



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY!



**THE EFFECT OF WORK ENVIRONMENT ON EMPLOYEES PERFORMANCE ON
SELECTED PRIVATE BANKS OF ETHIOPIA**

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

**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF ADDIS
ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION**

BY: BONSA TESFAYE

ADVISOR: DR. DEJEN TULLU

JUNE, 2023

ADDIS ABABA, ETHIOPIA

Declaration

I Bonsa Tesfaye declare that this thesis is my original work and it is the result of my effort prepared under the advice of Dejene Tullu (Ph.D.). The entire sources of material used for the study were duly acknowledged. This research has not been submitted for any degree in part or full in this university or any other higher institutions, rather it is presented for the partial fulfillment of the degree of Master of Business Administration.

Declared By: Bonsa Tesfaye

Signature: _____



Date: June 2023

Confirmed By: Dejene Tullu (Ph.D.)

Signature: _____



Date: _____

Certification

This is to certify that the thesis conducted by Bensa Tesfaye with a title called the effect of working environment on employee's performance in the instance of five selected private banks in Ethiopia by comparing them regarding the four factors. The thesis was submitted in partial fulfillment of the requirements for the Master of Business Administration and complies with the regulations of the university. Further, the thesis meets the accepted standard with respect to originality and quality.

Approved by the Board of Examiners

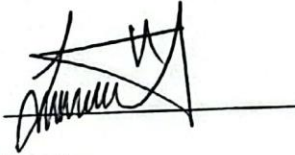
Advisor

Signature

Date

Desalegn A

Internal Examiner



Signature

18-07-23

Date

Taye A. (PhD)

External Examiner



Signature

July-01-2023

Date

Chair of Department or Graduate Program Coordinator

Acknowledgement

First and foremost, I want to give my thanks to Almighty God and saint Marry Next, I would able to thank many people who have helped me in the writing of the thesis. I would like to extend my heartfelt thanks to my academic advisor Dejene Tulu (PHD), for his willingness to provide me with technical support, relevant materials, and for his invaluable scientific advice and without his critical comments; this thesis would have been realized. Special thanks also extend to staffs of Zemen bank, Awash bank, Buna bank, Abyssinia bank and Enat bank and all the participants of the questionnaire who have contributed their valuable opinions for the success of the research.

Abstract

The aim of this study was to investigate the effect of working environment on employee's performance in the instance of five selected private banks in Ethiopia by comparing them regarding the four factors. The investigation was carried out using a method known as a descriptive research design. Two hundred Employees received surveys to complete on their own. Considering the 180 returned survey forms Response rates were 90%. It allows the researcher to use the SPSS version 23 statistical tool to carry out the data analysis. Multiple regression, correlation, and descriptive analyses were therefore carried out. According to the correlation analysis, Physical Environment, Training/ Development, Communication with Supervisor and Job Aid in Work place are positively and highly associated with performance of the employee. The results of the multiple regression analysis showed Physical Environment ($\beta=0.164$), Training/ Development ($\beta=0.22$), Communication with Supervisor ($\beta =0.217$), and Job Aid in Work place ($\beta =0.251$) has an important impact on employee's performance. The regression analysis also demonstrates (adjusted R square =0.575, $p<0.05$) this implies 57.5 % alterations in employee's performance explained by a change in each independent variable individually of working environment. In general, this study revealed a favorable and strong correlation between working environment and employee's performance in those selected banks. The report suggests those banks to keep their training and development and improve some physical environment on their other to keep them happy as those head office branch and improve communication problem of some of their senior staff and supervisor and do more on job aid at work place.

Keywords: Physical Environment, Training/ Development, Communication with Supervisor and Job Aid in Work place and performance of the employee.

Table of Contents

Page

Declaration	i
Certification	ii
Acknowledgement	iii
Abstract	iv
List of table	viii
Chapter one	1
Introduction	1
1.1 Background of the study	1
1.2 Summary of banking history in Ethiopia	2
1.3 Statement of the problem	3
1.4 Research Question.....	4
1.5 Objectives.....	5
1.5.1 General objectives	5
1.6 Significance of the Study	5
1.7 Scope of the Study	6
1.8 Organization of the Paper	6
Chapter Two.....	7
Literature Review.....	7
2.1 Introduction.....	7
2.2 Theoretical Basis of the Study	7
2.2.1 Herzberg Two Factor Theory of Motivation.....	7
2.3 Conceptual Definitions	8
2.3.1 Working environment	8
2.3.2 Employee Performance	9
2.4 Working Environment Factors that Affect Employees Performance	9
2.4.1 Physical Workplace Environmental Factors	9
2.4.2 Training and Development.....	11
2.4.3 Communication with Supervisor	11
2.4.4 Job Aid	12
2.5 Empirical Review	12
2.6 Conceptual Framework.....	13
2.7 Theoretical Framework	14

2.7.1 Physical Work Environment and Employee Performance.....	14
2.7.2 Communication with Supervisor and Employee Performance	15
2.7.3 Training and Development on Employee Performance	15
2.7.4 Job Aid and Employee Performance.....	15
2.8 Research Hypothesis	15
Chapter Three.....	16
Research Methodology	16
3.1. Introduction	16
3.2. Research Design.....	16
3.3 Population of the Study.....	16
3.4 Sample Size.....	17
Table 3.1 Sample Size Determination.....	17
Table 3.2: Employees and the percentage of samples drawn from each bank.....	18
3.5 Sampling Techniques	18
3.7 Model Specification	19
3.8 Validity of the Measurements Used.....	19
Table 3.3 Reliability Result	20
3.9 Data Analysis	20
3.10 Time Horizon of the study	21
Chapter Four	22
Data Presentation, Analysis and Discussion	22
4.1 Introduction.....	22
4.2 Response Rate	22
4.3 Demographic Information of Respondents	22
4.3.1 Gender Respondents	22
Table 4.1 Gender of Responder	23
4.3.2 Age Respondents.....	23
Table 4.2 Age Respondents	23
4.3.3 Academics Qualification Respondents	23
Table 4.3 Academics Qualification of respondent.....	24
4.3.4 Banking Experience Respondents.....	24
Table 4.4 Banking Experience of respondent	24
4.4 Descriptive Analysis of Measurement Items	24

Table 4.5: Summary of Descriptive Statistics Survey Response	25
4.5. Correlation Analysis	27
Table 4.6: Interpreting a Correlation Coefficient Conventional	27
Table 4.7 Correlations Analysis	36
4.6. Regression Analyses	37
4.6.1. Linearity	37
4.6.2 Normality	38
4.6.3. No Perfect Multi-Collinearity	39
Table 4.8: Collinearity Statistics	40
4.6.4. Homoscedasticity	40
Table 4.9: Breusch-Pagan Homoscedasticity Test	40
4.6.5. Model Summary	41
Table 4.10: Model Summary	42
4.6.7. Multiple Regression Coefficients	42
Table 4.11: A Variety of Regression Coefficients	43
4.6.8. Comparisons between the Bank	43
Table 4.12 comparison between bank	44
4.6.9. Testing Hypotheses	44
Table 4.13: Summary of Research Questions, Hypothesis, and Research Findings	45
4.6. Discussion of Results	46
Chapter Five	48
Summary, Conclusions, Recommendations, and Direction for Future Research	48
5.1 Summary	48
5.2 Conclusions	49
5.3 Recommendations	50
5.4 Limitation and Future Research Direction	51
REFERENCE	52
Appendix	i
Appendix A: Questionnaire	i
Appendix B: Reliability Statistics	iv
Appendix C	iv
Appendix C: 1 Descriptive Statistics and Correlations	iv
Appendix C: 2 Model Summary, ANOVA, Coefficients & Collinearity Diagnostic	ix

List of table

Table 3.1 Sample Size Determination.....	17
Table 3.2: Employees and the percentage of samples drawn from each bank.....	18
Table 3.3 Reliability Result	20
Table 4.1 Gender of Responder	23
Table 4.2 Age Respondents	23
Table 4.3 Academics Qualification of respondent.....	24
Table 4.4 Banking Experience of respondent	24
Table 4.5: Summary of Descriptive Statistics Survey Response	25
Table 4.6: Interpreting a Correlation Coefficient Conventional	27
Table 4.7 Correlations Analysis	36
Table 4.8: Collinearity Statistics.....	40
Table 4.9: Breusch-Pagan Homoscedasticity Test.....	40
Table 4.10: Model Summary	42
Table 4.11: A Variety of Regression Coefficients	43
Table 4.12 comparison between bank.....	44
Table 4.13: Summary of Research Questions, Hypothesis, and Research Findings	45

Chapter one

Introduction

The background of the study, an overview of Ethiopian banking history, a statement of the problem, study objectives, a research question, and the significance of the study, its scope, and its organization are all included in this chapter.

1.1 Background of the study

Due to the competitive business environment today, firms must be aware of their future employees. There are important aspects of an employee's office environment that can have a big impact on their motivation and level of performance. Workplace environment characteristics have a significant impact on changes in lifestyle, work-life balance, and physical fitness, whether such changes are positive or bad, Chandrasekhar (2011). Every firm must keep an eye on both its internal and external environments to ensure that certain objectives are met. According to Ahmad (2010), an organization is a structured body created to achieve particular goals by combining various sorts of resources.

Corporate entities' internal environments play a crucial role in their ability to survive. Organizations now prioritize enhancing employee performance due to the challenging economic climate and fierce competition. Workplace elements include social support, physical working environments, job features, training and growth opportunities, and communication methods. The assistance a person receives from their coworkers, manager, and colleagues to carry out their work well is referred to as social support. It makes relationship structure clear (Greenhaus and Parasuraman, 1994). It can be divided into two types, such as social support for individuals and social support for organizations.

Employees' performance is the most significant dependent variable in a study of organizational and industrial psychology. Multidimensional employee performance is crucial for corporate success (Dyne et al., 2002; Campbell, 1990). Three things influence how well a job is done: effort, skill, and the type of working conditions. The employee's skills include their knowledge, skills, and competencies; effort is the level of motivation they bring to the job; and the nature of the working environment is the degree to which these factors are adjusted to increase productivity (Kazmi et al., 2008).

In general, in the 1990's, the issues of work environment had changed owing to the changes in numerous reasons such as the social environment, information technology and the flexible ways of organizing work procedures (Hasun & Makhbul, 2005). When employees are physically and emotionally fit will aspire to work and their performance outcomes increased. Besides, a proper workplace environment helps in reducing the number of absenteeism and thus can rise the employees' performance, which tips to increased productivity at the workplace (Boles et al.2004).

1.2 Summary of banking history in Ethiopia

On February 15th, 1906, Ethiopian banking started when Emperor Menelik II inaugurated Bank of Abyssinia the first in history of Ethiopia. It was a private bank, and Addis Abeba, New York, Paris, London, and Vienna all sold shares. Numerous locations for the bank's branches were established, including Harar (1906), Dire Dawa (1908), Gore (1912), and Dese (1920). The Franco-Ethiopian Railway, which reached Addis Abeba in 1917, was one of the first projects the bank funded. In 1920, the bank then established a transit office in Djibouti. (2013) Shinn & Ofcansky.

Under Emperor Haile Selassie, the Ethiopian government shut down the Bank of Abyssinia, paid out compensation to its shareholders, and founded the Bank of Ethiopia, which is entirely owned by Ethiopians and has a capital of £750,000. In 1932, the Bank opened for business. The Emperor and the ruling class at the time held the majority of shares in the Bank of Ethiopia. The Bank is permitted to combine the roles of commercial banking and central banking (printing banknotes and coins). In Harar, Gore, Dessie, Debre Tabor, and Dire Dawa, the Bank of Ethiopia opened offices. The Bank of Ethiopia ceased operations during the Italian occupation (1936–1941), while other Italian financial organizations continued to operate there. They belonged to Banco Di Roma.

On April 15, 1943, the State Bank of Ethiopia took over as the country's central bank; it remained in operation until 1963. According to Shinn & Ofcansky (2013), the State Bank of Ethiopia had 19 domestic branches, a branch in Khartoum, and a transit office in Djibouti when it ceased operations in 1963. The NBE (2010) also claims that once the Dergue regime established a command economy in 1974, the government increased its grip by nationalizing all existing private banks and merging them into a single institution. After nationalization under the

Dergue dictatorship, only three government-owned banks remained in existence: the National Bank of Ethiopia, the Commercial Bank of Ethiopia, and the Agricultural and Industrial Development Bank (Mortgage Bank).

When the socialist dictatorship was ousted in 1991, this was reversed. Then, in 1994, the Banking Business Proclamation No. 84/1994 was released, which signaled the start of a new era for Ethiopia's banking sector. Many private banks have been founded as a result of the country's banking laws being modified in the 1990s. (<https://nbe.gov.et/about-national-bank-of-ethiopia/>). For instance, there were twenty-six banks that were already up and running in the country as of the 2021–12 fiscal year. 24 of these banks are privately owned, and the other two are owned by the government. There are also indications that various people and organizations are interested in founding more new banks. (<https://nbe.gov.et/banks/>).

1.3 Statement of the problem

Noble (2009) positions that extra attention should be given in recognizing and dealing with working environment because when employees have bad perception to their environment they sometimes struggle from long-lasting stress. Opperman (2002) specified that, working environment means those processes, systems, structures, tools or conditions in the workplace that influence positively or negatively individual performance. The working environment also embraces policies, rules, culture, capitals, working relations, work site, internal and external environmental factors, all of which affect the ways that employee achieve their job roles.

A workplace is a setting where people collaborate to achieve organizational goals, Tafique T. (2015). It refers to all those things—systems, procedures, structures, tools—that work with employees and have a positive or negative impact on their performance. Among modern employees and managers, the state of the workplace has become one of the crucial alarms. Workers are the driving force behind every productive endeavor. The success of the task cannot be achieved just by using technology and approaches (Normala, 2010).

There are researches conducted across the world, which focuses on these areas. Among them the connection between job area condition and employee performance and the impact of company culture, leadership style, and work environment Paradox. The findings indicate that while the organizational culture, work environment, and leadership style all have positive and

substantial effects on job satisfaction, only the leadership style has a positive and significant impact on employee performance, Pawirosumarto S. et al (2017). When we see the other example, the researcher examines the effect of the workplace on employees' performance at the Institute of Financial Management. This public organization, located in the heart of Dar Salaam City (Tanzania), exposes the findings and claims that the organization's working environment had an effect on its employees in terms of the respondents. Christabella p (2014).

There are also researches conducted in Ethiopia relating to these issues. Among them study on “the effect of working environment on employee’s performance made by Tihut Zekarias (2016) different branch of Commercial Bank of Ethiopia within Addis Ababa” and “The effect of working environment on employees’ commitment at development bank of Ethiopia by Aynalem Dagne (2018)”. This focuses on analyzing the relationship between work/life balance aspects and individuals' commitment to their jobs. Therefore, the researcher sees some gaps on the researches, which studied by previous researchers, which they mainly focus on factors that affect employees’ performance in an organization onl. Therefore, main gap that the researcher wants to address is that the comparative difference that working environment has on employee’s performance across different selected private banks in Ethiopia by taking four factors that have an effect on employee performance.

1.4 Research Question

The researcher attempts to respond to the major study question, which is: What is the effect of Working Environment on Employee's Performance, in light of the previously indicated signs of difficulties and keeping those in mind.

1. What effect does a physical working environment have an impact on employees performance
2. What effect does job aid has an impact on employees performance.
3. What effect does training and development programs have an impact on employees performance.
4. What effect does communication with Supervisor have on employees performance.

1.5 Objectives

1.5.1 General objectives

The researcher has created the primary and particular objectives in order to respond to the research questions. The general objectives of the study are to show the comparative difference that working environment has on employee's performance across different selected private banks in Ethiopia.

1.5.2 Specific Objectives

- To investigate the effect of physical working environments on the performance of employees.
- To find out the effect of job aid on employee's performance.
- To examine the effect of training and development the performance of employees.
- To investigate the effect of communication practices on employee's performance.

1.6 Significance of the Study

The researcher is interested on the comparative difference that working environment has on employee's performance across different selected private banks in Ethiopia. It is needed to understand the very effect of work environment of the organizations for its achievement or failure on its reason of existence by affecting of the employee's on their task performance. This study can enable the top management and human resource department of these selected private banks to comprehend and recognize how work environment can have an effect on their employee's performance and organizational performance when they compare to the other competitive organization. It also helps the organization to make its work environment be fascinating and leads its employees in a higher job performance to go the organization successful in its goals and objectives designed by improving the physical working environment, its training and development programs, its Job aid at work place and its communication channels. The study, which thoroughly examined the impact that the work environment has on employee performance and also made important recommendations that, enable the firm to continually reevaluate the current work environment in order to maximize its advantages. In addition, it will probably contribute to our current understanding of the subject and serve as a resource for future studies.

1.7 Scope of the Study

This study examined the relationship between the two variables. The study covered the extent to which the effects of work environment on the performance of employees who are working in these selected private banks. Due to the difficulty, to cover all branches because of it is time consuming and costly too to manage the population size and to discover the sample size of all employees of these selected banks, based on Judgment sampling method the researcher taken the population from the head office those selected banks and take sample from them. Since the study's time horizon is constrained to a single time period, its methodological scope is cross sectional.

1.8 Organization of the Paper

The researcher organized on five chapters. The first chapter contains background of the study, overview of the banking history on Ethiopia, statement of the problem, research question, and objectives of the study, significance of the study and scope of the study. Chapter Two emphasizes on the existing literature of work environment and employee's performance from theoretical views and empirical views. Chapter Three focuses on the design of the research and the type of methodology that the researcher is going to use to achieve the research objectives. Chapter Four is covered by data presentation and it shows the results of the relationship between work environment and Employee performance. Chapter Five summarized the findings and develops conclusions and forwards recommendation for the study

Chapter Two

Literature Review

2.1 Introduction

A literature review is a combination of the literature that describes what has been studied the particular research question or hypothesis. The emphasis of the study is on work environment and employee's performance. Accordingly, the review looks at the theoretical and empirical views on the work environment factor that have an effect on employee's performance.

2.2 Theoretical Basis of the Study

The relationship between the office environment and employee performance is the subject of numerous theories. This study is based on Frederick Herzberg's notion of the two factors (the hygiene, or Affective and Motivators).

2.2.1 Herzberg Two Factor Theory of Motivation

A behavioral scientist named Frederick Herzberg developed the motivator-hygiene theory, often known as the Two Factor Theory, in 1959. According to Herzberg, some job variables contribute to satisfaction while others shield employees against unhappiness. Herzberg asserts that the opposites of "satisfaction" and "dissatisfaction" are "no satisfaction" and "no dissatisfaction," respectively. Herzberg identified two categories of variables—motivation and hygiene variables—that influence how employees behave at work and their levels of performance (Robbins and Judge, 2007). According to him, hygiene elements are extrinsic factors to prevent any employee unhappiness, but incentive factors are intrinsic factors that would boost employees' job satisfaction. The notion suggested that enhancing the working environment encourages individuals to do well.

Prachi Juange (2015), the focus of Herzberg's theory is on the significance of internal employment characteristics as employee motivators. He divided these job-related characteristics into two groups. These are motivating and hygienic considerations. These job-related aspects of hygiene are essential for maintaining motivation at the workplace. These do not lead to long-term good satisfaction. However, if these elements are missing or nonexistent at the workplace, it will result in dissatisfaction. In other words, hygiene considerations are those aspects of a job that, when sufficient or reasonable, calm employees and prevent them from becoming unsatisfied. These aspects of labor are extrinsic. Hygiene factors symbolized the physiological

needs which the individuals desired and expected to be fulfilled. These hygiene factors include pay, company policies, fringe benefit, physical working conditions, status, interpersonal relations and job security.

According to Herzberg, the hygiene factors cannot be observed as motivators. Prachi Juange (2015), the motivational factors yield positive satisfaction. These factors are intrinsic to work. These factors motivate the employees for a greater performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit. This includes: recognition, sense of achievement, growth and promotional opportunities, responsibilities, and meaningfulness of the work.

2.3 Conceptual Definitions

A pleasant and accommodating work environment offers the conditions necessary for people to perform well, making the greatest use of their knowledge, skills, and abilities as well as the available resources to deliver high-quality organization services. The key ideas on the working environment and employee performance are presented in this section from several perspectives.

2.3.1 Working environment

The entirety of the interactions between employees and the setting in which they operate is referred to as the working environment. The term "working environment" is used by Kohun (1992) to refer to the entirety of forces, actions, and other significant variables that are currently and/or potentially in competition with the employee's performance and activities. According to Brenner (2004), how the work environment is built to enable organizations to use the work environment as if it were an asset determines the capacity to transfer knowledge across organizations. This enables businesses to advance successfully and gives workers access to common information. He added that a work atmosphere that prioritizes employee happiness and a free exchange of ideas is a better way to motivate staff to do higher-quality work.

According to a study by Chevalier (2004), when environmental supports are comprehensive, employees are better equipped to do tasks that are expected of them or that aid in boosting employee performance and reducing complaints and absenteeism while enhancing efficiency.

2.3.2 Employee Performance

According to Sinha (2001), an employee's performance is dependent on how ready and willing they are to accomplish their duties. He added that having staff that are willing and open to executing their jobs could lead to an improvement in productivity, which in turn affects performance. According to Stup (2003), employers must ensure that employees complete their tasks on time in order to meet the organization's goal or target in order to have a standard performance. Employers may be able to monitor their staff members' performance and assist them in improving it if the work or job is completed on schedule. Additionally, a system of rewards based on employee performance ought to be put in place. This is done to motivate the workers to work harder on their tasks. According to Stup (2003), there are many elements that contribute to employees performing at their best. The determinants include things like the physical work environment, tools, meaningful job, performance expectations, and performance feedback, as well as things like standard operating procedures, knowledge, skills, and attitudes. Franco et al. (2002) characterized performance as being dependent on personal drive, while resources and the presence of necessary skills and intelligence clearly have an impact. Significantly, companies are obligated to create acceptable working conditions in order to ensure that employees' performance meets the necessary criteria.

2.4 Working Environment Factors that Affect Employees Performance

The environment at work consists of a variety of elements that are crucial predictors of worker performance (Lambert, 2001). These variables could have a good or negative impact on achieving peak staff performance.

2.4.1 Physical Workplace Environmental Factors

A person's physical work environment might determine whether or not they match the workplace culture. An ergonomic workplace can also refer to a physical workspace. Cooper & Dewe,(2004). Environment means the neighboring conditions of any individual, organization, or object, these surroundings may influence those person, institutions, or objects in different ways. According to Shaya & Khait (2017), it is crucial to provide attention to the office environment because of two factors: first, employees must have a comfortable workplace and access to social networks outside of their firm. An organization manages a comfortable and healthy work environment based on moral, legal, and financial standards. In keeping with ethical principles, an organization's management upholds a secure, appropriate, and all-encompassing environment

that is entirely founded on humanity. Even activities are carried out by the management to provide a helpful and reliable work environment. Physical work surroundings, according to Osibanjo et al. (2014), are all the factors that surround a company and have the potential to directly or indirectly affect the employees. Additionally, it affects how employees perform their tasks and how they conduct themselves ethically and emotionally. The closeness, width, loudness, and air density all have a role in how someone feels. Additionally, it may put employees under strain, which could affect how productive they are.

Only when the organizational environment is safe and sound can have protected, appropriate, and appealing work environments be created. Sound monitoring, office lighting, air conditioning, workplace hygiene, and providing other services needed by the workforce, such as restrooms, clothing, and religious locations, are all components of sound organizational environment monitoring processes. Exploring the workplace environment is crucial in the context of boosting employee productivity since it is connected to inspiration, which will improve Salim and AbulBashar's overall productivity (2021). Amir (2010) also makes reference to factors relating to the workplace. The office layout design and workplace comfort are the two primary components. Amir said that a physical workplace is a space in an organization where things are put up so the company's objective may be achieved.

According to Raziq and Maulabakhsh (2015), improving the work environment can increase employee productivity. Office convenience, the availability of work support options, a constant work environment, and a humble relationship between senior and junior workers are all aspects of the workplace that can motivate employees to perform at a higher level. A comfortable work environment will result in higher levels of performance, and the absence of support systems for work performance can cause a significant decline in employee productivity rates (Osibanjo et al., 2014). These are just a few of the reasons why an organization should pay attention to their work environment. Therefore, a productive workplace setting that facilitates the full deployment of tasks has the potential to inspire increased employee productivity in terms of both its magnitude and standard. According to research by (Osibanjo et al., 2014), the workplace should foster an environment where employees' productivity can be increased (Samsudin, Isahak, & Rampal, 2018).

2.4.2 Training and Development

According to Armstrong (2006), development is a process that unfolds over time and enables people to go from a current state of understanding and competence to a future one requiring higher-level skills, knowledge, and competences. It takes the form of educational exercises that get employees ready to handle new or expanded duties. According to Tzafirir (2005), training is a crucial component in the creation of human capital. It produces workers that possess the information, skills, and competencies needed for the position. The goal of training is to alter the behavior of individuals who receive it. This means that the personnel must learn new technical knowledge, skills, and manipulative abilities while on the job in order to support the achievement of organizational objectives.

When there is a discrepancy between planned targets or standards and actual levels of work performance, training can assist close the gap (Armstrong, 2006). Any performance or potential performance gap that can be filled by appropriate training is considered a training need. Training is one of the various strategies for addressing human performance deficiencies at work. Employee performance can be interpreted as the outcome of alignment between organizational aim and training and development strategy.

2.4.3 Communication with Supervisor

At the first level of organizational management, a supervisor is also referred to as a person with leadership experience, a problem-solver, and an example (Adair, 1988; Nijman, 2004). Consequently, the supervisors had always been involved in running a training program as an experienced leader. The steps taken in a training program include setting the goals, choosing the instructor, creating lesson plans, choosing the program's methods and techniques, creating the materials, scheduling the program, and conducting a training needs analysis (Adair, 1988; Elangovan & Karakowsky, 1999). According to Rabey (2007), a manager can act as a coach to the workers, helping them complete their tasks by guiding them through the working process, especially when a new working procedure is involved.

A supervisor's guidance could influence an employee's performance, yet there have been instances where a supervisor has fallen short in helping their team. For instance, the supervisor and employees may not have communicated clearly when it came to sharing information or explaining procedures to workers (Harris et al., 2000), both the employee and the supervisor want to do their part, which is to commit to the relationship, in order to improve the employee's

performance. Given a full commitment, employees will perform better, which will lead to a beneficial outcome (Blau, 1964). A comfortable work environment will result in higher levels of performance, and the absence of support systems for work performance can cause a significant decline in employee productivity rates (Osibanjo et al., 2014). These are just a few of the reasons why an organization should pay attention to their work environment. Therefore, a productive workplace setting that facilitates the full deployment of tasks has the potential to inspire increased employee productivity in terms of both its magnitude and standard.

2.4.4 Job Aid

Job aids are primarily intended to direct and guide employees so as to illuminate their performance Gauier and Rossett (1991). According to employment aid, there are three strategies to improve performance (Cavanaugh, 2004), the first method involves external assistance, which requires employees to seek authorization from their place of employment and use it as a source of information regarding their position. The second method uses extrinsic assistance. An extrinsic support is one that is provided by the system as a whole. The third method is known as the intrinsic support. An insider or piece of software that is utilized to increase workflow efficiency is referred to as an intrinsic support.

2.5 Empirical Review

This empirical study attempts to discuss several workplace studies that have an impact on employee performance. The link between job satisfaction and performance has historically been mostly explored by socio-technical and human relations theorists. According to Emery and Trist's socio-technical approach (Emery & Trist, 1960), the similarity between an organization's social and technological structures determines how well it performs as a whole. On the basis of this idea, the Human Relations viewpoint postulates that contented employees produce more work (Likert, 1961; McGregor, 1960). As a result, increasing employee satisfaction and attending to their physical as well as socio-emotional requirements would increase organizational production and efficiency.

Researchers in human relations contend that the best way to maintain a supportive work environment for employees is to offer them autonomy, opportunities to contribute, and a sense of shared trust (Likert, 1961). According to this reasoning, employee satisfaction is seen to have an impact on the growth of customary forms of interaction within firms. Employees build

connections with coworkers through interactions with each other, which also set expectations for behavior and affect output. Bhat (2013) investigated the effect of training on worker performance through a study of the Indian retail banking industry. Accordingly around 108 bank workers participated in the survey and the information from the study was explained using a five-point Likert scale. Results indicated a favorable and significant link between employee performance and training. Khan et al. (2011) conducted research on the effects of infrastructure and work environment on employee performance in Pakistani schools. Finally, the outcome demonstrated that workplace incentives have a favorable effect on worker performance. Organizations must make sure that the physical environment supports organizational needs for allowing interaction and privacy, formality and informality, functionality, and cross-disciplinarily in order to achieve high levels of employee productivity. Therefore, it is possible to use the physical environment as a tool to enhance both corporate performance (Mohr, 1996) and employee wellbeing (Huang, Robertson, and Chang, 2004).

Making sure employees have access to adequate facilities is essential to fostering greater employee dedication and productivity. Employee commitment and intention to remain with the business has been found to be impacted by the provision of inadequate equipment and unfavorable working circumstances. Nduku et al. (2015) conducted research on how working conditions affect employees' performance at the Kenyan Commercial Bank's headquarters. Stratified random sampling was used to select a sample of 172 employees. In-depth information was gathered via questionnaires. The study recommended that the bank make efforts to ensure that working conditions are promising and concentrate more on the physical conditions that have the greatest impact on employee performance. The final result showed that working conditions have a positive effect on employee performance.

2.6 Conceptual Framework

Employee performance is a dependent variable in this study, and aspects of the working environment, including the physical environment, Training and Development, Communication with Supervisor and Job Feature are independent variable. Based on the literature review, the relationship between working environment and employee performance can be conceptualized and depicted in Figure 2.1.

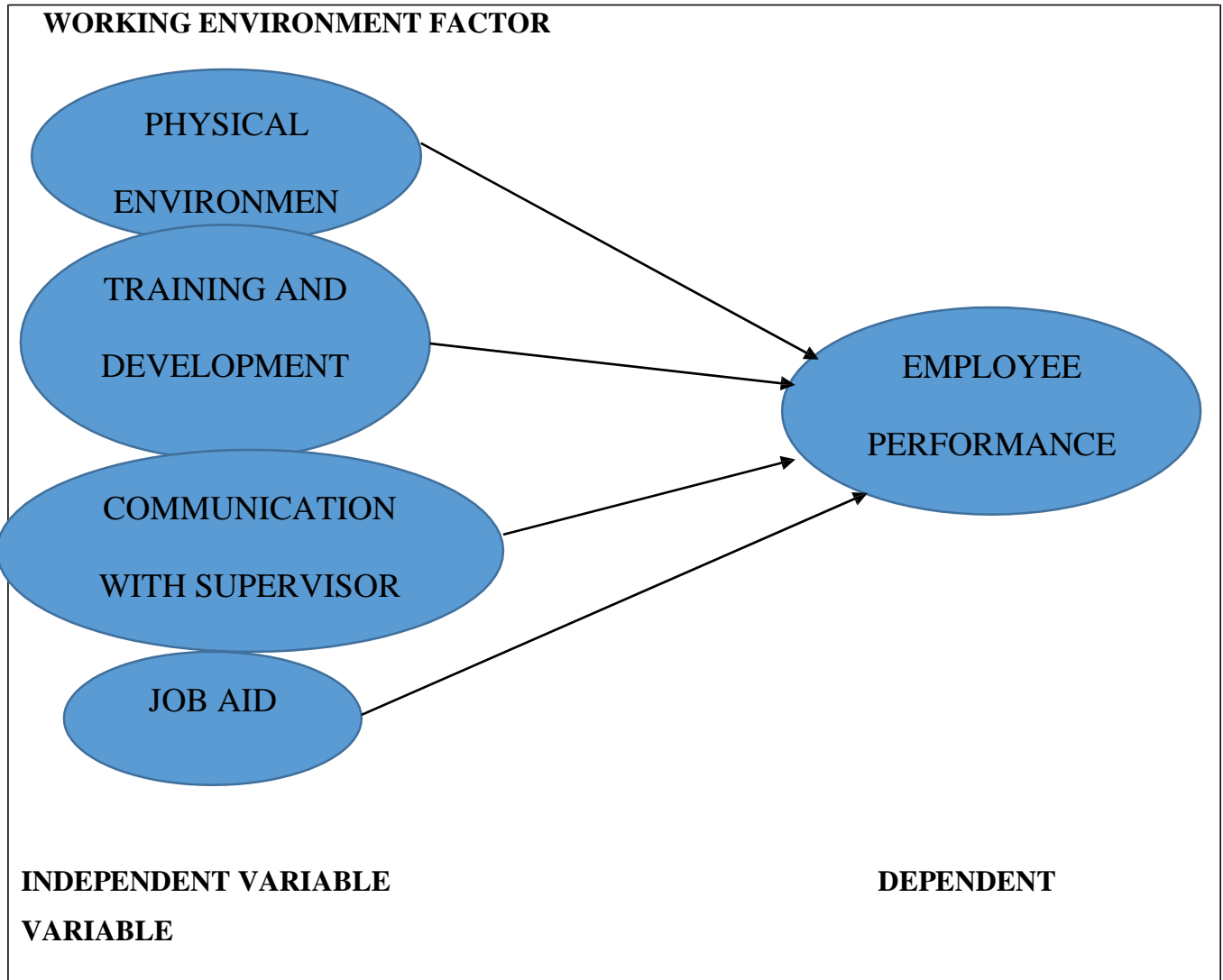


Figure 2.1: Conceptual Framework

Source: Researcher

2.7 Theoretical Framework

Theoretical framework makes an effort to clarify the variables taken into account in the conceptual framework. The link is established so that a certain individual is impacted by a particular set of factors, which in turn determines whether or not that individual's performance will rise or decrease as a result.

2.7.1 Physical Work Environment and Employee Performance

Physical aspects of the office, such as a cluttered desk or a poor layout, can stress out an employee. There are more factors that could influence how well a person performs, such as noise, which can make people uncomfortable and reduce productivity. Depending on the

assignment and the workplace environment, an employee may experience negative effects. A positive work atmosphere allowed the personnel to give their all to the task at hand (Vischer, 2007).

2.7.2 Communication with Supervisor and Employee Performance

Immediate supervisors support employees by gathering and allocating the resources required for them to execute a good job, as well as by expressing their appreciation for a job well done. As a factor affecting the workplace, a supervisor's interpersonal function is important to foster strong relationships, raise employee confidence, and ultimately advance or improve employee performance (Blau, 1964).

2.7.3 Training and Development on Employee Performance

When there is a discrepancy between planned targets or standards and actual levels of work performance, training can assist close the gap (Armstrong, 2006). Any employee underperformance or potential underperformance that can be resolved by appropriate training constitutes a training requirement. So, this training and development have an effect on employee's performance in optimistic or undesirable ways.

2.7.4 Job Aid and Employee Performance

A job assist is an external support system for a worker. To support the job activity is the primary motivation behind this job aid (Rossett & Gauier-Downes, 1991). Job aid is used to monitor job performance in real time as one of the aspects affecting the working environment that affects employee performance. This means that having this job help will encourage employees to work hard and make plans for their future development in order to get the most out of their performance. Job assistance reduced error rates and made the work easier.

2.8 Research Hypothesis

Based on a theoretical and empirical review, the following hypothesis is created to determine the relationship between the working environment and employee performance:

H1:1 Employee performance is positively and significantly impacted by the physical environment.

H1:2 Employee performances are positively and significantly impacted by communication with the supervisor.

H1:3 the effectiveness of employees is positively and significantly impacted by job aid.

H1:4 Employee performances are positively and significantly impacted by training and development.

Chapter Three

Research Methodology

3.1. Introduction

This section essentially outlines the study that was conducted, the data gathering methodologies that were employed, as well as its analysis and presentation methods. This section is crucial because it explains why a certain sampling, data collecting, analysis, and study design was chosen. It also offers information on the population, study design, validity tests, and reliability tests. Clearly, this chapter deals with research methodology, which is the overall plan outlining the techniques and steps to be used for gathering and analyzing the data.

3.2. Research Design

According to McDaniel and Gates (2006), a research design is a strategy for the study that specifies the steps the researcher must take to accomplish the research objective and test the hypothesis. Additionally, it involves setting up the circumstances for data collection and analysis in a way that tries to combine relevance to the research objective with economy in method and demonstrates the approach to an inquiry that is deemed appropriate for the research (Kothari 2004). The researcher employed an experimental research strategy for the objectives of this study, which often called true experimentation. It uses the scientific method to establish the cause-effect relationship among group of variables that make up a study. In types of research design independent variables are manipulate to determine the effects on dependent variables by selecting the subject randomly.

3.3 Population of the Study

According to Creswell (2005), a population is any group of people who share one or more traits and are relevant to the study. Additionally, it refers to the entire group of people who will be investigated and from whom the sample will be taken (Sekaran, 2016). Managers at the head of Office and customer service representatives are hence the study's target population. From the resource that the researcher gate from those selected branch head offices the total population size at those five selected private banks in their head office are 5005. The total employees at Buna Bank Head Office are 498, the total employees at Abyssinia Bank Head Office are 1269,

The total employees at Awash Bank, Zemen Bank and Enat Bank are 2600, 400, and 238 respectively.

3.4 Sample Size

Finding the impact of the workplace on employee performance is the main goal of this study. The 5005 participants from these chosen private banks are the study's target audience. Based on the sample size calculation method created by Carvalho (1984), the necessary sample size is calculated for the investigation.

Table 3.1 Sample Size Determination

Population Size	Small	Medium	Large
50-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1,200	32	80	125
1,201-3,200	50	125	200
3,201-10,000	180	200	315
10,001-35,000	125	315	500
35,001-150,00	200	500	800

Source Carvalho (1984)

In light of this, and in accordance with Carvalho's (1984) technique for determining sample size, 200 respondents, or the middle sample size, were chosen from the entire population of 5 banks, which is 5005, for this study. The percentage of samples drawn from each bank is determined using basic random sampling. The sample size used for this study is thought to be both sufficiently large to allow for generalization of the research findings and representative of the target population. In the table 3.2 below, the sample taken from each factory is displayed.

Table 3.2: Employees and the percentage of samples drawn from each bank

NO.	Company name	Target population	Proportional sample size
1	AWASH BANK	2600	$[(2600/5005) \times 200]=$ 103
2	ABSINIYYA BANK	1269	$[(1269/5005) \times 200]=$ 51
3	ZEMEN BANK	400	$[(400/5005) \times 200]=$ 16
4	BUNA BANK	498	$[(498/5005) \times 200]=$ 20
5	ENAT BANK	238	$[(238/5005) \times 200]=$ 10
Total	5	5005	200

Source: internal source of the bank

3.5 Sampling Techniques

The researcher employed random sample or probability sampling strategies in this study to gather data. Kothari (2004) asserts that probability sampling is also referred to as random sampling or chance sampling. Random sampling, according to Creswell (2005), is the process of selecting a subset of people at random from a population. The researcher more centered on operational staff from each industry to gather accurate and objective data about working environment variables. In order to obtain the respondents to respond to the surveys, simple random sampling procedures was used because of its simplicity and lack of bias and help to make generalization about population.

3.6 Data Collection Methods

The researcher employed primary data as a method of data gathering for this study. Primary data are the information that will be gathered through questionnaire, interview or observation or other (Kothari 2004). This method allows for the respondents to receive the same set of questions in exactly the same manner. The researcher employed a questionnaire as a form of data collection tool for this investigation.

3.7 Model Specification

From the works examined in the preceding sections, it might be concluded that some aspects of the workplace environment affect employee performance. Accordingly, in light of the aforementioned hypotheses, the primary concern is a study of the connections between employee performance and each of the explanatory factors, such as physical work environments, Training and Development, Job Aid, and Communication with Supervisor, that have been identified through literature and theories. The error term in the model takes into account additional elements that are not explicitly included in the model. Consequently, the general model, which incorporates all the variables to test the study's hypotheses, is;

$$EP = \beta_0 + \beta_1 (PE) + \beta_2 (JA) + \beta_3 (TRD) + \beta_4 (CS) + \mu$$

Where;

EP=Employee Performance (Dependent Variable)

β_0 = constant term

PE=Physical Environment

JA= Job Aid

TRD= Training and Development

CS= Communication with Supervisor

μ = error term

β : each independent variable's corresponding coefficients, which express the change in the value of Y as a function of the change in the corresponding independent variable.

3.8 Validity of the Measurements Used

Validity and reliability tests are essential for sound measurement, claims Kothari (2004). It is decided through conversation with the research adviser how accurate an instrument is in measuring what it is trying to measure, which is referred to as validity. A measurement procedure's accuracy and precision are referred to as reliability. Cronbach's Alpha is a method used to determine an instrument's credibility (reliability). The test's value ranged from zero to

one. High internal consistency in the items is indicated by a higher value. Excellent (1-0.9), Good (more than 0.8), Acceptable (greater than 0.7), Questionable (greater than 0.6), Poor (higher than 0.5), and Unacceptable (less than 0.5) are the reliability test categories according to George and Mallery (2003). The study's reliability analysis is shown below. For all of the study's components, the overall Cronbach's Alpha's coefficient is 0.808. As a result, the expected scales employed in this investigation are higher than what is reasonable.

Table 3.3 Reliability Result

Dependent and Independent Variables	Cronbach's Alpha	N of Items
Physical Environment	.788	4
Training/ Development	.771	5
Communication With Supervisor	.786	3
Job Aid in Work place	.776	3
Performance of Employee	.737	9
Overall Reliability Statistics	.822	5

3.9 Data Analysis

Following data collection, data processing and analysis were the following phases. Kothari (2004) explains that data processing is the process of modifying, categorizing, classifying, and tabulating data to make it appropriate for analysis. The study analysis program SPSS version 23 (Statistical Package for Social Science) is used to examine the processed data. Through the use of descriptive statistics, the demographic and personal data as well as the degree of agreement with the questions linked to the issue have been tallied and summarized. The descriptive analyses compare the mean and standard deviation of the variables, and they also perform a Pearson

correlation and multiple regression analysis to look at the relationship between the independent and dependent variables.

3.10 Time Horizon of the study

The study only covers a single time period in terms of its time scope. Sekaran & Bougie (2016) state that one shot or cross-sectional studies, in which data are gathered just once, sometimes over the course of days, weeks, or months, can be used to address research questions.

Chapter Four

Data Presentation, Analysis and Discussion

4.1 Introduction

Data from the questionnaire's two sections—the demographics of the respondents and questions pertaining to the research—are presented in this chapter, and a descriptive assessment of the survey data is made. A questionnaire with a five-level Likert scale for rating was used to gather the data. Following that, a correlation and multiple regression analysis are performed with the goal of examining the impact of the workplace on employees' performance in a sample of five Ethiopian private banks. A discussion of the outcomes is held at the conclusion.

4.2 Response Rate

180 of the 200 questionnaires that were sent to the organization's employees and based on the sample size determined were collected; the remaining questionnaires were not collected for various reasons. A 90% response rate on 180 returned questionnaires is used as the basis for the analysis. The response rate is sufficient for further investigation.

4.3 Demographic Information of Respondents

Demographic information provides data regarding research participants and it is necessary for the determination of whether the individuals in a particular study are representative sample of the target population for generalization purpose. The demographic part of the questionnaires is consisting of Gender, Age bracket, Academic qualifications and banking experience.

4.3.1 Gender Respondents

As can be seen from Table 4.1, there are slightly more male respondents than female respondents, suggesting that the organization has an unequal gender distribution. Of the 180 respondents who were fully fielded and returned, 119 (66.1%) are male respondents, while 61 (33.9%) are female respondents.

Table 4.1 Gender of Responder

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	119	66.1	66.1	66.1
Female	61	33.9	33.9	100.0
Total	180	100.0	100.0	

Source: Own survey, 2022

4.3.2 Age Respondents

The respondent's age range is shown in Table 4.2. 66.7% of respondents (n=120) fall into the first and largest age group, which is comprised of those between the ages of 18 and 30. 27.8% (n=50) of respondents in the age category from 31 to 45 are the second-largest respondent group, followed by 5.6% (n=10) of respondents over 45. According to the respondents' overall age distribution, most of them were young.

Table 4.2 Age Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-30 Years	120	66.7	66.7	66.7
31-45 Years	50	27.8	27.8	94.4
Above 45 years	10	5.6	5.6	100.0
Total	180	100.0	100.0	

Source: Own survey, 2022

4.3.3 Academics Qualification Respondents

In terms of education, 142 respondents, or 78.9%, have received their first degree, while 38 respondents or 21.1%, and have acquired a second or postgraduate degree. It suggests that the respondents were educated individuals who could read and comprehend the survey. The appropriate information is then gathered.

Table 4.3 Academics Qualification of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid First Degree	142	78.9	78.9	78.9
Second Degree & above	38	21.1	21.1	100.0
Total	180	100.0	100.0	

Source: Own survey, 2022

4.3.4 Banking Experience Respondents

Work experience makes up the final demographic factor. The bulk of respondents, 55.6% (100), fall into the category of 6–10 years of work experience. 27.8% (50) of the respondents fell into the group of 1–5 years of work experience, while 16.7% (30) fell into the category of less than 1 year of experience. Because they are younger and more experienced, the majority of responses fell within the group of 6 to 10 years of work experience. Thus, the information gathered is reliable.

Table 4.4 Banking Experience of respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below 1 year	30	16.7	16.7	16.7
1-5 years	50	27.8	27.8	44.4
6-10 years	100	55.6	55.6	100.0
Total	180	100.0	100.0	

Source: Own survey, 2022

4.4 Descriptive Analysis of Measurement Items

Every determination of the mean value in descriptive studies is based on the average score measurement noted by (Zaidatol, 2009). A mean score between 3.40 and 3.79 is seen as moderate, a mean score between 3.80 and 3.99 is regarded as high, and a mean score below 3.39 is regarded as low. Joshka's standard deviation decision rule was used to decide the value of the standard deviation. According to Joshka (2014), "estimate the coefficient of variation (CV=standard deviation/Mean)," a CV ≥ 1 suggests a reasonably significant level of variation,

whereas a CV 1 indicates a low level of variation. As a result, high variance distributions are those with a coefficient of variation (CV) more than 1, whereas low variance distributions are those with a CV less than 1.

Table 4.5: Summary of Descriptive Statistics Survey Response

ITEMS	N	Minimum	Maximum	Mean	Std. Deviation
Physical Environment	180	3.00	4.75	3.54	.421
Training/ Development	180	3.00	4.67	3.73	.448
Communication With Supervisor	180	3.00	4.80	3.75	.480
Job Aid in Work place	180	3.00	4.67	3.76	.445
Employees performance	180	3	5	4.33	.484
Valid N (listwise)	180				

Own survey, 2023

The aforementioned tables show a summary of the mean and standard deviation values for respondents' agreements on all variable-related factors. The total mean value for the Physical Environment variable is 3.54, and the standard deviation is .421, which is a small fluctuation (Joshka, 2014). According to Zaidatol's 2009 mean scope measurement, the overall mean score of 3.54 is in the moderate ranges, indicating that the organization's physical working environment is tranquil and conducive to personnel doing their duties.

According to the three items in the questionnaires, which are shown in Table 4.5, respondents were asked to rate their level of agreement with respect to training and development. For a total

of 180 respondents, the combined mean value of those items/statements is 3.73, and the standard deviation is .448. As was previously said, the mean score ranges from 3.73 and above are considered moderate according to (Zaidatol, 2009). When compared to this mean score measurement's aggregate mean value of 3.73 for training and development, the outcome is moderate. From this the researcher concludes the organization identify Training/ Development needs based on their employee's performances and provides Training/ Development to its employments to improve in their work.

The summary of the mean and standard deviation values of respondents' agreements on items of the Communication with supervisor variable is shown in the tables above. For a total of 180 respondents, the combined mean value of those items/statements is 3.75, and the standard deviation is .480. As was previously said, the mean score ranges from 3.4 and 3.79 are considered moderate according to (Zaidatol, 2009). When the Communication with Supervisor variable's aggregate mean value of 3.75 is compared to this mean score measurement, the outcome is moderate. From this the researcher concludes that the employees have a good communication with their supervisor and senior staffs in getting a direction to do jobs and to be more creative in their jobs they also get more positive attitude from their supervisor.

The aforementioned tables show an overview of the means and standard deviations for respondents' agreement with various Job aid variable items. For a total of 180 respondents, the combined mean value of those items/statements is 3.76, with a .445 standard deviation. As was previously said, the mean score ranges from 3.4 and 3.79 are considered moderate according to (Zaidatol, 2009). When the job aid variable's aggregate mean value, 3.76, is compared to this mean score measurement, the outcome is moderate. From this the researcher concludes that the presences job aid in an organization have a good contribution in the performance of employees. As we recall, the goal of the study was to examine how the workplace influences employees' performance. According to the descriptive analysis produced by SPSS, the combined mean value was 4.33 with a standard deviation of 0.484 and a low coefficient of variation (Joshka, 2014). If we compare the mean result of 4.33 to our benchmark (Zaidatol, 2009), we find that the mean values lie in the highest category, meaning that results above 3.80 are regarded high. The researcher concludes from these that organization personnel believe they are effective workers

and that their work performance is excellent. This suggests that respondents are confident in their abilities based on the aforementioned factors.

4.5. Correlation Analysis

In this part, a Bivariate correlation analysis (Pearson correlation r) is conducted between the independent variable (working environment) and the dependent variable (employee performance) in order to ascertain the direction and degree of the association among factors.

Correlation analysis can be used to gauge how strongly variables are related linearly. (Saunders, 2009) and the coefficient represented by the letter R . It can take on any value between $+1$ and -1 . A value of $+1$ represents a perfect positive correlation. Weaker positive and negative correlations are represented by correlation coefficients in the range of $+1$ and -1 . (Saunders, 2009). In addition, Schober, Boer & Schwarte (2018) confirm that A monotonic link between two variables is measured via correlation. The covariance is a dimensionless percentage of the Pearson association coefficient; which equals range from -1 to $+1$. If the value is -1 , there is a perfect negative relationship, if the value is 0 , it is an indication of there is no connection, and $+1$ denotes a perfect positive relationship.

Table 4.6: Interpreting a Correlation Coefficient Conventional
Schober, P., C. Boer, and L. A. Schwarte (2018, p.1765)

Absolute Magnitude of the Observed Correlation Coefficient	Interpretation
0.00–0.10	Negligible correlation
0.10–0.39	Weak correlation
0.40–0.69	Moderate correlation
0.70–0.89	Strong correlation
0.90–1.00	Very strong correlation

Tables 4.7 shows whether there is a positive connection between independent variables and a dependent variable, the aforementioned correlation analysis was conducted. Using the Pearson correlation coefficient r for all independent variables in the previous table as a basis Physical working environment, training and development, communication with supervisor, job aid is favorably related to employee performance.

Table 4.7 Correlations Analysis

		Physical Environment	Training/ Development	Communication With Supervisor	Job Aid in Work place	Performance of Employee
Physical Environment	Pearson Correlation	1				
	Sig.(2tailed)					
	N	180				
Training/ Development	Pearson Correlation	.405**	1			
	Sig.(2tailed)	0.000				
	N	180				
Communication With Supervisor	Pearson Correlation	.373**	.446**	1		
	Sig.(2tailed)	0.000	0.000			
	N	180	180	180		
Job Aid in Work place	Pearson Correlation	.400**	.468**	.386**	1	
	Sig.(2tailed)	0.000	0.000	0.000		
	N	180	180	180	180	
Performance of Employee	Pearson Correlation	.557**	.552**	.574**	.597**	1
	Sig.(2tailed)	0.000	0.000	0.000	0.000	
	N	180	180	180	180	180

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

Source: Own survey, 2023

Employee performance and physical work environment had a moderately positive relationship ($r=.557$, $n=180$, $P0.01$, significant level 0.000, 2-tailed). According to Schober, Boer, and Schwarte (2018), a moderate correlation has a correlation coefficient that lies between

0.40 and 0.69. Employee performance and communication with the boss have a moderately good relationship ($r=.552$, $n=180$, $P0.01$, significant level 0.000, 2-tailed).

A Person correlation between Job Aid in Work place and employee performance has moderate and positive relation ($r=.574$, $n=180$, $P0.01$) at a 0.000 significant level, two-tailed. A moderate and favorable relationship between training and development and employees was also found in the table ($r=.597$, $n=180$, $P0.01$, significant level 0.000, 2-tailed). Schober, Boer, and Schwarte (2018) define moderate correlation as a correlation coefficient that lies between 0.40 and 0.69.

In conclusion, the study demonstrates that there is a significant positive relationship between predictors (physical working environment, training and development, communication with supervisor, and job aid) and employees' performance, even though the magnitude of the Pearson correlation coefficient varies. In other words, an improvement in the predictors will lead to an improvement in employees' performance. The fundamental prerequisite for multiple linear regressions has been satisfied based on this Pearson correlation finding; there is a linear relationship between the independent and dependent variables. We then use multiple regression analysis to look at how the performance management system affects employee performance.

4.6. Regression Analyses

Regression analysis is a statistical method employed to determine the strength and character of the relationship between one or more independent variables and a dependent variable. Additionally, it demonstrates if variations in the dependent variable are correlated with variations in one or more independent variables. Since determining the impact of is the primary goal, working environment on employees' performance. To determine whether the formulated hypotheses have an effect on employees' performance or not, the researcher has conducted numerous regression analyses.

4.6.1. Linearity

In addition to the test for below linearity, correlation analysis is used to identify linear relationships between variables. As a result, in this study, there is a linear link between the working environment and employee performance.

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: 5. Performance of Employee

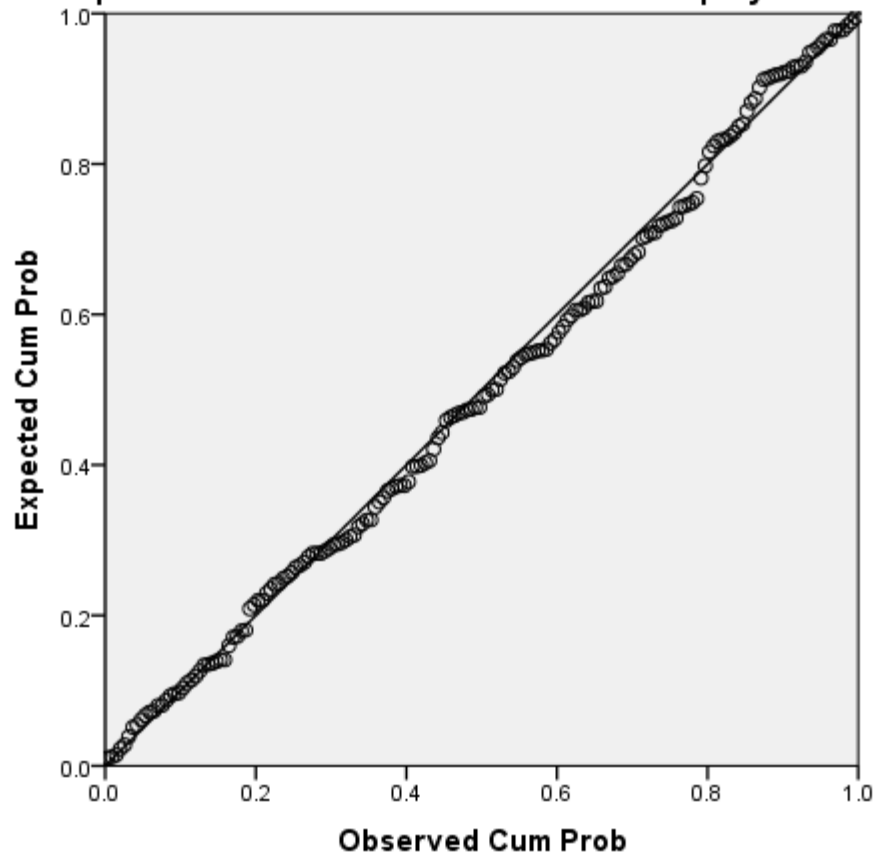


Figure 4.1: Linearity test

4.6.2 Normality

A normality test allows the researcher to comprehend the distribution of any dependent variable value in relation to the model's independent variables. So, in order to determine whether the distribution of error terms is normal, a normality test was carried out. The assumption of normality is not totally violated, and the histogram depicted below shows that it is bell-shaped.

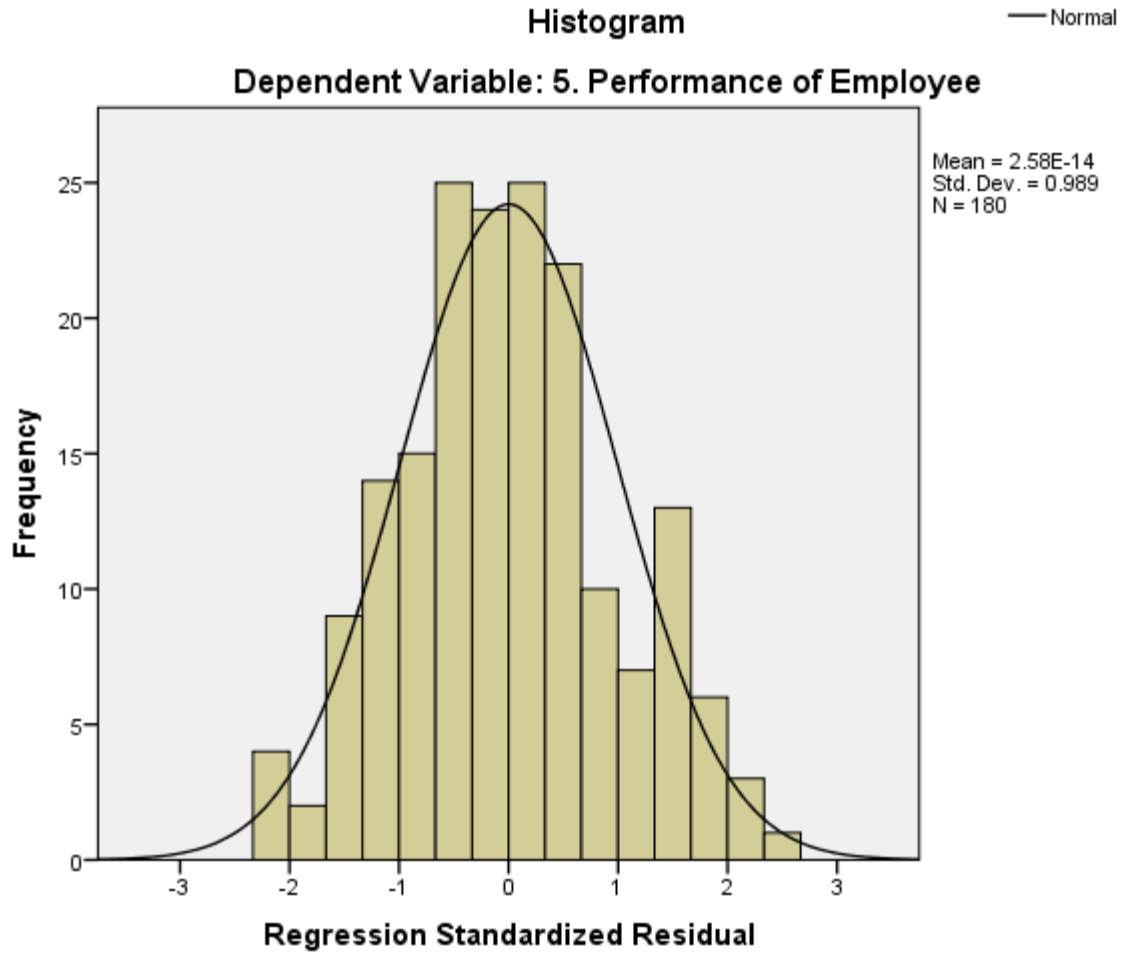


Figure 4.2: Normality test

4.6.3. No Perfect Multi-Collinearity

A Collinearity diagnostic test was performed to check whether there was no multi-Collinearity issue, and the results reveal tolerance ranges from 0.670 to 0.751, meaning none of them were below 0.2. Variance Inflation Factor (VIF) is below 10, ranging from 1.331 to 1.493. Therefore, one of the fundamental presumptions of regression is true and there is no perfect multi-Collinearity.

Table 4.8: Collinearity Statistics

Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Physical working Environment	.751	1.331
	Training/ Development	.670	1.493
	Communication With Supervisor	.734	1.362
	Job Aid in Work place	.706	1.416

a. Dependent Variable: 5. Performance of Employee

Source: Own survey, 2022

4.6.4. Homoscedasticity

Homoscedasticity is the other fundamental presumption underlying regression. The Breusch-Pagan test, which determines whether Homoscedasticity is present, has a p-value of ($p > 0.05$). Samerkhanova & Kadochnikova (2015) assert that looking at an ANOVA shows the lack of a heteroscedasticity issue if the value of p is greater than 0.05.

Table 4.9: Breusch-Pagan Homoscedasticity Test

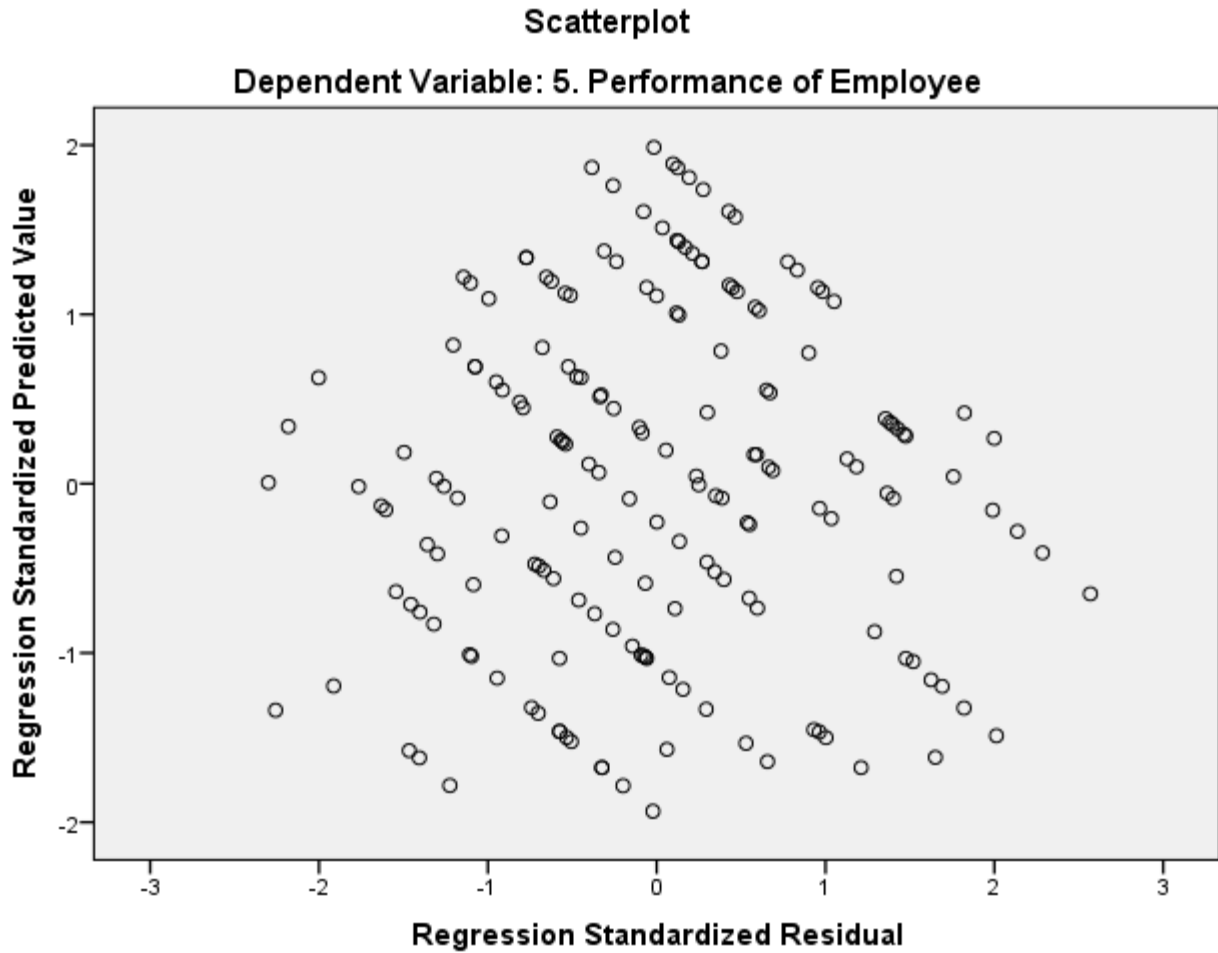
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.628	4	2.907	61.530	.000 ^b
	Residual	8.268	175	.047		
	Total	19.896	179			

a. Dependent Variable: 5. Performance of Employee

b. Predictors: (Constant), 4. Job Aid in Work place, 3. COMMUNICATION WITH SUPERVISOR, 1. Physical Environment, 2. Training/ Development

Source: Own survey, 2022



If the P- value is smaller than 0.05, then the model is significant (the researcher can reject the null hypothesis and accept the research hypothesis). The model's significance in understanding the link between independent and dependent variables has been demonstrated by testing ANOVA. The significance value, as seen in the above table, is less than 0.05. The model is fit and acceptable, and we can thus draw the conclusion that there is a linear relationship between independent factors and employee performance.

4.6.5. Model Summary

According to Table 4.10's model summary, the modified R square is 0.575, or 57.5%, meaning that the variance in employee's performance is clarified by a change in each of the independent Physical Environment, Training/ Development, Communication with Supervisor and Job Aid in Work place a part of the model. However, other or unobserved variables outside the independent variables in this model can account for the remaining 42.5% variation in an employee's performance. The ANOVA table above illustrate $F(4,175) = 61.53, p < 0.01, \text{Adjusted } R^2 = 0.575;$

that indicate the variation explained the effect of working environment It is important that performance by employees does not occur by accident. The model is therefore appropriate and suited.

Table 4.10: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson	
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.764 ^a	0.584	0.575	0.217	0.584	61.53	4	175	0	.711

- a. Predictors: (Constant), 1. Physical Environment,
- 2. Training/ Development
- 3. COMMUNICATION WITH SUPERVISOR
- 4. Job Aid in Work place,

b. Dependent Variable: 5. Performance of Employee

Source: Own survey, 2022

4.6.7. Multiple Regression Coefficients

The Beta coefficient and p-value for each independent variable, together with their corresponding standard errors, are shown in Table 4.11. The strength of each independent variable or predictor is indicated by its beta value. (Physical Environment, Training/ Development, Communication with Supervisor and Job Aid in Work place) affects the dependent element (Employees performance) within the model. the following independent variables: Physical Environment, Training/ Development, Communication with Supervisor and Job Aid in Work place with their beta value of 0.164, 0.22, 0.217, and 0.251 respectively

Table 4.11: A Variety of Regression Coefficients

Coefficients						
Model		U/coefficients		S/ coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.173	0.306		3.836	0
	PH	0.164	0.071	0.141	2.311	0.022
	TD	0.22	0.057	0.279	3.867	0
	CWS	0.217	0.064	0.234	3.399	0.001
	JA	0.251	0.07	0.233	3.605	0

a. Dependent Variable: EP

Source: Own survey, 2022

4.6.8. Comparisons between the Bank

A table 4.12 shows that among the questionnaires distribute to respond across those banks, I have get 16 (100%) from Zemen bank, 20 (100%) from Buna bank, 10 (100%) from Enat bank, 46 (90.19%) from bank of Abyssinia, and 88 (85%) from awash bank. The table also shows the mean difference among those banks in the effect of working environment across the four factors. When we see it from the physical environment factor Zemen bank and Awash have greater mean which tells us they have a good physical working environment when they are compared to the rest bank. When we see it from the Training and Development factor side Zemen bank and Awash have greater mean which tells us they search and select the employees who needs training and gives them according to their need in a scheduled way when it is compared to the other banks.

When we compare them from communication with supervisor factor side again Zemen bank and Awash have greater mean which tells us the employees have a good communication among them specifically the officer with their supervisor. Finally when we compare them from the job aid side Buna bank and Awash bank have better mean from the rest which tells us they provide a clear instructions on how to do something at work. Based the mean Enat Bank have the lowest mean across all the mean when they are compared to the four bank which lead them to lowest employees performance again when they are compared to rest and Awash Bank have the highest mean across the all factors which gives them the highest employees performance when they are compared to the four banks.

Table 4.12 comparison between bank

Descriptive					
Banks	ZB	BB	E B	BOA	AB
Factor	Mean	Mean	Mean	Mean	Mean
PH(IDV)	3.9	3	3	3.1	4
TD(IDV)	3.9	3.4	2.7	3.7	4
CWS(IDV)	3.7	3.5	3.3	3.6	3.8
JA(IDV)	3.7	3.8	3.6	3.6	4
EP(DV)	4.39	4.02	3.79	4.3	4.48
No Resp	16	20	10	46	88

Source own survey 2023.

4.6.9. Testing Hypotheses

The outcomes of previously formed hypotheses are discussed below based on the aforementioned multiple regression coefficients.

H1: 1 Employee performance is significantly and favorably impacted by the physical environment.

According to coefficient table 4.11 above, the physical environment has a beta value of 0.164 and is significant at (p0.05). Accordingly, a change in the physical environment alone accounts for a 16.4% variation in an employee's performance when all other independent variables remain the same. It demonstrates how much the physical environment impacts an employee's performance in the chosen area. So, the premise is accepted.

H2: Communication with supervisor has a favorable and strong effect on worker performance

Communication with supervisor has a beta value of 0.217 and is significant at (p0.05), as seen in the coefficient table above for 4.11. Keeping the other independent variables constant, this suggests that a change in communication with the supervisor is responsible for a 21.7% change in the employee's performance. It demonstrates how an employee's chosen Performance is substantially impacted by communication with the supervisor. The hypothesis is therefore accepted.

H3: The effectiveness of employees is positively and significantly impacted by job aid.

As seen in the coefficient table above, the beta value of 4.11 Job Aid is 0.251 and it is significant at (p0.05). This indicates that a change in Job Aid, while keeping the other independent variables

constant, causes a change of 25.1% in Employee Performance. It demonstrates how much Job Aid has an impact on the employee's chosen Performance. The hypothesis is therefore accepted.

H4: Employee performance is positively and significantly impacted by training and development.

Table 4.11 Training and Development has a beta value of 0.22 and is significant at (p0.05) based on the aforementioned coefficient. This indicates that, while maintaining the other independent variables constant, a change in training and development is responsible for a 22% change in employee performance. It demonstrates how training and development have a big impact on the employee's chosen performance. Therefore, the theory is accepted.

The general regression model is expressed as follows:

$$EP=1.173+0.164 PH+251 JA+ 0.22 TR +0.217 CS+\mu$$

Where;

EP=Employee Performance

TRD= Training and Development

PH=Physical Environment CS= Communication with Supervisor

JA= Job Aid μ = error term

Table 4.13: Summary of Research Questions, Hypothesis, and Research Findings

RQ NO.	Research Question (RQ)	Hypothesis	Research Findings
1	Does a physical working environment have an effect on the performance of employees?	H1: There is a positive relationship between Physical environment and employees performance	Supported
2	Are communication practices having an effect on the performance of employees?	H2: There is a positive relationship between Communication with supervisor and employee performance	Supported
3	Is job aid at work place having an effect on the performance of employees?	H3: There is a positive relationship between job aid at work place and employee performance	Supported
4	Does development and training have an impact on the performance of employees?	H4: There is a positive relationship between training and development and employee performance	Supported

4.6. Discussion of Results

This study's primary goal was to investigate the effect of working environment on employee's performance in the instance of five selected private banks in Ethiopia by comparing them regarding the four factors. The questionnaires had distributed to the staff in those selected banks. Out of 200, 180 Questionnaires were correctly completed and returned which can be explained in percent 90% of the respondent which was sufficient for the data analysis. Based the mean Enat Bank have the lowest mean across all the mean when they are compared to the four bank which lead them to lowest employees performance again when they are compared to rest and Awash Bank have the highest mean across the all factors which gives them the highest employees performance when they are compared to the four banks.

The descriptive statistics show that each variable's standard deviation runs from 0.417 to 0.614 which indicates that replies from workers are highly consistent. The variables' mean values vary from 3.54 to 4.33, which explain that the employees agree on average on the items of the variables. Creating an attractive and peaceful working environment in working area has a significant effect on how well an employee's. According to Nur et al (2020) Study on the correlation between the physical workplace and employees' performance that Physical working conditions and workers' performance are positively correlated which is explained by the researcher by using different dimension like office, lighting and furniture and equipment. The correlation analysis result showed that there is a positive association between the physical aspects of the workplace and an employee's performance. Based on the outcome from the descriptive analysis the Hypothesis 1 showed that physical working environment significantly affects employee's performance. This means any change or improvement in physical working environment will change or improve the employee's performance

The study of christabella p. B (2014), "Workplace factors and employee performance: The Institute of Finance Management Case," reveled that Relationship between employee and supervisor contribute about work performance in a positive way, because a supervisor act as supporter for employees by gathering and distribute the resources required by the employees. So, one of the study's goal was to look into the consequences of communication with supervisor on employee performance. According to hypothesis two outputs, communication with supervisor

significantly affects employee performance. Table 4.11 shows that Communication with supervisor as its beta value 0.217 at a significant value of ($p < 0.05$), This indicates that an 21.7% shift in employee's performance results from a shift in Communication with supervisor keeping all other factors the same, and it demonstrates that Communication with supervisor touches employee's performance.

The availability of job aid at the company helps employees perform and prepare for development, making their work easier and assisting diminish fault rates christabella p. B (2014). The third significant variable that affects employee's performance is job aid at work place. One of the study's goals was to determine the cause and effect of job aid at work place on employee's performance. The result of the hypothesis proved that job aid at work place significantly affects employee's performance.

According to Bhat (2013) which study on how training affects employee performance and the Indian retail banking industry which is that the results indicated a favorable and significant link between employee performance and training. So, the study's final goal was to look at how training and development affect performance of an employee's. According to hypothesis four outputs, training and development significantly affects employee's performance. Table 4.12 reveals that training and development has its beta value 0.22 at a significant value of f ($p < 0.05$). This suggests that a change in training and development caused a 22% difference in an employee's performance while holding all other variables constant, demonstrating the impact of training and development on employee performance.

According to the study's findings, the working environment of the organization affected its members in terms of the respondents. The study also showed that if management addresses the issues found during the research, employee performance will increase. The issues are the lack of flexibility in the workplace, noise distraction at work, the way in which supervisors interact with their subordinates, the existence of job aids, the usage of performance evaluation, and the need to strengthen work incentives inside the company in order to encourage people to execute their duties.

Chapter Five

Summary, Conclusions, Recommendations, and Direction for Future Research

5.1 Summary

This study's primary goal was to investigate the effect of working environment on employee's performance in the instance of five selected private banks in Ethiopia by comparing them regarding the four factors. Examining the impact working environment influence on employees' performance been the investigation's major goal. The elements that result from the research issue, expressed as the Factors that Affect Employees Performance which are explained by the Two Factor theories (The hygiene or Affective and Motivators) which is studied by Frederick Herzberg. Many researchers in the field employ these hypotheses, which are accurate in this study.

Among 200 questionnaires that were sent out to respondents, 180 or 90% of questionnaires were returned. The analysis of the returned questionnaires was done using SPSS version 23 (Statistical Package for Social Science). The descriptive analysis portion of the investigation used combined mean and standard deviation values, and the effect relationship was examined using a Pearson correlation and multiple regression analysis. The pre-formulated hypotheses were then put to the test by comparing each predictor to the dependent variable separately.

According to the study's analysis of the respondents' demographics, out of 180, 119 (66.1%) were men and 39.1% were women. More than 83% of all respondents had at least one year of experience working for their firm, and over 94.5% of respondents fall into the 18 to 45 age range. Physical Environment, Training/Development, Communication with Supervisor, Job Aid in the Workplace, and Employee Performance all had aggregated means of 33.54, 3.73, 3.75, 3.76 and 4.33, respectively, according to the description analysis. This indicates that respondents generally agreed to the items listed under each variable to a moderate level. The variable's overall standard deviations are .417, .614, .523, .449 and .484. These values in the variable suggest that the distribution of the data and the group of responses that are closer to the mean value have a more or less low variance.

The Pearson correlation analysis implies that the working environment explained by Physical Environment, Training/ Development, Communication with Supervisor and Job Aid in Work

place @ P 0.01, has a more or less substantial correlation with an employee's performance. According to the model summary, the adjusted R square is 0.575, or 57.5%, meaning that a change in any one of the independent variables can account for 57.5% of the variation in project performance. Physical Environment, Training/ Development, Communication with Supervisor and Job Aid in Work place a part of the model. However, other or unobserved variables outside the independent variables in this model can explain the remaining 42.5% of the variation in project performance. Additionally, an ANOVA was used to determine the model's importance in illuminating the connection between independent and dependent variables. The significance value is less than 0.05 as shown in table 4.10. As a result, we can draw the conclusion that independent variables and dependent variables are correlated linearly, and the model is suitable and fit. Based the mean Enat Bank have the lowest mean across all the mean when they are compared to the four bank which lead them to lowest employees performance again when they are compared to rest and Awash Bank have the highest mean across the all factors which gives them the highest employees performance when they are compared to the four banks.

5.2 Conclusions

This study's primary goal was to investigate the effect of working environment on employee's performance in the instance of five selected private banks in Ethiopia by comparing them regarding the four factors. As we have seen from a variety of researchers, the working environment is a crucial factor that greatly influences employees' performance. In fact, because it has a direct impact on employees' performance, the working environment is a major concern for organizations. As a result, the research has met its goals, and the researcher has drawn the following conclusions from the study's findings.

When we see it from the specific objective perspective the effect Physical Environment, Training/ Development, Communication with Supervisor and Job Aid in Work place has on employee's performance, each independent variable has a high mean value. Through the physical working environment those selected five banks have a good which is peaceful and comfortable enough to employees to do their works and have a positive effect on employee's performance. From the Training/ Development point of view the researcher conclude that the organization identify Training/ Development needs based on their employee's performances and provides

Training/ Development to its employments to improve in their work because Training/ Development have strong and favorably influencing influence on worker performance.

From the result of descriptive assessment by Comparing aggregate mean value of Communication with supervisor variable which lay's in high range the researcher concludes that the employees have a good communication with their supervisor and senior staffs in getting a direction to do jobs and to be more creative in their jobs they also get more positive attitude from their supervisor. Finally, as a result which is explained in the study that job aid at work places have a positive effect on employees which is that the employees believes that the availability of employment aid at the company enables employees to work and make plans for their own growth in carrier and also have a great contribution in the performance of employees.

Based the mean Enat Bank have the lowest mean across all the mean when they are compared to the four bank which lead them to lowest employees performance again when they are compared to rest and Awash Bank have the highest mean across the all factors which gives them the highest employees performance when they are compared to the four banks. This study concludes that Physical Environment, Training/ Development, Communication with Supervisor and Job Aid in Work place have an important and favorable impact on employee's performance.

5.3 Recommendations

The researcher offers the following suggestions following the conclusion of the study to those selected banks. As the study reveals the variables Training/ Development, Communication with Supervisor, Job Aid in Work place and Physical Environment has a positive impact on employee's performance. From the mentioned variables, at the current condition the employees believe job aid; communication with supervisor and Training/ Development has the highest contribution to their highest performance. So, those banks need focus more on their physical working condition as they working the same for the other. Even though these three factor is better when they are compared to the physical working condition factor, they also need a focus, because when we see their mean result from descriptive statics there is no big difference among them

From the comparison made between the banks based the mean Enat Bank have the lowest mean across all the mean when they are compared to the four bank which lead them to lowest employees performance again when they are compared to rest. So, Enat Bank needs to improve

their working environment from the all four aspect especially in giving training and development to those who are in needs of training to perform well. Employees in Awash banks have a great performance when they are compared to the rest and the employees believes they have a good working environment that the researcher believes that other banks need to adopt in some way not copying the whole thing

5.4 Limitation and Future Research Direction

The limitations of this study are similar to those of any other studies. The study runs into a few unavoidable problems that may prevent it from being useful. In particular, because respondents completed a structured questionnaire to acquire the data, the data were self-reported, which may have introduced method bias. As a result of the study's brief duration, various additional pertinent topics went unnoticed. Therefore, it is advised that future researchers use different techniques for gathering data, such as focus groups and interviews, to get more precise information and in-depth justifications. Other restrictions included recalcitrant and uncommitted respondents who refused to complete and return the questionnaires. Finally, the researcher suggests that future researchers broaden their scope, since this study was limited to the headquarters of those chosen banks and other unobserved variables may influence employee performance in addition to the working environment.

REFERENCE

- Ahmad A (2010). Application of Non-Financial Measures for Assessment of Performance of Islamic Banks in Pakistan, *Interdiscipl. J. Contemp. Res. Bus.*, 2 (7): 173-181.
- Awan, A.G., & Tahir, M. (2015). Impact of working environment on employee's productivity: A case study of Banks and Insurance Companies in Pakistan. *European Journal of Business and Management*, 7, 329-347.
- Aynalem Dagne (2018). The effect of working environment on employees' commitment at development bank of Ethiopia. St. Mary's University.
- Boles, M., Pelletier, B. & Lynch, W. (2004). The relationship between health risks and work productivity. *Journal of Occupational and Environment Medicine*, 46(7), 737-745.
- Borman, W. C. (2004). The concept of organizational citizenship. *Current Directions in Psychological Science*, 13(6), 238-241.
- Campbell JP (1990). Modeling the Performance Prediction Problem in Industrial and Organizational Psychology, In *Handbook of Industrial and Organizational Psychology*. (2nd ed.). Dunnette MD, Hough LM, (eds). Consulting Psychologists Press: Palo Alto, CA, 1: 687-732.
- Chandrasekar, K. (2011). Workplace environment and its impact on organisational performance in public sector organizations. *International Journal of Enterprise Computing and Business System*, 1(1), 1-20.
- Christabella p. Bushiri (2014). The impact of working environment on employees' performance: the case of institute of finance management in Dar Es Salaam Region. University of Tanzania.
- Dyne LV, Jehn KA, Cummings A (2002). Differential Effects of Strain on Two forms of Work Performance: Individual Employee Sales and Creativity. *J. Organ. Behav.*, 23: 57-74.
- Fasil Alemayehu and Merhatbeb Teklemedhin Mar 02 (2012), the birth and development of banking services in Ethiopia. *Insurance, banking and negotiable instrument law*

- Greenhaus J, Parasuraman S (1994). "Work-family conflict, social support and well-being", in Davidson, M. and Burke, R. (Eds), *Women in Management: Current Research Issues*, Paul Chapman, London, pp. 213-29.
- Hasun, F. M.&Makhbul Z.M. (2005). An overview of workplace environment and selected demographic factors towards individual's health and performance enhancement. *Synergizing OSH for Business Competitive*, 45-53.
- Kazmi R, Amjad S, Khan D (2008). Occupational Stress and its Effect on Job Performance: A Case Study of Medical House Officers of District Abbottabad, *J. Ayub Med. Coll. Abbotabad*, 20(3): 135-139.
- Noblet A. (2003). Building health promoting work settings: identifying the relationship between work characteristics and occupational stress in Australia. *Health promotion international*, 18(4), 351–359.
- Normala, D. (2010). Investigating the relationship between quality of work life and organizational commitment amongst employees in Malaysian firm. *International journal of business management*, 5, 10.
- Pawirosumarto, S., Sarjana, P.K. and Gunawan, R. (2017), "The effect of work environment, leadership style, and organizational culture towards job satisfaction and its implication towards employee performance in Parador Hotels and Resorts, Indonesia", *International Journal of Law and Management*, Vol. 59 No. 6, pp. 1337-1358.
- Tihut Zekarias (2016). *The Effect of Work-Life Balance Factors on Employees Job Performance – In The Case of Commercial Bank of Ethiopia Female Top & Middle Level Administrative Staffs*. St. Mary's University.
- Chevalier, M. (2004). *High performance standards with a congenial working Environment*. Laura Miller, Washington DC.
- Prachi Juange. Herzberg theory of motivation. (MSG ISO 2001:2015 CERTIFIRD EDUCATION PROVIDER). <http://www.Management study guide.com>.
- Robbins, S.P., & Judge, T.A. (2007). *Organizational behavior* (12th ed.). Upper saddle River, NJ: Pearson Prentice Hall.

- Lambert, E. G., Hogan, N. L. and Barton, S. M. (2001). The Impact of Job Satisfaction On Turnover Intent: A Test of Structural Measurement Model Using a National Sample of Workers. *Social Science Journal*, Vol. 38, pp. 233-251
- Shaya, N., & Khait, R. A. (2017). Feminizing leadership in the Middle East. *Gender in Management: An International Journal*.
- Osibanjo, A. O., Abiodun, A. J., & Adeniji, A. A. (2014). Impact of job environment on job satisfaction & commitment among Nigerian nurses. *Journal of South Africa Business Research*, 1-11.
- Raziq, A., & Maulabakhsh, R. (2015). Impact of working environment on job satisfaction. *Procedia Economics and Finance*, 23, 717-725.
- Armstrong, M. (2006). *Strategic Human Resource Management: A Handbook of Human Resource Management Practice*, 10th ed. London: Kogan Page.
- Tzafirir, S.S. (2005). The relationship between trust, HRM practices and firm performance, *International Journal of Human Resource Management*. 16(9): 1600-22.
- Amir, F. (2010). *Measuring the impact of office environment on performance level of employees. Global Environment. Bhurban, Pakistan appraisal*. Glenview: Scott, Foresman and Company.
- Adair, J. (1988). *The effective supervisor*. London: The Industrial Society.
- Rabey, G. (2007). Diagnose – then act: Some thoughts on training today. *Industrial and Commercial Training*, 39(3), 164-169.
- Harris, R., Simon, M., & Bone, J. (2000). Re thinking the role of workplace trainer, NCVER, Adelaide. Retrieved from [http:// www.ncver.edu.au/publications/ 471.html](http://www.ncver.edu.au/publications/471.html). 13th June, 2014.
- Blau, P. (1964). *Exchange and power in social life*. New York: John Wiley.
- Samsudin, E. Z., Isahak, M., & Rampal, S. (2018). The prevalence, risk factors and outcomes of workplace bullying among junior doctors: a systematic review. *European Journal of Work and Organizational Psychology*, 27(6), 700-718.

- Elangovan, A. R., & Karakowsky, L. (1999). The role of trainee and environmental factors in transfer of training: An.
- Emery, R. E., & Trist, E. L. (1960). Socio-technical Management science models and techniques (Vol. 2, pp. 83-97). Elmsford, NY: Pergamon Press.
- Likert, R. L. (1961). The human organization. New York: McGraw-Hill.
- Khan, S. H., Azhar, Z., Parveen, S., Naeem, F., & Sohail, M. M. (2011). Exploring the impact of infrastructure, pay incentives, and workplace environment on employee's performance (A case study of Sargodha University). *Asian Journal of Empirical Research*, 2(4), 118-140.
- Ranjan, R. & Mishra, U. (2017). Impact of Rewards on Employee Performance: A Case of Indian Oil Corporation, Patna Region. *IOSR Journal of Business and Management (IOSR-JBM)* e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 19, Issue 6. Ver. II (June 2017), PP 22-30
- Mohr, R. (1996). Office Space is a Revenue Enhancer, Not an Expense. *National Real Estate Investor*, 38(7), 46-47.
- Huang, Y. H., Robertson, M. M., and Chang, K. I. (2004). The role of environmental control on environmental satisfaction, communication, and psychological stress: effects of office ergonomics training. *Environment and Behavior*, 36(1), 617-638.
- Nduku, S. Mwenda, L. Wachira, A. (2015), the impact of working condition on performance of employees of Kenya commercial bank head office. *International Journal of Current Research* Vol. 7, Issue, 03, pp.14174-14180, March, 2015.
- Vischer, J. C. (2007). The effects of the physical environment on job performance: Towards a theoretical model of workspace stress.
- Cavanaugh, T. B. (2004). The new spectrum of support: Reclassifying human performance technology. *Performance Improvement*, 43(4), 28-32.
- Rossett, A, and Downes, G.(1991). What are job aids. Retrieved from <http://edweb.sdsu.edu/Courses/EDTEC540/540WWW/sect1/> 5 th January. 2014.

Sekaran, U., & Bougie, R. (2016). Research methods for business: 6th edition. A skill building approach. John Wiley & Sons

Creswell, J. W (2005).Research Design: A qualitative, quantitative and mixed method approaches. London: Sage Publication Inc

Kothari, C.K (2004): Research Methodology, Methods & Techniques, New Age International, New Delhi.

Nur N. E., Farah A. M., Mimi Z. H., Norrini Muhammad Norrini M., Wan Nor H. W. (2020) “THE RELATIONSHIP BETWEEN PHYSICAL WORKPLACE ENVIRONMENT AND EMPLOYEES’ PERFORMANCE” Journal of Contemporary Social Science Research, Vol. 4, Issue 1, June 2020

Websites

<https://nbe.gov.et/about-national-bank-of-ethiopia/>

<https://nbe.gov.et/banks/>

Kohun, S. (1992). Business environment. Ibadan: University Press

Brenner, P. (2004). Workers physical surrounding. Impact bottom line accounting: Smarts Pros.com.

Shinn, David H.; Ofcansky, Thomas P. (2013-04-11). Historical Dictionary of Ethiopia. Scarecrow Press.

Appendix Appendix A:
Questionnaire Addis Ababa
University
College of Business and Economics
MBA Program

Dear respondents: This questionnaire is prepared for a research study purpose entitled —The Effect of work environment on employee’s performance. The researcher asks respondents to give accurate data to b/c your response to the questionnaire has paramount importance to the success of the research and make proper analysis of the study. The findings of the research are strictly to be used only for academic purpose. The researcher would like to note that your information will be kept confidential and will only be used for study purpose. Thank you for sharing your precious time from your eventful schedule and I appreciate your genuine and prompt response.

Direction: There is no need to write your name

Please, put a mark (✓) in the boxes of your option.

Part - I: Profile of Respondents

1. Age bracket

18-30

31-45

Above 45

2. Gender Male

Female

3. Academic Qualification

College Diploma

First Degree

Second Degree & above

other (specify) _____

4. How many years did you have banking Experience with the Bank?

Below 1 year

1-5 years

6-10 years

above 10 yrs.

Part Two. Questions related to the topic the effect of Working Environment on Employee Performance Please, after you read the following questions indicate the extent of your agreement to the statements by Mark “√” in the cell/box using a scale 1 up to 5.

Where, 1= SD = Strongly Disagree, 2 = D = Disagree, 3 = N = Neutral

4 = A = Agree 5 = SA = Strongly Agree

S. N.	Construct and Items	Scale				
		SD	D	N	A	SA
1. Physical Environment and Employee Performance						
1	My furniture is comfortable enough to enable me perform my jobs without getting tired					
2	My workplace provides peaceful environment to perform my duties.					
3	I am happy with my office space and arrangement.					
4	A better work environment (spacious office, enough lighting etc.) will make me perform better at my job.					
2. Training/ Development and Employee Performance		SD	D	N	A	SA
1	My organization provides training and development to the employees					
2	My organization helps me identify my training and development needs through performance appraisals					
3	My organization conducts training evaluation after training is conducted.					
3. COMMUNICATION WITH SUPERVISOR		SD	D	N	A	SA
1	Senior staff gives me a clear picture of the direction in which the organization is headed hence motivating me to work.					
2	I am able to contact senior Supervisors or work hand in hand with my superior at the workplace.					
3	Myimmediatesupervisor treats me with respect.					
4	My immediate supervisor encourages me to be creative in my work and bring new ideas.					
5	My immediate supervisor positive attitude increases my jobperformance.					

4. Job Aid in Work place						
1	Job aids have a good consolidation with my performance.					
2	I get the information I need to fulfill my duties.					
3	The presences of job aid at the organization have a contribution much in my job performance.					
5. Performance of Employee & Related Questions		SD	D	N	A	SA
1	I am capable of working with others cooperatively.					
2	I execute well in my overall job by performing tasks as expected.					
3	I am capable in using my abilities to the maximum by the task that given by the organization.					
4	I could manage additional responsibility in my job than is usually allotted to me.					
5	I quickly adjust myself to changing priorities in organization.					
6	I am held accountable for achieving specific results					
7	I usually achieve my goal which the organization expects from me to achieve.					
8	I spent minimum effort and time to complete my job.					
9	Understanding my target allow me to focus on my work and to have high performance.					

Appendix B: Reliability Statistics

Reliability Statistics		
Variables	No. of Items	Cronbach's Alpha if Item Deleted
Physical Environment	4	0.788
Training/ Development	3	0.771
COMMUNICATION WITH SUPERVISOR	5	0.786
Job Aid in Work place	3	0.776
Performance of Employee	9	0.737

Appendix C

Appendix C: 1 Descriptive Statistics and Correlations

Item Statistics			
	Mean	Std. Deviation	N
Physical Environment and Employee Performance	3.8042	.42139	180
2. Training/ Development	3.8956	.44805	180
3. COMMUNICATION WITH SUPERVISOR	3.8348	.48045	180
4. Job Aid in Work place	3.8018	.44493	180
5. Performance of Employee	4.4977	.33311	180

Descriptive Statistics					
PH W	N	Minimum	Maximum	Mean	Std. Deviation
My furniture is comfortable enough to enable me perform my jobs without getting tired	180	2	5	3.68	.994
My workplace provides peaceful environment to perform my duties.	180	1	5	3.85	.780
I am happy with my office space and arrangement.	180	1	5	3.34	.814
A better work environment (spacious office, enough lighting etc.) will make me perform better at my job.	180	1	5	3.91	1.097
Valid N (listwise)	180				

Descriptive Statistics

CWS	N	Mean	Std. Deviation
Senior staff gives me a clear picture of the direction in which the organization is headed hence motivating me to work.	180	3.64	1.276
I am able to contact senior Supervisors or work hand in hand with my superior at the workplace.	180	3.69	1.078
My immediate supervisor treats me with respect.	180	3.77	1.077
My immediate supervisor encourages me to be creative in my work and bring new ideas	176	3.62	.949
My immediate supervisor positive attitude increases my job performance.	180	3.48	1.207
Valid N (listwise)	176		

Descriptive Statistics

JA	N	Mean	Std. Deviation
Job aids have a good consolidation with my performance.	180	3.46	.941
I get the information I need to fulfill my duties.	180	3.37	1.072
The presences of job aid at the organization have a contribution much in my job performance.	180	3.69	1.144
Valid N (listwise)	180		

Descriptive Statistics

EP	N	Mean	Std. Deviation
I am capable of working with others cooperatively.	180	4.32	.829
I execute well in my overall job by performing tasks as expected.	180	3.93	1.071
I am capable in using my abilities to the maximum by the task that given by the organization.	180	4.27	.639
I could manage additional responsibility in my job than is usually allotted to me.	180	4.02	1.019
I quickly adjust myself to changing priorities in organization.	180	4.33	.747
I am held accountable for achieving specific results	180	3.91	.880
I usually achieve my goal which the organization expects from me to achieve.	180	4.12	.856
I spent minimum effort and time to complete my job.	180	4.14	1.034
Understanding my target allow me to focus on my work and to have high performance.	180	4.39	.772
Valid N (listwise)	180		

Correlations

		Physical Environment and Employee Performance	2. Training/ Development	3. COMMUNICATION WITH SUPERVISOR	4. Job Aid in Work place	5. Performance of Employee
Physical Environment and Employee Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	180				
2. Training/ Development	Pearson Correlation	.405**	1			
	Sig. (2-tailed)	.000				
	N	180	180			
3. COMMUNICATION WITH SUPERVISOR	Pearson Correlation	.373**	.446**	1		
	Sig. (2-tailed)	.000	.000			
	N	180	180	180		
4. Job Aid in Work place	Pearson Correlation	.400**	.468**	.386**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	180	180	180	180	
5. Performance of Employee	Pearson Correlation	.557**	.552**	.574**	.597**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	180	180	180	180	180

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

Appendix C: 2 Model Summary, ANOVA, Coefficients & Collinearity Diagnostic

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.764 ^a	.584	.575	.21717	1.711

a. Predictors: (Constant), 4. Job Aid in Work place, 3. COMMUNICATION WITH SUPERVISOR, Physical Environment and Employee Performance, 2. Training/ Development

b. Dependent Variable: 5. Performance of Employee

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.608	4	2.902	61.530	.000 ^b
	Residual	8.254	175	.047		
	Total	19.862	179			

a. Dependent Variable: 5. Performance of Employee

b. Predictors: (Constant), 4. Job Aid in Work place, 3. COMMUNICATION WITH SUPERVISOR, Physical Environment and Employee Performance, 2. Training/ Development

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.593	.187		8.508	.000
	Physical Environment and Employee Performance	.205	.044	.259	4.606	.000
	2. Training/ Development	.136	.044	.182	3.061	.003
	3. COMMUNICATION WITH SUPERVISOR	.194	.039	.280	4.924	.000
	4. Job Aid in Work place	.224	.043	.300	5.169	.000

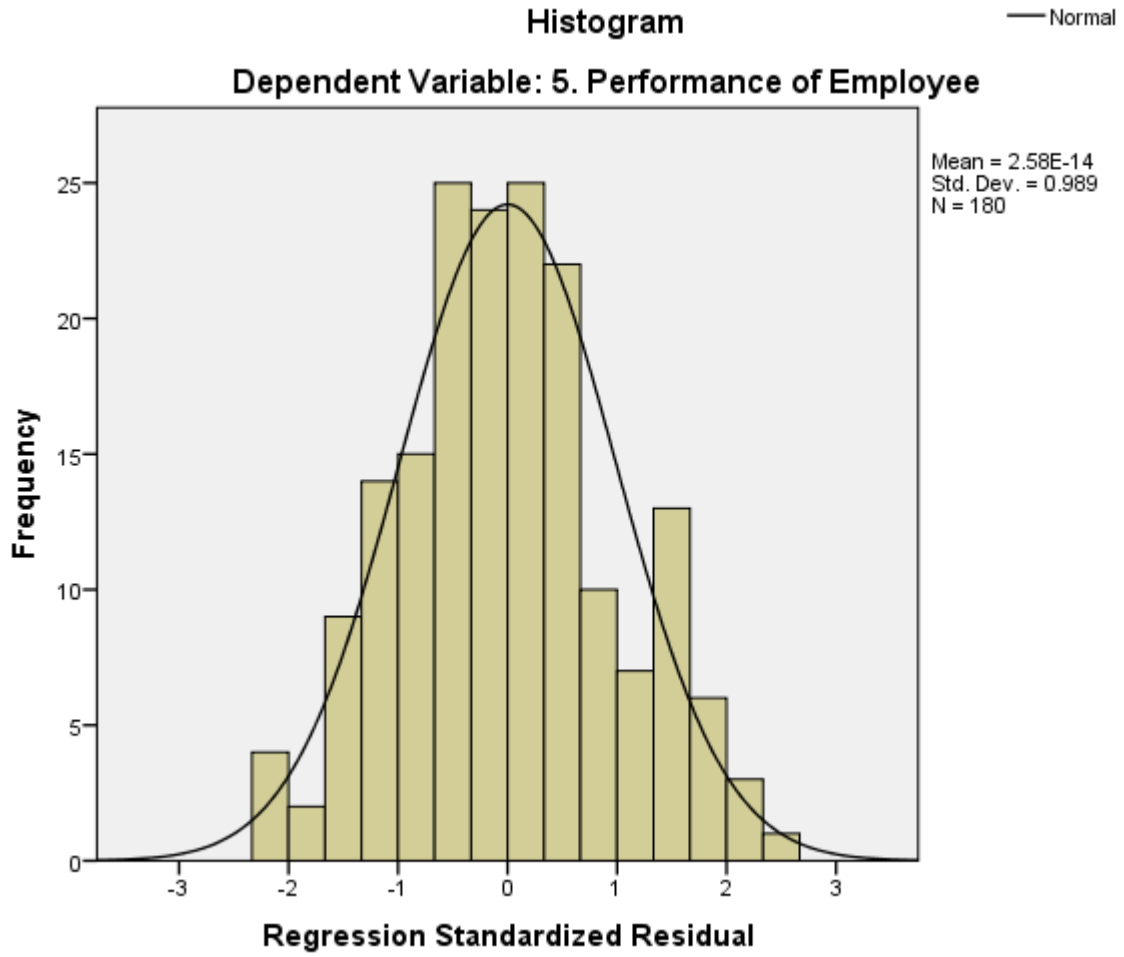
a. Dependent Variable: 5. Performance of Employee

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	(Constant)	Variance Proportions				
					Physical Environment and Employee Performance	2. Training/Development	3. COMMUNICATION WITH SUPERVISOR	4. Job Aid in Workplace	
1	1	4.970	1.000	.00	.00	.00	.00	.00	
	2	.009	23.172	.02	.09	.00	.91	.13	
	3	.008	25.091	.05	.54	.13	.00	.43	
	4	.007	26.908	.00	.01	.83	.08	.40	
	5	.006	29.295	.93	.36	.04	.01	.03	

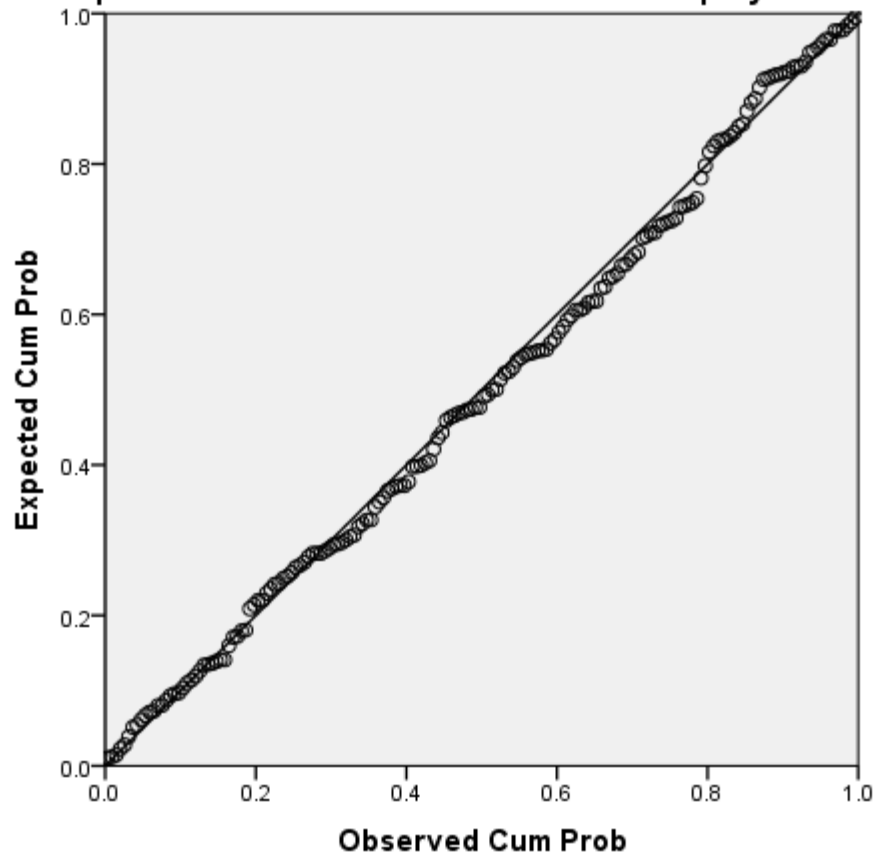
a. Dependent Variable: 5. Performance of Employee

Appendix C: 3 Histogram, Linearity Matrix Plots, Homoscedasticity,



Normal P-P Plot of Regression Standardized Residual

Dependent Variable: 5. Performance of Employee



Scatterplot

Dependent Variable: 5. Performance of Employee

