ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

EFFECTS OF WORKING ENVIRONMENT ON EMPLOYEES' PERFORMANCE: THE CASE OF DASHEN BANK

Thesis submitted to St. Mary's University school of graduate studies in partial Fulfillment of the Requirements for the Degree of Master of Business Administration

BY: SHEWAFRA KETSELA

JUNE 2022

ADDIS ABBAB ETHIOPA

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ADVISOR: ASRES ABITE (PHD)

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Declaration

This is to certify that, prepared by Shewafera Ketsela carried out this research work on the topic entitled "The effect of working environment on employee performance, in the case of Dashen Bank". And submitted in partial fulfillment of the requirement for the degree of Master of Business Administration in the Department of business administration complies with the regulations of the university and meets the accepted standards concerning originality and quality.

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Statement of Declaration

I the undersigned, declare that this thesis titled "The effect of working environment on the employee performance in the case of Dashen Bank" is my original work and has not been presented for a degree in any degree in other university and that all sources of material used for the thesis have been punctually acknowledged.

Declared by

      Name: - Shewafera Ketsela

      Signature: --------------------------

      Date: --------------------------

Statement of Certification

This is to certify that Shewafera Ketsela carried out this research work on the topic entitled "The effect of working environment on employee performance, in the case of Dashen Bank". The work is original and it is suitable for submission for the award of the degree of Master of Business Administration in the Department of business administration.

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    Signature: -------------------------

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Table of Contents

List of Figures

List of Tables

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ABSTRACT

The main goal of this study was to investigate the effects of the working environment on employee performance in Dashen Bank. A descriptive research approach design in carried out this research. Cross-sectional data were collected to address the research objectives of the study using a self-administered questionnaire from 378 employees using a random probability sampling technique. The collected data were analyzed using descriptive statistics, correlation, and regression analysis through the statistical package for social science (SPSS) version 26. The study used six major working environment factors including; physical environment, reward, work-life balance, training, workload, and, discrimination as predictor/independent variables and employee performance as the dependent variable. The finding of the research implicated that physical work environment, reward, and, training have a positive and statistically significant impact on employee performance while; workload and discrimination have negative and statistically significant impacts on employee performance. On the other hand, work-life balance has shown a statistically insignificant impact on employee performance. Pearson product moment correlation coefficient results showed a significant positive relationship between physical working environment, reward and training and employee performance while negative significant relationship is found between work life balance, workload, discrimination and employee performance. Based on the findings of the study, recommendations made for the management of the Dashen Bank are physical work environment in terms of lighting, noise level, temperature, building orientation, building paint, and ventilation should be made sure that they stay at an acceptable level, discrimination has to be minimized at the workplace by encouraging employee irrespective of gender, age, ethnic group or religious belief to participate in decision making as this will help to reduce discrimination in the workplace.

Keywords*: Dashen Bank, Employee performance, working environment*

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Employee performance is critical to the functioning of an organization as well as to the advancement of employees. The Work environment plays an important role in an organization. Most of the problems faced by employees are related to the working environment. The level of productivity can be increased by developing a conducive working environment in the organization. The workplace is an arranged area that is provided by the company to achieve its goal. The arranged area can be described as the layout of a workspace that suits the nature of the job or task that is to be performed. It can have an office layout with cubicles, desks, chairs, and cabinets, or just a work table with a wall fitted with all types of hand tools that suits a workshop. The right type of working environment is needed in order to attract users to feel comfortable and this would enable them to work effectively. An environment is the immediate surroundings of a user which is manipulated for their existence or use. Hence, a workplace gives an environment for the employee to perform a given task. The working environment is a broad term and means all your surroundings when working. Your physical working environment is, for example, your work tools as well as air, noise, and light. But your working environment also includes the psychological aspects of how your work is organized and your wellbeing at work (Ajala, 2012). Based on a research done by Oswald (2012), there are two types of working environments which are the physical component as well as the behavioral component. It is said that the physical environment consists of elements which is related to the connectivity of the user with their office environment. Meanwhile, the behavioral environment consists of elements which are related to the connectivity between users in the same work environment as well as the effect of working environment on the user's behavior

How well a workplace engages employees, effect their desire to learn skills and their level of motivation to perform. In a state of increasingly competition among business companies good performance of human resources is needed. A healthy work is a place where everyone works together to achieve an agreed vision for the health and well-being of workers and the surrounding community. It provides all members of the workforce with physical, psychological, social and organizational conditions that protect and promote health and safety. It enables managers and

1

workers to increase Work-Life their atmosphere and improve it, and to become more energetic, positive, and contented. In return, the workforce is more stable, committed and productive. Workers are human beings and income-producing assets like fixed and non-fixed assets. Nevertheless, unlike all other assets, human assets have thousands of questions and complaints whenever their working environment failed to meet their complaints and expectation (Subramariam and Saravanan, 2012). A foremost part of employee's life is spent on work, which is a social reality, and social expectations to which human beings seem to confirm. It is always of great importance to explore why workers work, at which degree they perceive their work, and how they satisfied with their career (Khalid and Irshad, 2010). Human resources were considered to be the most vital and useful assets, as other assets, can be exploited with the proper use of human resources. People the human resource are considered by many to be the key and most important resources of an organization.

A good work environment is significant for work to sustain and attract workers. Dissatisfaction with working life is a problem, which affects almost all workers regardless of position or status. Many managers seek to reduce dissatisfaction at all work levels, including their own. This is a complex problem, however, because it is difficult to isolate and identify all of the attributes, which affect the work environment conditions (Walton, 2005). Workers are important parts of the banking industry in Ethiopia. Currently, there is a huge development bustle yet to be carried out. One of the key factors to ensure the desired level of economic growth in a developing country like ours is achieving a significant amount of investment by the private as well as the public sector. For that reason, this study assessed the effect of the working environment on workers' performance in the case of Dashen Bank.

Even if much the research is done on the concepts of the working environment in a different part of the world however there is a lack of literature on Ethiopian cases. It is insufficient literature that could help comprehend the relationship between the working environment and employee performance among the bank industry. This study, therefore, investigated the effect of working the environment on employee performance; in the case of dashen bank.

Dashen Bank was founded by eleven visionary shareholders and veteran bankers with an initial capital of Birr 14.9 million in September 1995. Upon securing a license from the National Bank

of Ethiopia, Dashen opened its doors for service on the 1st of January 1996 with eleven fully-fledged branches.

Dashen Bank coined its name from the highest peak in Ethiopia, mount Dashen, and aspires to be unparalleled in banking services. Ras Dashen is Part of the Simien Mountains National Park, an exotic setting with unique wildlife and breath-taking views of a landscape shaped by nature and traditional agriculture.

The Simien Mountains are home to endemic wildlife including the Walia Ibex, Simien Fox or Ethiopian Wolf, and the Gelada Baboon. Dashen aspires to set new heights in banking services through the delivery of unique value propositions second to none.

Headquartered in Addis Ababa, the Bank is among the biggest private Banks in Ethiopia. It operates through a network of more than 540 Branches, ten dedicated Forex Bureaus, 1000 ATMs, and 850 plus Point-of-Sale (POS) terminals spread across the length and breadth of the nation. It has established correspondent banking relationships with 462 banks covering 70 countries and 170 cities across the world. Wherever business takes customers around the world, Dashen Bank is already there.

Dashen is the most reputable brand in the domestic banking market; a reputation earned through consistent delivery of values and preeminence unmatched by its competitors. Apart from conventional banking, Dashen Bank also offers Sharia Compliant Interest-free Banking dubbed "SHARIK". The Bank also works in partnership with leading brands in the electronic payments industry (AMEX, VISA, MasterCard & Union Pay) and prominent money transfer operators (Western Union, MoneyGram, Express Money & Dahabshiil, Ezremit, Transfast, World Remit, and Ria).

Dashen Bank and its technology partner Moneta Technologies introduced "Amole" Digital Omni channel payment platform that offers subscribers digital payment capacity and access to aggregated digital products and services from Retailers, Entertainment Industries, Airtime Dealers, Bill Payment Points, Airlines, social media Players, and Third-Party Service providers.

1.2. Statement of the Research Problem

A working environment is an environment where people work together for achieving organizational objectives (M. Tanique Tahir, 2015). It means systems, processes, structures, tools, and all those things which interact with employees and affect employees' performance in positive or negative ways. Work environment relationship with various aspects of employees' attributes

such as work involvement, motivation, job satisfaction, productivity, etc. was studied. A work environment condition has become one of the essential concerns among contemporary workers and managers. Workers are the stimulus energy that is behind every successful work. The mere use of technology and techniques cannot bring success to the work (Normala, 2010). This paper was also initiated to understand how the work environment affects the productivity of employees in the banking sector. Work environment conditions and work commitment are two of fundamental subjects in management practices across the world.

In today's highly competitive environment, there are many works, which provide integrated systems of beneficial services, which include family benefits, to their staff. Individuals spend a great part of their lives in adulthood trying to get higher education degrees, job, and success in life. They have even delayed making a family. These individuals might be precious for their employers, but trying to face work-family problems and concentrating on a profession at the same time can reduce their efficiency at the work place. When workers are committed to the work, they get their identity inside it and remain loyal to it (Asgari and Dadashi, 2011).

The banking sectors have undergone a structural change over the past decades, which have put new stresses and legitimacies for its workers. Banking workers have perhaps felt the maximum work pressure and have to deliver timely service in order to meet work goals and ensure client satisfaction. Most working hours of banking is now increasing in order to cope up the increased expectation of customers. Working environment is helpful increasing employees' level of productivity. Factors like supervisor support, good relation with co-workers, training and development, attractive and fast incentives and recognition plans and adequate work load are helpful in developing a working environment that has positive impact on employees' level of productivity in the organization. In the review of the literature, theoretical and empirical studies like Sumra (2005), Brenner (2004), Sekar (2011), Harter et al., (2002), Njenga et al., (2015), Nanzushi, (2015), have been addressed especially on how working environment relate and affect employee performance as it is practiced in various areas in the world. It is the quality of the employee's workplace environment that most impacts on their level of motivation and subsequent performance. How well they engage within the organization, especially with their immediate environment, influences to a great extent their error rate, level of innovation and collaboration with other employees and absenteeism.

However, the effect of working environment on employee's performance identified from theoretical and empirical analysis is that, management must take an active role in not only defining the physical environment of the workplace and making it conducive for workers but also alter the management style to suit the employees. This refers to changing aspects like ethics, behavior, commitment, professionalism, drive, and interpersonal relations in employees for the better performance. Also, principals of management that dictate how, exactly, to maximize employee productivity center around two major areas of focus: personal motivation and the infrastructure of the work environment.

Therefore, from the above descriptions, this study has tried to determine the effect of working environment on employees' performance in the case of Dashen Bank.

This study is designed to examine the effect of working environment on employee's performance at the Dashen Bank share company which operates at the center Addis Ababa with about 6,969 permanent employees. The problem six identified which made to undergo this research is based on the physical work environment which mostly affect employee's productivity. The company is located in throughout the country doing business. Through this study the employer will get to know how its work environment affects greatly on the employee's level of motivation and productivity. A well-designed office signals the values and objectives of the organization and the use of design in office interior communicates an organization values and identity. Office design therefore should be one of the factors in affecting employee's productivity. Employee's morale is often interrelated when it comes to productivity in the work environment. It is therefore important to find out the impact of working environment on employee's productivity at this company which will provide knowledge and measures to other organization in Banking industry.

Even though, significant amount of research has been undertaken to add their own contribution to the concept of working environment, employee performance and effects of working environment on employee performance; most of these studies were however, carried out in developed countries and few developing countries. The finding of the study in one country may not serve to another. More clearly, there is a gap on the area that is done in Banking industry regarding to the effect of working environment on employee performance. As far as concerned the researcher knowledge, the researcher cannot find research studies conducted using the working environment factors physical working environment, workplace reward, work life

balance, training, workload and discrimination and its effect on employee performance in Banking industry. Due to shortage of performing research in this field particularly in Ethiopia and also special importance of maximizing employee performance; the researcher was interested to fill this research gap in banking industry by conducting this study. In addition, the researcher was also interested to know about the effect of working environment on employee performance in detail. Therefore, the current study examines the effect of working environment on employee performance the case of dashen bank.

1.3. Research Objectives

This research was being guided by the following study objectives

1.3.1 General Objective

The general objective this study is to assess effect of working environment on employees' performance, the case of Dashen Bank.

1.3.2 Specific Objectives

More specifically, with the above general objective, this thesis has the following specific objectives;

1. Assessing the effect of physical work place environment aspects on the performance of employees in the case of Dashen Bank.
2. Examine the effect of reward aspects of the job on the performance of employees in the case of Dashen Bank.
3. Assess the effect of training and development opportunities in the work place on the performance of employees in the case of Dashen Bank.
4. To address factors, work life balance on the performance of employees in Dashen Bank.
5. Examine the effect work load on employee performance in the case of Dashen bank
6. Examine the effect discrimination on employee performance in the case of Dashen bank

1.3.3. Research Questions

This study has tried to answer the following research questions

1. To what extent working environment affect worker's performance Dashen Bank?
2. How physical workplace environment aspect affect the performance of employees in the case of Dashen Bank?
3. In what manner reward aspects of the job affect the performance of employees in the case of Dashen bank?
4. In what degree training and development opportunities in the work place affect the performance of employees in the case of in Dashen Bank?
5. Does work life balance affect the performance of employees in Dashen Bank?
6. What is the effect of workload on employee performance in Dashen Bank?

1.4. Research Hypothesis

In order to find out the relation the relationship and effect of working environment on employee's performance, the following hypothesis was developed based on theoretical and empirical review.

H1: 1**.** Physical environment has positive and significant effect on employee performance.

H2: 2. Reward has positive and positive and significant effect on employee performance.

H4: 3. Training has positive and positive and significant effect on employee performance.

H4: 4. Work life balance has positive and significant effect on employee.

H5: 5. Workload has negative and significant effect on employee performance.

H6: 6. Discrimination has negative and significant effect on employee performance.

1.5. Scope of the Study

The scope of the study covers the effect working environment on employee performance in the case of dashen bank. Among more than 14 private commercial banks in Ethiopia the reason why the researcher selected dashen bank is first, dashen bank was one of the leader private commercial banks up to two years ago but not now. Secondly, it's difficult to conduct research across all bank as it requires much time and money. From the theoretical perspective only physical work

environment, reward, work life balance, training, workload, and discrimination are considered as factor of working environment and employee work performance as dependent variable. Methodology this study used simple random sampling probability technique method in to achieve its objective.

1.6. Significance of the study

The importance of the findings of this study was that it crystallizes the extent of working environment conditions of the banking industry and its relation to work performance. Therefore, the outcome of this study mainly benefits dashen bank, another bank, another researcher, and the researcher itself.

- ➢ Findings of this study would assist to make a concrete recommendation to dashen bank about the effect of working environment on employee performance, which helps the dashen bank to achieve its doing business goal at maximum effort.
- ➢ When the bank industry come into existence the primary objective is to make a profit and to be competitive in the industry and this is done through the mental and physical ability of their employee. However, according to a preliminary study, there is different physical working environment condition in district and branches. To solve the above issues making the working environment suitable plays a great role in inspiring employees to perform their assigned work.
- ➢ In line with the above facts, primarily hope that the result of this study provides adequate information for banks regarding the effect of working environment on employee performance.
- ➢ The finding of this study will serve as reference material for the other researcher who wants to conduct research in this area.
- ➢ The finding of the study serves as input for the bank to assist in decision making, identifying key workplace issues develop strategies to address and improve the quality of working condition, and increase staff commitments to their work.
- ➢ Lastly, the study would benefit to enhance and practice the ability and creativity of research in the area of its field.

1.9. Limitation of the study

In undertaking the study, there was some limitation against achieving it objectives effectively. Those are firstly, lack of accessing records of employee performance and previous studies in this area. Secondly since this study only includes some branches and districts and generalization of the finding for other branches will be done with consideration. Thirdly, there was lack of cooperation in some respondents and management bodies during distribution the questionnaire. Fourthly distributing questionnaires not being cover due to internal war of country one district totally shutdown and some branches not stable, there are also time and money constraint.

1.8. Organization of the Study

The study will be structured into five chapters. Chapter one were deal with introduction, statement of research problem, research objectives and significance of the study. Chapter two were consisting of literature review which were comprise of conceptual definitions, theoretical review, empirical analysis and conceptual frame work. Chapter three were containing the research methodology which comprise of the research design, study area, research population, sampling design, and data collection methods. Chapter four were highlight the presentation and interpretation of data as well as discussing of findings. Chapter five were containing the summary of the study, conclusions, and recommendations.

CHAPTER TWO: LITERATURE REVIEW

This chapter presents a comprehensive review of relevant literature in an attempt to position the study in an appropriate theoretical framework. It reviews theoretical, conceptual, and empirical literature related to the study it comprises theories related to factor of workplace environment that affect the performance of employee, such as physical environment, reward, work life balance work load and discrimination. It furthers discuses findings of related researches.

This literature review attempts to discuss the various literature related to working environment which has effect on employee performance. The discussion also identifies gaps left by other researchers of similar studies. However, this study attempts to fill those gaps so that the write up can contribute to a new body of knowledge in the academic world. Through this review, literature is repackaged and analyzed as a way of bringing new insights into the problem studying.

2.1. Definition of working Environment

Kohun (1992) defines the working environment as the totality of forces, actions, and alternatives prestigious factors that are presently and probably competitive with the employee performance (as cited in Taiwo, 2010). Working environment is the sum of the interrelationship that exists within the staff and also the environment during which employee work. Brenner (2004) was of the opinion that the ability to share knowledge throughout the organizations depends on how the working environment is designed to enable organizations to utilize work environment as if it were an asset. This helps organizations to improve effectiveness and allow employees to benefit from collective knowledge. In addition, he argued that working environment designed to suit employee's satisfaction and free flow of exchange of ideas is a better medium of motivating employees towards higher productivity.

The physical working environment is the overall health and safety of employees, layout and design of the offices and work stations, available technologies, lighting, temperature, air circulation etc. It deals therefore with the physical or tangibles at the setting where job is performed. It includes things like machinery, office layout, temperature, ventilation, and lighting. It also includes noise level and space. Aspects of work such as heat, noise, and lighting have been shown to affect a number of psychological processes in both direct and indirect ways. Noise, for example, may impair the cognitive performance of certain kinds of tasks (Banbury and Berry, 1998).

Accordingly, there is the need for managers to play the role of facilitators to help address work barriers to improve productivity. The physical working environment of the employee includes the overall health and safety of the employee including the identifiable workplace, causes of accidents and illness.

The psychological work environment can be considered particularly as those elements of the workplace which are pertinent to worker conduct. The psychosocial working environment of the employee includes, among other things, a set of job factors related to the interaction between people, their work and the organization. By behavior, the three related types of psychological phenomena are considered: affect (e.g. emotions, mood, psychological symptoms, affective disorders); cognitions (e.g. attitudes, perception, decision-making); and behaviors (e.g. effectiveness, absence, motivation). The psychological work environment is therefore the set of those characteristics of work environment that affect how the worker feels. The psychological work environment provides a good description of the mental activities that a worker undertakes during working hours or at post. The psychosocial work environment is an important factor in any business organization, and knowing more of its correlates might open up new paths for future workplace interventions.

The social work environment deals with relationships at job settings. It includes communication styles, relationship between superiors and subordinates. It also includes relationship among coworkers, the readiness of others to assist and team work. To achieve a progressive work environment, personal respect for personnel at every levels of an establishment is vital in operations. Personal respect in the workplace includes but not limited to such issues as discrimination and segregation based on age, gender or racial background, sexual harassment and the role of personal politics in forming workplace relationships.

Briner, (2000) Elaborated working environment as awfully broad class that encompasses the physical setting (e.g. heat, equipment's etc.), characteristics of the work itself (e.g. workload, task complexity),broader structure options (e.g. culture, history) and even aspects of the additional organizational setting (e.g. native marketplace conditions, trade sector, work life balance) It means that work environment is the sum of the interrelationship that exists among the employees and the

employers and the environment in which the employees work which includes the technical, the human and the organizational environment.

Opperman (2002) defines working environment could be a composite of three major sub environments: the technical environment, the human environment, and the organizational environment. The technical environment refers to tools, equipment, technology, infrastructure, and alternative physical parts. The technical environment creates elements that enable employees perform their respective responsibilities and activities. The human environment refers to peers, others within whom workers relates, team and work teams, mutual problems, the leadership, and management. These environments are meant in such some way that encourages informal interaction within the work place so the chance to share data and exchange ideas may well be increased. This can be a basis to achieve the most productivity. Organizational environment embodies systems, procedures, practices, values, and philosophies. Measurement system wherever employees are rewarded on amount, therefore employees can have very little interest in serving to those workers who try to boost quality. Thus, problems with organizational environment influence employee's productivity. Management has control over organizational environment. Measurement system where people are rewarded on quantity, hence workers will have little interest in helping those workers who are trying to improve quality. Thus, issues of organizational environment influence employee's productivity and performance.

2.2. Factors of working Environment that Affect Employee Performance

Work environments have many properties, components or factors that may affect both physical and psychological well-being of workers (Briner, 2000). How well employees engage with factors in their working environments influences to a great extent in their error rate, level of innovation and collaboration with other employees, absenteeism and ultimately, how long they stay in the job which is a function of their commitment towards work (Chandrasekar, 2011). Chandrasekar identified twelve factors in workplace environment which either lead to engagement or disengagement of workers. These factors include: goal-setting, performance feedback, role congruity, defined processes, workplace incentives, supervisor support, mentoring/coaching, opportunity to apply new skills, job aids, environmental factors, and physical factors.

Arsalani et al (2011) also pointed out that factors of working environments are divided in to two parts physical and psychosocial. The physical includes the lighting, noise and poor ergonomics while psychosocial includes, influence at work, meaning of work, quality leadership and insecurity at work. Many other researchers have also showed various factors of working environment which include two broader dimensions such as work and context. Work includes different characteristics of the job like job carried out and completed, task activities training, job autonomy and achievement. Context comprises of physical working condition and social working conditions (Sousa-Poza & Sousa-Poza, 2000; Gazioglu & Tanselb, 2006; Skalli, Theodosius, & Vasileiou, 2008).

From several working environment factors presented in previous studies, the present study however, takes; physical environment, reward, work life balance, training, workload and discrimination as a major working environment factors.

2.2.1 Physical Working Environment

Ismail et al. (2010) state that physical environment in which employee performs has an impact on their performance as well as it limits the prosperity of the organization. And also, they state that the physical work environment consists of internal and external office layout, temperature, comfort zone and also the work setting or arrangement.

According to vischer (2007) the spatial layouts, noise, furniture, and lightning are included under physical working condition factor. The physical work atmosphere includes comfort level, ventilation, and lighting. This option assists on practical and aesthetic facet, the interior decoration and style of the work atmosphere that ultimately improves employee expertise and necessitates higher performance. The comfort level and temperature additionally well influence health of workers. Niemela et al. (2002) revealed that if there is high temperature the performance of the employee is reduced, and low temperature has relation to performance of manual tasks. Office style encourages staff to figure in a very bound manner by the way their work stations are designed. Spatial layout contributes plenty towards however the workers perform their tasks (Al Anzi, 2009). Closed workplace plan, which can carry with it every worker having a separate workplace of their own or some individuals in each office, permits workers a larger quantity of privacy than open

arrange work place layout. It permits staff to figure in peace and quiet, keeping them centered on their tasks while not plenty of distraction. It additionally offers staff a thinking frame and ability while not a lot of distraction.

According to McCoy and Evans (2005) the weather of physical work setting has to be correct so the workers wouldn't be stressed whereas doing their job. Physical components play a vital role in developing the network and relationships at work. All in all, the physical work atmosphere ought to support the specified performance. Vischer (2008) stressed that contributing geographical point setting ought to be prioritized because it provides support to the staff in closing their jobs. It should be conducive enough to enable performance of tasks by employees. For the purpose of this study the researcher identified five dimensions of physical work environment including: lighting, ventilation, noise, ergonomics, and spatial layout.

2.2.2 Reward

According to luthans (2000), Rewards may be financial and non-financial and that they can be utilized completely to boost performance of staff. According to McCormick and Tifflin (1979), rewards are classified in to two those are intrinsic reward (non-financial) and extrinsic reward (financial). Intrinsic rewards are inherent within the job itself together with what the workers enjoy as a result of finishing tasks successfully or attaining his goals. They are intangible benefits comprise of autonomy, feedback, achievement and recognition. Employees are experience satisfy when they have carried out something well worth in work and orally liked through the organization.

On the other hand, extrinsic reward comes from external and it is tangible in order to appreciate the task performed by employee. Extrinsic rewards are external to the task of the job, including pay, work condition, fringe benefits, security, and promotion, contract of service, salary, incentives, bonuses, payments and job security the work environment and conditions of work (Akanbi, 2008). A reward package will influence worker performance; it can facilitate to extend employee performance by enhancing employee skills, information and talents so as to realize structure objectives (Ajila and Abiola, 2004).

Studies have revealed that if a corporation fails to reward staff, it'll decrease worker performance which Associate in Nursing economical reward system may be an honest inducement however inefficient reward system will result in demotivation of staff in terms of low performance, internal conflicts, absence, high turnover, lack of commitment and loyalty and timing (Heng, et al.,2012). For the purpose of this study the researcher identified both extrinsic and intrinsic dimensions of reward.

2.2.3 Work Life Balancer

Work life balance might talk over with one among the following: structure support for dependent care, versatile work choices and family or personal leave (Estes and Michael, 2005). Work life balance employment practices are involved with providing scope for workers to balance what they are doing at work with the responsibilities and interests they need outside work (Armstrong, 2006). By thus doing, they reconcile the competitive claims of labor and residential by their own desires yet as those of employers. Work life balance policies can lower absence and facilitate tackle the low morale and high degrees of stress which will result in underperformance since the staff get uninterested in moving work and life responsibilities. Several researchers have united on necessary role of labor life balance because it is expounded with employee's psychological wellbeing and overall sense of harmony in life (Clark, 2000). Balanced work-life is related to magnified job satisfaction and structure commitment. Employee's work life experiences deepen their role-related engagement that is expounded to structure performance improvement.

2.2.4 Training

Nassazi (2013) remarks that employee training has an important role in the improvement and increasing productivity. It takes the shape of learning activities that prepare employee to exercise wider or magnified responsibilities. Tzafrir (2005) asserts that training is a vital part generating the human capital. It provides staff with the abilities, skills and data needed by the post. The target of training is to realize a modification within the behavior of these trained. This implies that the trainees shall acquire new artful skills, technical data and skills on the duty in such the simplest way on aid within the accomplishment of structure goals.

According to (Armstrong, 2006) training is helpful in order to fill the gap between what ought to happen and what's happening between desired targets or standards and actual levels of labor performance. Training would like is any inadequacy in worker performance, or potential performance which might be remediated by acceptable coaching. There are some ways of overcoming deficiencies in human performance at work, and coaching is one amongst them. Worker performance is also seen because the results of harmony between coaching and development and structure goal.

2.2.5 Workload

Workload in a very work setting is delineated as wherever tasks and responsibilities taken on will be accomplished with success among the time offered. Didomenico and Nassbaum, (2008) state that workload is set by the link between task demands, the circumstances beneath that task takes place and therefore the perceptions, actions, skills and information of the individual playacting the task. The task demands could embrace physical actions, psychological feature tasks and/or a spread of different factors. Hart &Stave land (1988) the expenditure incurred by someone, given their capacities (resources), whereas achieving a selected level of performance on a particular task with bound demands. These definitions imply that employment is that the attribute of labor that may be known because the personal set of skills staff have and the way they execute task demands inside the given time.

Rizzo et al., 1970 described Work overload as mismatch between the role requirements and the amount of time and resources available to meet the duty (As cited by Orly Michael, 2009). More clearly, Work overload is happening when employees perceive the time and resource available as not enough to complete the existing duty. Two types of Work over load are identified by researcher: qualitative and quantitative. Qualitative overload happen when people feel they lack the ability required to complete their jobs or that performance standards have been set too high. On the other hand, quantitative overload results from having too many things to do or insufficient time to complete a job (Ivancevic et al., 2012).

2.2.6 Discrimination

The United Nation's International Labor Organization (2015) defines Work place discrimination refers to a working environment that exhibits bias in the treatment of employees based on gender,

ethnicity, religion, age, disability and belief. It occurs. It occurs in hiring, promotion, job assignment, and composition. This conceptualization reflects world recognition of the persistence of unfair employment experience of individuals from spread of social group. Workplace discrimination not only hurts those who are discriminated against, it can also damage the entire organization. Companies may have trouble retaining employees, and those who stay may be dissatisfied with their jobs and distrustful of each other and of company management.

Discrimination in workplace could be direct or indirect. It is direct discrimination when an employer treats an employee less favorably than someone else. But indirect discrimination happens when a working conditions or rule disadvantages one group of people more than another. According to Hassan and Ali (2014); and Fatima and Omar (2014), the different dimensions of workplace discrimination are; gender discrimination, religion discrimination and ethnic discrimination. Other scholars identified six main types of discrimination which are; disabilities discrimination, sexual harassment, ethnic discrimination, age discrimination, sexual orientation discrimination and gender discrimination (Hemphill and Haines 1997). For the purpose of this study the researcher identified four dimensions of discrimination such as; age, gender, religion and ethnicity discrimination.

2.3. Employee Performance

Organizations are undergoing a transformation for coping against the changing needs of the environment and excelling in the business by building up their adaptive capabilities for managing change proactively. Sustainability of business organization is depending on talent, skill, knowledge and experience of employees and on their performance (Armstrong Michael, 2009). Performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. Employee's performance is the contribution of employees for the achievement of organization objective. Employees expected to perform acceptable level of the standard and managers follow up, and evaluate the performance of employees to attain the stated objective of an organization (Armstrong Michael, 2009). According to Cooke (2001) performance can be defined as the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and speed. In an employment contract, performance is deemed to be the accomplishment of a commitment in such a manner that releases the performer from all liabilities laid down under the contract.

17

Employee performance is generally checked out in terms of outcomes. However, it can even be checked out in terms of behavior (Armstrong 2000). Kenney et al. (1992) declared that employee's performance is measured against the performance standards set by the organization. There are varieties of measures which will be taken into thought once measure performance for instance exploitation of productivity, efficiency, effectiveness, quality and gain measures (Ahuja, 1992) as in brief explained hereafter. Profitability is that the ability to earn profits systematically over amount of your time. It's expressed because the quantitative relation of profits to sales or come on capital utilized (Wood &Stangster 2002). Potency and effectiveness - efficiency is that the ability to provide the required outcomes by exploitation as bottom resources as do able whereas effectiveness is the ability of workers to satisfy the desired objectives or target (Stoner 1996). Productivity is expressed as a quantitative relation of output to it of input (Stoner, freewoman and Gilbert, 1995). It is a measure of how the individual, organization and industry converts input resources into goods and services. The measure of how much output is produced per unit of resources employed (Lipsey, 1989). Quality is the characteristic of products or services that bear an ability to satisfy the stated or implied needs (Kotler& Armstrong 2002). It is increasingly achieving better products and services at a progressively more competitive price (Stoner 1996).

As noted by Daft (1988), it's the responsibility of the corporate managers to confirm that the organizations attempt to and so bring home the bacon high performance levels. This thus implies that managers need to set the specified levels of performance for any periods in question. This they will interact as an example setting goals and standards against that individual performance is measured. Corporations make sure that their workers are contributive to manufacturing top quality product and/or services through the method of worker performance management. This management method encourages workers to induce concerned in coming up with for the corporate, and thus participates by having a job within the entire method thus making motivation for top performance levels. It is necessary to notice that performance management includes activities that make sure that structure goals are being systematically met in a good and efficient manner. Performance management will concentrate on performance of the staff, a department, processes to make a product or service, etc. Earlier analysis on productivity of employees has showed that workers who are glad with their job can have higher job performance, and therefore supreme job retention, than those that aren't proud of their jobs (Landy, 1985). Any still, Kinicki & Kreitner

(2007) document that worker performance is higher in happy and glad employees and therefore the management realize it straightforward to inspire high performers to realize firm targets.

2.4. Theories Related to Employee Performance

Many theories have been advanced to explain the link between workplace environment and employee performance. Maslow (1943) said that people work to survive and live through financial compensation, to make new friends, to have job security, for a sense of achievement and to feel important in the society, to have a sense of identity, and most specially to have job satisfaction. All employees that have job satisfaction are high performers in their respective workplaces. On the other hand, Taylor (1911) opined that the most important motivator of workers is salary and wages when he said that "non-incentive wage system encourages low productivity". He said that if employees receive the same wage irrespective of their individual contribution to the goal, they will work less and that employees think working at a higher rate means fewer employees may be needed which discourages employees to work more (Gardner and Lambert 1972). Basing on this, the following theories are reviewed to indicate the relationship between workplace environment factors and employee performance.

2.4.1 Adam's Equity (fairness) Theory

Equity theory is a concept in industrial psychology that focuses on individual's perceptions of how equitably they are being treated in their work organization. The theory based on an individual's subjective judgments about the fairness of the reward she or he got, relative to the inputs (which may include many factors such as effort, experience, education, and so on), in comparison with the rewards of others.

According to Muchinsky & Culbertson (2015) in order to understand equity theory, there must be an understanding of its different components including; person (the individual for whom equity or inequity is perceived), comparison (any group or person used by person as a referent regarding the ratio of inputs and outcomes), inputs (the individual characteristics brought by person to the job), and outcomes (what person received from the job (e.g., recognition, fringe benefits, pay). According to this theory if workers perceive that their output/input ration is less than the referent they feel inequity. An employee who feels they are being treated inequitably may become absent more, steal from their organization, or may give the same effort they were giving before.

Generally, from this theory we can understand that, directly related to employee performance. Unfair workplace rewards reduce employee performance. On the other hand, fair work place rewards boost employee performance. This makes it important to understand the concepts that makeup equity theory, and put mechanisms in place to create the perception of more equitable work place environment.

2.4.2 Herzberg Two Factor Theory

The Two Factor Theory was advanced by Frederick Herzberg in 1959. This study is grounded on this theory that has been explored by various scholars to explain the relation between workplace environment and employee performance. Herzberg defined two sets of factors in deciding employees' working attitudes and levels of performance, named motivation and hygiene factors (Robbins and Judge, 2007). He stated that motivation factors are intrinsic factors that will increase employees job satisfaction; wile hygiene factors are extrinsic factors to prevent any employee's dissatisfaction. The theory pointed out that improving the environment in which the job is performed motivates employees to perform better. Herzberg's theory concentrates on the importance of internal job factors as motivating forces for employees. He wanted to create the opportunity for employees to take part in planning, performing, and evaluating their work (Schultz et al., 2010). The content of the theory has been widely accepted as relevant in motivating employees to give their best in organizations. Further research has proved that the employee is more motivated by intrinsic factors as captured by Herzberg's motivator needs than anything else.

There are however other schools of thought that share a different opinion from Herzberg's. One such scholar is King (2005) who sought to eradicate and evaluate five distinct versions of the Two Factor theory. He concluded that two versions are invalid as they are not supported by any empirical studies. However, the two-factor theory can be said to be a truly outstanding specimen for it to last a long period of time without disapproval. It has been a great influence on the body knowledge about workplace motivation and performance. It has generated a great amount of further research by many scholars. It draws its thought from Maslow's famous hierarchy of needs theory and human behavior. However due to changes in organizational environment and the advancement in technology, it is necessary to develop new methods of analysis. This will provide new ways of conducting research and revaluating the results of existing findings.

2.4.3 Affected Event Theory

The theory was advanced by Howard M. Weiss and Russel Cropanzano in 1996 (Phua, 2012). The Affective Events Theory explains the link between employee's internal influences and their reactions to incidents that occur in their work environment that affect their performance, organizational commitment, and job satisfaction. It proposes that positive-inducing as well as negative emotional incidents at work have significant psychological impact on employee's job satisfaction. The impact results into lasting reactions exhibited through job satisfaction, organizational commitment, and job performance. According to Ashton-James and Ashkenazy (2005) research to date has supported the central tenets of AET that workplace events trigger affective responses in employees and that these affective responses influence workplace cognition and behavior. They assert that AET is both empirically and theoretically, restricted to events that are internal to the organization. The theory also considers how specific events at work other than job characteristics lead to specific emotional and behavioral responses (Briner, 2000). He posits that these events or things that actually happen at work affect the well-being of employees thus affecting their performance.

2.5. Empirical Study

In this Part, the researcher was tried to analyzed and discuss different finding or studies regarding to the effect of working condition on employee performance the case of dashen bank. Lablebic (2012) studied on the impact of workplace quality on employee productivity a case study of foreign private bank in turkey. The result of the study showed that employees are inspired while working in a modernized office, well decorated and well-arranged and good storage facilities.

Razziq et al, (2015) studied on the impact of working environment in job satisfaction from banking sector, education institute and telecommunication industry in Quetta, Pakistan. The study employee a quantitative methodology, the target population consist of education institutes. Banking sector and telecommunication industry operating in city Quetta, Pakistan. Simple random sampling was used for collection of data from 210 employees. Finally, the result of the study showed that there is positive relationship between working environment and job satisfaction.

Al-Omari et al, (2017) conducted research on the influence of work environment on job performance the case study of engineering company Jordan. The study takes 85 employees as a sample size and quantitative methodology implying cross sectional survey was used. Different

dimensions were examined in relation to the work environment factors, including noise; temperature; air; light and color; space and employer's satisfaction. Finally, the Findings revealed that noise, office furniture, ventilation and light have a negative impact on job performance.

Asante (2012) conducted a research on the impact of office ergonomics in Ghana National Petroleum Corporation (GNPC). The result of the study revealed that if there is incompleteness in office ergonomics the performance of the employee is affected by 20-80 percent.

Nduku et al (2015) studied the impact of working condition on performance of employees of Kenya commercial bank head office. A sample of 172 employees was subjected to stratified random sampling. Primary data was collected by use of questionnaires. Finally, the result showed that, working condition has a positive effect on employee performance. And the study recommended that the bank should put effort in ensuring that working conditions are favorable and focus more on the physical conditions which has the greatest effect on employee performance.

Omoh, et al., (2015) evaluated workplace discrimination and its influence on employee's performance in Ghana. Questionnaires were collected from 159 employees drawn from 5 different organizations in 5 different sectors on whether discrimination at the workplace has any influence on employees' performance. Finally, the finding of the research indicates that discrimination has significant negative impact on employee performance

2.6. Conceptual Framework of Study

The conceptual model formulates to show of working environment and employee performance. In this study employee performance is dependent variable while working environment condition such as physical working environment, training, reward, work life balance, workload and discrimination are independent variable.

Oso (2009) note that an abstract framework could be delineate presentation of theory which it's presented as a whole once analysis variables and also the relationship between them are translated to a visible image for instance the inner connection between independent and dependent variables. The abstract framework is so theme of ideas that the study employee in order to realize the set of objective. The subsequent figure shows the schematic diagram of the Conceptual framework for the independent and dependent variables.

Physical Working Environment
Reward
Training
Work Life Balance
Work load
Discrimination

Employee Performance

Dependent Variable

Independent Variables
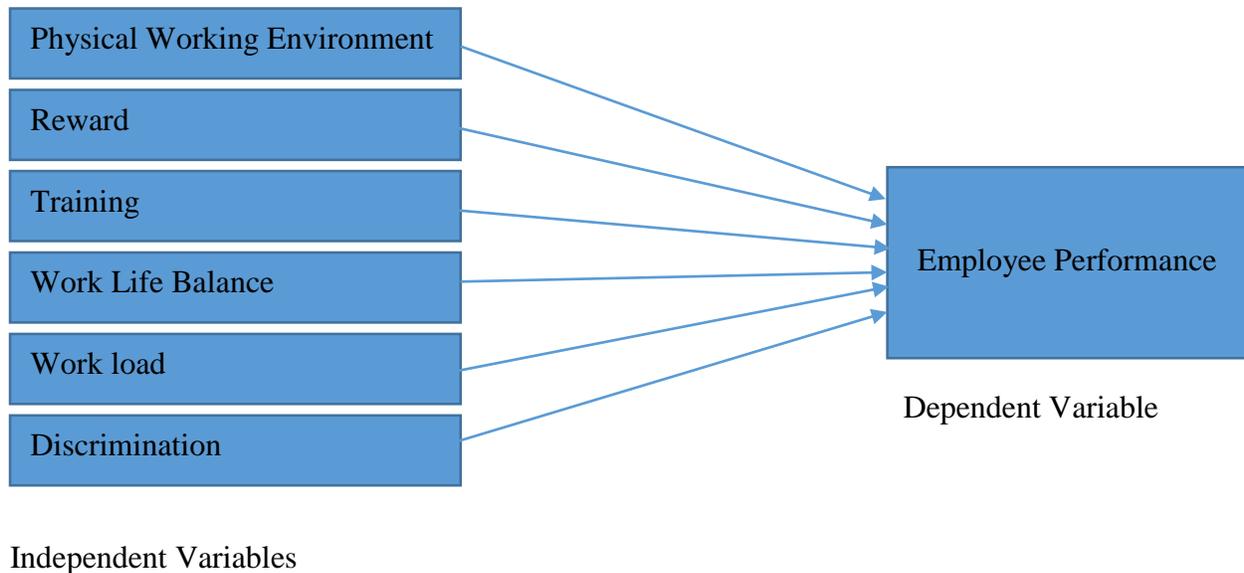
Figure 2.1 Source: Nduku (2015) research Hypothesis

CHAPTER THREE: RESEARCH METHODOLOGY

This section basically describes how the study was undertaken, the data collection methods used and its analysis and presentation techniques. It is a very essential portion as it provides reasons to

why a specific method of research, Sampling, data collection and data analysis is chosen, it also gives the design of study, population, validity, and reliability test. Honestly speaking, this chapter is deals with research methodology, which are contains the master plan research design, population, sample size and sampling technique, sampling procedure and explains the method and procedures for data collection, analysis, and interpretation of the research findings.

3.1 Study of Area

The study area of this research was at one of the biggest private commercial bank of Dashen Bank. This study aimed to target human resource management officers who were the responsible on employee's performance management and the employees. The company of Dashen Bank was selected due to its geographical location and the existed factors that employees are encounter in attaining their job. Therefore, this study expects to get more useful information for the subject matter to cover a way for the management on how to overcome those challenges so that to enhance employees' performance by improving their working environment.

3.2 Research Design

A research design is the arrangement of conditions for collections and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 1990). A research design is also a plan for study that provides specification of procedure to be followed by the researcher in order to achieve the research objectives as well as to test the hypothesis (McDaniel and Gates, 2006). For the purpose of this study, descriptive research design was employed to explain effect of independent variable (working environment dimension) on dependent variable (employee performance). The research is cross sectional type, in a sense that data was collected at point of time due to limit cost and time.

3.3 Population of the Study

A population is any group of individuals that has one or more characteristics in common and that are of interest to the researcher (Creswell, 2005). Therefore, the target population of this study included human resources officers, head of departments, directors who manage human resources and staff members. The total population size at Dashen bank is 6969 employees which only permanent staffs not include outsource staffs.

3.4 Target Population of the Study and Sample Size

3.4.1 Target Population

Population is the total collection of individuals to be studied and from which sample is drawn (Sekaran, 2016). Therefore, the target population for this study were operational workers of Dashen bank. Accordingly, the target population of study was 6,969 permanent employees.

3.4.2 Sample Size Determination

The main emphasis of this was to identify the effect of working environment on employee performance. The target population for this study were all of Dashen bank under study.

Kothari, (2004) defines sample as small group of respondents drawn from a population about which a researcher is interested in getting the information so as to arrive at a conclusion. This study selected respondents who are responsible on employee's performance management and employees themselves (staff members). The sample size was determined by using the statistical formula by Yamane (1967). Based on the assumption of 95% confidence level and P = .05 and the estimated population size more than 5000. The target population of this study was the employees of Dashen Bank. Therefore;

$$\text{sample size} = \frac{\text{Population size}}{1 + \text{Population size}(e)2}$$

$$\text{sample size} = \frac{6969}{1 + 6969(0.05)2}$$

Sample size = 378.287 ≈ **378**

Therefore, based on sample size determination method, for this study of 378 respondents were select from the total population of 6,969 employees of 13 districts according to the proportion to district population of the basis of simple random sampling. The sample size selected here is considered as representative of the population of target population and large enough to allow for precision, confidence and generalization of the research findings. The sample taken from each district was illustrated in table 3.0-1.

Sekaran (2010) stated that, in research investigations involving several hundreds or thousands of elements, it would be practically impossible to collect data from, or test, or examine every element. Even if it is possible, it would be performance in terms of time, cost and other human resources.

Item No	District Name	Target Population	Proportional sample size
1	Adama	385	[(385/6969)x378]=21
2	Bahir Dar	530	[(530/6969)x378]=29
3	Dessie	342	[(342/6969)x378]=19
4	Dire Dawa	317	[(317/6969)x378]=17
5	East Addis Ababa	559	[(559/6969)x378]=30
6	Hawassa	426	[(426/6969)x378]=23
7	Head Office	1745	[(17455/6969)x378]=95
8	Jimma	360	[(360/6969)x378]=20
9	Mekele	346	[(346/6969)x378]=19
10	North Addis	562	[(562/6969)x378]=31
11	South Addis	537	[(537/6969)x378]=29
12	West Addis	547	[(547/6969)x378]=30
13	Wolayita	313	[(313/6969)x378]=17

Table 3.1: Number of Employees and Proportion of Samples taken from Head Office, Source: internal report of Head office and own construction

3.4.3 Sampling Techniques

Since the aim of this study is to get actual information about effects of working environment on employee performance in Dashen bank, so that, the study was focused on operational employee from each sector. The rationality of focusing on operational employee was to get accurate and unbiased information about working environment factors. The study was applied probability sampling techniques in order to give equal opportunity for the target population. According to Kothari (2004), probability sampling is also known as random sampling 'or chance sampling'. Under this sampling design, every item of the universe has an equal chance of inclusion in the sample. It is, so to say, a lottery method in which individual units are picked up from the whole group not deliberately but by some mechanical process. After having the representative sample size from each districts, the researcher applied simple random sampling techniques to select sample respondents from each districts according to their proportionate to gather data about working environment and employee performance.

3.5 Data Collection Methods

The main emphasis of this research was to investigate the effect of working environment on employee performance on Dashen bank. The principal source of data for this study was primary. Primary source of data refers to information obtained first hand by the researcher on the variable of interest for specific purpose of study (Sekaram, 2003). The primary source of data for this research was collected from all operational workers of Dashen bank via self-administered questionnaire.

3.6 Data collection tools

According to Creswell (2005) no single technique or instrument may be considered to adequate in itself in collecting valid and reliable data. Therefore, two major tools are used to obtain adequate and reliable information for this study. These include observation and questionnaires of both structure and semi-structure nature. This study used data collection tools which involve observation and questionnaires.

3.7. Questionnaire

According to Kothari (2004), a questionnaire is a method of collecting data which uses a set of questions for collecting data. In this method data are collected with the help of questions. Through

this method, selected respondents of this study had to answer questions on their own and bring back to the researcher. Both structured and semi structured questions were used in helping the researcher to get answers and relevant information from respondent.

In order to gather data for this study, the researcher user a questionnaire as a method of data collection instrument. The questionnaire has two section. With the first section contains background and demographic information of the respondent and the second section contain information about working environment and employee performance.

The researcher used self-administered question to gather information about background and demographic information (regarding sex, age material status, working experience, education level, and employee management level) and to gather information regarding with working environment factors and employee performance. The questionnaire which has acceptable psychometric test score for independent variable was adopted from the following previous studies (al-khonzondar, 2015, Buckingham, 2004, WES REP, 2011, Schwab, 1993, and nzewi et al, 2018). The measurement of employee performance developed by Hakala was adopted with slight modification. All section two items are measured in five point such as Strong Disagree (DS)=1, Disagree(D)=2, Neutral(N)=3, Agree(A)=4, and Strong Agree(SA)=5. The use Likert scale is to make it easier for respondent to answer question.

3.8 Method of Data Process and Analysis

3.8.1 Data Processing

The data collected from questionnaire was processed both in manual and computerized method. In order to detect error and omission the raw materials were edited. In order to reduce the response into limited of categories the raw materials were code by using numerical and other symbols. The research also used tabulation in order to summarize the raw data and display in the compact from for further analysis.

3.8.2 Data Analysis

The data collected from the respondents was analyzed by using descriptive statistics such as mean, percentage and standard deviation and inferential statistics such as Pearson correlation and regression analysis. In order to know the strength of relationship between independent and

dependent variable correlation test was employed. Finally, to test the hypothesis, regression and analysis of variance was employed. In analyzing the data, the researcher used SPSS version 26 software package.

3.8.2.1 Descriptive Analysis

Descriptive analysis was used to interpret a variable deal with background or demographic of the respondent and mean score of working environment dimension and employee of the performance.

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

3.8.2.1 Inferential Statics

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

3.9 Model Specification

It could be inferred from the works reviewed in the previous sections; that employee performance is determined by some factors of working environment. Thus, in respect of the hypotheses stated above, the main issue is an investigation of relationship that exists between employee performance and each of explanatory variables that had been identified through literature and theories i.e., physical work environments, reward, work life balance, training, workload, and discrimination. Other factors that are not explicitly included in the model were captured by the error term in the

29

model. Therefore, the general model which incorporates all of the variables to test hypotheses of the study was;

$$EP=\beta_0+\beta_1(PE)+\beta_2(R)+\beta_3(TR)+\beta_4(WLB)+\beta_5(WL)+\beta_6(DS)+E$$

Where;

EP=Employee Performance (Dependent Variable)

β_0= constant term

PE=Physical Environment

R= Reward

WLB= work life balance

TR= training

WL= workload

E= error term

β: coefficients associated with each independent variable which measures the change in value of **EP**, per unit change in their respective independent variables.

3.10 Factor Analysis

Factor analysis was first conducted on a pre-selected set of measures derived. Factor analysis help in revealing underlying factors and assist in identifying what the factors represent conceptually. The analysis was performed using SPSS 26 based on the principal components factoring method with varix-max rotation on the correlations of the observed variables. The following criteria were used in making decisions about inclusion or exclusion of items in scales and sub scales. Items with loading less than 0.40 were excluded from further analysis as they were considered to be weak (Hair, Black, Babin, & Anderson, 2010). In case of an item cross loaded on two different factors with a loading of less than 0.40 on the second factor, it was also excluding.

3.11 Reliability and Validity of Instrument

3.11.1 Reliability Test

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

Cronbach's Alpha	Description
>=0.9	Excellent
>=0.8 but < 0.9	Good
>=0.9 but < 0.8	Acceptable
>=0.9 but < 0.7	Questionable
>=0.9 but < 0.6	Poor
<= 0.5	Unacceptable

Table 3.2: Rule of Thumb of Cronbach's Alpha, Source: Zikmund, et al, 2010.

Based on this to ensure the reliability this study used self-administered questionnaire .then the questionnaires are pre-tested based on pilot study, to guarantee a common understating of questions among respondents. The alpha results for the items of the questionnaire and their alpha values have met an acceptable figure (which is >0.75) in relation to the aforementioned requirement range.

Variable	Cronbach's Alpha	No. of Items
Physical Environment	0.877	7
Reward	0.779	6
Training	0.882	6
Work life Balance	0.810	4
Work Load	0.776	4
Discrimination	0.578	6
Employee Performance	0.919	6

Table 3.3: Reliability, Source: Zikmund, et al, 2010.

3.11.2 Validity Test

Refers to the extent to which the concept one wishes to measure is actually being measured by a particular scale or index. According to Kothari (2004), validity aims at establishing the results which are linked with the condition. It is concerned with the extent that the scale accurately represents the construct of interest. In order to assure the validity of the measurement instrument of the study is conducted based on the literally accepted conceptual framework that clearly indicate the theoretical construct and associated with the measurements valid to evaluate the effects of working environment (independent variables) on employee performance (dependent variable). Where possible this should be supported and consideration given to practical things. So that pre-questionnaire were distributed to the managers of district managers and branch managers HR partnership to check the validity of questions to further data collection process. As per the comments and the discussion with district managers and branch managers HR partnership experts the question prepared to primary data collection for the research objective is found valid by researcher. Further, this instruments or variables of working environment and employee performance were tested by previous studies for content validation.

3.12 Ethical Considerations

Mugenda (2008) underlines that participation of the respondents should be in voluntary bases and they have right not to give response without researcher obligation. Therefore, the researcher was contacted and received informed consent from the respondent. The respondents are not forced to take part in the study, thus the principle of volunteerism was practiced all through data collection method. Furthermore, the respondents were informed that information obtained is only for academic purpose and remain confidential.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRENTATIONS

In the previous chapters, important literatures related to the topic that may give enough understanding about the subject matter and the methodology selected to meet research hypotheses had been discussed. In this chapter, detail analysis about the descriptive statistics and regression results has been made. Specifically, the chapter has included four sections. The first section presented descriptive analysis of variables. The second section deals with the correlation analysis and shows the degree of association between the study variables. Section three presented the classical linear regression model assumption diagnostic test results. Finally, the fourth section has presented the results of the regression analysis and discussions on regression analysis.

4.1 Questionnaire Response Rate

The researcher distributes 378 questionnaires for twelve district and head quarter in dashen bank out of which 357 were completed and returned. The response rate for this study is 94.4% which is consider as a very good response rate as described by babies (2010).

4.2 Descriptive Statistics

4.2.1 Background Information of the Respondents

The demographic characteristic includes, gender, age, material status, level of education, work experience and level of management. This aspect of the analysis deals with the personal data on the respondents of the questionnaire given to then. Therefore, in order to validate the reliability of data collection it mandatory to analyze the demographic profile of respondent.

Gender	Frequency	Percent
Male	184	51.5
Female	173	48.5
Total	357	100%

As indicated in the above table 4.1 the gender proportion of male respondents represented 51.5% on the other hand 48.5% were females. The survey showed that there were more female as compared to males.

Age Range	Frequency	Percent
Below 25 year	28	7.8%
25 up 35	222	62.2%
36 up 55	104	29.1%
Above 55 year	3	0.8%
Total	357	100%

Table 4.0-2 age category of the respondent, Source: Survey SPSS output

In the above table 4.2 the age distribution of the respondents who participated in this study is proved. From the table we can observed that 7.8% of the respondent lies within below 25 age group, 62.2% of the respondent are in the range of 25 up 35 age group, of the respondent are in the range of 36 up 55 age group 29.1% and 0.8% the of respondent above 55 age group. From this we say that most of dashen bank employee are middle age.

Marital Status	Frequency	Percent
Married	252	70.6%
Windowed	2	0.6%
Divorced	4	1.1%
Single	99	27.7%
Total	357	100%

As far as composition of marital status is concerned 27.7% of the respondents are single, 70.6% are married, 0.6% is windowed and 1.1% is divorced. From this, it can be understood that employee working in dashen bank consist of all types of married status with majority of married people with 70.6%.

Education Level	Frequency	Percent
Certificate and below	7	2%
Diploma	12	3.4%
BA/ BSC Degree	227	63.6%
Master's degree and above	111	31.1%
Total	357	100%

Table 4.0-4Level of Education of the respondent, Source: Survey SPSS output

As far as composition of level of education is concerned 2% of the respondents are Certificate and below, 3.4 % respondents are in diploma, 63.6% respondents are in BA/ BSC Degree and 31.1% respondents are in Master's Degree. From this it can be understood that employees working in dashen bank consist of all level of educated people with majority BA/ BSC Degree holders.

Work Experience	Frequency	Percent
Below one year	2	0.6%
1-5 years	126	35.3%
6-10 years	175	49.0%
11-15 years	45	12.6%
16 years and above	9	2.5%

Total	357	100%

Table 4.0-5Work Experience of the respondent, Source: Survey SPSS output

As far as composition of Work Experience is concerned 0.6% of the respondents are below one year, 35.1% respondents are in 1-5 years, 49.0% respondents are in 6-10 years, 12.6% respondents are in 11-15 years and 2.6% respondents are in 16 years and above. From this it can be understood that employees working in dashen bank consist of all level of educated people with majority 6-10 years' work experience.

Level Employment	Frequency	Percent
Top Level Management	2	0.6%
Middle level management	100	28.0%
Low level management	255	71.4%
Total	357	100%

Table 4.0-6 Level Employment of the respondent, Source: Survey SPSS output

As far as composition of work experience is concerned 0.6% of the respondents are top level management, 28.0% respondents are in middle level management and 71.4% respondents are in low level management. From this it can be understood that employees working in dashen bank consist of all level of employment people with majority low level management.

4.2.2 Descriptive Statistics of the Variables

The computed summary of descriptive statistics for independent (physical environment, reward, training, work life balance, workload and discrimination) variable and dependent (employment performance) variable that were included in the questionnaire were indicate in this part. The mean and standard deviation of variable collection from the respondents were discussed.

Variables	Minimum	Maximum	Mean	Standard deviation
Employee performance	7.00	30.00	22.000	5.130
Physical Environment	7.00	35.00	24.067	5.904
Reward	7.00	27.00	18.462	3.745
Training	6.00	30.00	16.920	4.961
Work life balance	5.00	20.00	12.538	3.010
Work load	5.00	25.00	16.003	3.620
Discrimination	9.00	90.00	20.882	6.443
Valid N (357)				

Table 4.0-7 Descriptive Statistics of the Variables, Source: Survey SPSS output

From the result of table 4.7 depicted the overall arithmetic mean and standard deviation of dependent and independent variable as responded by the respondents. The finding of this study indicates that most of employees were sufficient agreed with physical working environment with mean value 24.067 and 5.904 standard deviation, discrimination with cumulative mean value 20.882 and 6.443 standard deviation, reward with cumulative value 18.462 and 3.745 standard deviation. This indicate that, dashen bank should maintain its strength work on physical working environment, discrimination and reward.in order to competent employee and improved employees performance.

Meanwhile, employee on the other variables such as training and work load agree with a cumulative mean value 16.920 and 4.961 standard deviation, reward with cumulative value 16.002 and 3.620 standard deviation. This implies that dashen bank have to give attention to give reasonable work load, sufficient breaks for its employee and to give attention to give reasonable, sufficient training especially lower level management for its employees.

On the other hand, work life balance cumulative mean value 12.538 and 3.010 standard deviation. This implies that dashen bank has to work in balancing work personal life of the employees and avoid repeated absent from workplace.

4.3 Inferential Statistics

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

4.3.1 Correlation Analysis

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

Other scholar According to McDaniel and gates (2006), a value of correlation coefficient between 0.1and 0.29 indicates the association among the items is poor. A correlation coefficient between 0.3 and 0.49 implies there is moderate relationship correlation coefficient greater than 0.5 implies strong relationship between two variables. Based on this as noted by gujarati,2004, most generally used bi-variant correlation coefficient, normally known as Pearson correlation were utilized in order to find out the relationship between working environment dimensions and employee performance. Table below 4.8 presents the result of Pearson correlation between variables.

	EP	PE	R	TR	WLB	WL	DS
EP	1						
PE	0.609**	1					
R	0.344**	0.331	1				
TR	0.360**	0.235	0.515	1			
WLB	-0.267**	0.160	0.267	0.279	1		

LW	-0.388**	0.232	0.432	0.262	0.510	1	
DS	-0.217**	0.420	0.240	0.287	0.435	0.361	1

Table 4.0-8 Descriptive Statistics of the Variables, Source: Survey SPSS output

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

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

From the result in table 4.8 indicates that, there is significant positive correlation between physical environment and employee performance with a Pearson correlation coefficient r=0.609 and sig. (2-tailed) is 0.000, which is <0.05. Therefore, there is strong and statistically significant relationship at 5% significant level. Reward is positively related to employee performance with a Pearson correlation coefficient r=0.334 and sig. (2-tailed) is .004, which is <0.05. Therefore, there is strong and statistically significant relationship at 5% significant level. Training is positively related to employee performance with a Pearson correlation coefficient r=0.360 and sig. (2-tailed) is 0.000, which is <0.05. Therefore, there is strong and statistically significant relationship at 5% significant level. Discrimination is negative related to employee performance with a Pearson correlation coefficient r=0.217 and sig. (2-tailed) is 0.007, which is <0.05. Therefore, there is moderate and statistically significant relationship at 5% significant level.

On the other hand, the Pearson correlation coefficient between work life balance, work load and employee's performance negative relationship.

4.3.2 Test Assumption of Classical Linear Regression Model

To estimation the parameters in the multiple linear regression model and minimize the sum of squared error or the different between observed value and predicted value ordinary least square method were employed for this study. However, using ordinary least square method in order to have correct estimator value the five key underlying assumption should be satisfied. When the assumption is violated ordinary least square method estimator produce biased, inconsistent and in efficient result. Therefore, tests of hypothesis are longer valid, since the standard errors are wrong. Hence, in order to protect against the chance of getting and interpreting wrong regression results the researcher conducted a diagnostic test. To make sure that the model is unbiased, consistent, and valid the following test are conducted.

4.3.2.1 Test for Residual Zero Mean

According classical linear regression models assume that the error terms zero mean value. In fact, if a constant term is included in regression model equation this assumption will never be violated (brooks, 2008). In this study the researcher included the constant term in the regression equation. Therefore, it's expected that the error terms have zero mean value and the assumption is not violated.

4.3.2.2 Test for Heteroscedasticity

According classical linear regression model assume the variance of the error term is constant, this is known as homoscedasticity. If the variance of the error term is not the same, they are said to be heteroscedastic. In order to check the violation of this assumption the research used scatter plot technique. The result plots the standardized residual, against standardized predicted value. If the plots have a pattern it implies the presence of heteroscedasticity. Conversely if the plots depict a pattern there is no evidence for the presence of heteroscedasticity. As illustrated in the figure, 4.1 below the graph looks like a random array dots or the plots have no pattern. So, homoscedasticity assumption is not violated.
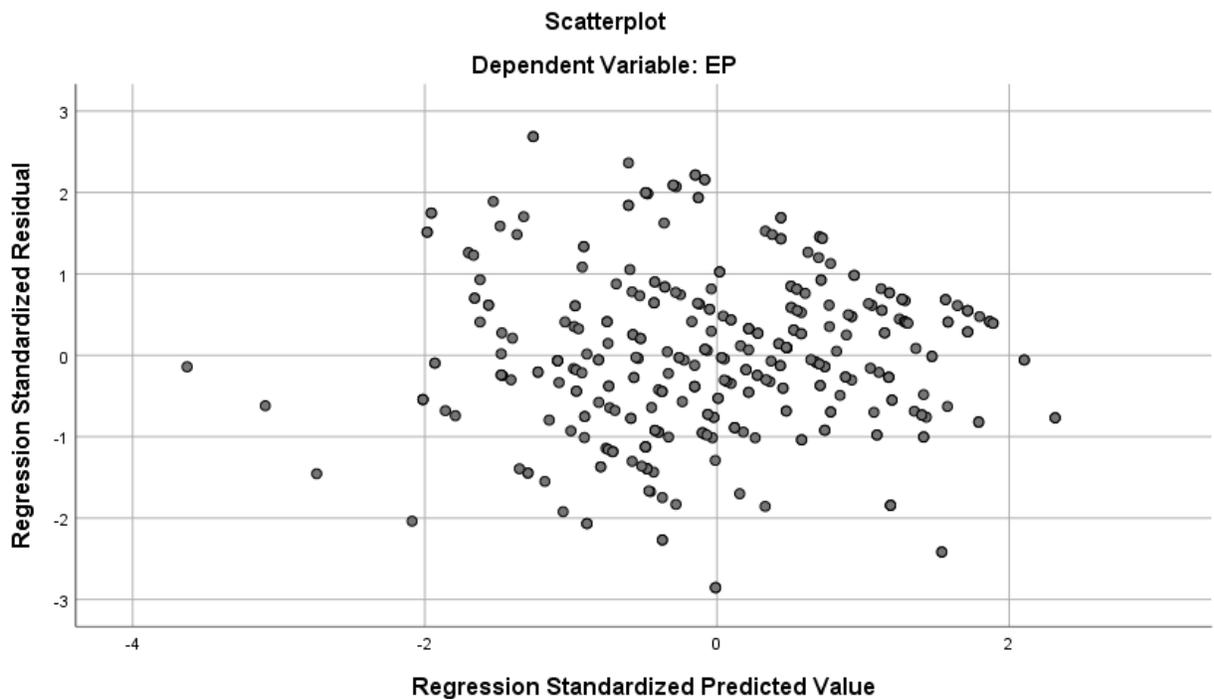

Figure 4.0.1Sources survey SPSS output

41

4.3.2.3 Test for Autocorrelation

From classical linear regression model assume cross sectional the covariance between the error term is zero. In other word it assumes there is no serial correlation among error terms. The research applied Durbin Watson test, which is most commonly used techniques of detecting autocorrelation. Thus, if the value of DW test is between 1.5 and 2.5 there is no evidence for the presence serial correlation among error terms (Hassen et al, 2017). As illustrated in table 4.9 the DW test falls in the acceptable range, which implies absence of serial correlation among errors.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.670[a]	0.439	0.439	3.84175	1.705
a. Dependent Variable: Employee performance					
Predictors: (Constant), DS, TR, PE, WL, WLB, R).					

Table 4.0-9Result of regression model summary, Sources SPSS output

4.3.2.4 Test for Multi-collinearity

According multi-collinearity model assume no correlation between explanatory variable. Multi-collinearity refers to the situation were some or all explanatory variables are highly inter-connected or the existence of exact linear association. According to Guajarati (2004), if multi collinearity is ideal the regression coefficients of independent variables are undetermined and difficult to measure their standard error. In order to test the multi collinearity problem the researcher applied variance inflation factor (VIF) and correlation coefficient of explanatory variables. If the VIF of the variables exceed 10%, multi collinearity can be a potential problem (Hair et al., 2013). As illustrated in table 4.10 the value of variance inflation factor for all explanatory variables is less than 10%. Therefore, it implies that there is no multi collinearity between explanatory variables.

Model		Collinearity Statistics	
		Tolerance(1/VIF)	VIF(%)
1	Physical Environment	0.867	1.153
2	Reward	0.606	1.649
3	Training	0.682	1.467
4	Work life balance	0.666	1.502
5	Work load	0.682	1.466
6	Discrimination	0.895	1.117

Table 4.0-10VIF and Tolerance multi collinearity Statistics, Sources SPSS output

4.3.2.5 Test for Normality

Assume that the distribution of the error term is normally distributed. As field (2009), noted, that normality assumption is important while using regression and worthwhile, if we want to make inference about the population parameter from the sample parameters. If the mean of the residual is zero and constant variance the error is normally distributed. Thus, the result in figure 4.2 Illustrates that the mean of the residual is zero and approximately its variance is 1, which implies that the distribution of the error is normally distributed.
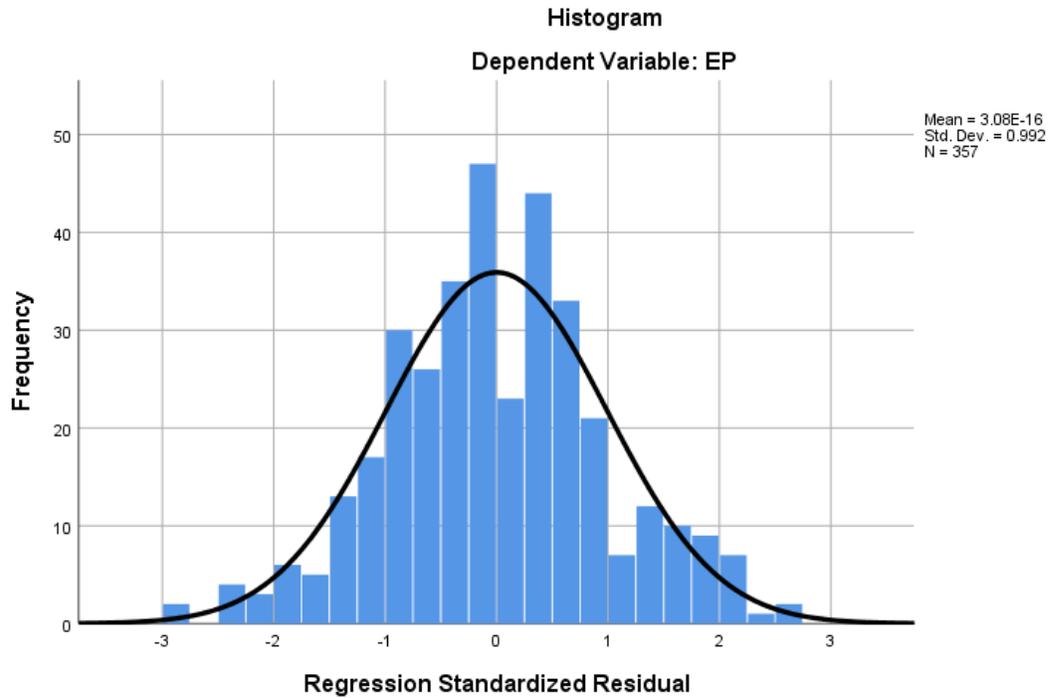
Figure 4.0.2 Sources survey SPSS output

4.3.3 Analysis of Variance

In according to the analysis of variance was also done to establish the overall significance of the model. Analysis of variance also tells whether the overall effect of the six independent variables on employee performance is significant. As depicted in table 4.11, at 95% confidence interval, significant P-value of 0.000 and F-value of 47.410 was recorded. This implies the regression model is a suitable prediction for explaining the effect of working environment on employee performance in dashen bank.

Analysis of Variance (ANOVA)						
Model		Sum of square	Df.	Mean of square	F	Sign.
1	Regression	4,198.340	6	699.723	47.410	0.000b
2	Residual	5,165.660	350	14.759		
3	Total	9,364.00	356			

b. Dependent Variable: Employee performance

c. Predictors: (Constant), DS, TR, PE, WL, WLB, R).

Table 4.0-11Analysis of variance, Sources SPSS output

4.3.4 Result of Regression Analysis

Accordance to with classical linear regression model, the model has satisfied the five diagnostic tests. Based on this, multiple regression analysis was determined in order to reveal the value of coefficient included in the model. Accordingly, table below depicts, the result of regression model that examine the effect of explanatory variables on employee performance. Hence, employee performance is explained variable whereas physical environment, reward, work life balance, training, workload and discrimination are explanatory variable.

Model		Standardized Coefficients		Standardized Coefficients Beta(β)	T	Sign.
		Beta(β)	Std. Error	Beta(β)		
Constant		7.330	1.507		4.864.	0.000
1	Physical Environment	0.583	0.037	671	15.740	0.000
2	Reward	0.280	0.070	0.205	4.018	0.000
3	Training	0.202	0.050	0.195	4.065	0.000
4	Work life balance	-0.077	0.083	-0.045	-0.928	0.354
5	Work load	-0.050	0.068	-0.035	-0.736	0.462
6	Discrimination	-0.199	0.033	-0.250	-5.970	0.000
a. dependent variables: Employee performance						

Table 4.0-12Result of regression, Sources SPSS output

Therefore, the model applied in this study was ordinary least square method. The regression equation can be stated as:

EP= β0+ β1PE+ β2R + β3TR + β4WLB + β5WL + β6DS +E

Now substitute each coefficient and β value

EP= 7.330 + 0.583PE + 0.280R + 0.202TR- 0.077WLB -0.050WL-0.199DS +1.507

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sign
						F Chang	Df1	DF2	
1	0.670ᵃ	0.448	0.439	3.84175	0.448	47.410	6	350	0.00
a. Predictors/independent variable: (Constant), DS, TR, PE, WL, WLB, R									
b. Dependent variable: employee performance									

Table 4.13Result of regression model summary, Sources SPSS output

4.3.5 Interpretation of R Square and Adjusted R Square

From R-square is statistical measure that tells the proportion of the variance for a dependent variable that is explained by an independent variable or variables included in regression model. Not only R squared also explains to what extent the variance of one variable explains the variance of other variable. R squared value range from 0 to 1and commonly stated as a percentage from 0%to100%. An R square of 100% indicates that, dependent variable is completely explained by independent variable of the model. 0% shows the model explains none of the variability of the response data around its mean. The value of R-square in this study was found to be 0.448. This indicates that, 44.8% of variation in employee performance is explained by selected explanatory variables and other factors captured by the constant.

However, according to Brooks (2008), R square has some problems; the first one is when we add predictor variables in the model, every time, even if its irrelevant R-square never decreases. Consequently, a model with more variable may appear to have high R square. Second, if the

model rearranged and the dependent variable changes, R square will change in order to get around these problems, a modification is often made that takes in to account the loss of degree of freedom associated with adding extra variables, this is known as adjusted R square‖. Adjusted R square is a modified version of R squared that has been adjusted for the number of predictor in the model. Therefore, adjusted R square compares the explanatory power of regression models that contain different number of predictors. The value of adjusted R square in this study found to be 43.9%. This implies that, 43.9% of changes that occur in employee performance are attributable to independent variables.

Therefore, the other factors such as, harassment, violence, Welfare Facilities, Association and bargaining power and other remaining factors that were not included in the model but could help in explaining employee performance account the remaining 57.1%.

4.3.6 Interpretation of Regression and Hypothesis Test

In this section of the study the relationship between the dependent variable and independent variables were discussed. The dependent variable was employee performance whereas independent variables were physical environment, reward, work life balance, training, work load and discrimination.

From regression output, the Unstandardized coefficients of determination were used to replace the unknown beta value of the regression model. Beta indicates that the level of influence of each predictor variable on dependent variable: as well it indicates the direction of relationship. Positive beta coefficient indicates the variable has positive effect on dependent variable whereas negative beta coefficient the variable has negative effect on dependent variable and it tells us on average when mean score value of independent variable increase by one unit mean score value of dependent variable increase or decrease by beta amount if the variable is statistically significant. The significance value (p-value) implies the statistical significance of the relationship. The constant term of the model indicates the value of employee performance if all explanatory variables held constant.

As described in table 4.12 the coefficient of regression analysis indicates physical environment, reward, training showed positive effect whereas discrimination showed negative effect and statistically significant at 5% significance level. Conversely, work life balance and work load

47

showed a negative effect but statistically significant. Therefore, in the next section the researcher present and discuss the effect of independent variables on employee performance.

Hypothesis 1

H1: physical environment has positive and significant effect on employee performance.
Results discussion; The result of multiple regressions as illustrated in table 4.12 above revealed that physical environment has positive and statistically significant effect on employee performance with a beta value of 0.583 and p-value of 0.000 which is less than 0.05. This implies that, other explanatory variable remain constant, if the mean score value of physical environment increase by 1 unit, on average the mean score value of employee performance increase by 0.583 unit and statistically significant at 5% significance level.

Decision; From view of the researcher rejects the null hypothesis and accepted alternative hypothesis; that means physical environment has significant effect on employee performance. This indicates that, an improvement of physical environment elements (sound, lighting, temperature, work space, design and layout, paint colure of building, building orientation, equipment and tools) will lead to a correspondent increase on employee performance.

Hypothesis 2

H2: - Reward has positive and significant effect on employee performance

Results discussion; The result of table 4.12 showed that reward has positive and statistically significant effect on employee performance with a beta coefficient of 0.280 and p-value of 0.000, which is less than 0.05. This implies that, other explanatory variable remain constant, if the mean score value of reward increase by 1 unit, on average the mean score value of employee performance increase by 0.280 unit and statistically significant at 5% significance level.

Decision; From view of the researcher rejects the null hypothesis and accepted alternative hypothesis; that means reward has significant effect on employee performance. This shows that an increase in reward elements like; payment, benefits, promotion and recognition will lead to correspondent increase on employee performance.

Hypothesis 3

H3: - Training has positive and significant effect on employee performance

Results discussion; as table 4.12 depicts that, training has positive and significant effect on employee performance with a beta value of 0.202 and p-value 0.000 which is less than 0.05. This implies that, other explanatory variable remain constant, if the mean score value of training increase by 1 unit on average the mean score value of employee performance increase by 0.202 unit and the relationship is statistically significant at 5% significance level.

Decision; From view of the researcher rejects the null hypothesis and accepted directional hypothesis that means; training has significant effect on employee performance. This shows that when employee get on the job as well as off the job training, identified based on skill gap and evaluated after and before training this will lead to equivalent improvement in their job performance.

Hypothesis 4

H4: - Work life balance has Negative and significant effect on employee performance.

Results discussion; the result of table 4.12 showed that work life balance has negative significant effect on employee performance with a beta value of -0.077 and p-value 0.354 which is less than 0.05. This implies that, other explanatory variable remains constant, if the mean score value of training decrease by 1 unit on average the mean score value of employee performance increase by 0.202 unit and the relationship is statistically significant at 5% significance level.

Decision; From view of the research fail to accept hypothesis four or directional hypothesis in favor of null hypothesis that means; work life balance has significant effect on employee performance.

Hypothesis 5

H5: - work load has negative and significant effect on employee performance.

Results discussion; the result of multiple regression as presented in table 4.12 above revealed that, work load has negative significant effect on employee performance with a beta value of -0.05 and

p-value of 0.462 which is less than 0.05. This shows that, other explanatory variable remains constant, if the mean score value of work over load increase by 1 unit, on average the mean score value of employee performance decrease by -0.05 unit and the relationship is statistically significant at 5% significance level.

Decision; the researcher rejects the null hypothesis and accepted the directional hypothesis that means: work load has significant effect on employee performance. This implies that, when work is evenly distributed, physically manageable and workers get sufficient break in their job, this will lead to equivalent improvement in their performance.

Hypothesis 6

H6: - Discrimination has negative and significant effect on employee performance.

Results discussion: furthermore, the results of table 4.12 showed that discrimination has significant negative effect on employee performance with a beta value of -0.199 and p- value 0.000 which is less than 0.05. This shows that, other explanatory variable remain constant, if the mean score value of discrimination increase by 1 unit on average the mean score value of employee performance decrease by 1 unit and the relationship is significant at 5% significance level.

Decision; the researcher rejects the null hypothesis and accepted the directional hypothesis: this implies that, when discrimination based on gender, age, religion and ethnicity increases, the performance of employee reduces drastically.

CHAPTER FIVE: CONCLUSSIONS AND RECOMMEDATIONS

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

5.1 Summary of Finding

The objective of the study was to investigate and analyze the effect of working environment on employee performance using major factors of working environment physical environment, reward, work life balance, training, work load and discrimination. The research was undertaken in Dashen bank in 12 district including head quarter office. The study conducted using self-administered questionnaire to the target population of 6,969 all level management employees out of 378 sampled employees 357 of then responded properly. Then after, the research is analyzed by using statistical package for social science version 26.

From the result in table 4.8 indicates that, there is significant positive correlation between physical environment and employee performance with a Pearson correlation coefficient r=0.609 and sig. (2-tailed) is .000, which is <0.05. Therefore, there is strong and statistically significant relationship at 5% significant level. Reward is positively related to employee performance with a Pearson correlation coefficient r=0.334 and sig. (2-tailed) is 0.004, which is <0.05. Therefore, there is strong and statistically significant relationship at 5% significant level. Training is positively related to employee performance with a Pearson correlation coefficient r=0.360 and sig. (2-tailed) is .000, which is <0.05. Therefore, there is strong and statistically significant relationship at 5% significant level. Discrimination is negative related to employee performance with a Pearson correlation coefficient r=0.217 and sig. (2-tailed) is 0.007, which is <0.05. Therefore, there is moderate and statistically significant relationship at 5% significant level.

Pearson product moment correlation coefficient results showed a significant positive relationship between physical working environment, reward and training and employee performance while negative significant relationship is found between work life balance, workload, discrimination and employee performance.

5.2 Conclusions

This study has tried to assess the effect of working environment conditions on worker performance in Dashen Bank. The following conclusion were list.

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

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

> Regarding training, the coefficient table showed that, the performance of employee increase when training increase. Thus, training has positive and statistically significant impact at below 5% significance level. Correlation analysis also revealed positive and significant relationship. The higher workers get training tends to have increased performance.

> Regarding workload, the coefficient table showed that it has negative impact and statistically significant at 5% significance level. The correlation analysis also reveals negative and statistically significant relationship. From this, it was concluded that when employees overworked, this result in poor performance of employees, as they take work as burden and start losing interest.

> The regression output of discrimination showed that it has negative and significant impact on employee performance. Correlation analysis also reveals negative and significant relationship. Thus, higher discrimination at work place results in equivalent decrease on employee performance.

5.3 Recommendations

On the basis of the above summary of finding and conclusions of the study, the following recommendations are forwarded to the management of dashen bank.

1. Since physical working environment has strong relationship with employee performance; suitable work environment allows workers to perform better, improve productivity, and

maximize quality in their performance. Therefore, its recommended that physical environment (in terms of lighting, noise level, temperature and ventilation) should be made sure that they stay at an acceptable level so as employees don't get distracted or bothered by them on their job).

2. Since reward has strong relationship with employee performance; appropriate reward will lead employee to be encourage at work which also helps to increase their performance. Thus, the management needs to design a remuneration package fair salary, reasonable overtime payment and managers should establish criteria for identifying employees who are eligible for recognition, then recognize anyone who meets the criteria by being consistently fair.

3. When employees get sufficient training related to their work, helps them to perform better, improve productivity and maximize performance. Thus, the management within organizations should realize the importance of providing on the job as well as off-the job training and evaluating performance after training is conducted and this will bring a fruitful change in their performance.

4. The more employees provided with work which is matched with their physical and mental ability, the more likely to perform better and improve their performance. Therefore, the management should make sure that workers are not burdened, to have sufficient breaks and assigning the right skill at the right job.

5. When discrimination prevail in work place employee feel ignored because of their age, gender, religion and ethnicity and this lead to significant decrease on their performance. Therefore, the management should enact workplace policy to reduce discrimination and such policy should be reviewed frequently to ensure that its effectiveness is maintained. including, the culture of the organization should inspire employees irrespective of gender, age, ethnic group or religious belief to participate in decision making as this will help to reduce discrimination in the workplace.

5.4 Suggestion for further Study

This research was undertaken only in Dashen bank found throughout the country doing the business, as such the finding of this study not represent the entire bank industry.in Ethiopia. Therefore, using the finding of this research as a bench mark other mark other researchers need to conduct research in this area. Besides the researcher recommends that this study only included six

working environment variables physical working environment, reward, work life balance, training, work load and discrimination. There could be other relevant working environment factors that are more important for the issue under study but excluded due to different reason. Therefore, it would be better if the future researchers consider more factor of working environment that affect employee performance like work place violence, leadership style, job security, job autonomy, harassment, transportation problem, occupational health and safety.

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Appendix

St. Mary's University

School of Graduate Studies MBA Program

Department of Business Administration

**THE EFFECT OF WORKING ENVIRONMENT ON EMPLOYEES'
PERFORMANCE: THE CASE OF DASHEN BANK**

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

Dear Respondents;

This questionnaire is prepared for a research purpose entitled "Effect of working environment on employee performance". The expected respondents for this questionnaire will be Operational Employees of Dashen bank. The researcher asks respondents to give sincere and accurate data to make proper analysis of. The researcher would like to note that data will be kept confidential and will only be used for study purpose. I would like to thank you in advance for your honest cooperation. Put a "√" on your choice of agreement.

Section One: Demographic Information

1. Sex

   Male   ☐

   Female   ☐

2. Age of the respondents

   Below 25 year   ☐

   25-35 years   ☐

   36-55 years   ☐

   55 and above years   ☐

3. Marital Status

   Married   ☐

   Widowed   ☐

   Divorced   ☐

   Single   ☐

4. Educational background

   Certificate and below   ☐

   Diploma   ☐

   BA/ BSC Degree   ☐

   Master's degree and above ☐

5. Your work experience in the banking Sector;

   Below one year   ☐

   1-5 years   ☐

   6-10 years   ☐

   11-15 years   ☐

   16 and above years   ☐

6. What is your level of employment?

   Top management   ☐

   Middle management   ☐

   Low level management   ☐

Section Two: For the following Likert scale questions: Tick (√) or check the appropriate cell by expressing your opinion on the following 5-points scale shown below to the best of your

knowledge. Rating Scale: 1=Strongly Disagree (SD); 2= Disagree (DA); 3=Neutral (N); 4= Agree (A); 5=Strongly Agree (SA).

No		Questionnaire Description	Response				
			5	**4**	**3**	**2**	**1**
Physical work place environment			**5**	**4**	**3**	**2**	**1**
1	PE	I have the requisite equipment to perform my duties					
2	PE	My office space is well designed					
3	PE	The layout of my offices and workspaces here are good					
4	PE	The surrounding of my work place is peaceful to work					
5	PE	My work place is devoid of unnecessary noise					
6	PE	My working environment is free from life threatening dangers					
7	PE	My work environment is ordered and well organized					
Reward aspects of work			**5**	**4**	**3**	**2**	**1**
1	R	The benefit system of the organization treats each employee reasonably.					
2	R	My work provides a great deal of promotional opportunities					
3	R	Recognition are provided to me in the work place for my good performance					
4	R	I'm satisfied by the work I do in the current work					
5	R	The financial rewards of my work place are satisfactory					

6	R	Supervisor in my work place provides sufficient non-financial rewards					
Training			**5**	**4**	**3**	**2**	**1**
1	TR	Enough training is provided for me before any job					
2	TR	Education opportunities are available in my work place					
3	TR	There is fair selection of employees for training					
4	TR	The training given in my work place are relevant to the job that I perform					
5	TR	My organization helps me identify my training and development needs through performance appraisals.					
6	TR	The organization ensures that training and development plans are developed and monitored for all employees thus helping manage employee performance.					
Work life balance			**5**	**4**	**3**	**2**	**1**
1	WLB	There is congruence between my work expectation and my family life					
2	WLB	The demands of my work do not interfere with my home and family life					
3	WLB	The amount of time my job takes up do not affect me to fulfill family responsibilities					
4	WLB	My job doesn't produce strain that makes it difficult to fulfill family duties					
Management/Leadership Style			**5**	**4**	**3**	**2**	**1**

			5	4	3	2	1
1	LS	My manager role models high standards for quality performance.					
2	LS	Senior management gives staff a clear picture of the direction in which the organization is headed hence motivating me to work.					
3	LS	Management involves staff decision making					
4	LS	I am able to contact senior management or work hand in hand with my superior at the work place					
Work Load			5	4	3	2	1
1	WL	I didn't work long and difficult working hours and days					
2	WL	I am able to meet the dead line I have for my work					
3	WL	I didn't feel over worked by the demand place on me					
4	WL	I didn't feel tired by the demand placed on me					
5	WL	I am able to take sufficient breaks					
Discrimination			5	4	3	2	1
1	DS	The company hire employee regardless of their gender					
2	DS	Fair treatment is given to all employees, whether they are male or female.					
3	DS	Discrimination based on age doesn't prevail in work place.					
4	DS	My supervisor includes all members of different ethnicity in problem solving and decision making.					
5	DS	The company provides equal opportunity for					

			5	4	3	2	1
		workers regardless of their race.					
6	DS	Discrimination based on religion doesn't prevail in work place.					
Employees Performance			**5**	**4**	**3**	**2**	**1**
1	EP	I am always able to deliver my work within the set deadlines					
2	EP	I try my best to avoid absence from my job					
3	EP	I effectively work with other employees					
4	EP	I'm regularly motivated to work					
5	EP	I am eager to learn on ways of making myself more productive					
6	EP	I am able to identify and give top attention to top priorities in my work place					

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

_____

_____

_____

_____

_____

_____.