



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
MBA PROGRAM**

**FACTORS AFFECTING EMPLOYEES' PERFORMANCE
AT ZEMEN BANK S.C**

**BY
ASSEFA WORKNEH**

**DECEMBER, 2016
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF
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REQUIREMENT FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION**

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DECLARATION

I ,Assefa Workneh, hereby declare that this thesis entitled ‘Factors affecting employees’ performance at Zemen Bank’ is the outcomes of my own effort and study and that all sources of materials used for the study have been duly acknowledged. This study has not been submitted for any degree in this university or any other university.

It is offered for the partial fulfillment of the requirement for the master of Business administration (MBA) program.

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ENDORSEMENT

This thesis has been submitted to St. Mary's University School of Graduate Studies for Examination with my approved as a University Master Student Advisor.

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Date -----

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Abstract

The purpose of this research was to examine the factors affecting employees' job performance at Zemen Bank S.C. The data gathered from Head Office, Addis Ababa city branches and kiosks clearly reveals that in implementing training, motivation, leadership, organizational culture and working environment the bank faced a problem of formal follow up after training was conducted; inequitable salary and unfair promotion were observed and limitation in participating employee in decision making were also exhibited. The research has employed quantitative research approach specifically it makes use of cross sectional survey method. To make the sample more representative of the stratum it has it has employed sample size determination table and stratified method. Descriptive and inferential statistics of correlation and regression analysis were used to analyze the empirical data. Primary data were collected using five Point Likert-Scale questionnaires and of the 80 copies of questionnaire were distributed, 78 of them were properly filled and returned. SPSS was used to analyze empirical data collected through the close ended questionnaire. The independent variables are training, motivation, leadership, organizational culture and working environment whereas the dependent variable is employees' job performance. The mean, frequency and percentile of the dependent and independent variables were computed and interpreted. Pearson correlation Coefficient (r) was used to determine the relationship between each independent variable with the dependent variable.

The correlation result indicated that there were positive relationship between Motivation, Leadership and Organizational culture with employees' performance, rejecting all null hypotheses. This implies that any increase or decrease on the Motivation, Leadership and Organizational culture will bring corresponding change on employees' job performance. Whereas Training and Working Environment have no positive relationship with employees' job performance which confirms the null hypothesis. And it is found that the total independent variables has a 32% influence on the dependent variable while the remaining 68% is influenced by factors which are not covered in this study. Hence, the Zemen Bank should periodically review its practice on motivation, leadership and organizational culture, in order to improve employees' job performance.

Keywords: Training, Motivation, Leadership, Organizational culture, Working Environment, and Employees' Job Performance

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Acronyms and abbreviations

ANOVA: Analysis Of Variance

POS: Point of Sale

ATM: Automated Tailor Machine

CSO: Customer Service Officer

CRM: Customer relation management

HR: Human Resources

HRM: Human Resources Management

SPSS 20: Statistical Package for Social Science: Version 20

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

An organization's success mostly depends on employees' performance. Poor performance will have detrimental effect to the organization's success while great performance will make an organization successful in every industry. Among other organizational resources, human resource is one of the most critical and valuable resource to achieve organizational objectives. Human resource can be defined as the most important resource to affect performance in organizations (Stone, 2008). Effectiveness and efficiency of an organization cannot be achieved without effective management of human resource. From among the mechanisms, performance analysis is indispensable. Performance analysis is an examination of the knowledge, skill, abilities, and attitudes of employees, their current and future career goals and objectives, and the "match" between employees and organizational expectations. Such an analysis also helps determine how employee performance helps the organization achieve its strategic goals and objectives (Gilley, 2009).

The main focus of Human resource management is the organization's interest in employees' performance. Human resource management (HRM) is a function performed by all managers to deploy human skill, knowledge, experience, and thereby maximize their performance to achieve organizational objective (Armstrong, 2010).

Human resource is an important factor of the production process. A well trained, motivated workforce makes it possible to achieve the organization's success. For this reason management has to supply not only raw materials, facilities, and equipment, but it also has to motivate its employees. Productivity, quality and customer relations are the key areas of success and these depend on performance of the employees. Employees will perform well if they are motivated (Stone, 2008). As has been stated earlier employees are the most valuable assets of any organization without whom no production activity can take place. The success of an organization largely depends on the quality of its employees which is measured by their performance.

Hence, good employees' performance is a critical contributing factor for the success of an organization. Nelson and Quick (2003) argue that a job with high motivation and hygiene factors leads to high performance and few complaints among employees. Employees' job performances like all other systems do not function well when their components do not work together smoothly and efficiently. Thus, understanding a relationship between an organization and its employees is the key to improve an organization's ability to move through change effectively. Organizations need to understand the factors that affect employee's performance because such insight will help them make decisions that will inculcate improved performance from the employees and to an extension to the overall performance of the organization (Mwangi, 2012). Employee performance has been shown to have a significant effect on organizational performance. This is due to the reason that individual performance is the foundation of organizational performance. Identifying factors that affect employees' performance can help improve recruitment, retention and organization result (Mohammed and Nimalathan, 2011).

Performance management is one function performed by HR managers as well as all managers on how people should be managed to achieve the performance that the organization needs to succeed (Carter and Frank, 2005). According to Bratton (2000) human resource activities are designed to match individuals to organizational tasks, to motivate the workforce, and to deal with conflicts and tensions at work. HRM practices, therefore, aim to achieve two sets of objectives: improve employee performance and enhance organizational effectiveness.

Armstrong (2010) noted that employee performance is a function of both ability and motivation, it makes sense to have practices aimed at enhancing both.' Thus there are several ways in which employees can acquire needed skills (such as careful selection and training) and multiple incentives to enhance motivation (different forms of financial and non-financial rewards). In addition to this job performance is viewed as a function of three factors and is expressed with an equation. According to this equation, motivation, ability, and environment are the major determinant factors over employee performance. Performance standards are designed based on information from job analysis which is systematic process of determining the characteristics of job, skills and knowledge required to performing jobs, and evaluate employees performance based on the standard (Donald, 2006). This ambivalence on the factors that determine performance indicates that there is no one type of system or set of objectives that best suites all

organizations. Therefore organizations must design and administer performance of employees in line with organizational purpose and objective.

All organizations need employee's job performance in order to achieve pre- stated objectives, and employees accomplish their duties based on specific standard stated by their managers. There are different factors that determine the performance of employees. Of these performance appraisals system by itself and its application in an organization has its own impacts on the performance of employees (DelPo Amy, 2007). Nickols (2003), and Fort and Voltero (2004), identify factors that are closely related and affect provider's performance in the workplace. They include: clear goals and job expectations, suitable repertoire, immediate feedback, skills to perform, knowledge of the organizational structure, functional feedback system, sound mental models, sufficient motivation through self satisfaction and incentives.

Job performance problems often start small and develop slowly. In the early stages there may be just a few isolated incidents and these may easily be overlooked. It is important to deal with a job performance problem in the early stages while the issues are small. Performance issues can deteriorate to the point of crisis if the early warning signals are not acknowledged and dealt with. The performance of one employee can affect the productivity of other employees. Poor job performance can place the employee, co-workers and the organization at risk. As a matter of fact most managers in organizations face with a crucial question of what factors influence employee performance and there is inadequate empirical information that might guide their efforts in enhancing overall job performance among employees (Salleh et al., 2011).

The research will try to identify the major factors affecting the effective performance of the employees of Zemen Bank S.C by focusing on the variables of leadership, organizational culture, working environment, motivation and training.

1.2 Background of the organization

Following the downfall of the Dergue regime in 1991 that ruled the country for 17 years under the rule of command economy, the EPRDF declared a liberal economic system. In line with this, Monetary and Banking proclamation of 1994 established the national bank of Ethiopia as a judicial entity, separated from the government and outlined its main function.

Monetary and Banking proclamation No.83/1994 and the Licensing and Supervision of Banking Business No.84/1994 laid down the legal basis for investment in the banking sector. Consequently shortly after the proclamation the first private bank, Awash International Bank was established in 1994. (<http://www.nbe.gov.et/aboutus/index.html> accessed on January 21, 2015).

At present there are 2 government banks: Commercial bank of Ethiopia and Development Bank of Ethiopia, and 16 Private Banks: Awash Bank, Abyssina Bank, Dashen Bank, Wogagen Bank, United Bank, Nib International Bank, Cooperative bank of Oromia, Lion Bank, Oromia International Bank, Enat Bank, Berhan Bank, Bunna Bank, Addis International Bank, Abay Bank, Dehub Global Bank and Zemen Bank currently operate in the industry which makes the banking environment more competitive.

Zemen Bank S.C is a privately owned share company licensed by NBE in June 2008 and it started operation in October 2008 with an initial paid-up capital of Birr 95 million and the current paid up - capital of Birr 650 million. Currently as of June 2016 the number of shareholders reached 3,460. The head office has a net work of four branches, seven corporate units and six kiosks. To expand its service coverage, the Bank keeps on opening additional branches both in Addis Ababa and regional towns.

Zemen Bank is governed by the Board of Directors consisting of a Chairperson, a Vice Chairperson and nine Directors. The overall management is entrusted to the management team which comprises the President/Chief Executive Officer, who is appointed by the Board of Directors. Its organizational structure has divided in to twelve departments. These are International Banking Department, Domestic Banking Operation Department, Credit Department, CRM Department, Risk Department, IT Department, New Business Development, Marketing Department, Legal Department, Audit Department, Human Resource Department, and Finance Department. As of June 31, 2016, the total number of employees of the Bank stood 573, of which 30 are diploma holders, 327 are holding first degree and 34 are holding second degrees, while the remaining 108 attended high school and different levels of education. Additionally, from the total number of staff of the Bank including 26 contract employees, 162 (28.27%) were female. (Source: Zemen Bank S.C Annual Report 2015).

The bank has its own vision and mission statement, main objectives and major services. ‘Bringing new Dynamism to the financial sector and the Banking Business in Ethiopia’ is its vision, while ‘Expansion and enhancement of loan products and services, provision of new products and services including but not limited to equity investments, optimal deposit mobilization using effective marketing strategies, enhancement of currently existing service delivery standards through optimal CRM strategies and optimal ICT supported services ‘ is its mission statement. The main objectives of the bank include: Maximizing profitability through increased efficiency, enhance growing market share, expanding the bank’s capital base, ensuring excellence in customer services, provide differentiated, varied and value added banking services. The major services that the bank provides include: Accepting different types of deposits, granting varieties `of loan facilities, offering full-fledged international banking services, rendering local and international money transfer services and payment of Card services through ATM and POS network.

1.3. Statement of the problems

Employees are the most valuable asset in any kind of organization whether engaged in profit making, non-profit, service giving or manufacturing industry. As Rajendran (2005) clearly stated and strengthen that the success of any organization in the long run depends very much on the quality of its human resources. This is especially true in the service oriented industry like banking where improvements in service have to be continuously made to meet the rising expectations of the customers. A successful and highly productive business can be achieved by engaging them in improving their performance. Not all employees are equal in their working and they have different modes of working in that some have the highest capability regardless of the incentive while others may have an occasional jump-start. If they are handled effectively, the result can be greater productivity and increased employee morale. Employees in a firm are required to generate a total commitment to desired standards of performance to achieve a competitive advantage and improved performance for sustaining that competitive advantage at least for a prolonged period of time, if not forever.

Banks play an important and active role in the economic development of a country. The success of the banking system greatly influences the growth of a country in various sectors of the global economy. Over the past two decades, the Ethiopian Government allowed the establishment of

many different private financial institutions in order to compete globally. From those Zemen Bank S.C. is one of the famous financial institutions which contributes for the economic development.

Among all other factors motivational factors are the most known and acceptable since it plays a vital role to individual job performance in reaching and fulfilling the goals and objectives of the organization. Despite that Zemen Bank practices the six most elements of motivation like rewards, pay, profit sharing, promotion, recognition, and job enrichment as Green (2000) stated. In addition its narrow organizational structure, as compared to employees in the same qualification and service year in other banks, allows little room to get promotion.

As we know the banking industry operates in aggressive competition and dynamic environment to attract, sustain and satisfy customers in the market. Zemen Bank uses the niche strategy in accompanied with customers oriented organizational culture. Additionally, the bank has good culture of encouraging employees who have integrity and are honest to customers but on the other hand there is a culture of resisting creative way of doing things by the staff that may ease the activity and save time. As Chapman et al (1991) suggested employee performance may be predicted based on person-organization fit. Fit between individual preferences and organizational cultures leads to improved performance because both job satisfaction and organizational commitment can be predicted with this fit. Moreover, the bank has good infrastructure, high tech services and working tools, and good interpersonal relationship in the working environment but still it has not standardized performance evaluation system and the criteria's used to measure the performance of employees do not encourage them. Such limited performance evaluation criteria has negative effect on employees' performance. As Amina H. et al (2009) stated in their journal that office design is very vital in terms of increasing employees' productivity. Comfortable and ergonomic office design motivates the employees and increases their performance substantially.

Additionally, when we see the training practice in Zemen Bank most of the employees believe that the training is not as such sufficient since needs assessment and contents are not well designed before the training and also there is no formal evaluation to what extent the training has improved employees' performance at work place. As the researcher has tried to observe and understand from informal discussion with the employees that the management has no trend of participating the worker force in organizational decision that concerns them. Such leadership

style has clear negative impact on employees' performance. As we can clearly understand from Armstrong and Murlis (2004) leadership style within an organization has a bearing on encouraging or inhibiting employee's performance. Waldman (1994) suggest that it is necessary that the manager is unbiased and treats every employee without discrimination.

Therefore, it is essential to generate relevant evidence through a detailed study and highlight solutions to improving the performance of employees. This research will try to unearth the determinants of employees' performance in Zemen Bank in its Addis Ababa city Head office, Branches and Kiosks. Specifically, it tries to determine the effect of leadership, organizational culture, working environment, motivation and training on individual performance. Secondly, this study will try to investigate the reliability and accuracy of performance evaluation criteria's and will draw some recommendations and indicate directions for further research.

1.4. Research Questions

The above problem statement will guide the researcher to build up research questions regarding the determinant factors which affect the performance of employees of the Bank. The study will try to answer the following main research questions:-

- What significant relationship does the selected internal factors have with employees' job performance in Zemen Bank Addis Ababa city Head office, Branches and Kiosks?
- What effect does the selected internal factors have on employees' job performance in Zemen Bank Addis Ababa city Head office, Branches and Kiosks?
- To what extent does the overall bundle of the selected determinant factors (i.e. training, motivation, leadership, organizational culture, and working environment) affect employees' performance?

1.5. Objective of the Study

1.5.1. General Objectives of the study

The general objective of this research is to investigate the determinant factors (i.e. training, motivation, leadership, organizational culture, and working environment) affecting employees' job performance in Zemen Bank S.C in its Addis Ababa city Head office, Branches and Kiosks. It

also tries to show how independent variables affect the employees' performance either positively or negatively.

1.5.2. Specific Objective of the Study

The aim and key specific objectives of this research are as follows:

- To examine the relationship between the selected internal factors and employees job performance in Zemen Bank Addis Ababa city Head office, Branches and Kiosks .
- To investigate the effect of selected internal factors on the performance of the individuals in the study area.
- To examine the extent of effect the overall bundles of determinant factors have on employees' job performance.

1.6. Research Hypotheses

Hypothesis is simply an educated—and testable—guess about the answer to your research question. A hypothesis is often described as an attempt by the researcher to explain the phenomenon of interest. Hypothesis can take various forms, depending on the question being asked and the type of study being conducted. A key feature of all hypotheses is that each must make a prediction. Those hypotheses are the researcher's attempt to explain the phenomenon being studied, and that explanation should involve a prediction about the variables being studied. These predictions are then tested by gathering and analyzing data, and the hypotheses can either be supported or refuted (falsified) on the basis of the data. Two types of hypotheses with which one should be familiar are the null hypothesis and the alternate (or experimental) hypothesis. The null hypothesis always predicts that there will be no differences between the groups being studied. By contrast, the alternate hypothesis predicts that there will be a difference between the groups (Geoffrey Marczyk, 2005). Usually a research hypothesis must contain, at least, one independent and one dependent variable.

The hypotheses assume that employees' job performance are affected by and dependent on multiple factors including leadership, organizational culture, working environment, motivation and training. This study aims to figure out the effect of above-mentioned variables on the

performance of employees in which it is based on and adopted from the journal (Le Tran, 2002). Based on the problem and the research questions of the study, the following hypotheses were developed and tested.

Hypothesis: 1

- H_0 : Training has no positive relationship and significant effect on employees' job performance.

Hypothesis: 2

- H_0 : Motivation has no positive relationship and significant effect on employees' job performance.

Hypothesis: 3

- H_0 : Leadership has no positive relationship and significant effect on employees' job performance.

Hypothesis: 4

- H_0 : Organizational culture has no positive relationship and significant effect on employees' job performance.

Hypothesis: 5

- H_0 : Working environment has no positive relationship and significant effect on employees' job performance.

Hypothesis: 6

- H_0 : The overall bundle of determinant factors has no effect on employees' job performance.

1.7. Significance of the study

The study was focus on factors affecting employees' job performance in Addis Ababa city Head office, Branches and Kiosks. So this research will indentify the exact factors that determine employees' job performance, and it will provide insights for the improvement of job performance of the staff. The result of the study will help the company to re-examine its system, and to take appropriate action.

This research will also be helpful for other organization to reconsider their workers performance and to understand the implication of factors on employee's performance. In addition to this, the

research will serve as a reference for researchers who are interested to conduct a research on the topic.

1.8. Scope of the study

This research is limited to the Zemen Bank S.C specifically on its Addis Ababa city head Office, branches and Kiosks. The researcher was also focused only on determinant factors of training, leadership, motivation, organizational culture, and working environment which affecting employees' job performance of the named company because of time limit. Therefore the scope of this research is limited to Addis Ababa head office, branches and Kiosks of the bank and only the stated determinant factors. The research will not consider other branches and aspects of the Bank.

1.9. Organization of the Paper

This paper organized as follows. The first chapter introduces the research paper, describes statement of the problems, objectives of the study, purpose of the study, significance of the study, scope and limitations of the study. The second chapter of the paper will discuss the related literature on the issue. This is followed by a chapter which provides readers with detailed design & methodology of the research. The fourth chapter of the paper will present and critically analyze findings of the study. The last chapter is concluding the paper and it suggested some recommendations to improve the existing situation regarding the major factors affecting the effectiveness of the job performance of the employees.

1.10. Conceptual Framework

The research is mainly based on the conceptual framework which adopted from the journal (Le Tran, 2002) and some modification is taken as depicted in figure below. Based on the conceptual framework, the earlier hypothesis was developed. This research study has mainly five independent variables namely Leadership, organizational Culture, Training, Motivation and working environment and one dependant variable i.e. Employee performance. The purpose of the study as mentioned above was to find out the relationship between independent variables and dependent variable. Moreover, to see to what extent Leadership, organizational Culture, Training,

Motivation and working environment factors affect employees' performance in Zemen Bank and which factor contribute significantly.

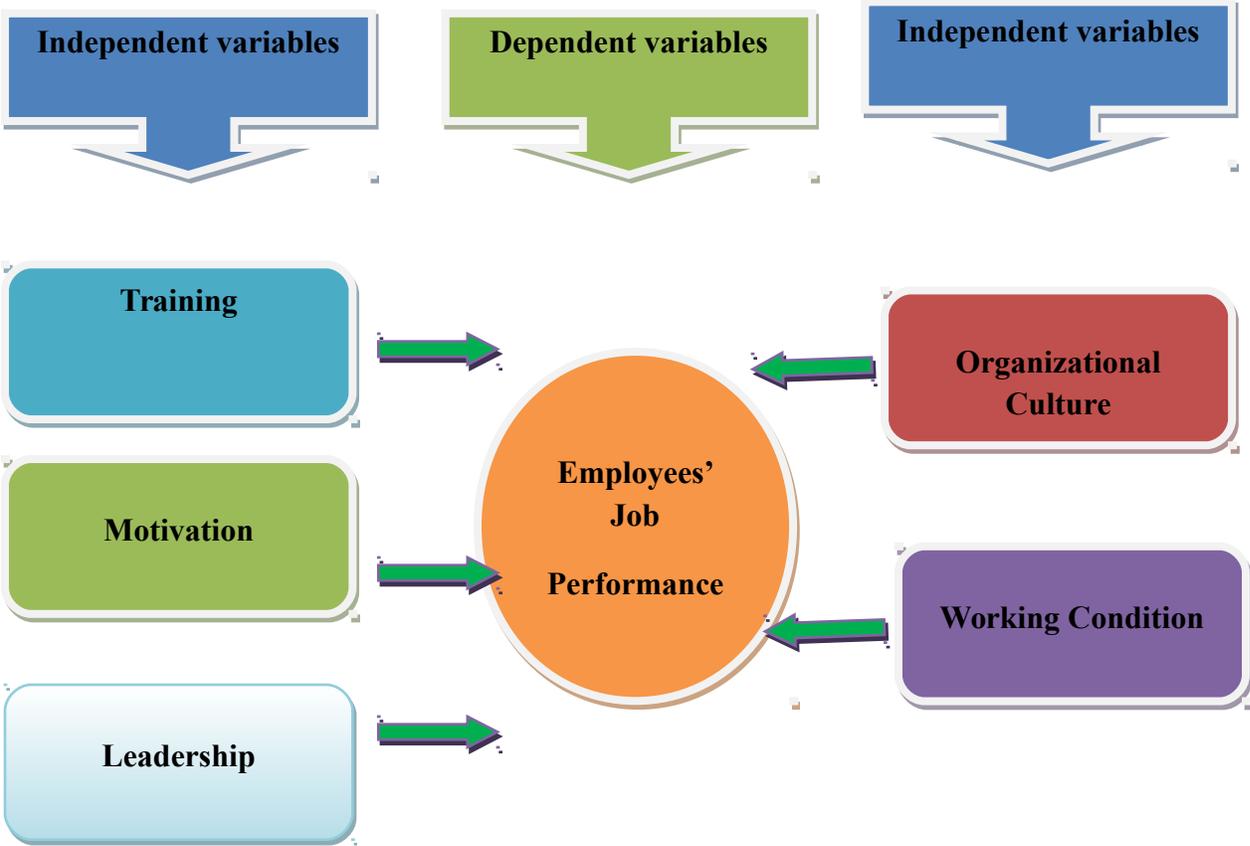


Figure 1.1: Conceptual Framework, adapted and modified from Le Tran (2002, P-5)

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Concept of Employee Performance

Organizations are undergoing a transformation for coping against the changing needs of the environment and excelling in the business by building up their adaptive capabilities for managing change proactively. Sustainability of business organization is depends on talent, skill, knowledge and experience of employees and on their performance (Armsstrong Michael, 2009). Performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. Employee's performance is the contribution of employees for the achievement of organization objective. Employees expected to perform acceptable level of the standard and managers follow up, and evaluate the performance of employees to attain the stated objective of an organization (Armsstrong Michael, 2009).

According to Cooke (2000) performance can be defined as the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and speed. In an employment contract, performance is deemed to be the accomplishment of a commitment in such a manner that releases the performer from all liabilities laid down under the contract.

2.2. Concepts of Performance management

As Armstrong (2009) discussed one of the most important concepts of performance management is that it is a continuous process that reflects normal good management practices of setting direction, monitoring and measuring performance and taking action accordingly. Performance management should not be imposed on managers as something 'special' they have to do. It should instead be treated as a natural function that all good managers carry out.

According to Pam J. (2000) Performance management is about getting results. It is concerned with getting the best from people and helping them to achieve their potential. It is an approach to achieving a shared vision of the purpose and aims of the organization. It is concerned with helping individuals and teams achieve their potential and recognize their role in contributing to the goals of the organization. Armstrong (2009) has defined performance management as a systematic process for improving organizational performance by developing the performance of the individuals and teams. Ndung'u (2009) has pointed out that performance management aligns

individual and organizational objectives. Wright (2003) has pointed out that individuals are more committed to their performance objectives when they believe those objectives are achievable and will result in important outcomes for themselves or, the organization in which they work.

Gary (2004) define Performance management (PM) is the process of managing the execution of an organization's strategy. It is how plans are translated into results. Performance management fosters a work environment in which managers and employees are genuinely engaged and behave as if they were the business owners.

In general all organizations have people who are not performing to standard, but try not to label them as 'poor' performers. Over their careers, people may have times when they are performing well and other times when they are not bringing in the results expected. The challenge is to maintain and develop the performance of all people. One of the main issues is when to act. Managing poor performance is a bit like catching sand falling through an hourglass. You need to tackle the grains rather than wait for a heap of sand to build up (Pam Jones, 2000).

Performance management is an important HRM process that provides the basis for improving and developing performance and is part of the reward system in its most general sense. Performance management is a means of increasing the engagement and motivation of people by providing positive feedback and recognition (Armstrong, 2009).

2.3. Objectives of performance management

Armstrong, (2009) argued that the overall objective of performance management is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Performance management provides the basis for self-development but importantly, it is also about ensuring that the support and guidance people need to develop and improve are readily available.

The following survey data were collected through electronic about the performance management objectives – respondents to the 2005 e-reward survey (Armstrong, 2009).

- Align individual and organizational objectives – 64 per cent.
- Improve organizational performance – 63 per cent.
- Improve individual performance – 46 per cent.
- Provide the basis for personal development – 37 per cent.

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- Develop a performance culture – 32 per cent.
 - Inform contribution/performance pay decisions – 21 per cent.

2.4. Reasons For The Performance Gap

As Armstrong (2009), stated in his book there may be a number of reasons for the poor performance.

- Personal ability: Has the individual the capability? Is there a skills gap needing training?
- Manager ability: Have I given enough direction, and made sufficient resources available?
- Process gap: Has the appraisal system been at fault? Have the goalposts moved or external forces made the task unattainable? Have there been regular enough review sessions and is the reward system pointing in the right direction?
- Environmental forces: Has the organization created departmental barriers, red-tape overkill, cultural restrictions or hidden agendas which make the task impossible?
- Personal circumstances: Has something at home affected performance at work?
- Motivation: Is the person demotivated or suffering from stress or lack of challenge?

Poor performance can often be a symptom of other problems. Obviously, you need to work with the individual concerned to recognize where the problem is and how it should be resolved. There is a whole range of motivational theories but the secret to motivation is to understand your people. People are motivated by different things at different stages of their lives and you have a greater influence than you may realize in motivating your people. In America, 46% of those who quit their jobs last year did so because they felt unappreciated (US Department of Labor).

2.5. Measures of performance

According to Armstrong (2005) individual performance can be measured by reference to key performance indicators (KPIs) and metrics. KPIs define the results or outcomes that are identified as being crucial to the achievement of high performance. Strictly speaking, metrics are measurements using a metric system, but the term is used generally for any form of measure. It can be argued that what gets measured is often what is easy to measure. And in some jobs what is meaningful is not measurable and what is measurable is not meaningful. It was asserted by Levinson (1970) that: ‘the greater the emphasis on measurement and quantification, the more

likely the subtle, non-measurable elements of the task will be sacrificed. Quality of performance frequently, therefore, loses out to quantification.’

Measuring performance is relatively easy for those who are responsible for achieving quantified targets, for example sales. It is more difficult in the case of knowledge workers, such as scientists. But this difficulty is alleviated if a distinction is made between the two forms of results – outputs and outcomes (Armstrong, 2005).

Performance means both behavior and result. Behavior emanates from the performer and transforms performance from abstraction into action. Not just a means to an end, the behavior is also an outcome in itself, the product of mental and physical effort applied to the task, which can be judged apart from the result (Armstrong, 2005).

As Armstrong (2005) have pointed out that performance is a multidimensional construct, the measurement of which varies depending on a variety of factors. A more comprehensive view of performance is achieved if it is defined as embracing both behavior and outcomes. Employees’ performance is an important factor that contributes to improve the outcomes, behavior and traits of the employees. It helps to improve the productivity of the organization.

As it was indicated in Hunger and Wheelen (2000), Controls can be established to focus either on actual performance results (output) or on the activities that generate the performance (behavior). Whereas behavior controls specify how some thing is to be done through policies, rules, standards, operating procedures, and orders from a supervisor. Output controls specify what is to be accomplished by focusing on the end results of the behaviors through the use of objectives and performance targets or milestones.

There are essentially three types of performance data available (Locke and Latham, 1990); these are measures of output of goods and services, which may be quantitative (units produced, customers served) or qualitative (number of errors, customer complaints); measures of time, including lateness, absence, lost working time, failure to meet deadlines); and financial indicators, which include a large array of possibilities. These may be interrelated; thus absence reduces a unit production level which reduces profits.

Where ‘hard’ quantitative data are not available, we may wish to resort to measures of behavior. Ideally, we observe people at work, noting whether they approach customers and offer help, or noting whether they observe safety procedures. Failing that, we can obtain reports either from an ‘observer’, such as the superior or a peer or subordinate, or from the person under study (John, 2002).

The same perspective can be adopted for performance data of interest to other stakeholders, for example those concerned with the environment. The measurement becomes more complex when applied to employees, since we will need to add subjective evaluations. The important point is that they should be collected systematically, perhaps through mechanisms such as attitude surveys (John .2002).

Behavior and output controls are not interchangeable. Behavior controls (such as following company procedures and getting to work on time) are most appropriate when performance results are hard to measure but the cause – effect connection between activities and results is clear. Moreover, output controls (such as surveys of customer satisfaction) are most appropriate when specific output measures have been agreed on but the cause – effect connection between activities and results is not clear.

2.6. Factors Affecting Employees’ Job Performance

As Le Tran,(2002) mentioned in his journal according to some researchers and practitioners, there are certain factors individually and collectively effect on the performance of employees in a positive or negative way, including:

2.6.1. Leadership

Many scholars give different definition for the single word leadership. Leadership is a process by which an executive can direct, guide and influence the behavior and work of others toward the accomplishment of specific goals in a given situation. Leadership is an ability of a manager to induce the subordinates to work with confidence and zeal. Leadership can be defined as the capacity to influence a group realization of the goal. Leaders are required to develop the future vision, and to motivate the organizational members to want to achieve the visions and to improve the performance Iqbal N, Anwar S, Haider N (2015).

According to Adair (2002), “Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and to improve their performance and to direct them towards goals”

Leadership is to deal and cope with change, focusing on the long-term and the big picture, not always doing to save himself in fact to take risks, and concentrating on people and their values, not just the bottom line (Koudri,1999).

2.6.1.1. Leadership Style

An effective leader has a responsibility to provide guidance and share the knowledge to the employee to lead them for better performance and make them expert for maintaining the quality. And to become a head of all the team members is such a great responsibility. The introduction of clear standards of leadership promotes the core values and maturity on their role and responsibility. As the situation affects which functions the leaders carries out, it would also affect the manner in which the functions are performed.

There are broadly three types of leadership styles according to Carter (2005) and he also explains the different traits of each style that significantly affect the employee performance.

i. Autocratic/Authoritarian:

Both words describe the type of leaders who give orders and expect instant obedient without argument. Plans and policies are made in isolation from the group. Orders are given without explanation for the reasons or of future intentions. The autocratic leaders do not become part of them at all, but merely direct it. Traits of autocratic style: All decision making power is theirs, unrealistic in demands, uses excessive discipline and punishment, does not allow others to question decisions or authority, feels he/she is the abilities, critical of differing opinions, rarely gives recognition, is easily offended is offended, uses others for his/her benefit, actions oriented, highly competitive, useful in the short term focus (Carter, 2005).

ii. Democratic/Passive:

Theoretically the best type of leaders. The democratic leader makes no suggestions but asks for the groups opinions. The group is left to make its own decisions democratically which, are then “rubber stamped” by the leader.

iii. Participative:

The participative leader is a leadership style in which employees take part in the decision making process. Opinions of the group are sought by the participative leader who uses this information to make decisions. The group is kept informed about the future and are allowed to debate and proposed Changes to long term policy (Carter, 2005).

2.6.1.2. Effect of different styles on employee performance

As Iqbal N et. Al., (2015), cited in their journal that elaborate by Myron Rush and Cole (2004) the participative style of leadership has a greater positive effect on employee performance in which situation employee feel power and confidence in doing their job and in making different decisions. And in autocratic style leaders only have the authority to take decisions in which employees' feels inferior in doing jobs and decisions. In democratic style employee have to some extent discretionary power to do work so their performance is better than in autocratic style.

2.6.2. Organizational Culture

Organizational culture is the set of important assumptions-often unstated-that members of an organization share in common. There are two major assumptions in common; beliefs and values. Beliefs are assumptions about reality and are derived and reinforced by experience. Values are assumptions about ideals that are desirable and worth striving for. When beliefs and values are shared in an organization, they create a corporate culture (Azhar, 2003). Robbins (1986) defines organizational culture as a relatively uniform perception held of the organization, it has common characteristics, it is descriptive, it can distinguish one organization from another and it integrates individuals, groups and organization systems variables. Organizational culture refers to a set of some commonly experienced stable characteristics of an organization which constitutes the uniqueness of that organization and differentiates it from others.

Organizational culture has been defined as the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. Organizational values are beliefs and ideas about what kind of goals members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these

goals. From organizational values develop organizational norms, guidelines, or expectations that prescribe appropriate kinds of behavior by employees in particular situations and control the behavior of organizational members towards one another (Black & Richard, 2003).

Schein (2004) defines organizational culture as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way they perceive, think, and feel in relation to those problems. Organizational culture is generally considered to be, at its deepest level, a cognitive phenomenon, “the collective programming of the mind” (Hofstede, 2000) and “the basic assumptions and beliefs that are shared by members of an organization, that operate unconsciously” (Schein, 2004). However, though organizational culture may reside in the collective minds of organizational members, it is manifested in tangible ways, such as behaviors, throughout the organization (Detert et al, 2000). In an effort to understand the full complexity of organizational culture, researchers have attempted to identify the components that comprise an organization’s culture. One component that recurs in descriptions of organizational culture is the values that are held by the members of the organization. Hofstede (2000) picture that organizational culture as an onion, containing a series of layers, with values comprising the core of the onion. Trice and Beyer (1993) believe that values are part of the substance of organizational cultures, or the basic ideology undergirding a culture. It is believed that it is possible to examine the values that are held within an organizational culture (Hofstede,2000).

Le Tran,(2002) stated that Organizational Culture is common values and behaviors of the people that considered as a tool leads to the successful achievement of organization goals (Schein, 2004). Organizational culture is the mindset of people that distinguishes them from each other, within the organization of outside the organization. This includes values, beliefs, and behaviors of the employee’s difference from the other organization (Hofstede, 1991).

Strong culture in the organization is very helpful to enhance the performance of the employees that leads to the goal achievement and increase the overall performance of the organization .According to the Stewart (2010), norms and values of organizational culture highly effect on those who are directly or indirectly involved with the organization. These norms are invisible but

have a great impact on the performance of employees and profitability. The most important characteristic is shared value.

A strong organizational culture supports adaptation and develops organization's employee performance by motivating employees toward a shared goal and objective; and finally shaping and channeling employees' behavior to that specific direction should be at the top of operational and functional strategies (Daft, 1984). Shared value of employees is one of the basic components of organizational culture.) And also clarifies that shared value which is a set of social norms that define the rules or framework for social interaction and communication behaviors of society's members, is a reflection of causal culture assumptions (Schein, 2004).

2.6.2.1. Influences of Culture on Institution

According to Chatman and Cha (2003), the culture and structure of an organization develop over time and in response to a complex set of factors. There are number of key influences those are likely to play an important role in the development of any corporate culture. The reason and manner in which the organization was originally formed, its age, and the philosophy and values of its owners and senior managers will affect culture.

Top executives can have considerable influence on the nature of corporate culture. However, all members of staff help shape the dominant culture of an institution, irrespective of what senior management feels it should be. Culture is also determined by the nature of staff employed and the extent to which they accept management philosophy and policies or pay only "lip service" (Chatman and Cha, 2003).

In order to be effective, the institution must be responsive to external environmental influences. In order that leaders can develop, manage and change their culture for better performance, Chatman and Cha (2003) refer to the use of three managerial tools:-

- Recruitment and selection-hire people who fit the company's culture.
- Social tools and training-develop practices that enable new people to understand the values, abilities, expected behavioral and social knowledge in order to participate fully as an employee, and to create strong bonds among members.

-
- Reward system-Culture is an organization's informal reward system but it needs to be intricately connected to formal rewards. Example includes payment of commissions in front of customers/students and parents other staff to good performing employees.

2.6.3. Working Environment

According to Leblebici (2012), nowadays the relationship between employees and employers may be seen upside down. Since there the number of job opportunities available for employees has been increasing in a growing worldwide economy, not just employees but also employers need to readjust themselves in order to cope up with the dynamics of business life. Therefore, HR executives need to consider new strategies for recruiting and retaining best fit talents for their organizations. Higher salaries and compensation benefits may seem the most likely way to attract employees. However, quality of the physical workplace environment may also have a strong influence on a company's ability to recruit and retain talented people Some factors in workplace environment may be considered keys affecting employee's engagement, productivity, morale, comfort level etc. both positively and negatively.

Although convenient workplace conditions are requirements for improving productivity and quality of outcomes, working conditions in many organizations may present lack of safety, health and comfort issues such as improper lightening and ventilation, excessive noise and emergency excess. People working under inconvenient conditions may end up with low performance and face occupational health diseases causing high absenteeism and turnover. There are many organizations in which employees encounter with working conditions problems related to environmental and physical factors. Pech and Slade (2006) argued that the employee disengagement is increasing and it becomes more important to make workplaces that positively influence workforce.

Other studies have examined the effect of work environment on workers job satisfaction, performance, and health. For example Scott, (2000) reported that working conditions associates with employees, job involvement and job satisfaction. Strong et al (1999) in a study observed that social, organizational and physical context serve as the impetus for tasks and activities, and considerably influence workers performance. Researches on quality of work life have also

established the importance of safe and healthy working conditions in determining employees' job performance.

According to Pech and Slade (2006) the focus is on symptoms of disengagement such as distraction, lack of interest, poor decisions and high absence, rather than the root causes. The working environment is perhaps a key root causing employee's engagement or disengagement. Another research indicates that improving the working environment reduces complaints and absenteeism while increasing productivity (Roelofsen, 2002). Wells (2000) states that workplace satisfaction has been associated with job satisfaction. In recent years, employee comfort on the job, determined by workplace conditions and environment has been recognized as an important factor for measuring their productivity. This is particularly true for those employees who spend most of the day operating a computer terminal. As more and more computers are being installed in workplaces, an increasing number of businesses have been adopting ergonomic designs for offices and plant installations. Ergonomics, also called biomechanics, has become popular because of demand of workers for more human comfort.

Many executives are under the mistaken impression that the level of employee performance on the job is proportional to the size of the employee's compensation package. Although compensation package is one of the extrinsic motivation tool (Ryan and Deci, 2000) it has a limited short term effect on employees' performance. A widely accepted assumption is that better workplace environment motivates employees and produces better results. Office environment can be described in terms of physical and behavioral components. These components can further be divided in the form of different independent variables. An organization's physical environment and its design and layout can affect employee behavior in the workplace. Brill (1992) estimates that improvements in the physical design of the workplace may result in a 5-10 percent increase in employee productivity. Stallworth and Kleiner (1996) argue that increasingly an organization's physical layout is designed around employee needs in order to maximize productivity and satisfaction. They argue that innovative workplaces can be developed to encourage the sharing of information and networking regardless to job boundaries by allowing communication freely across departmental groups. Statt (1994) argues that the modern work physical environment is characterized by technology; computers and machines as well as general furniture and furnishings. To achieve high levels of employee productivity, organizations must

ensure that the physical environment is conducive to organizational needs facilitating interaction and privacy, formality and informality, functionality and cross-disciplinarily. Consequently, the physical environment is a tool that can be leveraged both to improve business results and employee well-being (Huang, 2004).

Ensuring adequate facilities are provided to employees is critical to generating greater employee commitment and productivity. The provision of inadequate equipment and adverse working conditions has been shown to affect employee commitment and intention to stay with the organization (Weiss, 1999) as well as levels of job satisfaction and the perception of fairness of pay (Bockerman and Ilmakunnas, 2006). From a safety perspective, Gyekye (2006) indicates that environmental conditions affect employee safety perceptions which impact upon employee commitment.

Extensive scientific research conducted by Roelofsen (2002) has also yielded indications suggesting that improving working environment results in a reduction in a number of complaints and absenteeism and an increase in productivity. The indoor environment has the biggest effect on productivity in relation to job stress and job dissatisfaction. As suggested by Govindarajulu (2004), in the twenty-first century, businesses are taking a more strategic approach to environmental management to enhance their productivity through improving the performance level of the employees. It is evident in the research findings of Patterson et al., (2003) that the more satisfied workers are with their jobs the better the company is likely to perform in terms of subsequent profitability and particularly productivity. Sekar (2011) argues that the relationship between work, the workplace and the tools of work, workplace becomes an integral part of work itself. The management that dictate how, exactly, to maximize employee productivity center around two major areas of focus: personal motivation and the infrastructure of the work environment (Sekar,2011). There are various literatures that define different factors that influence the performance of the employees. Haynes (2008) explains the behavioral office environment behavioral components of the office environment that have the greatest impact on office productivity. In all of the work patterns, it was found that interaction was perceived to be the component to have the most positive effect on productivity, and distraction was perceived to have the most negative. As people are the most valuable resource of an organization, and that the

management of people makes a difference to company performance (Patterson et al., 2003). The workplace environment factors which lead to engagement or disengagement.

Goal setting is an important tool to attract motivation of the employee. There are two important purposes of goals in organizations are to guide the behavior of individuals and to motivate them to perform at higher levels of effectiveness. Specific goals are more effective than generalized goals that difficult goals lead to greater performance than do easy goals, as long as the goals are accepted, and that frequent, relevant feedback is important for goal setting effectiveness. Effective goals, those with the above characteristics, are likely to promote a greater frequency of the work style behaviors. They help generate commitment, both to the goals and to the organization, which results in people doing more than they are required to do. Open communication is encouraged by the existence of effective goals. Members in groups with clear goals are more likely to communicate openly than those with unclear goals (Morrisey, 1997).

Performance Feedback is an information exchange and conflict resolution process between the employee and supervisor. While the supervisor gives his/her feedback and requirements, the employee enables to give his /her feedback regarding his/her requirements. Although this process is formal, it could be managed informally by gaining closer relations for two sides. Each employee has a role in the organization. These roles are explained in Job Descriptions forms in a formal way. Employees' roles and task should be allocated consistently by his / her supervisor which is defined as role congruity (Chandrasekar, 2011).

Le Tran,(2002) cited on his journal that the influence degree of working environment is the counterpart requirement of a creative job. Higher job satisfaction and lower intentions to leave were found for those individuals whose work environment accompanied the creative requirements of jobs. Enhancing the creative performance of employees has been recommended as dire for remaining competitive in a dynamic environment and for enhancing the overall innovations of an organization (Janssen, O. and NW. Van Yperen, 2004).

Working environment can be divided into two components namely physical and behavioral components. The physical environment consists of elements that relate to the office occupiers' ability to physically connect with their office environment. These connect with their office environment. The behavioral environment consists of components that relate to how well the

office occupiers connect with each other, and the impact the office environment can have on the behavior of the individual. According to Haynes (2008), the physical environment with the productivity of its occupants falls into two main categories office layout (open-plan verses cellular offices) and office comfort (matching the office environment to the work processes), and the behavioral environment represents the two main components namely interaction and distraction.

2.6.4. Motivation

When we arise a key question at this stage is what the relationship is between motivation and job performance? Soo et al (2009) defines job performance as the result of motivation and ability. Ability includes training, education, equipment and simplicity of task, experience and both inborn mental and physical capacity. Given all of these factors at their peak, an employee may still not perform well on the job if the motivation is not directed at that particular task. Abonam (2001) supports this in stating that people need both motivation and ability. Highly motivated workers will not achieve results if they do not have the necessary skills, expertise and attitude that the organization requires of them. Similarly, employees with expertise, knowledge and skill will not do well if they are unmotivated. He further says that the most widely accepted reason why people are motivated to work and perform is rooted in expectancy theory. Sajuyigbe (2013) forwards the view that if successful performance does in fact lead to organizational rewards, such performance could be a motivational factor for employees. Under such conditions, they can see that their efforts result in rewards. Consequently they may be motivated to exert high level of effort on the job. In summary, not only can motivation influence performance, but also that performance – if followed by rewards can influence motivation.

Verhellen (1994) argues that motivation strategies aim to create a working environment and to develop policies and practices, which will provide for higher levels of performance from employees. According to Tarkenton (1986), they will be concerned with measuring motivation to provide an indication of areas where motivational practices need to be improved; ensuring, so far as possible, that employees feel they are valued; developing behavioral commitment; developing an organization climate which will foster motivation; improving leadership skills; job design; PM; compensation and reward management; and the use of behavioral modification approaches.

Le Tran,(2002) cited on his journal that motivation is a key determinant of job performance and a poorly motivated force will be costly in terms of excessive staff turnover, higher expenses, negative morale and increased use of managements' time. Therefore, management must know what exactly stimulates their staff so resources are not misallocated and dissatisfaction develops among employees (Jobber, 1994). As Green (2000) has described motivation to be proactive in the sense of; in dealing with employees who are high performers, motivation is essential, otherwise their performance will decline or they will simply leave the job. While dealing with low performers, motivation is a prerequisite; otherwise these employees will drag results down, lower productivity and certainly would not leave the organization, as they will have nowhere else to go.

A motivated workforce is essential because the complete participation of employees will certainly drive the profitability of the organization (Carlsen, 2003), believe motivation is the educating of employees to channel their efforts towards organizational activities and thus increasing the performance of the said boundary spanning roles. According to Denton, a motivated workforce will lead to greater understanding, acceptance, commitment to implementation, understanding of objectives and decision making between management and employees. Among different elements of motivation we will try to discuss on the following:

2.6.4.1. Reward

Reward is clearly central to the employment relationship. While there are plenty of people who enjoy working and who claim that they would not stop working even if they were to win a large sum in a lottery, most of us work in large part because it is the only means of earning the money I need to sustain us and families in the style to which I am accustomed (Torrington et al., 2008). Total reward is the combination of financial and non-financial rewards available to employees. A total reward approach is holistic; reliance is not placed on one or two reward mechanisms operating in isolation, account is taken of every way in which people can be rewarded and obtain satisfaction through their work (Armstrong, 2009).

2.6.4.2. Profit Share

The intention behind profit share schemes is to make the employee feel involved and to give him or her sense of participating in the company's future growth (Tyson, 2006).

2.6.4.3. Employee Benefit

Benefit plans have changed remarkably in recent times as companies move away from traditional pension plans, seeking out account balance plan alternatives designed to attract and motivate a 21st-century workforce, which is generally older and has shorter service expectations (Chingo, 2002). A benefit is an indirect reward, such as health insurance, vacation pay, retirement pensions (Mathis & Jackson, 2000), sick pay, insurance cover and company cars (Armstrong, 2009) given to an employee or group of employees as a part of organizational membership (Mathis & Jackson, 2000). Most are fixed and there is a strong movement towards harmonizing most benefits throughout an organization rather than separate schemes for different groups of employees (Stredwick, 2005).

2.6.4.4. Incentive

According to Torrington et al. (2008), incentive is here described as an element of payment linked to the working performance of an individual or working group, as a result of prior arrangement. This includes most of the payment-by-results schemes that have been produced by work study, as well as commission payments to salespeople, skills-based pay schemes and performance-related pay schemes based on the achievement of agreed objectives. The distinguishing feature is that the employee knows what has to be done to earn the payment, though he or she may feel very dependent on other people, or on external circumstances, to receive it.

2.6.4.5. Non-Financial Reward

Non-financial rewards present a large range of desirable extras for organizations. These do not directly increase the employee's financial position, but rather add attraction to life on the job (DeCenzo & Robbins, 2005). Rewards which do not involve any direct payments and often arise from the work itself, for example, achievement, autonomy, recognition, scope to use and develop skills, training, career development opportunities and high quality leadership (Armstrong, 2009).

2.6.4.6. Theory of employee motivation

Armstrong (2005) clearly discussed all about employee motivation and some of related concepts are discussed below. Motivation is concerned with the factors that influence people to behave in certain ways.

Economic man approach: - people are primarily motivated by economic rewards and it assumes that they will be motivated to work if reward and penalties are tied directly to the results they achieve. Pay awards are contingent up on effective performance.

Herzberg's two factors model: - he claimed that money is a so-called "hygiene factors" which serve as a potential dissatisfies if not present in appropriate amounts, but not as potential satisfier or positive motivator. A further reason given by Herzberg for regarding salary as a 'hygiene factor', that is, a factors which prevents disease rather than promotes health, was because its impact on favorable feelings was largely short- term, while its impact on unfavorable feelings was long term extending over periods of several months. But Armstrong and Murlis conclude that this model does not provide reliable basis for developing pay policies.

Instrumental theory: - this theory states money provides the means to achieve ends. It is an instrument for gaining desired outcomes and its force will depend on two factors. First, the strength of the need Second, the degree to which people are confident that their behavior will earn the money they want to satisfy the need Money acts as a symbol in different ways for different persons and for the same person at different times.

Money is therefore a powerful force because it is linked directly or indirectly to the satisfaction of all the basic needs. But the effectiveness of money as a motivator depends on a number of circumstance, including the values and the needs of individuals and their preference for different types of financial and non-financial rewards.

Equity theory: - argues that satisfaction with pay is related to perceptions about the ratio between what one receives from the job (outcomes in form of pay) to what one puts in to it(inputs in the form of effort and skill) compared with the ratios obtained by others (Armstrong, 2005).

Expectancy theory: -it states that motivation will be strong if individuals can reasonably expect that their efforts and contributions will produce worthwhile rewards. There two factors determining the effort people put in to their jobs.

- The values of the rewards to individuals in so far as they satisfy their needs for security, social esteem, and self actualizations.

-
- The probability that rewards depend on effort, as perceived by the individual—in other words, his or her expectations about the relationships between effort and reward.

The greater the value of a set of awards, and the higher the probability that receiving each of these rewards depend up on effective effort, ability, and role perceptions.

In more practical terms, expectancy theory says that an employee will be motivated to exert a high level of effort when he or she believes that effort will lead to a good performance appraisal; that a good appraisal will lead to organizational rewards like a bonus, a salary increase, or a promotion; and that the rewards will satisfy the employee's personal goals (Armstrong, 2005).

2.6.5. Training

Le Tran, (2002) cited on his journal that the developing process of employees' skill in order to improve the performance is called training. Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively. Existing literature presents evidence of an existence of obvious effects of training and development on employee performance. (Swanson, 1999).

According to Wright & Geroy (2001) noted that employee competencies change through effective training programs. Training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior (Appiah 2010; Harrison 2000).

Most of managers give training to their employees for three main purposes (Belcourt, Wright and Saks, 2000), which are:

- to increase productivity or the performance of employees;
- to achieve organizational goals; and
- to invest in employees to succeed in the unpredictable and turbulent business environment.

There are 3 most important types of training: training needs assessment (TNA), training contents and delivery approaches, on the job training (OJT).

Effective training and development programs aimed at improving the employees' performance. Training refers to bridging the gap between the current performance and the standard desired performance. Training could be given through different methods such as on coaching and mentoring, peers' cooperation and participation by the subordinates. Training programs not only develops employees but also help an organization to make best use of their human resources in favor of gaining competitive advantage. Therefore, it seems mandatory by the firm to plan for such training programs for its employees to enhance their abilities and competencies that are needed at the workplace, (Jie and Roger, 2005).

Furthermore on a study conducted by Kasau (2014) to assess the relationship between training and performance showed that employees should be trained to equip with positive attitudes towards work and training should also be done with an objective of building the "how" to deliver quality services to the customers. For the employees to perform well, they should be trained and then positioned for any personal growth opportunities available in the company. Vemić (2007) stated that the renewing knowledge is an imperative for the organization, and not an option. Falola et al., (2014) also argued as training is important for the survival of any organization. It is also imperative for effective performance of employees, enhancement of employees' ability to adapt to the changing and challenging business environment and technology for better performance, increase employees' knowledge to develop creative and problem solving skills. The researcher found the following different studies conducted by different researchers on the impact of training and development on employees' performance helpful to strengthen the literature.

2.6.5.1. The Relationship between Training and Employees' Performance

Most of the previous studies provide the evidence that there is a strong positive relationship between human resource management practices and organizational performance (Purcell et al., 2003). As Guest (1997) mentioned in his study that training and development programs as one of the vital human resource management practice, positively affects the quality of the workers knowledge, skills and capability and thus results in higher employee performance on job. This relation ultimately contributes to supreme organizational performance.

According to Swart et al.(2005), bridging the performance gap refers to implement a relevant training intervention for the sake of developing particular skills and abilities of the workers and enhancing employee performance. He further elaborate the concept by stating that training

facilitate organization to recognize that its workers are not performing well and thus their knowledge, skills and attitudes needs to be molded according to the firm needs. There might be various reasons for poor performance of the employees such as workers may not feel motivated any more to use their competencies, or may be not confident enough on their capabilities, or they may be facing work- life conflict. All the above aspects must be considered by the firm while selecting most appropriate training intervention that helps organization to solve all problems and enhance employee motivational level to participate and meet firm expectations by showing desired performance.

As mentioned by Swart et al.(2005) this employee superior performance occur only because of good quality of training program that leads to employee motivation and their needs fulfillment. According to Wright and Geroy (2001), competencies changes through effective training programs. It not only improves the overall performance of the employees to effectively perform the current job but also enhance the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance. Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve firm objectives in a competitive manner.

However, employee performance is also affected by some environmental factors such as corporate culture, organizational structure, job design, performance appraisal systems, power and politics prevailing in the firm and the group dynamics. If the above mentioned problems exist in the firm, employee performance decreases not due to lack of relevant knowledge, skills and attitude, but because of above mentioned hurdles. To make training effective and to ensure positive effect of training on employee performance these elements should be taken into consideration Wright and Geroy (2001). Besides, Eisenberger et al. (1986) stated that workers feel more committed to the firm, when they feel organizational commitment towards them and thus show higher performance.

2.6.5.2. Establishing Training Objectives

According to Mathis, et al (2008) once training needs have been identified using the various analyses, and then training objectives and priorities must be established. All of the gathered data is used to compile a gap analysis, which identifies the distance between where an organization is

with its employee capabilities and where it needs to be. Training objectives are set to close the gap. The success of training should be measured in terms of the objectives set. Useful objectives are measurable. This objective serves as a check on internalization, or whether the person really learned. Objectives for training can be set in any area by using one of the following four dimensions: such as Quantity, Quality, Timeliness, and Cost savings as a result of training. Because training seldom is an unlimited budget item and there are multiple training needs in an organization, it is necessary to prioritize needs. Ideally, training needs are ranked in importance on the basis of organizational objectives. The training most needed to improve the health of the organization is done first in order to produce visible results more quickly.

2.6.5.3. Types of Training

Training classified into different types based on different criteria. According to (Mathis et al, 2008) training classified based on the content of training or focus of the program such as, personal computer, team building, sexual harassment, hiring and selection, new equipment operation, Train the trainer, leadership, conducting performance appraisal, new employees orientation and etc.

2.6.5.4. Methods of training

According to (Olaniyan et al, 2008) the method of training can be classified as follows:

- **On the job training/coaching** -This relates to formal training on the job. A worker becomes experienced on the job over time due to modification of job behaviors at the point of training or acquisition of skills.
- **Induction/orientation** - This is carried out for new entrants on the job to make them familiar with the total corporate requirements like norms, ethics, values, rules and regulations.
- **Apprenticeship** - A method of training where an unskilled person understudies a skilled person.
- **Demonstration**-Teaching by example, whereby the skilled worker performs the job and the unskilled closely observes so as to understand the job.
- **Vestibule** - This is done through industrial attachment for the purpose of skills and technology transfer. It is therefore achieved through placement of an individual within another area of relevant work or organization. The effect is the acquisition of practical

and specialized skills or it is a type of training which occurs in special facilities that replicate the equipment and work demands of jobs (Mathis, et al, 2008).

- **Formal Training** - A practical and theoretical teaching process which could be done within or outside an organization. When training is carried out inside an organization, it is called an in-house training. Off-house training is carried out in professionalized training areas like: Universities, Polytechnics and Professional Institutes.

In fact the method that employ by the organization has its own effect on the effectiveness of the organization from the training expenditure. As a result, companies are increasingly searching for the right blend of training methods to maximize the effectiveness of learning. Others are looking for more cost-effective alternatives to online learning which for some enterprises has proven to be a more expensive route than anticipated. Coaching by line-managers and on-the-job training are now playing an increasingly important role in the current financial climate (Blain, 2009). Many training techniques are created almost every year by the rapid development in technology. Deciding among methods usually depends on the type of training intended, the trainees selected, the objectives of the training program and the training method. Training is a situational process that is why no single method is right for every situation. While some objectives could be easily achieved through one method, other objectives could necessitate other methods. Many training programs have learning objective in more than one area. When they do, they need to combine several training methods into an integrated whole (Alipour et al, 2009).

According to (Alipour et al, 2009) training methods could be classified as cognitive and behavioral approaches. Cognitive methods provide verbal or written information, demonstrate relationships among concepts, or provide the rules for how to do something. These types of methods can also be called as off the job training methods. On the other hand, behavioral methods allow trainee to practice behavior in real or simulated fashion. They stimulate learning through behavior which is best for skill development and attitude change. These methods can be called as on-the-job training methods.

2.6.5.5. Evaluation Challenges in training

According to Ahmed et al, (2010) the most important challenges faced by the organization in conducting productive assessment and evaluation of training. The biggest challenge faced by the

organizations are time constraint for assessing, determining corrective actions based on these evaluations, unavailability of proper evaluation method , difficulty in approaching evaluation professionals, converting results in top management language, getting trainees and managers involvement, and difficulty of getting top level management involvement in training evaluation.

2.6.5.6. Techniques to collect information

The training department requires information about competency learning to determine the effectiveness of training delivery and approach. Data concerning the overall effectiveness of training procedures, appropriateness of media and instruction methods and other issues relating to possible revisions in instructional design may prove to be very valuable to the training department and will assist them in better serving the needs of the other stakeholders involved. This information can be obtained through: Questionnaires, Knowledge Review, Observation, Employee Portfolio and Skill Gap Analysis (Carr, 2002).

2.6.5.7. Effectiveness of organization from Training Expenditure

Now firms' competitiveness depends on the quality of labor force/human capital available in company. In order to remain competitive firms try to retain and develop their work force so that they might use their skills to achieve organizational goals. To maintain competitive advantages firms now have to take part in training and development of human capital on regular basis (Ahmed et al, 2010). At the same time the success of any type of training can be gauged by the amount of learning that occurs and is transferred to the job (Mathis, et al, 2008). But, if training is not linked to that which an organization uses, does, and delivers, the investment is better made elsewhere (Kaufman, 1995).

As firms are spending a fair amount on the training of their employees on regular basis, this investment in human capital is to be justified and evaluated in order to give answer to top management. An effective training should not only meet the costs of the training but it should also offer valuable return to the organization (Ahmed et al, 2010). Training must be judged for its impact on organization and that impact may be in form of increased sales, increased market share, reduced operational costs, reduced absenteeism rate, or whatever other objective the training was designed to achieve (Daniels, 2003) as cited by (Ahmed, et al 2010). Too often, unplanned, uncoordinated, and haphazard training efforts significantly reduce the learning that could have occurred.

The primary outcome of a training course is that something must be learned, for example specific knowledge, skills and/or different attitudes. If an employee has learned something, this can result in improved individual production. The transition from learning to improving individual production is however very complicated, and success is not guaranteed. It not only depends on what has been learned, but also on the motivation to actually apply the learning outcomes at the workplace. Both the design of the training program and the motivation of employers and employees are important in this respect (Ahmed et al, 2010).

According (Huang, 2001) to the provision of training may vary in the types of knowledge or skills conveyed duration, numbers and percentages of employees covered, and modes of delivery. As a result of such variances, some types of training are more effective in improving individual firm performance than other. And the study prove that firms that have achieved greater effectiveness in training tend to have a more sophisticated training organization and training system than do those firms whose training methods have been less effective.

As Huang (2001) stated in general, if any organization wants to be effective from the training expenditure, the training program must:

- Focus instruction on the specific knowledge, skills, and attitudes that workers need to do their jobs well.
- Deliver training in ways that effectively address the training objectives and are sensitive to the learning needs of the participants.
- Explicitly focus on the transfer of learned skills to the work environment.
- Evaluate the impact of training on worker job performance and desired client outcomes and ensure that evaluation data are used to identify areas where improvement (and perhaps more and better training) is needed.

Generally, for effective transfer of training from which the training healed to the job, two conditions must be met. First, the trainees must be able to take the material learned in training and apply it to the job context in which they work. Second, use of the learned material must be maintained over time on the job. One way to aid transfer of training to job situations is to ensure that the training is as much like the jobs as possible. In the training situation, trainees should be able to experience the types of situations they can expect on the job (Mathis, et al, 2008).

2.7. Empirical Review

Deferent scholars and researchers conducted study to assess what factors affect employees' job performance in order to discharge their responsibilities in the case of different nations and sectors of industries. Mostly, they focused on factors such as training, motivation, reward in specific manner, age, experience, marital status etc that has effect on job performance. We can summarize this all individual factors in to three categories like individual related factors, work related factors and organization related factors. Thus, in this section the researcher tries to discuss some specific factors that have a numerical result of relationship and effects on employees' job performance.

The result of Farooq and Aslam (2011) study depicts the positive correlation between training and employee performance as $r=.233$ $sig=.000$. Thus, we can predict from this finding that it is not possible for the firm to gain higher returns without best utilization of its human resource, and it can only happen when firm is able to meet its employee's job related needs in timely fashion. Training is the only ways of identifying the deprived need of employees and then building their required competence level so that they may perform well to achieve organizational goals.

Moreover, the result of the study of Sultana et al. (2012) conducted in service sector of telecom Pakistan, states the R^2 as 0.501 which means that 50.1% of variation in employee performance is brought by training programs. Further, the T-value was 8.58 that explain training is good predictor of employee performance. As depicted by the work of Harrison (2000), learning through training influence the organizational performance by greater employee performance, and is said to be a key factor in the achievement of corporate goals. However, implementing training programs as a solution to covering performance issues such as filling the gap between the standard and the actual performance is an effective way of improving employee performance (Swart et al., 2005).

According to Rashid Saeed et. al. (2013), in their journal found out that the organizational culture is positively correlated with employees' performance at the value of 0.000. In this study, personal problems are also correlated with employees' performance at the value of 0.000. In regard to, manager's attitude is correlated with employees' performance at the value of 0.000 which was significant. Lastly, financial rewards found that significant at the level of 0.002. Therefore, in this study employees' performance is correlated with organizational culture, manager's attitude, financial rewards and personal problems.

Iqbal N, Anwar S, Haider N (2015), stated that the leadership practices have effect on employees' job performance in their findings. Similarly Rochelle Joy Belonio (2013), in his journal stated that different leadership practice has effect on job performance of the workforces. And the results were Transformational Leadership, Transactional Leadership, and Laissez-faire Leadership has p-values of 0.030, 0.003 and 0.001 respectively. The result clearly indicates that leadership practice has positive significant relationship with employee's job performance in the study firm

A recent research conducted by Nina Munira Naharuddin and Mohammad Sadegi, (2013): aims to investigate the effect of workplace environment's factors towards employees' performance in which the researchers revealed that work environment has strong positive and significant relationship with employees' job performance with the correlations of 0.828.

Therefore, from above all empirical research discussion we can observe that job performance of employees can be affected by numerous factors. Among that factors which are included in this research such as training, motivation, leadership, organizational culture and work environment have positive and significant relationship with employees' job performance. This helps us to conclude that a positive change in one of the above factors may offer positive significant effect on job performance of employees.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Research Design and Methodology

A research design helps the researcher to obtain relevant data to fulfill the objectives of the study (Churchill & Iacobucci, 2002). According to Kothari (2004) research design is a conceptual structure within which research is conducted; it constitutes the blue print for the collection, measurement and analysis of data. It ensures that the study would be relevant to the problem and that it uses economical procedures. This research is quantitative research because the researcher wants to identify factors which have effect on employees' job performance. A quantitative research design is set out to collect, measure and analyze data. Quantitative approach helps researchers to test relationships between variables (Creswell, 2012). The researcher believes that this kind of research approach provides relevant data about the research topic, and supportive to meet the research objective since it can involve collecting and analyzing numerical data and applying statistical tests.

In addition it ensures that the study would be relevant to the problem and that it uses economical procedures. A quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistical data (Creswell, 2012). As such this research employs such method.

Hopkins (2000) suggested that quantitative research work connects independent and dependent variables. Thus, employing a quantitative method in this study would be more appropriate to find out the effect of determinant factors on job performance. Furthermore, the study aims at obtaining information from a representative sample that can be generalized. The study employed a Cross sectional survey method administered through structured questionnaires. Survey was used in order to generalize from a sample to population. This method is also preferred because of its high-speed in data collection and it is economical.

The researcher used Stratified random sampling technique to select the sample from the population. The data was collected through questionnaire, and SPSS Version 20 (Statistical Package for Social Science) was used to organize and process the data gathered from questionnaires.

3.2. Target population

The target population of the study is clerical and professional employees of Zemen Bank located at Addis Ababa city head office, branches and kiosks who are working at different job position with a size of 573 employees out of the total population (ZB S.C Human Resource Database, November 2015). The researcher excluded employees of non-clerical posts like janitors and securities who are outsourced for other organization. And also employees who have less than one year service are excluded from target population for the reason that the study is aimed to investigate the effect of internal factors on employee performance.

3.3. Sampling Techniques

The researcher used proportionate stratified sampling technique to select samples from each department of the total population, and distribute questionnaire and collect the required information from the samples determined.

This technique is preferred because it assists in minimizing bias when dealing with the population. With this technique, the sampling frame will be organized into relatively homogeneous groups (strata) before selecting elements for the sample. According to Janet (2006), this step increases the probability that the final sample will be representative in terms of the stratified groups. The strata will be departments in the head office and branches located in Addis Ababa city. According to Catherine Dawson (2009), the correct sample size in a study is dependent on the nature of the population and the purpose of the study. Although there are no general rules, the sample size usually depends on the population to be sampled.

3.4. Sample Size

In order to determine the sample size of each stratum stratified sampling was used. Applying stratified random sampling technique enables to get more representative samples (Creswell, 2012). The researcher used the following sample determination table to determine the

representative sample size which was developed by Carvalho (1984), as referred in Naresh Malhotra (2007). Consequently, a least sample of 32 employees, medium sample of 80 employees or a high sample of 125 employees will be selected from the target population located at head office, branches and kiosks. Since the target population size i.e 573 is categorized in the fifth row the lowest sample size is 32, the medium sample size 80 and the highest sample size is 125. But in order to be more representative in this study the medium sample size of 80 is selected which is 14% of the target population. Moreover, According to Amedeho (2002), a sample size between 5-20% is ideal to represent the entire population. The following table shows the breakdown of population range: the small, medium, and large sample that can be drawn for the study.

Table 3.1: Sample Determination

Population Size	Sample size		
	Low	Medium	High
51 - 90	5	13	20
91 - 150	8	20	32
151 - 280	13	32	50
281 - 500	20	50	80
501 - 1,200	32	80	125
1,201 - 3,200	50	125	200
3201 - 10,000	80	200	315
10,001 - 35,000	125	315	500
35,001 - 150,000	200	500	800

Source: Naresh Malhotra (2007)

3.5. Source and Instrument of Data Collection

The study was employ both primary and secondary sources of data collection. In order to realize the target, the study uses well-designed questionnaire as best instrument. The questionnaire will be adopted from different sources which were found to be appropriate for the study. The questionnaire method as instrument of data collection was used because it provides wider coverage to the sample and also facilitates collection of a large amount of data. The questionnaire contained closed ended questions with 5 Likert Scale from “Strongly Disagree” =1 to “Strongly Agree” =5 and it was administered by the researcher. Employees of the bank will be taken to serve as the main source of primary data. And, it will be filled by employees of Addis Ababa city branches and Head office staffs who are selected for the study.

Data on the company's records and previous works conducted in the subject matter will be used as secondary source. As such reference books, journals, and company annual report and websites will be reviewed to make the study complete.

3.6. Data Analysis Method

Data from questionnaires was analyzed through both descriptive and inferential statistics using SPSS software version 20 (Statistical Package for Social Science). The descriptive statistics (frequency distribution, percentile, minimum, maximum, mean and standard deviation) which will help the researcher to examine the general level of job performance and the selected determinant factors of performance is employed.

This was the further the transformation of the processed data to look for patterns and relationship between and/or among data groups by using descriptive and inferential (statistical) analysis. The SPSS will be used to analyze the data obtained from primary sources. Specifically, descriptive statistics (mean, standard and deviation) and inferential statistics (correlation and regression analysis) will be employed in this study.

3.7. Reliability of the Instrument

According to Kothari (2004), a measuring instrument is reliable if it provides consistent results. Cronbachs alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. For testing the reliability of the data instrument, Cronbach's Alpha was calculated to test the reliability of the research instrument.

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

From the bellow table 3.3 the reliability of the construct items was evaluated using Cronbach's coefficient alpha. The result of the reliability test were 0.776 for training, 0.826 for motivation, 0.904 for leadership, 0.776 for organizational culture, 0.674 for working environment and 0.648 for employee's performance which exceeds the minimum acceptable cut-off point. One of the most commonly used indicators of internal consistency is Cronbach's alpha coefficient. Ideally, the Cronbach alpha coefficient of a scale was above 0.7 and between 0.6 and 0.7 which means all

53 items measured to test reliability showed that there was internal consistency reliability as indicated in Table 3.3 below. This suggested that the internal reliability in this study were acceptable and signified to be good and fair.

Table 3.2 Reliability Analysis of Variables

No.	Variables	Cronbach's Alpha	Number of Items
1	Training	0.776	10
2	Motivation	0.826	10
3	Leadership	0.904	8
4	Organizational Culture	0.776	6
5	Working environment	0.674	6
6	Employees' performance	0.648	13

Source: Sample Survey Dec, 2016

3.8. Validity of the Instrument

Content validity involves the degree to which the study is measuring what it is supposed to measure. More simply, it focuses on the accuracy of the measurement (John et.al, 2007). All measures used to construct the instruments have shown acceptable level of construct and content validity in previous studies and are used in this study with slight modification. The questioners are adapted from journal of Asad & Mahfod (2015); Rashid Saeed et.al.(2013); Agusioma (2014); and Veronica Celattia (2011) and thesis conducted by Mulatu Masresha(2014) under related research title.

And sample questionnaires were administered before distributing finalized one for 15 respondents and adjustments were made to the questionnaire items based on the comments of the respondents.

Additionally, several measures were employed to ensure that the results are free from material errors from the design of the questionnaire. Such measures are clarity of instructions, clarity of the questions, the layout of the questionnaire and other comments.

3.9. Ethical Considerations

In conducting the research, the following ethical considerations was taken into account:-

-
- Respondents were informed fully about the purpose, methods and uses of the research, what their participation in the research entails and what risks, if any, are involved.
 - The confidentiality of information supplied and the anonymity of respondents is respected.
 - The independence of the research was clear, and any conflicts of interest or partiality would be explicit.
 - The researcher was the only person with access to the data and the computer files was password protected.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. INTRODUCTION

This chapter thoroughly examines and analyses the data gathered on the sampled respondents in understudying the factors affecting employee's job performance at Zemen Bank S.C. The data collected from head office, branches and kiosks in Addis Ababa city using questionnaires are presented and analyzed in this chapter. This section of the study deals with the statistical testing of hypothesis and interpretation of the result using SPSS version 20.

As stated in the previous chapters of this paper, questionnaire were designed and distributed to a total of 80 employees and managers of the Zemen Bank located in Addis Ababa city. Accordingly, 78 questionnaires were appropriately filled and returned which gives 97.5% return rate. Even though, some variation is showed between expected and actual sample size. But, a total of 78 employee respondents' responses were collected successfully. So, the response rate is enough to carry out the analysis. The detail is summarized in table 4.1 below.

Table 4.1: Response Rate

No.	Department	No. of employees	Expected Sample Size	Actual Responded	Percentage
1	International Banking Department	21	3	3	100%
2	Domestic Banking Operation Department	305	41	40	97.56%
3	Credit Department	14	2	2	100 %
4	CRM Department	10	1	1	100 %
5	IT related professional	33	5	5	100 %
6	Finance Department	27	4	4	100 %
7	Human Resource Department	127	18	17	94.44%
8	Risk Department	6	1	1	100 %
9	New Business Development	7	1	1	100 %
10	Marketing Department	11	2	2	100 %
11	Legal Department	4	1	1	100 %
12	Audit Department	10	1	1	100 %
	Total	575	80	78	97.5%

Source: Sample Survey Dec, 2016

This chapter mainly comprises the demographic characteristics of respondents, the descriptive statistics; and the inferential statistics including correlation analysis and regression analysis.

4.2. Demographic Characteristics of Respondents

The first part of the questionnaire consists of six items about the demographic information of the respondents. It covers the personal data of respondents, such as gender, age, educational qualification, marital status, year of service and current job position (Department). The following tables depicted each demographic characteristic of the respondents.

Table 4.2 Demographic Characteristics of Respondents

No.	Characteristics	Category	Frequency	percent
1	Gender	male	54	69.23
		Female	24	30.77
		Total	78	100

2	Age	Less than 25	7	8.97
		25-30	32	41.03
		31-35	16	20.51
		36-40	15	19.23
		Above 41	8	10.26
		Total	78	100
3	Educational Qualification	Diploma	4	5.13
		Degree	45	57.69
		Master	22	28.21
		PhD	-	-
		Other	7	8.97
		Total	78	100
4	Marital status	Single	21	27
		Married	57	73
		Divorce	-	-
		Total	78	100
5	Service year	1-2 Years	17	21
		3-5 Years	52	67
		6-8 Years	9	12
		Total	78	100
6	Current Job Position	International Banking	3	3.85
		Domestic Banking Operation	40	51.26
		Credit	2	2.56
		CRM	1	1.28
		IT	5	6.41
		Finance	4	5.13
		Human Resource Department	17	21.79
		Risk Department	1	1.28
		New Business Development	1	1.28
		Marketing Department	2	2.56
		Legal Department	1	1.28
		Audit Department	1	1.28
		Total	78	100

Source: Sample Survey Dec, 2016

The demographic data for gender shows that out of the 78 respondents there were 54 males and 24 female. Table 4.2 shows that the male respondents formed majority of the target population with a percentage of 69.23%, while female respondents were representing 33.77%.

The sample population age distribution was clearly depicted from the above table 4.2 shows largely dominated by respondents who are at the age of 25 – 30 years old covering 32 (41.03 %). The next higher group was 16 (20.51%) fall under age categories of between 31- 35. The remaining groups 15 (19.23%), 8 (10.26%) and 7 (8.97%) were under the age categories of 36-

40, above 41 and below 25 years respectively. Here the data indicated that most of the employees in the bank are in the maturity age that are productive and can contribute for the achievement of company objectives.

It can be seen from table 4.2 that respondents hold a range of educational qualification from Diploma to master's degree. The majority of the sample group holds a first degree which accounted 45 (57.69 %), 22 (28.21%) out of 78 respondents were hold a masters degree, 4 (5.13 %) were college diploma holders and the remaining 7 (8.97%) of the respondents were hold TVETE certificate. And since the majority of the respondents were educated, it can be concluded that almost all employees are capable of using new technology, realizing and doing the objective of the bank.

The above table 4.2 indicates, married respondents dominated which covers 57 (73%), followed by single respondents which stands second highest number 21 (27 %) and no more divorce respondent participate in the research. The respondents have served in Zemen Bank from one year up to eight years. From the respondents, only 9 (12 %) of them have worked more than 5 years in the Bank. The majority of the respondents have served the company between 3 and 5 years which consists 52 (67 %) of the study group. The other 17 (21%) respondents worked between 1 - 2 years. According to this figure, employees' of the bank are largely dominated by workers who have been working in the bank for less than five years. Since most of the respondents are youngsters they have few years of work experience.

Table 4.2 illustrate that the position of respondents 40 (51.28%) of them were in domestic banking operation department, 17(21.79%) were working in human resource management

department the remaining 21(26.93%) were working in different departments such as International Banking Department, Credit Department, CRM Department, Credit Appraisal and Monitoring Department , Finance Department ,Risk Department, New Business Development, Marketing Department ,Legal Department and Audit Department. This data indicated that almost all Department employees of the Zemen Bank were involved in the study, and this might give a good result of study and full representation of respondents.

4.2. Descriptive Statistics

In this section various statistical data analysis tools such as mean, standard deviation, frequency and percentile are used to analyze the collected data. The summary of descriptive statistics of all variables that are evaluated based on a 5-point Likert scale (“1” being “strongly disagreed” to “5” being “strongly agreed”).

According to Zaidaton & Bagheri (2009) the mean score below 3.39 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considers as high as illustrated by Comparison bases of mean of score of five point Likert scale instrument. Thus, detail of the analysis is presented as follows:

4.3.1. Training

Table: 4.3 Employees response to Training practices

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Mean	St. Dev.	Min	Max
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
Q1	1	1.3	2	2.6	15	19.2	37	47.4	23	29.5	4.01	.845	1	5
Q2	-	-	3	3.8	23	29.5	34	43.6	18	23.1	3.86	.817	2	5
Q3	4	5.1	3	3.8	12	15.4	49	62.8	10	12.8	3.74	.918	1	5
Q4	1	1.3	13	16.7	28	35.9	25	32.1	11	14.1	3.41	.973	1	5
Q5	3	3.8	15	19.2	39	50	14	17.9	7	9	3.09	.942	1	5
Q6	14	17.9	13	16.7	23	29.5	18	23.1	10	12.8	2.96	1.284	1	5
Q7	1	1.3	1	1.3	22	28.2	52	66.7	2	2.6	3.68	.614	1	5
Q8	8	10.3	28	35.9	25	32.1	14	17.9	3	3.8	2.69	1.01	1	5
Q9	7	9	16	20.5	31	39.7	14	17.9	10	12.8	3.05	1.127	1	5
Q10	14	17.9	13	16.7	23	29.5	18	23.1	10	12.8	3.69	.842	1	5
Average		6.79		13.72		30.9		35.25		13.33	3.418			

Over All Average Mean= **3.41** , Disagree= **20.51%**, Agree= **48.58%** **Undecided= 30.9**

Source: Sample Survey Dec, 2016

According to the above table 4.3 a majority 48.58% of the respondents agreed that training programs which is given by the bank improve their job performance while 20.51 % are

disagreed and the remaining 30.9% are undecided (neutral) . These indicate that the existing training practice has a good opportunity in order to improving staff job performance.

4.3.2. Motivation

Table: 4.4 Employees response to Motivational practices

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Mean	St. Devia.	Min	Max.
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
Q11	1	1.3	11	14.1	34	43.6	32	41	-	-	3.24	.742	1	4
Q12	4	5.1	9	11.5	6	7.7	39	50	20	25.6	3.79	1.109	1	5
Q13	4	5.1	17	21.8	7	9	50	64.1	-	-	3.32	.987	1	4
Q14	6	7.7	6	7.7	19	24.4	43	55.1	4	5.1	3.42	.987	1	5
Q15	3	3.8	11	14.1	13	16.7	46	59	5	6.4	3.5	.950	1	5
Q16	10	12.8	22	28.2	19	24.4	21	26.9	6	7.7	2.88	1.173	1	5
Q17	8	10.3	20	25.6	37	47.4	13	16.7	-	-	2.71	.870	1	4
Q18	1	1.3	6	7.7	12	15.4	46	59	13	16.7	3.82	.849	1	5
Q19	7	9	1	1.3	14	17.9	47	60.3	9	11.5	3.64	1.019	1	5
Q20	1	1.3	14	17.9	24	30.8	20	25.6	19	24.4	3.54	1.089	1	5
		5.77		14.99		23.73		45.77		9.74	3.386			

Over All Average Mean= 3.386 , Disagree=20.76 Agree=55.51 **Undecided= 23.73**

Source: Sample Survey Dec, 2016

The above table 4.4 shows that the average mean score of Zemen Bank motivational practice is 3.386 which can be considered as moderate mean score. This also explained by average percentile 55.51% are agree to the current motivational practice help to contribute higher level of job performance and 23.73 % are undecided (neutral) while the remaining 20.76 % are agreed. From these responses: we can conclude that employees are moderately satisfied with their salary; they may feel benefit packages are relatively satisfied; and recognition and promotional practice are fair. So the motivational practice should be designed more carefully so as to improve enough of the employee performance.

4.3.3. Leadership

Table: 4.5 Employees response to leadership practices

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Mean	St. Deviat.	Min	Max.
	Fre q.	%	Freq .	%	Freq.	%	Freq.	%	Freq.	%				
Q21	7	9	39	50	16	20.5	14	17.9	2	2.6	2.55	.976	1	5
Q22	7	9	13	16.7	16	20.5	31	39.7	11	14.1	3.33	1.181	1	5
Q23	8	10.3	19	24.4	24	30.8	17	21.8	10	12.8	3.03	1.184	1	5
Q24	9	11.5	8	10.3	28	35.9	32	41	1	1.3	3.1	1.014	1	5
Q25	8	10.3	6	7.7	53	67.9	10	12.8	1	1.3	2.87	.812	1	5
Q26	10	12.8	2	2.6	45	57.7	20	25.6	1	1.3	3	.926	1	5
Q27	2	2.6	14	17.9	32	41	23	29.5	7	9	3.24	.942	1	5
Q28	13	16.7	22	28.2	34	43.6	9	11.5	-	-	2.5	.908	1	4
Average		10.28		19.73		39.74		24.98		5.30	2.95			

Over All Average Mean= **2.95** , Disagree= **30** % , Agree= **30.28** % **Undecided= 39.74** %

Source: Sample Survey Dec, 2016

In the above table 4.5 shows that the majority of the respondents i.e 39.74% (31) have neutral attitude on the existing leadership practice, 30.28% (24) are agreed and the remaining 30% (23) have not good attitude towards the existing leadership practice . On the other side we can also

observe from the mean average score 2.95 which is below the average likert scale 3. This implies that the existing leadership practice are not exercised well in which the employees are not satisfied, not treated well, and not participated on their concerned issues.

4.3.4. Organizational Culture

Table: 4.6 Employees response to Organizational Culture

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Mean	St. Devi.	Min	Max.
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
Q29	-	-	5	6.4	27	34.6	43	55.1	3	3.8	3.56	.676	2	5
Q30	1	1.3	30	38.5	14	17.9	27	34.6	6	7.7	3.09	1.047	1	5
Q31	5	6.4	19	24.4	30	38.5	21	26.9	3	3.8	2.97	.967	1	5
Q32	-	-	1	1.3	30	38.5	43	55.1	4	5.1	3.64	.602	2	5
Q33	-	-	15	19.2	24	30.8	29	37.2	10	12.8	3.44	.948	2	5
Q34	1	1.3	3	3.8	44	56.4	23	29.5	7	9	3.41	.763	1	5
Average		1.50		15.60		36.12		39.73		7.03	3.35			

Over All Average Mean= **3.35** , Disagree= **17.1** % , Agree= **46.77** % Undecided=**36.12** %

Source: Sample Survey Dec, 2016

As Table 4.6 shows more of the respondents 46.77% (37) are familiarity with the existing value, belief, mission, and objectives of the bank but only 17.1 % (13) of the respondent disagreed with this idea and the remaining 36.12% (28) are undecided. As the majority of the respondents familiar with the organizational culture, it shows that employees of the bank have understood the shared values and beliefs, there is no a culture of discouraging an employee who come up with new ideas, and employees are not committed to the banks' mission and vision statement.

4.3.5. Working Environment

Table: 4.7 Employees response to Working Condition

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Mean	St. Devi	Min	Max
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
Q35	3	3.8	2	2.6	10	12.8	55	70.5	8	10.3	3.81	.807	1	5
Q36	7	9	5	6.4	10	12.8	44	56.4	12	15.4	3.63	1.106	1	5
Q37	5	6.4	7	9	14	17.9	44	56.4	8	10.3	3.55	1.015	1	5
Q38	15	19.2	13	16.7	30	38.5	15	19.2	5	6.4	2.77	1.161	1	5
Q39	-	-	1	1.3	29	37.2	40	51.3	8	10.3	3.71	.667	2	5
Q40	1	1.3	15	19.2	11	14.1	35	44.9	12	15.4	4.67	4.864	1	5
Average		6.62		9.20		22.22		49.78		11.35	3.69			

Over All Average Mean= **3.69** , Disagree= **15.82%**, Agree= **61.13%**, **Undecided= 22.22 %**

Source: Sample Survey Dec, 2016

We can see table 4.7 that the working environment in Zemen Bank 61.13% (48) of the respondents are agreed, 15.82% (12) are disagree and the remaining 22.22% (18) are undecided on the working condition issue. From this data we can infer that most of employees of the bank has good attitude towards the prevailing working environment. For the reason that, there is proportionally adequate facilities and resources to do their job; they are relatively comfort with the physical surrounding; they are moderately satisfied with the existing space, seating arrangement, ventilation, lighting and parking space.

4.3.6. Employee Job performance

Table: 4.8 Employees response to Job Performance

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Mean	St. Dev.	Min	Max
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
Q41	-	-	2	2.6	2	2.6	56	71.8	18	23.1	4.15	.583	2	5

Q42	-	-	-	-	1	1.3	62	79.5	15	19.2	4.18	.419	3	5
Q43	-	-	-	-	5	6.4	50	64.1	23	29.5	4.23	.556	3	5
Q44	5	6.4	23	29.5	35	44.9	14	17.9	1	1.3	2.78	.863	1	5
Q45	13	16.7	13	16.7	12	15.4	36	46.2	4	5.1	3.06	1.231	1	5
Q46	-	-	-	-	4	5.1	54	69.2	20	25.6	4.21	.519	3	5
Q47	7	9	13	16.7	36	46.2	8	10.3	14	17.9	3.12	1.162	1	5
Q48	4	5.1	2	2.6	10	12.8	52	66.7	10	12.8	3.79	.888	1	5
Q49	7	9	6	7.7	19	24.4	41	52.6	5	6.4	3.4	1.036	1	5
Q50	1	1.3	1	1.3	43	55.1	24	30.8	9	11.5	3.5	.769	1	5
Q51	5	6.4	8	10.3	19	24.4	40	51.3	6	7.7	3.44	1.001	1	5
Q52	13	16.7	20	25.6	29	37.2	15	19.2	1	1.3	2.63	1.201	1	5
Q53	11	14.1	21	26.9	25	32.1	17	21.8	4	5.1	2.77	1.104	1	5
Average		6.52		10.76		23.68		46.26		12.81	3.48			
Over All Average Mean= 3.48 , Disagree= 17.28% , Agree= 59.07% , Undecided= 23.68%														

Source: Sample Survey Dec, 2016

Furthermore, the above table 4.8 result shows 59.04 % (46) of the respondent agree that perform their specific task following banks' procedures, use resource effectively and avoiding lateness and absence but still respondents of 17.28 % (13) disagree while the remaining 23.68% (19) are neutral. We can also understand from the mean value 3.58 which shows that employees have good level of job performance because the mean value is considered as moderate. Therefore, we can conclude that employees' of Zemen Bank S.C have an average level job performance because they are highly dissatisfied with motivational practices, leadership style, organizational culture and working environment.

4.4. Correlation Analysis

The hypotheses discussed in the first chapter aimed to investigate the relationship between independent variables (training, motivation, leadership, organizational culture, and working

environment) and dependent variable (employees' job performance) in Zemen bank S.C. Correlation analysis is done to examine this relationship.

The Pearson Product-Moment Correlation Coefficient is a statistic that indicates the degree to which two variables are related to one another. The sign of a correlation coefficient (+ or -) indicates the direction of the relationship between -1.00 and +1.00. Variables may be positively or negatively correlated. A positive correlation indicates a direct positive relationship between two variables. A negative correlation, on the other hand, indicates an inverse, negative relationship between two variables (Ruud et. al. 2012).

Table 4.9 below clearly shows that the relationship between two variables will be negligible, low, moderate, substantial, or very strong.

Table 4.9 Correlation Coefficient

Correlation coefficient(r)	Strength of the correlation
From 0.01 up to 0.09	Negligible association
From 0.10 up to 0.29	Low association
From 0.30 up to 0.49	Moderate association
From 0.50 up to 0.69	Substantial association
From 0.70 and above	Very strong association

Source: Joe.W et al (2011)

Determining the degree of association between the selected internal factors (training, motivation, leadership, organizational culture and working environment) and employees' job performance is the main purpose of conducting an analysis using Pearson correlation. So, in this section the first five hypotheses were tested based on the correlation result summarized in table 4.11 below.

Table 4.10 Correlation Analysis between Independent variables and Dependent Variable

Correlations							
		Training	Motivation	Leadership	Orgculture	Workenviro	Employeeper
Training	Pearson Correlation	1	.370**	.112	.389**	.062	.191
	Sig. (2-tailed)		.001	.331	.000	.591	.094
	N	78	78	78	78	78	78
Motivation	Pearson Correlation	.370**	1	.604**	.380**	.064	.317**
	Sig. (2-tailed)	.001		.000	.001	.577	.005
	N	78	78	78	78	78	78
Leadership	Pearson Correlation	.112	.604**	1	.344**	-.011	.432**
	Sig. (2-tailed)	.331	.000		.002	.921	.000
	N	78	78	78	78	78	78

Orgculture	Pearson Correlation	.389**	.380**	.344**	1	.425**	.542**
	Sig. (2-tailed)	.000	.001	.002		.000	.000
	N	78	78	78	78	78	78
Workenviro	Pearson Correlation	.062	.064	-.011	.425**	1	.216
	Sig. (2-tailed)	.591	.577	.921	.000		.057
	N	78	78	78	78	78	78
Employeeper	Pearson Correlation	.191	.317**	.432**	.542**	.216	1
	Sig. (2-tailed)	.094	.005	.000	.000	.057	
	N	78	78	78	78	78	78

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

Source: Sample Survey Dec, 2016

4.4.1. Correlation Analysis between Training and Employee Job performance

Hypothesis: 1

- H_0 : There is no a positive relationship between training and employees' job performance

The result on the above table 4.11 shows that the existing training practice of the bank ($r = .191$, $p > 0.05$) is low positive relation and statistical insignificantly. This means an increase in training activities will bring a little bit increment in employees' job performance. Therefore, the null hypothesis (H_0) is accepted.

4.4.2. Correlation Analysis between Motivation and Employee Job performance

Hypothesis: 2

- H_0 : There is no a positive relationship between motivation and employees' job performance

As indicated in the above table 4.11 the correlation coefficient result of motivational practice in Zemen bank is ($r = .317$, $p < 0.05$). This implies the presence of moderate relationship between motivational practice and employees' job performance in the Bank which is statistically significant. Therefore, the null hypothesis (H_0) is rejected.

4.4.3. Correlation Analysis between Leadership and Employee Job performance

Hypothesis: 3

- H_0 : There is no a positive relationship between leadership and employees' job performance

From the above table 4.11 it can be seen that leadership practice ($r=0.432$, $p<0.05$) is positively correlated with employee performance. This implies the presence of moderate relationship between leadership practice and employees' job performance in the Bank which is statistically significant. And change in leadership given to employees has a corresponding effect on job performance of employees. Therefore, the null hypothesis (H_0) is rejected.

4.4.4. Correlation Analysis between Organizational Culture and Employee Job performance

Hypothesis: 4

- H_0 : There is no a positive relationship between the organizational culture and employees' performance.

The above table 4.11 it can be shows that organizational Culture ($r=0.542$, $p<0.05$) is substantial positive relation with employee performance. This implies the presence of substantial relationship between organizational culture and employees' job performance in the Bank which is statistically significant. And change in organizational culture has a corresponding effect on job performance of employees. Therefore, the null hypothesis (H_0) is rejected.

4.4.5. Correlation Analysis between Working Environment and Employee Job performance

Hypothesis: 5

- H_0 : There is no a positive relationship between the working environment and employees' job performance.

From the above table 4.11 it can be infer that working condition ($r=0.216$, $p>0.05$) is low positive relation with employee performance. This implies the presence of moderate relationship between working condition and employees' job performance in the Bank which is statistically insignificant. And change in working condition given to employees has a low effect on job performance of employees. Therefore, the null hypothesis (H_0) is acceptd.

Thus, we can conclude from the correlation results any corresponding change in the independent variables such as increase relevant training, increase on financial and non financial motivational practice, improved leadership practice, improvement in organizational culture, and improvement in the working environment will have a positive and moderate relative impact on the dependent variable of employees' job performance. However, if the changes in the individual independent constructs are not in all a positive manner, which means some independent variables like training and working environment effect on the dependent variable will be negative.

4.5. Regression Analysis

4.5.1. Linear Regression Analysis

Linear regression analysis is used to measure the statistical significance of the effect of each individual independent variable on the dependent variable through F and P value. This measurement is made by inferring the value of R^2 to explain the magnitude of the effect of the independent variable on the dependent variable. Here below depicted and explained are the linear regression of various independent variables and dependent variable.

4.5.1.1. Training and Employees' Job Performance

Table: 4.11 ANOVA Regressions for Training and Employees' Job Performance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.329	1	.329	2.872	.094 ^b
	Residual	8.709	76	.115		
	Total	9.038	77			

a. Dependent Variable: Employee 's job performance

b. Predictors: (Constant), Training

Source: Sample Survey Dec, 2016

Based on the above table 4.11, the relationship between training and employees' job performance is insignificant ($P > 0.05$). F value, which is the ratio of variance between groups and variance within groups, is well above 1 (if F value is close to 1, it implies that the null hypothesis is accepted). As a result, **the null hypothesis (H_0)** which states that training has no effect on employees' job performance is **accepted**.

4.5.1.2. Motivation and Employees' Job Performance

Table: 4.12 ANOVA Regressions for Motivation and Employees' Job Performance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.910	1	.910	8.512	.005 ^b
	Residual	8.128	76	.107		
	Total	9.038	77			

a. Dependent Variable: Employee's job performance.

b. Predictors: (Constant), Motivation

Source: Sample Survey Dec, 2016

As table 4.12 shows that the relationship between motivation and employees' job performance is significant ($P < 0.05$, $F > 1$), which ultimately depicts that the **null hypothesis (H_0)** which states that motivation has no effect on employees' job performance is **rejected**.

4.5.1.3. Leadership and Employees' Job Performance

Table: 4.13 ANOVA Regressions for Leadership and Employees' Job Performance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.686	1	1.686	17.422	.000 ^b
	Residual	7.353	76	.097		
	Total	9.038	77			

a. Dependent Variable: Employee's job performance

b. Predictors: (Constant), Leadership

Source: Sample Survey Dec, 2016

As can be observed from the above table 4.13, there is a significant relationship between leadership and employees' job performance ($P < 0.05$, $F > 1$). Hence, it is concluded that the **null hypothesis (H_0)** which states that leadership has no effect on employees' job performance is **rejected**.

4.5.1.4. Organizational Culture and Employees' Job Performance

Table: 4.14 ANOVA Regressions for Organizational Culture and Employees' Job Performance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.657	1	2.657	31.637	.000 ^b
	Residual	6.382	76	.084		
	Total	9.038	77			

a. Dependent Variable: Employee's job performance

b. Predictors: (Constant), Organizational culture

Source: Sample Survey Dec, 2016

It can be observed from the above table 4.14 that there is a significant relationship between Organizational Culture and employees' job performance ($P < 0.05$, $F > 1$). Hence, it is concluded that the **null hypothesis (H_0)** which states that Organizational Culture has no effect on employees' job performance is **rejected**.

4.5.1.5. Working Environment and Employees' Job Performance

Table: 4.15 ANOVA Regressions for Working Environment and Employees' Job Performance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.423	1	.423	3.732	.057 ^b
	Residual	8.615	76	.113		
	Total	9.038	77			

a. Dependent Variable: Employee's job performance.

b. Predictors: (Constant), Working environment.

Source: Sample Survey Dec, 2016

As we can observe from the above table 4.15, there is insignificant relationship between working environment and employees' job performance ($P > 0.05$, $F > 1$). Hence, it is concluded that the **null hypothesis (H₀)** which states that working environment has no effect on employees' job performance is **accepted**.

4.5.2. Multiple Linear Regression Analysis

Regression analysis is a systematic method that can be used to investigate the effect of one or more predictor variables on dependent variable. That is, it allows us to make statements about how well one or more independent variables will predict the value of a dependent variable. Specifically this multiple regression was conducted in order to investigate the effect overall bundle of selected determinant factors on employees' job performance which is clearly stated at hypothesis 6.

Hypothesis : 6

- H₀: The overall bundle of determinant factors has on employees' job performance. has no effect on employees' job performance.

Table 4.16 Multiple Linear Regression Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.603 ^a	.364	.320	.28257

a. Predictors: (Constant), Work environment, Leadership, Training, Organizational culture, Motivation

Source: Sample Survey Dec, 2016

As shown in the above table 4.16 the overall bundle of determinant factors of the five independent variables such training, motivation, leadership, organizational culture and working environment explains 36.4% ($R^2 = 0.32$) of the dependent variable (employees' job performance). This suggests that 32 % of employees' job performance level in the bank clearly depends on the independent variables while the remaining 68% is determined by other unaccounted factors in this study. Since as we show table 4.18 the result $F= 8.24$ which is greater than 1 and $P<0.05$ we can conclude that the combination of determinant factor have positive effect on employees' job performance which is statistically significant and confident at 95%. Thus, **this study rejects the null hypothesis.**

Table 4.17 ANOVA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.289	5	.658	8.240	.000 ^b
	Residual	5.749	72	.080		
	Total	9.038	77			

a. Dependent Variable: Employee's job performance.

b. Predictors: (Constant), Working environment, Leadership, Training, Organizational culture and Motivation

Source: Sample Survey Dec, 2016

Table 4.18 Multiple Regression Coefficient

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.215	.283		7.831	.000
	Training	-.002	.078	-.003	-.026	.979
	Motivation	-.019	.075	-.032	-.248	.805

Leadership	.134	.055	.302	2.437	.017
Orgculture	.252	.071	.436	3.555	.001
Workenviro	.094	.274	.037	.345	.731

a. Dependent Variable: Employeeper

Source: Sample Survey Dec, 2016

From the above table 4.18, we can easily compare the relative contribution of each of the different variables by taking the beta value under the un standardized coefficients. The higher the beta value, the strongest its contribution becomes. Accordingly, Organizational Culture (Beta=.436) makes the strongest unique contribution to explaining the dependent variable in which the results revealed that, a one unit increase or positive change in "organizational culture" would lead to a 0.436 unit increase the level of employees' job performance and followed by Leadership (B=.302), then working environment (B=.037). On the other hand, training and motivation are contributors to explaining the dependent variable with beta values of -0.003 and 0.032 respectively.

When we see the statistical significance of each variable from the above coefficients table 4.19, Leadership (Sig. = .017) and Organizational Culture (Sig. = .001) have a statistically significant contribution (Sig<.05) for the prediction of the dependent variable while training (Sig. = .097), motivation (Sig. = .805) and working environment (Sig. = .731) which refer that statistically less effect to make any significant prediction.

4.5.3. Summary of Hypothesis Testing

Table 4.19 Summary of Hypothesis testing

No.	Developed Hypothesis	Test Result
1.	(Ho1) Training has no a positive relationship and significant effect on employees' job performance.	Accepted
2.	(Ho2) Motivation has no positive relationship and significant effect on employees' job performance.	Rejected
3.	(Ho3) Leadership has no a positive relationship and significant effect on employees' job performance.	Rejected
4.	(Ho4) Organizational culture has no a positive relationship and significant effect on employees' job performance.	Rejected
5.	(Ho5) Working environment has no a positive relationship and significant effect on employees' job performance.	Accepted
6.	(Ho6) The overall bundle of determinant factors has on employees' job performance. has no effect on employees' job performance	Rejected

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION

5.1. INTRODUCTION

This research had an aim of investigating the effect of selected internal factors which are training, motivation, leadership, organizational culture and working environment on employees' job performance. This was done by investigating the relationship between each determinant factors and employees' job performance using correlation analysis and regression analysis to determine the extent of change in employees' job performance due to the selected internal factors. In addition, the research study examine how well the selected internal factors are being exercised how well employees are performing their job in the bank by looking at their mean scores of the response of the participants which is summarized under the descriptive statistical analysis.

In this section, summary of major findings, conclusions inferred from the data analysis in chapter four, and suggested recommendations are illustrated in detail.

5.2. SUMMARY OF FINDINGS

In general, a summary description of descriptive analyses is generated from the questionnaire survey results. The data analyzed using descriptive statistics, correlation and regression of major findings were presented below in a summarized as follows:

More than half of total respondent is male which amounted 54(69%).The measure of respondents' ages and get the result that shown majority of respondents are from the age group of 25 to 30 years old which is 32(41.03%), while the least contribution of the respondents to this questionnaire survey is from the age group of less than 25 years old which is 7(8.97%). In addition the measure respondents of education and get the result that shown majority of respondents 47(57.69) are degree holders, while the least contribution of the respondents education to this questionnaire survey is diploma holders which is 4(5.13%).

From the arithmetic mean values generated by the descriptive statistics, it shows that leadership (mean=2.95) is below the average cut-off point of 3. While other factors such as training

(mean=3.41), organizational culture (mean=3.35), work environment (mean=3.69) and motivation (mean=3.38) are above average and closer to average mean respectively. From this we can understand that employees of Zemen are moderately agreed or satisfied with the internal factors practice. Still these practices need improvements so that employees will bring the better result that as the bank expects from its employees. Especially the organizational culture, work environment and leadership practice of the Bank have the lowest mean values, are in need of greater attention. And, job performance of employees in the bank under this study is good since the mean score for job performance is 3.48 which are greater than cutoff value and closer to agreement in the likert scale.

The values generated in the Pearson correlation for training ($r=.191$, $P>0.05$) are insignificantly correlated with employees' job performance. Additionally, the regression result which shows the relative contribution of training i.e ($Beta=-0.002$) with ($Sig. = .979$) makes very less contribution to explaining the dependent variable employees' job performance. Therefore, the null hypothesis (H_0) is accepted.

Motivation has Pearson correlation coefficient ($r= 0.317$, $p<0.05$) which show positive and significant relation with employees' job performance as hypothesized. And, when we see the regression result ($Beta=0.118$) with ($Sig. = 0.039$) which can infer that motivation has positive and significant effect on employees' job performance as stated in the alternative hypothesis. Thus, the null hypothesis (H_0) is rejected.

On the other hand leadership practice has a correlation result ($r=0.434$, $p<0.01$) and regression result ($Beta=0.205$) with ($Sig. = 0.007$) in which we can conclude that leadership practice has positive and significant relationship and high contribution to explaining the dependent variable of employees' job performance. Consequently, the null hypothesis (H_0) is rejected.

Organizational culture has ($r=0.436$, $p<0.01$), which implies that there is positive significant relationship with employees' job performance as well as ($Beta=0.215$) with ($Sig. = 0.038$) which infer that there is positive effect and high level of contribution among other practices of the bank. The same as with Rashid Saeed et. al. (2013), finds that the organizational culture is positively correlated with employees' performance at the value of **0.000**. Hence, the null hypothesis (H_0) is rejected.

Additionally, working environment has the Pearson coefficient ($r=0.216$, $p>0.05$) which shows a low association employees' job performance. This implies the presence of low relationship between working condition and employees' job performance in Zemen Bank which is statistically insignificant . Even though, the regression result (**Beta=0.145**) with (**Sig. = 0.059**) of low level of contribution in which statistically insignificant but as we understand from correlation value in which we can conclude that a positive change in working environment has not a corresponding positive change in performance of employees' job. Thus, the null hypothesis (H_0) is accepted.

Finally, overall bundles internal factors which includes training, motivation, leadership, organizational culture and working environment with F-value significant at 0.000 have 32.5% of the variation on employees' job performance is contributed in Zemen Bank S.C

5.3. CONCLUSION

The study, after doing different analyses that the research objectives need, arrived and based on the major findings, the following conclusions were made Determinant internal factors examined in this study, especially motivation, leadership and organizational culture in the Zemen bank are not being implemented properly as they have to be put into effect. That means there are still limitations in implementing these practice. Regardless of, moderately well implementation of the banks' practices, the job performance of employees is not bad. But the bank still not get utilize the full potentials of its human recourses due to the above limitations in implementing the human resource management practices properly.

As we shown from correlation and regression results that training has no significant positive relation and positive significant effect on employees' job performance in Zemen bank S.C. This is not consistent with the result of Le Tran in his respective study found out organization without viable training programs would fail to provide employees with frequent opportunities to practice and enhance their capabilities, which ultimately affect the performance of employees. Also if the given training is conducted based on the result of gap assessment of the employees, it should positively affect the performance and improve the efficiency of employees to perform the task and it leads the successes of the organization. But in the case of this research training is not positively affect the performance of employees which is not logically accepted and the bank may some problems to conduct the training program.

From the statistical analysis the researcher found that motivation has a significant positive relationship with and as well as significant positive effect on employees' job performance in the bank. Thus, we can conclude that a positive change in motivational practice can bring positive improvement on employees' job performance.

On the other hand, leadership has also a positive relationship with performance as well as significant effect on employees' job performance in the bank. In this regard the bank has opportunity to get high level of employees' job performance since it has better contribution than other internal factors in this study.

Additionally, organizational culture has a positive relationship and significant effect on employees' job performance. Based on the result we can infer that there is promising chance to alleviate the current employees' job performance because it has greater contribution than other internal factors in this study.

But, working environment has no a positive significant relationship with employees' job performance. So, a positive change in the working environment has no a corresponding positive change in performance of employees' job which was statistically not acceptable and validated.

Moreover, the overall bundles of determinant factors incorporated in this study have positive effect on employees' job performance. For that reason, some extent of the employees' job performance is explained by training, motivation, leadership, organizational culture and working environment in the study bank.

5.4. Limitation of the study

This research has limitations with regards to its depth due to the objective it has. Since it is a case study, it has limitations with regards to generalization. And the depth of the study as such is only limited to some aspects of the Bank. In addition, there might be lack of awareness and willingness of the employees regarding, filling out the questionnaires or providing the required data with care and being unable to return the questionnaire on time.

5.4. RECOMMENDATION

The study investigated that the bank has limitations in properly implementing of the internal factors assessed in this research which are training, motivation, leadership, organizational culture and working environment. Hence, the management of the bank should review their Human resource management implementations. In doing so ensuring the participation of employees from every level in the organization is indispensable. Because, it is essential to get enough direct input concerning the human resource related factors that affect employees. This is basically helpful in developing smart HP policies that could inspire employees for enhanced job performance. If not employees may no longer stay working in this bank where: they do not get adequate training to reduce difficulties in order to discharging their responsibilities, there is no equitable salary and no fair promotion, without freedom in making decision related to their job, no culture of encouraging for an employee who score high level of job performance, and poorly designed office layout which may lead to risk for that specific job.

- Since training was found to be not a positive predictor of employees' job performance, the Zemen Bank management should engage in assessing why the reason that training not enhance the employee's job performance and also they should investigate the root causes for the problems of training which is not affect the performance of employees. But logically increasing the qualities and quantities of the training program leads to increase their employee's performance which helps the company to make best use of its human resources in favor of gaining competitive advantage; enhance employees' ability to adapt to the changing and challenging business environment and technology for better performance; increase their knowledge to develop creative and problem solving skills; but also important for the survival of the bank. Even though, the training practice in Zemen bank as we observed from the descriptive analysis output almost half of the remaining respondents are dissatisfied and neutral in their response related to training questions. Therefore, once HR manager decided the training needs have been identified using the various analyses through gathering data to compile all skill gaps which must be identifies the distance between the current performance and the standard desired performance, they should be set the training objectives that are close to the gaps and then priorities must be established. After that, decision should be made to use among different

training methods based on the objectives of the training program, the trainees selected, and the type of training intended. Lastly, they should be measure the success of training in terms of the objectives which are already stated in advance. The training department should gather the information concerning the training procedures, appropriateness of media and instruction methods and other relating issues to determine the overall effectiveness of training through formal questionnaires, Knowledge Review, Observation, Employee discussion and Skill Gap Analysis

- A positive motivational practice can be achieved through that: management should increase compensation in accordance with work experience and in equitable manner within the bank and equitable when compare to others which are in the same industry on the basis assessments of the job relative internal value and of the external relativity's i.e. market rate. Besides to equitable salary payment, recognition and promotion programs should be regularly considered to recognize good job performer of the bank. Promotional opportunities should also be administered based on employees performance evaluation score in a fair and transparent way in which considers all employees equally without any discrimination such as close-relationship, ethnicity, religion, gender etc. And also, alternative forms of reinforcement should also be introduced and used frequently, including verbal reinforcement and priority for educational opportunities for employees who excel in their job performance.
- The study concludes leadership has significant contribution account for variance in job performance since the leadership style turn to foster co-operation, motivation, and team spirit among work groups (Tarkenton, 1986). The researcher therefore, recommend that Zemen bank is in the service industry which want to be more competitive should consider adopting a more democratic leadership style that give room for employee participation and freedom in decision-making, treating all in equal way, help to communicates freely on the goals of the bank, inspires staffs to achieve the company objectives, give values for skills and knowledge of the employee, and help to motivate employees for better job performance than autocratic leadership style since it is has positive association with employees' job performance in the case company. And also, the bank should reduce the autocratic leadership practices. Hence, Zemen Bank should promote for the better leadership styles those suites different situations so as to reduce the dominance of autocratic leadership unless in situations where it is necessary. The bank should also

formulate policies, which helps encourage leaders to empower employees to be part owner of the bank. Therefore, leaders should create a friendly work relation with employees, give regular feedback on their job performance, communicate well on job related issues, serve as role models and treat all equally for the development of highly committed workforce.

- Since employee's job performance is one of the important factor for Zemen bank to compete in the banking industry. Thus, the management of the bank should modify its working culture in order to have positive effect on employees' job performance. As we know every individual has different culture, value, and beliefs from his own. So, in order to modify the existing unnecessary culture, management should notified and made to learn the modification of the old (bad) culture that will negatively affect on their job performance. The organizational culture should be binding on all staff of the bank as this will encourage uniformity among members of the bank which can be achieved through orientation and different training programs and thus which can bring to enhance individual commitment to the goals of the bank and also improve group efficiency. Since the shared values and beliefs mostly adopted from top level management thus the bank should give recognition, and verbal reinforcement who has being a role model of good performer and familiar with company's values and beliefs in exchange of encouraging, and respecting his/her subordinates and customers as a core value for survival of the bank.
- As we infer the result shows in the finding that working environment has no significant relationship with employees' job performance thus, management should provide a better working environment to its employees, which is adequate in terms of offering adequate facilities and resources to do their job effectively; and conducive in terms of space, seating arrangement (ergonomic), ventilation, and lighting for maximum comfort, efficiency, safety, and ease of use which particularly true for those employees who spend most of the day operating a computer terminal. And also the bank should make the layout and seating arrangement apply in a consistent way with clear procedure through all branches in order to be standardized and that will give a unique icon for the bank. Additional, the management should arrange flexible work hours through shifting for employees in order to fulfill their personal affair and provide vacation to have better interpersonal relationship and communication among all staffs in work place. This will

contribute towards increase the level of satisfaction and also improvement in employees' job performance.

In conclusion, the bank can even get superior employees' job performance than what they are obtaining if they managed to revise and identify their weak sides in exercising the internal factors practices. Because, inappropriate practice of the above five factors can obviously discourage employees from utilizing their potential which in return negatively affect their job performance and organizational performance as a whole. Therefore, Zemen Bank should get its employees satisfied for higher level of job performance through the above all recommendations.

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Annex

Annex – 1-

ST.MARY’S UNIVERSITY
SCHOOL OF DEVELOPMENT STUDIES
MASTERS IN BUSINESS ADMINISTRATION
RESEARCH QUESTIONNAIRES

Research Topic: Factors Affecting Employees’ Job Performance at Zemen Bank S.C.

Researcher Name: Assefa Workneh

Dear sir/madam

I am a post graduate student of Master of Business Administration at St.Mary’s University School of Development Studies. Currently, I am undertaking a research entitled **Factors Affecting Employees’ job Performance at Zemen Bank S.C.** You are one of the respondents selected to participate on this study. Please assist me in giving correct and complete information to present a representative finding on the current status of the factors affecting employees’ performance in Zemen Bank within Addis Ababa City Head Office, all Branches and kiosks. Your participation is entirely voluntary and the questionnaire is completely anonymous.

Finally, I confirm you that the information that you share me will be kept **confidential** and only used for the academic purpose. No individual’s responses will be identified as such and the identity of persons responding will not be published or released to anyone. All information will be used for academic purposes only.

Thank you in advance for your kind cooperation and dedicating your time.

Sincerely, Assefa Workneh

Instructions

- No need of writing your name
- For Likert scale type statements indicate your answers with a check mark (✓) in the appropriate box.

SECTION A: GENERAL INFORMATION (DEMOGRAPHIC DATA)

Fill in the blanks provided by a means of a cross (✓) by indicating your correct choice.

A. Gender:

1. Male 2. Female

B. Age

1. Less than 25 2. 25- 30 3. 31- 35
4. 36 - 40 5. Above 41

C. Level of education

1. Diploma 2. Bachelor's Degree
3. Master 4. PhD 5. Other state here: _____

D. Marital Status

1. Single 2. Married 3. Divorce 4. Widowed

E. Year of service you have work for Zemen Bank?

1. 1 – 2 years 2. 3 – 5 years
3. 6 – 8 years

F. Current Position(Department)

1. International Banking Department
2. Domestic Banking Operation Department
3. Credit Department
4. CRM Department
5. IT related professional
6. Finance Department
7. Human Resource Department
8. Risk Department
9. New Business Development
10. Marketing Department
11. Legal Department
12. Audit Department



SECTION B: JOB RELATED QUESTIONS

I. Questions related to Training

Please rate your response as follows:

1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral (N) 4= Agree (A) 5= Strongly Agree (SA)

No.	Questions	1 SD	2 D	3 N	4 A	5 SA
1.	The training leads to improve my performance					
2.	Employees feel a strong desire to apply what they have learned during the training					
3.	The necessary training is given to ensure job effectiveness.					
4.	In-service/on-the job training adequately addresses the skill gaps.					
5.	Incompetent employees are identified and provided with the necessary support.					
6.	Professional employees participate in identifying their training needs					
7.	Training Leads the employee reduce their mistakes					
8.	The bank follows employee's performance after training					
9.	The training assessment done only by asking the trainee for their opinions					
10.	Trainings that provide are enables to boost and affect positively the employees' performance positively					

II. Questions related to Motivation

Please rate your response as follows:

1= Strongly Disagree(SD) 2= Disagree (D) 3= Neutral 4= Agree (A) 5= Strongly Agree (SA)

No.	Questions	1 SD	2 D	3 N	4 A	5 SA
11.	Opportunities exist for career advancement					
12.	My salary is equitable when compared with other banks					
13.	My salary payment is satisfactory in relation to what I do					
14.	My salary is in accordance with my work experience and increases on fair manner					
15.	I am satisfied with bank's benefits package.					
16.	Hard working employees are recognized.					
17.	Staffs are promoted in a fair and transparent way					
18.	The benefit packages of the bank has effect on my job performance					
19.	Employees, who receive frequent feedback concerning their performance, are usually more highly motivated than those who do not.					
20.	The motivation I got from the bank contributes for high level of job performance					
21.	My supervisor fails to interfere until problems become serious					
22.	My supervisor values all the ideas and skills I bring to the company					
23.	I am satisfied with freedom to make decision on my role					
24.	I have the opportunity to take part when decisions are made					
25.	My supervisor gives me regular feedback on my performance.					
26.	My supervisor inspires me to achieve the company objectives.					
27.	My supervisor is unbiased and treats every employee without discrimination.					
28.	The existing Leadership style motivate employees for high level of performance					

III. Questions related to organizational culture

Please rate your response as follows:

1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral 4= Agree (A) 5= Strongly Agree (SA)

No.	Questions	1 SD	2 D	3 N	4 A	5 SA
29.	I am familiar with the overall bank's shared values and beliefs					
30.	Employees are encouraged to come up with new ideas					
31.	Rules set out within the organization are practical					
32.	There is a shared value of cooperation among employees					
33.	Employees are committed to the vision, mission and goals of the organization					
34.	The existing bank's values and beliefs motivated employees for high level of performance					

5 Questions related to Working Environment

Please rate your response as follows:

1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral 4= Agree (A) 5= Strongly Agree (SA)

No.	Questions	1 SD	2 D	3 N	4 A	5 SA
35.	I am provided with adequate facilities and resources to do my job effectively					
36.	The physical surrounding where I am working is comfortable and convenient to perform my job					
37.	The working condition like space, seating arrangement, ventilation, refrigerator, lighting etc helped me to do my duties in better way					
38.	The bank provides flexible work hours to accommodate my personal needs					
39.	I get the opportunity to work with my colleagues and to communicate on aspects of our job					
40.	All in all I am satisfied with the working condition of the bank.					

6 Questions related to Employee Performance

Please rate your response as follows:

1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral 4= Agree (A) 5= Strongly Agree (SA)

No	Questions	1 SD	2 D	3 N	4 A	5 SA
41.	I strictly follow the policies and procedures of the bank (for example dressing code, moral and ethical standards, rules of conduct etc.)					
42.	I effectively use resources including time and materials					
43.	I try my best to avoid lateness and absence from my job					
44.	I receive regular job performance feedback.					
45.	I believe there is fairness in the way my performance is assessed.					
46.	I effectively work with other employees					
47.	My performance is limited by poor leadership of my supervisor.					
48.	Employee's job performance is affected by the current motivational practice (like salary, benefit, recognition, promotion, etc.) that the bank is trying to offer					
49.	The existing benefit packages like medical cost coverage, fuel (transport) allowance, endowment insurance cost and house allowance are helping to motivate employees for higher level of performance					
50.	The banking work environment is good for employees in terms of enabling them to optimally utilize their knowledge, skill and ability.					
51.	There is set of criteria's to evaluate individual performance					
52.	The stated criteria's are measure appropriately.					
53.	Department heads are evaluating the subordinates based on the stated set of criteria's without any bias.					

“Thank you for your involvement and precious time”