexible to adapt to market changes	3.347	1.112	48.2%	Neutral
OC5	Values encourage service improvements	3.500	1.023	56.4%	Agree
OC6	Sense of belonging drives extra effort	3.644	1.053	55.3%	Agree

Note. *% Agree + SA = combined percentage of Agree and Strongly Agree responses.*

OC6; mind of belonging to motivate for additional effort; emerged as the strongest item (mean score =3.644), 55.3% agreed and only 13.9% opposed. It depicts the best cultural element of the company: members of the company have true sense of belongingness towardEthio Telecom and the perception of belongingness motivates them to induce extra effort. OC5; encouragement for innovation and OC3; appreciated cooperation across units also successfully passed the Agree test. This indicates a truly cohesive culture and some perception of innovation. According to Schein (1985) this culture might be characterized by strong, shared underpinning assumptions regarding societies of belongingness and shared identity.

Interestingly all three OC1, OC2 and OC4 remained Neutral; and these are the ones where culture is the most strategically critical. 'Values promote creative change' (M=3.382), 'culture encourages security and predictability' (M=3.38) and 'culture is flexible in response to market

fluctuations' (M=3.347) all fell below 3.40. Two points need to be made here: [1] the flex item for OC4 is most relevant as in moving from Monopoly to a competitive Market, one really needs cultural flexibility and this phenomenon is not widespread; and [2] Quinn and Rohrbaugh [1983] using Competing Values framework, the culture of Ethio Telecom is dominant in Clan aspects of cohesion and loyalty and weakest in Adhocracy aspect and these are exactly needed for a Competitive Market.

4.5.7 Employee Performance (Dependent Variable)

The Employee Performance construct was rated highest of all the measures at a M = 3.824 (SD = 0.839); within the Strong Agree range and the most internally reliable composite (with the lowest SD of all 7 variables). However, because of the low variance, employees in all five zones rated their performance similarly, lending the measure reliability and implying a common definition of performance for this group. See Tab. 4.15 for all items in this scale.

Table 17: Item-Level Descriptive Statistics; Employee Performance (N = 340)

Item	Question (abbreviated)	Mean	SD	% Agree + SA	Interpretation
EP1	Consistently meet or exceed zone targets	3.709	1.053	67.7%	Agree
EP2	Highly efficient in handling customer needs	3.835	0.951	71.2%	Agree
EP3	Quality of work contributes to competitive advantage	3.800	1.116	70.0%	Agree
EP4	Complete tasks within working hours	3.747	1.089	66.8%	Agree

Item	Question (abbreviated)	Mean	SD	% Agree + SA	Interpretation
EP5	Output meets service quality standards	3.838	0.984	71.2%	Agree
EP6	Delivers innovative solutions vs. competitors	3.950	0.987	70.0%	Agree

Note. *All items fall in the Agree band. % Agree + SA = combined percentage of Agree and Strongly Agree responses.*

EP6; 'I frequently offer new ideas to help my zone top excel' was the highest scoring Leadership item at M = 3.950 with 70% of respondents agreeing. Interestingly this is unexpected given that the survey's lowest item in the Leadership scale was about having a culture that rewards innovation; (LS2, M = 3.382). Employees seem to have their own flow of innovative creative ideas which are generated regardless of any perceived organizational leadership; this would indicate bottom-up innovation potential that if deliberately harnessed could represent a powerful competitive advantage. EP2 and 5; customer efficiency/service quality principles; scored M = 3.843 and 3.841 respectively with 71.2% responding positively.

EP1; meeting zone performance goals; was the lowest scored item (M=3.709), and was still within the agree band, with a clear majority agreeing (67.7%). The difference in strength between EP1 and EP6; 'meeting innovation and quality standards' is not huge but it is interesting; employees appear to be more confident in their performance against their innovation and quality standards than they are in relation to their zone performance objectives. Perhaps this reflects the higher aspirations reflected in target-setting, or the fact that zone-specific resource constraints come into play, or perhaps it's just because the formal zone performance objectives are less obvious to employees than the benchmarks in relation to their innovation and quality standards. Of course the fact that self-assessed performance tends to reflect a modest upward bias as noted by Wall et al. (2004) must be borne in mind when interpreting these figures; they should be read as pragmatic reflections of effort and involvement, not definitive calibrations of performance.

4.6 Pearson Correlation Analysis

Correlations were performed in SPSS (Analyze -> Correlate-> Bivariate, two-tailed) to assess the relationships among all variables in the study using Pearson correlations for all pairwise comparisons of variables. Number indicates strength of relationship: r = .00–.19 Very Weak, .20–.39 Weak, .40–.59 Moderate, .60–.79 Strong, .80–1.00 Very Strong.

Table 18: Pearson Correlation Matrix (N = 340)

Variable	1	2	3	4	5	6	7
1. Motivation	1						
2. Training & Dev.	.591**	1					
3. Leadership Style	.579**	.641**	1				
4.Compensation & Ben.	.445**	.482**	.461**	1			
5. Work Environment	.558**	.571**	.607**	.392**	1		
6. Org. Culture	.609**	.631**	.618**	.441**	.551**	1	
7. Emp. Performance	.594**	.642**	.605**	.453**	.567**	.600**	1

Note. *** p < .01 (two-tailed). Diagonal entries = 1.000 (self-correlations).*

All six predictor variables had moderate to strong, statistically significant, positive correlations with Employee Performance (all p < .01). Training and Development was the strongest predictor using the bivariate correlation (r =.642), followed by Leadership Style (r =.605), and Organizational Culture(r=.600); all three were rated Strong. Motivation(r=.594) and Work Environment(r=.567) fell on the border between Moderate-Strong. Compensation and Benefits(r=.453) was the weakest predictor using the bivariate correlation, but still fell within the Moderate range.

Inter-predictor correlations were in the acceptable range of r=.392 to r=.641. The highest number (.641) was well below our multi-collinearity cut-off (.80). Therefore there was no

multi-collinearity problem at the bivariate level, as confirmed by the VIF diagnostics reported in section 4.7.

4.7 Regression Assumption Tests

4.7.1 Normality of Residuals

Table 19: Normality Diagnostics; Regression Residuals (N = 340)

Test / Statistic	Value	Criterion	Assessment
Skewness	-0.523	Within ±1.0	Acceptable
Excess Kurtosis	1.312	Within ±2.0	Acceptable
Kolmogorov-Smirnov (p)	.218	> .050	Normal
Shapiro-Wilk W (n=50)	.966	> .900	Normal
Mean of Residuals	0.000	≈ 0	Acceptable

The residuals had skewness of -0.523 and an excess kurtosis of 1.312 both comfortably within the accepted borders of +2.0/-2.0. (George & Mallery, 2010). The Kolmogorov-Smirnov Statistic did not reject the null of normality (p = .218). The Shapiro-Wilk was consistent with this (W = .966). The Quantile-Quantile plot had data points in close proximity to the best-fit line and the histogram approximated the bell shape. Normality assumption met.

4.7.2 Multicollinearity

Table 20: Multicollinearity Diagnostics (VIF and Tolerance)

Variable	VIF	Tolerance	Assessment
Motivation	2.123	0.471	No problem
Training and Development	2.339	0.427	No problem
Leadership Style	2.326	0.430	No problem
Compensation and Benefits	1.462	0.684	No problem
Work Environment	1.952	0.512	No problem
Organizational Culture	2.154	0.464	No problem

All VIFs were between 1.462 and 2.339 (much lower than the common cut-off of 10: Hair et al., 2010). Tolerance values ranged from 0.427 to 0.684 (all above the recommended value of 0.10). Not concerned with multicollinearity. The predictors are contributing a truly independent variance to the regression.

4.7.3 Linearity and Homoscedasticity

Scatterplots for each predictor against employee performance showed roughly linear relations with no evident systematic curvature. Partial regression plots were essentially linear, holding the remaining predictors constant. The ZRESID versus ZPRED plot displayed no pattern to the residuals: instead they were roughly scattered about zero with no evident fanning; satisfying the assumption of homoscedasticity. Both conditions of constant variance are apparently satisfied and valid regression inference is tenable.

4.8 Multiple Linear Regression Results

The six factors were entered all at once using the Enter method of multiple regression in SPSS (Analyze under Regression under Linear). The dependent variable was Employee Performance. Using the Enter method was appropriate here as all six factors were theoretically justified to be entered together; running them all together tests their independent effects whist controlling for all others.

4.8.1. Model Summary

Table 21: Regression Model Summary

R	R^2	Adjusted R^2	Std. Error	Method	N
.730	.532	.524	.579	Enter	340

The six-variable model provides R = .730, R^2=.532. So the HR bundle explains 53.2% of the variance in Employee Performance. That's a pretty good model. the Adjusted R^2 of .524 is close to R^2, so there is no inflation to the model by the number of predictor variables. Standard error of .579 is relatively low for a scale of 1 5.

In terms of same variables comparisons:Teshome Wubshet (2013) R 2 ≈.34 with two variables, Etsehiwot Habete (2023) with satisfaction+engagement=.47, then this study's .532

is the best value to date in the Ethio Telecom empirical literature, a direct consequence of the more expansive eight-factor model.

4.8.2 ANOVA

Table 22: ANOVA Results

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	127.283	6	21.214	63.154	.000
Residual	111.848	333	0.336		
Total	239.131	339			

F(6, 333) = 63.154, p <.001. The model was significant; collectively the predictors predict significantly more of the variance than would be expected due to chance alone. That an F-statistic of 63.154 is so large indicates that the model is extremely well specified and the predictors collectively account for a very large proportion of the variance. The larger sample size (n=340 as opposed to 261 in the previous draft) created more statistical power, which explains why the F value is such a high value as opposed to the more modest .532 R^2 value.

4.8.3 Coefficients

Table 23: Regression Coefficients (DV: Employee Performance)

Variable	B	Std. Error	Beta (β)	t	p-value	Decision
(Constant)	0.987	0.151	;	6.549	.000	;
Motivation	0.140	0.050	.152	2.790	.006	Significant
Training & Development	0.229	0.054	.245	4.280	< .001	Significant
Leadership Style	0.135	0.055	.139	2.432	.015	Significant
Compensation & Benefits	0.054	0.035	.069	1.521	.129	Not Significant
Work Environment	0.115	0.047	.129	2.465	.014	Significant

Variable	B	Std. Error	Beta (β)	t	p-value	Decision
Organizational Culture	0.157	0.054	.159	2.898	.004	Significant

Five of the 6 predicators came out statistically significant. The biggest was Training and Development (β =.245, p < .001); a one SD increase in perceptions of training lead to a .245 SD increase in Employee Performance, holding everything else constant, which is a fairly decent effect. Organizational Culture was second (.159), then Motivation (.152), Leadership Style (.139), and Work Environment (.129).

Compensation and Benefits was not significant (β =.069, p =.129). This is not a measurement issue (bivariate correlation with performance was r= .453, p<.01). The direct path that we used just goes to nothing once the other five factors are in the model. Compensation impacts performance indirectlyrather than as a driver. The primary mediators are motivation and cultural perceptions. What Herzberg (1959) termed "hygiene factors"… pay "merely[prevents]dissatisfaction but [does not] induce will." And in this study, it scored the lowest (M=2.799). The worst mix; low on satisfaction plus the indirect effectwasn't a crisis today, but the stove is slowly heating up.

4.9 Hypothesis Testing

Table 24: Hypothesis Testing Summary (N = 340)

Hyp.	Statement	Beta (β)	p-value	Decision
H_1	Motivation → Employee Performance (+)	.152	.006	Supported
H_2	Training & Development → Employee Performance (+)	.245	< .001	Supported
H_3	Leadership Style → Employee Performance (+)	.139	.015	Supported
H_4	Compensation & Benefits → Employee Performance (+)	.069	.129	Not Supported

Hyp.	Statement	Beta (β)	p-value	Decision
H_5	Work Environment → Employee Performance (+)	.129	.014	Supported
H_6	Organizational Culture → Employee Performance (+)	.159	.004	Supported

Five supported, one not. H 4 (Compensation) not supported in the multivariate model despite obvious bivariate support. This is a suppression effect, not a null result. This mechanism is indirect, not direct, and the consequences for management are discussed in 4.10..

4.10 Discussion of Findings

4.10.1 Motivation (H_1 Supported, $\beta = .152$)

Motivation's unique predictive power for performance supports H1 and is consistent with Feyori Bekele (2016). Conversely, tests of the strength of the two stepwise models revealed motivation as the single strongest predictor in his study of Ethio Telecom. The lower beta here (.152 compared to 0.48) indicates multivariate control but no less of a underpinningrelationship (motivations share of the pie is smaller). That's how partial coefficients work.

The item-by-item view is interesting. Commitment-to-goals and willingness-to-apply-extra-amount of effort items were significantly above-average, while items about management providing non-monetary incentives were significantly below-average. Employees want to do well; they aren't disengaged. They just don't have management energizing that latent commitment using recognition systems, well-defined goals, and substantive feedback. Goal-Setting Theory (Locke & Latham, 1990) would predict precisely this discrepancy.

4.10.2 Training and Development (H_2 Supported; Strongest Predictor, $\beta = .245$)

Training had a significant lead over the predictor order. $\beta = .245$ compared to the next of .159; not a small amount of difference. Human Capital Theory (Becker, 1964) foresaw it, and Ethio Telecom has the data to prove it. Teshome Wubshet (2013) recognized the value of Training at East Region, and now it seems to the present study that the finding is validated for all five zones.

Practical implication is clearcut: If Ethio Telecom management only have one HR lever to focus on at this time, it should be training--not because other factors are not important; they all are but because training has the highest unique contribution to performance and current score places it in the moderate Agree range (M = 3.472). Investment is wise with both needs and return being accounted for. Transfer of Training gap (Baldwin & Ford, 1988); appropriate training content but irregular reinforcement immediately thereafter, is where return on investment is probably going astray.

4.10.3 Leadership Style (H_3 Supported, $\beta = .139$)

Leadership Style was significant ($\beta = .139$, $p = .015$), but the weakest of the five significant predictors. The items for supervisory support and participation in decision-making scored higher than the items for encouraging innovation; the wrong pattern for a company in competitive transition. According to Transformational Leadership Theory (Bass, 1985), intellectual stimulation is the dimension of leadership that actually causes performance to exceed expectations. That dimension is considerably less present than the transactional support items..

Mwaisaka, K'Aol and Ouma (2019) discovered similar results in the Kenyan banking system, with supportive, or perhaps authoritarian, leadership styles that lack transformational depth; and directly associated this with limited innovation effectiveness. That is definitely a parallel to note, especially at a company as pioneering as Safaricom.

4.10.4 Compensation and Benefits (H_4 Not Supported, $\beta = .069$, $p = .129$)

This one requires the closest reading. It's not claiming that compensation isn't important--it's claiming the effect of pay on performance is mediated by other variables, motivation, culture, engagement, etc., rather than a simple direct path. The bivariate correlation was modest ($r = .453$) and statistically significant. The direct path coefficient was non-significant in the full model because the shared variance was explained away by other variables..

Nonetheless, these issues also create a structural issue here, as compensation is the single most negatively rated variable in the study (M=2.799, SD=1.074) once the pay package of a visible competitor is found for comparison. Adams (1963) Equity Theory makes it clear what happens over time when perception under-reward continues: effort will be de-calibrated downward in order to restore the perceived equity. While it may not register in performance

measures immediately, it will. And in particular through losing the top performers, who have the most to gain through moving. That compensation was one of the strongest job satisfaction drivers at Ethio Telecom was confirmed by Yodit Zewdu (2019).

4.10.5 Work Environment (H_5 Supported, $\beta = .129$)

Work Environment was an important predictor, but its second least strong for predictors that reached significance. The neutral mean (M=3.368) shows conditions as being merely sufficient to get by rather than optimally supportive. As a whole, physical comfort and access to technology was rated fairly well while items on cultural-environmental integration were lower. The JD-R Model (Bakker & Demerouti, 2007) states that if resources 'generally equate to demands; presumably [emphasis in original], this appears to be the case here,' then performance can only be maintained rather than improved. Thus the return on additional work environment investment would be too slight compared to efforts in training or in developing culture.

4.10.6 Organizational Culture (H_6 Supported, $\beta = .159$)

Organizational Culture was the next-strongest predictor. Belonging/clan and innovation-encouragement categories had the highest mean scores of any items on the culture scale; adaptability and market-responsiveness had the lowest. Applying Quinn and Rohrbaugh (1983) Competing Values Framework, the Ethio Telecom culture appears to be predominately Clan, with high internal cohesion and a focus on strong relationships, an advantage in a monopoly environment. In a competitive climate, elements of Adhocracy; where speed and risk tolerance, and external focus, separate the best performers..

Denison (1990) demonstrated that cultures appropriate to strategic direction perform better than those inappropriate. The cultural-adaptability gap in this data is precisely that mismatch exposed. Closing it is not something to take on the soft-skills playground but a performance lever.

4.10.7 The HR Bundle Effect ($R^2 = .532$)

53.2% of overall variance in employee performance within this model was described by six HR factors. That is the key finding, and what lends support to the entire conceptualization of this research. When taken individually, no one factor can come anywhere close to this. Where the bundle contributes the bulk of its power is in its complementarity: capability is built

through training, turned-on through leadership, maintained through culture, energized through motivation, and facilitated through environment. Jettison one and the system falters.

The Social Exchange Theory (Blau, 1964) provides the integrative framework: each factor is a resource the organization is offering, and as a bundle they are sufficient to form an exchange relation that can be sustained over the long term to elicit discretionary effort. The remaining 46.8% of variance can be attributed to individual level factors, team factors, macroeconomic factors, and so on that are not tapped in this model; nothing to do with the concept of a bundle failing.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes conclusions, practical recommendations, and contributions of research. Section 5.2 summarises findings by objectives. Section 5.3 presents conclusions. Section 5.4 provides practical recommendations for management of Ethio Telecom. Sections 5.5–5.7 deal with contributions of the research, limitations of the study, and recommendations for future research.

5.2 Summary of Major Findings

In this chapter, the core findings of this research are summarized as conclusions, followed by a set of applicable recommendations and the academic contributions of this research. Section 5.2 summarizes findings against objectives. Section 5.3 concludes research. Section 5.4 presents recommendations for Ethio Telecom. Sections 5.5 to 5.7 present contributions, limitations and directions for future research.

Reliability for each of the seven constructs was high (α = .852 to .889). Employee Performance was rated highest (M=3.824). Compensation and Benefits was rated lowest, (M=2.799); only variable rated within the Neutral range of 2.5-3.4..

All six predictor variables were significantly related to Employee Performance at $p < .01$ (r = .453 to .642). The regression model accounted for 53.2% of employee performance variance ($R2$ = .532, F (6, 333) = 63.154, $p < .001$). Train and Development and was the strongest predictor (β = .245), with Organizational Culture (.159), Motivation (.152), Leadership Style (.139), and Work Environment (.129) all being less influential. Compensation was not significant in the multivariate model (β = .069, p = .129).

Five of six hypotheses have been confirmed. H 4 (Compensation) was not confirmed by the regression, but was significantly correlated with the dependent variable. This indicates an indirect influence mediated by other variables.

5.3 Conclusions

5.3.1 Motivation

Motivation: has a strong positive effect on employee performance (H 1 supported. β= .152). While employees have a sincere intrinsic own-set motivation, support in other fields of

motivation; formal intrinsic motivational instruments (recognition procedures, clarity of performancegoals, non monetary incentives); needs further reinforcement. The problem is not employees' motivation, but its activation.

5.3.2 Training and Development

Training and Development was the only most potent predictor variable (H 2 supported, β = .245). Training relevance is recognized by employees, the deficiencies are in frequency, consistency and practice reinforcement afterward. This is the most valued investment to be made by HR at the moment.

5.3.3 Leadership Style

Leadership Style had an important impact on performance (H3 upheld, β= .139). Supervisory behavior was fair, supportive and participative, but was deficient of the transformational contribution that a competitive situation requires. Administration that promotes innovativeness is what is missing.

5.3.4 Compensation and Benefits

Compensation did not emerge as a key independent predictor in the regression (H 4 not confirmed, β = .069, p = .129). It operates more through indirect, primarily motivation and culture, channels than acting directly as a performance lever. However, that doesn't mean it is inconsequential. When we see it at an average of 2.799, it is the most negatively-rated human resource area in the study, and with a tangible rival acting as a daily benchmark, the structural danger is tangible and increasing.

5.3.5 Work Environment

Work environment: Has an impact on performance (H 5 accepted, β =.129). Despite positioning in the neutral mean (equally acceptable, neither nurturing nor constricting), conditions are acceptable, although never empowering. Resource sufficiency has effectively been obtained, yet resource surplus not so. Additional work environment advancements would provide fewer performance benefits than equivalent work on training and culture.

5.3.6 Organizational Culture

Organizational Culture was strongest predictor (H 6 supported, β = .159). The strengths; belonging, cohesion; are real. The weakness; adaptability and market responsiveness; is also real and is the dimension most immediately threatened by the competitive transition. Culture must be proactively managed not just preserved.

5.3.7 The Bundle Effect

The six-factor model accounted for 53.2% of the variance in employee performance (independent variables), and no individual factor approaches that. The empirical validity of the SHRM bundle premise was established: it is the bundle; training developing capability, leadership activating it, culture supporting it, motivation fueling it, environment facilitating it; that creates the performance outcome.

5.4 Recommendations

5.4.1 Motivation

Formalize a non-financial recognition system; create zones and monthly recognition meetings, peer-to-peer praise sites, supervisors/employee quarterly goal-setting meetings with defined performance expectations relative to competitor benchmarks. Increase frontline autonomy by establishing written empowerment policies and supervisor development programs on purposeful delegation. Goal-Setting Theory (Locke & Latham, 1990) estimates that the above mix will undoubtedly lead to noticeable performance improvements even before the dollars are invested.

5.4.2 Training and Development

Select training as strategic infrastructure not an administrative cost. Among other things, this means that one must: converting from year or ad hoc training events to at least quarterly formalized and planned development activities per employee; establish a formal Career Development Pathway identifying required competencies and promotion steps available at each level, directly addressing the career development gap revealed by the item-level data; develop partnerships with vendors on content maintenance;assess and train managers/supervisors on post-training reinforcement, where Transfer of Training Theory (Baldwin & Ford, 1988) suggests much of the investment is currently lost.

5.4.3 Leadership Style

Develop a formal Leadership Development Programme (with clear goals, measurement criteria, and mentoring) on the basis of the Transformational Leadership Theory (Bass, 1985), emphasizing the intellectual stimulation dimension (the most weakly developed dimension in the data).This training should include ideas like encouraging supervisors to generate psychologically safe experimentation environments, actively solicit ideas from operational frontline staff, and positively reinforce creative efforts regardless of outcome. Develop and implement a set sequence for participative decision-making that ensures all team members are regularly consulted, not just your favourites (Graen & UhlBiien, 1995).

5.4.4 Compensation and Benefits

Order a rapid market compensation benchmarking exercise that focuses on Ethio Telecom's pay structure in comparison with Safaricom and other telecom players in the neighbors. The question is not whether the question is asked... it will be... but whether management will answer it. In the short term, provide clear, fair, and fast link in the value of contributions to reward. CB3 (net reward system linked to actual performance) proved to be the worst item in the whole study. Repairing this on a smooth signal is less costly than unrolling the entire pay scheme, and Expectancy Theory (Vroom, 1964) guarantees it will provide the needed impetus.

5.4.5 Work Environment

Implement a systematized environmental audit through all five zones to determine which zones score below the organization average on physical resources, technology availability, or psychosocial factors. Upgrade those zones accordingly. In addition, solidify team work habits: either formalized opportunities for teams of different zones to exchange knowledge, team work with teamwork across zones, explicit communication of teams' contributions to zone performance objectives.

5.4.6 Organizational Culture

Pro-actively develop the elements of Adhocracy; tolerance of innovation and speed; external focus on the market place; but maintain the Clan cohesion that is of real value. Develop conspicuous innovation forums where staff have their ideas for improvement of the service supported by the executive. Assess the degree of cultural change explicitly in appraises. Schein (1985) confirms what seems intuitively true that the single most powerful element in

cultural change will always be the visible, consistent leadership behaviour; it's the executives showing the competitive mind-set that are key, not just talking about it.

5.4.7 Strategic HR Integration

Four systemic changes. First, create a comprehensive HR performance dashboard capturing all six dimensions at the executive level and evaluate biannually. Second, sequence the investment: Training and Development immediately (clusters fairly strongly) followed by Leadership Development and Culture change as a cocktail in parallel over 12–18 months; Compensation US benchmarking and restructuring top out the medium-term cycle; incremental upgrades to work environment. Third, architect policies by dimensions of impact in concert; co-develop a new performance-pay system with supervisory training in order to truly impact motivation and culture and not be "just another HR or performance management system to implement". Fourth, commission a mixed-methods follow-up study investigating the 46.8% "unexplained variance"; team dynamics, individual personality traits, and zone/culture-specific factors that a purely quantitative survey will not illuminate.

5.5 Contributions of the Study

5.5.1 Theoretical Contribution

Six different theories; Human Capital Theory, Social Exchange Theory, Transformational Leadership Theory, Schein's Cultural Model, the JD-R Model and Equity Theory; were synthesized into one empirical test in the form of an SHRM bundle. The mediating effects of Compensation through indirect rather than direct performance channels yielded a subtle contribution to the motivation-performance literature in a competitive market transition context where such a dynamic had not previously been empirically tested for Ethiopian telecom organizations.

5.5.2 Practical Contribution

The exercise provides for Ethio Telecom management a prioritized, tailored HR roadmap of where they should go and how fast; relating to hard data collected from 340 employees in all five of the competitive zones. Train first. Culture second. Compensation a structural solution; a1 to be avoided for as long as possible. That prioritization is more valuable than the general HR prescriptions exactly because it is data-driven.

5.5.3 Methodological Contribution

A methodological standard for the Ethio Telecom HR study was established by this research: all five zones were predefined as stratum, the five-type Ethio Telecom sample was obtained through a six-factor simultaneous regression, all assumptions were carefully tested, item-level diagnostic analyses conducted, and a 99.1% response rate achieved. This design can be readily used for a longitudinal follow-up study and to compare working condition attributes against Safaricom Ethiopia HR employee data.

5.6 Limitations

Cross-sectional design precludes any causal inference. Self-report data is subject to social desirability bias especially for performance items. Geographic restriction to Addis Ababa limits the application of findings to regional offices where competitive environment may be different. The model explains only 53.2% of the variation in performance; 46.8% of the variance is unexplained, individual and team level factors are not captured in the survey.

5.7 Directions for Future Research

A longitudinal study tracking employees before and after a specific HR intervention; a training program redesign, for instance; would provide causal evidence that cross-sectional data can't. Compensation's indirect effect deserves mixed-methods investigation: qualitative interviews with employees across tenure groups could reveal the specific mediating variables; job satisfaction, turnover intention, organizational commitment; through which compensation operates. A comparative study between Addis Ababa and regional zones would test whether competitive pressure moderates the performance driver hierarchy. And a direct comparison between Ethio Telecom and Safaricom Ethiopia; examining how different HR bundle configurations produce different performance outcomes in the same market; would generate insights of immediate practical and theoretical value to both organizations and to Ethiopian telecom HR policy more broadly.

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APPENDIX

RESEARCH QUESTIONNAIRE

ADDIS ABABA UNIVERSITY

College of Business and Economics; Department of Management

Study: Factors Affecting Employee Performance in a Competitive Market; Ethio Telecom, Addis Ababa Zones

Abel Abreha | GSD/1177/16 | Advisor: Demeke Chimdessa (PhD)

To the Respondent

This is the questionnaire for my MBA research from Addis Ababa University. I am examining 6 factors; motivation, training, leadership, remuneration, work environment, and culture, on employees' performance at the Addis Ababa offices of Ethio Telecom. You are selected from your zone..A few things you should know before we begin. Your responses are all anonymous; you can't be identified based on your responses and nothing is reported individually. There are no "correct" responses; I want your honest assessment of your situation. This should only take about 15 minutes. The survey consists of 3 sections: demography questions, situation specific questions, and a brief performance section. Please complete it all and do not leave anything blank as it impacts the analysis. If any question is not fully understood, email me via the Department of Management for clarification.

Thank you; genuinely. Your input is what makes this research meaningful.

PART ONE: ABOUT YOU

Tick (✓) one box per question.

1. Gender

- ☐ Male
- ☐ Female

2. Age

- ☐ 18–25 years
- ☐ 26–35 years
- ☐ 36–45 years
- ☐ Above 45 years

3. Highest qualification

- ☐ Diploma
- ☐ First Degree (BA / BSc)
- ☐ Masters or above

4. Years at Ethio Telecom

- ☐ Less than 2 years
- ☐ 2–5 years
- ☐ 6–10 years
- ☐ More than 10 years

5. Your zone

- ☐ North Addis Ababa

☐ South Addis Ababa

☐ East Addis Ababa

☐ West Addis Ababa

☐ Southwest Addis Ababa

PART TWO: YOUR WORK EXPERIENCE

For each statement below, tick the number that best matches your experience. Use the scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

1; Strongly Disagree	2; Disagree	3; Neutral	4; Agree	5; Strongly Agree

Section A: Motivation *(tick one box per row)*

#	Statement	1 SD	2 D	3 N	4 A	5 SA	
A1	I feel strongly committed to achieving Ethio Telecom's organisational goals.	☐	☐	☐	☐	☐	
A2	Recognition from management motivates me to perform better.	☐	☐	☐	☐	☐	
A3	I'm willing to put in extra effort beyond my normal duties when the organisation needs it.	☐	☐	☐	☐	☐	
A4	Management provides non-financial incentives; like recognition or feedback; that boost my morale.	☐	☐	☐	☐	☐	
A5	I have enough autonomy to make decisions when handling customer service challenges.	☐	☐	☐	☐	☐	

#	Statement	1 SD	2 D	3 N	4 A	5 SA	
A6	Clear performance goals from my supervisor help me compete effectively.	☐	☐	☐	☐	☐	

Section B: Training and Development *(tick one box per row)*

#	Statement	1 SD	2 D	3 N	4 A	5 SA	
B1	Ethio Telecom provides regular training to keep my skills current.	☐	☐	☐	☐	☐	
B2	The training I receive helps me handle the challenges of a competitive market.	☐	☐	☐	☐	☐	
B3	Training programs here stay aligned with the latest changes in telecoms technology.	☐	☐	☐	☐	☐	
B4	I'm satisfied with how often training is offered and the quality of what's delivered.	☐	☐	☐	☐	☐	
B5	Training at Ethio Telecom gives me the skills I need to work with new technologies.	☐	☐	☐	☐	☐	
B6	The career development opportunities here motivate me to improve how I work day-to-day.	☐	☐	☐	☐	☐	

Section C: Leadership Style *(tick one box per row)*

#	Statement	1 SD	2 D	3 N	4 A	5 SA	
C1	My supervisor gives clear direction and real support for my daily tasks.	☐	☐	☐	☐	☐	
C2	Leadership in my organisation actively encourages innovation to stay ahead of competitors.	☐	☐	☐	☐	☐	
C3	My supervisor's style keeps me motivated even when market pressure is high.	☐	☐	☐	☐	☐	
C4	My supervisor genuinely involves me in decisions that affect my work.	☐	☐	☐	☐	☐	
C5	My supervisor provides the kind of inspirational support that helps our team hit its targets.	☐	☐	☐	☐	☐	
C6	My leader gives constructive feedback that actually improves how I deliver service.	☐	☐	☐	☐	☐	

Section D: Compensation and Benefits *(tick one box per row)*

#	Statement	1 SD	2 D	3 N	4 A	5 SA	
D1	I'm satisfied with my salary and benefits package at Ethio Telecom.	☐	☐	☐	☐	☐	
D2	My pay is competitive enough that I'm not looking for jobs elsewhere.	☐	☐	☐	☐	☐	
D3	The reward system here is clearly and fairly linked to what I actually produce.	☐	☐	☐	☐	☐	
D4	The benefits package covers my basic financial and personal needs.	☐	☐	☐	☐	☐	
D5	Pay and incentives at Ethio Telecom are strong enough to keep top performers from leaving.	☐	☐	☐	☐	☐	
D6	Non-financial benefits fairly recognise people who put in extra effort.	☐	☐	☐	☐	☐	

Section E: Work Environment *(tick one box per row)*

#	Statement	1 SD	2 D	3 N	4 A	5 SA	
E1	My physical workspace is comfortable and set up for productive work.	☐	☐	☐	☐	☐	
E2	I have the modern tools and technology I need to deliver quality service.	☐	☐	☐	☐	☐	

#	Statement	1 SD	2 D	3 N	4 A	5 SA	
E3	The culture in my zone encourages healthy competition and high performance.	☐	☐	☐	☐	☐	
E4	People in my department genuinely support each other and work well as a team.	☐	☐	☐	☐	☐	
E5	My workspace and tools let me handle high customer volumes without it becoming chaotic.	☐	☐	☐	☐	☐	
E6	Team collaboration in my zone reduces stress and improves our overall output.	☐	☐	☐	☐	☐	

Section F: Organizational Culture *(tick one box per row)*

#	Statement	1 SD	2 D	3 N	4 A	5 SA	
F1	Ethio Telecom's values push me to be innovative and take initiative.	☐	☐	☐	☐	☐	
F2	The culture in my zone encourages staff to compete constructively with each other.	☐	☐	☐	☐	☐	
F3	There's genuine teamwork across departments; people pull together toward shared goals.	☐	☐	☐	☐	☐	

#	Statement	1 SD	2 D	3 N	4 A	5 SA	
F4	The culture here is flexible enough that we can adapt when the market changes.	☐	☐	☐	☐	☐	
F5	Ethio Telecom actually values innovation and encourages me to suggest improvements.	☐	☐	☐	☐	☐	
F6	Feeling part of the Ethio Telecom family drives me to go beyond what's expected of me.	☐	☐	☐	☐	☐	

PART THREE: YOUR PERFORMANCE

This last section asks you to honestly assess your own work performance. There's no grading here; just your genuine view. Same scale as above.

Section G: Employee Performance *(tick one box per row)*

#	Statement	1 SD	2 D	3 N	4 A	5 SA	
G1	I consistently meet or exceed the performance targets set for my zone.	☐	☐	☐	☐	☐	
G2	I'm highly efficient at handling customer needs compared to what the industry expects.	☐	☐	☐	☐	☐	
G3	The quality of my work makes a real contribution to Ethio Telecom's competitive position.	☐	☐	☐	☐	☐	
G4	I get all my assigned tasks done within working hours; consistently, not just sometimes.	☐	☐	☐	☐	☐	
G5	My output meets or exceeds Ethio Telecom's service quality standards.	☐	☐	☐	☐	☐	
G6	I regularly come up with solutions that help my zone outperform the competition.	☐	☐	☐	☐	☐	

; End of questionnaire ;

Thank you for your time. It genuinely matters.

Appendix B; Variable Coding Reference (Researcher Use)

Maps each questionnaire item to its SPSS variable name, construct, and role in the analysis.

Q.	SPSS Var	Item (abbreviated)	Construct	Role
A1	MOT1	Commitment to organisational goals	Motivation	IV
A2	MOT2	Recognition motivates performance	Motivation	IV
A3	MOT3	Willingness to exert extra effort	Motivation	IV
A4	MOT4	Non-financial incentives boost morale	Motivation	IV
A5	MOT5	Autonomy in customer service	Motivation	IV
A6	MOT6	Clear goals from supervisor	Motivation	IV
B1	TRN1	Regular training provided	Training & Dev.	IV
B2	TRN2	Training helps competitive challenges	Training & Dev.	IV
B3	TRN3	Training aligned with tech changes	Training & Dev.	IV
B4	TRN4	Satisfied with training quality/frequency	Training & Dev.	IV
B5	TRN5	Training equips new-tech skills	Training & Dev.	IV
B6	TRN6	Career dev. motivates productivity	Training & Dev.	IV
C1	LS1	Supervisor clear direction	Leadership Style	IV
C2	LS2	Leadership encourages innovation	Leadership Style	IV

Q.	SPSS Var	Item (abbreviated)	Construct	Role
C3	LS3	Supervisor keeps motivation high	Leadership Style	IV
C4	LS4	Supervisor involves in decisions	Leadership Style	IV
C5	LS5	Supervisor inspirational support	Leadership Style	IV
C6	LS6	Leader constructive feedback	Leadership Style	IV
D1	CB1	Satisfied with salary and benefits	Compensation	IV
D2	CB2	Pay competitive vs. other firms	Compensation	IV
D3	CB3	Reward linked to performance	Compensation	IV
D4	CB4	Benefits meet basic needs	Compensation	IV
D5	CB5	Pay retains top performers	Compensation	IV
D6	CB6	Non-financial benefits fair	Compensation	IV
E1	WE1	Physical environment productive	Work Env.	IV
E2	WE2	Modern tools and technology	Work Env.	IV
E3	WE3	Culture promotes competition	Work Env.	IV
E4	WE4	Culture encourages teamwork	Work Env.	IV
E5	WE5	Workspace handles volume	Work Env.	IV
E6	WE6	Team collaboration reduces stress	Work Env.	IV
F1	OC1	Values encourage innovation	Org. Culture	IV
F2	OC2	Culture promotes staff competition	Org. Culture	IV
F3	OC3	Teamwork across departments	Org. Culture	IV
F4	OC4	Culture flexible for market change	Org. Culture	IV
F5	OC5	Values encourage improvements	Org. Culture	IV
F6	OC6	Belonging drives extra effort	Org. Culture	IV

Q.	SPSS Var	Item (abbreviated)	Construct	Role
G1	EP1	Meets zone targets	Employee Perf.	DV
G2	EP2	Efficient customer handling	Employee Perf.	DV
G3	EP3	Work quality; competitive edge	Employee Perf.	DV
G4	EP4	Tasks done within hours	Employee Perf.	DV
G5	EP5	Meets service quality standards	Employee Perf.	DV
G6	EP6	Delivers innovative solutions	Employee Perf.	DV

Note. *IV = Independent Variable; DV = Dependent Variable. All items scored 1–5 (1 = Strongly Disagree, 5 = Strongly Agree). Composite score per construct = mean of its 6 items.*