ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

GENERAL MBA PROGRAM

FACTORS AFFECTING EMPLOYEES'
PERFORMANCE:

THE CASE OF ETHIO TELECOM ADDIS ABABA ZONAL OFFICES

BY

FEYORI BEKELE ABDI

ID NO: SGS/0145/2007A

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Acronyms/Abbreviation

CAAZ   Central Addis Ababa Zone

EAAZ   East Addis Ababa Zone

NAAZ   North Addis Ababa Zone

SAAZ   South Addis Ababa Zone

SWAAZ   South West Addis Ababa Zone

HRM   Human Resource Management

EPOs   Ethiopian Public Organizations

MCIT   Ministry of Communications & Information Technology

IBTE   Imperial Board of Telecommunications of Ethiopia

ETS   Ethiopian Telecommunication Services

ETA   Ethiopian Telecommunications Authority

ETC   Ethiopian Telecommunications Corporation

MLR   Multiple linear Regressions

TNA   Training Needs Assessment

OJT   On the Job Training

EPRDF   Ethiopian Peoples' Revolutionary Democratic Front

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Abstract

This study aims to analyze the Factors Affecting Employee Performance in Ethio-Telecom case of Addis Ababa Zonal offices. Based on the literature discussed, the six factors considered as the important elements influence the employees' performance needs to be investigated. The main thing that motivates the researcher to conduct the study was revenue of Telecommunication industry in Ethiopia was not increased by pre-planned schedule. Objective of the study is to examine Factors Affecting Employees' Performance in Ethio telecom zonal offices in Addis Ababa city. The research question lies in whether each of those factors has a simultaneous and partial effect on the Employees' Performance or otherwise. Information was obtained from all Ethio-Telecom Addis Ababa Zonal offices (6 Zonal Offices) by adopting concurrent quantitative research design. Using the quantitative method, the population of this study was 2377 and the sample population was 342 respondents with N=276. The respondents were selected using stratified sampling technique. The data analysis was on descriptive and inferential statistics and further by use of regression model run on Statistical Package for Social Sciences (SPSS) version 20. The primary data gathered in the form of questionnaires with a Likert typed-scale were then analysed using the multiple regression method. The findings reveal that the value of the determination coefficient test is 82.5 percent, indicating that the employees' performance is explained by Motivation, Training, Organizational Culture, Working Environment, Supervision, and Individual Characteristics factors of the employee, while the remaining 17.5 percent are linked with other factors. The findings explore Factors Affecting Employee Performance in Ethio-Telecom case of Addis Ababa Zonal offices. Results indicate a direct and positive relationship of all variables on Employee Performance. While Motivation and Working Environment which have a significant effect on the Affecting Employee Performance in Ethio-Telecom.

Keywords: *Motivation, Training, Organizational Culture, Working Environment, Supervision, and Individual Characteristics, Employee Performance*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

As we can see every organization is very dependent on the knowledge, energy, creativity and overall performance of their employees. Though in a knowledge economy, organizations greatly relay their employees to survive. They can only win a competitive advantage through their people (employee). The product or service of any organization is provided to customers with the involvement of peoples. However, as (Mathis *et al 1998.,* pointed out, people are not only essential resources that an organization has but also problematic ones to manage. This makes human resource management a key ingredient in an organizational to fulfil its mission. Basically performance management is an important tool for managing financial resources and program outcomes because employee performance or the lack thereof has a profound effect on both the financial and program components of any organization. But in this study area we are going to deal with the factors affecting of employee performance.

In addition many factors contribute to productivity. Job performance is observed to be the most dominant one. One of the indicators in enhancing and improving the service industry is job performance. Job performance refers to the behaviours that are expected in the line of the organizations' goals and the purpose under control of individual employees. Employee performance depends on individual and group behaviour. According to Oreg (2003), factors determining individual differences in job performance include cognitive ability, conscientiousness, goal orientation and motivation.

According to Yeo and Neal, (2004) suggestions, over time practice is significant linear and quadratic predictor of performance scores. That is, individuals improved their performance with practice until some point of experience is reached and performance diminishes thereafter (Journal of Applied Psychology, 2004). Job performance problems often start small and develop slowly. In the early stages there may be just a few isolated incidents and these may easily be overlooked. It is important to deal with a job performance problem in the early stages while the issues are small. The performance of one employee can affect the productivity of other employees. Poor job performance can place the employee, co-workers and the organization at risk. Most managers in organizations face with a crucial question of what factors

influence employee performance and there is inadequate empirical information that might guide their efforts in enhancing overall job performance among employees.

1.2. Background of the Organization

The introduction of telecommunications services in Ethiopia dates back to 1894, seventeen years after the invention of telephone technology in the world. Because of different reason its name changed many times. Some of them are Imperial Board of Telecommunications of Ethiopia (IBTE), Ethiopian Telecommunication Services (ETS), Ethiopian Telecommunications Authority (ETA), and Ethiopian Telecommunications Corporation (ETC). Then on regulation No 197/2010 Ethio-telecom established at November 29, 2010 as Public Enterprise (Ethio-telecom Establishment council of Ministers Regulation, 2010).

The vision of the company is to be a world-class provider of telecom services and its missions are Connect Ethiopia through state-of-the-art telecom services, Provide high quality, innovative and affordable telecom products and services that enhance the development of our nation, Build reputable brand known for its customers' consideration, build its managerial capability and manpower' talent that enables Ethio Telecom to operate at international level and Support community and environmental development. Thus, Ethio telecom is born from this ambition in order to bring about a paradigm shift in the development of the telecom sector to support the steady growth of our country.

Telecommunication is one of the prime support services needed for rapid growth and modernization of various sectors of the economy. Knowing of this fact, the Ethiopian government has established a new telecom company known as Ethio Telecom, to replace the long serving Ethiopian Telecommunications Corporation, with a view to enhancing the development of the telecom sector and supporting the steady growth of the country. Pursuant to this grand objective, Ethio Telecom has set ambitious targets to enhance customer acquisition, customer satisfaction and provision of quality services to customers. Ethio telecom is an integrated telecommunications solutions only provider operating in Ethiopia. Currently provide telecom service in the entire country on voice, internet & data, channels, with comprehensive plans in place to meet the requirements set out by the Ministry of Communications & Information Technology (MCIT) and peoples of Ethiopia.

1.3. Operational Definition of Key Terms

Performance: is the accomplishment, execution, carrying out, working out of anything ordered or undertaken.

Training: is the developing process of employees' skill in order to improve performance of an employee (Swanson, 1999).

Motivation: means the willingness of an individual to do efforts and take action towards organizational goals.

Organizational Culture: is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations.

Working Environment: describe the surrounding conditions in which an employee operates.

Supervision: is the action or process of watching and directing what someone does or how something is done.

1.4. Statement of the Problem

Economists classify factors of production in to four categories namely: labour (employee), capital, entrepreneurship, land and other natural resources. Among these, employees are regarded as the most valuable assets of any organization without whom no production activity can take place. The success of an organization is largely dependent on the quality of its employees which is measured by their performance. Identifying factors that affect employees' performance can help improve recruitment, retention and organization result Mohammed and Nimalathasan, (2011).

The GDP at market price has improved significantly between 2000 and 2005 while the contribution of the telecommunications sector changed only slightly and one of the reason for such a problem is the employees performance were decreased due to lack of training, motivation, organizational culture, working environment, supervision and other related things (*Planning Department*, 2005). Telecommunications revenue was 1.3% of the GDP in 1996 and grew to about 2.3% in 2005. In contrast, the investment in the telecommunications sector as a percentage of GDP has jumped substantially since 2003. According to the planning department of Ethio telecom; despite significant investment, the direct contribution of the telecommunications sector in economic growth is still very low which shows 1% increment

while expecting 5%. Having said this Ethio telecom can still contribute further than to the country GDP by identifying which factors affect their Employee Performance. (HR department of Ethio Telecom, 2005).

Ethio-Telecom targets to be the centre of excellence has enabled its employees to perform their duties by supplying the necessary opportunities, infrastructure and funds to ensure delivery of quality services to its clients. However, the Telecommunication' services quality criticize, employees late coming is high, employees' absenteeism rate is high and this situation has gone on and on (General meeting held in HR office with managers, June 2015). The researcher feels that if nothing is done to avoid this situation, Ethio-Telecom may not achieve its vision and may lose its position as a leading institution. Regardless of the above discrepancies, Ethio-Telecom Management has continually given rewards in form of allowances, trained staff and provided the necessary resources for employees to perform better, but the situation has not changed.

Therefore, it is necessary to generate relevant evidence through a detail study to highlight strategies for improving the performance of employees. Hence this study is aimed at focusing firm specific factors of employees' performance in Ethio Telecom Addis Ababa zonal offices. Specifically, it inquires us to deal with the effect of Motivation, Training, Organizational Culture, Working Environment, Supervision and personal characteristics on Individual Performance.

1.5. Basic Research Questions

To determine the factors which affect the performance of employees, the study was trying to answer the following main research questions:

✓ What are the significant factors affecting the performance of employees in Ethio telecom Zonal offices?

✓ What are the effects of independent variables on the performance of employees in the study area?

✓ What factors inspire employee to come with better performance?

✓ To what extent the study provide guideline for the concerned bodies to improve the performance of their employees and indicating directions for further research.

1.6. Objectives of the Study

1.6.1. General Objective

The general objective of the study is to examine Factors Affecting Employees' Performance in Ethio telecom zonal offices in Addis Ababa city.

1.6.2. Specific Objectives

✓ To identify the significant factors affecting the performance of employees in Ethio Telecom Zonal offices.

✓ To determine the effect of independent variables like Motivation, Training, Organizational Culture, Working Environment, Supervision and Individual Characteristics on Performance of an employee in the study area.

✓ To provide guidelines for the concerned bodies to improve the performance of their employees

✓ To draw policy implications and indicating directions for further research.

1.7. Significance of the Study

Every research should have something to contribute since a lot of time; above all human energy is exerted. The study is trying to cover the factors that affect the performance of employees in Ethio Telecom Zonal offices which are located in Addis Ababa. The outcomes of this study also help the human resource management of the organization and others, within an insight in to the benefits of using different factors that would be studied in this research to predict the factors that affect the performance of employees and design remedial actions to exploit their better performance.

The information produced from this study is expected to be of some value for decision and policy makers with respect to affecting factors of employees' performance. In addition the study serves as a reference material for both academicians in broadening of the prospectus with respect to this study hence providing a deeper understanding of the factors that affect employees' performance. Finally the study helps concerned organization to reassess its existing practices and put a renewed emphasis on this undermined and yet core human resource planning with a view to maximizing its benefits.

1.8. Scope of the Study

This study has been carried out at Ethio telecom Zonal offices in Addis Ababa. The study basically focuses on examination firm specific factor that can Affect Employee Performance. The contributing factors of Employee Performance picked in this study are Training, Motivation, Organizational Culture, Working Environment, Supervision and Individual Characteristics. Though, the study covers all of those six zonal offices located in Addis Ababa which are CAAZ, EAAZ, WAAZ, NAAZ, SAAZ and SWAAZ. Population of this study in this study area was 2377 having sample population 342 and finally the number of respondents for the questionnaires were 276.

1.9. Organizations of the Study

The research paper was organized into five chapters. The first chapter is Introductory chapter deals with back ground of the study and the organization, statement of the problem, definition of key terms, basic research questions, objective and significance of the study, scope of the study, limitation and organization of the study accordingly. Related theoretical and empirical literatures are discussed in chapter two and chapter three concentrate on model specification and methodological aspects. The fourth chapter of the study present data analysis and presentation of the main findings of the study. The last chapter, which is closing chapter, is discuss on conclusion, recommendation and policy implication of the study based on the major findings.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Theoretical Literature

2.1.1. Review of Performance

According to Judge and Ferris (1993), perhaps there is no human resources system more important in organizations other than performance evaluation and the ratings of employees' performance represent critical decisions that highly influence a variety of subsequent human resources actions and outcomes. Performance is often defined simply in output terms the achievement of quantified objectives. But performance is a matter not only of what people achieve but how they achieve it. *The Oxford English Dictionary* confirms this by including the phrase 'carrying out' in its definition of performance. The accomplishment, execution, carrying out, working out of anything ordered or undertaken. High performance results from appropriate behaviour, especially discretionary behaviour and the effective use of the required knowledge, skills and competencies.

The Performance of an employee must study on the bases of their achievement from the task portioned to them; so that if they achieve the task given to them, then they perform well if not the reverse will be true. According Bayley (1990) said that Employee performance is a record of the results produced in a specific job function or activity during a specific time period associated with organizational objectives. It is the result produced by a specific functional unit or individual activity over a given period and not the personal characteristics of employees who are performing the work.

Performance is an important tool both as a people and as an organization. In fact, most of us believe that we can, and will, improve at what we do, and we expect others to improve over time as well (Temple, 2002). People are an organization's greatest assets. Individuals and organizations have learned about the importance of the role of people in an organization, and how the success of an organization depends on its people (Bartlett and Ghoshal, 1995). For an organization's well performance the quality of workforce at all levels of the organization is vital. The role of human resources in gaining a competitive advantage for an organization is empirically documented by (Brewster *et al.,* 2003). According to them, an organization to accomplish their goals, they must continually look for better ways to organize and manage their work. This was not always the case, as human resources were traditionally seen as a cost. To

summarize, performance means both behaviour and result. Behaviour originates from the performer and transforms performance from abstraction into action. Not just a means to an end, the behaviour is also an outcome in itself, the product of mental and physical effort applied to the task, which can be judged apart from the result (Armstrong, 2006). Since performance is both a behaviours and result, how it could be managed is the next question to be answered.

According to Katz and Green (1997:7), performance management is a system which comprises of an orderly series of programs designed to define, measure, and improve the performance of an organization. Performance management is a shared process between managers, individuals, and teams they are supervising; it is designed to improve the performance of an organization and the people working within it (Armstrong 1994:1, Torrington and Hall 1998:317). Performance management is neither a technique nor a single process, it can be considered as a set of process, or a concept, a holistic philosophy that includes motivation of employees to perform well, employees knowledge about what their managers expect of them, development of employees, monitoring and measuring performance in order to know what areas are to be improved (Wilson, 2005). This indicates that performance is a function of motivation of an employee to achieve the objective of an organization in general and their goal in particular.

According to Mathis and Jackson (2010:320), performance management is a series of activities designed to ensure that the organization gets the performance it needs from its employees. It links organizational strategy to ultimate results. This implies that, performance management enables a company to convert overall strategy into results that support the mission and objectives. However, just having a strategic plan does not guarantee that results will be achieved and objectives will be satisfied. When organizational strategies have been defined, they must be translated into department- or unit-level actions. Then these actions must be assigned to individuals who are held accountable for efficient and effective goal accomplishment.

2.1.2. Aims of Performance

Performance in an organization is very important tool as evaluation criteria for an employee and to keep on their good work achievements for a company benefits. Therefore, the main reason to deal with performance issue and employing it in an organization is to establish a high performance culture in which individuals and teams take responsibility for the continuous improvement of business processes and for their own skills and contributions within a framework provided by effective leadership. (Armstrong, 2006:494)

2.1.3. Performance Measurement and Improvement

Performance is associated with quantity of output, quality of output, timeliness of output, presence/ attendance on the job, efficiency of the work completed and effectiveness of work completed" (Mathis & Jackson 2009). Employee Performance is the successful completion of tasks by a selected individual or individuals, as set and measured by a supervisor or organization, to pre-defined acceptable standards while efficiently and effectively utilizing available resource within a changing environment.

Aguinis (2009), described that "the definition of performance does not include the results of an employee's behaviour, but only the behaviours themselves. Performance is about behaviour or what employees do, not about what employees produce or the outcomes of their work". Perceived employee performance represents the general belief of the employee about his behaviour and contributions in the success of organization. Employee performance may be taken in the perspective of three factors which makes possible to perform better than others, determinants of performance may be such as "declarative knowledge", "procedural knowledge" and "motivation" (McCloy, Campel JP, Cudeck R et al, 1994). HR practices have positive impact on performance of individuals.

Carlson, (2006) proposed five human resource management practices that affect performance which are setting competitive compensation level, training, performance appraisal, recruitment package, and maintaining morale. Tessema and Soeters (2006) have carried out study on eight HR practices including recruitment and selection practices, placement practices, training, compensation, employee performance evaluation, promotion, grievance procedure and pension or social security in relation with the perceived performance of employees. Therefore, it is concluded that these HR practices have positive and significant associations with the perceived performance of employees.

Whenever we are talking about performance, we need to talk the mechanism to measure it. Therefore, measurement and evaluation are used to strengthen and improve performance. According to Armstrong (2006), firstly, performance measures are benchmarks which are used to determine how well employees produced or provided products or services. It is important that the required outcome of an intervention to be measured and assessed is clearly defined and known; secondly the appropriate methods are used; and thirdly to determine whether the selected activities and interventions is narrow or close the performance gap. The importance of measurement in the performance improvement process cannot be overstated. As Sutherland

et.al (1995:12) highlight, "… if you cannot understand something you cannot measure it. If you cannot measure it, you cannot control it. If you cannot control it, you cannot improve it." So here things are highly and very positively related.

It is a response to make services of an organization better, affordable and faster. It seeks to rectify any problems that exist and build upon those performance levels that are already good Katz and Green (1997). According to Katz and Green (1997: 200) performance improvement involves the resolution of performance problems and the exploitation of performance opportunities. Problems may be related to service, practice or governance. Performance opportunities consist of those occasions when, although the performance target is adequate, an opportunity exists to improve the outcome of the service or process by which the service is delivered.

2.2. Factors Affecting Employees Performance

Job performance refers to the behaviours that are expected in the line of the organizations goals and the purpose under control of individual employees Campbell *et al., (*1993). Hunter (1984) pointed out that job performance is of interest to the organizations because of the importance of high productivity in the workplace. Rudman (1998) on the other hand, stated that performance is focused behaviour or purposeful work. The determinant factors that affect employee's job performance are documented in the literature. The most widely described contributing factors of employee's performance are the following**.**

2.2.1. Motivation

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

There are two types of motivation; Intrinsic and extrinsic motivation (Wright, 2006). Intrinsic motivation is defined as the desire or a need to act that originates within an individual like, like if an activity itself is interesting, while extrinsic motivation is defined as the desire to act to obtain an external reward like rewards and recognition. Motivation is central to management because it explains why people behave the way they do in organizations.

High-performance is achieved by well-motivated people who are prepared to exercise discretionary effort in the majority of roles; there is scope for individuals to decide how much effort to exert (Armstrong, 2009). It would be over simplistic and crude to make sweeping assumptions that everybody will be motivated by the same things (Porter et al, 2007). Some people will be motivated by money, and others will value money but will require other motivational needs to be satisfied before money can have any effect like recognition and be involved in decision making of the organization. Various employees are motivated by various things towards their improved performance. The employees should be engaged in the activities carried out in the organization to feel that they are playing an important role in the company.

People work better when highly motivated and when there is a direct relationship between quality of performance and levels of motivation and that volume and quality of work declines when the motivation is lower (Pettinger and Frith, 2000). Gaining employee commitment is important especially in the current era since several studies have found out that most American workers are not fully engaged in their work (DuBrin, 2009). The employees do what is expected of them but do not contribute extra mental and physical effort to be outstanding. Most employees want to be organizational citizens yet many feel that they have a poor relationship with the supervisors or believe that the organization does not care about them hence affect their level of output. According to a Gallup study, about 70% of employees are "disengaged", meaning that they are no longer committed to the company (Dubrin, 2009). The management approach recognizes that the contribution of an organizations people is critical to the creation of a competitive advantage.

Employers acknowledge that their organizations will flourish if they can engage their employees, meaning that they will be fully motivated to give of their very best to their employee engagement in order to achieve the high-performance workforce that will give them this edge (Foot and Hook, 2008). When employees get a sense of belonging, they work hard to achieve the organizational goals and objectives. Unless knowledge workers have engaging employment

experiences, career development opportunities and a supportive manager, their organization will suffer from costly loss of human capital and potentially devastating attrition.

Never before has the motivation and retention of knowledge workers has been more critical for organizational sustainability than it is today (Carleton, 2011). All organizations are concerned on what should be done to achieve sustained high level of performance through people, in understanding and applying motivation theory, the aim is to obtain added value through people in the sense that the value of their output exceeds the cost of generating it (Armstrong, 2009). Motivation begins with the employees own drives and needs (Hill Mcshane, 2009). Drives are instinctive tendencies to seek particular goals or maintain internal stability while needs is mostly conscious deficiencies that energize or trigger behaviours to satisfy those needs. In this context, Motivation means the willingness of an individual to do efforts and take action towards Organizational goals. The challenge for any manager is to find the means to create and sustain Employees motivation.

Maslows needs hierarchy theory was developed in 1940's to show how needs are arranged in a hierarchy whereby people are motivated to fulfil a higher need as a lower one becomes gratified, so most employees work hard to ensure that their needs are met hence increased performance. Employees are motivated by various needs, so the management should try and understand employee's needs and fulfil them to avoid poor performance in their organizations. Maslows classified the hierarchy of needs as follows; physiological needs, belongingness needs, esteem needs and safety needs. The psychological drive that directs a person towards an objective is motivation (Hodgets and Hedgar, 2008). People have certain needs that motivate them to perform specific behaviours for which they receive rewards that give feedback and satisfy the original need (Kinicki and Williams, 2008).

2.2.2. Training

The developing process of employees' skill in order to improve the performance is called training (Swanson, 1999). Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively (Gordon, 1992). Existing literature presents evidence of an existence of obvious effects of training and development on employee performance.

Most of managers give training to their employees for three main purposes (Belcourt, Wright and Saks, 2000), which are (1) to increase productivity or the performance of employees; (2)

to achieve organizational goals; and (3) to invest in employees to succeed in the unpredictable and turbulent business environment. There are 3 most important types of training: training needs assessment (TNA), training contents and delivery approaches, on the job training (OJT).

2.2.3. Organizational Culture

According to (Daniel and Aneil, 1995) (*Corporate Culture and Organizational Effectiveness*), demonstrated that apparent involvement and participation on the part of a company's employees predicted current and future financial performance. Denison also suggests that culture can be studied as an integral part of the change process and that certain cultural traits may be utilized as predictors of an organization's performance and effectiveness (Daniel and Aneil, 1995).

The different attributes of culture have been arranged on basis of norms and attitudes which help in differentiating one firm from another. (Forehand and von Gilmer, 1964) The process of thinking helps in establishing one member from another on basis of cognitive thinking (Hofstede, 1980). The success guidance based upon different values and norm that makes culture effective (Schein, 1990). The set of beliefs, behaviours, norms and values helps in making culture most effective Kotter and Heskett, (1992). The knowledge of culture has been gained through understanding and beliefs on basis of large groups.

The employee performance would be considered as backbone organization as it leads to its development effectively. The loyalty of employee relies upon knowledge and awareness of culture that improves behaviour of organization Brooks, (2006) Organization culture have first time been identified by Administrative Science quarterly Pettigrew, (1979).
Organizational culture provides a framework with respect to the behaviour of employees in their workplace. Depending on the type of culture that is created in an organization, it can have a positive or negative effect on employee performance.

An organizational culture where employees which are considered as an integral part of the growth process of the organization fosters employee commitment towards the organization. They align their goals and objectives with those of the organization and feel responsible for the overall well-being of the organization. As their efforts are in turn appreciated by the management and suitably rewarded, they have enormous job satisfaction. In such organizational cultures, the employees are committed to achieving their goals and thus have a positive effect on the overall performance of the organization.

In organizations managers are not facilitators but task masters, employees live with fear and distrust and work is nothing but a dreary chore. Since they are not involved in the overall organizational goals, they do not understand the implications of their tasks and hence may not be committed to achieving them. Organizational Culture to a large extent determines the performance of the employees. Therefore, it is in the interest of organizations to eliminate negative factors that slow down employee performance in order to foster a positive workplace environment or a positive Organizational Culture.

2.2.4. Working Environment

Working environment can be divided into two components namely physical and behavioural components. The physical environment consists of elements that relate to the office occupiers' ability to physically connect with their office environment. The behavioural environment consists of components that relate to how well the office occupiers connect with each other, and the impact the office environment can have on the behaviour of the individual.

These components can further be divided in major attributes and operationalized in the form of different independent variables. These variables will be used for analysis of their impact on dependant variable. It is generally understood that the physical design of offices and the environmental conditions at work places are important factors in organizational performance. The empirical research by Stall has also shown that when human needs are considered in office design, employees work more efficiently. One survey conducted by Brill in particular has suggested that improvements in the physical design of office buildings may result in a 5-10 percent increase in productivity and eventually increase performance.

Other studies have examined the effect of physical work environment on workers" job satisfaction, performance, and health. For example Scott, (2000) reported that working conditions associates with employees" job involvement and job satisfaction. Strong et al (1999) in a study observed that social, organizational and physical context serve as the impetus for tasks and activities, and considerably influence workers" performance. Researches on quality of work life have also established the importance of safe and healthy working conditions in determining employees" job performance. The influence of working environment, which is mostly composed of physical, social and psychological factors, has been extensively examined in past two decades. In a number of studies, employees" motivation, job satisfaction, job involvement, job performance, and health have been found to be markedly influenced by psycho-social environment of work organization.

2.2.5. Supervision

Supervision is a process whereby an individual influences a group of individuals to achieve common goals Northouse, (2007). Supervision style is the combination of attitude and behaviour of a leader, which leads to certain patterns in dealing with the followers Dubrin, (2004). The leadership style within an organization has a bearing on encouraging or inhibiting employee's performance. Armstrong and Murlis,(2004); Cronje et al (2001)

There is a general recognition that training research needs to move beyond the individual level approach and incorporate organizational phenomenon, but building multilevel theories and testing them has only begun to take shape. One series of studies has conceptualized the work environment as influencing individual perceptions and beliefs, such as training motivation Quinones, (1995), opportunities to perform Ford et al., (1992), and support from supervisors and co-workers Smith-Jentsch, Salas, & Brannick, (2001).

Although these approaches have found empirical support for their arguments, they have conceptualized the work environment at the individual level, thus measuring individual perceptions more than the actual work, organizational features, or management practices at higher levels of analysis. A second stream of research has viewed the work environment in terms of employee perceptions of training climate or culture. Here, researchers have found that shared perceptions of training climate or learning culture are positively related to post training behaviour Rouiller and Goldstein, (1993); Tracey, Tannenbaum et al., (1995). However, empirical studies have found little support for a moderating relationship of training climate Tracey et al., (1995). Neither studies of individual perceptions nor workplace climate of training highlight.

Coaching focuses on specific, short-term performance improvements, mentoring provides individuals with psychological support and social resources in order to reach long-term career goals. Tutoring typically involves an expert who passes on domain-specific knowledge to novices. In coaching, however, supervisors may not necessarily be domain experts but may help individuals gain greater competence and overcome barriers to performance. Examples of coaching activities include helping employees set specific goals, providing constructive feedback on specific tasks, offering resources and suggestions to adopt new techniques, and helping employees understand the broader goals of the organization. Ellinger , Ellinger and Keller, (2003) Supervision may affect individual performance through three mechanisms: the

acquisition of job related knowledge and skills, the enhancement of motivation and effort, and process of social learning.

Coaching is an effective source of skill acquisition because Supervisors can observe specific employee behaviours and performance and provide constructive feedback and guidelines for improvement Heslin et al., (2006). From this concept we can say supervision is an important affecting factor for employee's performance. This type of timely and individualized instruction contributes to the construction and recall of an individual's declarative and procedural knowledge. Kraiger, Ford and Salas, (1993) Proximity between the learning task during coaching and its practical application at work reduces the loss associated with transfer of training, which is problematic for structured, off-site training activities Baldwin & Ford, (1988). Coaching helps employees develop and maintain knowledge of a firm's products, customers, and work processes; and skills to effectively communicate with customers, respond to their requests, and deliver quick service.

2.2.6. Individual Characteristics

Individual Characteristics are yet another factor explaining variation in individual performance. For example, older employees are often more reluctant to engage in new training and tend to prefer collaborative versus competitive tasks compared with their younger counterparts. According to Kanfer and Ackerman (2004), life-span theorists proposed that person versus environment transactions not only determine the direction, intensity and persistence of action but also help shape the person versus situation context in which motivation takes place. Kanfer and Ackerman (2004) suggest that age is likely to be positively associated with increased preferences for physical security, job security and salary. Similarly, they inferred that in the absence of work-role changes and compensation scheme, the attractiveness of job performance is expected to decline with age.

Research on the relationship between age and work performance contradicts widespread beliefs that performance decreases with age Davies *et al*., (1991). There has long been a view of a negative age-performance relationship Rhodes, (1983), although the belief has endured without conclusive empirical support McEvoy and Cascio, (1989). One theoretical rationale for the hypothesized negative relationship is the decremental theory of aging which suggests that increased age causes deterioration in abilities, such as speed, dexterity, motor coordination, and strength Ginger *et al*., (1983); Rhodes, (1983); Salthouse, (1979). Similarly, Kliegl & Mayr

(1992) have advanced a model that suggests there is an underlying single negative effect of age-related influences on a wide range of cognitive variables.

Wright and Hamilton (1978) suggest that older employees go through a "grinding down" stage where they accept what is available to them and lessen their expectations. Supporting this proposition, empirical work demonstrates a negative relationship between age and ambition, aspirations, and overall motivation (Giblin, 1986; Judge and Hulin, 1993; Judge & Locke, 1993; Kuhlen, 1977; Rhodes, 1983; Slocum *et al.*, 1985). Despite the theory suggesting that aging will affect performance, and empirical evidence showing aging effects on performance-related constructs, research on the age/performance relationship has shown mixed results. Rhodes (1983) reported approximately equal numbers of studies with positive, negative, and no relationships. Meta-analyses have shown that age alone accounts for little variance in job performance. McEvoy & Cascio (1989); Waldman and Avolio, (1986). It should be noted that not all examinations of aging suggest negative effects.

In particular, crystallized intelligence e.g., Cattell, (1963) which entails the cognitive processes and abilities that are embedded in learned cultural meaning, acquired through prior experience has been found to be higher among older people Dixon *et al.*,1985; Labouvie-Vief, (1985). Others have made similar arguments, that while physical and mechanical abilities may decline over time, pragmatic abilities may increase Salthouse, (1995). Thus, performance may remain constant at higher age levels because job experience may compensate for any detrimental effect of aging Tesluk and Jacobs, (1998). Accounting for experience, though, should reveal the relationship with age Avolio *et al.*, (1990). The theoretical position positing a relationship between age and performance does not imply that the effect of age on performance is linear. Again, we expect a non-linear relationship, with the negative effects of age becoming stronger as employees age increase.

Thus, the total relationship between employee age and job performance should be non-linear Avolio *et al.*, (1990). Evidence supporting this position is mixed. McEvoy and Cascio (1989) found some support for a curvilinear hypothesis. Specifically, they examined studies with young employees versus those of all ages and found that the young samples had a higher age/performance correlation than the other studies. For example, Gebregziabher (2009), claimed in his research conducted on 128 Ethiopian Public Organization employees'; he found that age is one of the bio data variables that influence employees' performance. Performance increases with age up to some point and beyond that point performance declines with age. That

means as the employees become older and older, the lowest effort they will exert on the given task which adversely affects their performance in their respective jobs.

Significantly, it did not treat age as a continuous variable and thus did not examine the potential non-linear relationship between age and performance over the plausible range of age values. Others have found support for non-linear effects of age, but lacked a sufficient range (particularly of older workers) in the sample to fully test the nature of the age and performance relationship at all values potentially facing modern employers Avolio *et al*., (1990). For these reasons, stronger support of a non-linear relationship may not have been detected by these previous researches, and further work is necessary to substantiate this proposed non-linear relationship.

Furthermore, no study has looked for a non-linear relationship between age and performance. Based on available theory and in line with previous predictions (e.g., Giniger *et al*., (1983); McEvoy & Cascio, (1989); Gebregziabher, (2009), this paper posits a non-linear relationship. Training is one of the variables that can affect the performance of individuals. Training is a process in which people acquire knowledge, skills, experience and attitudes that they need to perform their jobs well for the achievement of their organization's goals Mathias and Jackson, (1998).

Though the effect of formal training on employee performance remains subjective and sometimes doubtful because of lack of sufficient direct transfer to the workplace, formal training remains an important strategy through which organizations ensure their employees 'competencies Beatrice *et al*., (2009). Beckman (2009) and Pulakos *et al*., (2000) comment that organizations without viable training programs would fail to provide employees with frequent opportunities to practice and enhance their capabilities in terms of enhanced employee skills and knowledge. Naturally, such an anomaly leads to poor performance and inefficiency, and ultimately decreased productivity and profitability. However, Loewenstein and Spletzer (1998) and Bartel (2000) confirm that the effect of an hour of training on productivity growth is about five times as large as the effect on wage growth and that employers reap almost all the returns to company training. As such, investing in human resource development is an integral part of any organization bent of operating efficiently and effectively.

According to Viscal (2011), he points out that enhancing the employee competencies in the workplace strongly depends upon the learning environment of a given organization. This implies that top management should be committed towards supporting staff training for all staff

categories with equitable provision being made within the spirit of equal opportunity for all employees. In any organization not everyone is fully equipped with any sort of expertise or carry the ability of handling every task he is assigned, except he is well versed in it and has strong track experience regarding that specific assignment. Training has been the main factor for influencing the employees' skills, abilities and attitude. People working in any organization individually or in groups or in the shape of teams have never been able to handle their tasks by their own until and unless they provide healthy support to each other while working on their targets.

Therefore, team members should develop the environment where they can bring down the short comings of weak members by consistently contributing to their weak performance DeLise *et al*, (2010). Training programs helps in making acquaintance of employees with more advance technology and attaining strong competencies and skills in order to handle the functions and basics of newly introduced technical equipment. More rarely it happens that employees are not fully trained regarding new working and technical techniques and they are unable to deliver to their assignments according to the desire of the organization. Effective training can bring down these flaws Viscal, (2011).

2.3. Empirical Literature

According to Newton (2006), and Mubashar and Muhammad (2011), in their respective study found out that along with some others favour the importance of training in terms of not only attracting of new staff but also retaining the existing one and it pushes up the abilities of employees to higher stage from where they currently stands.

The developing process of employees' skill in order to improve the performance is called training (Swanson, 1999). Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively (Gordon, 1992). Existing literature presents evidence of an existence of obvious effects of training and development on employee performance.

According to Wright & Geroy (2001) notes that employee competencies change through effective training programs. Training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behaviour. Appiah (2010); Harrison (2000); Guest, (1997) Most of

managers give training to their employees for three main purposes (Belcourt, Wright and Saks, 2000), which are (1) to increase productivity or the performance of employees; (2) to achieve organizational goals; and (3) to invest in employees to succeed in the unpredictable and turbulent business environment.

Motivation is a key determinant of job performance and a poorly motivated force were costly in terms of excessive staff turnover, higher expenses, negative morale and increased use of managements' time (Jobber, 1994). Therefore, management must know what exactly stimulates their staff so resources are not misallocated and dissatisfaction develops among employees (Jobber, 1994). As Green (2000) has described motivation to be proactive in the sense of; in dealing with employees who are high performers, motivation is essential, otherwise their performance are decline or they are simply leave the job.

A motivated workforce is essential because the complete participation of employees were certainly drive the profitability of the organization Carlsen, (2003), Darmon (1974) believe motivation is the educating of employees to channel their efforts towards organizational activities and thus increasing the performance of the said boundary spanning roles. According to Denton (1991), a motivated workforce were lead to greater understanding, acceptance, commitment to implementation, understanding of objectives and decision making between management and employees. There are 6 most important elements of motivation: rewards, pay, profit sharing, promotion, recognition, job enrichment.

Supervision has become an important technique to improve performance. Champathes, (2006) It is not a one way communication and proves to be a two way communications where supervisors identify what can be improved and how it can be improved. Further supervision addresses the belief and behaviours that hinder performance. Toit (2007) It can be further seen that supervision is all about helping someone else to improve performance. Starr, (2004)

Organizational Culture is common values and behaviours of the people that considered as a tool leads to the successful achievement of organization goals (Schein, 1990). Organizational culture is the mind set of people that distinguishes them from each other, within the organization and outside the organization. This includes values, beliefs, and behaviours of the employee's difference from the other organization (Hofstede, 1991). Strong culture in the organization is very helpful to enhance the performance of the employees that leads to the goal achievement and increase the overall performance of the organization (Deal and Kennedy, 1982).

According to the Stewart (2010), norms and values of Organizational Culture highly effect on those who are directly or indirectly involved with the organization. These norms are invisible but have a great impact on the performance of employees and profitability. The most important characteristic is shared value. A strong organizational culture supports adaptation and develops organization's employee performance by motivating employees toward a shared goal and objective; and finally shaping and channelling employees' behaviour to that specific direction should be at the top of operational and functional strategies (Daft, 1984).

Shared value of employees is one of the basic components of organizational culture (Smit and Cronje, 1992; Hellriegel et al, 1998). Schein (1994) clarifies that value which is a set of social norms that define the rules or framework for social interaction and communication behaviours of society's members, is a reflection of causal culture assumptions. Academics and practitioners argue that the performance of an organization is dependent on the degree to which the values of the culture are widely shared (Peters and Waterman, 1982). Similarly, it is widely argued that shared and strongly held values enable management to predict employee reactions to certain strategic options and by reducing these values, the consequences maybe undesirable (Ogbonna, 1993).

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

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

2.4. Research Gap

In line with the above theoretical as well as empirical review there is no global standard to define Employee Performance. It also revealed that there are different variables affecting employee performance; the main factor that affect employee performance in this study covers Motivation, Training, Organizational Culture, Working Environment, Supervision and Individual Characteristics.

Even if there are empirical studies on Factors Affecting Employee Performance, most of them raise different variables are done on relation to Employee Performance and are done in some studies as the researchers observation. The researcher will contribute towards filling the gap by analyzing factors affecting employee performance in Ethio-Telecom Zonal offices only.

2.5. 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 final outcome. For the framework purpose the researcher was used the source from Gebregziabher, (2009) and model developed by using literatures with some modification by the researcher.

Figure 1 : Conceptual Framework

22
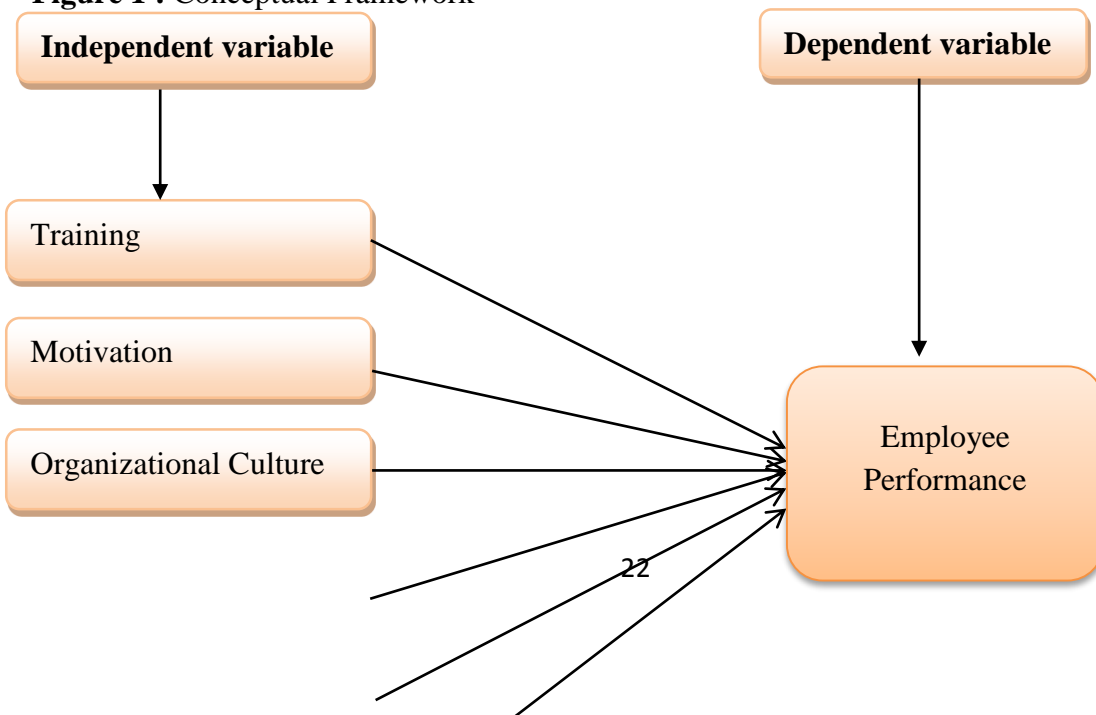
Working Environment

Supervision

Ind. Characteristics

Source: Gebregziabher, 2009 and model developed by using literatures by the researcher

2.6.Research Hypothesis

H1: There is a positive relationship between the Training and Employees' Performance in Ethio-Telecom Addis Ababa Zonal Office.

H2: There is a positive relationship between the Motivation and Employees' Performance in Ethio-Telecom Addis Ababa Zonal Office.

H3: There is a positive relationship between the Working Environment and Employees' Performance in Ethio-Telecom Addis Ababa Zonal Office.

H4: There is a positive relationship between the Organizational Culture and Employees' Performance in Ethio-Telecom Addis Ababa Zonal Office.

H5: There is a positive relationship between the Supervision and Employees' Performance in Ethio-Telecom Addis Ababa Zonal Office.

H6: There is a positive relationship between the Individual Characteristics and Employees' Performance in Ethio-Telecom Addis Ababa Zonal Office.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

In this chapter, the following methodological issues were addressed. Points that have been incorporated in this chapter are research design, questionnaire design, data collection, sampling procedures, visiting of relevant office/centres, selection of participants, and test of validity and reliability, data collection, data analysis and model.

3.1. Research Design

Research design defined as a blueprint or detailed plan for how a research studies is to be completed, operationalizing variables so they can be measured, selecting a sample of interest to study, collecting data to be used as a basis for testing hypothesis and analyzing the results. It ensures that the study would be relevant to the problem and that it uses economical procedures. In this study, a quantitative approach of doing research is employed. A quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistical data.

Descriptive analysis was providing the summary of all the six independent variables with respect Employee Performance to the respondent such as mean, standard deviation and sum of the scores.

In short, the study employs a survey design administered through structured questionnaire. Survey is working in order to generalize from a sample to population. This method is preferred because of its high-speed in data collection and its being economical. Moreover, the study utilizes cross-sectional in the sense that all relevant data were collected at a single point in time. The reason for preferring a cross-sectional study is due to the vast nature of the study. In addition to this, obtaining information from a cross-section of a population at a single point in time is a reasonable strategy for pursuing many researches, Janet M. Ruane, (2006:94).

3.2. Target Population

Ethio-Telecom is one of monopolize company run under Ethiopian Peoples' Revolutionary Democratic Front EPRDF having around 12,740 employees working all over office found in Ethiopia (*Ethiotelecom.HR*). Ethio-Telecom consists of six zonal offices in Addis Ababa. The population sampling frame was obtained from all zonal offices found in Addis Ababa which are 2,377 employees.

3.3. Sources of Data

The study employs both primary and secondary sources of data collection.

1. **Primary Sources** In order to realize the target, the study uses well-designed questionnaire as best instrument. This is because it is Lower in costs, the Respondent privacy is considered, It is free from the bias of the interviewers, answers are in respondents own words. These were completed by employees of selected organization moreover; Respondents have adequate time to give well thought answers.

2. **Secondary Sources** Secondary data from files, pamphlets, office manuals, circulars and policy papers were used to provide additional information where appropriate. Besides, variety of books published and/or unpublished government documents, websites, reports and newsletters were reviewed to make the study fruitful.

3.4. Sampling Technique

In order to gather information from Ethio telecom employees, Stratified random sampling I n which the population is divided into several sub-populations (strata) was used on the basis of their location. This technique is preferred because it is used to assist in minimizing bias when dealing with the population. And also here in this technique no significant group is left unrepresented. In addition to all this, time and cost of data collection were saved with this sampling technique. Here also, the sampling frame can be organized into relatively homogeneous groups (strata) before selecting elements for the sample. According to Janet (2006:94), this step increases the probability that the final sample is representative in terms of the stratified groups. The strata are those six Zonal offices located throughout Addis Ababa city.

$$n = N/(1 + N(e)2)$$

n=2377/ 6.9425

n=342.38 ≈ 342

Where:

n= sample size for the population

N= total population

E= margin of error (5%)

In order to proportionally distribute the samples among the strata the formula below is implemented (Cochran, 1992: 53-57) and (Israel, 1992:39)

$$N_h= (N_h/N_s)\ n$$

Where:

n_h= Sample size from each stratum

N_h= Total population from each stratum

N_s= Total population of the sum of strata for the study

n= Total sample size from the study population

Since the sample size is known, the skip interval to follow was calculated as follows;

Skip interval (l) = population list size/Sample size

Skip interval (l) = 2377/342

Skip interval (l) = 7

After the skip interval is known, the researcher has selected '1'as the starting point; therefore the sample comprises those who came to their work place 1st, 8th, 15th, and so on.

Next to determining the sample size, respondents were selected from each of those six Zonal offices (strata) based on proportional allocation as shown in the following table. In selecting the representatives following the method of proportional allocation under which the sizes of the samples from different strata are relatively kept proportional to the sizes of the strata. Subsequently, each respondent were selected randomly from each stratum to give equal chance of selection since the study targeted to all of the workers.

Table 1: Sampling technique

Nº	Branch office/Zones	Abbreviations	No. of employees	Sample size
1	Central Addis Ababa Zone	CAAZ	288	((Number of employee/ current employee of zonal office)*

				sample size for the population)) means ((288/2377)*342)=41
2	East Addis Ababa Zone	EAAZ	478	69
3	North Addis Ababa Zone	NAAZ	402	58
4	West Addis Ababa Zone	WAAZ	403	58
5	South West Addis Ababa Zone	SWAAZ	410	59
6	South Addis Ababa Zone	SAAZ	396	57
	Total		2377	342

Source: Ethio telecom HR data. (April 2016), proportional sample size from each stratum

3.5. Data Collection Method

The primary data were collected using self-administrated five points likert-scale questionnaires affixed by strongly agree to strongly disagree. The questionnaire has six sections. The first section contains questions associated with the general demographic characteristics of the sample respondents. The second section deal with questions related with Training employees obtain. Section three encompasses questions associated with the impacts of motivation on salary. Section four covers questions associated with working environment in which employees are employed. Section five contains questions associated with organizational culture of the employee. Section six contains questions associated with Supervision style of the organization on employee. Section seven contains questions associated with Individual Character of the employee. Finally, the last part of the questionnaire contains questions regarding to Employee Performance.

The questionnaires were arranged in a very simple and brief manner to encourage meaningful participation by the respondents. The layout of the questionnaire was kept as brief and short as possible with care taken to the actual wording and phrasing of the questions. The reason for the appearance and layout of the questionnaire are of great importance in any survey where the questionnaire is to be completed by the respondent John *et al*., (2007:128-42). The questionnaire section was based on non-comparative scale, on five point Likert scale ratings of individual factors. The respondents were asked to rank on a scale of 1-5 (where 1 indicates "Strongly Disagree" and 5 indicates "Strongly Agree") the extent to which they agree with

statements given, relating to determinates of Employee Performance. Respondents are requested to specify their level of agreement in each statement on a five point Likert scale.

For example, the construct 'Training' is adopted from related literature. To measure these construct four sub-scales questions were developed. A Likert-type question, employing five scales (5 for strongly agree and 1 for strongly disagree), was used to quantify and compute an index for the 'Training' construct. Since there are six items, a respondent may score a maximum of 30 (most favourable attitude) and a minimum of 6 (least favourable attitude) for the construct 'Training'. Scholars (e.g. Covin et al., 2006; Belay, 2012) use the average of the item scores to measure the value of construct. Therefore, the average of the scores for the four items measures the value of 'Training' construct for a particular respondent. The same technique applies to all other constructs with a Likert-scale.

Employee Performance: It is an ordered categorical variable that takes 1 if the employee has poor performance in the execution of the given tasks, 2 if the employee has fair performance, 3 if the employee has good performance. 4 if the employee has very good performance and 5 if the employee has an excellent performance This variable indicates that if the employee score ≥ 4.0 to ≤ 5, then the employee considered as an excellent performer and has completely mastered the assigned job and above allotted responsibilities of the given activities, when they score between ≥ 3.5 to ≤ 4.0, they considered as very good performers, when they score between ≥ 2.5 to ≤ 3.5 they are considered under good performer when they score between ≥ 2.5 to ≤ 3.5 they are considered as having a little less performance of the allotted responsibility and below ≤ 1.5 has very low performance of the allotted responsibility.

Table 2: Employee performance scale

Performance Level	Point Range	Definition
Excellent Performance	≥ 4.0 to ≤ 5.0	Has completely mastered the assigned job and above allotted Responsibilities, and standards; can perform without supervisor: integrity, tact, leadership, intelligence and judgment are of highest standard; had extra efforts, outputs,

		better quality, insight; system change in all aspects.
Very Good Performance	≥ 3.5 to ≤ 4.0	Has mastered the job up to the expected standards and allotted responsibility; had some extra effort and output, quality of work; can work with very little attention and supervision; has input in system improvement; shows developing effort and accepted character.
Good performance	≥ 2.5 to ≤ 3.5	Has a full performance of the allotted responsibility; knows the job well; doesn't exert more effort and output needs guidance and follow-up and supervision; eager to learn and improve, shows regular effort and character.
Fair Performance	≥ 1.5 to ≤ 2.5	Has a little less performance of the allotted responsibility; knows the job in fair level and supervision is required; doesn't have initiative to learn and needs to be pressed, shows irregular effort and character.
Poor Performance	≤ 1.5	Has very low performance of the allotted responsibility; requires too much correction, doesn't know the job, and requires training; always needs guidance, follow-up and supervision, forced to learn and ordered to act accordingly: shows undesirable character.

Source: HR Performance Appraisal Form, 2015

3.6. Procedures of Data Collection

In this study data collection has been conducted by preparing both closed ended and open ended questionnaires to non-managerial staffs. The questionnaires were developed in English because

more than 60% of the respondents have degree (Ethio Telecom HR Department) and therefore they can understand it easily. It was distributed in six zonal offices found in Addis Abeba. The Procedures for Data collection in this study were developed by the researcher with contributions from representatives of Zonal office employees in Ethio telecom. These procedures are intended to help improve the usefulness, timeliness, accuracy, and comparability of performance data that represent employees in Ethio telecom. These procedures describe processes that were result in high quality data. The questionnaire is contracted in a very short and clear manner using five point likert scale and two open ended questions. After the questionnaires were filled by the respondent data `collection has been made by the researcher.

3.7. Validity and Reliability of Instruments

Validity

Validity is defined as the extent to which the instrument measures what it purports to measure (Allen and Yen, 1979). Content validity pertains to the degree which the instrument fully assesses or measure the construct of interest. The researcher was test the validity of the questionnaire and tested to know whether or not the questionnaire measures what it claims to measure. The author asked a panel of four experts containing two academicians, one researcher and one professor to assess the content validity of the questionnaire. They were asked to indicate whether or not they agree that each item is appropriately matched to the content area indicated.

The Items that they identify as being inadequately used to conduct the study, or flawed in any other way, were revised. Apart from the content validity, the face validity was also measured by sending the questionnaires for two individuals who conduct a study around similar area with this study. They were requested to forward their opinion whether or not the questionnaire is measuring what it is supposed to measure. Issues raised by experts on were corrected and questionnaires were refined. Besides, proper detection by an advisor was also taken to ensure validity of the instruments. Finally, the improved version of the questionnaires were printed, duplicated and dispatched.

Reliability

Before proceeding to the next statistical analysis, the reliability of the items of the patient satisfaction questionnaire was checked to see whether the questions chosen are consistent with one another. When we have tested and need to look at how strong the

relationship is between the scores on the instrument at the two time points. The reliabilities of the variables (data) were checked against the recommended standards (Cronbach's alpha ≥ 0.70) mainly to ensure that they are reliable indicators of the constructs Muijs, (2004).

Conducting the pilot study has enabled the researcher to overcome the response bias. The reliabilities of the variables (data) were checked against the Nunnally's recommended standards (Cronbach's alpha ≥ 0.70) mainly to ensure that they are reliable indicators of the constructs Nunnally's, (1967). As table three shows, the Cronbach's alpha calculated for all items in the six categories was, 0.814 for Training, 0.812 for Organizational Culture, 0.798 for Motivation, 0.788 for Individual Character, 0.768 for Supervision and 0.735 for Working Environment. This result confirms that the items identified in each category are cohesive enough to adequately represent a single concept.

Table 3: Cronbach's Alpha

No	Categories	Number of items	Cronbach Alpha value	Status
1	Training	6	0.814	Good
2	Motivation	6	0.798	Acceptable
3	Working Environment	5	0.735	Acceptable
4	Organizational Culture	6	0.812	Good
5	Supervision	5	0.768	Acceptable
6	Individual Character	4	0.788	Acceptable
7	Employee Performance	5	0.866	Good

Table 4: Average Cronbach's Alpha reliability coefficient for all variables

Cronbach's Alpha	Number of items
0.797	37

Source: Calculated from the researcher survey data

3.8. Methods of Data Analysis

The collected data was processed in line with the purpose. The data were analysed using descriptive and inferential statistics. The findings are presented in the form of tables and based on their types and appropriateness for presentation. For the descriptive statistic tables are also used.

This is the further transformation of the processed data to look for patterns and relationship between and/or among data groups by using descriptive and inferential (statistical) analysis. Specifically, descriptive statistics (mean and standard deviation) and inferential statistics (Multiple Linear Regression model) were employed in the study.

3.8.1. Descriptive Statistics

The contributing factors of Employees performance for 6 Addis Ababa Zonal offices are assessed based their respondents' responds by computing the mean, standard deviation. The Employee Performance for 6 Addis Ababa Zonal offices is assessed based on Ethio-Telecom Employee Performance Appraisal Rating.

3.8.2. Multiple Linear Regression (MLR) Analysis

Multiple linear regression (MLR) analysis is a method used to model the linear relationship between a dependent variable and two or more independent variables. The dependent variable is sometimes also called "the predict" (response variable), and the independent variables are called the predictors (explanatory variables). A function of the analysis is to search for predictor variables that help to explain significant variation in the response variable. If a number of significant predictors can be identified, then a decision-maker can manage risks and maximize the odds of favourable outcomes.

Multiple regression models were chosen to investigate the relationship between Employee Performance and the independent variables. Therefore, for the analysis of factors affecting Employee Performance and the determinants, the multiple linear regression models is used to identify the relationship between dependent and independent variables.

The variables that are considered in this study area are as follows:

1. The dependent variable is employee's performance. It is called dependent because it "depends" on the independent variables.
2. The independent variables are; Training, Motivation, Organizational Culture, Working Environment, Supervision and Individual Characteristics. In this research, the relation between individual performance and the explanatory variables; Training, Motivation, Organizational Culture, Working Environment, Supervision and Individual Characteristics variables was assumed to be independent over the course of the study. The following empirical model was used to explain the data:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_{5+} \beta_6 X_6 e$$

Where:

Y= Employee Performance (Dependent variable);

$X_1 - X_6$ = Factors Affecting Employee Performance (Independent variables)

X_1 = Motivation

X_2 = Working Environment

X_3 = Individual Characteristics

X_4 = Training

X_5 = Organizational Culture &

X_6 = Supervision

β_1- n= the regression coefficient or change included in Y by each X

e = Error term

Model test are in - APPENDIX

➡ The relationship between the dependent variable and the predictors is linear.

➡ The explanatory variables are not correlated each other; if they are not correlated, it is possible to say that there is no multicollinearity.

➡ The normal curves for Employee Performance curves indicate that the distributions of the error terms are normal.

➡ The variance/covariance matrices of variables are heterogeneous across groups.

3.8.3. Correlation

In this section the Factors Affecting Employee's Performance in Ethio Telecom Zonal offices traced in Addis Abeba are assessed based on respondents' responds. In correlation the researcher was look at three important points (1) The value of the Pearson's correlation coefficient between each share of variables. (2) It shows the one-taild significance of each correlation is presented. (3) The number of cases contributing to each correlation is revealed. Generally the importances of conducting correlation were to study the correlation between the study variables and the findings.

3.9. Ethical Considerations

Letter of cooperation was obtained from St. Mary's University, Department of Student Services to the respective study population. Verbal and informed consent was obtained from the managers of the concerned bodies by informing the purpose of the study and since the

researcher was an employee in the organization written request was not conducted. Regarding the right to privacy of the respondents, the study maintained the confidentiality of the identity of each participant.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter deals with presentation and analysis of the data which have been obtained through questionnaire. As such the study sought to investigate the influence of Training, Motivation, Supervision, Working Environment, Organizational Culture and Individual Characteristics on employee's performance of Ethio telecom zonal offices found in Addis Ababa city.

4.1. Data Analysis

4.1.1. Demographic Characteristics of the Respondents

The study targeted staffs within Ethio telecom Zonal offices found in Addis Ababa city which included six zonal offices (Central, East, North, West, South, South West Addis Ababa Zonal Offices). The study collected data using questionnaire accordingly 342 questionnaires were administered to 342 employees and the response came from 276 respondents, with regard to the factors influencing employee performance in Ethio telecom Zonal offices found in Addis Ababa city.

Table 5: Response Rate

Response	Frequency	Percent
Responded	276	81
Not responded	66	19
Total	342	100

Source: Own survey, 2016

According to the SPSS Output table 5 shows; from the study, out of 342 target respondents 276 filled in and returned the questionnaire contributing to 81%. This response rate was good plus representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. The questionnaires that were not returned were due to reasons like, the respondents were not available to fill them in at that time and with persistence follow-ups there

were no positive responses from them. The response rate demonstrates a willingness of the respondents to participate in the study.

Table 6: Demographic Characteristics of the Respondents

Item	Gender of the Respondents		
	Gender	Frequency	Percent
1	Male	163	59.1
	Female	113	40.9
	Total	276	100
	Working Experience of the Respondents		
	Duration in Years	Frequency	Percent
2	Less than 5 year	5	4.3
	6-10 Years	134	48.6
	11-15 Years	115	41.7
	16 Years and above	15	5.4
	Total	276	100
	Educational Level of the Respondents		
	Level of Education	Frequency	Percent
3	Diploma	111	40.2
	Degree	145	52.5
	Masters	20	7.3
	Total	276	100

Source: Own survey, 2016

As such the results on demographic characteristics of these respondents were investigated in the first section of the questionnaire. They are presented in this section under gender distribution of the respondents, age of the respondents, working experience and highest academic qualifications under table six in general.

In this study the respondents were expected to comprise both male and female staffs. As such, the study required the respondents to indicate their gender by ticking on the spaces provided in the questionnaire. Therefore 59.1% of the respondents were male and 40.9% were female as publicized in the above table. The outcomes point toward the views expressed in this outputs are gender sensitive and can be taken as representative of the opinions of both genders as regards to factors influencing employee performance of Ethio telecom Zonal offices found in Addis Ababa city.

The length of service/working in an organization identifies the extent to which one is aware of the issues sought by the study. In the wake of technological advancements and globalization, there are likely to be many changes in institutional and operating environment that the respondents should know when responding to the issues required by the study. This study is about the factors affecting employee performance in Ethio telecom Addis Ababa Zonal offices. Therefore the study sought to establish the length of time that the respondents had been working in the Company. The results on this question are presented in table.

The study results depicted in table six reveal that 4.3% of the respondents indicated that they had an experience of less than 5 years in Ethio Telcom, 48.6% of them had worked in Ethio Telcom for a period of 6 - 10 years, 41.7% of them had a working experience of 11- 15 years, another 5.4% of the respondents indicated that they had an experience of 20 years. This shows that majority respondents had enough work experience in Ethio Telcom to respond effectively. Owing to the dynamic nature of operating environment of the Communications & Information Technology (MCIT) institutions, the experience of the most current and up-to-date information on the state of affecting factors of employee performance is essential.

Ethio telcom hire staffs in different work stations hence different academic qualifications. This difference might contribute to differences in the responses given by the respondents. The study sought to establish the highest academic qualifications attained by the respondents. According to the SPSS Output shown in table six, (40.2%) of the respondents had acquired college/university diplomas level of education, majority 52.5% of the respondents indicated that they had acquired Bachelor's or undergraduate degrees as their highest level of education, 7.3% had acquired masters level of education. This results imply that majority of the respondents had at least college/university degree and hence understood the information sought by this study. These findings further imply that all the respondents were academically qualified and also familiar with their duties and could dispense them effectively in terms of professional work ability and performance.

4.1.2. Descriptive Statistics

Table 7: Descriptive Statistics

Descriptive Statistics			
	Mean	Std. Deviation	N
Employee Performance	2.4746377	.65177370	276
Training	2.5993756	1.42444245	276
Motivation	2.6095922	1.40868418	276

Working Environment	2.4381640	1.43146717	276
Organizational Culture	2.3610136	1.43708578	276
Supervision	2.4205594	1.38026271	276
Individual Characteristics	2.5135494	1.49968453	276

Source: Own survey, 2016

Table seven shows that the mean and standard deviation of the variables in the study. The descriptive exposed in the table indicate that mean of Training is 2.5993 with a standard deviation 1.4244 which shows that majority of employees are either neutral about effects which the factors of Training have on their performance or they somewhat disagree that these factors have positive effect on their performance.

The standard deviation of Supervision is 1.3802 with a mean score of 2.4205 which shows predictable of the responses and overall better reliability of the scores. From this it can be depicted that employees somewhat agree that their immediate bosses and head of their organizations have friendly relations with them as well as help keep the workforce morale high by encouraging the top performers.

Working Environment has a mean score of 2.4381 and 1.4314 standard deviation, reflecting inter response variability and that employees are overall neutral about the effects which the factors of their Working Environment has on their performance. The mean score of Motivation is 2.6095 with a standard deviation score of 1.4086. A high standard deviation indicates that the data points are spread out over a wider range of values of Motivation. It shows that employees are either neutral or dissatisfied for the Motivation practices prevailing in their organizations.

Organizational Culture has a mean score of 2.3610 and 1.4370 standard deviation, reflecting inter response variability and that employees are overall neutral about the effects which the factors of their Organizational Culture has on their performance.

The mean score of Individual Characteristics is 2.5135 with a standard deviation score of 1.4996. A high standard deviation indicates that the data points are spread out over a wider range of values of Individual Characteristics. It shows that employees are either neutral or disagree for Individual Characteristics behaviour has impact in their organizations. In the last portion of questionnaire, the subset of items prepared to be filled by the immediate bosses of employees about their performance yielded the following results.

The mean score of employee job performance come out to be 2.4746 with a standard deviation of .6517 which are almost consistent with the scores of above six variables of job performance and indicates that immediate bosses somewhat agree that their employees are aware about their job roles and perform all the assigned tasks effectively and efficiently.

4.1.3. Pearson's correlation

Table 8: Pearson's correlation

Pearson Correlations		Employee Performance	Training	Motivation	Working Environment	Organizational Culture	Supervision	Ind. Characteristics
Pearson Correlation	Employee Performance	1.000	.342	.365	.430	.387	.333	.328
	Training	.342	1.000	.031	.075	-.056	.004	-.092
	Motivation	.365	.031	1.000	.051	-.087	-.033	-.072
	Working Environment	.430	.075	.051	1.000	.086	-.099	-.039
	Organizational Culture	.387	-.056	-.087	.086	1.000	.106	.015
	Supervision	.333	.004	-.033	-.099	.106	1.000	.017
	Ind. Characteristics	.328	-.092	-.072	-.039	.015	.017	1.000
Sig. (2-tailed)	Employee Performance	.	.000	.000	.000	.000	.000	.000
	Training	.000	.	.030	.010	.017	.047	.064
	Motivation	.000	.030	.	.019	.074	.029	.011
	Working Environment	.000	.010	.019	.	.078	.051	.025
	Organizational Culture	.000	.017	.074	.078	.	.040	.040
	Supervision	.000	.047	.029	.051	.040	.	.039
	Ind. Characteristics	.000	.064	.011	.025	.040	.039	.
N	Employee Performance	276	276	276	276	276	276	276
	Training	276	276	276	276	276	276	276
	Motivation	276	276	276	276	276	276	276
	Working Environment	276	276	276	276	276	276	276
	Organizational Culture	276	276	276	276	276	276	276
	Supervision	276	276	276	276	276	276	276
	Ind. Characteristics	276	276	276	276	276	276	276

Source: Own survey, 2016

As stated on the literature and statistical descriptive statistics, there are many factors that can affect the Employee Performance of Ethio Telecom Addis Ababa Zonal offices. The factors like Training, Motivation, Working Environment, Organizational Culture Supervision and Individual Characteristics were significant and detailed as follows. The level of significance is kept 0.05 because of the primary nature of data that has the probable chances of being uncertain.

The table 8 shows three things, First, it shows the value of the Pearson correlation coefficient between every pair of variables (e.g. we can see that the Working Environment had large positive relation with Employee Performance, $R=.430$). Second, the one-tailed significance of each correlation is displaced (e.g. the correlation above is significant, $p<.001$). Finally, the number of cases contributing to each correlation ($N = 276$) is shown.

The research used the Pearson's coefficient of correlation (r) to study the correlation between the study variables and the findings. From the findings, it was clear that there was a positive correlation between Employee Performance and Training with a correlation figure of 0.342, it was also clear that there was also a positive correlation between Employee Performance and Motivation with a correlation value of 0.365, a positive correlation between Employee Performance and Working Environment with a value of 0.430 and a positive correlation between Employee Performance and Organizational Culture with a correlation value of 0.387, and Employee Performance and Supervision had a positive relationship with a value of 0.333 and a positive correlation between Employee Performance and Individual Characteristics with a correlation value of 0.328. This shows that there was positive correlation between Employee Performance and Training, Motivation, Working Environment, Organizational Culture Supervision and Individual Characteristics.

In addition, the research conducted a multiple regression analysis so as to assess the factors influencing Employee Performance in Ethio Telecom Addis Ababa Zonal offices.

Coefficient of Determination (R^2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.908[a]	.825	.821	.27596851	.825	210.823	6	269	.000	2.166

a. Predictors: (Constant), Ind. Characteristics, Organizational Culture, Working Environment, Motivation, Training, Supervision

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	-.090	.074		-1.212	.226	-.237	.056
Training	.162	.012	.355	13.771	.000	.139	.186
Motivation	.187	.012	.405	15.715	.000	.164	.211
Working Environment	.182	.012	.401	15.463	.000	.159	.206
Organizational Culture	.166	.012	.366	14.096	.000	.143	.189
Supervision	.160	.012	.339	13.111	.000	.136	.184
Ind. Characteristics	.171	.011	.394	15.328	.000	.149	.193

b. Dependent Variable: Employee Performance

Source: SPSS Output

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (Employee Performance) that is explained by all the six independent variables (Training, Motivation, Working Environment, Organizational Culture Supervision, and Ind. Characteristics).

Dependent Variable: Employee Performance

Significance at 5% significance level

EXPV = -.090 + 0.162(TR) + 0.187(MO) + 0.182(WE) + 0.166(OC) + 0.160(SP) + 0.171(IC)

R square (R^2) is the correlation coefficient square .825 also referred to as the coefficient of determination. This value indicates the percentage of total variation of Y (Employee Performance) explained by the regression model consisting of independent variables. The R^2 value of .825 means that about 82.5 % of the variation in Employee Performance is explained by the explanatory variables. This therefore means that other factors not studied in this research contribute 17.5% of the employee performance in the institution. Therefore, further research should be conducted to investigate the other factors (17.5%) that influence Employee Performance at Ethio Telecom Addis Ababa Zonal offices.

The *b*-values tell us about the relationship between the Employee Performance and each predictor. It depicts a positive relationship between the predictor. For these data all of the predictors have positive *b*-values indicating direct relationship. So, as Employee Performance

increase, as on Training, Motivation, Working Environment, Organizational Culture, Supervision and Individual Characteristics increase. The *b*-values tell us more than this thought. They tell us what degree each predictors affects the outcome also. The intercept value 0.090 means that if the values of Training, Motivation, Working Environment, Organizational Culture, Supervision and Individual Characteristics are zero the Employee Performance will increase by 9 %.

When we see the standard deviation by holding other explanatory variables constant a standard deviation increase degree of Motivation, on average, leads to a .187 standard deviation increase in Employee Performance. Motivation has an impact on Employee Performance like other explanatory variables.

Training is also found to be important in explaining Employee Performance. The variable is statistically significant at 5% level and positive, revealing strong direct relationship between Training and Employee Performance. The increment of Training by one unit increases the Employee Performance of firms by 16.2 %.

Working Environment is statistically significant at 5% significance level and positive, indicating a weak direct relationship between Working Environment and Employee Performance. The magnitude of marginal changes other things remaining the same, a one percent change in Working Environment imply enhance of Employee Performance by 18.2 %.

Motivation is found to have positive effect at 5% significant level for the Employee Performance. The increments in the level of Motivation Practice of Ethio-Telcom of Ethiopia, on average Employee Performance will increase by 18.7 % other variables keep constant. This indicates that Motivation and Employee Performance are negatively correlated.

With regard to Organizational Culture, it is found that Organizational Culture has also positive influence on the Employee Performance and found to be significant at 5% level. This shows that increment of additional Organizational Culture, the Ethio-Telecoms' Employee Performance raise by 16.6%. This implies that the existence of suitable Organizational Culture will have a positive impact on Employee Performance.

Supervision is statistically significant at 5% significance level and positive, indicating a less direct relationship between Supervision and Employee Performance. The magnitude of marginal changes other things remaining the same, a one percent change in Supervision imply an increase of Employee Performance by 16%.

Individual Characteristics is found to be important in explaining Employee Performance. The variable is statistically significant at 5% level and positive, revealing strong direct relationship between Individual Characteristics and Employee Performance. The increment of the right Individual Characteristics for the job increase by one unit Employee Performance of firms by 17.1 %.

The SPSS Output shows which contain an analysis of variance (ANOVA) that tests whether the model is significantly better at predicting the outcome than using the mean as a 'best guess'. Specially, the F-ratio represents the ratio of the improvement in prediction that results from the model, relative to the inaccuracy that still exists in the model.

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	96.336	6	16.056	210.823	.000[b]
	Residual	20.487	269	.076		
	Total	116.822	275			

Source: SPSS Output

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Ind. Characteristics, Organizational Culture, Working Environment, Motivation, Training, Supervision

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary of Major Findings

This study presents that the variables of Training, Motivation, Supervision, Working Environment, Organizational Culture and Individual Characteristics do affect the employees' performance at Ethio-Telecom. Among them Motivation has insignificant role in explaining Employee Performance. Since motivated young employees perform better than their elder counterparts showing that youngsters are more entrepreneurial. Youngsters tend to perform better and exert more effort compared to their elder counterparts. And also Working Environment strongly determines employee performance in Ethio Telecom.

Training has a direct and significant effect on the performance of employees of Ethio telecom. Newton (2006), Viscal (2011), Pulakos et al. (2000), and Mubashar & Muhammad (2011) in their respective study found out those organizations without viable training programs would fail to provide employees with frequent opportunities to practice and enhance their capabilities, which ultimately affect the performance of employees.

Conferring to the Stewart (2010), norms and values of Organizational Culture highly effect on those who are directly or indirectly involved with the organization. And this is supported by the findings of the study. We can see that the Organizational Culture had large positive relation with Employee Performance, R=.387).

Supervision has a positive relation with that of Employee Performance. Employee Performance and Supervision had a positive relationship with a value of 0.333 as we can see from the findings and we can say that it is dependent to each other plus lack of thereof has an impact to each other.

There is strong evidence that individuals who perceive that they have a good relationship with their immediate supervisor tend to put increased effort into doing their work well, in order to cement their relationship (Rollinson and Broadfield, 2008). Results from research shows that majority of the respondents relate well with their supervisors and co-workers.

5.2. Conclusions

The purpose of this research was drawing the Factors Affecting Employee Performance in Ethio telecom Zonal offices in Addis Ababa. Motivation has significant role in explaining Employee Performance. Working Environment strongly determines Employee Performance in Ethio Telecom. From the finding and hypothesis of the study it can be concluded that all the independent variables affect the performance of employees in Ethio Telecom zonal offices. A Motivated and qualified workforce is essential for any company that wants to increase productivity and customer satisfaction. In this context, Motivation means the willingness of an individual to do efforts and take action towards Organizational Goals. The challenge for any manager is to find the means to create and sustain Employee Motivation. There is a positive relationship between Motivation and employees' performance in Ethio Telecom zonal offices.

Training is among organizational factors deployed to effectively utilize the human resource of the organization. Training is defined as "set of systematic and planned activities designed by an organization to provide its members with opportunities to learn necessary skills to meet current and future job demands" (Desimone, Werner and Harris, 2010). Through Training programs, organizations ensure the necessary supply of competent and capable personnel for the effective organizational functioning (Haslinda, 2009) Training is also viewed an integral part of continuous improvement system in organization. In empirical research, the direct effects of Training program on Employee's Job Performance are generally supported Khan (2011). Therefore, it postulated here that development in skills level through Training program has positive effects on employee's performance. There is a positive relationship between Training and employees' performance in Ethio Telecom zonal offices.

The term Supervision refers to the combination of task and as well as relational aspects considered by the leader. Therefore, Supervision refers to the leader's actions directed to provide necessary task related guidance and moral support to his/her subordinates. Many studies have identified that followers have two types of need for leadership at workplace; need for structure and need for social support (Bodla and Hussain, 2009, 2010; De Vries, 2002; Landeweerd and Bouman, 1994). In need for structure, followers desire the leader's interventions to provide them necessary task related guidelines, clear operating procedures and methods to perform the work and deliver the task related feedback. In need for social support, employees desire social and moral support from their leaders. From the Empirical Literature results concerning Supervision Effect on Employee Performance, there is convincing evidence

that Supervision has positive impact toward Employee Performance. Therefore, it is postulated here that supervision exhibited by the leader to facilitate the followers in task performance and also providing them the necessary social support has direct and positive effect on employee's performance. There is a positive relationship between Supervision and employees' performance in Ethio telecom zonal offices.

According to this study, the Organization's Culture matter a lot in upgrading the Employees' Performance. Based on the Empirical Literature suggestions that culture can be studied as an integral part of change process and that certain culture traits may be utilized as predictors of performances of an organizations and employee effectiveness (Daniel and Aneil, 1995).The good and competitive Organization Culture enhances the performance of the work force. The members of the organizations are encouraged to work effectively if the culture of the organization is strong and motivating Organizational culture is a reflection of employees' performance. It is directly proportional to the employees' performance. There is a positive relationship between the Organization's culture and employees' performance in Ethio telecom zonal offices.

Concerning to the outcomes of Working Environment on Employee Performance, Working Environment is the second major factor to affect the Employee Performance the Empirical Literature results also show that, if the Environment is easy and comfortable to work, then the employees are encouraged to work effectively and efficiently.

5.3.Limitation of the Study

The major limitation of this study may be failure to address all factors that affect the performance of employees and also covers only Ethio Telecom zonal offices found in Addis Ababa. The reason for deal with Addis Ababa zonal offices were due to time constraint. Although the population size is finite which requires sample size determination formula but the sample size determined through the formula made the collection of data unmanageable, and the study utilized standardized table which is representative.

5.4. Recommendations

From the above findings of the study the researcher made the following recommendations.

➡ For the performance in organizations to improve, the organization should ensure that for the purpose of developing skills, changing behaviour or increase competence in employees, the employees should be trained in their respective areas so as to ensure that they cope with the rapidly changing technology, and also ensure that all employees are involved in the Training exercise.

➡ The employees of Ethio-Telecom therefore, tend to work hard to strengthen the relationship between them and the supervisors hence improve their performance towards achieving organizational goals since good relationship is a result of socialization.

➡ The management should also check the Working Environment of work conduciveness. Since employees need suitable Working Environment which in turn affects their performance; the management should therefore look the surrounding of employees for better performance.

➡ Granting Motivation for employees without bias is recommendable to perform their task. The motivators have the ability to create an effective motivation in individuals in order to be able to perform and exert considerable effort but Ethio telecom cannot use motivators until all the hygiene factors have been fulfilled. This implies that non-monetary incentives (like recognition of their work and career development) are better to keep employees motivated and satisfied in their work.

➡ It is better for Ethio telecom to enhance employees' performance by investing more in training programs. Employees need up-to-date knowledge and skills to perform well because training continually nourish their work attitude and behaviour.

➡ Employee performance is dependent on Training, Motivation, Organizational Culture, Working Environment, Supervision and Individual Character. Therefore the researcher recommends Ethio telecom to give attention on giving training to its employee to achieve more and motivate them to encourage well. In addition the working environment and organizational culture should attract them to come with success.

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Appendix-A

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.8149594	3.7934945	2.4746377	.59187159	276
Residual	-.48239541	.57013798	0E-8	.27294134	276
Std. Predicted Value	-2.804	2.228	.000	1.000	276
Std. Residual	-1.748	2.066	.000	.989	276

a. Dependent Variable: Employee Performance

Histogram
Dependent Variable: Employee_Performance

55
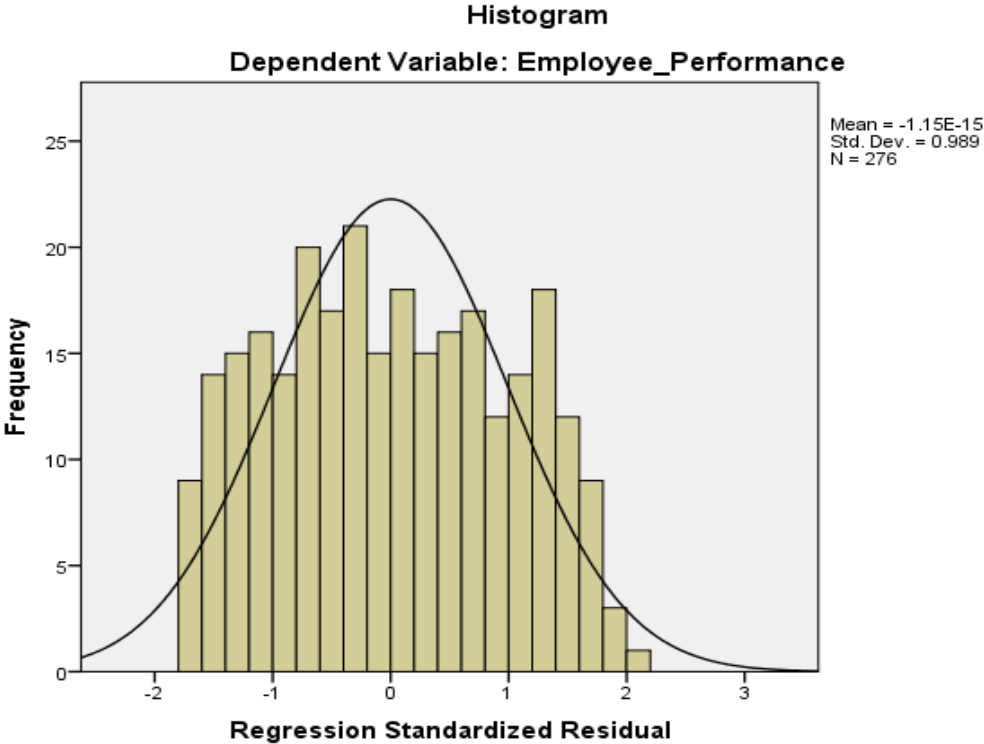
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Employee_Performance
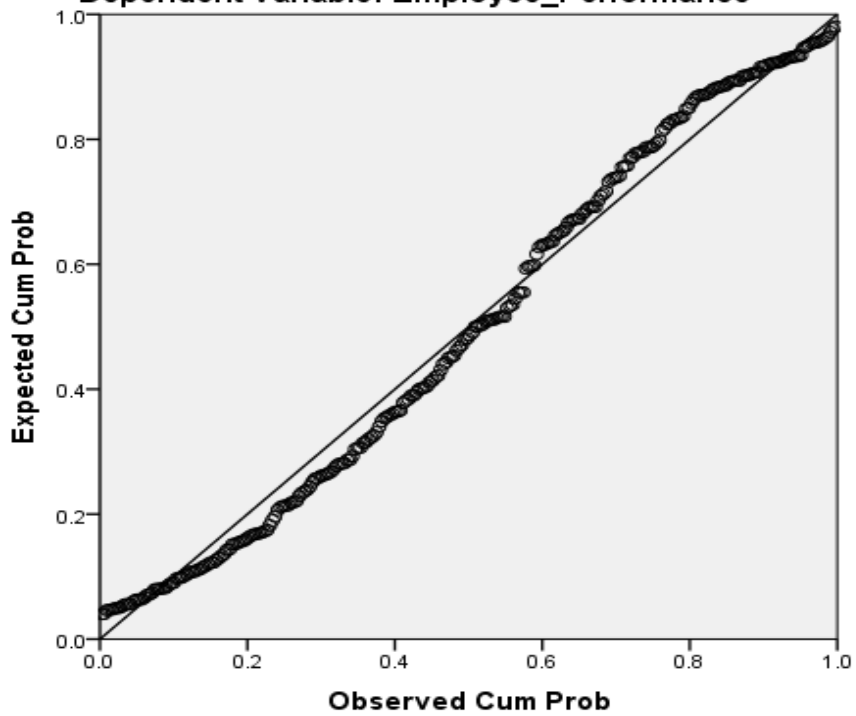
Scatterplot

Dependent Variable: Employee_Performance

The above scatter plot graph shows a visual inspection suggests that the relationship with Emp. Performance is linear.

Appendix-B

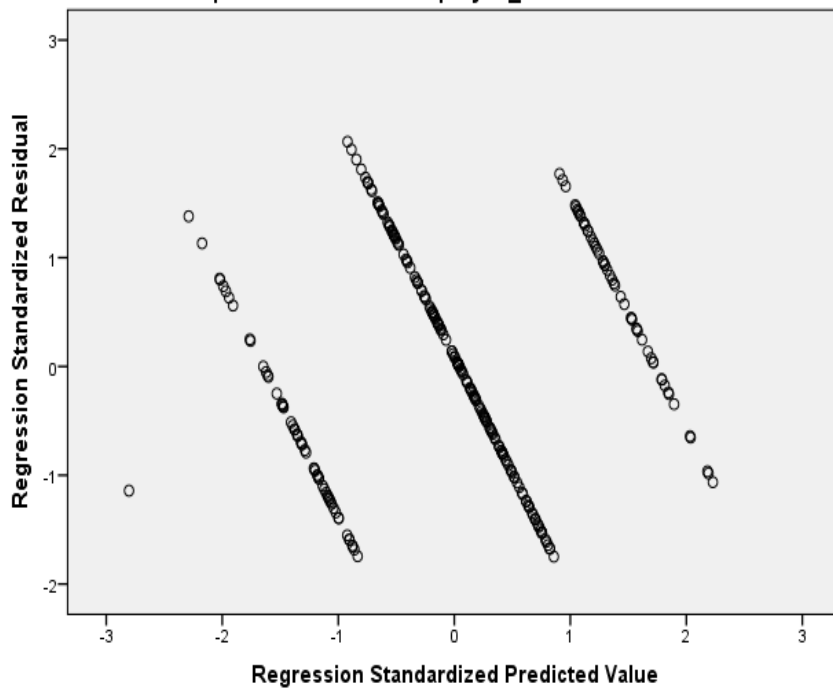| Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Training	276	.00775	4.99974	2.5993756	1.42444245	-.018	.147	-.185	.292
Motivation	276	.02214	4.99898	2.6095922	1.40868418	-.082	.147	-.152	.292
Working Environment	276	.01506	4.97776	2.4381640	1.43146717	.030	.147	-.211	.292
Organizational Culture	276	.00611	4.99859	2.3610136	1.43708578	.133	.147	-.157	.292
Supervision	276	.03868	4.98992	2.4205594	1.38026271	.036	.147	-.055	.292
Ind. Characteristics	276	.00132	4.99512	2.5135494	1.49968453	.026	.147	-.209	.292
Employee Performance	276	.50000	3.50000	2.4746377	.65177370	-.054	.147	-.394	.292
Valid N (listwise)	276								

Source: SPSS Output – Test for normality

The skewness statistics for all variables are within the acceptable range for normality

(-1.0 to +1.0).

Questionnaire

St. Mary's University
School of Graduate Studies
General MBA program

I am graduate student in St. Mary's University (SGS) carrying out a research under the topic "**Factors Affecting Employee Performance:** The case of Ethio-Telecom Addis Ababa Zonal Office. The objective of this paper is to find out factors affecting employee performance in Addis Abeba Zonal offices. To this end, the study intendeds to gather information from those six zonal offices found in Addis Ababa through administered questionnaire. Therefore, your precise and clear answers to this questionnaire will ended be critical for the success of this study. All information provided would be kept entirely confidential manner, and the results will be used only for the purpose of this research. This research is undertaken as part of fulfilment for the program.

Section A: Demographic Data

Close-ended questions are answered by placing a tick (✓) mark with in the box.

1. **Gender:** Male ☐ Female ☐

2. Age (Years)
    i. 21–30 ☐ ii. 31- 40 ☐ iii. 41- 50 ☐ iv. 51 & Above ☐

3. Please indicate your level of education
    i. Diploma ☐ ii. Degree ☐ iii. Master and above ☐

4. **How many years have you been in Ethio telecom?**
    i. 1 – 5 years ☐
    ii. 6 – 10 years ☐
    iii. 1 – 15 years ☐
    iv. Above 15 years ☐

5. **Your current position in the Ethio telecom?**
    i. Managerial (N-3 & above) ☐
    ii. Non-managerial (N-4 & N-5) ☐

SECTION B: Opinion Investigation on Factors Affecting Employees Performance

General Directions

For each of the questions in the following sections, please tick a number that represents your choice as to the level of agreement or disagreement with a check mark (**X**)

Strongly disagree=1, Disagree =2, Uncertain =3, Agree =4, strongly agree=5

	Training	**Rating Scale**				
No	Statements	1	2	3	4	5
1	Good opportunities are available to take job related trainings which adequately address the skill gaps and ensure job effectiveness.					
2	Incompetent employees are identified and provided with the necessary training					
3	The training that I take meets the objective of the company.					
4	The methods of delivering the training are clear					
5	The materials distributed were helpful					
6	The content was organized and easy to follow					
	Motivation	**Rating Scale**				
No	Statements	1	2	3	4	5
1	Your monthly salary is competitive compared with other organizations					
2	Monthly salary is in accordance with your work experience					
3	Recognitions are available for outstanding employees					
4	Compensation packages like bonuses are given to employees					
5	You are satisfied with your fringe benefits					
6	Opportunities exist for job advancement and promotion					
	Working environment.	**Rating Scale**				
No	Statements	**1**	**2**	**3**	**4**	**5**
1	I believe in and take pride in my work and my workplace					

No	Statements	1	2	3	4	5
2	My working Environment gives me a feeling of personal accomplishment.					
3	My working Environment feels me encouraging to coming up with new and better ways of doing things.					
4	The emotional climate of the organization is generally positive and supportive					
5	I believe that the administrative team considers my needs and preferences when making decisions that affect my work life					

Organizational culture		**Rating Scale**				
No	Statements	1	2	3	4	5
1	Employees in this organization have a shared sense of purpose and objectives					
2	**I'm comfortable with the communication style of the company**					
3	**I like the way decisions are made in my organization**					
4	**I'm comfortable with how employees are treated**					
5	My company give attention for empowering employees					
6	The employees in the organization are considered innovators and risk takers					

Supervision		**Rating Scale**				
No	Statements	1	2	3	4	5
1	Supervisors had time to coach an employee to perform a task					
2	Supervisors motivate employees/team members **by giving clear work instruction or guidance**					
3	I am comfortable by the supervisory leadership style					
4	**Supervisors** have time to manage conflict within your department/team/group.					
5	**My supervisor evaluates my performance and take corrective answer**					

Individual Characteristics		**Rating Scale**				
No	Statements	1	2	3	4	5
1	Your gender contributes for your level of performance					
2	Education plays an important role in the performance of employees in their job					
3	with age an employee can show low performance or high performance					

No	Statements	1	2	3	4	5
4	Your marital status affects your job performance					
	Overall Image of the organization that you work in	**Rating Scale**				
No	Statements	1	2	3	4	5
1	People in this organization put more energy in to identifying mistakes than into figuring out how to do things right.					
2	I am proud to tell people that I work for this organization.					
3	In this organization, people in different departments or programs try to help each other.					
4	Most people here know how their work contributes to this organization's mission.					
5	This organization provides me with skills and knowledge that will benefit my future career					

Low=Poor Performance, Fair Performance =2, Good performance=3, Very Good Performance=4, and Excellent Performance=5

No	Statements	1	2	3	4	5
	Employees Performance	**Rating Scale**				
No	Statements	1	2	3	4	5
1	I well understand and obey to policies and procedures of Ethio telecom					
2	I effectively use resources including time and materials					
3	I serve as many customers as possible and develop logical and creative solution to problems					
4	I actively peruse or initiate projects for the benefit of Ethio telecom					
5	I effectively work with staffs and I am friendly to new ideas and concepts					

SECTION C: Open-Ended Questions

What are the major factors affecting employees performance in your opinion?

_____
_____
_____
_____
_____

If you have any comment that you want to give me please write on the space provided.

_____
_____
_____
_____
_____

Thank you for completing this questionnaire.

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of **Shoa Jemal (Asst. Prof)**. All source of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning degree.

    Feyori Bekele Abdi

          Name   Signature

St. Mary's University, Addis Ababa   **November, 2016**