

# **ADDIS ABABA UNIVERSITY**



## **COLLEGE OF BUSINESS AND ECONOMICS**

### **MASTER OF BUSINESS ADMINISTRATION**

# **THE EFFECT OF WORKING ENVIRONMENT ON EMPLOYEE'S JOB PERFORMANCE: IN THE CASE OF UNILEVER MANUFACTURING PLC**

**A THESIS SUBMITTED TO DEPARTMENT OF MANAGEMENT IN  
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD  
OF MASTER OF BUSINESS ADMINISTRATION (MBA)**

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## ***STATEMENT OF DECLARATION***

I, the undersigned, declare that this study entitled —*The effect of working environment on employee's job performance in the case of Unilever Manufacturing Plc.* is my original work and has not been presented for a degree of Master of Business Administration in any university, and that all sources of materials used for the study have been duly acknowledged.

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## ***STATEMENT OF CERTIFICATION***

This is to certify that the thesis prepared by Tizitaye Eshetu Melesse, entitled: —***The Effect of working environment on employee performance: in the case of Unilever Manufacturing Plc*** and submitted in partial fulfillment of the requirements for the degree of Master of Business Administration in management complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

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## **ABSTRACT**

*This research is set out to find the effect of working environment on employee's job performance in the Case of Unilever Manufacturing Plc in Addis Ababa Ethiopia. The working environment parameters used are Physical working environment, Workload, Reward, Training and Working from Home (WFH). The research used Quantitative research and explanatory research design to explain effect of independent variables on the dependent variable. Descriptive analysis was also used to describe the characteristics of the data and produce meaningful analysis and make conclusions. To analyze the collected data, a statistical tool called statistical package for social science (SPSS) version 24 is used. The type of sampling technique used is a simple random sampling method. Therefore, from a population of 219 employees, a sample size of 142 was taken out. From this sample size, it was managed to collect 141 correct responses for analysis making the response rate 99%. The finding of the research emphasizes that the physical working environment, workload, and training have positive and statistically significant effect on employee performance. Contrarily, reward and work from home presented statistically insignificant effect. From the regression analysis, it was found that Training has the highest correlation with job performance followed by the physical environment and workload. Based on the result, recommendations were made for the management that it will benefit the company to modernize and refurbish the physical environment in a continues basis to make employees more productive and make them a source of innovative ideas. Workloads need to be managed well to not push the employees to work beyond their limit and since they are happy with the scheme of the training, the company will benefit by exploring new ways of giving different kinds of training to boosts up the efficiency of its employees.*

**Key Words:** *Job Performance, Working environment, Unilever Manufacturing Plc.*

## **Table of Contents**

<i>ABSTRACT</i> .....	iv
Table of Contents.....	v
List of Tables .....	vii
List of Figures.....	viii
List of Abbreviations .....	ix
1. INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem.....	4
1.3 Research Questions .....	5
1.4 Objective of the Study.....	5
1.4.1 General objective .....	5
1.4.2 Specific objective.....	5
1.5 Significance of the Study .....	6
1.6 Scope of the Study.....	6
1.7 Limitation of the Study .....	7
1.8 Organization of the Study .....	7
2. REVIEW OF RELATED LITERATURE.....	8
2.1 Introduction .....	8
2.2 Theoretical Review .....	8
2.2.1 Working Environment .....	8
2.2.2 Employee Job Performance .....	16
2.3 Empirical Review .....	20
2.4 Conceptual Framework .....	23
2.5 Research Hypothesis .....	25
3. RESEARCH DESIGN AND METHODOLOGIES.....	26
3.1 Research Design.....	26
3.2 Research Approach .....	26
3.3 Data Collection Method .....	27
3.4 Sampling Method.....	27
3.5 Data Analysis Method.....	28
3.6 Model Specification .....	29
3.7 Factor Analysis.....	30

3.8	Validity and Reliability .....	30
3.8.1	Validity .....	30
3.8.2	Reliability.....	30
3.8.3	Ethical Consideration.....	31
4.	DATA PRESENTATION, ANALYSIS AND DISCUSSION .....	32
4.1	Introduction .....	32
4.2	Response Rate .....	32
4.3	Description Analysis .....	32
4.3.1	Background Information of the Respondents .....	32
4.3.2	Descriptive Statistics of the Variables .....	34
4.4	Inferential Statistics.....	36
4.4.1	Correlation Analysis .....	36
4.4.2	Testing Regression Model Assumptions .....	38
4.4.3	Regression Model .....	42
4.4.4	Testing the Hypothesis.....	44
5.	CONCLUSION AND RECOMMENDATION .....	49
5.1	Introduction .....	49
5.2	Summary of the Findings .....	49
5.3	Conclusion.....	50
5.4	Recommendation.....	51
5.5	Direction for Further Research.....	52
	References.....	53
	Appendix A: Questionnaire .....	63
	Appendix B: Descriptive Statistics .....	67
	Appendix C: Factor Analysis.....	70

## **List of Tables**

Table 2.1 Benefits and Drawbacks of WFH .....	16
Table 2.2 Categories of Performance Measurement.....	18
Table 2.3 Indicators of Performance Measurement .....	19
Table 2.4 Indicators of Job Performance Alignment .....	23
Table 3.1 Dependent and independent Variables .....	26
Table 3.2 Reliability Test.....	31
Table 4.1 Age Category .....	32
Table 4.2 Gender Category .....	33
Table 4.3 Educational Background.....	33
Table 4.4 Marital Status.....	33
Table 4.5 Year of Experience .....	34
Table 4.6 Descriptive Statistics of the Variables .....	35
Table 4.7 Correlation of Working Environment and Job Performance .....	37
Table 4.8 VIF and Tolerance Statistics for Multicollinearity .....	41
Table 4.9 Durbin Watson Test Result.....	41
Table 4.10 Model Summery .....	43
Table 4.11 Analysis of Variance (ANOVA).....	43
Table 4.12 Coefficients of Regression Analysis.....	43
Table 4.13 Hypothesis Test Summery .....	45

## **List of Figures**

Figure 2.1 Conceptual Framework .....	24
Figure 4.1 Normality Assumption Test .....	38
Figure 4.2 Homoscedasticity Assumption Test .....	39
Figure 4.3 Linearity Assumption Test .....	40

## **List of Abbreviations**

EP	Employee Performance
WFH	Work from Home
AC	Air Conditioning
ILO	International Labor Organization
NIOSH	National Institute for Occupational Safety and Health
PE	Physical Environment
WL	Workload
RW	Reward
TR	Training
JP	Job Performance
ANOVA	Analysis of Variance
SPSS	Statistical Package for Social science

# 1. INTRODUCTION

## 1.1 Background of the Study

Organizations, whether big or small, starts their journey with the thought of being successful in the local and then in the global market. In this journey, its success can be tested by many factors. One of which can be the working environment which plays a greater role in the performance and productivity of employees. A comfortable and innovative working environment will improve employees' performance which in return boosts the organization's performance. Nowadays, the focus of many employers is to create an environment that has encouraging and innovative vibes to assist and inspire workers to work best, smarter, faster, and to think outside the box. A good working environment is something that lightens the mood, helps people to concentrate better, and provides a good working approach for both employees and the employer (Chopra, 2016).

According to Leblebici (2012), the workers' motivation, efficiency and accomplishment can be highly determined by the workplace in which they spend most of their time. It will have an input to their level of creativity, innovation, and the way they do things with their respective colleagues. The most important point that encourages employee motivation and pleasure, and how beneficial and efficient they can be, all attributed to their workplace environment.

Employees or workers are the most vital element that a company could ever possess. As a result, it is the responsibility of the management of the company to give much consideration to the working environment both physical and mental aspects. Anything that surrounds the employees in an area where they do their duties and responsibilities and that can hinder their day-to-day activity can be considered as workplace environment. It considers both the external and internal issues which can affect the atmosphere so it will show on their performance. (Satyendra, 2019).

The area in which people spend most of their time has a tremendous effect on their performance. This place can be explained as an environment an employee accomplish their tasks while an effective workplace is a setting where deliverables can be assured as expected by the management team (Chapins, 1995).

The wellbeing of any company can be predicted by the talent pool of its human resource it holds under its supervision. How employees perform daily in a business will have an impact on the business success or failure. If it has highly talented, committed, and trustworthy

employees, its success is guaranteed. A well performing employee is an asset to an organization. Therefore, employee job performance is a very important factor for any organization that has a vision to stay in the business world successfully for indefinite period (Bostjancic & Slana, 2018).

Employee performance is a value that an individual adds to an organization in a certain period. It is how an employee fulfills their job duties and executes their required tasks. It refers to the effectiveness, quality, and efficiency of their output. Job performance as defined by Nayyar (1994), is the extent to which the person in the organization performs their assigned tasks with respect to the standard rules and regulations the organization published. Romanoff (1989) stated that performance is a set of outcomes produced during a certain period and does not refer to traits or personal characteristics of the performer (Devender, 2014).

In the 21<sup>st</sup> century, workers have different opportunities and job alternatives. In this sense, the environment will play a critical role for accepting or rejecting or keeping these jobs. Their performance will be highly dependent on their level of satisfaction. The social environment, different technological development such as innovative communication methods, virtual reality; e-market and the flexible ways of doing and organizing work processes has changed the reasons that affect the working environment (Hasun, 2005). We can even consider one factor, the Covid 19 Pandemic emerged on 31 December 2019 in Wuhan City, China that changed everyone's life in the planet of earth. Its outbreak has implied significant changes in the way service organizations work, affecting employees' routine and activities. This situation has pushed both organizations and employees around the globe to adjust their working culture that is completely different from they are familiar with. when employees can do what is expected of them and have a mind that is peaceful, they will be motivated to accomplish beyond their assigned duties and be productive in a way that benefits the organization. But the reverse of all this could result in big disaster casing the organization a huge loss.

A healthy workplace environment makes good business sense, and it is characterized by a respect that supports employee engagement and creates a high-performance culture that encourages innovation and creativity (Kohun, 2002). A positive workplace environment is likely to result in less employee turnover, fewer cases of fraud, better safety practices, easier to attract and retain qualified employees and improved employees' wellbeing (Cunneen, 2006).

Plenty of literatures have showed that there is a relationship between working environments and employees' job performance. Jayaweera (2015) in her article explained the relationship of

working environment factors affecting job performance in that higher managers need to improve the working environment by considering both physical and psychosocial factors to promote job performance of their staff. It also shows that motivation has a significant effect on job performance revealing employees perform well when they are motivated.

Al-Omari & Okasheh (2017) on their study of *The Influence of Work Environment on Job Performance*; a case study of engineering company in Jordan focused on the variables such as noise, office furniture, ventilation, light and stated that by improving the work environment, employees can be motivated, and their job performance will increase. In doing so, they will achieve the desired outcomes and goals of the job. A study done by Putri, Ekowati, Supriyanto, & Mukaffi (2019) on the effect of work environment on employee performance through work discipline found out the work environment variable has a significant effect on employee performance and influence work discipline which result in encouraging employees to work well.

Much research can be found with the topic at hand in different part of the world. However, the literatures available in Ethiopian cases are still not adequate. This Study herewith explored the effect of working environment on employee's job performance by focusing its attention on a manufacturing company called Unilever head office located in Addis Ababa Ethiopia. Unilever is one of the leading suppliers of food, home, and personal care products in Ethiopia. Unilever Manufacturing PLC was established in 2015 in Ethiopia and is already supporting a growing network of Ethiopian suppliers, distributors, and traders. The company continues to add capacity in local manufacturing in Ethiopia, after onshoring Soaps, Detergent Powders, and Bouillons.

## **1.2 Statement of the Problem**

The profitability of an organization is highly affected by the job performance of its employees (Bevan, 2012). For every company to be profitable and stable in the market, it needs well-educated and high performers in its premises. This does not only apply to the company only, but the workers will also be well satisfied and will be proud of themselves if they get things done in a professional manner. Harter, Schmidt, & Hayes (2002) suggested that effective management of a firm's human resources would be able to generate and increase knowledge, motivation, synergy, and commitment to achieve competitive advantage for the organization.

In our country, we can grasp a look at some of the organizations that give public services whenever we are there to get things done. Most government and non-government organization physical working environment seems to be short of appropriate and healthy working atmosphere. McGuire & McLaren (2009) thinks that employee's behavior in the workplace can be affected by the organization's physical environment specifically its layout and design. To draw attention to some of the things can include poorly designed workstations, lack of ventilation and AC systems, shortage of office furniture and meeting hall, inappropriate Lighting, Sound and water systems, inadequate safety measures in case of emergency, and poorly designed toilet outlets (Nitisemito, 2001).

Through informal communication and survey on Unilever's working environment, it gives a vague picture that there could be a shortage of office furniture specially office chair because the office follows a non-fixed working station policy. The other is because the office is located between big buildings, there might not be enough amount of light or open widows to see the outside surroundings and invite fresh air into the room. These things could result in affecting employees' performance directly or indirectly. Concerning about workload, it seems each employee is handling lots of tasks at once giving the impression that they are overloaded. Tesfu (2019) done his research on working environment factors effecting employee performance like workload negatively related and work life balance having insignificant effect on job performance. therefore, the researcher wanted to understand the real issue at hand and explore further on what effects positively or negatively employee job performance.

Quite a lot of research are done on this topic in different frames of time and place. Moreover, today's working environment is completely different from the past in technology, structure, and competition. Nowadays things are changing in a very fast phase that everything has become dependent on the technology advancements and especially the workforce rigid old approaches

are now moving to an era that can accommodate new age challenges, more open to problems to use them for creativity, and less tied to fixed physical locations by using modern collaborative tools. Even though this research can be taken as a reference, it will be difficult to draw a general conclusion thus it is believed that this research will bridge this gap.

In addition to that, even if the articles on this topic are many, the working environment parameters are different. In this research, it was done by combining the identified parameters together and explore their effect on job performance. The parameters are selected based on the nature of the organization under study. On top of that, it was the researcher's interest to include one variable namely Working from Home as one factor affecting job performance which was not found in other research while reviewing articles. Due to the Corona Virus pandemic, most organizations all over the world are forced to change their working style. Because of the sudden change in every life activity, it was difficult both for individuals and organization to cope up with this change. As there are few research done on this topic during this period, it is the belief of the researcher to fill this gap.

### **1.3 Research Questions**

Based on research problems, the study addressed questions like

- ☞ What effect does the physical working environment like noise, amount of light, safe and comfortable workplace and availability of restrooms has on employee's job work performance?
- ☞ What is the effect of workload on employee performance?
- ☞ What is the effect of reward on employee performance?
- ☞ What is the effect of trainings on employee work performance?
- ☞ What is the effect of Working from Home (WFH) on employee Performance?

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

#### **1.4.1 General objective**

The general objective of the research is to investigate the effect of working environment on employee work performance in Unilever Manufacturing Plc in Addis Ababa Ethiopia.

#### **1.4.2 Specific objective**

To achieve the general objective mentioned above, the following specific objectives have been set:

- ☞ To study Physical working environment effect on employee job performance
- ☞ To explore workload effect on employee performance
- ☞ To investigate reward effect on employee performance
- ☞ To examine Training's effect on employee performance
- ☞ To discover Working from Home effect on employee performance

## **1.5 Significance of the Study**

Every research is prepared to have a significant in the working environment as well as to the society. The findings of this study will contribute a lot in the manufacturing industry at large and to Unilever Manufacturing Plc in specific since lots of time, money, and human power is exerted on it. This research would be of a good interest to the management of the company. Therefore, this study will contribute the following.

- ☞ The main beneficiary of the study will be the company in which the study is conducted, it can use the extracted data to improve and implement a new way of doing things to capacitate its employees' performance by renovating its working environment.
- ☞ It will create awareness on the gaps that were missed out concerning the importance of comfortable and suitable working environment and its elements to enhance employee job performance.
- ☞ Based on the findings of the study, valid recommendation can be drawn out that can help organizations in similar industries to achieve their strategic goals
- ☞ To motivate other interested researchers to undertake a better and detailed study in the area and use it as a reference document.

## **1.6 Scope of the Study**

The scope of this study focused on exploring the effect of working environment on employee's job performance in an organization called Unilever Manufacturing Plc in Addis Ababa Ethiopia by considering five working environment parameters. This company at hand is chosen because from close observation, the employees expressed complaint regarding the workplace and due to lack of finance, resource and pre-defined academic period of time, it was imperative that the scope of the study be delimited geographically.

## **1.7 Limitation of the Study**

On the process of doing this research, the main limitation was getting access to the employees of the organization due to the current COVID 19 situation. It was difficult to openly discuss what is needed and this has put a limitation for physical contact. Therefore, it was found mandatory to design the questionnaire online since the research is highly dependents on the respondents and it was very challenging to remind them now and then to get a timely response. Therefore, the main limitations of the study were

- ☞ Difficult to distribute the physical hardcopy questionnaires to respondents
- ☞ Unable to get access to email addresses of the respondents to send the online questionnaire
- ☞ Not getting the responses on time which needed to remind them now and then.
- ☞ In addition, the researcher only included five variables and excluded other variables which may have effect on employees' Job performance.

## **1.8 Organization of the Study**

The study has been organized by dividing the contents in terms of five chapters. It begins with the presentation of a general explanation of the research having the background, the problem statement, research questions, the objectives, the significance, the scope and limitations. The next chapter presents a brief related literature review on definition of working environment, factors affecting employee performance etc. Chapter Three provides information about the research design and methodologies. The next chapter explains the data collection methods and process with data presentation and analysis. Finally, the overall findings are summarized, conclusions were drawn based on the findings and recommendations was also given.

## **2. REVIEW OF RELATED LITERATURE**

### **2.1 Introduction**

This part of the study exposes an exhaustive review of related literatures by different scholars with the topic at hand which is working environment and employee Job performance to structure the study in a correct theoretical framework. It depicts the opinions, principles, theories, findings, and recommendations of related research by different people, to be applied in the study.

### **2.2 Theoretical Review**

#### **2.2.1 Working Environment**

The work environment is the space that we create within which people come together to perform their work and achieve outcomes. It is a place where people experience what working together is all about ( Donley, 2021). Workplace environment can be defined as the way employees perceive, analyze, and give sense to their immediate environment as to satisfy their intrinsic, extrinsic, and social needs in a way of staying in the organization (Haynes, 2008). He also adds that environment is a key determinant of the quality of their work and their level of performance. Shrestha (2007) states that maintaining a positive working environment will have a huge benefit having greater productivity, happier people, employee stability, business advantage, higher profits, greater security, and better health.

Briner (2000) in his article, states that work environment is not only the environment in which people work but it is a broader category having the physical setting: heat and equipment, job characteristics: workload and complexity, broader organizational features: culture and history, and external organizational settings local labor market conditions, industry sectors, work home relationships. Opperman (2002), defines working environment as a composite of three major sub-environments: the technical environment, the human environment, and the organizational environment. Technical environment refers to tools, equipment, technological infrastructure like technology services, software, and hardware and other physical or technical elements. The technical environment creates elements that enable employees perform their respective responsibilities and activities. The human environment refers to peers, others with whom employees relates, team and work groups, interactional issues, the leadership, and management. Having these kinds of environments will open a door for employees to have informal communication that will enable them to have an opportunity to share and exchange

creative ideas for better organizational and employee's performance. Organizational environments include systems, procedures, practices, values, and philosophies which the management has the upper hand control over. The system of measurement in which individuals are given a reward based on their output number so that they will not be motivated to help those who are working for enhancing self-importance. Thus, issues concerning the organizational environment affect employees' job performance and productivity.

According to Kyko (2005), there are two kinds of working environments namely conducive and toxic environments. The conducive work environment provides an enjoyable experience to employees and makes them actualize their capability and behavior. Self-actualization behavior can also be initiated by this kind of environment. Toxic work environment gives unpleasant experiences and at the same time, unrealize employees' behavior. This environment reinforces low self-actualizing behaviors, and it leads to the development of negative traits of the employees' behavior (Taiwo, 2010). Good and effective working environment conditions will increase comfort and security of employees in carrying out their duties and work activities, so that their work productivity will also be able to increase optimally.

Environmental psychology, which is defined as the scientific study of the transactions and interrelationships between people and their physical surroundings (including built and natural environments, the use and abuse of nature and natural resources, and sustainability-related behavior), has put a greater attention on the effect of working environment on Job performance. Environmental Psychology has a big concern about the physical setting of an environment. it believes that effective design and architecture such as having flowers and small colorful plants to have a sense of green area, beautiful flowers that flourishes employees' sense of creativity and peace of mind (Ackerman, 2021). L. James and Lois James defines psychological climate as the individual or employee's perception of the psychological impact of the work environment on his or her own well-being. The interaction between the person and the environment will determine how that person behaves in that environment (James & James, 1989).

The importance of working environment on Job performance should not be underestimated because it is a key determinate of quality of work and level of productivity. A proper, helpful, conducive workplace environment brings improvements to the employees' physical and mental capabilities in performing their daily routine. We need to ask question like why do some employees feels good about their job and accomplish more and better than others? While some

are eager to look forward for the next day's activities at work, others feel so exhausted and gloomy with the thought of going to office the next day.

#### **2.2.1.1.1 Working Environment Factors affecting Employee Job Performance**

In workplace of an organization job performance can be disturbed by a lot of different factors that can be a destruction for the employees and the company. It is an open truth for a company to be successful and well established in the current drastic change of the world economy, it needs a high performing labor (D.W, 2015). This performance can be affected by number of internal and external factors.

The factors of workplace environment give an immense impact to the employees either towards the negative outcomes or positive outcomes. How well they engage with the organization, especially with their immediate environment, influences on a great degree their error rate, level of innovation and collaboration with other employees, absenteeism and ultimately, how long they stay in the job (Chandrasekar, 2011). As many as the factors are available, this research invested its attention on the factors mentioned below.

#### **2.2.1.1.2 The physical working environment**

The physical setting of an organization plays a great role in the success of employees' productivity and influence their behavior in a numerous way. It is vital to employees' performance, satisfaction, social relation and health (Badayai, 2012). Since employees spend most of their time in a working environment, organization need to pay attention to this regard. Workplaces can influence employee's cognitive and emotional states, capability, behavior and actions and their job performance.

Anything that exists around employees which can affect their ability to perform their daily task can be labeled as working environment. The physical environment includes components of the tangible workplace environment that comprise spatial layout and functionality of the surroundings (Kohun, 2002). It is made up of the layouts and the location where work is done and the facilities it offers. The physical conditions will play a crucial role in enabling employees to reach their full potential. Some critical aspects of physical environment to consider include size, cleanliness, layout, temperature, ventilation, lighting, noise, furniture, equipment, facilities, and location.

According to Sedarmayanti (2001), Physical work environment is defined as all physical conditions found around the workplace that can affect employees, both directly and indirectly. She explained, the physical work environment is the whole or every aspect of physical and socio-cultural symptoms that surround or influence individuals. She categorized the physical working environment in to two groups namely environment that is directly related to employees, such as work centers, chairs, tables and so on and an intermediary environment or general environment which can also be called a work environment that affects human conditions such as temperature, humidity, air circulation, lighting, noise, mechanical vibration, odor, color, etc. (Rahmi, Wibowo, & Mukit, 2018).

The working environment encompasses all the physical and tangible things that are involved in the process of performing job activities. It is the combination of machinery, office layout, temperature, ventilation, and lighting. It also includes noise level and space. Aspects of work such as heat, noise, and lighting have been shown to affect several psychological processes in both direct and indirect ways. Noise, for example, may impair the cognitive performance of certain kinds of tasks (Banbury S, 1998).

The interaction and perception employees have about their workplace will influence their ability to take control of their work and the level of stress they encounter with in the workplace.

Badayai (2012) in his article called "A Theoretical Framework and Analytical Discussion on Uncongenial Physical Workplace Environment and Job Performance among Workers in Industrial Sectors" explained that there are five main factors that affects an individual's job performance in highly intense level.

These are defined as follows

- ☞ Sound (noise):
- ☞ Air (Pollution, Freshness)
- ☞ Temperature (Heat, Cold),
- ☞ Light and Color (Sunlight, Windows, Views)
- ☞ Space (Arrangements of workstations, furniture)

#### **2.2.1.1.3 Workload**

We wouldn't be needing the concept of workload if individuals can perform their duties and responsibilities having the necessary skills and talents quickly, reliably, accurately by using the

available resources efficiently. Nevertheless, the reverse is true. Workload is a very contributing factor for employee's productivity, stress level and turnover rate. If the workload is under the set standard, employees will be idle and involved in non-productive activities like spending much time on social medias causing the organization to experience unnecessary cost. On the other side, if it is above the standard, there will be a chance that employees will be stressed and exhausted with all the load and end up in dissatisfaction and low job performance. Therefore, it is an area where organization need to consider and invest enough amount of time to assess the level of workload on each employee.

It is difficult to find a common description of workload that can be accepted by all. A lot of intellectuals give meaning to the word on their own perception and understanding. Without complicating the word, it can be said as a particular job that one is expected to perform. As Hart and Staveland (1988) mentioned workload it is the perceived relationship between the amount of mental processing capability or resources and the amount required by the task. Workload is set by the link between task demands, the circumstance beneath that task occurs and therefore the perceptions, actions, skills, and information of the individual adopting the task. The task demands could embrace physical actions, psychological feature tasks and/or a spread of different factors (DiDomenicoa & Nussbaum, 2008).

ILO defined the pressure of work as the destructive responses both physical and emotional that is a result of discrepancy between what is actually perceived need and the available resources and abilities of the persons to fulfill those needs (ILO, 2016). When people are facing the pressure of workload that is completely out of their scope of abilities and skills and that challenges their capability to deal with the environment in which they work, the automatic response will be to be stressed out and depressed.

According to Nwinyokpugi (2018), Employee workload is the amount and degree of assignments that are appointed for that specific job category. It is what is expected from one employee to deliver in a specific period of time. Those employees who are capable of handling whatever is handed to them and have all the necessary skills, tend to enjoy workload. But when this pressure passes its level, it will cause a negative impact on the employee.

The National Institute for Occupational Safety and Health (NIOSH) defines workload as the detrimental physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the employee. Workload also occurs when the situation has high demands, and the employee has little or no control over it. Workload can

lead to poor health and injury on the side of the employees. Henceforth, the organizational Productivity and growth needs to be ensured by strategically managing the workload distribution which is predominantly done at the managerial level as well as the execution of the workload which is the onus of the employees as to how well they can manage their deliverables (Nwinyokpugi, 2018).

#### **2.2.1.1.4 Reward**

The strategic vision and mission of an organization can be met by enabling employees to work towards achieving those goals by introducing a reward system that will make them productive and increase their job performance. The administration of reward in an organization is the design, execution and troubleshooting of reward procedures that are targeted towards the enhancement of the performance of the organization (Pearce, Bangura, & Kanu, 2019). Understanding the issue of rewards and their management has becoming a critical point not only for scholars but also for parties associated with organization which are employer and employees.

According to Schultz (2006), Reward can be defined as a particular monetary return, object, or event that an employee receives in exchange for his/her work or for having done something well. It is also referring to all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship (John Bratton, 2010).

Reward can be categorized into two groups financial and non-financial rewards. The financial rewards are also called extrinsic rewards and non-financial rewards are called intrinsic rewards. The financial rewards include

- ☞ *Pay*: Money is ranked at the top for creating motivation because people require money to fulfill the necessities of life, so it motivates the employees more than any other incentive (Rynes, Gerhart, & Minette, 2004)
- ☞ *Bonuses*: Bonus is the extra payment or financial component which is received as a reward for doing one's job well. Bonus usually comes along with salary of the employee. It is the gesture of appreciation from the organization towards their employees (MBA Skool Team, 2021)
- ☞ *Allowances*: it can be defined as the amount of something that is allowed, especially within a set of rules and regulations or for a specified purpose. It includes transport allowance, House rent allowance and etc.

Other financial rewards include insurance, incentives promotions and job security. The non-financial rewards include appreciation, meeting the new challenges, caring attitude from employer, appreciation and recognition motivates the employee (Yousaf, Latif, Aslam, & Saddiqui, 2014). The financial rewards are external to the work itself which are administrated externally by someone else most of the time by management whereas the non-financial rewards are those rewards that are directly related with the job. They are referred as self-administered.

#### **2.2.1.1.5 Training**

The knowledge and skills, capabilities, and abilities of individuals for accomplishing a specific set of tasks can be enhanced by using a technique called training. It is a very vital element of human resource development and as well as the success of an organization. Dessler (2005) defined training as the methods used to give new or present employees the skills they need to perform in their jobs. Training and development refer to the process of training employees with an aim to develop their skills and increase overall productivity, usually in the form of multiple planned and systematic activities which increase the level of skill, competency, and knowledge vital to performing assigned duties well within the organization (Gordon, 1992).

The efficiency of a person, team and the organization as a whole can be improved through an organized method of learning and development called Training (Goldstein & Ford, 2002). Involving the employees of an organization in training on a temporary or permanent basis can be a result of great commitment, performance, and a way of reducing employee turnover. The investment in employee training and development has significant benefits for an organization as well as employees (Cannon-Bowers & Salas, 2001).

Noe defines training as designed activities from employer's side with the purpose of enhancing the level of knowledge and skills or to modify the behaviors or attitudes of the employees in such a way that will be aligned with the goals and objectives of organization (Noe, 2002). Researchers found that training activities not only develop employees and develop their abilities and skills but also influence their work-place behaviors like increase employee job satisfaction and their commitment to employer (Amir , Rana , & Asma , 2013).

Some of the benefits of training employees can be summed up as:

- ☞ **Increased performance and productivity:** Well-trained employees show both quantity and quality performance. There is less wastage of time, money, and resources if employees are properly trained.

- ☞ **Improved employee satisfaction and morale:** it creates positive workplace; employees feel appreciated through the opportunities they get which they would not have otherwise known about or sought out themselves.

#### **2.2.1.1.6 Working from Home (WFH)**

For many years, the concept of WFH has been brought to the focus of many schools of thoughts. The WFH concept was initially mentioned by Nilles (1988) dating back to 1973, known as “telecommuting” or “telework” (Messenger & Gschwind, 2016). WFH has been defined in various terms over the four decades, namely remote work, flexible workplace, telework, telecommuting, e-working. These terms refer to the ability of employees to work in flexible workplaces, especially at home, by using technology execute work duties. They described telecommuting as “an alternative work arrangement in which employees perform tasks elsewhere that are normally done in primary or central workplaces, for at least some portion of their work schedule, using electronic media to interact with others inside and outside the organization,” notably, they indicated that “elsewhere” refers to “home.” (Gajendran & Harrison, 2007).

The term telecommuting refers to the replacement of telecommunication technology for physical travel to a principal workplace mostly implying the person is working from Home. It is about bring the work to the person rather than the reverse (Margrethe & Sophia , 1984). Here technology can play a great role in remote work. These are as a

- ☞ replace for other forms of communications with managers and co-workers
- ☞ management tool for performance evaluation and monitoring, and
- ☞ methods for acquiring information necessary to perform one's job (Olson, 1982)

WFH has brought out the opportunity for the methods organizations used to perform their business. This thought has become more evident on the past two to three years because of COVID 19. This has given for employers the flexibility on how they do their business activities in line with giving much attention to the safety and wellbeing of its employees. With this increase of organizations using the opportunity of working from elsewhere other than the office, there are several benefits and drawbacks that can birth out from this. These are summarized as described in the table below (Labor Relation Agency , 2021).

**Table 2.1 Benefits and Drawbacks of WFH**

<b>Benefits</b>	<b>Drawbacks</b>
<b>Flexibility and Freedom:</b> Flexible working hours, time to meet families, to do life activities	<b>Not work for everyone:</b> it may not be suitable for everyone personality or ability
<b>Improved staff health and wellbeing:</b> benefits like enough sleep, Exercising, healthy meal Preparation	<b>Staff feeling isolated:</b> individuals may feel disconnected, vulnerable for loneliness
<b>Use of Technology:</b> technology Awareness, Staffs always connected, efficient and effective meetings	<b>Difficulty monitoring performance:</b> Will be hard to handle home employees and monitor their daily performance
<b>Pool of Talent:</b> attract specialized skills from anywhere, no relocation costs, taken as an incentive	<b>Lack of community and teamwork:</b> might be difficult for some to work alone, difficulty working virtually
<b>Cost and time savings for workers:</b> Travel time and cost, lunch, coffee, parking costs, manage their own schedule and working time to best meet their goals	<b>Cost of working from home:</b> lack of working equipment like laptop/desktop, a high-speed internet connection, printers/fax machines
<b>Work or life balance:</b> can plan both work and homework, can take a break whenever,	<b>Information security risk:</b> remote access to servers might be risky
<b>Reduction in absenteeism / Improved employee retention:</b> Increases productivity, loyalty, and satisfaction of employees	<b>The nature of the job:</b> there are some jobs which cannot be done outside of the work premises.

Source:(Labor Relation Agency (2021), Stamenova (2020)

### 2.2.2 Employee Job Performance

Every individual is created for a purpose. He/she has something to offer to the success or failure of the business's set objectives. In addition to this, performance is also important to the individual because when they achieve tasks given to them, their level of satisfaction increases. Understanding the importance of employee performance (EP) therefore is a critical point. Organizations' goal can only be achieved by HR so high investment should be made to increase performance level of employees.

The accomplishment of a certain job is equivalent of job performance. it is a roadmap of reaching at a goal or set of goals within a particular position, job or company. But it does not incorporate the actual circumstances faced in doing the job. It gives confidence that job performance is not just one act but a combination of complex events. Performance in a job is strictly a behavior and a separate entity from the outcomes of a particular job which relate to success and productivity (Campbell, 1990).

Deliverables of a person or a team in an organization that is handed over in a specific time is performance. It shows the effectiveness and qualification of the person or the group to meet or accomplish the goals and targets of the company (Al-Omari & Okasheh, 2017).

(Nayyar, 1994) gave a definition for job performance as "Job performance is also defined as the degree to which an individual executes his or her role with reference to certain specified standards set by the organizations"

Lia who specializes in analyzing and forecasting the development of corporate culture, defines employee performance as how an employee fulfills their job duties and executes their required tasks. It refers to the effectiveness, quality, and efficiency of their output. Performance helps us to see the value of our employees to the organization which have a serious investment. Employee performance (EP) is the combined result of effort, ability, and perception of tasks (Platt, 2010).

From different literature reviews, there are two types of Job Performance namely Task performance and Contextual performance. Task performance refers to an individual's proficiency with which he or she performs activities which contribute to the organization's 'technical core'. It is related to ability, activities are different depending on the job, and it is more prescribed and constitutes in-role. Contextual performance refers to activities which do not contribute to the technical core, but which support the organizational, social, and psychological environment in which organizational goals are pursued. It is related to personality and motivation, the activities are relatively similar across jobs, and it is more discretionary and extra- role (Devender, 2014).

Professor Fang Lee Cooke defined performance as the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost, and speed (Cooke, 2001).

Early on, scientific management thought used to highly support the concept of employee performance which was focused on only the quantity of output of doing a job. But after some time, the dimensions of both quality and quantity were added to assess and evaluate performance of employees.

Efficiency, Efficacy, and quality were identified as the major dimensions of employee performance. Efficiency refers to the rate of output on job execution and meeting the deadlines

for finishing job tasks. Efficacy, on the other hand, represents the goal accomplishment rate by a particular employee (Dhammika , 2013).

According to Project Management Body of Knowledge (PMBOK) Guide 2007, grouped performance measures in to six general categories as indicated below.

**Table 2.2 Categories of Performance Measurement**

<b>Dimensions</b>	<b>Description</b>
Effectiveness	A process characteristic indicating the degree to which the process output (Work product) conforms to requirements (Are we doing the right things?)
Efficiency	A process characteristic indicating the degree to which the process produces the required output at minimum resource cost. (Are we doing things, right?)
Quality	The degree to which a product or service meets customer requirements and expectations
Timeliness	Measures whether a unit of work was done correctly and on time. Criteria must be established to define what constitutes timeliness for a given unit of work. The criterion is usually based on customer requirements.
Productivity	The value added by the process divided by the value of the labor and capital consumed.
Safety	Measures the overall health of the organization and the working environment of its employees

Source: PMBOK (2007)

Based on the definition of Elizabeth and Poojitha, productivity is a measure of the efficiency of a person, machine, factory, system, and so., in converting inputs into useful outputs (Elizabeth & Poojitha, 2017). Miller and Monge, (1986) state that Job satisfaction increases productivity through bringing high quality motivation and through increasing working capabilities at the time of implementation.

Employee performance or job performance measurement parameters have been subjective over the years with the dynamism of the organization environment. David Hakala identified different ways to measure employee performance. Some of the ways are used to measure the performance of the employees under this research. The indicators are displayed on Table 2.2

**Table 2.3 Indicators of Performance Measurement**

<b>Dimensions</b>	<b>Description</b>
Quality	The quality of work performed can be measured by several means. The percentage of work output that must be redone or is rejected is one such indicator.
Absenteeism or Tardiness	An employee is obviously not performing when he or she is not at work. Other employees' performance may be adversely impacted by absences
Timeliness	How fast work is performed is another performance indicator that should be used with caution. In field service, the average customer's downtime is a good indicator of timeliness. In manufacturing, it might be the number of units produced per hour.
Creativity	It can be difficult to quantify creativity as a performance indicator, but in many white-collar jobs, it is vitally important. Supervisors and employees should keep track of creative work examples and attempt to quantify them.
Manager Appraisal	A manager appraises the employee's performance and delivers the appraisal to the employee. Manager appraisal is by nature top-down and does not encourage the employee's active participation. It is often met with resistance, because the employee has no investment in its development.
Peer Appraisal	Employees in similar positions appraise an employee's performance. This method assumes that co-workers are most familiar with an employee's performance. Recently, peer appraisal has expanded to white-collar professions, where soft criteria such as "works well with others" can lead to ambiguous appraisals.
Team Appraisal	Like peer appraisal in that member of a team, who may hold different positions, are asked to appraise each other's work and work styles. This approach assumes that the team's objectives and each member's expected contribution have been clearly defined.

Source: David (2008)

According to Oswald, Proto, & SgROI (2015), "Happiness makes people more productive at work. The driving force seems to be that happier workers use the time they have more effectively, increasing the pace at which they can work without sacrificing quality". They have found that happiness made people around 12% more productive and improve their Job performance. Another article suggests that work performance, employee satisfaction and employee's productivity are highly correlated with each other. Happy employees are the base for happy workplace and as a result a good promotor, more loyal and more appreciative (Bellet, De Neve, & Ward, 2019). Employee satisfaction as defined by (Ahmed, 2020), is simply the

measure of your employees' or customers' happiness with your product or service. As a result, when their satisfaction level is high, they work as the best promoters of the company.

### **2.3 Empirical Review**

Bhat (2013) done his article "Impact of Training on Employee Performance: A Study of Retail Banking Sector in India" with the objective of evaluating the impact of training on employees' job performance. His study model includes one dependent and independent variable namely employee performance and training respectively. From the result, it was found that there exists a positive high correlation between training and employee performance. He concluded, when employees are open to different training programs, their motivation and creative level increase which make them in return productive. He suggested that even though training is not the only factor to enhance organizational performance, it has significant influence on employee's work commitment therefore organizations should reinforce training as their main agendas.

A thesis done by Ibrahim (2018) assessed the influence of work environment on employee performance. He did the analysis on 149 employees of Abay Insurance Share Company. To further explain the work environment, he used different variables like Physical environment (Furniture, Lightings & Ventilation, and Noise), Psychosocial environment (supervisory support, Role Congruity and Quality leader), and work life balance (work-family conflict, family-work conflict, and Work Extracurricular conflict). Accordingly, the result discovered that the physical environment and work life balance has positive and significant effect on employee performance. but even though psychosocial environment has positive effect, it was not statistically significant, so it was rejected. It was concluded that work life balance variable is the most important factor followed by the Physical environment affecting the performance of employees.

Eshun & Duah (2011) explored whether rewards motivate employees, what kind of rewards employees consider most beneficial and challenges managers faces in applying motivation theory to the workforce settings. Twenty interviews with people in various positions and organizations in Accra and Tema municipalities of the Greater Accra region of Ghana were taken and found out that while the use of rewards is vital in motivating employees, there is the need for management and employers to have a clear understanding of the human nature and what motivates employees. Finally concluded with not to focus on one type of reward but mixture of the two and remove myths regarding motivation.

An article with a title called “Study of the Working Conditions of Health Extension Workers in Ethiopia” reviewed the effect of the working condition on the health extension workers’ job satisfaction. Their study gave attention on the first batch of Health Extension Workers by using an in-depth field study which was carried out on 60 HEW in 50 health posts (HP) from six regions, 23 zones and 27 woredas. The result showed that there is a challenge in coordinating the staffing pattern in health posts, guiding time-use, work schedule and relationship with the community and poor human environment. finally concluded with having favorable working condition is essential to boost employee satisfaction (Teklehaimanot, et al., 2008).

Agwu (2013), studied on Impact of Fair Reward System on Employees Job Performance in Nigerian Agip Oil Company Limited Port-Harcourt by acquiring 390 respondents (managers, supervisors, and workmen) with cross-sectional survey in generating the required primary data. The result was improved employees’ job performance and reduced rate of industrial action is influenced by the implementation of fair reward system. Additional study on reward by Salah (2016), titled the Influence of Rewards on Employees performance used reward types like extrinsic reward, Intrinsic reward, social reward, and reward Mix as independent variables. 250 data was collected and resulted there is significant correlation between the reward types and performance.

A research paper called Effect of Work Environment on Organizational Performance in Arjo Dedessa and Finchaa Sugar Factory done by Shimelis Mihretu and Mahesh Gopal pointed out that physical working environments had a statistically significant impact on performance. They used 266 and 338 employees as a sample from both companies and used different parameters to explain the working environment like work related risks and injures, social work environment, administrative work environment, and the behavioral work environment. For both companies, work environment has a moderate relationship to employee and organization performance (Shimelis & Mahesh, 2021).

Dhammika (2013) studied the performance of employees by using two models called Task and contextual Performance and the role-based Performance Model in the article called Measuring Employees’ Performance in the Public Sector in Sri Lanka Testing of Two Models. The target sample was from 11 public sector organizations, 200 employees were selected. He begins by having two hypothesis the task and contextual performance model captures the performance of employees significantly and the other is the role-based model of performance captures the performance of employees significantly in the public sector in Sri Lanka. while it was observed

that both models have a significant and strong association with performance, it was found that the role-based model of performance recorded better model fit statistics over two factor model. In conclusion, the second hypothesis is accepted.

Nwinyokpugi (2018) studied workload management strategies and employees Efficiency in the Nigeria Banking Sector. With a cross sectional survey design, 130 questionnaires were collected from senior supervisors and managers of the selected six banks. The independent variables were specialization, Prioritization, delegation, and automated operation. The dependent variables were Tasks accomplishment and service delivery. The findings of the research illustrate that there are a strong and significant relationships between these attributes of specialization, Prioritization, delegation and automated operations with tasks accomplishment and service delivery as a measure of employees' efficiency. The responses depict that regarding specialization, the employees are more concerned about the service delivery of the company; with respect to prioritization, they are more satisfied, so they do not suffer from workload. Since employees love their company, they defend it because they owe that obligation to their company and automated operations reduces workload.

As explained by Erer (2021) in his article called "Impact of Covid-19 Fear on Employee Performance", employees have high levels of fear of Covid-19; It shows that there is a negative, moderate, and significant correlation between fear of Covid-19 and employee performance. In addition, it was concluded that the fear of Covid-19 significantly predicted employee performance.

Different research has explored the effect and relationship between working environment and employee job performance. there are so many factors that can hinder the performance of employees in their workplace. These can include the physical structure of the workplace that encompass the availability of enough light and air circulation, free from disturbing noises, safe and comfortable environment with adequate working tools and the like. And also workload: amount of task assigned to one person, reward, training and getting the job done from home. In a manufacturing company such as Unilever, these aspects have a great effect on the performance of employees since the overall organizational performance is dependent on the productivity of its employees. An extensive literature survey confirmed that not much research work has been carried to find the effect of these variables has on job performance particularly in an organization in Addis Ababa named Unilever manufacturing Plc.

## 2.4 Conceptual Framework

A conceptual framework maps out visually what is to be expected after the research is done. It points out what the dependent variable and the independent variables are and how they are related to each other. Conceptual framework is defined as a network, or “a plane,” of interlinked concepts that together provide a comprehensive understanding of a phenomenon or phenomena (Yosef , 2009).

In this research, from the review of related literatures, it has been conceptualized to work with Working Environment parameters namely Physical Environment, Workload, Reward, Training and Work from Home as independent variables and Employee Job performance as dependent variable.

The employee job performance parameters are selected based on while doing preliminary research, it was found that the selected parameters were found to measure job performance of the company and are related specifically to the respondent's work nature. Therefore, from the findings of David (2008), all parameters were taken except Team appraisal because it was not relevant to the research at hand. From Table 2.1, Effectiveness, Efficiency, Quality and Timeliness were selected and the rest are exempted since they are not relevant to this research. And finally, promotion was also taken as one parameter.

The summery are listed on the table below.

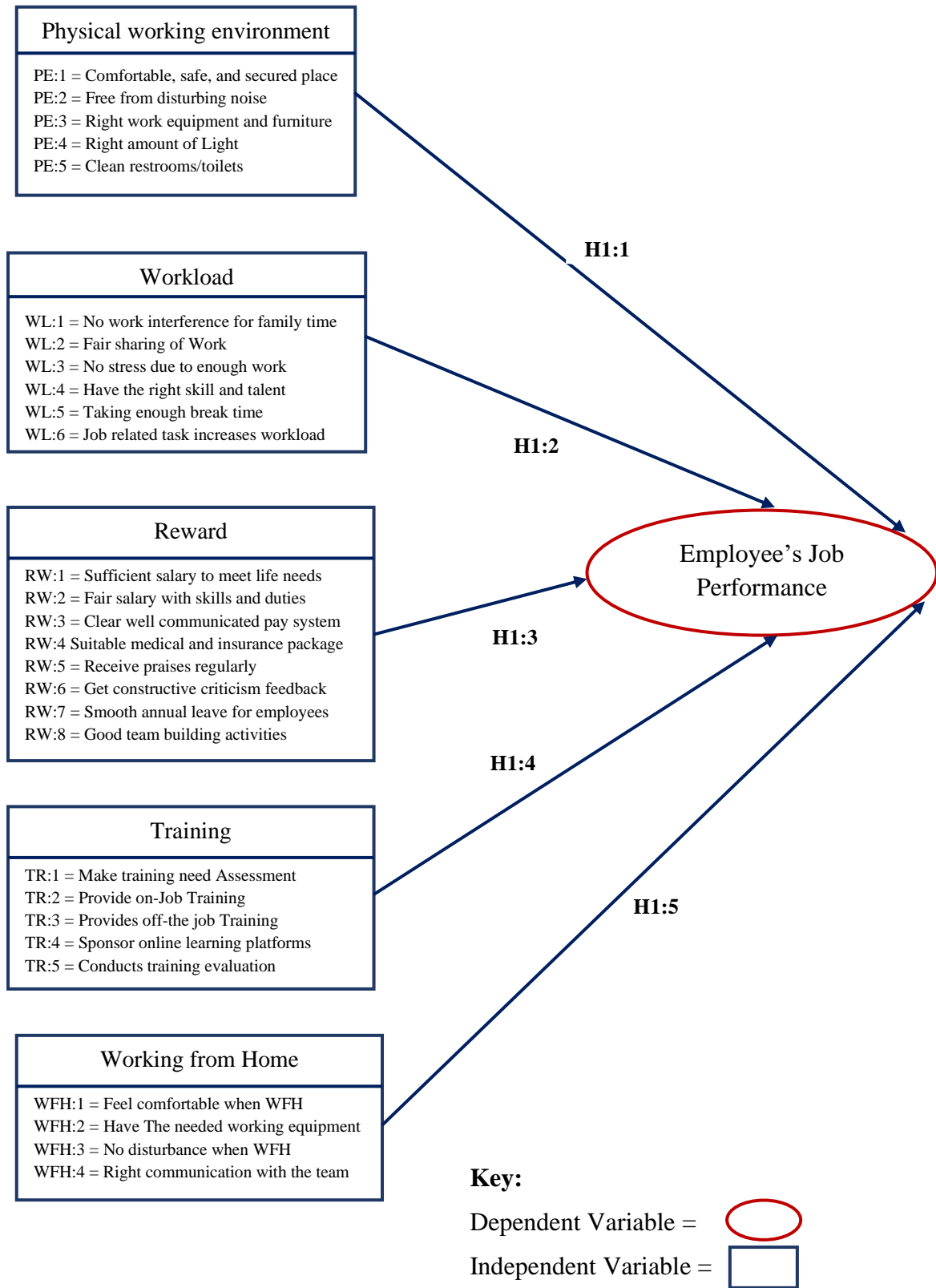
**Table 2.4 Indicators of Job Performance Alignment**

<b>Job Performance Parameters</b>	<b>Dimensions</b>
I always meet deadlines set by my supervisor with no errors	Quality / Effectiveness
I communicate effectively with my peers and supervisor	Peer Appraisal
I get my work done in a reasonable amount of time.	Timeliness
I am present on work on a regular basis.	Absenteeism or Tardiness
I attempt to solve problems by myself before escalating them to my supervisor	Creativity
I promote my organization to other people because I am well satisfied	Promotion/ Advertise
I use work related resources efficiently and shows improvement over time	Efficiency
My supervisor gives me constructive feedbacks regularly	Manager Appraisal

Source: Own Computation (2022)

The conceptual framework for the study is driven out as follows:

**Figure 2.1 Conceptual Framework**



## **2.5 Research Hypothesis**

To find out the effect of working environment on employee job performance, the following alternative hypothesis were developed to test the effect.

- ☞ **H1:1** Physical working environment has a significant effect on employee performance
- ☞ **H1:2** Workload has a significant effect on employee job performance
- ☞ **H1:3** Reward has a significant effect on employee job performance
- ☞ **H1:4** Training has a significant effect on employee job performance
- ☞ **H1:5** Working from Home has a significant effect on employee job performance

### **3. RESEARCH DESIGN AND METHODOLOGIES**

#### **3.1 Research Design**

A research design is a strategic framework for action that serves as a bridge between research questions and the execution or implementation of the research (Blanche, Durrheim, , & Painter, 2007). The main purpose of this research is to investigate the effect of working environment on employee job performance. Explanatory research design was applied to explain effect of independent variables, (working environment element) on the dependent variable (employee performance). Descriptive analysis was also used to describe the characteristics of the data and produce meaningful analysis of the data and make conclusions. The data was collected at one given point of time across the sample population due to a time limit, cost, and current social distancing situation due to COVID 19. So therefore, the research is cross sectional type.

***Table 3.1 Dependent and independent Variables***

<b>Independent Variables</b>	<b>Dependent Variable</b>
Physical working Environment	Employee Performance
Workload	Quality
Reward	Efficiency
Training	Timeliness
Working from Home (WFH)	Absenteeism
	Creativity
	Peer / Manager Appraisal
	Promotion / Advertise

#### **3.2 Research Approach**

Research approaches are plans and the procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation. It is all about which approach is better used to study the topic at hand. Basically, there are three types of research approached namely Qualitative, Quantitative, and mixed approach.

For this research, a quantitative approach is used. It is an approach for testing objective theories by examining the relationship among variables. The final written report has a set structure consisting of introduction, literature and theory, methods, results, and discussion. Like qualitative researchers, those who engage in this form of inquiry have assumptions about

testing theories deductively, building in protections against bias, controlling for alternative explanations, and being able to generalize and replicate the findings (Creswell, 2013).

### **3.3 Data Collection Method**

While conducting this research, the main source of data was a Primary data collection type which is first – hand and obtained directly from the respondent. The data was captured by designing and distributing the Questionnaire to the selected employees of the company. The Questionnaire was distributed both online by using google form and on a self -administered hardcopy format for fast and better response rate. Simple questions were used to gather the general information like age, gender, educational background, marital status, and work experience. Concerning the factors that affect employee job performance, a Likert scale which is a widely used tool available to measure respondent's opinion or attitude towards a given subject. It is a five to nine agreement scale used to measure respondent's agreement or satisfaction level. The scale used in this research are 1 = strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree. Secondary data was also used from sources like company brochures, related research papers, articles, and journals.

### **3.4 Sampling Method**

Sampling is a process used in statistical analysis in which a predetermined number of observations are taken from a larger population (Tuovila, 2020).The sample of this research was taken from the employees of Unilever Manufacturing Plc in Addis Ababa which are found at the Head Quarter office.

The type of sampling technique used in this research is a probability sampling from which a simple random sampling is incorporated. From all departments available in the organization, the sample was taken randomly to include and represent the population which is free from any favoritism. When determining the sample size, the level of precision or error level, the confidence or risk level and the degree of variability in the population is considered.

The formula used to calculate the sample size is as follows.

Where n = sample size,

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

N = Population size,

e= the desired level of precision

The sample size calculated for the confidence level of 95% using the formula: confidence level of 95% means that  $e = 1 - 0.95 = 0.05$

Accordingly, Unilever manufacturing Plc is a global company established over 100 years ago being the world's largest consumer goods companies. It functions in over 190 countries one of which be in Ethiopia. It is established in Ethiopia in 2015 and have employees of 219. These employee functions in different departments and for this research purpose, a simple random sampling is applied.

As mentioned above, this is how the sample size is determined.

**Given** Population size (N) = 219

Confidence level (e) = 0.05

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

$$n = \frac{219}{1 + 219 (0.05)^2}$$

$$n = 141.5$$

**Sample Size (n) = 142**

### **3.5 Data Analysis Method**

The information gathered from the questionnaire and other sources which is the quantitative data is analyzed using regression analysis and statistical analysis methods using SPSS version 24 to find out the research questions and the effect of the independent variable on the dependent one. According to Zikmund (2002), descriptive analysis is the transformation of raw data into a form that can be easily understood by the reader through the process of interpretation, rearranging, ordering, and manipulating data to generate descriptive information. Therefore,

here, descriptive analysis was used to interpret the qualitative data such as the demographic and basic information and mean score of working environment and employee performance. The analyzed data is presented in a tabular, graphical, and descriptive narrations.

Organizing the data correctly can save a lot of time and prevent mistakes. Coding of recorded data from interviews and questionnaires is an initial step in the process therefore data is put into some systematic form. In general data is summarized, edited, coded, tabulated, and analyzed.

### **3.6 Model Specification**

Multiple regression is a statistical technique that can be used to analyze the relationship between a single dependent variable and several independent variables. The objective of multiple regression analysis is to use the independent variables whose values are known to predict the value of the single dependent value (Wagner, Moore, & Aryel, 2006). Therefore, in this research, multiple regression is used.

In this research, we have tried to see the effect of working environment on employee job performance. The working environment components are the physical environment, Workload, reward, training, and Working from Home (WFH). Other components which are not mentioned here were captured by the error term in the model. As a result, the general model which include all the variables to examine the hypothesis of the research is as follows.

$$Y = a + b_1x_1 + b_2x_2 + \dots + b_nx_n + \mu$$

<b>Independent Variables</b>	<b>Dependent Variable</b>
Physical Environment ( <b>PE</b> )	Employee Performance <b>(EP)</b>
Workload ( <b>WL</b> )	
Reward ( <b>RW</b> )	
Training ( <b>TR</b> )	
Working from Home ( <b>WFH</b> )	

$$EP = a + b_1 (PE) + b_2 (WL) + b_3 (RW) + b_4 (TR) + b_5 (WFP) + \mu$$

a = Constant term

$\mu$  = Error Term

### **3.7 Factor Analysis**

Factor analysis is a collection of methods used to examine how underlying constructs influence the responses on several measured variables (DeCoster, 1998). It is statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors. In this research, the loading factor is generated by using statistical tool and the decision is made based on the recommendation stating if the loading factor is less than 0.40, the items will be discarded from further analysis. The factor analysis done for this research is attached at Appendix – C.

### **3.8 Validity and Reliability**

#### **3.8.1 Validity**

When we consider validity, we are referring to how accurately a method or a tool measures what it should measure. It is the extent to which the scores from a measure represent the variable they are intended to. Validity is defined as the extent to which a concept is accurately measured in a quantitative study (Heale & Twycross, 2015). If the validity of a research is high, it shows that the findings relate to the real properties and attributes of the physical world. The research questionnaire is designed by referring to previously done studies with the help of other related literature. On the top of this, before the questionnaire is distributed, it was examined by the advisor to know if the questions adequately cover all the content that it should with respect to the variable.

#### **3.8.2 Reliability**

Reliability refers to how consistently a method or a tool measure something. The measurement is reliable when the same result can be consistently obtained by using the same methods under the same circumstances. As defined by Roberta Heale and Alison Twycross, it is the consistency of a measure. The reliability of a study will be measured by Cronbach's alpha,  $\alpha$  (or coefficient alpha) which is developed by Lee Cronbach in 1951. This test is used to see if multiple-question Likert scale surveys are reliable and measures internal consistency, that is, how closely related a set of items are as a group. It is a measure of scale reliability. It measures the inter-correlations among test items in the research. (Working Environment and employee Performance). According to Lee Cronbach, as a rule of thumb, the acceptable scale should be at least 0.70 and higher. Cronbach's alpha reliability coefficient normally ranges between the

value 0 and 1. The closer the coefficient is to 1.0, the greater is the internal consistency of the items (variables) in the scale.

For this research, the overall value is 0.87 for all the mentioned variables therefore the data collected from the respondents confirms reliability and consistency test. The summary is as follows.

**Table 3.2 Reliability Test**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.866	0.869	36

Source: survey (2022) SPSS output

Reliability test for each variable is presented below.

Variable Name	Cronbach's Alpha	N of Items
Physical Working Environment (PE)	0.882	5
Workload (WL)	0.792	6
Reward (RW)	0.880	8
Training (TR)	0.909	5
Working from Home (WFH)	0.779	4
Employee Performance (EP)	0.875	8

### **3.8.3 Ethical Consideration**

Gajjar (2013), stated that when done properly, the consent process ensures that individuals are voluntarily participating in the research with full knowledge of relevant risks and benefits. While doing this research, the responds were collected based on the free will of the respondents without any kind of force undertake. In addition to this, the respondents were given full information about the purpose of the research and their responds will only be used for academic purposes. It was made clear that they have the rights to decline to participate in the research and it will remain confidential.

## **4. DATA PRESENTATION, ANALYSIS AND DISCUSSION**

### **4.1 Introduction**

This chapter discussed about the effect of working environment on employee job performance in Unilever manufacturing company in Addis Ababa Ethiopia. The data is analyzed using both descriptive analysis and inferential and regression statistics.

### **4.2 Response Rate**

Unilever is a company with 219 employees functioning globally. The questionnaire was distributed to all employees through online survey mechanisms and with paper printed questionnaires. The online method was used due to the current COVID 19 pandemic situation and makes it difficult to interact face to face with the respondents to collect the responds on time and increase the response rate. Based on the sample size computation, it was required to collect 142 Responses through random sampling method, and it was managed to collect 141 responses making the rate 99%.

### **4.3 Description Analysis**

#### **4.3.1 Background Information of the Respondents**

The general information included in the first phase of the question is the Demographic characteristics having Age, Gender, Education background, marital status, and years of experience. To check its reliability and validity of the collected data, it was required to analyze and interpret the data.

**Table 4.1 Age Category**

Age Range	Frequency	Percent
21-30	46	32.6
31-40	55	39.0
41-50	31	22.0
51-60	9	6.4
Total	141	100.0

Source: survey (2022) SPSS output

As presented in the table above, 32.6% (46) of the respondents were between 21 and 30 years old, 39% (55) were from 31 and 40 years, 22% (31) were between 41 and 50 and the remaining 6.4% (9) were between the age of 51 and 60. From this we can say that most of the employees

who responded more are between the age of 31 and 40. This shows that company have young and energetic employees who have the potential and the capability to contribute more and stay with the company for the long run.

**Table 4.2 Gender Category**

Gender	Frequency	Percent
Male	58	41.1
Female	83	58.9
Total	141	100.0

Source; survey (2022) SPSS output

As we can see from table 4.2, 59% (83) were female and 41% (58) of the respondents were male. The survey showed that there were more female respondents as compared to males.

**Table 4.3 Educational Background**

Education Level	Frequency	Percent
Diploma	5	3.5
Degree	67	47.5
Master's Degree	61	43.3
PhD	8	5.7
Total	141	100.0

Source; survey (2022) SPSS output

With regards to Educational Background, most of the respondents which is 47.5% (67) are degree holders. Next to that, 61 respondents make of 43.3% of the sample size having a master's degree while 8 people with 5.7% holds PhD. The remaining 3.5 percentage goes for Diploma holders.

**Table 4.4 Marital Status**

Marital Status	Frequency	Percent
Single	65	46.1
Married	71	50.4
Divorced	2	1.4
Widow	3	2.1
Total	141	100.0

Source; survey (2022) SPSS output

Regarding the marital status of the respondents, respondents that are married were 50.4%, while 46.1% of the total respondents were Single. While 2.1% of the respondents were widow, 1.4 % of the respondent were divorced. We can conclude that 96.5% of the respondents were a combination of single and married making the married rate a little bit higher.

**Table 4.5 Year of Experience**

Year of Experience	Frequency	Percent
Less than 4 Years	28	19.9
4-8 Years	30	21.3
9-13 Years	41	29.1
14-18 Years	27	19.1
19-23 Years	11	7.8
Greater than 23 Years	4	2.8
Total	141	100.0

Source; survey (2022) SPSS output

Concerning the year of work experience, 29.1% (41) of the respondents have experience between 9 and 13 years. 21.3% (30) respondents' experience falls in between 4 to 8 years. 19.9% (28) respondents' experience is less than 4 years, and 19.1% (27) respondents have 14 to 18 years of working experience. The remaining percentage 7.5% (11) have 19 to 23 years and only 4 people with 2.8 percentage have greater than 23 years working experience. From this we can conclude that the respondents have a combination of different working experience.

### **4.3.2 Descriptive Statistics of the Variables**

In this section, we will see the descriptive analysis of the variables used in this research: Dependent Variable (employee performance) and independent variables (the physical environment, Workload, Reward, Training, and Working from Home) that were included in the questionnaires. The respondents were asked to rate their answer on a five-point Likert type scale ranging from 1 being strongly disagree to 5 strongly agree. The mean and standard deviation of the parameters of the working environment received from the respondents will be examined as follows.

**Table 4.6 Descriptive Statistics of the Variables**

Working Environment Parameter	N	Mean	Std. Deviation
Physical Environment (PE)	141	4.1872	0.54522
Workload (WL)	141	4.1903	0.39620
Reward (RW)	141	4.1259	0.49337
Training (TR)	141	4.0596	0.58979
Work From Home (WFH)	141	3.9075	0.45081
Job Performance (JP)	141	4.2801	0.38467
Valid N (listwise)	141		

Source; survey (2022) SPSS output

From the mean score interpretation of Nunnally, Jum C. & Bernstein, Ira H. (1994), we have the following insights. When the mean scale is from 1.00 - 2.00, the level is Low, from 2.01 – 3.00, the level is medium low, from 3.01 – 4.00, the level is medium high and lastly when it is from 4.01 – 5.00, the level said to be High.

With regards to standard deviation, when the value of the standard deviation is smaller, it is considered as good. Based on the above analysis, the mean score of Working environment parameters ranges from 3.90 – 4.19 showing that most of the respondent's answer is somewhat similar and concentrated around the mean. From this, the mean score of all working environment parameters falls within the range of 4.01 – 5.00 having a high agreement except working from home with a medium High mean of 3.90.

The physical environment with 4.19 mean and standard deviation of 0.545 indicates that the company have a clean restroom with the necessary supplies providing undisturbed workplace. Having right amount of furniture and light makes the workplace comfortable and secured. Workload with mean score 4.19 and standard deviation of 0.396 indicates that there is fair sharing of work with the necessary skills and talent to handle the job. Since the employees take enough break, the workplace is free of stress and the employees are free to have family time.

The reward parameter with mean of 4.13 and standard deviation of 0.493 indicates that most of the employees almost agree that they receive regularly praises, constructive criticism and feedback. They do not want to be neutral, so they gave a somewhat agreement that the company have a clear pay system and have smooth annual leave. But with regards to having a fair salary that meets the skills and responsibilities of the employees and sufficient salary to meet life

needs, they moderately agree. It can be also concluded that the company prepares a good team building activities and different off-sight retreat programs.

With regards to Training, the mean score is 4.06 with standard deviation of 0.598. This indicates that the company have good training and development program that the employees really appreciate. But it shows that they have a little reservation on whether the company conduct post training assessment.

Working from home with a mean of 3.90 and standard deviation of 0.450 indicates that most of the employees gave their agreement to work from home with adequate communication with their team and they are not disturbed by their family. But they show some reservation and are neutral about the company providing the necessary working equipment so it cannot be concluded it provide so.

The mean and standard deviation of each parameter used in the research are attached in Appendix – B Descriptive statistics.

## **4.4 Inferential Statistics**

Inferential statistics is used to make inferences from the data collected to more general conditions. It allows the researcher to make general assumption about the bigger group using the sample taken. There are lots of different inferential statistical tests, for different kinds of analysis and for different kinds of variables. The following types of inferential statistics are extensively used and relatively easy to interpret are One sample hypothesis test, Pearson Correlation, T-test or ANOVA, Regression, and Confidence Interval. Inferential statistics is strongly associated with the logic of hypothesis testing. It is an inferential procedure that uses sample data to evaluate the credibility of a hypothesis about a population. (India, n.d.)

### **4.4.1 Correlation Analysis**

Correlation also noted as correlation analysis, is a term used to describe the association or relationship between two (or more) quantitative variables. It is used to know if there is significant relation between dependent and independent variables. It is a method that measures the strength or the extent of an association between the variables with its direction. The result of a correlation analysis is a correlation coefficient whose values range from -1 to +1. A correlation coefficient of +1 indicates that the two variables are perfectly related in a positive (linear) manner, a correlation coefficient of -1 indicates that two variables are perfectly related in a negative (linear) manner, while a correlation coefficient of zero indicates that there is no

linear relationship between the two variables being studied (Gogtay & Thatte, 2017). As described by McDaniel and gates (2006), if the coefficient value is between 0.1 and 0.29, there is poor relation, if the value is between 0.3 and 0.49, it implies there is moderate relationship and if it is  $\geq 0.5$ , it shows that there is strong relation between the variables.

Accordingly, as shown in the table below, the Pearson correlation coefficients for the working environment parameters and Employee Job Performance is computed.

**Table 4.7 Correlation of Working Environment and Job Performance**

		PE	WL	RW	TR	WFH	JP
PE	Pearson Correlation	1					
	Sig. (2-tailed)						
WL	Pearson Correlation	0.166*	1				
	Sig. (2-tailed)	0.050					
RW	Pearson Correlation	0.205*	0.337**	1			
	Sig. (2-tailed)	0.015	0.000				
TR	Pearson Correlation	0.345**	0.125	0.211*	1		
	Sig. (2-tailed)	0.000	0.139	0.012			
WFH	Pearson Correlation	0.377**	0.124	0.337**	0.370**	1	
	Sig. (2-tailed)	0.000	0.144	0.000	0.000		
JP	Pearson Correlation	0.422**	0.371**	0.346**	0.557**	0.358**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

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

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

As it can be seen from the above table, it represents the correlation Matrix between the dependent and the independent variables.

Based on the results, the following conclusions were put together.

- There is a strong positive correlation between Training and Employee Job Performance with a Pearson correlation coefficient of 0.557 and the significance level is 0.000, which means the relationship is highly significant. When more training is provided for the employee, it can be said that there will be an enhancement of employee job performance.

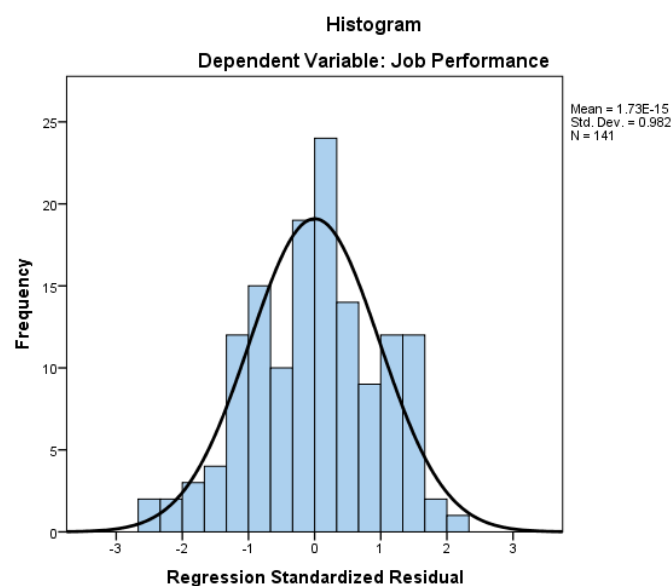
- The next items with moderate and positive relationship with the job performance variable are Physical Environment with correlation coefficient of 0.422, and Workload with correlation coefficient 0.371.
- Reward and Work from home has the lowest Pearson correlation coefficient value of 0.346 and 0.358 respectively. Even if their relationship is moderate, they are positively related with job performance. When reward is increased, the job performance will also be increased with moderate phase. As the company facilitates the necessary supplies for its employees to work from home, their Job performance will be improved.

#### **4.4.2 Testing Regression Model Assumptions**

##### **4.4.2.1.1 Normality Assumption Test**

One of the assumptions of Regression is that the sampling distribution of the Mean should be normal. To analyze the distribution of the values of dependents variables in the model associated with the independent variables, normality test of histogram is used. The histogram which is showing the shape of the distribution will depict a symmetrical, bell-shaped curve, that have the most scores will be concentrated at the middle and the rest will be distributed towards the extremes as scores drift from the center, their frequency decreases.

**Figure 4.1 Normality Assumption Test**



Source; survey (2022) SPSS output

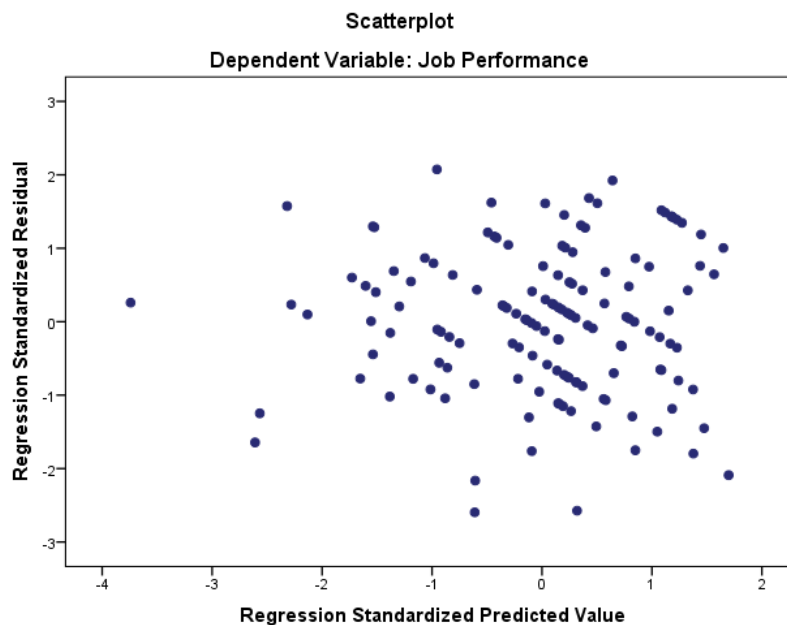
As it can be seen from the above figure, we can determine that there is no major violation of normality assumption following the bell-shaped symmetrical curve centered around the center.

Therefore, it can be concluded that normality is guaranteed as the histograms is normally distributed.

#### **4.4.2.1.2 Homoscedasticity Assumption Test**

The assumption of homoscedasticity meaning same variance, illustrates a condition in which the error term is the same across all values of the explanatory variables. If the variance of the residuals is unequal over a range of measured values, we have heteroskedasticity. When observing a plot of the residuals, a fan or cone shape indicates the presence of heteroskedasticity which violates regression assumptions. In this research, to examine for the absence of heteroscedasticity, scatter plot test was used.

**Figure 4.2 Homoscedasticity Assumption Test**



Source; survey (2022) SPSS output

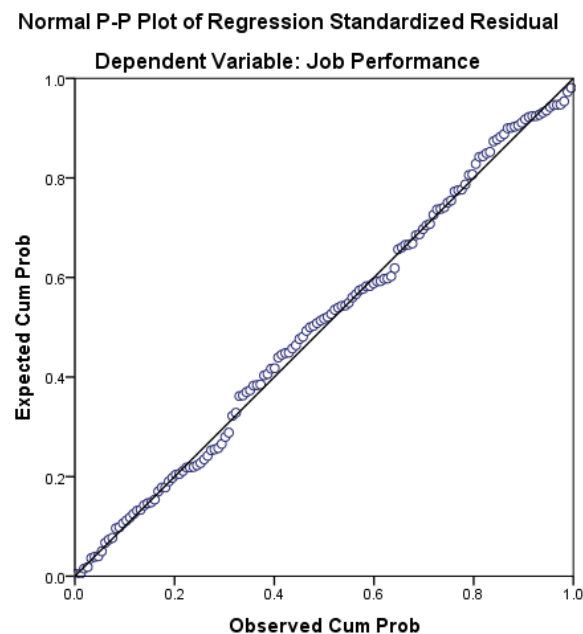
When analyzing Figure 4.2, we can see that the plots of the residuals have constant variance and distributed evenly. As a result, there is no presence of heteroskedasticity fulfilling one of the assumptions of regression which makes our analysis results valid.

#### **4.4.2.1.3 Linearity Assumption Test**

Standard multiple regression can only accurately estimate the relationship between dependent and independent variables if the relationships are linear in nature. If the relationship between independent variables (IV) and the dependent variable (DV) is not linear, the results of the

regression analysis will under-estimate the true relationship. (Waters & Osborne). In order to test this assumption in this research, scatterplots is used.

**Figure 4.3 Linearity Assumption Test**



Source; survey (2022) SPSS output

The above figure shows that independent variables (IV) in the regression have a straight-line pattern with the dependent variable (DV) representing a Linear relationship. In conclusion, the normally distributed plot portray the Linearity assumption is fulfilled.

#### **4.4.2.1.4 Multicollinearity Assumption Test**

Before running regression, it is a very good idea to check for multicollinearity assumption is met or not. If the Explanatory Variables in a regression are correlated, multicollinearity will occur and if the degree of correlation between variables is high, it will cause a problem when interpreting the result. To test this assumption, the researcher used the variance inflation factor (VIF) and collinearity Tolerance. Accordingly, VIF value of 1 indicates that there is no correlation between the variables. A value between 1 and 5 explains that there is moderate correlation but a value more than 5 indicates significant degree of multicollinearity where the coefficients are poorly estimated. (Frost, 2021). According to Ranjit Kumar Paul, Practical experience indicates that if any of the VIFs exceeds 5 or 10, it is an indication that the associated regression coefficients are poorly estimated because of multicollinearity. (Paul, 2006). The other way to measure multicollinearity in multiple regression is Tolerance Level.

Low tolerance levels indicate high levels of multicollinearity. Anytime a tolerance levels get somewhere below 0.40, then multicollinearity exist. (Adeboye, Fagoyinbo, & Olatayo, 2014)

**Table 4.8 VIF and Tolerance Statistics for Multicollinearity**

Parameters	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Physical Environment	0.798	1.254
Workload	0.875	1.143
Reward	0.792	1.262
Training	0.808	1.238
Work From Home	0.740	1.352

Source; survey (2022) SPSS output

Based on the description above, Table 4.8 demonstrates a VIF value of close to 1 and a tolerance level of above 0.40 indicates that there is no multicollinearity between explanatory variables.

#### **4.4.2.1.5 Autocorrelation Assumptions Test**

The Durbin-Watson statistic is commonly used to test for autocorrelation. It can be applied to a data set by statistical software. The outcome of the Durbin-Watson test ranges from 0 to 4. An outcome closely around 2 means a very low level of autocorrelation. An outcome closer to 0 suggests a stronger positive autocorrelation, and an outcome closer to 4 suggests a stronger negative autocorrelation. With the study at hand, the computed Durbin Watson value is shown below.

**Table 4.9 Durbin Watson Test Result**

Model	Durbin-Watson
1	1.813

Source; survey (2022) SPSS output

As it can be seen from the table above, the Durbin-Watson test applying SPSS calculated it as 1.813. Based on the analysis above, the result falls under the acceptable range that is close to 2. As a result, it can be concluded that the assumption is met and there is no violation of Autocorrelation.

### **4.4.3 Regression Model**

Regression is a model for the relationship between a dependent variable and a collection of independent variables. To define the level to which the working environment parameters explain the variance in the dependent variable, which is employee job performance, multiple regression analysis was performed.

#### **4.4.3.1.1 Model Summary**

It can be simply explained R-square (the coefficient of determination) as how well the regression model best fit the observed data. It explains the proportion of the variance for Job performance that is explained by the working environment parameters (the independent variable) included in regression model.

We can see from table 4.10 that the correlation of the working environment parameters with the dependent variable employee job performance is 0.681. That means 46.3% of the variance in respondent's understanding of employee performance was explained by the Physical environment, workload, reward, training, and Working from Home. The value of R-Square in this research is 0.463 that means 46.3% of variation in employee performance is predicted by the selected independent variables and while 53.7% of variation in employee performance can be attributed to other variables which are not included in this research. Adjusted R-squared is a modified version of R-squared that has been adjusted for the number of independent variables in the model. In this research, the adjusted R-square value is 0.443 (44.3%). This means 44.3% of the changes that take place on employee performance are because of the five independent variables used on the model.

In conclusion, R-Squared value ranges between 0 – 1 and commonly expressed in terms of Percentage. As can be seen from the table below, the R-square (0.46) falls under the acceptable range. According to Peterson K Ozili, a lower R-square value as lower as 10% is generally acceptable in the field of Art, humanities, and social science because human behavior cannot be accurately predicted, therefore, a low R-square is often not a problem in studies in the arts, humanities and social science field (Ozili, 2016).

**Table 4.10 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.681 <sup>a</sup>	0.463	0.443	.28698

Source; survey (2022) SPSS output

#### 4.4.3.1.2 ANOVA Model Fitness

ANOVA test can be used to determine the influence that independent variable have on the dependent variable. It also depicts the overall significance of the model. From the result (Table 4.15), it can be observed that with 95% of confidence level, we have a significant P value of 0.000 and F-value of 23.305. Since the p-value is less than 0.05, there is sufficient evidence to say the model is statistically significant. It shows that the model has less than 5% probability to give erroneous projection. This implies the regression model is a suitable prediction for explaining the effect of working environment on employee performance.

**Table 4.11 Analysis of Variance (ANOVA)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.597	5	1.919	23.305	.000 <sup>b</sup>
	Residual	11.119	135	0.082		
	Total	20.716	140			

a. Dependent Variable: Job Performance

b. Predictors: (Constant), Work from Home, Workload, Training, Working Environment, Reward

Source; survey (2022) SPSS output

#### 4.4.3.1.3 Regression Coefficients

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

**Table 4.12 Coefficients of Regression Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.042	0.341		3.057	0.003
Physical Environment	0.135	0.050	0.191	2.705	0.008
Workload	0.233	0.065	0.240	3.565	0.001
Reward	0.091	0.055	0.117	1.656	0.100
Training	0.269	0.046	0.412	5.879	0.000
Work From Home	0.055	0.063	0.064	0.880	0.381

Source; survey (2022) SPSS output

From the output presented above, the unknown beta values were replaced by the values generated above. The unstandardized coefficient is used here. They represent when there is one unit of change in the independent variable there will also be a change in the dependent variable and depicts the direction of the relationship. Referring from chapter three of this research, the regression model was generated as follows.

$$EP = a + b_1 (PE) + b_2 (WL) + b_3 (RW) + b_4 (TR) + b_5 (WFP) + \mu$$

The regression equation can be stated as:

$$EP = 1.042 + 0.135PE + 0.233WL + 0.269TR + \mu$$

From table 4.12 all the independent variables have a positive beta coefficient reflecting they have a positive effect on employee performance. when physical environment, workload and Training are statistically significant at 5% of significance level, Reward and Work from home are not statistically significant since they have a value of greater than 0.05. The constant value (1.042) shows that the job performance of employees of Unilever manufacturing Plc. will increase by 1.042 if the other independent values remain constant.

#### 4.4.4 Testing the Hypothesis

In this part, the alternative hypothesis of the research will be tested for acceptance or rejection of the relationship between the independent variables (Physical Environment, Workload, Reward, Training and Work from Home) with the dependent variable (Employee Job

Performance). It can be recalled that the correlation of the employee Job performance with Working environments is 0.681. The following are the alternative hypothesis of the research.

**Table 4.13 Hypothesis Test Summery**

<b>Independent Variables</b>	<b>Result</b>	<b>Decision</b>
Physical Environment (PE)	$\beta = 0.134, P = 0.008$ i.e., $< 0.05$	<b>H1:1 = Accepted</b>
Workload (WL)	$\beta = 0.233, P = 0.001$ i.e., $< 0.05$	<b>H1:2 = Accepted</b>
Reward (RW)	$\beta = 0.091, P = 0.100$ i.e., $> 0.05$	<i>H1:3 = Rejected</i>
Training (TR)	$\beta = 0.269, P = 0.000$ i.e., $< 0.05$	<b>H1:4 = Accepted</b>
Working from Home (WFH)	$\beta = 0.055, P = 0.381$ i.e., $> 0.05$	<i>H1:5 = Rejected</i>

Source; survey (2022) own computation

### *Hypothesis 1*

☞ ***H1:1 Physical working environment has a significant effect on employee performance***

As can be seen from the result from table 4.12, the physical environment is positively related with JP with beta value of 0.135 and statistically significant level of 0.008 which is below 0.05. this shows that leaving out the other parameters, when one unit of the physical environment increases, the JP of employees will improve by 0.135 with 5% significance level. Based on the regression result, the researcher Accepted the alternative hypothesis.

With reference to other literature done on effect of physical work environment, evidence shows that PE has a positive effect on employee performance both directly and indirectly (Rahmi, Wibowo, & Mukit, 2018). Other research has also emphasized the importance of PE parameters mentioned in this research. As stated by Kamarulzaman, Saleh, Hashim, & Hashim (2011), on their article said, “it can be concluded that not only temperature, water quality, lighting and noise should be taken into consideration, but also the indoor air quality, thermal comfort, layout of individual workspaces, workplace colour schemes, interior plants, dust levels and biological contaminants, indoor carbondioxide concentration and many other factors should be considered by the top management of organizations.”

Many researches includeing this one, agrees that the physical working environment of any organization will have an effect on employees performance. Having the right amount of equipment, light, free from disturbing noise, comfortable, sae and secured environment with

clean restrooms (toilets) are the common leading factors that plays a great role in enhancing the performance of employees in an organization.

### *Hypothesis 2*

#### *☞ H1:2 Workload has a significant effect on employee job performance*

When considering workload, it is positively related with employee job performance with beta value of 0.233 and statistically significant level of 0.001 which is below 0.05. this shows that leaving out the other parameters, when one unit of workload increases, the job performance of employees will improve by 0.233 with 5% significance level. Based on the regression result, the researcher Accepted the alternative hypothesis.

With reference to other literature done by Situmorang & Hidayat (2019), on Analysis of the Effect of Workload on Employee Performance of the Production Operator in Pem Plant Pt. Schneider Electric Manufacturing Batam found out that workload has a positive and significant effect on Employee Performance which is consistent with this research. Muslih & Hardani (2022), on the article called “Effect of Work Environment And Workload on Employee Performance” also indicated that workload has a significant effect on employee performance.

It was found from reviewing of articles and journals, it can be concluded that workload has a significant effect on employee performance. In line with this research, common workload parameters like sharing of work, enough amount of rest time, work system were also taken by other researchers and reached at same conclusions.

### *Hypothesis 3*

#### *☞ H1:3 Reward has a significant effect on employee job performance*

When considering reward, it is positively related with employee JP with beta value of 0.091 but statistically insignificant level of 0.100 which is above 0.05. Therefore, the researcher failed to accept the alternative hypothesis since reward has no significant effect on employee performance.

In this research reward showed statistically insignificant effect on employee JP and the reason could be as it can be seen from the descriptive analysis of the research, most of the respondents have more than 5 years' experience making them Senior in their work career. In addition to this, when asked about their salary, most of them agree with their current earnings. (Appendix B). Many scholars acknowledge that rewards may work, but only for those with low incomes.

They argue that, above a certain earning level, offering people incentives in the form of bonuses and higher pay is ineffective because it does not increase their level of happiness. (Kumar & Pillutla, 2021).

Other reason could be employees may not only focus on financial rewards but giving a higher attention on the non-financial rewards that the increase in Extrinsic rewards may not affect their performance. According to Dewhurst (2010), there are other means to reward employees that do not just focus on financial compensation. Some of these include recognition from their managers, the opportunity to take on important projects or tasks, and even leadership attention. Other factors which are not included in this research such as worker and employer relationship, job security, company policies and procedures for rewarding employees, the organization structure could be the triggering factor for the insignificance (Ibrar & Khan, 2015). The bases for reward distribution could be a reason that is inequity in the distribution of the available rewards and to whom it will be distributed. There may be little correlation between those who do great on their job and those who are chosen to receive the reward (BCcampus , 2018).

With reference to other literature, it was found that most research have concluded reward has significance effect on employee job performance and does not in line with the current research. To mention one, Manzoor, Wei, & Asif (2021), concluded intrinsic reward and employee performance have a significant and positive association with employee job performance. But research done by Tilahun (2018), with a title called “Effect of Intrinsic and Extrinsic Rewards Management on Employee Performance at Tsehay Insurance S.C” concluded that there is insignificance relationship between intrinsic reward and employee job performance.

#### *Hypothesis 4*

##### *☞ H1:4 Training has a significant effect on employee job performance*

When considering Training, it is positively related with employee job performance with a higher beta value of 0.269 and statistically significant level of 0.000 which is below 0.05. This shows that leaving out the other parameters, when one unit of Training increases, the job performance of employees will improve by 0.269 with 5% significance level. Based on the regression result, the researcher Accepted the alternative hypothesis.

With reference to other research done in retail banking sector on 108 bank employees in India, Zahid Hussain Bhat found out employees' job performance is positively affected by training. It was concluded that training is originator of performance which is consistent with this

research (Bhat, 2013). Another case study done by Eunice Jane Amadi titled “The effect of training and development on employees’ performance at Safaricom limited call center” collected the data from 340 employees and observed that there is a strong relationship between employee performance and training and statistically significant (Amadi , 2014).

Most Research like this one, agree that parameters of Training such as training need assessment, providing on-job and off-job training, online training, and training evaluation has a great effect on enhancing the performance of employees.

### *Hypothesis 5*

☞ ***H1:5 Working from Home has a significant effect on employee job performance***

When considering Work from Home, it is positively related with employee job performance with beta value of 0.055 but statistically insignificant with a P value of 0.381 which is above 0.05. The researcher *failed to accept the alternative hypothesis.*

In this research WFH showed statistically insignificant effect on employee JP and the reason could be, during the process of data collection in this research, there was and is the issue of COVID 19 Pandemic. This has caused significant fear and anxiety in people's daily lives by affecting their behavior and the way employees do business to their performance, and from their job satisfaction to quitting job (Erer, 2021). Other reason could be related to the availability of infrastructure like the strength of the internet connection in the area. A survey by Stanford found that only 65% of Americans had internet fast enough to handle video calls. With 42% of Americans working from home and 26% working at their employer’s physical location (Bloom, 2020). In our country, Ethiopia has relatively low Internet connectivity with less than 15% of its population having access to the Internet (Internet Society, 2020). The idea of work from anywhere other than the office will provide a flexible working hour that will enable the employees to spend time with their family or conduct other life activities (Richter, 2021)

In addition to that, from the descriptive analysis, most of the respondents hold degree and a master's degree so therefore, they can work from home. This thought has been pointed out in research done previously by Alipour, Fadinger, & Schymik (2020) that having a university degree raises the likelihood of holding a job that can be done from Home and involved in remote work.

## **5. CONCLUSION AND RECOMMENDATION**

### **5.1 Introduction**

This chapter presents the general findings of the research. It presents the conclusions made and the recommendation by the researcher. It was performed based on the objectives defined on the effect of working environment on employee job performance by using different parameters that well explain the working environment.

### **5.2 Summary of the Findings**

The result from the demographic analysis reveals that the age distribution shows that 39% which holds the highest percentage goes to age between 31 and 40. The next percentage is 32% with age group of 21 up to 30. Following this is 22% with age between 41 and 50. The rest are 6.5% which belongs to age between 51 and 60. The highest gender proportion was hold by female with 58.9% from the male and the highest education level was degree with 47.5% followed by master's degree holders (43.3%). when considering work experience, most of the employees (80%) are on senior level having more than five years of work experience and 50% of them are married.

The descriptive statistics of the variables revealed that most respondents gave their agreement with the respective working environment parameters. Physical Environment (PE) with a cumulative mean value of 4.18 and SD of 0.54, Workload with a cumulative mean value of 4.19 with SD 0.39, reward with a cumulative mean value of 4.12 with SD 0.49, Training with a cumulative mean value of 4.05 with SD of 0.58, Work from Home with a cumulative mean value of 3.90 with SD of 0.45 and employee job performance with a cumulative mean value of 4.28 with SD of 0.38.

Correlation analysis was used to show the association between the working environment parameters (Independents Variables) and employees job performance (Dependent Variable). The result of Pearson correlation revealed that there is a strong positive and statistically significant relationship with Physical environment and Job performance. The other parameters have moderate and positive relationship with job performance respectively. (Training, workload, reward, and Work from Home).

The model summery of the research demonstrates that with R value of 0.681, 46.3% of the variance in respondent's understanding of employee performance was explained by the

Physical environment, workload, reward, training, and Working from Home. The value of R-Square in this research is 0.463 that means 46.3% of variation in employee performance is influenced by the selected independent variables and while 53.7% of variation in employee performance can be attributed to other variables which are not included in this research. The ANOVA model test result shows that we have a significant P value of 0.000 and F-value of 23.305 with 95% of confidence level. This testifies the model is statistically significant.

The coefficient of Regression Analysis in this research shows that when Physical Environment ( $\beta = 0.135$ ,  $P < 0.05$ ), Workload ( $\beta = 0.233$ ,  $P < 0.05$ ) and Training ( $\beta = 0.269$ ,  $P < 0.05$ ) are statistically significant at 5% of significance level, Reward ( $\beta = 0.091$ ,  $P > 0.05$ ) and Work from Home ( $\beta = 0.055$ ,  $P > 0.05$ ) are not statistically significant since they have a value of less than 0.05.

### **5.3 Conclusion**

Based on the findings in this research paper on the effect of working environment on employee's job performance, the following conclusions were drawn.

- ☞ Based on the regression result. the physical environment has a positive correlation with employee job performance. It is significantly related with JP that employees are not against the physical settings (security, comfortability, enough light, free from disturbing noises, clean rest rooms and right amount of furniture in the office). It shows that when the company take a step of innovating its physical structure, it can guarantee that the performance of its employees will also be enhanced.
- ☞ Workload has a positive beta value with employee job performance that is statistically significant at 5% significance level. The effect it has on employee performance can be easily identified and employees are fine with the current sharing of works among themselves and accepted that their skills and talents are enough to handle the work at hand. It shows that when the company began to execute programs to effectively organizing resources and labor to meet the company's output goals by balancing task assignments, it will definitely improve job performance.
- ☞ Reward has been found to be positively related with job performance. however, the regression result revealed that it is statistically insignificant. From this, it can be concluded that even if it has a positive relationship with job performance, it will not affect it significantly.

- ☞ Training has the highest effect on employee job performance with a beta value of 0.269. It has also the highest correlation with JP and its effect is statistically significant. It can be determined that when more training is provided for the employee, it can be said that there will be an enhancement of employee job performance. Therefore, the effect is significant and can cause a major uplifting to employees' performance.
- ☞ With regards to Working from Home, it has a positively related with employee Job performance. However, the regression result revealed that it is statistically insignificant. It can be concluded that even if it has a positive relationship with job performance, it will not have any effect on job performance.

## **5.4 Recommendation**

Based on the analysis of this research and the findings, the following recommendations have been forwarded to improve the working environment of Unilever Manufacturing Plc.

- ☞ According to the findings above, it was found that Training has a strong and positive relationship with employee job performance. It is well known that Training boosts employee performance, productivity, reduce employee turnover, and improves company culture. Providing different kinds of training for the employees help to improve the knowledge and skills of the HR to match the various changes in the industry so therefore, it is recommended that the company should keep this as its strength and look for ways to further improve the methods, the contents, and the timings of the trainings. In addition to this, the company should add more attention on training evaluation and finds out systematic ways to boost up the outcome.
- ☞ Evidence shows that Physical work environment have a strong relationship with employee performance, so comfortable workplace enables workers to be productive, boost up their performance level and make them creative and problem solvers. It is a universal truth that comfortable workplace creates more positive atmosphere. According to Leanne Thompson, high level of natural light in workplace can increase exposure to vitamin D, which in return improve people's mood (Thompson, 2018). Therefore, it is recommended that the physical workplace like undisturbed workplace without any noise, comfortable, safe, and secured environment, right amount of Light and clean restrooms should be well structured and be available so that employees will not be demoralized to perform their tasks.

- ☞ When employees are assigned to the right task with the right amount of responsibility, they will be free to perform without stressing themselves and deliver the required output on due time. Having a system that fairly assign work to employees will benefit the company in a way that will boosts up its credibility. It is also recommended not to push the employees beyond their limit by assigning too much task.
  
- ☞ Finally, it is very important to understand the effect working environment has on employees. Having an encouraging and fostering working environment that inspire employees to take joy into their work benefits the company. Happy employees are loyal employees. Loyal employees are successful employees. Successful employees are creative employees. And these creative employees will be the one bringing the business solutions for the success of the company. So, it is highly recommended for the company to invest in this particular area to secure its triumph.

## **5.5 Direction for Further Research**

This research focused on finding out the effect of working environment parameters on job performance only in Unilever manufacturing Plc and the findings are only based on the responds from its employees. But even though it is focused on one company, it can be used as an input for further investigation on the same area of interest in Ethiopia. Other interested researchers may consider taking other factors that are determinants of work environment, as well as redoing the study on different locations may provide better precision and accuracy. Moreover, other researchers can take one of the factors and study particularly on the chosen factors to enhance better knowledge and perception about the parameters of the factor.

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## **Appendix A: Questionnaire**

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

**Dear Respondent,** my name is Tizitaye Eshetu. I am a student of Master of Business Administration in Addis Ababa University. I am conducting this research as partial requirement to fulfill my master's degree.

The objective of this questionnaire is to collect data related to work environment in your organization. The research reliability depends on the data provided by you in this questionnaire. With this regard, I would really appreciate your willingness to provide me your honest and genuine response.

The data you give will be confidential and will only be used for academic purpose. Your timely completion & return of the paper is highly appreciated.

### **Please note that**

- ☞ You are not required to write your name.
- ☞ Put a "X" mark in the column which best describes your response to the statement.
- ☞ Give your responses for open ended questions on the space provided.

Once again, thank you for your willingness and cooperation.

For further information, you can contact me via this mail, [tizzumel@gmail.com](mailto:tizzumel@gmail.com)

### **Part One: General Information**

1. Age     21 – 30 years                       41 - 50 years  
                  31 – 40 years                       51 – 60 years
2. Sex     Male                       Female
3. Educational Background     Certificate                       Diploma     Degree  
    Master's Degree                       PhD (Doctorate Degree)
- Other \_\_\_\_\_

4. Marital Status

- Single     Married     Divorced     Widow

5. Year of Experience

- Less than 4 Years     4 - 8 Years     9 - 13 Years     14 - 18 Years
- 19 – 23 years     Greater than 23 years

**PART TWO**

The following part mentions factors that may affect employee job performance. Therefore, please express your level of agreement by putting “X” mark on the box that best describe your opinion.

Ratings:

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

No	Description	Ratings				
		1	2	3	4	5
<b>The Physical workplace</b>						
1	The physical environment is comfortable, safe, and secured to perform work					
2	The workplace provides undisturbed environment without any noise that gives alone time to focus and concentrate					
3	The environment got the right amount of furniture and working equipment like computer, printer, table, and chair					
4	There is right amount of Light and enough windows that shows the outside environment in the room					
5	The restrooms/toilets are clean and have the necessary supplies like water, soft papers, soap and etc.					
<b>Workload</b>						
1	My work does not interfere with my time for family and friends					
2	The workload is shared fairly within the company					

3	The work allocated to me is enough therefore I am free of work stress					
4	I have the necessary skills and talent to handle my job effectively					
5	I can take enough amount of break when I need					
6	My Job-related responsibilities increases my workload					
<b>Reward</b>						
1	My salary is sufficient to lead my life and satisfy my needs.					
2	My salary is fair and proportionate with my skill and task given					
3	The pay system is clear and well communicated					
4	The medical and insurance arrangements are satisfactory					
5	I regularly receive praises from my supervisor and colleagues whenever I excel in what I do					
6	I receive constructive criticism and feedback about my performance					
7	My company gives smooth annual leave for employees in accordance with rules and regulations					
8	My company provides good team building activities and different off-sight retreat programs					
<b>Training</b>						
1	My company makes training need assessment in a regular basis and identify skill gaps					
2	My company provide training for employees by using on-the job training method.					
3	My company provides training for employees by using off-the job training method.					
4	My company provides training for employees by sponsoring online learning platforms					
5	My company conducts training evaluation after the training is conducted					

<b>Working from Home (WFH)</b>						
1	I feel very comfortable when I work from home					
2	I have the necessary equipment and internet facilities to work with my colleagues in different location					
3	I am not disturbed by my family or friends when I work from home					
4	There is adequate communication from my teammates and supervisor when I work from home					
<b>Employee Job Performance</b>						
1	I always meet deadlines set by my supervisor with no errors					
2	I communicate effectively with my peers and supervisor					
3	I get my work done in a reasonable amount of time.					
4	I am present on work on a regular basis.					
5	I attempt to solve problems by myself before escalating them to my supervisor					
6	I promote my organization to other people because I am well satisfied					
7	I use work related resources efficiently and shows improvement over time					
8	My supervisor gives me constructive feedbacks regularly					

**Thank you for taking your precious time to fill this questionnaire**

## **Appendix B: Descriptive Statistics**

### **1. Physical Environment**

Physical Environment Parameters	N	Mean	Std. Deviation
Comfortable, safe, and secured environment (PE-1)	141	4.47	0.713
Undisturbed without any noise environment (PE-2)	141	4.12	0.741
Have the right work equipment and furniture (PE-3)	141	4.27	0.764
Enough windows with the right amount of Light (PE-4)	141	4.03	0.870
Clean restrooms/toilets with the necessary supplies (PE-5)	141	4.05	0.988
Valid N (listwise)	141		

### **2. Workload**

Workload parameters	N	Mean	Std. Deviation
No work interference for family time (WL-1)	141	4.09	0.810
Fair sharing of Work in the company (WL-2)	141	4.16	0.601
No stress due to enough work allocation (WL-3)	141	4.11	0.714
Have the necessary skill and talent to handle the job (WL-4)	141	4.39	0.570
Enough amount of break when needed (WL-5)	141	4.13	0.706
Job-related responsibilities increasing workload (WL-6)	141	4.27	0.716
Valid N (listwise)	141		

### 3. Reward

Reward Parameters	N	Mean	Std. Deviation
Sufficient salary to meet life needs (RW-1)	141	3.83	1.014
Fair salary with skills and responsibilities (RW-2)	141	3.96	0.874
Clear and well communicated pay system (RW-3)	141	4.16	0.789
Satisfactory medical and insurance package (RW-4)	141	4.13	0.764
Receive praises regularly (RW-5)	141	4.03	0.845
Receive constructive criticism and feedback (RW-6)	141	4.11	0.684
Smooth annual leave for employees (RW-7)	141	4.13	0.619
Good team building activities off-sight retreat (RW-8)	141	4.66	0.619
Valid N (listwise)	141		

### 4. Training

Training Parameters	N	Mean	Std. Deviation
Make training need Assessment (TR-1)	141	4.00	0.878
Provide on-Job Training (TR-2)	141	4.15	0.726
Provides off-the job Training (TR-3)	141	4.11	0.790
Sponsor online learning platforms (TR-4)	141	4.16	0.740
Conducts training evaluation (TR-5)	141	3.89	0.927
Valid N (listwise)	141		

### 5. Work From Home

Work from Home Parameters	N	Mean	Std. Deviation
Feel comfortable when work from home (WFH-1)	141	4.18	.556
Have the necessary working equipment (WFH-2)	141	3.12	.801
No disturbance when work from home (WFH-3)	141	4.11	.688
Adequate communication with the team (WFH-4)	141	4.22	.645
Valid N (listwise)	141		

## **6. Job Performance**

Job Performance Parameters	N	Mean	Std. Deviation
I always meet deadlines set by my supervisor with no errors	141	4.28	.602
I communicate effectively with my peers and supervisor	141	4.10	.613
I get my work done in a reasonable amount of time	141	4.26	.590
I am present on work on a regular basis	141	4.39	.558
I attempt to solve problems by myself before escalating them to my supervisor	141	4.33	.662
I promote my organization to other people because I am well satisfied	141	4.21	.705
I use work related resources efficiently and shows improvement over time	141	4.43	.577
My supervisor gives me constructive feedback regularly	141	4.23	.723
Valid N (listwise)	141		

## Appendix C: Factor Analysis

### Component Matrix<sup>a</sup>

<b><i>Physical Environment</i></b>	<b><i>Factor loading</i></b>
The physical environment is comfortable, safe, and secured to perform work	0.744
The workplace provides undisturbed environment without any noise	0.726
The environment got the right amount of furniture and working equipment	0.716
The restrooms/toilets are clean and have the necessary supplies like water, soft papers, soap and etc.	0.622
There is right amount of Light and enough windows	0.540

<b><i>Workload</i></b>	<b><i>Factor loading</i></b>
I can take enough amount of break when I need	0.805
The workload is shared fairly within the company	0.671
The work allocated to me is enough therefore I am free of work stress	0.563
My Job-related responsibilities increases my workload	0.544
My work does not interfere with my time for family and friends	0.487
I have the necessary skills and talent to handle my job effectively	0.450

<b><i>Reward</i></b>	<b><i>Factor loading</i></b>
I receive constructive criticism and feedback about my performance	0.763
The pay system is clear and well communicated	0.724
I regularly receive praises from my supervisor and colleagues whenever I excel in what I do	0.699
The medical and insurance arrangements are satisfactory	0.699
My company gives smooth annual leave for employees in accordance with rules and regulations	0.669
My salary is fair and proportionate with my skill and task given	0.651
My company provides good team building activities and different off-sight retreat programs	0.451
My salary is sufficient to lead my life and satisfy my needs	0.418

<b>Training</b>	<b>Factor Loading</b>
My company conducts training evaluation after the training is conducted	0.806
My company provides training for employees by sponsoring online learning platforms	0.796
My company provide training for employees by using on-the job training method	0.733
My company provides training for employees by using off-the job training method	0.673
My company makes training need assessment in a regular basis and identify skill gaps	0.615

<b>Work from Home</b>	<b>Factor Loading</b>
I am not disturbed by my family or friends when I work from home	0.818
I have the necessary equipment and internet facilities to work with my colleagues in different location	0.772
There is adequate communication from my teammates and supervisor when I work from home	0.685
I feel very comfortable when I work from home	0.430

<b>Job Performance</b>	<b>Factor Loading</b>
I always meet deadlines set by my supervisor with no errors	0.581
I communicate effectively with my peers and supervisor	0.655
I get my work done in a reasonable amount of time	0.684
I am present on work on a regular basis	0.646
I attempt to solve problems by myself before escalating them to my supervisor	0.562
I promote my organization to other people because I am well satisfied	0.581
I use work related resources efficiently and shows improvement over time	0.602
My supervisor gives me constructive feedback regularly	0.591