



**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
FACULTY OF BUSINESS**

**THE EFFECT OF WORK ENVIRONMENT ON EMPLOYEE  
PERFORMANCE IN CASE OF ETHIOTELECOM HEAD QUARTER IN  
ADDIS ABABA.**

**BY  
YADENE TEMESGEN**

**JUNE, 2024  
ADDIS ABABA (ETHIOPIA)**

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**BY  
YADENE TEMESGEN**

**ADVISOR  
TEWODROS MEKONEN (PhD)**

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**APPROVED BY BOARD OF EXAMINERS**

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**Dean, Graduate Studies**

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**Signature**

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**Advisor**

\_\_\_\_\_  
**Signature**

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**External Examiner**

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**Signature**

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**Internal Examiner**

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**Signature**

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## ABSTRACT

*The main goal of this study was to examine the effects of the working environment on employee performance in case of Ethio Telecom headquarter in Addis Ababa . A qualitative research approach is carried out for this research. Research method was conducted by Cross-sectional data and were collected to address the research objectives of the study using a self- administered questionnaire from 200 employees using a random probability sampling technique. The collected data were analyzed using descriptive statistics, correlation, and regression analysis through the statistical package for social science (SPSS) version 26. The study used six major working environment factors including; leadership approach, physical work place environment, work-life balance, and individual characteristics as predictor or independent variables and employee performance as the dependent variable. The finding of the research implicated that leadership approach, physical work place environment, work-life balance, and individual characteristics has a positive and significant effect on employee performance. Pearson product moment correlation coefficient results showed a significant positive relationship between leadership approach, physical work place environment, work-life balance, and individual characteristics. Based on the findings of the study, recommendations made for the management of the Ethio Telecom head office are to make sure enacting on individual characteristics and such employee policy should be reviewed frequently to ensure its effectiveness. Physical work place, work life balance and Leadership approach are also at acceptable level, management must made sure they are stay at acceptable level and can increase employee performance.*

**Keywords:** *Ethio Telecom, employee performance, working environment*

## ACRONYMS AND ABBREVIATIONS

SPSS - Statistical Package for Social Science

LA - Leadership Approach

PWE - Physical Work Place Environment

WLB - Work-Life Balance

IC - Individual characteristics

EP - Employee Performance

CAF - Confirmatory Factor Analysis

DW - Durbin Watson

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the study**

Healthy work environment, which promotes employee engagement and builds a high-performance culture that promotes creativity and innovation, is an essential component of a healthy work environment and it also makes sound business Kohun, (2002).According to Heath, (2006), This environment encompasses the actual site as well as the surrounding area, as well as behavioral guidelines, rules, policies, culture, resources, working relationships, and the work location, all of which have an impact on how employees carry out their duties. Employees are impacted by the state of the workplace performance, which in turn affects the competitiveness of the firm.

Oswald, (2012) defines work environment as the physical geographical location such as offices which involves factors like air quality, noise level, employees' welfare, or even adequate parking. Workplace environment and performance are inter-related and they play a major role towards the performance of an employee Naharuddin & Sadegi, (2013).In any firm, the work environment has a significant impact on employees' productivity and performance. El-Zeiny (2013). According to Waiganjoet al. (2015)the relationships that exist between employees and their work environment make up the workplace environment. The literal meaning of work environment is the surroundings in which people work in for achieving goals of the organization. This includes tools, systems, structures, and procedures which includes all things effecting performance of the employees it may either impact negatively or positively Satyvendra, (2019).

A research by Bushiri, (2014) defines work environment as the setting in which a group of people works to complete a task. The location and its surroundings, along with tangible amenities like parking lots, air quality, noise levels, and ventilation, as well as tangible benefits like lunch, tea, and coffee, office buildings, and office setup, make up the physical environment of the workplace Mathew,(2015). Establishing a happy and healthy workplace can greatly boost

worker productivity. A productive work environment is made up of these three fundamental elements. Priorities include the physical workspace, office layout, lighting, and temperature. The office environment is second. It covers aspects like space, privacy, and noise levels. The third is workplace culture, which covers autonomy and recognition for employees. According to Public Health, (2022)the physical aspects of an office setting directly affect employees' productivity, well-being, concentration, job satisfaction, health and safety, and morale. An employee's physical and mental workspace is where they carry out their everyday responsibilities Elisabeth, (2023).

Elisabeth indicates Work environment is a combination of three vital components: Physical work place environment: This covers the layout and amenities of an in-person office, including items like desk space, lighting, and location. For remote workers, the physical work place environment refers to software, tools, and equipment. Working conditions: These terms, which include pay and benefits, organizational structure, and safety guidelines, are what an employee commits to perform on the job. Company culture: Culture describes how an organization functions on a social level. Certain elements, such as an open communication policy or a firm mission statement, are more official. Others, The efforts and the performance of the workforce is the soul and the heart of an organization. Employee performance is frequently interpreted as representative of the organization's performance and has a direct impact on the organization's image Silitonga and Sadeli, (2020).

Khan and Mashikhi (2017) stated that an organization's and an employee's performance has been viewed as the ultimate goal. Creativity, innovation, and a higher level of commitment among employees are the sources of organizational success and glory. A study by Prange and Pinho, (2017)the survival of the organization will depend on their ability to provide the employees with the necessary actions. The foundation of an organization's competitive advantage in the modern global market is its increased capabilities, knowledge, and skills Rodriguez & Walters, (2017).Organizational managers should think about providing for the mental and physical needs

of staff members as well as improving their performance both personally and professionally using a range of techniques and strategies, including job design, performance reviews Abdulkhaliq & Mohammadali, (2019).

According to Perkbox, (2024), employee performance is how a member of staff fulfils the duties of their role, completes required tasks and behaves in the workplace. Measurements of performance include the quality, quantity and efficiency of work. The elements form a work environment influences each employee's productivity and attitude Elisabeth, (2023). Research shows that 35% of job seekers would decline the perfect role if they didn't connect with company culture, proving just how important a positive environment is.

Even tiny details that could have an impact on an organization's objectives must be prioritized if it is to meet lofty objectives Satyvendra, (2019). Unfavorable work environments and inadequate supervision by superiors may have a greater impact on the attainment of objectives. In the worst case scenario, this makes achieving those objectives challenging or perhaps impossible Okasheh & Al-Omari, (2017). At the same time, a number of workplace factors influence employees' performance Kholil and associates, (2014) cited in Putri et al., (2019) .

In Addition, according to Logahan's, (2012) cited in Putri et al., (2019) the workplace has little effect on employee performance. We can therefore conclude that there is enough evidence to support the claim that the workplace has a substantial impact on worker performance and organizational success Muhammad (2021).

As they increase productivity, creativity, and efficiency, a strong work ethic and a favorable work environment are critical for economic success Nardos, (2023). A sizable percentage of Ethiopian laborers work in the unregulated, unprotected informal economy. This might result in unfair working conditions and inadequate pay, which would demoralize employees and lead to subpar output. If Ethiopia wants to maintain its economic growth, its work ethic must be reinforced, even though this will not be simple. Professional development and establish a happy workplace. By investing in education and training, fighting corruption, and offering fair

compensation and benefits, the government and businesses may have a big impact on improving work ethics and fostering economic growth. Companies can also improve work ethics, provide opportunities for professional progression, and create a positive work environment.

Ethiopia's national economy is greatly impacted by the telecom industry, which is currently undergoing rapid expansion. A lot of unfinished business development is now underway. Ethiopia has a substantial telecom market, and Ethiopian Telecom is among the leading businesses that significantly impact the country's economy.

From the studies of Kohun, (2002), Oswald (2012), and others the researcher observes different assumptions are exist on the concept of work environment, employee performance, the effect of work environment on employee performance. As the result for the different assumptions and no research conduced on effect of work environment on employee performance at Ethio Telecom the researcher aims to do research on the effect of work environment on employee performance in case of Ethio Telecom head quarter. Ethio Telecom is a governmental institution which operates all over the country. The study area of the research was focused on the Ethio Telecom headquarter located at Addis Ababa which aims to study the current status of effect of work environment on employee performance and provide insights to other public institutions and private organizations in Ethiopia.

## **1.2 Statements of the problem**

According to Christabella, (2014) the organization's working environment had an impact on its employees, and staff members' performance will improve if management fixes the problems discovered during the inquiry. A flexible work environment, noise distraction at work, the rapport between a supervisor and their subordinates, job support availability, performance evaluation use, and improving internal work incentives to motivate employees to finish tasks are among the concerns.

Work conditions, job assistance, laws, regulations, culture, resources, working relationships, work location, and internal and external environmental elements are all part of the working environment and have an impact on how employees carry out their duties Christabella, (2014). Poorly designed workstations, unsuitable furniture, lack of ventilation, inappropriate lighting and excessive noise adversely affect employee performance Becker, (2002). Management should therefore find ways to ensure that workplace environment is conducive enough to enable employee performance in order to remain competitive. Moreover, Humphries, (2005) described the quality of the workplace environment impacts on employees performance and subsequently influences the organization competitiveness. An effective workplace environment management entails making work environment attractive, comfortable, satisfactory and motivating to employees so as to give employees a sense of pride and purpose in what they do. Wellbeing Cunnen, (2006) proposed Businesses that are thought of as great places to work will probably have an advantage over their competitors since they can draw and keep highly qualified workers. According to Frese and Sonnentag, (2001), an individual's performance has a significant impact on both the company and the people that work there. To accomplish their objectives, provide the specific goods and services they offer, and ultimately gain a competitive edge, organizations require high-performing personnel.

There are several reasons behind Ethiopia's unethical workplace culture and ethics Nardose, (2023). Businesses can contribute to the enhancement of work ethic by offering equitable compensation and benefits, opportunities for career advancement, and a pleasant work

environment. Kahsay, (2022) on his studies “effect of job assignment on employee performance in Ethiopian Telecom”, the majority of employee problems in many businesses stem from their dissatisfaction with their work environment, which led them to continuously search for positions that would better meet their needs and increase their level of satisfaction. Based on Teshome, (2013) research titled "The Effectiveness of Staff Performance Appraisal in Ethiopian Telecom," most workers are not happy where they work at the moment. Another study by Meseret, (2015) on factors affecting employee motivation in Ethio Telecom investigates that one of key factors of work environment that contribute to employee motivation are job security, financial factors and work conditions.

According to the above reviews, employee performance is not defined by a set of rules. It also showed that a variety of factors influence worker performance. The majority of empirical studies on the factors influencing employee performance highlight different variables, such as job assistance and supervisor support by Naharuddin & Sadegi, (2013), workplace interior design and office design by El-Zeiny, (2013), employee benefits, workload, and co-worker support by Satyvendra, (2019) , Md and Arka, (2022) also concludes their study physical factors of work place environment ergonomic office furniture, sufficient lighting, ventilation and air facilities, workplace temperature, unnecessary noise affect employee performance .

In this study, the primary factors influencing worker performance was cover leadership approach, physical work place environment, work-life balance and individual characteristics. According to the studies, there are a variety of presumptions that give rise to uncertainty regarding the notions of the work environment, employee performance, and the relationship between the two. The researcher notes that there is a gap in the understanding of the relationship between the work environment and employee performance from the various studies that have been previously presented. This means that further research is required to determine the impact of the work environment on employee performance in case of Ethio Telecom, which help to close the gap on the various assumptions and the researcher was try to gather information about

the current status of employee performance from the concerned unit but unable, to protect workers' personal information.

### **1.3 Objectives of the study**

#### **1.3.1. General Objective**

The general objective of the study was to assess the effect of the working environment on employee performance of Ethio Telecom headquarters.

#### **1.3.2. Specific objectives**

The specific objective of this study

- To determine the effect of the physical workplace environment on employee performance in Ethio Telecom headquarters.
- To examine the effect of leadership approach on employee performance in Ethio Telecom headquarters.
- To verify the effect of work-life balance on employee performance in the Ethio Telecom headquarters.
- To explain the effect of individual characteristics on employee performance in Ethio Telecom headquarters.

### **1.4 Significance of the study**

This research was useful in alerting management about the fact that encouraging workers to be more productive through financial incentives is not as important as creating a nice work atmosphere. The research holds significance for Ethio Telecom headquarter as it offers an enhanced understanding of the correlation between the physical workspace and the performance of the employees, which acts as a guide for assessing how employees' performance is impacted by their physical work environment.

In addition, it provide validity to the idea that satisfying the ever-increasing demands of employees requires a healthy workplace. It is expected that the study was produce data that facilitate further research in this area and the creation of strategies that may lead to the creation of a comfortable working environment. This study help as a useful resource for researchers, offering a greater comprehension of the variables influencing employees' performance at the Ethio Telecom headquarters.

### **1.5 Scope of the study**

Due to the widespread nature of the organization, this study covered only Ethio Telecom's headquarters located in Addis Ababa, for the reason Ethio Telecom is very huge and largest company that has several districts in the country, so it's difficult to cover all the existing branches in the study in related to time and budget constraints. The study also anchors on correlational survey design for the reason the design establishes the relationship between variables. Even if the work environment comprises numerous components the researcher aspires to establish the link between physical workplace environment, leadership approach, work-life balance, individual characteristics, and the employee performance of Ethio Telecom head quarter in Addis Ababa.

### **1.6 Limitation of the Study**

In undertaking the study, there were some limitations against achieving it objectives effectively. Those are first, lack of accessing records of employee performance and previous studies in this area. Secondly, since this study only includes headquarters office of Ethio Telecom and the generalization of the findings, distributing questionnaires to other buildings which is included in the head office was somehow hard to distribute about security matters. Finally, there was a challenge on cooperating in some respondents and management bodies during the distribution of the questionnaire because they were busy for the time being, and there is also time and money constraints.

## **1.7 Definition of Terms**

Key concepts: Leadership approach, Physical work environment, Work-life Balance, Individual characteristics, Employees' performance

- Leadership approach: the behavioral approach employed by leaders to influence, motivate and direct their followers or members of an organization, society, or team CFI, (2024).

- Physical workplace environment: is defined as a space physical and emotional in which employees perform their daily tasks. Elizabeth,(2023)

- Work-life Balance: maintaining a harmonious relationship between work life and personal life Allaya, (2023).

- Individual characteristics: descriptions of a character's physical attributes as well as the character's personality (3FY English Unit).

- Employees' performance: is how a member of staff fulfills the duties of their role, completes required tasks, and behaves in the workplace. Perkbox, (2020)

## **1.8 Organization of the Paper**

The study was structured in to five chapters: The first chapter introduced the study with the background, the statement of the problem, objectives of the study, research hypothesis, significance of the study, scope of the study, limitation of the study, definition of the terms and organization of the study. The second chapter dealt with the review of related literature which comprises conceptual definitions, theoretical review, empirical review, research gap, and conceptual framework. The third chapter describes the methodology of the study with the

research approach, research design, research population, sampling design, data collection methods and tools, Methods of data processing and analysis, model specification, reliability and validity test, and ethical consideration of the study. The fourth chapter consists introduction, questionnaire response rate, descriptive statistics, inferential statistics, results of regression analysis, interpretation and discussion of regression results, and interpretation and discussion of research hypothesis and results. Finally, chapter five describes the summary, conclusion, and recommendation.

## **CHAPTER TWO**

### **RELATED LITERATURE REVIEW**

## **2. Review of Theoretical Literature**

### **2.1. Theoretical Literature of Work Environment and Employee Performance**

In this section, we seek to provide theoretical support for our claim that there is a relationship between the work environment of an organization and the performance of its employees. We also discuss potential processes that could underlie this relationship. Our rather straightforward framework gives background information on the possible connections between different ideas explaining why work environment could be a significant term to employee performance.

#### **2.1.1. Theories Related to Work Environment**

Opperman (2002) declared that the term "working environment" refers to any procedures, frameworks, instruments, or setup in the office that has an impact on a worker's ability to perform either favorably or unfavorably. In addition, policies, procedures, culture, resources, working relationships, work location, and internal and external environmental elements are all part of the working environment and have an impact on how employees carry out their duties. Brill (1992) estimates that improvements in the physical design of the workplace may result in a 5-10 percent increase in employee productivity. He argued that increasing the organization's physical layout is designed around employee needs to maximize productivity and satisfaction.

Typically involves other factors relating to the place of employment, such as the quality of the air, noise level, and additional perks and benefits of employment such as free child care or unlimited coffee, or adequate parking [www.business dictionary.com](http://www.businessdictionary.com). Workplace environment it could have an inviting physical space, a relaxed atmosphere, or friendly chatter from desk to desk Elizabeth,(2024). For those who work remotely, it might be a prompt answer to a Slack question or a kind welcome upon joining a Zoom conference. We believe we are at a place where we can

thrive, no matter the surroundings. On the other hand, a toxic workplace may have the opposite effect. Some businesses establish a culture that is exclusively centered on success and productivity, believing that a demanding workplace where results are prioritized will increase revenue. But it can leave to feel stressed, unappreciated, and burnt out. Fostering a healthy work environment improves workplace productivity, employee satisfaction, and other positive outcomes that benefit both the organization and its workers. Here are some ideas for workplace improvements to create an overall company culture where colleagues at all levels feel valued.

Studies by Elizabeth (2023) shows the physical and emotional space in which workers carry out their everyday responsibilities is known as the work environment. It combines three essential elements: the physical surroundings, the working environment, and the corporate culture. The physical work place environment includes features such as desk space, illumination, and location, as well as the arrangement and conveniences of an actual workplace. The term "physical work place environment" for remote workers refers to tools, equipment, and software. The circumstances under which an employee accepts to perform their duties, such as pay and benefits, organizational structure, and safety guidelines, are known as working conditions. The social dynamics of a firm are characterized by its company culture. Certain elements, such as an open communication policy or a firm mission statement, are more official. Others, like office politics, are not sanctioned but are nonetheless powerful.

When put together, those elements form a work environment that influences each employee's productivity and attitude. A good work environment is crucial, as evidenced by research showing that 35% of job seekers would turn down the ideal career if they didn't connect with the business culture. However, a productive workplace goes beyond a business's capacity to draw in top personnel.

A safe and healthy workplace is seen by most organizations as an unnecessary expense, thus they don't make major efforts to maintain a comfortable working environment Gu Z. et al., (2022).

Any business that wishes to pursue sustainable development needs employees who are dedicated to the goals of the firm. Collaborating in teams can cause individuals to behave more like entrepreneurs, with each team member exerting maximum effort to demonstrate their superiority over the others.

According to Chandra (2020), as cited in Pimpong (2023) a work environment can be either beneficial or bad depending on the support and encouragement received from department chairs, building administrators, district administrators, and/or coworkers. It also takes into account any coaching or criticism that the participants may have received, their potential resistance to change, any supervisor or administrator sanctions, and either positive or negative personal outcomes concerning the implementation.

#### 2.1.2. Theories related to Employee performance

To thrive in the business world and adapt to the ever-changing demands of the environment, organizations are transforming and strengthening their capacity for proactive change management. The sustainability of a business organization depends on talent, skill, knowledge, and experience of employees and on their performance Armstrong (2009). Performance is the accomplishment of a task as evaluated against predetermined, well-known benchmarks for speed, accuracy, completeness, and cost. Employee performance is the result of workers' contributions to the accomplishment of organizational goals. Armstrong indicates that to achieve the organization's stated goal, managers monitor and assess employee performance, with individuals expected to perform at an acceptable level. Employees' performance has been established to be directly related to employees' motivation. Since Frederick Taylor's writings, other management theories have supported this claim in 'The Principle of Scientific Management' in 1911 and Henry Gantt in 'Works, Wages and Profits' in 1913. Modern employees' motivation management methods have evolved which discredited Taylor's "Differential piece rate work" and Gantt's "task and bonus wage" systems. The most effective employee motivation management techniques nowadays are employee-oriented. Gardner and Lambert (1972). Maslow

(1943) said that people work to survive and live through financial compensation, to make new friends, to have job security, for a sense of achievement and to feel important in society, to have a sense of identity, and most especially to have job satisfaction. All employees who have job satisfaction are high performers in their particular workplaces.

#### 2.1.3. Adam's Equity (fairness) Theory

Industrial psychology's equity theory is a notion that centers on people's judgments of how fairly they are treated in their workplace. The theory is predicated on an individual's subjective assessments on the equity of the reward they received with their inputs (which can include a wide range of elements, including effort, experience, education, and so forth) and in light of other people's benefits. This hypothesis states that workers experience inequality if they believe their output/input ratio is lower than the referent. If an employee perceives that they are not receiving fair treatment, they may take additional sick days, steal from the company, or put in the same amount of effort as previously. In general, this theory helps us see that it is closely linked to worker performance. Unfair workplace incentives cause workers to perform less well. Fair workplace rewards, on the other hand, improve worker performance. Because of this, it's critical to comprehend the ideas behind equity theory and implement strategies to foster the idea of a more fair workplace.

#### 2.1.4. Affected Event Theory

The theory was advanced by Howard M. Weiss and Russel Cropanzano in 1996 (Phua, 2012). The relationship between an employee's internal factors and their responses to workplace events that impact their productivity, organizational commitment, and job happiness is explained by the Affective Events Theory. It suggests that both emotionally charged good and negative events at work have a major psychological impact on workers' job satisfaction. The impact results into lasting reactions exhibited through job satisfaction, organizational commitment, and job performance. According to Cooke (2001) Performance is the completion of a task evaluated in relation to predetermined or accepted benchmarks for correctness, completeness, cost, and speed.

According to an employment contract, performance is defined as completing a task in a way that absolves the performer of all obligations outlined in the agreement. It basically refers to what a worker does or does not do. Performance of employees that affects how much they contribute to the organization could include; Quantity of output, Quality of output, Timeliness of output, Presence at work, Cooperativeness and etc. Obviously other dimensions of performance might be appropriate in certain jobs, but those listed are common to most. However, they are general; each job has specific job criteria or job performance dimensions that identify the elements most important in that job. (Human resource management 1st edition on page 376).

According to Litmos, (2023), an employee's performance is measured by how well they carry out their work obligations and responsibilities. Limos indicates any companies conduct annual or quarterly performance reviews of their employees to pinpoint areas that need improvement and to encourage sustained success in areas where employee performance is on par with or better than expected. A company's performance is crucial to its success since it boosts employee morale, profitability, and general productivity. Companies may identify areas for employee performance improvement, provide workers with support and training, and ensure that everyone is working toward the same goals by routinely analyzing employee performance.

Successful businesses utilize performance as a criterion to assess their employees' work performance. According to experts, performance is the result of an individual's labor or the way in which an individual performs their work in fulfilling their duties and obligations Rusmiati & Fitriani,(2021). Employee performance is a measurement of how well a worker does their job and conducts themselves at work. It has an impact on customer happiness, the firm's revenue, company culture, and employee retention rates, to mention a few outcomes, making it crucial to every facet of the organization. Worker performance encompasses the caliber, productivity, and efficacy of a worker's output. The way a worker performs also reflects how valuable they are to the company. Since employees are an investment, their performance serves as a proxy for their return on investment.

According to Mullins (2008) The work environment and amenities are a factor that is becoming more and more significant in determining worker productivity. Josias (2005) demonstrate that employees prefer physical surroundings that are safe, clean, comfortable and with minimum degree of distractions. Mullins (2008) further argues that an inspired workplace would produce motivated workers, who will then perform better and have more job satisfaction.. The social work environment deals with relationships at job settings. It includes communication styles, relationship between superiors and subordinates. It also includes relationship among coworkers, the readiness of others to assist and team work. Maintaining a progressive work environment requires that employees at all levels of the organization be treated with respect.

According to Gu Z. et al.,(2022), A positive work environment improves employee performance inside the organization. More specifically, workers have a tendency to persevere under duress, and the work environment can improve their ability to create goals. On the other hand, a cheerful workplace generates a welcoming and pleasurable environment that supports employee commitment and cultivates a propensity for employees to be loyal to their employers. Furthermore, as workers who are devoted to their employer or organization perform better on tasks, it may be assumed that employee commitment has the capacity to improve worker performance. Similarly, employees that are more capable of reaching their objectives usually do better on projects even in the face of difficulties. Furthermore, it is supported that social interactions in corporate cultures set off motivational activities, and that employee commitment serves as a vehicle for the promotion of healthy workplace behaviors.

This increased dedication may lead to strengthened and improved performance at the individual and organizational levels. Employee performance is higher in organizations where staff members are more dedicated. In the past, businesses have attempted to boost employees' loyalty to the company and productivity by providing job security. Performance and dedication among employees are correlated. Few academics have argued that employees' psychological states vary with each facet of commitment. Gu Z. et al., (2022).

### 2.1.5. Factors of work environment that affect employee performance

The comprehensive literature study has demonstrated that several critical aspects, including leadership approach, physical workplace environment, work-life balance, and individual characteristics have an impact on employees' performance. Let us see the factors and their impact on employee performance one by one.

#### 2.1.5.1. Leadership approach and Employee performance

Leadership is the ability of an individual or group to inspire and guide followers or members of a group, community, or organization Dee, (2023). According to Dee, most employees won't be motivated to reach their objectives or perform as well as they could in the absence of strong leadership. For example, leadership trust has a big impact on staff performance. A minimum of 63% of staff members lack confidence in their manager, which will eventually result in subpar work output.

Horton International, (2024) indicates organizations must have effective leadership in order to succeed in modern era. However, leaders must embrace new strategies that are flexible, inclusive, and dynamic in light of the quickly altering corporate environment, developing technologies, and changing expectations of the workforce. This article will examine a number of innovative leadership strategies that enable leaders to successfully negotiate complexity, stimulate creativity, encourage teamwork, and attain long-term success in the contemporary world. Horton international states that there are several leadership approaches such as Transformational leadership, Servant leadership, Adaptive leadership, Inclusive leadership, Ethical leadership, Collaborative leadership , Digital leadership.

Businesses can actively contribute to social and environmental well-being by taking a more holistic approach. So, let's look at these modern leadership approaches that are set to transform the modern workplace.

Transformational Leadership: is a powerful approach that focuses on inspiring and motivating individuals to achieve extraordinary outcomes. It create a compelling vision, articulate clear goals, and challenge the status quo. They encourage their teams to embrace innovation, take risks, and continuously learn and grow. By empowering employees and fostering a sense of purpose and engagement, transformational leaders drive higher performance and create a culture of excellence.

Typically, transformational leaders demonstrate the following:

- Vision and inspiration: with a clear and compelling perspective for the future.
- Charisma and influence: that attract and captivate their teams
- Intellectual stimulation : encouraging creativity, innovation, and critical thinking within their teams.
- Have a genuine concern for the personal and professional development of team members.
- High emotional intelligence: allowing them to understand and connect with the emotions of their team members.

Servant leadership: is a leadership philosophy and style that emphasizes the leader's role as a servant first and foremost. It is a people-centered approach that focuses on the well-being and growth of individuals within an organization, believing that by serving others, a leader can effectively lead and empower their team to achieve success.

The core of servant leadership is the idea that leaders should priorities their staff's needs, aspirations, and development. Instead of viewing leadership as a position of power and authority, servant leaders see themselves as stewards entrusted with serving others and helping them reach their full potential.

Critical characteristics of servant leaders include:

- Empathy: the ability to listen and understand the perspectives and feelings of others.
- Selflessness: they prioritize the needs of others over their own.
- Humility: personal recognition is secondary to acknowledging the contributions and achievements of their team members.
- Vision: they maintain a clear vision for the organization.
- Empowerment: they believe in empowering their teams and promoting their autonomy.

**Adaptive Leadership:** in the fast-paced modern world, leaders must be agile and adaptable. This involves being open to change, embracing innovation, and swiftly adjusting strategies and operations in response to evolving market dynamics. Leaders should foster a culture that values experimentation, encourages calculated risk-taking, and promotes continuous learning and improvement. Adaptive leadership recognizes the fast-paced and complex nature of the modern business world. Leaders who embrace adaptive leadership understand that change is constant and that the ability to adapt and respond effectively is essential for success. They encourage their teams to be flexible, innovative, and comfortable with uncertainty. Adaptive leaders promote a culture of learning, experimentation, and continuous improvement. They foster resilience and equip their organizations with the skills and mindset needed to thrive in a rapidly evolving environment.

**Inclusive Leadership:** the well-being and engagement of employees have a direct impact on business performance. Leaders should prioritize employee well-being by creating work environments that support work-life balance, mental health, and personal development. They should promote open communication, provide growth opportunities, recognize and reward achievements, and foster a positive and inclusive company culture. Engaged employees are more productive, innovative, and committed to organizational success.

Inclusive leadership emphasizes the value of diversity and the importance of creating an inclusive work environment. Inclusive leaders actively seek diverse perspectives, encourage

collaboration, and ensure that all voices are heard and respected. They understand that diverse teams bring various insights and experiences, leading to better decision-making and innovation. In addition, inclusive leaders promote fairness, equality, and belonging, fostering an environment where everyone can contribute their best and reach their full potential.

**Ethical Leadership:** sustainability and ethical business practices are increasingly important to customers, investors, and society at large. Considering environmental, social, and governance factors, leaders should integrate sustainability into their business strategies. This includes adopting sustainable processes, reducing environmental impact, promoting diversity and inclusion, and ensuring ethical supply chain practices. In addition, leaders can enhance brand reputation, attract socially conscious consumers, and drive long-term growth by demonstrating a commitment to sustainability and ethical conduct. Ethical leadership is crucial for building trust, maintaining reputation, and sustaining long-term success. Ethical leaders demonstrate integrity, transparency, and a commitment to ethical practices. They set high ethical standards, promote ethical behavior throughout the organization, and hold themselves and others accountable for their actions. In addition, ethical leaders consider the broader impact of their decisions on stakeholders, society, and the environment. By acting ethically, they inspire trust, enhance organizational culture, and foster a positive reputation.

**Collaborative Leadership:** the modern world demands collaboration and strategic partnerships. Leaders should actively seek opportunities for collaboration, both internally within their organizations and externally with other industry players. Collaborative networks and partnerships can enhance innovation, expand market reach, and create synergies that drive growth. Leaders should be open to sharing knowledge, resources, and expertise to achieve mutual success. It recognizes the power of teamwork and collective intelligence. Leaders who adopt this approach create an environment where collaboration is encouraged and rewarded. They break down silos, promote cross-functional cooperation, and facilitate open communication. Collaborative leaders empower their teams to share ideas, perspectives, and knowledge, leading to better problem-solving, innovation, and creativity. By fostering

collaboration, leaders can leverage the diverse strengths of their teams to achieve shared goals and drive organizational success.

**Digital Leadership:** digital transformation is reshaping industries across the globe. Thus, leaders must develop digital competence to harness the power of technology for business growth. This involves understanding and embracing emerging technologies, such as artificial intelligence, data analytics, and automation, and focusing them on improving efficiency, enhancing customer experiences, and driving innovation. Digital leaders understand the impact of digital transformation on their industry and organization. They actively seek opportunities to leverage digital tools, data analytics, and emerging technologies to enhance operations, improve customer experiences, and drive business growth. Digital leaders foster a digital mindset, embrace continuous learning, and create a culture of adaptability and digital fluency within their organizations.

It concludes embracing change is crucial for business leaders to navigate the evolving landscape and drive growth. However, embracing change is beset by challenges. For instance, resistance to change is a natural human response. Employees may resist change due to fear of the unknown, concerns about job security, or a reluctance to let go of familiar processes and routines. In addition, the organizational culture may support or hinder change, even when the need for it is unarguable. Change can also feel ephemeral and often lacks a clear vision and purpose, leading to confusion.

Horton international also reminds the world is changing apace, and to keep up with it, businesses have no other option but to embrace it, however challenging it might be. Successful leaders must be adaptable, inclusive, and innovative in the modern era. The new leadership approaches outlined here provide a comprehensive framework for leaders to navigate the complexities and challenges of the contemporary business landscape. By embracing these approaches, leaders can inspire their teams, drive innovation, foster collaboration, and achieve sustainable success in the dynamic and ever-evolving business world.

These results suggest that there is no one ideal way to lead. Instead, they must evaluate their objectives and ascertain which style, or styles, work best in the given circumstance.

#### 2.1.5.2. Physical work place environment and Employee performance

According to Ismail et al., (2010), employees' performance is affected by their physical work environment, which also has an impact on the organization's ability to prosper. Furthermore, they say that the physical work environment includes the organization of the workspace, the temperature, the comfort zone, and the interior and exterior office layout.

Internal and external office layout: office layout is the systematic arrangement of office equipment, machines and furniture and providing adequate space to office personnel for regular performance of work with efficiency while external office layout is the external image of an office.

Temperature: every one reacts differently to varying levels of heat, there is no perfect office temperature. However a generally agreed consensus based upon a wide range of studies that points to an optimal temperature lying between 20 degree centigrade and 23 degree centigrade.

Comfortzone: is a place of safety that offers familiarity and comes with the guaranty that nothing bad can happen and it is easy stay in it for too long at work

Work setting or arrangement: is the approved work pattern in which normal hours are worked. It can also refer to flexible work arrangements, which are alternate arrangements or schedules from the traditional working day and week. Flexible work arrangements allow employees to choose their work time, location, and duration, to help manage work-life balance and reduce stress.

Vischer (2007) states that the physical working condition component includes furniture, lightning, noise, and spatial layouts. The physical work environment consists of lighting, ventilation, and comfort level. This choice supports the interior design and aesthetics of the

workspace, which enhances employee expertise and demands higher performance on a practical and aesthetic level. The temperature and degree of comfort also have a significant impact on employees' health.

According to Niemela et al., (2002), staff performance is negatively impacted by high temperatures, while manual work performance is positively correlated with low temperatures. The way that work stations are set up in offices promotes employees to think quite confined. The way that employees carry out their duties is greatly influenced by the spatial arrangement (Al Anzi, 2009). A closed work environment gives employees more privacy than an open workspace layout because each employee can have their own office or some employees can work in each office. It enables employees to work quietly and focus on their tasks without being overly distracted.

McCoy and Evans (2005) state that a conducive physical work environment is necessary to prevent employee stress while they are performing their duties. When it comes to building relationships and the network at work, physical components are essential. Overall, the physical environment of the workplace should facilitate the required performance. Contributing geographic point setting should be given priority, according to Vischer (2008), as it helps employees close their jobs. It should be comfortable enough for staff to carry out their duties. The researcher determined five aspects of the physical work environment noise, lighting, ventilation, ergonomics, and spatial layout for this investigation.

The layout and facilities of an actual workplace, such as the location, lighting, and desk space, are referred to as the physical work place environment. Elizabeth, (2024). Performance can be impacted by physical aspects of the workplace. They directly affect focus, safety, and proactivity. Six physical elements are taken into account in her study: ergonomic office furniture, sufficient lighting, ventilation and air facilities, workplace temperature, hygiene and sanitation, Unnecessary noise/ noise Pollution. The following is how the writers list the financial factors:

Ergonomics in the workplace: Ergonomics can roughly be defined as the study of people in their working environment. More specifically, an ergonomist (pronounced like economist) designs or modifies the work to fit the worker, not the other way around. The goal is to eliminate discomfort and risk of injury due to work.

Adequate lighting: Adequate lighting means there is enough light to allow ease in cleaning and provide a safe, well-lit work place.

Ventilation and air facility: The influence of ventilation and air facility rates on objective (measured) office work performance.

Workplace temperature: High temperatures can have a negative effect on work-related activities. Labor productivity may go down because mental health or physical health is worse when it is too warm. Workers may experience difficulties concentrating or they have to reduce effort in order to cope with heat.

Hygiene and sanitation: It is an obvious statement to say hygiene in the workplace can prevent the spread of diseases, but it goes deeper than this. Good hygiene practices can play a crucial role in employee morale, productivity, and overall well-being.

Unnecessary noise/ noise Pollution: is prevalent in several different occupations and industries, and it is one of the most often overlooked workplace hazards that causes physiological responses that decrease employee performance even further.

#### 2.1.5.3. Work-life balance and Employee performance

Work life balance refers to maintaining a harmonious relationship between work and personal life Allaya, (2023). It involves consciously managing time and energy to meet both professional and personal commitments while prioritizing self-care and well-being. Lula, (2018) concluded that work life balance affects the performance of employees and long working hours made

employees to experience much stress and research also concluded that regular commendations of supervisors regularly on individual employees with outstanding performance improved the overall performance.

According to Lula, in the hectic and demanding world, the concept of work-life balance has grown to become an important factor in the lives of employees across various industries. The word work-life balance speaks about striking a balance between one's personal and professional life. Achieving a healthy work-life balance is crucial for several reasons and understanding its importance is crucial for both the organization and an individual Boyen Hadin International, (2023). Boyen Hadin International indicates how closely employees' well-being and productivity are related as follows

**Reduced stress and burnout:** When employees are able to maintain a healthy balance between their work and personal lives, they are less likely to experience high levels of stress and burnout. This can lead to improved mental and physical health, as well as increased energy and motivation to perform well at work.

**Increased job satisfaction:** Employees who feel that they have enough time to dedicate to their personal lives are more likely to be satisfied with their jobs. This can lead to higher levels of motivation, engagement, and commitment to their work, ultimately resulting in increased productivity.

**Improved focus and concentration:** When employees are able to disconnect from work during their personal time, they are more likely to return to work with a clear mind and improved focus. This can lead to better decision-making, problem-solving, and overall performance in the workplace.

**Enhanced creativity and innovation:** Taking time for personal activities and hobbies can stimulate creativity and innovation. When employees have the opportunity to pursue their

interests outside of work, they are more likely to bring fresh ideas and perspectives to their job, leading to increased productivity and efficiency.

**Better work-life integration:** A healthy work-life balance allows employees to effectively integrate their personal and professional lives. This can lead to a greater sense of fulfillment and well-being, which in turn can positively impact their productivity and performance at work.

Keeping a positive work-life balance is essential for both individual well-being and the success of an organization. In addition to reducing employee stress and burnout, achieving this balance promotes good mental health, which in turn stimulates creativity and innovation. Employees who adopt healthier habits and exhibit better time management skills experience a lot of benefits that extend to their general health and productivity..

#### 2.1.5.4. Individual Characteristics and Employee Performance

Individual characteristics can include gender, age, race, employment status, and personality traits, They can help others understand who you are personally and professionally.

The financial, human, and technological elements come first. It is impossible to think of the company's resources as standalone components. They have to be viewed as one powerful entity working together. Since human resources are the only resources with feeling, desire, knowledge, power, encouragement, and labor, their function is vital in this situation. Syaifuddin (2017). As a result, when a business fails to manage its human resources, it must intervene to achieve its objectives in terms of performance, profit, and long-term survival. Since they are in charge of overseeing both the financial resources and the technological operations of the business, human resources are a significant and valuable resources to a company. The aim of optimizing the employees' ability is to improve their performance. Ultimately it will improve the overall performance of the company.

According to Syaifuddin, there are a number of strategies to raise employee performance, including offering them education and training to increase their competencies, paying them fairly, fostering a positive workplace culture, and many more. Individual competency can decrease low cost, quality, and flexibility on operation strategy, as demonstrated by Yu and Ramanathan (2012). Employees are required to make the most of their job duties through these procedures. According to a study by Gangani et al., (2006), employee performance and competitive advantage can be enhanced by human resource competency. The company has an obligation to support the contributions of its employees in order to achieve the goals, and that obligation includes providing favorable organizational elements and compensation.

Given that every employee is unique, the company's attention to human resources is important. In order to fulfill corporate objectives, management must be able to bring all the disparities together into a strength. Ability, values or behaviors, attitudes, and interests are what define an individual. Robbins, 2003. High work ability, along with positive behavior, a positive attitude, and a strong work interest, allow employees to function at their best and achieve high performance. One of the main factors influencing a company's performance is its workforce. One thing that matters when competing in today's corporate world is competence. Competency also demonstrates an employee's capacity to compete inside an organization. An individual's competence is an innate quality that can be utilized to forecast their performance level. Moreover, motivations, one's perception of oneself, nature, knowledge, and expertise can all be connected to competence. Mitrani (1995). Through instruction and training, one can acquire new skills and knowledge that make up their individual competences.

The outcome of confirmatory factor analysis (CFA) reveals that the indicator with the largest factor loading technical skill in doing the administrative job has a greater influence on the individual characteristics. Descriptive statistics and factor loading values provide an explanation for how employees' performance can be enhanced by enhancing their unique qualities, particularly by consistently raising their level of technical proficiency when performing administrative tasks. According to the results of the causality test, an employee's performance

will change in response to changes in their individual characteristics in a positive direction. In other words, if an employee's individual characteristic improves, their performance will increase, and if their individual characteristic deteriorates, their performance will decrease.

These findings support the research, which holds that the performance of employee is influenced by their individual characteristics. The present study's findings deviate from those of Karim and Kahar's (2006) as cited in Hidayah (n.d) research, which indicates that individual qualities do not significantly impact organizational performance. Conversely, Gunastri's (2009) cited in Izzah et al., (n.d) findings clarify that individual characteristics do not have any effect on performance.

## **2.2. Review of Empirical Literature**

Nanzushi, (2015) conducted research on how working conditions affected workers' performance at mobile telecom companies in Nairobi City County. Nanzushi came to the conclusion that work-life balance, rewards, management style, training, and the physical environment all affected workers' performance. Nanzushie concluded that, “a comfortable and all-inclusive workplace environment will boost the employees’ performance hence boosting the organizational performance”.

Improving an employee's abilities and talents can benefit their overall wellbeing. These managers are not aware that regular lapses in productivity are a feature of the environment in which their employees work. However, some contend that productivity gains and the desire to increase it are the primary drivers of a dysfunctional workplace since they raise employee expectations without necessarily providing the extra resources or tools required to satisfy them. M Pimpong (2023).

According to Pimpong, the ultimate goal of human resource management is typically performance enhancement within the firm. An organization and its employees engage in a social exchange process in which the latter acknowledge their contributions, provide the assistance they

require, and guarantee that a predetermined level of welfare is attained. Nonetheless, the work environment and productivity were attained. Nonetheless, there isn't a fundamental incompatibility between the workplace atmosphere and productivity. It is empirical to determine whether or not they are complementary. The ecological systems theory is applied in this study to explain the relationship between the working environment and worker productivity. According to the ecological systems theory, a person's environment has a positive correlation with their social, physical, and overall well-being. Because of their commitment, today's workers desire to have a sense of belonging and association with their particular companies. As such, there is no reason for you to leave the organization, and you ought to adhere to its principles.

Physical and behavioral elements are significant components of a normal work environment Hafeez I. et al., (2019). Physical environment refers to elements related to an employee's ability to physically attach themselves to the workplace. While the behavioral environmental components are linked to the manners that office occupants display towards one another. The work environment has a favorable impact on each employee's behavior. According to Sharma, Dhar, and Tyagi (2016), one of the most important factors in influencing employee and worker motivation, productivity, and performance is the quality of the work environment. The degree of an employee's motivation, inventiveness, sexual orientation, relationships with coworkers, and job retention are all influenced by how well-integrated they are into the firm.

According to Bushiri's, (2014) research on the impact of working environment on employees' performance at the Institute of Finance Management in the Dares Salaam Region, "The problems are flexibility of working environment, work noise distraction, supervisor's interpersonal relationship with subordinates, presence of job aid, use of performance feedback, and improvement of work incentives in the organization,". In addition, Daniel Gray and colleagues', (2014) study concentrated on employee trust more especially, employee trust in management a topic that attracted little attention in the economics literature. The findings suggest a favorable association between three measures of workplace success (financial performance, labor productivity, and product or service quality) and employee trust at two points in time.

Furthermore, the previous findings indicate that restricting paid overtime and access to training may diminish employee trust Daniel Gray and colleagues', (2014).In addition, job or task rearrangement at both the person and organizational levels is linked to decreased trust among employees. In addition the study examined how physical workplace, psychosocial, and work-life balance aspects impact the performance of bank personnel. The study findings showed that the physical aspects were did not have a significant effect on employee performance while the psychosocial and work life balance factors were significant. The results therefore indicated that psychosocial aspects exhibited the strongest association with employee performance while physical aspects and psychosocial aspects were moderate.

According to Yared, (2021) on his study titled the effect of working environment on workers performance in the case of Dashen Bank Addis Ababa, concluded that “working conditions (Physical Work Place Environment (PWE), Reward and incentives, Training and Development, and Work Life Balance) are important factor for predicting the overall perceived performance level of for employees who work”. Moreover, it can be observed from the results of this study that working condition variables such as physical work place environment, reward and incentives, training and development, as well as work life balance have strong positive relationship with its performance of employees which is an indicator that when good and suitable working conditions are created for employees in the bank works, the performance of their employees will increase as well.

The study conducted by Feyori, (2016), titled “factors affecting employees’ performance in the case of Ethio Telecom Addis Ababa zonal offices”, the variable Fyori conducted on her study was factors such as motivation, training, organization’s culture, work environment, supervision, and individual characteristics and she concluded that there is a positive relationship between those factors and employee performance in Ethio Telecom Addis Ababa zonal offices.

## **2.2 Research Gap**

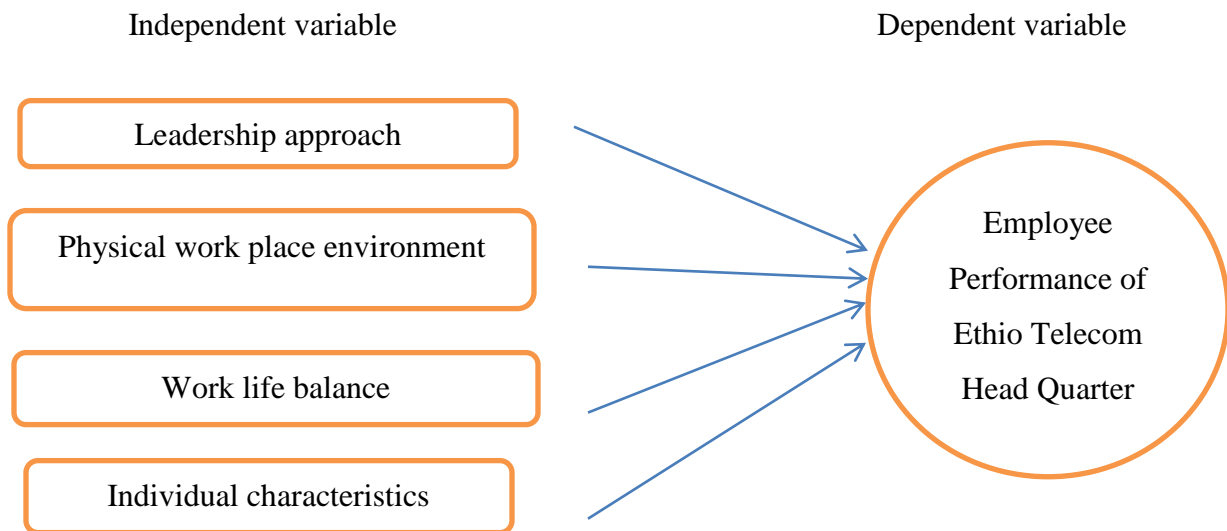
In line with the above theoretical as well as empirical review, there is no specific standard to define employee performance. It also shown that there are different variables affecting employee performance; the main factor that affect employee performance, this study covers Leadership approach, Physical Work Place Environment, Work life balance, and Individual Characteristics. Even if there are empirical studies on factors affecting employee performance, most of them raise different variables in relation to employee performance and are done in some studies as the researchers observed. The researcher contribute towards filling the gap by analyzing factors affecting employee performance in Ethio-Telecom headquarter offices in Addis Ababa.

### **2.3 Conceptual Framework of the Study**

The conceptual framework explains the key concepts used in the study and how they are linked to one another to produce the outcome. Eisenhart (1991) has described a conceptual framework as "a skeletal structure of justification, rather than a skeletal structure of explanation". Furthermore, it is "an argument including different points of view and culminating in a series of reasons for adopting some points and not others". A conceptual framework is a justification for the ideas selected for study and any expected connections between them that make sense in light of the research hypothesis being studied.

Similar to theoretical frameworks, conceptual frameworks are constructed from a variety of current and potentially additional sources, but they are also grounded in prior research. The framework used may be based on different theories and various aspects of practitioner knowledge, depending on what the researcher can argue will be relevant and important to address about a research problem Frank, (2005). Eisenhart argued that conceptual frameworks are not constructed of steel girders made of theoretical propositions or practical experiences; instead they are like scaffoldings of wooden planks that take the form of arguments about what is relevant to study and why...at a particular point in time. Therefore, the study was conceptually limited to examine the effect of working environment on employee's performance at Ethio Telecom head quarter in Addis Ababa. It was not exhaustively discuss every aspects of the

workplace environment impacts rather it was focused on identifying the effect of work environment on employees' performance. For the framework purpose the researcher was used the source from Njenga, et al., (2015) and Nanzushi (2015) model developed by using literatures with some modification by the researcher.



*Figure 2.1: Conceptual Framework*

*Source: On Njenga, et al., (2015) and Nanzushi, (2015)*

## **Research Hypothesis**

The following hypotheses are formulated to address the above research objectives:

H1: Leadership approach has a positive and significant effect on employee performance of Ethio Telecom headquarter.

H2: Physical workplace environment has a positive and significant effect on employee performance of Ethio Telecom headquarter.

H3: Work-life balance has a positive and significant effect on employee performance of Ethio Telecom headquarter.

H4: Individual characteristics have a positive and significant effect on employee performance in the Ethio Telecom headquarters.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Research Approach**

The primary sort of study that the researcher conducts is quantitative, with a questionnaire that has multiple parameters specified and a detailed analysis of the data collected. There are different types of research methods to conduct studies. However, among those methods this research is cause and effect type of research method to gather information about the effects of work environment variables on employee performance at Ethio Telecom headquarter. This method is also use to measure and take some qualitative information to know the current conditions of Ethio Telecom headquarter with regard to employee's work environment. Qualitative data was also utilize to further strengthen the research output. The quantitative approach was applied to the effects of each work environment variables on employee performance of Ethio Telecom headquarter. In line with this, the research design also well built on exploring the different parameters of work environment and their influence on performance.

#### **3.2. Research Design**

According to Kerlinger,(1983) research design is the plan, structure and strategy of investigation. It used in collecting data from the respondents and conceived as to obtain answers to research questions. Generally, it includes how data is to be collect, what instruments to employ, how the instruments used and the intended means for analyzing data collect.

The study was adopt explanatory research design and identifying effect of independent variable (working environment dimension) on dependent variable (employee performance).Explanatory research can also be explained as a “cause and effect” model, investigating patterns and trends in existing data that haven't been previously investigated or not much research. For this reason T. & Merkus, (2023) the main aim of explanatory research is to identify any causal links

between the factors or variables that affect to the research problem Singh, (2007) cited in Momina, ( 2020) Also the main purpose is formulating a problem for more precise investigation, developing the working hypotheses from an operational point of view, characterized by a high degree of flexibility.

The research was cross sectional type, in a sense that data was collect at a time due to limit cost and time. Quantitative data analysis was used in this design, ensuring that there is as little bias as possible in the data gathering process, minimizing errors in the data's interpretation, and being able to characterize the data and determine the correlations between the variables to be study. The general objective of this research was to assess the effect of working environment on employee performance.

### **3.3. Target Population**

Population refers to the entire group of people, events, or things of interest that the researcher has to investigate. A target population usually has varying characteristics e.g. Different ages, different genders, varying education backgrounds. Babbie, (2002). The study was target the Ethio Telecom head quarter employees of which 473 are managerial and 6,161 non-managerial totaled 6,634 employees (Source: Company's internal record), for the purpose that the researcher assumed the targeted employees have play significant role for the study.

#### **3.3.1. Sample Size and Sample Design**

Sampling is taking any portion of a population or universe as representative of that population Kerlinger, (1983). Sample design deals with the sample frame (population), sample size and sampling techniques. The study was used probability sampling technique specifically simple random sampling for the reason employees at Ethio Telecom head quarter are located different places the researcher choose the random sampling.

The following sample size determination formula was used to determine the sample size of the Ethio Telecom head quarter employees. The formula was developed by Carvalho (1984), which is calculated as follows, formula with 95% confidence level.

**Table 3.1 Sample size determination**

Population size	Small	Medium	Large
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201- 10,000	80	200	315

Source: Carvalho (1984)

As listed in the above Table 3.1 a total of 200 staff is expected to be sample respondents for this particular study from the total population of 6,634 staff of Ethio Telecom head quarter since they are found in head office and hopefully represent as per the base of the above table. The study data was collected through cross sectional research design. In relation with the sample size, the larger the sample size of a research, the more accurate the data generated. However, due to time and financial limitations and the nature of the population, on employee performance sample determination method by Carvalho (1984), the medium one was preferred.

### **3.4. Methods of Data collection**

This study's primary goal was to examine the effect of work environment on employee performance on Ethio Telecom head quater. After reading too many researches and going back to the classes learned during title selection, the researcher has come to realize what type of data is need to conduct the selected title and decided that both the primary and secondary data are

need to conduct the study and it was collected from different sources. Information gathered by the researcher directly on the variable of interest for a particular study goal is referred to as a primary source of data. Mainly primary source of data was obtained from original data collect and analyze from the respondent's field of study and researcher's observation. However the study's main source of data was a self-administered questionnaire given to operating and non-operating employees of Ethio Telecom headquarter. Secondary sources documented materials like annual reports, training reports, employment policies, and relevant information from the newsletters was reviewed and obtained data was analyzed to assess reliability, validity, sufficiency and suitability to test research hypothesis.

### **3.5. Data collection tools**

According to Creswell (2005) no single technique or instrument may be considered to adequate in itself in collecting valid and reliable data. Therefore, this study was used data collection tools which is questionnaires as it is a primary research tool featuring a series of questions used to collect useful information from respondents and is the major tool used to obtain adequate and reliable information for this study. These include questionnaires of both structure and semi-structure nature.

#### **3.5.1 Questionnaire**

According to Kothari (1990), a questionnaire is a type of data collection tool that uses a list of questions to gather information. With the aid of questions, data are gathered using this strategy. Through this method, selected respondents of this study had to answer questions on their own and bring back to the researcher. The necessary data was collected through self-administered survey questionnaires (questionnaire has high level of reliability and validity; it can be analyzed more objectively than other methods). The primary benefits of questionnaires are their cost and time effectiveness compared to other measurement tools, as well as their ability to be distributed to large numbers of individuals at once. So the information for this study was gathered using a questionnaire as part of the survey research approach. Questionnaire is a list of structured

questions, which was present physically or face to face to the selected respondents to obtain reliable response. The questionnaire was contained closed ended questions and which adopt from previous studies, or from researcher's practical experience personal observations and suggestions was apply. In all section of questionnaire two items are measured in five point such as Strong Disagree (SD)=1, Disagree(DA)=2, Neutral(N)=3, Agree(A)=4, and Strong Agree(SA)=5. The purpose of the Likert scale is to facilitate respondent answering of questions. The purpose of the questionnaire pilot test is to evaluate the questionnaire's potential efficacy and see whether any more revisions are necessary before the survey is administered. In addition, the pilot study was conduct to ensure the validity, sequence and relevance of the questionnaire to this study.

### **3.6. Methods of data processing, analysis and interpretation**

The questionnaire was used to gather the primary data from the employees of the Ethio Telecom head quarter office, which was distribute by the researcher to the respondents. For the purpose of this study, close-ended items were used to measure dependent and independent variable. The Likert-type scale method was applied to range of responses: strongly disagree, disagree, Neutral, Agree, and strongly agree, with a numeric value respectively. The usage of this particular scaling method ensure that the research study illustrated the ability to assess the responses and measure the responses quantifiably so that a pattern or trend may be produced.

The researcher employed different statistical techniques, both a manual and a computerized method which is statistical data analyzing software, specifically Statistical Package for the Social Sciences (SPSS) version 26 software package were used to process and analyze the data obtained from the questionnaire. Descriptive statistics and correlation were utilized, and inferential statistics multiple regression model was employed to develop functional relationship between the dependent variables.

#### **3.6.1. Data Processing**

The data collected from the questionnaire was processed both in manual and computerized method. The raw materials were edited to find errors and omissions. To reduce the answer to a limited number of categories, the input materials were coded using various symbols, including numbers. The research also made use of tabulation to condense the raw data and offer it in a compact manner for further examination.

### 3.6.2 Data Analysis

The data collected from the respondents was analyzed by using descriptive statistics such as mean percentage and standard deviation including inferential statistics such as Pearson correlation and regression analysis. Related to the dependent variable and independent variable the most commonly used techniques for investigating the relationship between two quantitative variables are correlation and linear regression Crit Care, (2003). Correlation quantifies the strength of the linear relationship between a pair of variables, whereas regression expresses the relationship in the form of an equation. For this study correlation coefficient was use to depict the association of work environment and influence on employee performance, where as to examine the impact of work environment factors on employee performance regression mode was use. In order to know the strength of relationship between independent and dependent variable correlation test was employed. Finally, to test the research hypothesis, regression and analysis of variance was employed. In analyzing the data, the researcher used SPSS version 26 software package.

#### 3.6.2.1. Descriptive Analysis

To interpret a variable dealing with the background or demographic of the respondent and mean score of the working environment dimension and employee performance descriptive analysis was used.

The results are presented in tubular, frequency distribution and percentage. This was employed through the computation of means and standard deviation of data gathered for the

variables.

### 3.6.2.2 Inferential Statistics

Inferential statistics was used to show the relationship between the variables and to analyze the effect of working environment on employee performance. According to Kothari (1990), amongst the measures of relationship, Karl Pearson's coefficient of correlation is the most frequently used measure in case of statistics of variables. Field (2006), indicates that the output of a correlation matrix can be the correlation coefficient that lies between -1 and +1 within this framework, a correlation coefficient of +1 indicates a perfect positive relationship, and a correlation coefficient of -1 indicates a perfect negative relationship; whereas a coefficient of 0 indicates no linear relationship at all. Therefore to find out the relationship between working environment dimensions and employee performance Pearson product-moment correlation was applied. Multiple regression analysis refers to the analysis concerning relationship between the dependent and independent variables; with the multiple regressions equation describing the relationship Kothari, (1990). This approach was used in this study to analyze effect of working environment on employee performance.

## 3.7 Model Specification

It could be inferred from the works reviewed in the previous sections; that employee performance is determined by some factors of working environment. Thus, in respect of the hypotheses stated above, the main issue is an investigation of relationship that exists between employee performance and each of explanatory variables that had been identified through literature and theories i.e., leadership approach, physical Work Place environments, work life balance and individual characteristics. Other factors that are not included. Therefore, the general model which incorporates all of the variables to examine the impact of work environment factors regression mode was specified as:

$$Y = \beta_0 + \beta_1 (LS) + \beta_2 (PE) + \beta_3 (WLB) + \beta_4 (IC) + e_i$$

Where:

Y = Influence, Regression coefficient =  $\beta_0 + \beta_1 + \beta_2 + \beta_3 + \beta_4$  Error term =  $e_i$

LA = Leadership Approach

PWE = Physical Work place Environment

WLB = Work life balance

IC = Individual characteristics

EP = Employee Performance

$\beta$ : coefficients associated with each independent variable which measures the change in value of EP, per unit change in the irrespective independent variables.

### 3.8 Reliability and Validity of Instrument

#### 3.8.1 Reliability Test

Aimed at the point that even if the research were repeated they would end up with similar results or the consistency or dependability of a measurement technique, and it's concerned with the consistency or stability of the score obtained from a measure or assessment overtime and across settings or conditions. If the measurement is reliable, then there is less chance that the obtained score is due to random factors and measurement error Marczyh, et al., (2005). According to Hinkle and others, (2003) as cited in Alemeye, (2019) Cronbach's alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistence or reliability of psychometric tests-core for a sample of examinees. Cronbach's alpha reliability coefficient normally ranges between 0 and 1.

**Table 3.2: Rule of Thumb for Interpreting the Size of a Correlation Coefficient Size of Correlation Interpretation**

<b>Cronbach's Alpha</b>	<b>Interpretation</b>
.90to 1.00(-.90 to -1.00)	Very high positive (negative) correlation
.70to .90(-.70 to -.90)	High positive (negative) correlation
.50to .70(-.50 to -.70)	Moderate positive (negative) correlation
.30to .50(-.30 to -.50)	Low positive(negative)correlation
.00to .30(-.00 to -.30)	Little (weak)if any correlation

*Source: Hinkle and others, (2003)*

**Table 3.3: Reliability Statistics Table**

<b>Sub scales</b>	<b>Number of items</b>	<b>Cronbach's Alpha</b>
Leadership Approach	5	.820
Physical Work Place Environment	5	.872
Work Life Balance	5	.885
Individual Characteristics	5	.621
Employees' Performance	6	.931
<b>Entire scale</b>	<b>26</b>	<b>.825</b>

*Source: Field Survey,2024 SPSS output*

Based on this to ensure reliability this study used a self-administered questionnaire Then the questionnaires were pre-tested based on a pilot study, to guarantee a common understating of questions among respondents. The alpha results for the items of the questionnaire and their alpha values have met an acceptable or very high positive figure between .90 and 1.00 which is 0.825 about the aforementioned requirement range.

### 3.8.2 Validity Test

Validity aims at establishing the results which are linked with the condition. To assure the validity of the measurement instrument of the study is conducted based on the accepted conceptual framework that indicates the theoretical construct and is associated with the measurements valid to evaluate the effects of the working environment (independent variables) on employee performance (dependent variable). The pre-questionnaire were distributed to the managers of district managers and branch managers in HR partnership to check the validity of questions to further data collection process. As per the comments and the discussion with managers HR partnership experts the question prepared to primary data collection for the research objective is found valid by researcher.

### 3.9 Ethical Consideration of the study

Respondents' identity was handled with extreme care due to the delicate nature of the research topic and its volatility. Because the research issue is volatile and fragile, great care was used in handling the identity of the respondents. The identity of those respondents remains confidential. To safeguard the respondents' identity, the paper was destroyed after the data has been coded and analyzed. Therefore, prior to the questionnaires being distributed, all research participants who were included in this study were fully informed about the purpose of the study and their consent is obtained. Regarding the respondents' right to privacy, the study was keep each participant's identify confidential. .Mugenda (2003) indicates that participation of the respondents should be in voluntary bases and they have right not to give response without researcher obligation. Therefore, the researcher was contacted and received informed consent from the respondent. The respondents are not forced to take part in the study, thus the principle of volunteerism was practiced all through data collection method. Furthermore, the respondents were informed that information obtained is only for a academic purpose and remain confidential.

## **CHAPTER FOUR**

### **DATA ANALYSIS, PRESENTATION, AND INTERPRETATIONS**

#### **4.1. Introduction**

In the previous chapters, important literature has been discussed. In this chapter, a detailed analysis of the descriptive statistics and regression results has been made. Specifically, the chapter has included four sections. The first section presented a descriptive analysis of variables. The second section deals with the correlation analysis and shows the degree of association between the study variables. Section three presented the classical linear regression model assumption diagnostic test results. Finally, the fourth section has presented the results of the regression analysis and discussions on regression analysis.

#### **4.2 Questionnaire Response Rate**

The researcher distributed 200 questionnaires for Ethio Telecom head quarter out of which 162 were completed and returned. The response rate for this study is 81% which is considered as a very good response rate as described by Babies (2010).

**Table 4.1 Response Rate of Respondents**

Questionnaire distributed	Questionnaire returned	%
<b>200</b>	<b>162</b>	<b>81</b>

Source: Field Survey, 2024 SPSS output

### 4.3. Descriptive statistics

#### 4.3.1 Demographic Information of the Respondents

The demographic characteristic includes gender, age, marital status, educational background, work experience and level of employment. This aspect of the analysis deals with the personal data on the respondents of the questionnaire given to them. Therefore, in order to validate the reliability of data collection it is mandatory to analyze the demographic profile of respondent.

**Table 4.2: Demographic characteristics of the respondents**

Characteristics		Frequency	Percent
Gender	Male	93	57.4%
	Female	69	42.6%
	Total	162	100%
Age Range	Below 25 year	-	- %
	25 up 35	86	53.1%
	36 up 55	71	43.8%
	Above 55 year	5	3.1%
	Total	162	100%
Marital Status	Married	132	81.5%
	Widowed	2	1.2%
	Divorced	1	6%
	Single	25	15.4%
	Total	160	98.8
	Missing	2	1.2%
	Total	162	100%
Education Level	Certificate and below	-	0%
	Diploma	-	0%
	BA/BSC Degree	63	38.9%
	Master's degree and above	99	61.1%
	Total	162	100%
Work Experience	Below one year	-	0%
	1-5 years	3	1.9%

	6-10years	51	31.5%
	11-15years	44	27.2%
	16 years and above	64	39.5%
	Total	162	100%
<b>Level Employment</b>	Top Level Management	-	0%
	Middle level management	27	16.7%
	Low level management	29	17.9%
	Operational level management	104	64.2%
	Missing System	2	1.2%
	Total	162	100%

*Source: Field Survey,2024 SPSS output*

**Demographic data interpretation:** As indicated in the above table 4.2 the gender proportion of male respondents represented 57.4% on the other hand 42.6% were females. The age distribution of the respondents who participated in this study is proved. From the table we can observe that there is no respondent lies within below 25 age group, 53.1% of the respondent are in the range of 25 up 35 age group, 43.8% of the respondent are the range of 36 up 55 age group and 3.1% the of respondent above 55 age group. As far as composition of marital status is concerned 15.4% of the respondents are single, 6% are divorced, 1.2% is widowed and 81.5% is married. Concerning of level of education there are no respondents with Certificate and below including Diploma, 38.9 % respondents are in BA/ BSC Degree and 61.1% respondents are in Master's Degree. In case of Work Experience there are none of the respondents below one year, 1.9% respondents are in 1-

5 years, 31.5% respondents are in 6 - 10 years, 27.2% respondents are in 11-15 years and 39.5% respondents are in 16 years and above. Related to level of employment none or some of the respondents are top level management, 16.7% respondents are in middle level management, 17.9% respondents are in low level management and 64.2% respondents are in operational level management.

The demographic result indicate that Ethio Telecom headquarter office employees are more male

as compared to females, most of them are adult and middle age which are representatives of the opinion of all gender, single and married status with majority of married people with 81.5%, consist of BA/BSC Degree and Master's Degree level which is educated people with majority Master's Degree holders which is academically qualified, experienced employees with majority 16 years' work experience and there are no employees below one year experience meaning they are familiar with their duties and could dispense them effectively in terms of professional work ability and employees are consist of all level of employment with majority low level management and with none or little portion of employees are top level.

#### 4.3.1.1 Descriptive Statistics of the Variables

In this part, the responses of the respondents for the variables indicated below were measure on five point Likert scale with: 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree. Apart from frequency and percentage, the descriptive statistics which are in the form of mean and standard deviation were presented.

The computed summary of descriptive statistics for the independent (leadership approach, physical workplace environment, work-life balance, and individual characteristics) and dependent (employment performance) variables that were included in the questionnaire were indicated in this part. The mean and standard deviation of variable collection from the respondents were discussed. However, while interpreting the results of the mean the scales were reassigned as follows to make the interpretation easy and clear.

With 5 point scales, the interval for breaking the range in measuring each variable is calculated by  $5-1/5=0.8$ . It means items with scores that fall between The ranges of: 4.21 –5.00 are considered as strongly agreed; 3.4–4.20 as agreed; 2.61–3.39 as Neutral; 1.81–2.6 as disagree and 1.00–1.8 strongly disagree. This formula is adapted from Vichea, (2005).

### Leadership Approach in Ethio Telecom Headquarters

This analysis contains the sub-dimensional variables of leadership approach that are perceived by the Ethio Telecom headquarters employees.

**Table4.3: leadership Approach**

<b>Variables</b>	<b>Mean</b>	<b>Standard deviation</b>
My manager role models high standards for quality performance.	4.32	.950
Senior management gives staff a clear picture of the direction in which the organization is headed hence motivating me to work.	4.11	1.099
Management involves staff on decision making	3.50	1.191
I am able to contact senior management or work hand in hand with my superior at the place	4.45	.871
Examine the moral and ethical consequences of decisions	3.99	1.043
<b>Aggregate Average Mean</b>	4.07	

*Source: Filed Survey,2024 SPSS output*

Result Table 4.3 of the items fall in the agreed range. The items which ask for respondents whether their manager role models high standards for quality performance (mean 4.32 and standard deviation/SD .950), whether their senior management gives staff a clear picture of the direction in which the organization is headed hence motivating them to work (mean 4.11 and SD 1.099), whether the management involves staff on decision making (mean 3.50 and SD 1.191), whether they are able to contact senior management or workhand in hand with their superior at

the work place (mean 4.45 and SD .871), whether their supervisor examine the moral and ethical consequences of decisions (mean 3.99 and SD1.043) fall in the agreed ranges in these items mean score is between 3.4 and 4.20 which is 4.07.

According to Dee (2008), most employees won't be motivated to reach their objectives or perform as well as they could in the absence of strong leadership, which will eventually result in subpar work output. Allcia (2022), indicated that the feedback loop created by asking opinions from team members led not only to higher productivity but also higher morale and finally the participative approach proved less effective in the short term, but very useful in the long term, with a positive impact on employee performance. Based on the reports of respondents the report agrees with the above scholars or studies in which leadership approach were found to be participative and we can say it fulfills the contents of leadership related to supporting, involving staff on decision making and examines the moral and ethical consequences of decisions. An addition this can be depicted that workers generally agree that their immediate boss and head of their organizations have pleasant relationships with them and supports and motivates them to perform strongly to maintain employee morale.

### **Physical Work Place Environment in Ethio Telecom headquarter**

This analysis contains the sub-dimensional variables of physical work environment that are perceived by the Ethio Telecom head quarter employees. This result implies that based on the reports of the respondents.

**Table 4.4: Physical Work Place Environment**

<b>Variables</b>	<b>Mean</b>	<b>Standard deviation</b>
I have the requisite equipment to carry out my duties.	4.13	.805
My work environment is ordered and well organized.	4.13	.807
My work place has enough lightening.	4.30	.826
My office ventilation and air facility has good influence for my daily work activity.	3.85	1.111
The surrounding of my work place is peaceful to work.	4.17	.851
<b>Aggregate Average Mean</b>	4.11	

*Source: Field Survey, 2024 SPSS output*

The above table 4.4 shows that the results of the items fall in the agreed range. The items that ask respondents whether they have the quite equipment to perform (mean 4.13 and SD .805), whether their work environment (mean 4.13 and SD .807), whether the workplace has enough lightening (mean 4.30 and SD .826), whether their office ventilation and air facility has good influence for their daily work activity(mean 3.85 and SD1.111), whether the surrounding of their workplace is peaceful to work(mean 4.17 and SD .851), fall in the agreed range since the these items mean score is between 3.4 and 4.20 which is 4.11.

The result shows physical workplace environment at Ethio Telecom headquarters is well organized in lightening, ventilation, and air conditioning, facilitating requisite equipment, peaceful workplace for employees which is consistent with the research conducted by Elizabeth, (2024) who found that the layout and facilities of an actual workplace, such as the location, lighting, and desk space, which are referred to as physical work environment impacts employee performance. Md and Arka (2022) also conclude their study: ergonomic office furniture, sufficient lighting, ventilation and air facilities, workplace temperature, and unnecessary noise

affect employee performance. As a result, Ethio Telecom headquarters employees are satisfied with the fulfillment of the physical workplace environment provided at their organizations.

### **Work-Life Balance in Ethio Telecom headquarter**

This analysis contains the sub-dimensional variables of work-life balance that are perceived by the Ethio Telecom headquarters employees. This result implies that based on the reports of the respondents.

**Table 4.5: Work-Life Balance**

<b>Variables</b>	<b>Mean</b>	<b>Standard deviation</b>
There is congruence between my work expectation and my family life.	4.02	1.024
The demands of my work do not interfere with my home and family life.	4.21	1.000
The amount of time my job takes up do not affect me to fulfill family responsibilities.	4.18	1.033
My job doesn't produce strain that makes it difficult to fulfill family duties.	4.07	1.019
Management support makes staff to be more committed and motivated at work as well as to fulfill personal life.	3.85	1.023
<b>Aggregate Average Mean</b>	4.07	

*Source: Field Survey, 2024 SPSS output*

The above table 4.5 showed that the results of the items fall in the agreed range. The items respondents their family life (mean 4.02 and SD 1.024), whether demands of their work do not interfere with

their home and family (mean 4.21 and SD 1.000), whether the effect affects effect (mean 4.18 and SD1.033), whether their (mean 4.07 and SD 1.019), whether management support makes staff be more committed and motivated at work as well as to fulfill personal life (mean 3.85 and SD 1.023), fall in the agreed range since the these items mean score is between 3.4 and 4.20 which is 4.07 which implies that we can decide the workers have a balanced work and personal life.

According to Boyen Hadin International (2023), how closely employees' well-being and productivity are reduced stress and burnout, increased job satisfaction, improved focus and concentration, enhanced creativity and innovation, and better work-life integration. The result these findings indicates that work-life balance such as are at normal or good condition

### **Individual Characteristics in Ethio Telecom Headquarters**

This analysis contains the sub-dimensional variables of individual characteristics that are perceived by the Ethio Telecom headquarter employees. This result implies that based on the reports of the respondents.

**Table 4.6: Individual Characteristics**

<b>Variables</b>	<b>Mean</b>	<b>Standard deviation</b>
Your gender contributes to your level of performance.	3.31	1.203
Education has a significant impact on how well workers perform at their jobs.	4.49	1.041
With age, an employee can show low performance or high performance.	3.53	1.222
Your marital status affects your job performance	3.42	1.313
Your resume influences your job results	3.94	1.232
<b>Aggregate Average Mean</b>	3.74	

*Source: field Survey,2024 SPSS output*

The above table 4.6 showed that the results of the items fall in the agreed range. The items ask respondents whether gender contributes to their level of performance (mean 3.31 and SD 1.203), whether education has a significant impact on how well workers perform at their jobs (mean 4.49 and SD 1.041), whether with age an employee can show low performance or high performance (mean 3.53 and SD 1.222), whether their marital status affects their job performance (mean 3.42 and SD 1.313), whether their resume influences their job results (mean 3.94 and SD 1.232).

Based on the results concerning individual characteristics of workers, the response to the agreed range (mean between 3.4 and 4.20) which is 3.74, confirmatory factor analysis (CAF), indicates the results of the causality test, an employee's performance will change in response to changes in their characteristics in a positive direction. In other words, if an employee's characteristic improves, their performance will increase, and if their characteristic deteriorates, their performance will decrease. In addition, Susanti's (2020) studies on the "impact of individual characteristics towards employee performance of millennial employees" result revealed that individual characteristics have a positive and significant impact on employee performance of millennial employees. From these findings, we need to underline that employee performance would increase if employees increased their characteristics in their working activity. The result indicates that employees' characteristics such as age, gender, education, marital status, and resume have an impact on employee performance.

### **Employee Performance on Ethio Telecom headquarters.**

This analysis contains the sub-dimensional variables of employee performance that are perceived by the Ethio Telecom head quarter employees. This result implies that based on the reports of the respondents.

**Table 4.7: Employee Performance**

<b>Variables</b>	<b>Mean</b>	<b>Standard deviation</b>
I consistently deliver my work by the specified deadline.	4.19	.720
I try my best to avoid absence from my job.	4.34	.734
I effectively work with other employees.	4.35	.760
I'm regularly motivated to work.	4.19	.800
I am eager to learn on ways of making myself more productive.	4.40	.769
In my workplace, I am able to identify and give priority to the most important tasks.	4.41	.786
<b>Aggregate Average Mean</b>	4.31	

Employee Performance, Source: Survey SPSS output

The above table 4.7 shows that the results of the items fall in the strongly agreed range. The items respondents consistently deliver their work by the specified deadline (mean 4.19 and SD .720), whether they try their from their job (mean 4.34 and SD .734), whether they effectively work with other employees (whether mean 4.35 and SD.760), whether they're regularly motivated to work (mean 4.19 and SD .800), whether they areeager to learn on ways of making them self more productive (mean 4.40 and SD .769). whether in their workplace, they can identify and give priority to the most important tasks(mean 4.41 and SD .786). Based on the results concerning the performance of workers, the response fall in the strongly agreed (mean between 4.21 and 5.00) is 4.31, which implies that workers have strongly agreed that their performance is a good fit on the job.

As indicated in the literature part of the paper companies may identify areas for employee performance improvement, provide workers with support and training, and ensure that everyone is working toward the same goals by routinely analyzing employee performance. According to experts businesses that successfully utilize performance as a criterion to assess their employees'

work performance and performance is the result of an individual's labor or how an individual performs their work in fulfilling their duties and obligations Rusmiati & Fitriani, (2021) as cited in Omar et al., (2022). However, the above result of respondents agreed with the indicated scholars which indicate employee performance such as performing well in delivering work, trying to avoid absence, working with other employees effectively, and regularly motivated to work, being eager to learn, ability to identify and give priority to most important tasks Telecom headquarter employees are doing well.

**Table4.8. Descriptive statistics of variable: Average Mean Responses**

<b>Variables</b>	<b>Mean</b>	<b>Standard deviation</b>	<b>N</b>
Leadership Approach	4.0747	.78995	162
Physical Work Place Environment	4.1113	.71899	162
Work-life Balance	4.0667	.84412	162
Individual Characteristics	3.7395	.75989	162
Employee Performance	4.3108	.65493	161

*Source: field Survey, 2024 SPSS output and own computation*

The result of Table 4.8 depicted the overall arithmetic mean and standard deviation of dependent and independent variables as responded to by the respondents. The finding of this study indicates that most of the employees sufficiently agreed with the leadership approaches with a mean value of 4.0747 and .78995 standard deviation, physical workplace environment with a cumulative mean value of 4.1113 and standard deviation of .71899, work-life balance with a cumulative mean value 4.0667 and .84412 standard deviation, individual characteristics with cumulative mean value 3.7395 and .75989 standard-deviation, employee performance with cumulative mean value 4.3108 and .65493 standard-deviation. This indicates that Ethio Telecom headquarters

should maintain its strength and work on individual characteristics to compete with employees and improve employees' performance.

#### **4.4. Inferential Statistics**

In this section, the result of inferential statistics employed in the study is supported by the Pearson correlation coefficient and multiple regression.

##### **4.4.1. Correlation Analysis**

Correlation indicates the strength of association between all independent and dependent variables. According to Brook (2008), correlation analysis measures the degree of linear association between dependent and independent variables. The value of the correlation coefficient ranges from -1 to 1. A correlation coefficient of 1 indicates that perfect positive relationship between the variables, however, -1 indicates that perfect negative relationship between variables. On the other hand, a correlation coefficient of zero indicates no relationship between variables.

Another scholar According to McDaniel and Gates (2006), a value correlation coefficient between 0.1 and 0.29 indicates an association among emesis poor. A correlation coefficient between 0.3 and 0.49 implies there is a moderate relationship correlation coefficient greater than 0.5 implies a strong relationship between two variables. Based on this as noted by Gujarati,2004, the most generally bi-variant correlation coefficient, normally known as Pearson correlation was utilized to find out the relationship between working environment dimensions and employee performance. Table 4.9 presents the result of Pearson correlation between variables.

**Table 4.9: Correlation Table**

	Leadership Approach	Physical Work Place Environment	Work-life Balance	Individual Characteristics	Employee Performance
Leadership Approach	1				
Physical Work Place Environment	0.585**	1			
Work-life Balance	0.410**	0.392**	1		
Individual Characteristics	0.206**	0.046	-0.018	1	
Employee Performance	0.501**	0.580**	0.369**	0.217**	1
**.Correlation is significant at the 0.01 level (2-tailed)					
*.Correlation is significant at the 0.05 level (2-tailed)					

Source: field Survey, SPSS output

From the result in table 4.9 indicates that, there is significant positive correlation between leadership approach and employee performance with a Pearson correlation coefficient  $r=0.501$  and sig.(2-tailed) is 0.000, which is  $<0.05$ . Therefore, there is strong and statistically significant relationship at 5% significant level. Physical work place environment is positively related to employee performance with a Pearson correlation coefficient  $r=0.580$  and sig.(2-tailed) is 0.000, which is  $<0.05$ . Therefore, there is strong and statistically significant relationship at 5% significant level. Work life balance is positively related to employee performance with a Pearson correlation coefficient  $r=0.369$  and sig. (2-tailed) is 0.000, which is  $<0.05$ . Therefore, there is weak and statistically significant relationship at 5% significant level. Individual characteristics is positively related to employee performance with a Pearson correlation coefficient  $r=0.217$  and

sig. (2-tailed) is 0.000, which is  $<0.05$ . Therefore, there is weak and statistically significant relationship at 5% significant level.

#### 4.4.2 Linear Regression

### **Test Assumption of Classical Linear Regression Model**

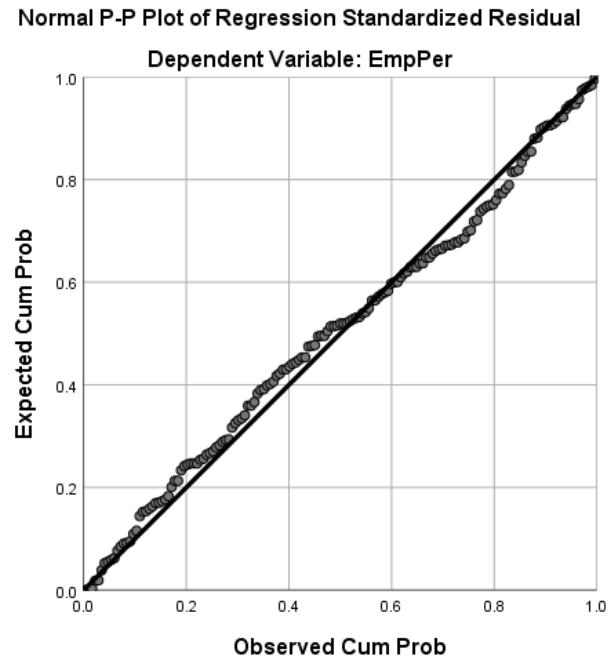
To estimation the parameters in the multiple linear regressions model and minimize the sum of squared error or the different between observed value and predicted value ordinary least square method was employed for this study. However, using the ordinary least square method in order to have correct estimator value the five key underlying assumptions should be satisfied. When the assumption is violated ordinary least square method estimate or produce biased, inconsistent and inefficient result. The standard errors are wrong, hence, in order to protect against the chance of getting and interpreting wrong regression results the researcher conducted a diagnostic test. To make sure that the model is unbiased, consistent, and valid the following test are conducted. Five major assumptions namely, Linearity Test, Homoscedasticity Test, Auto Correlation (Durbin Watson Test), and Normality Test checked and proved to be met reasonably well. Each test is explained below:

#### **Assumption # 1: Test for Residual Zero Mean or Linearity Test**

According classical linear regression models assume that the error terms have zero mean value. In fact, if a constant term is included in the regression model equation this assumption will never be violated Brooks, (2019). In this study, the researcher included the constant term in the regression equation. Therefore, it's expected that the error terms have zero mean value and the assumption is not violated.

The linearity of associations between the dependent and independent variables can be tested by looking at the P-P plot for the model. The closer the dots lie to the diagonal line, the closer to

normal the residuals are distributed. As depicted in the below graph, the visual inspections of the p-p plot revealed that there is a linear relationship between the dependent and independent variables.



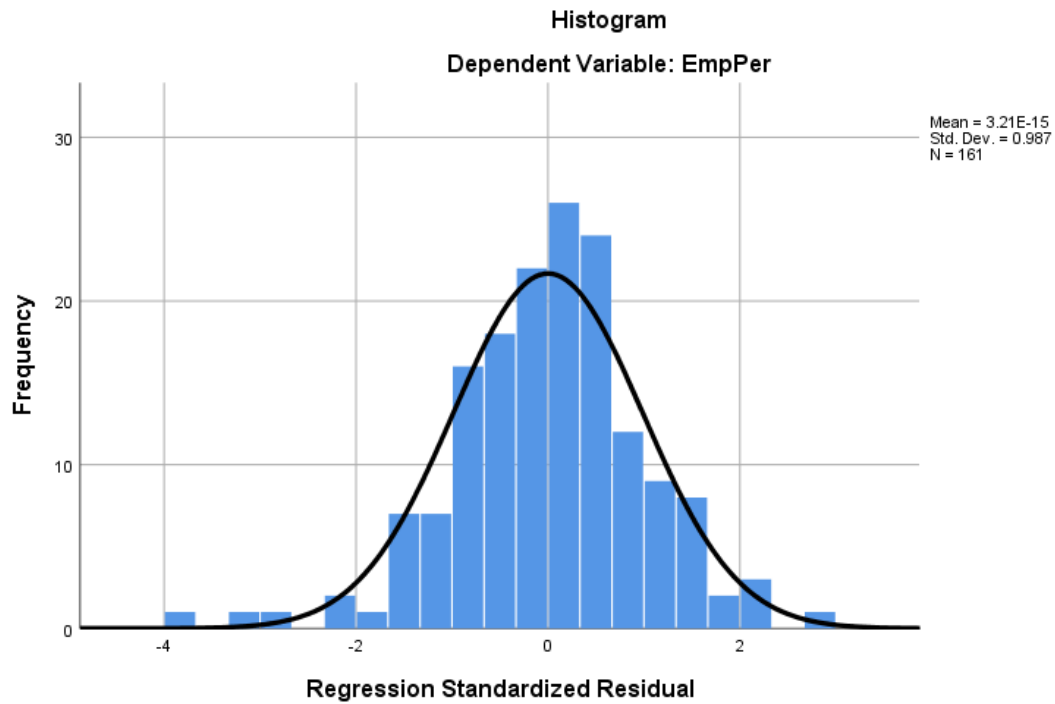
*Figure 4.1 Normal P-P Plot of Regression Standardize residual;*

*Source: Field ssurvey2,24 SPSS output*

### **Assumption # 2: Test for Normality**

Assume that the distribution of the error term is normally distributed. As field (2009), noted, that normality assumption is important while using regression and worthwhile, if we want to make inference about the population parameter from the sample parameters. If the mean of the residual is zero and constant variance the error is normally distributed. Thus,

the result in figure illustrates that the mean of the residual is zero and approximately its variance is 1, which implies that the distribution of the error is normally distributed.

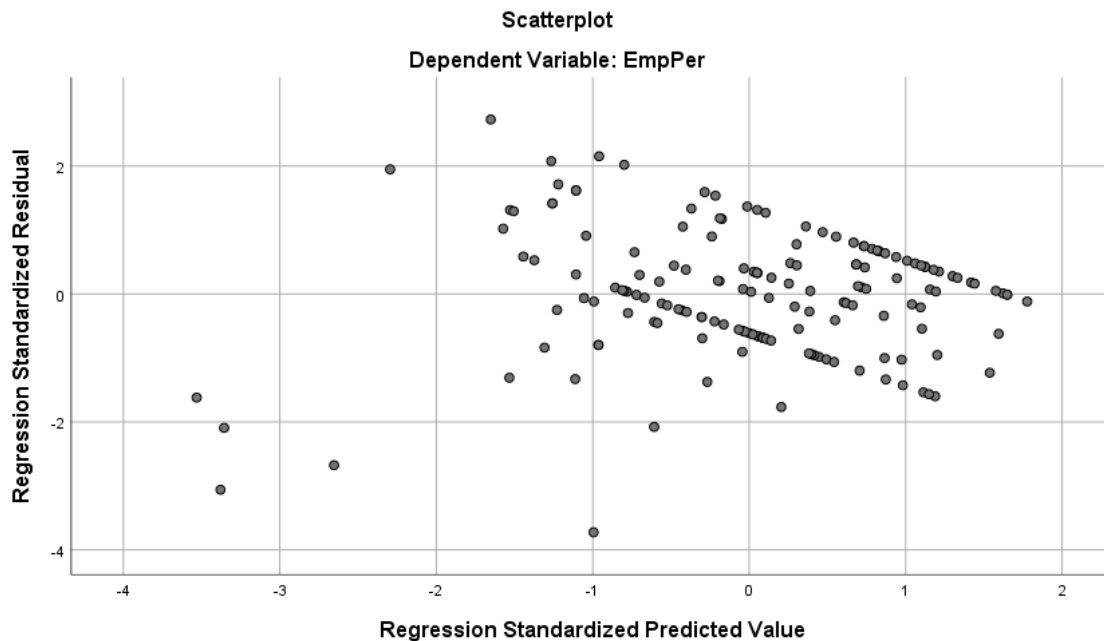


**Figure 4.2. Histogram**

*Source Filed survey,2024 SPSS output*

### Assumption # 3: Test for Heteroscedasticity

According classical linear regression model assumes the variance of the error term is constant, this is known as homoscedasticity. If the variance of the error term is not the same, they are said to be heteroscedastic. In order to check the violation of this assumption the research used scatter plot technique. The result plots the standardized residual, against standardized predicted value. If the plots have a pattern it implies the presence of heteroscedasticity. Conversely if the plots depict a pattern there is no evidence for the presence of heteroscedasticity. As illustrated in the figure, 4.3below the graph looks like a random array dots or the plots have no pattern. So, homoscedasticity assumption is not violated.



**Figure 4.3 Scatterplot:**

*Source: Field survey,2024 SPSS output*

#### Assumption # 4: Test for Autocorrelation

From classical linear regression model assumes sectional covariance between the error term is zero. In other words, it assumes there is no serial correlation among error terms. The research applied the Durbin-Watson test, which is the most commonly used technique for detecting autocorrelation. Thus, if the value of the DW test is between 1.5 and 2.5 there is no evidence for the presence of serial correlation among error terms Hassen et al, (2017). As illustrated in Table 4.10 the Durbin Watson (DW)test falls in the acceptable range, which implies an absence of serial correlation among errors

**Table 4.10: Model Summary**

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.643 <sup>a</sup>	0.414	0.399	.50778	1.725
a. Dependent Variable: Employee performance					
Predictors:(Constant), IC, WLB, PE, LS)					

*Sources field survey.2024 SPSS output*

#### Analysis of Variance

In according to the analysis of variance was also done to establish the overall significance of the model. Analysis of variance also tells whether the overall effect of the six independent variables on employee performance is significant. As depicted in table 4.11 at a 95% confidence interval, a significant P-value of 0.000 and an F-valueof 27.545 was recorded. This implies the regression model is a suitable prediction for explaining the effect of working environment on employee performance in Ethio Telecom and the below table 4.11 shows independent variables significantly

affect dependent variables.

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

<b>Analysis of Variance(ANOVA)</b>						
<b>Model</b>		<b>Sum of square</b>	<b>Df.</b>	<b>Mean of square</b>	<b>F</b>	<b>Sign.</b>
<b>1</b>	<b>Regression</b>	28.408	4	7.102	27.545	0.000b
<b>2</b>	<b>Residual</b>	40.222	156	.258		
<b>3</b>	<b>Total</b>	68.630	160			
a. Dependent Variable: Employee performance b. Predictors:(Constant),IC, WLB,PE, LS)						

*Analysis of variance, Sources SPSS output*

### **Assumption # 5: Test for Multi-collinearity**

According to multicollinearity model assumes no correlation between explanatory variables. Multicollinearity refers to the situation where some or all explanatory variables are highly interconnected with the existence of the exact linear association. According to Gujarati (2004), If multicollinearity is ideal the regression coefficients of independent variables are undetermined, and difficult to measure their standard error. To test the multi-collinearity problem the researcher applied inflation factor (VIF) and correlation coefficient of explanatory variables. If the VIF of the variables exceeds 10%, multicollinearity can be a potential problem Hair et al., (2014). As illustrated in Table 4.12 the value of the variance inflation factor for all explanatory variables is less than 10%. Therefore, it implies that there are no multicollinearity.

**Table 4.12: Multicollinearity Statistics**

Model		Collinearity Statistics	
		Tolerance(1/VIF)	VIF(%)
1	Leadership Approach	0.584	1.713
2	Physical Work Place Environment	0.626	1.597
3	Work life balance	0.789	1.268
4	Individual Characteristics	0.940	1.064

*Sources Field survey 2024 SPSS output*

#### 4.4.3 Result of Regression Analysis

By the classical linear regression model, the model has satisfied the five diagnostic tests. Based on this, multiple regression analysis was determined to reveal the value of coefficient included in the model. Accordingly, table 4.13 below depicts, that examine the effect of explanatory variables on employee performance. Hence, employee performance is explained as a variable whereas leadership approach, physical workplace environment, work-life balance, and individual characteristics are explanatory variables.

**Table 4.13: Result of regression model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig.
						F Chang	Df1	DF2	
1	0.643 <sup>a</sup>	0.414	0.399	.50778	0.414	27.545	4	156	0.000
Predictors/independent variables: (Constant), IC, WLB, PE, LS Dependent variable: employee performance									

*Sources: Field survey, 2024 SPSS out put*

**Table 4.14: Regression Result**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sign.
		Beta( $\beta$ )	Std. Error	Beta( $\beta$ )		
<b>Constant</b>		1.203	0.323		3.727	0.000
1	Leadership Approach	0.135	0.067	0.162	2.024	0.045
2	Physical Workplace Environment	0.385	0.071	0.422	5.452	0.000
3	Work life balance	0.109	0.054	0.140	2.029	0.044
4	Individual Characteristics	0.144	0.054	0.167	2.634	0.008
a. dependent variables: Employee performance						

*Sources Field survey, 2024 SPSS output*

Therefore, the model applied in this study was the ordinary least square method. The regression equation can be stated as:  $EP = \beta_0 + \beta_1 IC + \beta_2 WLB + \beta_3 PE + \beta_4 LS + EP$

Now substitute each coefficient and  $\beta$  value:

$$EP = 1.203 + 0.135LA + 0.385PE + 0.109WLB + 0.144IC + 0.323$$

#### 4.4.4 Interpretation and Discussion of linear regression results

R-square is a statistical measure that tells the proportion of the variance for a dependent variable that is explained by an independent variable or variables included in the regression model. Not only R square also explains to what extent the variance of one variable explains the variance of another variable. R squared value ranges from 0 to 1 and is commonly stated as a percentage from 0% to 100%. An R square of 100% indicates that the dependent variable is completely explained by the independent variable of the model. 0% shows the model explains none of the variability of the response data around its mean. The value of R-square in this study was found to be 0.414. This indicates that 41.4% of the variation in employee performance is explained by selected

explanatory variables and other factors captured by the constant.

However, according to Brooks (2019), the R square has some problems; the first one is when we add predictor variables in the model, every time, even if it's irrelevant R-square never decreases. Consequently, a model with more variables may appear. Second, if the model is rearranged and the dependent variable changes, R square will change to get around these problems, a modification is often made that takes into account the loss of degree of freedom associated with adding extra variables, this is known as adjusted R square. Adjusted R-square is a modified version of R squared that has been adjusted for the number of predictors in the model. Therefore, adjusted R square compares the explanatory power of regression models that contain different numbers of predictors. The value of adjusted R square in this study was found to be 40.0%. This implies that, in 40.0% of changes other factors such as harassment, violence, Welfare Facilities, Association and bargaining power, and other remaining factors that were not included in the model but could help in explaining employee performance account for the remaining 40.0%.

**Interpretation:** In this section of the study the relationship between the dependent variable and independent variables was discussed. The dependent variable was employee performance whereas the independent variables were leadership approach, physical workplace environment, work-life balance, and individual characteristics.

From the regression output, the unstandardized coefficients of determination were used to replace the unknown beta value of the regression model. Beta indicates the level of influence of each predictor variable on the dependent variable: as well it indicates the direction of relationship. A positive coefficient indicates the variable has a positive effect on the dependent variable whereas a negative beta coefficient the variable hurts the dependent variable and it tells us on average when the mean score value of the independent variable increases on the mean score value of the dependent variable increase or decrease by the beta amount if the variable is statistically. The above Regression mathematical model indicates that other remains constant leadership approach increases 1 unit it affects employee performance by 0.135 unit , physical

Environment increases by 1 unit it influences employee performance by 0.385 unit, the increase work life balance by 1 unit it affects employee performance by 0.109 unit , increase in individual characteristics by 1 unit t influences employee performance by 0.144 unit.

<b>Hypothesis Tests</b>					
<b>Hypothesis</b>	P-Value	$\beta$ Value	Expected effect	Result	Decision
H1: Leadership approach has a positive and significant effect on employee performance at Ethio Telecom headquarters.	0.045	0.135	Positive	Positive	Accepted
H2: Physical work place environment has positive and significant effect on employee performance of Ethio Telecom headquarter.	0.000	0.385	Positive	Positive	Accepted
H3: Work-life balance has a positive and significant effect on employee performance of Ethio Telecom head quarter.	0.044	0.109	Positive	Positive	Accepted
H4: Individual characteristics has positive and significant effect on employee performance in Ethio Telecom head quarter.	0.008	0.144	Positive	Positive	Accepted

**Table 4.15: Hypothesis Result**

The significance value(p-value) implies the significance of the relationship. The constant term of the model indicates the value of employee performance fall explanatory variables held constant.

As described in Table 4.14 the coefficient of regression analysis indicates leadership approach, physical workplace environment, individual characteristics, and work-life balance, showed positive effects and statistically significant significance level. Therefore, in the next section, the researcher presents and discusses the effect of independent variables on employee performance in relation to the research hypothesis.

Other explanatory variable remains constant, if the mean score value of leadership approach increase by 1 unit, on average the mean score value of employee performance increase by 0.135unit and the relationship is statistically significant at 5% usual assumed significance level, if the mean score value of physical work place environment increase by 1 unit, on average the mean score value of employee performance increases by 0.385 units and is statistically significant at 5% significance, if the mean score value of work life balance increase by 1 unit on average the mean score value of employee performance increase by 0.109 unit and the relationship is statistically significant at 5% significance level and if the mean score value of discrimination increase by 1 unit on average the mean score value of employee performance increase by 0.144 unit and the relationship is significant at 5% significance level.

The results above implies that, when role models high standards for quality performance, management gives staff a clear picture of the direction, involves staff on decision making, contact senior management or work hand in hand with superior and examining the moral and ethical consequences of decisions, this will lead to equivalent improvement in employees performance of Ethio Telecom headquarter. There for leadership approach has positive and significant effect on performance of employee of Ethio Telecom head quarter. This result of the study is consistent with the study of Nanzushi, (2015) that studied how working conditions

affected workers' performance at mobile telecom companies in Nairobi City County and found that leadership approach has an effect on employee performance.

In addition an improvement of physical work place environment elements such as requisite equipment, ordered and well organized, lightening, ventilation and air facility, peaceful workplace will lead to a correspondent increase on employee performance of which indicates physical work place environment has positive and significant effect on employee performance of Ethio Telecom headquarter. This result of the study is consistent with the study of Fyori (2016) that studied on “factors affecting employees’ performance in the case of Ethio Telecom Addis Ababa zonal offices” and found that physical work place environment has an effect on employee performance. Yared (2021) on his study titled “effect of working environment on workers performance in the case of Dashen Bank Addis Ababa’, found that physical work place environment has an effect on employee performance and Nanzushi, (2015) that studied how working conditions affected workers' performance at mobile telecom companies in Nairobi City County and found that physical work place environment has an effect on employee performance. On the other hand the result of this study is rejecting with the study conducted by Daniel Gray and colleagues', (2014) which studied on foreign bank sector ; they found that physical work environment doesn't affect employee performance.

The result indicates that, an improvement of work life balance lead to a correspondent increase on employee performance which indicates work life balance has positive and significant effect on employee performance of Ethio Telecom headquarter. which indicates physical work place environment has positive and significant effect on employee performance of Ethio Telecom headquarter. This result of the study is consistent with the study of Nanzushi, (2015) that studied how working conditions affected workers' performance at mobile telecom companies in Nairobi City County and found that work life balance has an effect on employee performance. Yared (2021) on his study titled “effect of working environment on workers performance in the case of Dashen Bank Addis Ababa’, found that physical work life balance has an effect on employee performance and Daniel Gray and colleagues', (2014) which studied on foreign bank sector ;

their result indicates that work life balance has effect on employee performance.

The result implies, when individual characteristics based on gender, age, education, marital status and resume increases, the performance of employee increases drastically which indicates individual characteristics has positive and significant effect on employee performance of Ethio Telecom headquarter. . This result of the study is consistent with the study of Fyori (2016) that studied on “factors affecting employees ’performance in the case of Ethio Telecom Addis Ababa zonal offices” and found that individual characteristics has effect on employee performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSSIONS AND RECOMMEDATIONS**

This chapter presents overall summary of main findings of the analysis part, followed by the conclusion of the through which the research objective was addressed. Furthermore, this part also includes possible recommendation and suggestion for studies

#### **5.1 Summary of Findings**

The objective of the study was to investigate and analyze the effect of working environment on employee performance at Ethio Telecom Head Quarter office by using major factors of working environment leadership approach, physical work place environment, work life balance and individual characteristics.

The study conducted using self-administered questionnaire to the sample of 200 from target population of 6,634 from managerial and non-managerial level employees and out of 200 sampled employees 162 of then responded properly. Then after, the research is analyzed by using statistical package for social science version 26 the researcher indicate the summary of findings with each of specific objectives of the research as follows:

#### **Descriptive results**

- The finding of this study indicates that most of employees were sufficient agreed with leadership approach with mean value 4.0747 and .78995 standard deviation, physical workplace environment cumulative mean value 4.1113 and standard deviation .71899, work life balance with cumulative mean value 4.0667 and .84412 standard deviation, individual characteristics with cumulative mean value 3.7395 and .75989 standard deviation, employee performance with cumulative mean value 4.3108 and .65493 standard deviation. The descriptive statistics showed that the work environment conditions at Ethio Telecom head quarter related to leadership approach, physical work place environment, work life balance, individual characteristics are

found satisfied.

### **Inferential results**

- The researcher examines the effect of leadership approach on employee performance in Ethio Telecom head quarter: researcher finds that leadership approach affects employee performance significantly in positive correlation with a Pearson correlation coefficient  $r=0.501$  and sig.(2 tailed) is 0.000, which is  $< 0.05$ . Therefore, there is strong and statistically significant relationship at 5% significant level.
- The researcher determines the effect of physical work place environment on employee performance in Ethio Telecom head quarter: physical work place environment has positively affect employee performance with a Pearson correlation coefficient  $r=0.580$  and sig.(2-tailed) is 0.000, which is  $<0.05$ . Therefore, the researcher determines there is strong and statistically significant effect of physical work place environment on employee performance in Ethio Telecom head quarter at 5% significant level.
- The researcher verifies the effect of work life balance on employee performance in Ethio Telecom head quarter: therefore work life balance has positively and significantly affect employee performance with a Pearson correlation coefficient  $r=0.369$  and sig. (2-tailed) is 0.000, which is  $<0.05$ . Therefore, there is weak but significant relationship at 5% significant level.
- The researcher explains the effect of individual characteristics on employee performance in Ethio Telecom head quarter: so researcher finds that individual characteristics has positive effect on employee performance with a Pearson correlation coefficient  $r=0.217$  and sig. (2-tailed) is 0.000, which is  $<0.05$ . Therefore, individual characteristics has weak and significant effect on employee performance of Ethio Telecom headquarter.

- Pearson product moment correlation coefficient results showed a significant positive relationship between leadership approach, physical work place environment, work life balance, individual characteristics and employee performance of Ethio Telecom headquarter.
- Meeting all the assumptions needed for a multiple regression, such as Test for Residual Zero Mean or Linearity Test, Homoscedasticity Test, Auto Correlation (Durbin Watson Test), and Normality Test, the model is significant in predicting employees' performance and it is interpreted as 40.0 % of variance in employees' performance is due to working environment conditions (Leadership approach, Physical workplace environment, Work-life balance, Individual Characteristics), while the remaining variation in employees' performance can be attributed to other variables which are not considered in this study (p value < 0.05).
- Based on the regression coefficients found in the analysis part, the following model has been found. Ethio Telecom headquarters Employees' Performance = 1.0195+ 0.135 Leadership approach + .0384 Physical Work Place Environment + .109 Work Life Balance +.145 Individual Characteristics.

## 5.2 Conclusions

This study has tried to assess the effect of working environment conditions on worker performance in Ethio Telecom headquarter. The following conclusions were list.

The coefficient of leadership approach variable in the model is positive and statistically significant at below 5% significance level. Correlation analysis also reveals that, there is significant and positive relationship between leadership approach and employee performance. Thus, an increase in leadership approach result in dramatically increased employee performance.

Work life balance found to have a positive and significant relationship with employee performance. However, the coefficient table 4.13 revealed it has positive impact but less and statistically significant. Therefore, work life balance has a little impact on employee performance.

Regarding physical work place environment, the coefficient table 4.13 showed that, the performance of employee increase when physical work place environment increase. Thus, physical work place environment has positive and statistically significant impact at below 5% significance level. Correlation analysis also revealed positive and significant relationship. The higher workers has physical work place environment such as the requisite equipment, well organized, enough lightening, office ventilation and air facility, work place is peaceful tends to have increased performance.

Regarding individual characteristics, the coefficient table showed that it has positive impact and statistically significant at 5% significance level. The correlation analysis also reveals positive but low or weak and statistically significant relationship. From this, it was concluded that when employees characteristic changed or not, this results less influence on performance of employees. In general, this study has concluded that working conditions

(Leadership approach, Physical Work Environment , Work Life Balance and Individual Characteristics ) are important factor for predicting the overall perceived performance level of for employees who work at Ethio Telecom Head Quarter office. Moreover, it can be observed from the results of this study that working condition variables such as leadership approach, physical work place environment, work life balance as well as individual characteristics of Ethio Telecom Head quarter office have strong positive relationship with its performance of employees which is an indicator that when good and suitable working conditions are created for employees , the performance of their employees will increase as well.

### **5.3 Recommendations**

On the basis of the above summary of finding and conclusions of the study, the following recommendations are forward to the management of Ethio Telecom headquarter.

- Since leadership approach has a strong relationship with employee performance; good leadership approach allows workers to perform better, improve productivity, and maximize quality in their performance. Therefore, recommended that leadership approach such as management standards for quality performance giving staff a clear picture of the direction, management involves staff on decision-making, management work hand in hand with employees, and examining the moral and ethical consequences of decisions be made sure that they stay at an acceptable level.
- Since the physical workplace environment has a strong relationship with employee performance; a suitable work environment allows workers to perform better, improve productivity, and maximize quality in their performance. Therefore, its recommended that to make sure the physical workplace environment (in terms of requisite equipment, organization, enough lightening, ventilation, and air facility, and a peaceful place) are stay at an acceptable level so that employees don't get distracted or bothered by them on

their job.

- The more employees are provided with work that matches their physical, mental, and proper time which does not interface with their family(social life), the more likely to perform better and improve their performance. Therefore, the management make sure that workers are not burdened, have sufficient breaks and assigning the right skill at the right job . it can lead to improve mental and physical health, as well as increased energy to perform well at work, to higher levels of motivation, engagement, and commitment to their work, ultimately resulting in increased productivity, this can lead to better decision-making, problem-solving, and overall performance in the workplace, when employees have the opportunity to pursue their interests outside of work, they are more likely to bring fresh ideas and perspectives to their job, to increased productivity and efficiency, to a greater sense of fulfillment and well-being, which in turn can positively impact their productivity and performance at work, finally achieving this balance promotes good mental health, which in turn stimulates creativity and innovation.
- When individual characteristics have a relationship with employee performance but less: so the more employees are provided with work that matches their age, educational level, and marital status and employees feel ignored because of their age, and gender and this leads to a significant decrease in their performance. Therefore, the management of Ethio Telecom headquarters should enact on individual characteristics to work effectively and such policy should be reviewed frequently to ensure that its effectiveness is maintained., the culture of the organization should inspire employees irrespective of gender, age educational status to participate at work in decision making as this will help to increase participation in the workplace.

#### **5.4 Suggestion for Further Study**

This research was undertaken only in Ethio Telecom found at headquarters, as such the findings of this study do not represent all Ethio Telecom staff which is found in all districts and the entire telecom industry in Ethiopia. Therefore, using the findings of this research as a benchmark the researchers need to conduct research in this area. Besides the researcher recommends that is study only include our working environment variables such as leadership approach, physical workplace environment, work-life balance, and individual characteristics. There could be other relevant working environment factors that are more important for the issue under study but excluded due to different reasons. Therefore, it would be better for future researcher to consider more factors of the working environment that affect employee performance like workplace violence, job security, job autonomy, harassment, transportation problems, occupational health.

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## APPENDIX

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
My manager role models high standards for quality performance.	102.14	149.225	.624	.874
Senior management gives staff a clear picture of the direction in which the organization is headed hence motivating me to work.	102.33	147.035	.610	.874
Management involves staff on decision making	103.01	148.042	.508	.877
I am able to contact senior management or work hand in hand with my superior at the work place	102.01	151.566	.558	.876
Examine the moral and ethical consequences of decisions	102.47	152.279	.435	.879
I have the requisite equipment to carry out my duties	102.35	153.039	.523	.877
My work environment is ordered and well organized	102.37	152.906	.536	.877
My work place has enough lightening	102.17	151.361	.620	.875
My office ventilation and air facility has good influence for my daily work activity	102.63	150.192	.477	.878
The surrounding of my work place is peaceful to work	102.31	150.062	.686	.873
There is congruence between my work expectation and my family life	102.47	151.244	.490	.877
The demands of my work do not interfere with my home and family life	102.23	152.975	.452	.878

The amount of time my job takes up do not affect me to fulfill family responsibilities	102.30	152.421	.432	.879
My job doesn't produce strain that makes it difficult to fulfill family duties	102.40	151.653	.474	.878
Management support makes staff to be more committed and motivated at work as well as to fulfill personal life	102.60	151.277	.491	.877
Your gender contributes for your level of performance	103.19	158.326	.150	.888
Education has a significant impact on how well workers perform at their jobs	101.99	154.070	.365	.880
with age an employee can show low performance or high performance	102.97	159.055	.124	.889
Your marital status affects your job performance	103.10	163.641	-.030	.894
Your resume influences your job results	102.53	157.327	.179	.887
I consistently deliver my work by the specified deadline	102.33	153.452	.588	.876
I try my best to avoid absence from my job	102.17	152.490	.639	.875
I effectively work with other employees	102.13	151.682	.679	.874
I'm regularly motivated to work	102.31	151.069	.641	.874
I am eager to learn on ways of making myself more productive	102.10	151.655	.649	.875
In my workplace, I am able to identify and give priority to the most important tasks	102.07	152.247	.622	.875



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

**THE EFFECT OF WORKING ENVIRONMENT ON EMPLOYEES' PERFORMANCE: THE  
CASE OF ETHIO TELECOM HEAD QUARTER ADDIS ABABA**

**Questionnaire for the Partial Fulfillment of the Requirement of Master of  
Business Administration,**

# The Effect of Working Environment on Employees' Performance: In Case of Ethio Telecom Headquarters Addis Ababa

**Dear Respondents;**

This questionnaire is prepared for a research purpose entitled **“Effect of working environment on employee performance: in case of Ethio Telecom Headquarters”**. in partial fulfillment of the requirement for a Master of Business Administration (MBA), St. Mary University. The expected respondents for this questionnaire will be the managerial and non-managerial staff of Ethio Telecom. The researcher asks respondents to give sincere and accurate data: hence your Cooperation, truthfulness, and assistance will be highly appreciated and help to make a proper analysis. The researcher would like to note that data will be kept confidential and will only be used for study purposes.

I would like to thank you in advance for your honest cooperation. Put a “√” on your choice of agreement.

YadeneTemesgen , Cell phone 0913-59-57-16

### Section One: Demographic Information

1. Sex

1. Male ☐ 2. Female ☐

2. Age of the respondents

1. Below 25year ☐ 2. 25-35years ☐ 3. 36-55years ☐ 4. 55andabove years ☐

3. Marital Status

1. Married ☐ 2. Widowed ☐ 3. Divorced ☐ 4. Single ☐

4. Educational background

1. Certificate and below ☐ 2. Diploma ☐  
3. BA/BSC Degree ☐ 4. Master's degree and above ☐

5. Your work experience

1. Below one year ☐ 2. 1-5years ☐ 3. 6-10years ☐ 4. 11-15years ☐  
5. 16 and above years ☐

6. Your level of employment

1. Top management ☐ 2. Middle management ☐  
3. Low level management ☐ 4. Operational level Employee ☐

**Section Two:** For the following Likert scale questions: Tick(√) or check the appropriate cell by expressing your opinion on the following 5-points scale shown below to the best of your knowledge.  
Rating Scale: 1=Strongly Disagree(SD); 2=Disagree(DA); 3=Neutral(N); 4=Agree(A); 5= Strongly Agree(SA).

Questionnaire Description		Response				
<b>Leadership Approach</b>		<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
	My manager role models high standards for quality performance.					
	Senior management gives staff a clear picture of the direction in which the organization is headed hence motivating me to work.					
	Management involves staff on decision making					
	I am able to contact senior management or work hand in hand with my superior at the work place					
	Examine the moral and ethical consequences of decisions					
<b>Physical work place environment</b>		<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
	I have the requisite equipment to carry out my duties.					
	My work environment is ordered and well organized.					
	My work place has enough lightening .					
	My office ventilation and air facility has good influence for my daily work activity.					
	The surrounding of my work place is peaceful to work.					
<b>Questionnaire Description</b>		<b>Response</b>				
<b>Work life balance</b>		<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
	There is congruence between my work expectation and my family life.					

	The demands of my work do not interfere with my home and family life.					
	The amount of time my job takes up do not affect me to fulfill family responsibilities.					
	My job doesn't produce strain that makes it difficult to fulfill family duties.					
	Management support makes staff to be more committed and motivated at work as well as to fulfill personal life.					
	<b>Individual Characteristics</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
	Your gender contributes for your level of performance.					
	Education has a significant impact on how well workers perform at their jobs.					
	with age an employee can show low performance or high performance.					
	Your marital status affects your job performance					
	Your resume influences your job results					
	<b>Employees Performance</b>					
	I consistently deliver my work by the specified deadline.					
	I try my best to avoid absence from my job.					
	I effectively work with other employees.					
	I'm regularly motivated to work.					
	I am eager to learn on ways of making myself more productive.					
	In my workplace, I can identify and give priority to the most important tasks.					

Lastly, what is your average annual work evaluation result(optional)

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