

Factors Affecting Employees' Performance: In Case of Ministry of Revenue

A Thesis Submitted to the School of Graduate Studies of Jimma University in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Business Administration (MBA)

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DECLARATION

I declare that the research Report entitled “Factors Affecting Employees’ Performance: In Case of Ministry of Revenue” **submitted** to Research and Postgraduate Studies’ Office of Business and Economics College is original and it has not been submitted previously in part or full to any university.

Date: _____

CERTIFICATE

We certify that the Research Report entitled “Factors Affecting Employees’ Performance: In Case of Ministry of Revenue” was done by Mr. Hailegebriel Welana for the partial fulfilment of Master’s Degree under our Supervision.

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Acronyms

ERCA	Ethiopian Revenue and Customs Authority
MOREAASTBO	Ministry of Revenue Eastern Addis Ababa Small Taxpayer Branch Office
MOR	Ministry of Revenue
KII	Key Informant Interview
SPSS	Statistical Package for Social Studies
HRM	Human Resource Management

Abstract

The study investigated factors that affect employees' job performance in the Ministry of Revenue eastern Addis Ababa branch office, Addis Ababa. To identify and evaluate those factors that influence employees' performance, both descriptive and explanatory research design applied. Also, the study applied explanatory and descriptive vs cross sectional survey design. Mainly questionnaires used to collect the primary source of the data. In addition, a key informant interview was applied for the top management. Primarily, multistage sampling technique used to select the branch office. Then, a Simple random sampling technique used to select employees. From those the study targeted 203 respondents but 198 returned the questionnaires, indicating a response rate of 98.54%. Data analysis involved frequencies, percentages, and inferential statistics such as correlations and multiple linear regression by using Statistical Package for Social Science. Findings revealed that majority of employees find it as job stress, motivation, working environment and training affects their job performance and also a significant positive relationship between motivation and employee performance, working environment, and employee performance and training and employee performance. On the other hand, there is a significant negative relationship between job stress and employee performance. It was therefore concluded that motivation, working environment, and training positively affected the employees' performance while; job stress negatively affected the performance of employees at MOREAASTBO. The study recommends that making the management effective and practice among the managers and administrator bodies by giving attention to the stress reduction mechanism, create a good relationship with co-workers and promoting Staff in a fair and transparent way, the organization should plan to build or rent a wide office to minimize the uncomfortable work environment such as overcrowding workplace and finally establish and facilitate its own training center to improve employees' performance.

Keywords: *Employee Performance, Job Stress, Motivation, Working Environment, Training*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Managing employee performance within the larger framework of organizational goals is critical for organizations that count people among their key assets. And it helps an organization to do its goals. Firms that lay a lot of emphasis on people need to make sure that employee performance is managed in a holistic manner (Pauline *et al.*, 2014). Thus, awareness linked between the organization and its employee's performance is the key to improve the organization's ability and Organizations need to understand the factors that affect employee's performance. Because such the insight will help them to make decisions that will beat the improved performance from the employees and to an extension the overall performance of the organization (Mwangi, 2018).

According to Anastasios *et al* (2019) a study to determining factors that affect employee's performance of its study organization shows that, environment-related factors from the firm's internal and external environment, such as management support, training culture, organizational climate and environmental dynamism are related to job-related factors, such as communication, autonomy, and environment; employee-related factors, such as intrinsic motivation, productivity, adaptability, skill flexibility, commitment and skill level; plays in determining employee's performance. Hence the relationship between them states that, increasing positive effects of the environmental factor leads to an increase in the performance of employees. Similarly, a positive effect on job environment leads directly and indirectly to higher employee performance.

In addition, a study has been done by James P. (2017), to find factors that affect the performance of employees working at Postal Corporation of Kenya. The result shows that Motivation, Job Design, Management style, and Working conditions is having a positive relationship with employee performance by concluding to reach an agreement with the previously done researches who also concluded the same.

Furthermore, motivation and training have major contributions to affecting employees' job performance of their study organization (Mulatu, 2014). Also, (Gebregziabher, 2009) claims that the employees' job performance affected mainly by age, ability, and motivation.

The above studies show that different factors affect an employee's job performance. besides, those studies even if they consider the factors mentioned in this study, pick and develop those factors according to their study organization behaviour and activities. Whereas, this study conducted to fill the gap that influencing factors related to MOR employee's performance by modifying the conceptual framework of the performance model by (Venkatraman & Ramanujam, 1986). Further, as per the researcher's concern, there is no adequate study regarding this issue on MOR Eastern Addis Ababa Small Tax Payer Branch Office. Thus, this study drops a return on the influential performance affecting factors in the Ethiopian ministry of revenue context.

In addition to this, As the researcher observed that, working environments of the Ministry of Revenue office is overcrowding and it seems not comfortable for employees who's done their duty and employees being daily busy by work looks like no enough time for training. so, these might be affecting factors of employee's working performance. More over studies show, there are lots of factors that affect the performance of employees. The main theme of the study revolves around those variables.

1.2 Statement of the Problem

Employee performance is considered a significant determinant of an organization's capacity to grant sustainable competitive help and is directly linked with organizational performance (Shafloot, 2012). However, in the Ministry of Revenue even though tax revenue collection was growing, analyzed in relation to the GDP has not been significant. As a result, the performance measured in terms of GDP ratio is weak (UNDP, 2016). Therefore, it is essential for organizations to be aware of their employees' capabilities in order to be able to manage them and, in turn, to align them with the organization's overall strategy (Boxall and Purcell, 2011).

Consider managing of the employees' capabilities Roos and Van Eeden (2008) claim that in developing countries like Ethiopia most organizations have great difficulty in allocating funds for rewards, and this is inimical to performance and growth. Regarding this issue, even if there are a lot of factors that can affect employees' performance, the question which rises in here is that motivation might affect the employees' performance in the study organization. And as per the researcher's concern, additional studies need which tried to give an answer to the above inquires.

On the other hand, training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behaviour (Appiah, 2010). According to the former Ethiopian Revenue and Customs Authority currently MOR (2016) research and development directorate study finding, employee turnover identifies in the sector due to the lack of training. So, the organization is susceptible to a serious employee turnover due to the absence of the provision of training. This indicates the researcher to search whether training affects employees' performance in the study organization or not.

Empirical study on factors of workplace environment result shows that job aid and physical workplace environment affecting employee's performance is great and had significant relationship towards employee's performance (Naharuddin and Sadegi, 2004). For instance, the 2018 budget year work activity appraisal report of the MOR indicated that one of the weakness shown in this budget year work performance activity are mention existence of uncomfortable work environment. As the researcher one of the employees of the ministry, observed that the employee-work association is not balanced. Usually, the office is filed with a mass of customers. So, it is not comfortable enough for both the employees as well for the customer. Therefore, there is no any study which indicates as such kinds of environment play a significant role for the employee performance or not.

In the meanwhile, the possibility of stress affecting one's performance is great (Tuten and Neiderm, 2004). In addition, job stress negatively affects employee performance considering the various factors involved and especially employee job satisfaction (Ahmed and Ramzan, 2013).

The researcher observes in the organization that one official supposed to give services for many customers. And management reports of ministry of revenue for the year ended 2018 also approve this issue. In light of this problem, there is a great job stress problem can occur within the employees and decline their performance.

In fact, the roles of job stress, motivation, work environment, and training countered problems in the work performance are better issued, from the above mentioned studies; whereas, the factors that affect the employee performance need more emphasis and study. Therefore, the researcher intends to fill inadequate study on the sub-sector and although significant advances have been made to allow the employment performance in relations to the MOR Eastern Addis Ababa Small Tax Payer Branch Office. In that regard this study try's to examine factors that affect performance of employees working.

1.3 Research Questions

Consequently, the study answers the following questions which determined from the above statements.

- What effect does job stress have on employees' job performance in Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office?
- What effect does motivation have on employees' job performance in Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office?
- What are the effects of working environment on employees' job performance in Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office?
- What is the effect between training and employees' job performance in Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office?

1.4 Objectives of the study

General objective

The general objective of this study was to examine factors that affect the performance of employees working in Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office.

Specific objectives

The specific objectives of this study are:

- To assess the effect of job stress on employee performance in Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office.
- To find out the role of motivation on employee's performance in in Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office.
- To examine the effect of working environment on employee's performance of in Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office.
- To investigate the effect of training on employee's work performance with in Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office.

1.5 Significance of the study

This study was focus on factors affecting employees' job performance in the Ministry of Revenue Eastern Addis Ababa Branch Office. So, it is essential to generate relevant evidence to improve the performance of employees in MOR. Furthermore, this study provides a ground for further study on the subject in general. And based on the findings and recommendations, the organization may be initiated to further examine the factors, causes, and effects of employee performance and it helps to take corrective action.

In addition, the study uses to decision-making for the Ministry of Revenue eastern Addis Ababa branch about the better achievement of its goals since one of the focus points as a strategy of this ministry office is improving employee's performance.

1.6 Scope of the study

In order to make the study more manageable, it was delimited in concepts or issues and geography. Regarding the concepts, it was bounded to employee performance on the employees' participation and work design. And Ministry of Revenue has employees working in different regional branch offices for instance it has three branches in Addis Ababa in addition to the head quarter. Also concerning the time, as the study was cross sectional in design, geographically the scope of the study was delimited only the Ministry of Revenue employees working in Eastern Addis Ababa small taxpayer branch office.

1.7 Organization of the study

This study is organized with five chapters. The first chapter deals with the introduction which comprises of the background of the study, the statement of the problem, objectives of the study, significance of the study, scope of the study, limitation of the study, and organization of the study. Chapter two reviews the literature which leads to the development of conceptual framework. Chapter three also deals with the method of the study. Sources of data and variables, methods of data analysis are described in this part. Chapter four are discussed about the results and analysis. Finally, Chapter five is also be provided the conclusions and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Review of Literature

2.1.1 The Concept of Human Resource Management

Now a day, organizations use the effectual HRM system to increase their competitiveness by investing in employee development (Sutiyono, 2007). Since, employees are resources in organizations, and as such they need to be trained and developed properly in order to achieve an organization's goals and expectations (Brewster, 2007). The initial development of the HRM concept is based on the effective utilization of people, and to treat them as resources leading to the realization of business strategies and organizational objectives (Zhu, Warner & Rowley, 2007). HRM contributes to create high performance work systems by linking various employees in different departments in the same organization (Brewster, 2007).

2.1.2 The Concept of Employee Performance

Employee Performance is the successful completion of tasks by a selected individual or individuals, as set and measured by a supervisor or organization, to pre-defined acceptable standards while efficiently and effectively utilizing available resource within a changing environment. (Aguinis, 2009) described that “the definition of performance does not include the results of an employee's behavior, but only the behaviors themselves. Performance is about behavior or what employees do, not about what employees produce or the outcomes of their

work”. Perceived employee performance represents the general belief of the employee about his behavior and contributions in the success of organization.

On the other hand, scholar states that performance is associated with quantity of output, quality of output, timeliness of output, presence/attendance on the job, efficiency of the work completed and effectiveness of work completed” (Mathis & Jackson, 2009).

performance may be taken in the perspective of three factors which makes possible to perform better than others, determinants of performance may be such as “declarative knowledge”, “procedural knowledge” and “motivation” (McCloy et al., 1994). Human resource practices have positive impact on performance of individuals.

2.1.3 Meanings of Performance

Employee performance refers to how your workers behave in the workplace and how well they perform the job duties you've obligated to them. Job performance is a means to reach a goal or set of goals within a job, role, or organization (Campbell, 1990). And he states that, Job performance relates to the act of doing a job.

In addition, according to (Rivai, 2004) states that performance is a real behavior that is displayed by everyone as work performance produced by employees in accordance with their role in the company and employee performance is an important thing in the company's efforts to achieve its goals. it is the overall outcome or success of a person during certain periods of duty compared to the standard of the work, the targets or criteria that have been determined in advance and have been agreed (Rivai, 2004). He further states that, performance does not stand alone but, is related to job satisfaction and compensation, influenced by the skills, abilities and individual traits. In other words, employee performance is determined by the ability, desire and environment.

Furthermore, Authors agree that when conceptualizing performance, they differentiate between an action (behavioral) aspect and an outcome aspect of performance. Including (Campbell, 1990) this concept supported by (Kanfer, 1990; Roe, 1999).

The behavioral aspect refers to what an individual does in the work situation. It encompasses behaviors. Not every behavior is subsumed under the performance concept, but only behavior which is relevant for the organizational goals: “Performance is what the organization hires one to do, and do well” (Campbell et al., 1993). Thus, performance is not defined by the action itself but by judgmental and evaluative processes (Ilgen & Schneider, 1991; Motowidlo et al., 1997).

The outcome aspect refers to the consequence or result of the individual’s behavior. The above described behaviors may result in outcomes. Outcome aspects of performance depend also on factors other than the individual’s behavior (Campbell, 1990).

Performance according to (Mathis & Jackson, 2000) stated that the performance of an individual depends on three factors which include the ability to work, the level of effort and the support given to that person. Therefore, the relationship that exist amongst these three factors is that Performance (P) is the result of Ability (A) times Effort (E) times Support (S) i.e. $P=A \times E \times S$. From this it is shown that if any of the factor is reduced or absent, such will have an adverse effect on Performance (P). That is to say, performance will shrink.

In addition, according to Viswesvaran and Ones (2000), job performance are work behaviors relevant to organizational goals, within the individual’s control, and measurable, observable, score able, etc. Besides, the total output that employees recognized contribute to the organization is another definition of job performance. It is the sum of opportunities, abilities, and motivation. Hunter (1984) said that organizations pay a lot of attention on job performance due to the importance of high productivity.

Furthermore, employees must have a willing attitude, ability, and must be empowered to do the job in order to deliver effective and efficient performance. Importantly, there are two major elements that influence the performance of employees including factors that reside within the employees, and factors that reside with the organization that is outside the control of employees. Factors related to the individual employee are committed to the organization, personality, attitude, skills, ability, knowledge, being present at work, and motivation. Factors related to the organization constitute leadership, organizational structure, systems and processes, support, empowerment, opportunity to perform, job design and rewards (Werner et al., 2011).

Performance Measurement

Measurement and evaluation are used to strengthen and improve performance. According to Armstrong (2006), firstly, performance measures are yardsticks which used to determine how well employees produced or provided products or services. It is important that the required outcome of an intervention to be measured and assessed is clearly defined and known; secondly the appropriate methods are used; and thirdly to determine whether the selected activities and interventions will narrow or close the performance gap.

Another widely accepted method of conceptualization of employee performance was the role-based model of performance (Welbourne, Johnson, & Erez, 1998). A role is generally defined as the total set of performance responsibilities associated with one's employment (Murphy & Jackson, 1999). Role employee's play on the job are vital for the effectiveness of the organization and measurement of employee performance should considered it (Wallace, Edward, Arnorld, & Frazier, 2009). It is said that the employee behaviour on the job determines the level of performance of them. This notation highlights the fact that different behaviours of employees on the job may create what is known as within person differences in job performance.

Also, Armstrong argues that Assessment of performance in various forms such as key performance indicators or key performance index is basically an objective and systematic process to collect, analyze and use the information to determine the Employees are considered an important asset for good and effective performance in any organization.

2.1.4 Factors Affecting Employee Performance

Employee performance is influenced by various characteristics of each individual. In the development of a competitive and globalized era, companies certainly require employees who are high achievers. Objective performance assessments will give the right feedback to behavioral change toward increased productivity and expected performance. Indeed, Guest (1997), as cited by Armstrong (2009), stated that improved performance is achieved through the employees in the organization.

Simanjuntak (2005) states that the performance of each person is influenced by many factors that can be grouped into three groups: individual competencies such as intelligence, work motivation, work discipline, and work ethic. organizational support such as the provision of facilities and infrastructure, and convenience, transformational leadership and thirdly, management support such as leadership, safe and harmonious relationships, and career development.

In addition to that, according to Siagian (2002), namely: compensation, work involvement, work motivation, leadership, organizational culture, work discipline, job satisfaction, and communication. Based on the above theory that one's performance is influenced by factors originating from internal and external, which include, work motivation, job satisfaction and work involvement.

The Holy Grail sought by many HRM researchers is to establish that HRM practices demonstrably cause improvements in organizational performance (Armstrong,2010). Much research has been carried out over the last decade or so, most of which at shows that there is a link between good HRM practice and firm performance. for example, Armstrong by citing (Guest *et al.*, 2000) A greater use of human resource practices is associated with higher levels of employee commitment and contribution and is in turn linked to higher levels of productivity and quality of services.

In addition, (Carlson et al., 2006) proposed five human resource management practices that affect performance which are setting competitive compensation level, training and development, performance appraisal, recruitment package, and maintaining morale.

Thus, the above concept is associated with the obligation for every employee that works in the tax payer office to give full commitment to their works and produce better performance results. Standing from such analysis of employees' performance, the influencing factors such as job stress, motivation, communication and working environment enable them to be compared with other studies in the workplace. The main factors will be discussed in the following sections.

2.1.5 Job Stress

In earlier literature, it is mentioned that job stress is produced when one cannot properly coordinate available resources and job demands with personal abilities (French, 1975). He describes that job stress is derived from a situation of job environment that poses threat to an individual. Some companies may demand achieving a certain level of work, while their employees may be unable to cope with the given tasks. It is said that the demand exceeds the capacity of an individual which simultaneously fails to satisfy the top management.

Meaning and Effects of Stress

The definition of stress has changed over the age. Initially it was considered as environmental pressure, then strain within the person. Stress is a psychological and physical state that results when the resources of the individual are not sufficient to cope with the demands and pressures of the situation. Thus, stress is more likely in some situations than others and in some individuals than others (Michi, 2002).

However, Sengupta (2007), by referring (Hans Seyle, 1956) is one of the founding fathers of stress research, first introduced the term “stress” to describe physical and psychological responses to severe conditions or influences. And he further stated that stress is not necessarily something bad; it depends on how you take it. The stress of exhilarating, creative, successful work is beneficial while that of failure, humiliation or infection is detrimental. The stress can be classified into two types:

a) Eustress: Positive, pleasant or curative stress

b) Distress: Dysfunctional or negative stress

Also, according to (Lazarus, 1991) described stress as “a condition or feeling that a person experiences when she/he perceive that the demands exceed the personal and social resources the individual is able to mobilize.” Also, Beehr (1976) defined stress in very general terms as anything about an organizational role that produces adverse consequences for the individual. For most people, stress is a negative experience.

The World Health Organization (WHO) defines occupational stress as the response people may have when presented with work demands and pressures that are not matched to their knowledge and abilities and which challenge their performance. (WHO 2019). Accordingly, stress is simply a reaction of an employee when certain demands, pressures and professional aspects which are to be faced at the workplace do not match their knowledge levels which create or poses a challenge and threat to the capabilities of the employee which in the turn would create a struggle for existence in terms of being employed in a place. This, therefore, implies that stress exists when an environmental situation presents a demand threatening to surpass an employee’s capabilities and resources.

Moreover, job stress has been known universally as a social problem (Mizuno et al., 2006) which has a combination of factors that disrupts the workers physically and psychologically (Lu, 1997), and affects their health care as a whole (Conway et al., 2008).

According to (Ivancevich, Konapske & Matteson, 2006) stress is scientifically described as that response of an individual to the outcomes of the external environmental conditions that place excessive psychological, behavioral, and physiological pressures on that individual.

According to Blumenthal (2003), if stress increases beyond an optimal point, performance peaks and suddenly decreases thereafter. He further argues that excess stress is detrimental to an individual's productivity and wellbeing, causing dysfunction or disruption in multiple areas. Consequently, this extends to affect the organization and productivity is decreased. Most corporations have become increasingly aware of the problems caused by stress as it has significant economic implication on the corporation.

Furthermore, on the above issue, Occupational stress has become a challenge for the employer organizations as it results in low productivity, increased absenteeism and collection of other employee problems like alcoholism, drug abuse, hypertension and a host of cardiovascular problems (Meneze,2005). In addition, the possibility of stress affecting one's performance is great (Tuten & Neidermeyer, 2004).

(Arnold Robertson & Cooper, 1991) identified five major causes of job stress: factors intrinsic to the job, relationship at work, career development, role in the organization and organizational structure and climate.

Intrinsic factors as it relates to the job stems from poor working condition This relates to the physical design of the workplace or physical surrounding of the workplace which includes high level of noise, low or inadequate lighting system, heat, poor ventilation, smells and other aspects

that hampers the employee's senses and consequently affect his mood and overall mental state. A poorly designed office will create poor communication network among workers who are required to frequently come in contact. This can degenerate to poor working condition and subsequent stress to employees

Long working hours. In a highly competitive business environment, employees are required to work for very long hours. This appear to take a toll on your health and make them suffer high rate of stress. This means that employees who work for long hours with little or no rest or sleep may find themselves and the quality of them suffer. There is also high risk and danger. A job that presents risk and danger to the employee will always subject the employee to high stress level. This is because when an employee is continuously aware of an eminent danger, he is required to respond immediately to it in a rush, respiration changes and muscles become tensioned. These are all threatening to long-term health.

Although, stress is a term that refers to sum of physical mental emotional strains or tensions on a person or feelings of stress which result from interactions between people and their environment that are perceived as straining or exceeding their adaptive capacities and threatening their well-being, in addition stress has a wide psychological and physical effect as cardiovascular, musculoskeletal systems, headache, gastrointestinal problems, sleep disturbance and depression (Ghaleb, Thuria 2008).

In addition, another study revealed that when time pressure increases it helps members to focus on the main tasks and emphasizes in completing the task as fast as possible, even though it impacts both their interaction and job performance but the same time quality of work is being sacrificed (Kelly & Loving, 2004). they also mentioned that, it is obviously not ideal to take more time on all tasks because employees' concern is not only on one task but also about their output – getting the most executed within the limited time given. Further, the potential of job stress could arise from three aspects such as environment, organizational and individual (employee) factors (Tuten & Neidermeyer, 2004).

Job related stress according to Maneze (2005) has been interpreted by most companies as a low alarming situation but it poses a very high impact on individual's health that also affect directly his/her performance. Accordingly, the upward trend of job stress has become a major challenge to employers as it reduces performance level in jobs, growing cases of absenteeism, contributes to the employee involvement in drugs and alcoholism.

Additionally, Occupational stress inadvertently consequences low organizational performance (Elovainio et al. 2002), Job stress although has belittling impact on any organization and individual's performance but can shape dire consequences when related to health care. (Mimura *et al.*, 2003). In addition, Occupational stress has become a challenge for the employer organizations as it results in low productivity, increased absenteeism and collection of other employee problems like alcoholism, drug abuse, hypertension and host of cardiovascular problems (Meneze,2005). Accordingly, Stress if it has a good amount that can be handled by the employees' it does help denote positive influences as well as via alleviating the negative side of either arising or even stopping it (Mai and Vu, 2016).

It is therefore, pivotal that organizations need to play a huge role in ensuring that they create a healthy working environment, practicing a constructive preventive culture in the organization, increasing productivity that would eventually responses to greater economy growth and impacts excellence 'employee performance' on a whole (ILO, 2016).

2.1.6 Motivation

According to (DeCenzo and Robbins, 1996) define a motivation as the willingness or desire to do something, conditioned by the activity or the ability to satisfy some needs.

Different scholars have agreed and disagreed on the ways employees should be motivated. Some of them assert that in order to motivate an individual, a financial reward is necessary by

the motivator whereas others believe that money is not a true motivator hence both financial and nonfinancial incentives are required. According to (Cole, 2002), financial incentives are rewards that employees receive in consideration of their contribution towards the organization.

On the other hand, non-monetary incentives and recognition programs are an area of employee motivation that is often overlooked. Yet, as (Fisher, 2016) reveals, a strategic focus on non-cash rewards can generate significant return on investment in terms of employee engagement, performance improvement and financial results. In the present economic context, with companies pushing to deliver more for less, it is a particularly pertinent issue. Strategic Reward and Recognition brings together theory and practice to guide human resource professionals, consultants and senior leaders in developing the most effective programs for their organizations. It features examples of good practice from all over the world, from different sectors and from both large and small organizations, providing coverage of digital as well as in-person schemes.

An additional school of thought believes that non-financial incentives are the most important motivators of human behavior in terms of the needs of human beings. These researchers believe that non-financial incentives such as training opportunities, job rotation and communication styles are excellent motivators. The believers of this school of thought include Herzberg (2000) and Fowler (2001).

Further another school of thought believes that employee performance can be increased through the provision of non-financial incentives such as goal clarity, knowledge of structures and feedback. Believers in this school of thought are (Knights and Willmott, 2007).

Also, motivators, have a direct positive effect on the work situation, and lead to improved productivity. They may be equated with Maslow's higher order needs, and are also placed along a continuum – from a highly motivated to a highly unmotivated state. Aspects of the job itself,

e.g. level of recognition, pleasure of performance, increased responsibility, and opportunities for advancement and promotion, serve as motivators (Herzberg, 1966).

In supporting the above idea, there is different theories were made in earlier. from these the following ate included:

Herzberg's two-factor theory

Frederick Herzberg's well-known and controversial theory of motivation was postulated in 1954, the basic assumption of Herzberg's theory is that motivation originates from the job itself, and not from other external characteristics, and that those factors leading to job satisfaction ('motivators') are separate and distinct from those leading to job dissatisfaction ('hygiene/maintenance' factors) (Herzberg, 1966). The hygiene factors, which may be equated with Maslow's lower order needs, are placed along a continuum, from a state of dissatisfaction, to no dissatisfaction. These factors involve circumstances surrounding the task which do not lead to job satisfaction, but prevent dissatisfaction, if maintained adequately. Examples of these maintenance factors include the level of supervision, job status, work circumstances, service conditions, remuneration and interpersonal relationships (Herzberg, 1966).

Maslow's Hierarchy of Needs Theory (1943)

Abraham Maslow in 1943 published a theory on what motivates human beings in his paper titled, "A Theory of Human Motivation." In it, Maslow said that human beings had five levels of needs that they always sought to meet. The more the needs are basic for life, the more motivated a person is to fulfil them. However, they would experience more stress if they failed or were unable to fulfil them. The five levels of need are: physiological needs, safety needs, belongingness needs, ego-status needs and self-actualization needs.

Expectancy Theory of Motivation

Expectancy theory states that motivation will be high when people know what they have to do to get reward, expect that they will be able to get the reward and expect that the reward will be worthwhile.

The concept of expectancy was originally contained in the Valency-instrumentality expectancy (VIE) theory formulated by Vroom (1964) as stated on the book organizational behavior by (Fred, 2011). Valency stands for value, instrumentality the belief that if we do one thing it will lead to another, and expectancy is the probability that action or effort will lead to an outcome. Vroom stresses and focuses on outcomes, and not on needs unlike Maslow and Herzberg. The theory states that the intensity of a tendency to perform in a particular manner is dependent on the intensity of an expectation that the performance will be followed by a definite outcome and on the appeal of the outcome to the individual.

Management by Objectives (MBO)

This theory relies on the idea that “most human behavior depends on unconscious choices related to objectives and intentions” (Laegaard & Bindsley, 2006). All actions have a direction and a desired result. Techniques for objective setting include the practical use of several motivational theories, or of which the Expectancy Theory is a primary influence. The belief is that the objectives and the process of objectives setting have positive influence on motivation that can lead to better performance. Objectives, or goals, must be SMART. That is S = Specific, M = Measurable, A = Ambitious and Attractive, R = Realistic, T =Time related (Laegaard & Bindslev, 2006).

Similarly, the relationship between motivation and employee performance is that employees tend to perform much better when they are positively and consistently motivated. However, the employees perform less when they are poorly motivated. Therefore, motivation is directly proportional to the performance of employees. (Kreitner, 1989) and (Higgins, 1994) in their

respective comments asserted that motivation is the psychological process that gives behavior, purpose, direction and an internal drive to satisfy an unsatisfied need.

In addition, the studies on employees' motivation have widely been practiced in today's enterprises across all sectors, regardless of their size. Those enterprises realized that the actions of motivating their employees are crucial in order to achieve the organizations' goals. The motivated employees relate to the manners of self-satisfaction, self-fulfillment and commitment that are expected to produce better quality of work and oblige to the organizations' policies which will extensively materialize efficiencies and competitive advantage. Motivation increases the job involvement by making the work more meaningful and interesting as well as the fact that it keeps the employees more productive and improves their subsequent job performance (Kamery, 2004; Ekerman, 2006).

Further, Self-motivated employees tend to exhibit good performance even if they are never provided with much external motivation, but their performance increases if they are provided with motivation and also on the ways that management can create a motivational workplace in which retention and employee satisfaction lead to improved health care (Decker, et al, 1997; Russomagno, 2000).

In fact, the employee motivation is obviously important. In fact, it is one of the most important and essential factors for the achievement of employees, and ultimately the organizational targets and goals (Berman E.M., 2010). (Ololube, 2006) asserts that motivation to work, whether intrinsic or extrinsic are very essential in the lives of workers because they form the fundamental reason for working in life. It represents the complex forces and needs which provide the energy for an individual to perform a particular task. Moreover, employee motivation serves as an essential component of business operations whereby high motivation coincides with job satisfaction, a sense of pride in one's work, a lifelong commitment to organization which enhances performance and productivity.

2.1.7 Working Environment

According to (Tripathi, 2014) the work environment can be defined as the environment in which people work that include physical setting, job profile, culture and market condition. Each aspect is inter linked and impacts on employee's overall performance and productivity.

Similarly, (Noe, 2008) also define employee workplace welfare in terms of six key areas: a manageable workload; some personal control over the job; support from colleagues and supervisors; positive relationships at work; a reasonably clear role; and a sense of control or involvement in changes at the workplace. Individual association with the working environment is important as they impact upon the ability of the individual to take control of their work and the level of stress they experience within the workplace.

These Working environments can be divided into two components namely physical and behavioral components. The physical environment consists of elements that relate to the office occupiers' ability to physically connect with their office environment. The behavioral environment consists of components that relate to how well the office occupiers connect with each other, and the impact the office environment can have on the behavior of the individual (Haynes, 2008). Accordingly, the physical environment with the productivity of its occupants falls into two main categories office layout (open-plan verses cellular offices) and office comfort (matching the office environment to the work processes), and the behavioral environment represents the two main components namely interaction and distraction.

Another scholar also declare that employees will always be contended when they feel that their immediate environment states are in tandem with their obligations (Farh, 2012). Chandrasekar (2011) asserts that the type of workplace environment in which employees operate determines whether or not organizations will prosper. The workplace environment consists of physical factors which include the office layout and design among other factors; while the psychosocial factors include working conditions, role congruity and social support. Other aspects of the

workplace environment are the policies which include employment conditions. A better physical workplace environment boosts employees' performance. Chandraseker (2011) also confirm that unsafe and unhealthy workplace environment in terms of poor ventilation, inappropriate lighting, excessive noise etc. affect worker's productivity and health.

Moreover, according to McCoy and Evans (2005) the elements of physical work environment need to be proper so that the employees would not be stressed while doing their job. Physical elements play an important role in developing the network and relationships at work. All in all, the physical work environment should support the desired performance. This type of work environment supports new styles of working and flexible workplaces which offers interpersonal access and ease of communication compared to fully enclosed private offices. This change to open plan office has increased employee's productivity compared to closed office spaces (Brennan, Chugh & Kline, 2002). Furthermore, states that it is easier to communicate with someone whom you can see more easily than someone adjacent/distant or separated by objects from you. In addition, the open office creates egalitarian system with equal working conditions that reduces the distance between employees and improves communication flow.

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

Further, other study show that improving working environment results in decrease in the number of error rates, complaints, absenteeism and hence increases performance. also study enhance that in twenty-first century, businesses are moving towards more strategic approach of environmental management to enhance their performance through improving and managing performance level of employees (Govindarajulu, 2004).

Moreover, Easy and comfortable communication makes workplace more enjoyable, less anxiety among co-workers which in turn means positive attitude towards work and increased productivity (Edge, 2006). Furthermore, another aspect of communication that affects productivity is noise level. Noise has negative influence on communication, frustration levels increase while productivity decreases in relation to persistence and loudness of noise. A reason adduced for this is that spoken communication becomes progressively more difficult as noise levels increase.

2.1.8 Training

The developing process of employees' skill in order to improve the performance is called training (Swanson, 1999). Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively (Gordon, 1992). Existing literature presents evidence of an existence of obvious effects of training and development on employee performance. According to (Wright & Geroy, 2001), notes that employee competencies changes through effective training programs. Training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior (Appiah 2010; Harrison 2000; Guest 1997).

Moreover, Employees are a crucial and expensive resource. In order to sustain effective performance, it is important to optimize the contribution of employees to the aims and goals of the organizations. The importance of training as a central role of management has been recognized by research studies. For instance, Jehanzeb and Beshir (2013), confer one contribution of an organization's as well as manager is to give others vision and ability to perform.

According to Cole (2002), in his book *Personnel and Human Resource Management*, training is a knowledge activity directed towards the acquisition of specific knowledge and skills for the purpose of an occupation or task. The focus of training is the job or task for example, the need to have efficiency and protection in the operation of particular machines or equipment, or the need for an effective sales force to mention but a few. Thus, training mainly focuses and is related to the job that employees do and this is also directly related to employee's performance.

Supporting the above idea, another researcher (Cooper, 2010) found a positive relationship between training programs and employees' job involvement. He argued that if there were some recognitions and financial benefits for the high performers at the training programs, the feelings of reciprocity emerged in the high performing employees as well as in other ones which motivated them to extend themselves in many ways such as adapting new skills, knowledge and competencies which ultimately leads to improved organizational performance.

In addition, most of managers give training to their employees for three main purposes (Belcourt, Wright and Saks, 2000), which are (1) to increase productivity or the performance of employees; (2) to achieve organizational goals; and (3) to invest in employees to succeed in the unpredictable and turbulent business environment. Thus related to the first purpose, training program is an effort by the employer to provide opportunities for the employee to acquire job-related skills, attitudes and knowledge. This means for any organization to succeed in achieving the objectives of its training program, the design and implementation must be planned and systematic, tailored towards enhancing performance and productivity.

Benefits of training

The main purpose of training is to acquire and improve knowledge, skills and attitudes towards work related tasks. It is one of the most important potential motivators which can lead to both short-term and long-term benefits for individuals and organizations. There are so many benefits associated with training (Cole, 2002). To summarize this benefit;

- 1) High morale – employees who receive training have increased confidence and motivations;
- 2) Lower cost of production – training eliminates risks because trained personnel are able to make better and economic use of material and equipment thereby reducing and avoiding waste;
- 3) Lower turnover – training brings a sense of security at the workplace which in turn reduces labor turnover and absenteeism is avoided;
- 4) Change management – training helps to manage change by increasing the understanding and involvement of employees in the change process and also provides the skills and abilities needed to adjust to new situations;
- 5) Provide recognition, enhanced responsibility and the possibility of increased pay and promotion;
- 6) Help to improve the availability and quality of staff

2.2 Empirical Literature

According to the idea Factors Influencing Employees' Performance many studies are conducted. From these;

One of the studies that the main objective was to analyze the determinants for employee performance in its study organization. The finding shows that it considered three factors as the important elements influence the employees' performance that the variables of job stress, motivation and communication do simultaneously affect the employees' performance Iskandar et al (2014). Analysis made in this study are based on quantitative data. This helps the study to be more strengthen the analyses and thus enhance confidence in the conclusions. However, the study is not supported by qualitative data analysis in order to make the study stronger. Standing from this literature, this study tries to fill the conceptual gap that are not mentioned in the above study which is related to MOR like working environment and training.

Another study was also conducted with the main objective is to analyze the factors affecting employee performance at oil and gas industry of Vietnam. Through the data analysis mentioned

in the study, researcher figured out the general findings that there are three different main factors affecting employee performance at the case company – PVE including: Leadership, Motivation and Training. The study proved that leadership style affects employee performance. Through leaders' coach, empowerment or increasing the employees' participation, the employees definitely perform in a better way. Motivating employees for increasing their performance is one of the most important factors (Le Tran Thach Thao & Chiou-shu J. Hwang, 2015). Through this study, the researchers use quantitative method to analyze the data and try to answer the research hypothesis. However, in this study the sampling method are not probabilistic. So, the sample representativeness is weak since non probabilistic sampling are near to biases. Therefore, through this study, the researcher conducts to fill this methodological gap.

Another research investigated the organizational factors that influence the performance of employees at the College of Computing and Information Sciences (COCIS), Makerere University, Kampala. The study as regards to the dimensions of organizational culture, the result was according to the hypothesis that organizational culture has a significant positive effect on employee performance. Employees are always polite to one another and find they are free to discuss with supervisors their task requirements in order to cope well with the College objectives. Purposely, the current organizational culture motivates employees; promotes good performance; improves on employee/supervisor relations; demonstrates fair and equal treatment; and improve on teamwork; efficiency and effectiveness.

The result was also indicated that there is a positive significant relationship between organizational communication and employee performance and it is realized that employees get timely communication about the decisions of the different organs at CoCIS, thus confirming that there is open communication in the College. Employees are able to communicate their job frustrations to their supervisors, which motivates and stimulates their enthusiasm to meet the College's goals. Smooth communication within the College makes employees identify with it and also feel a vital part of it, hence improving on the way conflicts are handled within the communication brought about by improper communication channels.

Organizational Commitment and Employee Performance at CoCIS was also indicated that there is no significant relationship between organizational commitment and employee performance; and it was realized that the employees are part of the (CoCIS) family and feel emotionally attached to it. The employees also feel like even if the College went down financially, they would still be reluctant to change to another organization. However, the approach encourages commitment rather than the willingness to make a change and this affects performance. Nevertheless, it was concluded that organizational commitment has a relationship with employee performance at CoCIS but not significant. (Ronah Tugume Arinanye, 2015). So, in this study the conceptual gap which is not mention in the above study are emphasize on it.

The study was also conducted with the main objective to analyze the determinants for employee performance on Islamic Banks in Pakistan, result of this study provide that there is a positive relationship between the trainings and employees' performance in the Banking sector of Pakistan. Another result of the study suggests that there is a negative relationship between the long working hours and employees' performance in the Banking sector of Pakistan. and also, there is a relationship between the Stress and employees' performance in the Banking sector of Pakistan (Aliya *et al*, 2015). As a strong side, the study is further tested by applying regression analysis. The significant result proves a relationship between them. As a weak side, the study approach is not supplemented by a qualitative method to complement or validate information gathered from the quantitative survey and to get in-depth information from the respondents.

The study also attempted to empirically test the relationship between employees' performance and job involvement, employee participation, and employee participation. The data used in this study is perception based, collected from the employees working in the Telecom sector of Kabul. The results confirmed the effect of job involvement on employee performance. Moreover, employee relations and employee participation were found to have significant relationship with employee performance.

According to the study limitation few employees had some language and literacy problems as they were not able to read and understand English properly and the sample size used in this study is off course small as data were collected from the branches located in Kabul city only. Thus, it

shows the weakness of this study and the researcher consider to solve these types of weakness in this study. And fill the conceptual gap which are related to the study organizations.

There is also a study that has been conducted with the main objective of to find the factors that influence the employee performance in Libya by Hassan M. E. et al (2015). The findings of the study reveal that there is positive and direct relationship between employee performance and organizational culture, job satisfaction, and training and development. Likewise, the findings show that there is a negative relationship between employee performance and stress at the workplace.

In the above study, the data was collected using questionnaires and it was analysed by using Statistical Package for the Social Sciences. Here, only correlation analysis is made to test the relationship between variables. Hence, determinant factors are not evaluated through regression analysis or whether independent not measured to approve significantly affect or not. Therefore, this considered as a weakness by the researcher and this study fill this methodological gap.

In Ethiopia, there was also a study conducted with the main objective of to examine factors affecting employees' job performance in the case of Wegagen Bank S.C. After doing different analyses, the research arrived on the major findings that determinant internal factors examined in this study, especially motivation, leadership, work environment and organizational culture in the study organization are not being implemented properly as they have to be put into effect. That means there are still limitations in implementing these practices. As the study shown from correlation and regression results generally, the overall bundles of determinant factors incorporated in this study have positive effect on employees' job performance. For that reason, some extent of the employees' job performance is explained by training, motivation, leadership, organizational culture and working environment in the study bank (Getamesay Birhane, 2016).

This above study indicates with the result of adjusted R square value of 30.1 %. This result suggested that that 30.1 % of employees' job performance level in the bank clearly depends on the independent variables while the remaining 69.9 % is determined by other unaccounted

factors in this study. Therefore, this study will discover the additional variables which tries to well determine employee's performance in the study organization.

Additional study was again intended with the main objective to find factors that affect the performance of employees working at Postal Corporation of Kenya by (James Preston, 2017). The results of this study show that, Employee Motivation, Job Design, Management style and Working conditions were the major factors which affects the performance of employees for this study.

The above study findings indicated that most of the employees are not satisfied with their reward system. This could be because the management could be using rewards that were not applicable to everyone. Majority of them agreed that they were not motivated by the challenges faced by their jobs. The working environment and style of management has a positive relation with employee performance. The organization has a clear division of responsibilities and their superiors motivate them to perform better with their clear information and direction. However, most of the employees are not engaged in the decision-making process and they are not encouraged to be innovative by the management. The management also does not practice proper ethics in their internal Dealings within the organization.

Thus, working conditions definitely has a certain relation with the performance of employees. The environment in the organization is conducive enough and catalyzes the performance of employees in the organization. Most of the employees understand the procedures and policies of the organization. They are always in touch with their superiors and work well with their colleagues. However, majority of the employees do not take part in projects that benefiting the organization neither do they take part in solving problems in the organization (James Preston Kiama Watetu, 2017). Therefore, standing from this study, this research will fill the study area and conceptual gaps which is not mentioned on the above studies.

A study done by Bustasar et al (2018), the main objective of this study was to determine the influence of compensation, education and training, and the work environment on employee performance. The result of the study was the compensation variable has a positive and significant effect on the variability of employee performance in the Department of Religion of the Mukomuko Regency. The variable of work environment has a positive and significant effect on the variability in performance at the Ministry of Religion Office in Mukomuko Regency. However, the training variable had a negative and insignificant effect on the variability of performance in the Ministry of Religion Office in Mukomuko Regency.

The quantitative results of the study are measured by regression analysis. This implies the result are strongly acceptable and the finding of this study related to the variable training is different from other theories and empirical studies. Therefore, in this study consider the effects of training on employees' performance which whether its related in literatures or not.

Another study also conducted by Qais Mohammadi (2018) with the main objective of to examine factors affecting employee's performance A Case of Kabul Based Government Employees. The study found a positive and significant impact of employee participation, job involvement and employee relations on the dependent variable (Employee Performance). This study has a strong part of its analysis of results with correlation and regression and also state the limitation of the study.

The above paper empirically tested the relationship between employees' performance and employee participation, employee relation and job involvement. The data used in the study was collected from ministries based in Kabul, Afghanistan in a probability selection, while non-probability convenience sampling was used for respondents and participant in the survey. So, this type of method is suspected for bise. Therefore, this study fills the gap of conceptually with other variable, methodological and study area gaps.

In addition to this, a study conducted about factors that affect staff's performance in case of the West Pasaman Regency Environmental Agency by (Abror *et al*, 2019). The main objective of this study was to analyze the effect of transformational leadership and work involvement on the

performance of environmental officials based on the results of the analysis and discussion of the research, the causal variables on the variables as well as between one other causative variable on the performance of the staff influence indicated that; Transformational leadership has a significant positive effect on the performance of employees of the West Pasaman Regency Environmental Service. The more suitable transformational leadership, the more likely it will be to improve the performance of employees of the West Pasaman Regency Environmental Service.

Also, the involvement of work has a significant positive effect on the performance of employees of the West Pasaman Regency Environmental Service. The higher the involvement of cooperation will increase the performance of the staff of the West Pasaman Regency Environmental Office.

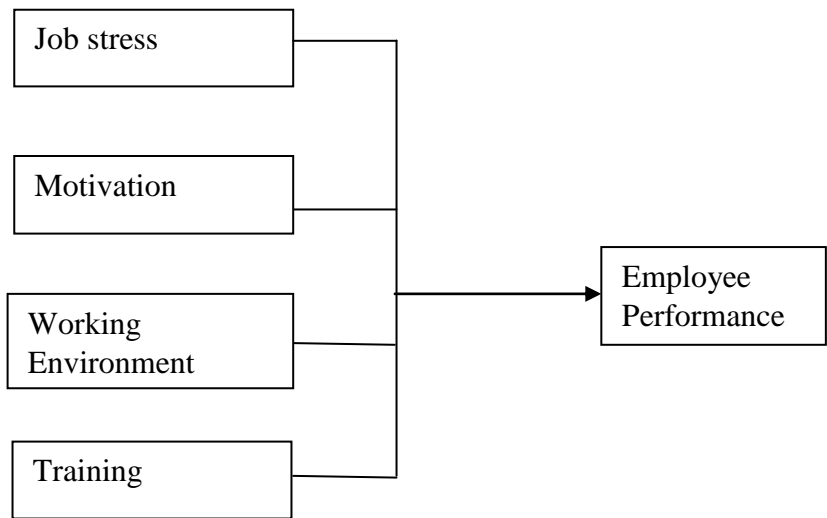
Lastly, a study was done by (Mohammad *et al*, 2019) to evaluate the factors affecting the performance of Fajr Jam Refinery employees. The main objective of the study was to evaluate factors affecting the performance in the case company. For this purpose, firstly the literature of the research, the indicators affecting the performance of employees were identified and the conceptual model of the problem was formed. Then, the required data were collected using a standard questionnaire based on the conceptual model of the problem among employees of FJG Company. The results of this study indicate that the payroll indicators, environmental conditions and reporting culture are the strengths of the system under review, and are now at an appropriate level. Also, the results indicate a negative impact on the indicators of awareness, system planning and preparation for critical situations, amenities, training, and job security in the system under review.

This study assessing the validity and reliability of the collected data. This can be considered as a strong part. And after calculating the efficiency values in the presence of all the indices, each indices were eliminated from the conceptual model and again the efficiency values were estimated. then, by comparing the performance statistics in the state before and after the removal

of each indicator from the conceptual model, the degree and the mode of its effect are determined.

So, this study conducted to fill the conceptual gap that are not mentioned in the above study which is related to MOR like working environment and training and methodological gap which is not used on the above study to examine the findings like by regression analysis.

2.3 Conceptual framework



Source, (Venkatraman & Ramanujam, 1986).

Figure 0-1: Conceptual Framework

The model in Figure 2.1 describes the relationships between the independent and dependent variables and the influence of job stress, motivation, working environment and training on employee's performance. This study has conducted mainly based on the above conceptual framework which adopted from the journal and some modification have made in the independent variable by the researcher.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

In order to examine factors that influence the performance of an employee, descriptive and explanatory research design is applied; for the purpose of data collection the researcher was used a structured questionnaire. Sample was also selected from the population by statistical techniques to infer for the population. And, before the data analyzed, appropriate data editing activities were carried out. Such kind of research design was used because the researcher has no control over the variables, only a report of what has happened in the area where the research is conducted is taken. Moreover, it describes the characteristics associated with the subject population. According to Kothari (2004), descriptive research design deals with answering the following questions: where, who, when, what and how related with a certain research problem, descriptive studies cannot determinedly establish solutions to why a scenario is what it is. Descriptive studies are used to acquire information regarding the present status of the phenomena and to describe what exists with regards to variables in a scenario.

This research is also cross sectional in design; because, it is one measurement time and gathers the data from a relatively large number of cases at a particular time. This will then determine a shorter interaction time, which in turn is aimed at attracting a wider sample group.

Besides, to identify and evaluate factors that affect employees' performance in the study organization this study is applied explanatory research design. This design makes the researcher determine why and how things happen. So, the researcher can meet this study specific objectives since the design help to understand the researcher how the effects of the independent variables on a dependent one and why it affects.

3.2 Research Approach

In order to achieve the objectives of this study and thereby give answers for the basic research questions, both qualitative and quantitative research approach, i.e., mixed research approach was used. For analyzing the data gathered from the questionnaire, the researcher uses a quantitative approach. but, for the data gathered from interviews and document analysis, the study used a qualitative approach. There are reasons why the researcher opted to use mixed methods. The adoption of the positivist paradigm entails that measurement remains an essential element since its basic assumption is a social phenomenon can be measured. The quantitative method is supplemented by a qualitative method to complement or validate information gathered from the quantitative survey, to gain deeper insights on the issue, to strengthen the analyses and thus enhance confidence in the conclusions. And mixed research approach ensures the findings of this study are grounded in participants' experiences.

3.3 Study Population

A study population is the entire group of elements which a researcher intends the results of a study to apply (Aron and Coups, 2008). So, the deliberated study populations of this study are all 414 employees of the branch office of Ministry of Revenue Eastern Addis Ababa Small Tax Payer.

However, the units of study were selected by considering employees' participation and work design. That means employees directly contributed to the organization's goal.

3.4 Sample and Sampling Techniques

To select the required sample, the researcher uses probabilistic sampling techniques. Hence, as the first stage select the Ministry of Revenue Eastern Addis Ababa Small Tax Payer branch office by using multi-stage random sampling technique; because there are four branches in Addis Ababa in addition to the head office and each branch office of Ministry of Revenue relatively

homogenous for the studying issue i.e. all selected variables or factors are similarly affected those employee's performance.

Then, the study units from the target population was drawn by using a simple random sampling technique. This is due to that the study deals about performances of employees in the branch office and to get proper representatives. Therefore, simple random sampling is preferable because each member of the population will have equal chance of being selected for the population relatively homogenous for the issue of this studying. So, this technique preferred to minimizing bias when dealing with the population.

In addition, branch and human resource managers were also selected to conduct a depth interview. Because of those representative's knowledge and experience about the issue and best positioned to provide the needed information for the study (Ranjit, 2011).

3.4.1 Sample Size Determination

The sample size for the study was propose to allocate by using the Yamane (1967:886) formula assuming that the population size is known, considered 95% confidence interval (CI), and 5% margin of error (ε). So, the calculation of sample size denoted as: -

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

Where:

n = is the sample size

N = the total number of employees those found in branch office (414)

ε = margin of error (5%)

Now

$$n = \frac{414}{1 + (414)(0.05)^2}$$
$$n \cong 203$$

Thus, the study would expect to select 203 employees in the Eastern Addis Ababa small Taxpayers branch office.

3.5 Data Types and Sources

This study was used both primary and secondary data sources. The primary data was collected from employees in the Eastern Addis Ababa small Taxpayers branch office through questionnaire and also done from key informant interview through structured and unstructured interview questionnaires were used to gather in-depth qualitative data. Those are with the branch and human resource managers.

Moreover, secondary data was collected using available sources of information such as published and unpublished documents. This includes information from past research works and annual reports of employee performance.

3.6 Data Collection Tools

The data collection instruments researcher that was used for this study are structured interviews and close-ended questionnaire in order to get detail explanation about employee performance. Basically, the questions were used to examine factors that affect the performance of employees working in Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office. The data that was collected through questionnaire are measured using 5-point likert-scale ranging from 1=strongly disagree to 5=strongly agree with reference to the forwarded questions. It is also included demographic questions which used for descriptive analysis. In addition to this, the researcher was used KII to gather primary data from the branch and human resource managers.

I. Questionnaires

A questionnaire with items is prepared to collect quantitative data from selected employees. This is because the questionnaire is convenient to conduct surveys and to acquire the necessary information from a large number of study subjects in a short period of time. Furthermore, it

makes possible an economy of time and expense and also provides a high proportion of usable response (Best and Kahn, 2003). Accordingly, the questionnaires were prepared in English language, because all of the sample employees will have the necessary skills to read and understand the concepts that were in the questionnaire.

Moreover, the questionnaires have two parts. The first part of the questionnaire describes the respondents' background information or demographic data. The second parts were incorporated items of employees' performance.

II. Interview

In addition to structured interview, unstructured interview questionnaires were used to gather in-depth qualitative data from the branch and human resource managers. Employing unstructured interview is quite important, because interview has great potential to release more in-depth information, provide opportunity to observe non-verbal behavior of respondents; gives opportunities for clearing up misunderstandings, as well as it can be adjusted to meet many diverse situations (Abiy *et al.*, 2009).

3.7 Reliability and Validity Test

Due attention was given to minimize the chance of getting higher errors. Hence, reliability and validity tests, which help to detect the presence or absence of those errors, have been carried out. To that end, the researcher was conducted pilot tests on 20 respondents after drafting the questionnaire to meet all the reliability and validity standards.

3.7.1 Validity Test

According to Kothari (2004), validity refers to the extent to which the instrument measures what the researcher actually wishes to measure. Validity is the most critical criterion that indicates the degree to which an instrument measures what it is supposed to measure.

In order to ensure the quality of this research, content validity of the instruments of the research will be checked. The content validity was verified by the advisor, who looked into the appropriateness of the questions and the scales of measurement. Peer discussion with other researchers was conducted since it is another way of checking the appropriateness of the questions. Moreover, copies of the questionnaire were distributed to twenty respondents as a pilot test.

This is done to decide whether the developed instruments measure what it meant to measure and also to check the clarity, length, structure and wording of the questions. This test helps the researcher to get valuable feedbacks to modify some questions.

3.7.2 Reliability Test

Reliability is concerned with whether the procedures of data collection and analysis generates the same results on all occasions and whether others can also make similar observations and arrive at the same conclusions from the same given raw data. In other words, it is an attribute in which data collection procedures can be repeated with the same results. According to Kothari (2004), measuring instrument is reliable if it provides consistent results.

In order to evaluate the consistency of the questionnaire a reliability test was carried out based on Cronbach's Alpha coefficient. Cronbach's Alpha can be interpreted as like a correlation coefficient. Its coefficient range lay on the value from 0 to 1. A reliability coefficient (alpha) higher than or equal to 0.7 is considered acceptable. That means the formulated questions in the questionnaire are capable to meet the objective of the study (Kothari, 2004).

Therefore, the reliability test conducted by the researcher has proved that all the items or attributes of the pilot questionnaire has been reliable since the results of the test were higher than 0.7 as indicated in the table below. Hence, the test results generated by all the variables used in this research are reliable enough for data analysis as their alpha value is greater than 0.7. So, the Cronbach's alpha value for all items suggested that the data collected through questionnaires were reliable enough and can be used for further statistical analysis.

Table 0-1: Reliability Statistics

Variables	Cronbach's Alpha Based on Standardized Items	No. of Items
Job stress	0.814	12
Motivation	0.809	9
Working condition/ environment	0.815	12
Training	0.798	10
Employee performance	0.789	8
Overall	0.918	51

Source: survey data, 2020

3.8 Methods of Data Analysis and Interpretation

After the data collection was made, data processing is carried out. The raw data was converted into suitable form for analysis and interpretation. This was achieved by following a number of procedures including editing, coding, entry, and tabulation. Their objective is to check the completeness, internal consistency and appropriateness of the answers to each of the questions. Statistical analysis was done by using Statistical Package for Social Science (SPSS) software (v.24).

Descriptive statistic such as mean, percentages and frequency distributions, was executed before a deeper analysis of data to help describe, show or summarize data in a meaningful way and to prepare for further examination how those factors can affect the performance of employees. And to determine the relationship among the variables, both the dependent and independent, and finally to test the research question correlation and regression analysis were used to meet the ordinary least square (OLS) assumptions of the linear regression. This assumption is useful to meet the research objectives by closely fit the function of the data through minimizing the sum of squared error from the data.

3.9 Model specification

The following model was formulated for this research in order to give right answer for the issued objectives. The independent variables included in the model are job stress (x_{1i}), motivation (x_{2i}), working environment (x_{3i}), and training (x_{4i}). However, the dependent variable is employee performance (Y_i).

The following regression model was used to indicate how the dependent variable predicted by the independent variables.

$$Y_i = \alpha + \beta_1 x_{1i} + \beta_2 x_{2i} + \beta_3 x_{3i} + \beta_4 x_{4i} + \varepsilon_i$$

Where the variables are defined as:

Y_i = employee performance

α = Constant term

β_i = Coefficients

x_{1i} = job stress

x_{2i} = motivation

x_{3i} = working condition

x_{4i} = training

ε_i = Error term

Under the assumptions of:

- $\varepsilon_i \sim N(0, 1)$ mean zero and variance 1
- Linear relationship between outcomes (y) and explanatory variable x
- Outcome variable (y) should be normally distributed for each value of explanatory variable (x)
- Standard deviation of y should be approximately the same for each value of x
- Fixed independent observations
- The observations (explanatory variables) should be independent

3.10 Ethical Consideration

Research ethics refers to the type of agreement that the researcher enters into with his or her research participants. Ethical considerations play a role in all research studies and all researchers must be aware of and attend to the ethical considerations related to their studies (Fouka and Mantzorou, 2011). Therefore, the student researcher and co-workers were communicated the interviewers in acceptable way and smoothly. The purpose of the study was explained clearly and understandably for all participants. Any communication with the participants was accomplished at their voluntarily agreement without influencing and threatening the personal and institutional wellbeing. The identity of the respondents was also kept confidential.

Chapter Four

Results and Discussions

4.1 Introduction

This chapter attempts to present, interpret and discuss the data collected and relate them to the theory explained in the second chapter of the paper. At the same time, the data is analysed in association with the research questions raised in Chapter One.

The data which is presented in the preceding chapter was gathered from primary source. In terms of organization, this chapter is divided into two broad parts. The first part deals with the descriptive analysis and the second part discusses the inferential result such as ordinary list square diagnosis and regression analysis.

4.2 The current level of employees' performance

4.2.1 Response Rate

A total of 203 (100.0%) questionnaires have been distributed to the employees in the Eastern Addis Ababa small Taxpayers branch office of Ministry of Revenue. The table below shows the number of distributed, returned and incomplete questionnaires along with their frequency and percentage. Accordingly, the result indicates that 198 (98.54%) of the total respondents gave appropriate response for the given inquires. But, the remaining questionnaires have been found to be incomplete and insufficient for the analysis. Therefore, in general 1.46% non-response was recorded.

Table 0-1: Representation of respondents

Respondents	Number of distributed Questionnai	Number of returned questionna	Number of incomplete questionnaires	% of the responded questionnaire
Eastern Addis Ababa small Taxpayers	203	198	5	98.54

Source: Own data, 2020

4.2.2 Respondents profile

Table 0-2: General information about the study participants

Variables		Frequency	%
Sex of the respondents	Female	90	45.5
	Male	108	54.5
Age of the respondents	25 Years and below	13	6.6
	26-30 Years	109	55.1
	31-35 Years	62	31.3
	36-40 Years	11	5.6
	41 and above Years	3	1.5
Marital status of the respondents	Married	89	44.9
	Unmarried	70	35.4
	Divorced	31	15.7
	Widowed	8	4.4
Educational qualification of the	Diploma and below	3	1.5
	Degree	118	59.6
	Masters and above	77	38.9
Years of service	1-2 years	50	25.3
	3-4 years	93	47.0
	5-6 years	46	23.2
	7 years and above	9	4.5
Current position of the respondents	Junior officer	15	7.6
	Officer	20	10.1
	Senior officer I	84	42.4
	Senior officer II	73	36.9

Source: Own data, 2020

The profiles of the respondents in terms of sex revealed that 90 (45.5%) and 108 (54.5%) employees were females and males respectively. From this, we can understand that no big difference between both sex participants in the study area. and comparatively both sex respondents were participated without much domination of one type of sex.

Respondents were asked to indicate their ages. The above table shows that respondents were 25 and below years are 13 (6.6%), 109 respondents were between 26 and 30 years (55.1%). 62 respondents (31.3%) indicated that they were between 31 and 35 years and 11 (5.6%) respondents indicated that they were between ages 36 and 40 years and lastly greater than 40 years have been 3 respondents (1.5 %). This shows that most of the respondents were not old people by their ages and in fact, they are on in the productive age.

The marital status of respondents as the above table presents; married respondents dominated which showed 89 (44.9%) of them, 70 (35.4%) are Unmarried, 31 (15.7%) are Divorced and the remaining 8 (4.4%) are widowed employees.

In terms of level of education, the majority employees, 118 (59.6%), of the participants had BA or BSc degree, 77 (38.9%) of employees had 2nd degree (MS/MA) and above 2nd degree and the remaining 3 (1.5%) of employees also had a diploma certificate and below. These literate levels of the respondent are important to get quality and understandable number of respondents in this study issue.

Regarding the service years of employees, the majority of the respondents, 93 (47.0%), served in the office between 3 and 4 years, the least, 9 (4.5%) study participants had got an experience of 7 years and above. Similarly, 46 (23.2%) of employees were served the office between 5 and 6 years. The remaining 50 (25.3%) employees are served between 1 and 2 years. According to the structure of employees in the Ministry of revenue are categorized into Junior officer with the experience requirement of 0-2 years, Officer 3-4 years, Senior officer I ≥ 4 years, senior officer II ≥ 5 years and Team leader for ≥ 6 years. Therefore, as the result revealed most of the employees were represented in the range of senior officers. In fact, the working experience and seniority help respondents to know the office environment better and to respond properly.

4.3 Current Practice of Employees in Ministry of Revenue EAASTBO

Descriptive statistical analysis is conducted to indicate the validity of the construct. This is mainly done using descriptive means and standard deviation. The following table shows the result of means and standard deviation as follows;

Table 0-3: Descriptive statistics

Variables	Mean	Std. Deviation	N
Job stress	3.10	0.91	198
Motivation	3.18	0.72	198
Working environment	3.48	0.61	198
Training	3.21	0.78	198
Employee performance	3.45	0.67	198

Source: Own data, 2020

As the result shown in the above Table 4.3, summary statistics of employee's performance and factors that affect employee's performance are given which includes the mean, standard deviation and number of respondents. The result reveals descriptive view about the data set that it consists of 198 respondents of each variable. First column shows the mean values of all the variables which show the average values for example, mean value of job stress is 3.10, motivation with the mean value is 3.18, mean value for working environment is 3.48, mean value for training is 3.21 and the mean value of employee performance is 3.45. Standard deviation also tells us about the spread of the values relative to its mean. the more spread out the data, the higher the standard deviation. Thus, the above table can also be used for comparison purposes of for example as data shows that job stress has comparatively larger spread than other variables. training has standard deviation of 0.78, motivation investment has standard deviation of 0.72,

employee performance has standard deviation of 0.67 and working environment has standard deviation of 0.61.

4.4 Association between job stress and performance of employees

In this section, describe participant’s responses for close-ended (yes or no) questions and five-point Likert scale questions ranging from 1 “Strongly Disagree” to 5 “Strongly Agree” on job stress and performance. Accordingly, this information summarized in Table 4.4 and Table 4.5

Table 0-4: Responses on Whether Job Stress Affects the Performance of Employees

Questions	Response	Frequency	%
Do you believe that job stress affects employee’s performance	Yes	165	83.33
	No	33	16.67
	Total	198	100
Overlapping goals of your work influence your performance	Yes	160	80.81
	No	38	19.19
	Total	198	100
Do you believe that unclear guideline of your work affects accomplishment of your work	Yes	121	61.11
	No	77	38.89
	Total	198	100
Unclear responsibility of which boss’s decisions making duty affects your work performance	Yes	135	68.18
	No	63	31.82
	Total	198	100

Source: Own data, 2020

As shown in the above table, Respondents answer questions about whether job stress affected their work performance in the branch office. 165 (83.33%) respondents believed that it indeed affected their performance while 33 (16.67%) respondents thought that it did not. This is to imply that majority agreed job stress does in fact affect employee performance. And also respondents indicate that Overlapping goals of their work influenced their job performance. Here, 160 (80.81%) respondents agreed that it affected their performance while 38 (19.19%) respondents are not. In addition, more than ½ of the employees believed that Unclear guideline

of their work affects their job performance. However, 77 (38.89%) respondents not believed. Further, 135 (68.18%) respondents are agreed with unclear responsibility of which boss's decisions making duty affects their work performance. But 63 (31.82%) respondents were not agreed.

Employees response regarding job stress and its effect on performance where they indicate their extent of agreement on a five-point scale where 1 was Strongly Disagree, 2 was Disagree, 3 was Neutral, 4 was Agree and 5 was Strongly Agree. According to the result shown in the table below, 78 (39.4%) of the study participants believed that job stress affects their job performance. whilst, 53 (26.8%) employees disagreed. The remaining 67 (33.8%) of study participants are score neutral.

Table 0-5: Employees Response to Job Stress on Employee Performance

Response	Strongly disagree & Disagree	Neutral	Agree & Strongly agree
Frequency	53	67	78
Percentage	26.8%	33.8%	39.4%

Source: Own data, 2020

The interview with branch manager and human resource manager also support the above respondents' argument. According to branch manager

...there is a large number of taxpayers served in this branch. Due to this, most of the employees are facing overloaded work and perform their duty without breaks. Even though like other organizations, there is no tea break time officially as an organization. Regarding this, they believe that this overloaded work creates stress and it can affect their job performances...

Human resource manager also explained that:

...due to many of taxpayers served in this branch, always overloaded work is happening and the employee did not get their annual leaves when they want and

even based on their plan approved earlier. because, if there is more working activity, their plan also may become transferred to another day...

4.5 Association between motivation and performance of employees

In this section, Employees were asked various questions regarding motivation and performance. This information is summarized in the Table 4.6 and Table 4.7

Table 0-6: Responses on Whether Motivation Affects Performance Of Employees

Questions	Response	Frequency	%
Do you think that motivation affect employee’s performance?	Yes	120	60.61
	No	78	39.39
	Total	198	100
Do you believe that effective appraisal system affects employee’s performance?	Yes	100	50.51
	No	98	49.49
	Total	198	100
Do you feel daily briefing from team leader affects your performance?	Yes	113	57.07
	No	85	42.93
	Total	198	100
Do you think that acknowledge your work affect your performance?	Yes	145	73.23
	No	53	26.77
	Total	198	100

Source: Own data, 2020

Respondents were asked to identify whether motivation affected their performance at the branch office. Out of 198 respondents 120 (60.61%) indicated that it affected their performance in this branch office while 78 (39.39%) argues that it did not. This is to imply that majority agreed, motivation does influence on employee performance. And also, respondents were asked to indicate effective appraisal system affect their performance. Here, nearly equivalent 100 (50.51%) respondents agreed that it affected their performance while 98 (49.49%) respondents are not. In addition, majority of the employees 113 (57.07%) believed that daily briefing from

team leader affects their performance. However, 85 (42.93%) respondents not believed. Further, the highest number of employees were within the same side 145 (73.23%) on agreed with acknowledge to their work affect their performance. remaining 53 (26.77%) employees were not agreed.

In section B of the questionnaire, questions one to nine evaluated the factors which is motivation affects employee’s job performance. Most of respondents which is 107 or (54%) agreed and strongly agreed by the issue that motivational factor is influence their performance. however, 20 (10.1%) respondents are disagreed with the above argument. this shows that more than half of employees in this branch believes that motivation influence their job performance.

Table 0-7: Employees Response to Motivation on Employee Performance

Response	Strongly disagree & Disagree	Neutral	Agree & Strongly agree
Frequency	20	71	107
Percentage	10.1%	35.9%	54%

Source: Own data, 2020

Regarding the interview result, branch manager agreed that:

...recognizing well-performed employees are useful and they agreed that motivating employees lead to improve their job performance, but due to limited organizational motivation and reward activity for well performed employees by gov’t policy, restrict their role in this activity to playing in well and cannot approve more budget than the limitation....

In addition, human resource manager indicated that:

... Even though still less recognition and other motivational activity made and their contribution is very less on their branch office reward program, sometimes recognition programs made and forward certificates for their few employees. This

enables them to support their job performance. Hence, not only certified employees but also motivated non-certified employees and become actively done by a competition feeling with their friends at that moment but not goes for long...

4.6 Association between working environment and employee performance

Employees respond to different questions about the working environment and performance are summarized in Table 4.8.

Table 0-8: Responses on Whether Working Environment Affects Performance Of Employees

Questions	Response	Frequency	%
Does working conditions affect your performance?	Yes	122	61.62
	No	76	38.38
	Total	198	100
Do you require further facilities to increase your job performance?	Yes	131	66.16
	No	67	33.84
	Total	198	100
Do you think suitable working environment contribute to increase job performance?	Yes	105	53.03
	No	93	46.97
	Total	198	100
Do you believe that employee participation in organizational plan affect your job performance?	Yes	132	66.67
	No	66	33.33
	Total	198	100

Source: Own data, 2020

The above table shows that; employees' responses to indicate working condition affected their performance. From the sample employees, 122 (61.62%) employees agreed that it affected their performance. The remaining 76 (38.38%) were not agreed on those. And also 131 (66.16%) respondents needed further facilities to increase their job performance. while 67 (33.84%) respondents are not agreed by this idea. In addition, 105 (53.03%) sample employees believed that a suitable working environment contributes to increasing their job performance. But, 93

(46.97%) respondents were not believed. again, the majority of employees were within the same side i.e. 132 (66.67%) agreed with employee participation in the organizational plan affects their job performance. However, 66 (33.33%) employees were not agreed.

Employees response subjected to Likert scale questions on the working environment and its effect on employee’s performance, here they indicate those statements as summarized in the table below, most of respondents 95 (48%) agreed and strongly agreed. While 10 (5.1%). disagreed and strongly disagreed on this concept and remaining 93 (47.0%) were indicates neutral.

Table 0-9: Employees Response to Work Environment on Employee Performance

Response	Strongly disagree & Disagree	Neutral	Agree & Strongly agree
Frequency	10	93	95
Percentage	5.1%	47.0%	48.0%

Source: Own data, 2020

Further, regarding the interview result, branch manager agreed that:

...creating work suitable environments simply for example by preparing the seating arrangement comfortable, the manager thought it affects their employee's job performance and believes that it is useful for managing activities which easy to control the employee to do their duty as well as to support them to perform in better...

Here, human resource manager added that:

... In his opinion, the office environment initiates employees to like their job place and believes that if they like their job, the employee can perform their job effectively and based on his observation due to the crowded environment in their office, the employee not interested to stay on their chair for a long time and because of this observed that they did not perform well ...

4.7 Association between Training and performance

In this section, respondents show various answers to the questions about training and performance. The information summarized in Table 4.10 as follows;

Table 0-10: Responses on Whether Job Stress Affects Performance of Employees

Questions	Response	Frequency	%
Do you think that training affect employee's performance?	Yes	150	75.76
	No	48	24.24
	Total	198	100
The training that you took is relevant to your performance?	Yes	124	62.63
	No	74	37.37
	Total	198	100
The training provided by the branch is enough to develop my performance?	Yes	98	49.49
	No	100	50.51
	Total	198	100

Source: Own data, 2020

Respondents answer whether training affected their work performance in the branch office. Majority 150 (75.76%), respondents believed that it indeed affected their performance while 48 (24.24%) respondents thought that it did not. as the majority agreed on training in fact affect employee performance. other issues were respondents asked to indicate whether the training that they took is relevant to their performance. Here, 124 (62.63%) respondents agreed that it affected their performance while 74 (37.37%) respondents are not agreed. However, above half of the employees, 100 (50.51%) not believed that the training provided by the branch is enough to develop their performance. The remains, 98 (49.49%) respondents believed on this issue.

In addition, as can observe from the table below, the study results showed that 74 (37.4%) respondents were agreed and strongly agreed on the idea training helps them to increase their

performance. However, 36 (18.2%) of the respondents disagreed and strongly disagreed with this idea. whereas, 88 (44.4%) of study participants neither agreed nor disagreed with the above opinion.

Table 0-11: Employees Respondent to Training on Employee Performance

Response	Strongly disagree & Disagree	Neutral	Agree & Strongly agree
Frequency	36	88	74
Percentage	18.2%	44.4%	37.4%

Source: Own data, 2020

Supportive idea with this;

... According to branch manager and human resource manager whether they believe that training improve the performance of their employees, their respond are also similarly they believe on this idea...

4.8 Employee performance

Under this section, questions were provided to the respondents to assess their performance on a five-point Likert scale where respondents were subjected to a statement regarding performance on their work.

To do so, Employees required to indicate about their performance affected or not, more than half of the respondents that mean 109 (55.01%) are agreed and strongly agreed. However, 20 (10.1%) respondents disagreed and strongly disagreed with their performance effect; whereas, 69 (34.8%) of study participants score neutral.

Table 0-12: Employees Response to Employee Performance

Response	Strongly disagree & Disagree	Neutral	Agree & Strongly agree
Frequency	20	69	109
Percentage	10.1%	34.8%	55.01%

Source: Own data, 2020

... also based on interviews, the branch manager and human resource manager states that as organization level there is a department that calls it “modernization and change” that are responsible for following up on the employee’s performance. And it has a strategy which used to develop their employee performance and they believed that this department works for employee performance development. So, both indicate that employee performance development is the issue in this branch ...

4.9 Relationship between the dependent and independent variables

A correlation analysis was used to examine the strength of the relationships between independent variables include job stress (x_{1i}), motivation (x_{2i}), working condition/ environment (x_{3i}) and training (x_{4i}) and the dependent outcomes of employment performance (Y_i). Table 4.13 indicates the correlations between explanatory and dependent variables.

Basically, the test helps to identify important factors which capable to affect the dependent variable, employee performance. Therefore, the results of correlation analysis show that the entire explanatory variables are linearly associated with employee performance with a 0.05 level of significance. Moreover, those variables except job stress (x_{1i}), develop a positive association with the dependent variable, because the correlation coefficients of the selected explanatory variables are positives. However, job stress (x_{1i}) develop a negative association with the dependent variable.

Table 0-13: The Correlations Matrix Among Explanatory Variables and Employee Performance

		Y_i	x_{1i}	x_{2i}	x_{3i}	x_{4i}
Employment performance	Pearson Correlation	1	-0.256*	0.504*	0.450*	0.662*
(Y_i)	Sig. (2-tailed)		0.000	0.000	0.000	0.000
Job stress (x_{1i})	Pearson Correlation		1	-0.059	-0.029	-0.127
	Sig. (2-tailed)			0.411	0.684	0.074
Motivation (x_{2i})	Pearson Correlation			1	.256*	.480*
	Sig. (2-tailed)				0.000	0.000
Working environment (x_{3i})	Pearson Correlation				1	.393*
Training (x_{4i})	Sig. (2-tailed)					0.000
	Pearson Correlation					1
	Sig. (2-tailed)					

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

Source: survey data, 2020

4.10 Effects of factors on employee's performance

4.10.1 Detecting Outliers

Primarily, the existence of outliers is detected by using a Cook's distance. If the distance greater than one, the extreme value which capable to affect the distribution exist. Otherwise, the outlier who capable to interrupt the outcome is not detected.

Therefore, as the result reviled, the minimum Cook's distance value is 0.000; while, the maximum is 0.640. Thus, the estimated distance is less than expected threshold value 1, so the problem of outlier is not obvious in this study.

Table 0-14: Tests of outliers by using a Cook’s distance

	Minimum	Maximum	Mean	Std. Deviation	N
Cook's Distance	.000	0.640	0.007	0.013	198

Source: survey data, 2020

4.10.2 Assessment of normality

The explanatory variables of this study include job stress (x_{1i}), motivation (x_{2i}), working environment (x_{3i}), and training (x_{4i}). However, the dependent variable is employee performance (Y_i). Table 4.15 contains the normality test for all of the independent variables.

The test of normality is done by Kolmogorov-Smirnov and Shapiro-Wilks tests. According to Field (2009), the test is significant if the p-value is greater than the significant level (0.05). That is, if the significant value of the distribution above the threshold of the probabilistic result (0.05), the researcher has full evidence to conclude that the distribution is normal.

In fact, for the tests on samples from 3 to 2,000 Shapiro-Wilks test is recommended, whereas, for the largest sample (n) which is above 2,000, Kolmogorov- Smirnov is suggested. Thus, the Shapiro-Wilks normality test was used for this research.

Accordingly, the result illustrated that all of the tested variables found to be normal with 0.05 level of significant, because as the above expression the p-value of all the explanatory variables are above the significant level.

Table 0-15: Test of normality

Variables	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	statistic	df	Sig.	statistic	df	Sig.
Job stress	0.065	198	0.042*	0.978	198	0.064*
Motivation	0.077	198	0.070*	0.985	198	0.053*
Working environment	0.072	198	0.013	0.989	198	0.130*

Training	0.057	198	0.200*	0.991	198	0.264*
Employee performance	0.075	198	0.061*	0.986	198	0.055*

a. Lilliefors Significance Correction,

* Indicates significant with 0.05 level of precision

Source: survey data, 2020

4.10.3 Assessment of multicollinearity

Multicollinearity exists when there are strong correlations among the predictors. If the tolerance value below 0.10 or the variance inflation factor (VIF) greater than 10, Multicollinearity problem would be a serious problem for the distribution (Field, 2009). Tolerance is a test statistic used to indicate the variability of the specified independent variable whether explained by other independent variables in the model or not.

As the study result illustrated in the table below, the entire variables tolerance are greater than 0.10 and their VIF values also lower than 10. So, there is no Multicollinearity problem that alters the analysis of the regression model (Table 4.16).

Table 0-16: Collinearity Statistics

Variables	Collinearity Statistics	
	Tolerance	VIF
Job stress	0.983	1.017
Motivation	0.764	1.308
Working environment	0.839	1.192
Training	0.682	1.465

Source: survey data, 2020

4.10.4 Normality of the Error Term

The error term should be normally distributed with a mean of zero and standard deviation of one. This test can be done by using histogram with a normal curve. As a figure illustrated in the below graphical (Figure 4.1) presentation the assumption is achieved, because the mean of the error term is 2.17×10^{-15} which is approaching to zero and the standard deviation 0.990 which is nearest to one. Therefore, the distribution of the random error term is standardized normal.

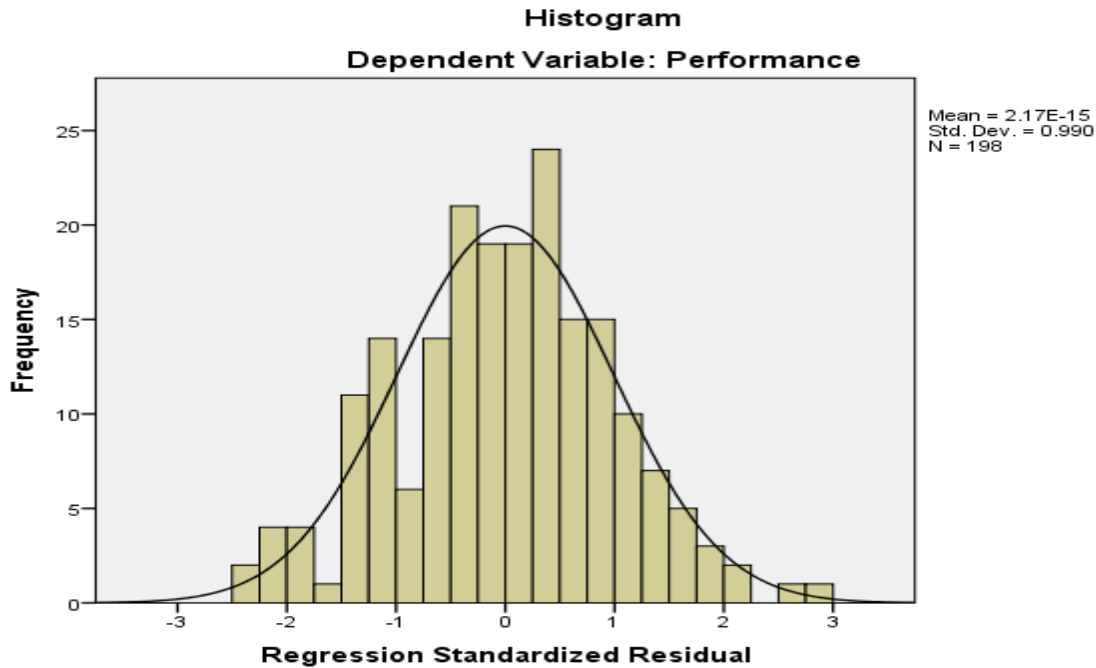


Figure 0-1: The Normality Tests of The Error Term

Source: survey data, 2020

4.10.5 Assessment of Heteroscedasticity

When the error term varied with the independent variables, the problem of Heteroscedasticity could be occurred. This is tested by drawing a graph with standardized predicted values versus standardized residual curve. In the curve if any continuity trend can be observed, i.e., if standardize perception distribution show an increment or decrement trend over the standardized residual, the problem is detected otherwise it is safe from the problem. In that regard, the

distribution of the data did not indicate any such kinds of trend; hence, the Heteroscedasticity problem is not detected (Fig 4.2).

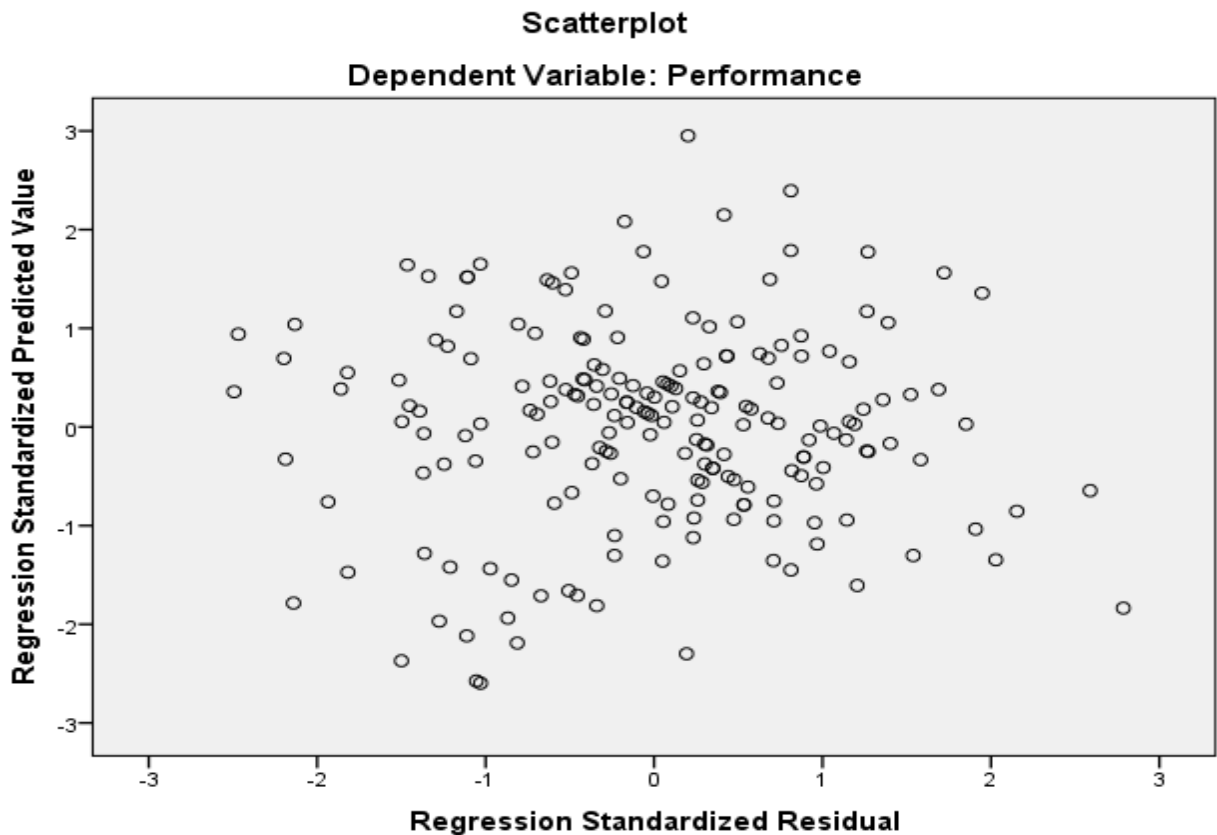


Figure 0-2: Heteroscedasticity Test

Source: survey data, 2020

4.11 Determinants of Employee Performance

Regression analysis was conducted to examine the causal and strengthens of relationships between the dependent and independent variables. A regression model was formulated and tested where the dependent variable, employee performance (Y_i), represented the independent variables: job stress (x_{1i}), motivation (x_{2i}), working environment (x_{3i}) and training (x_{4i}).

Basically, the regression analysis is used to test how the model fits and investigate the determinant variables from the given explanatory variables. Finally, the research questions were got their proper answer based on the proposed specific objectives and the regression output results.

The regression result explores whether all job-related factors equally affect the employee performance or not. As the correlation analysis revealed that the entire independent variables are significantly important to determine the employee performance. So, the next procedure would be determined the factors affecting the employee performance in a case of Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office.

The study before giving more explanation about the determinant factors, primarily, has to test whether other misspecification problems those hindered the quality of the model, due to the formulated frame work, occur or not should be checked by using the ANOVA test. As the result illustrated in the table below, the F-test of the p-value is 0.000 and the significant value is 0.05. Hence, the significance (sig.) value is greater than that of the p-value; therefore, accept the hypothesis which is stated that the model is fitted or good.

Table 0-17: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	48.164	4	12.041	59.027	.000 ^b
Residual	39.371	193	0.204		
Total	87.535	197			

Source: survey data, 2020

Having the above concept in mind, the next question which follows would be how much is the model good. The answer is given by the goodness of fit test (R^2) value. That is, the value of R square used to measure how much of the variation in the dependent variable, employee performance, identified by the regressors. The larger the value of R square, the better it fits.

So, table 4.18 displays R, R square, adjusted R square, and the standard error of the estimate. R is the multi-correlation coefficient which is measuring the relationship between the dependent and predictor variables. The values of R range from -1 to 1. The sign of R indicates the direction of the relationship (positive or negative). The absolute value of R indicates the strength, with larger absolute values indicating stronger linear relationship. So, the value of R is 0.742 which implies the dependent and the predictors have developed a positive linear association.

Moreover, as discussed in the above portion, R square is helped to quantify the proportion of variation in the dependent variable explained by the regression model. It is ranged from 0 to 1. Small values indicate that the explainable level of the independent variables to determine the dependent variable is weak. The sample R squared tends to optimistically estimate how well the models fit for the population. Both R squared and adjusted R square somehow has the same meaning and purpose. But, adjusted R square is applicable for the small numbers of observation ($n < 30$) or small numbers of independent variables (No. of variable < 5). So, in the case of this study, the researcher used the adjusted R square, because the numbers of variables involved in the study were few. In that regard, the adjusted R square value in this case is 0.541. This indicated that the four independent variables of the model accounted 54.1% of the variation over the employee performance (the dependent variable); whereas, the rest of the variation can cover by other unknown variable which is not included in the study and interaction effects between variables might be affect those performances.

Table 0-18: Goodness of Fit Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.742 ^a	.550	.541	.45165

a. Predictors: (Constant), Training, Job stress, Motivation, Working environment

b. Dependent Variable: Employee performance

Source: survey data, 2020

The other misspecification problem which capable to affect the model be identified by the t-test statistics. That is, the researcher should check whether all the factors are equally important to

affect the dependent variable or not, by using t-test statistics. If the p-value is lesser than the sig value (0.05), the factor/s are important to determine the model otherwise the factor should be rejected in the model. According to this study result all the independent variables are important to determine the employee performance.

Moreover, the sign of all significant independent variables beta coefficient (β) except job stress indicates a positive sign; i.e., any increments of the independent variables lead to increase the dependent counterpart. However, any increments in job stress lead to decreased performance of employees.

Result of regression analysis presented in table below also provides more comprehensive and accurate examination of the research questions. Therefore, the regression analysis is used to test the developed questions based on the specific objectives and investigate the contributions of the independent variables over the dependent once. The following table shows the regression analysis results.

Table 0-19: The Determinant Factors of Employee Performance

Variables	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.
	Beta	SE	Beta		
Constant	1.163	0.247		4.711	0.000*
Job stress (x_{1i})	-0.132	0.036	-0.179	-3.682	0.000*
Motivation (x_{2i})	0.207	0.051	0.224	4.064	0.000*
Working environment (x_{3i})	0.231	0.058	0.210	3.991	0.001*
Training (x_{4i})	0.383	0.050	0.448	7.675	0.000*

Dependent variable: Employee performance (Y_i)

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

Source: Own data, 2020

Primarily, the study wants to check whether the effect of job stress (x_{1i}), is statistically significant to determinant the employee performance (Y_i) in the study area or not. Hence, as the result indicated, x_{1i} is statistically significant associated with the dependent variable employee performance (Beta= -0.179, p-value = 0.000 < sig. value = 0.05). Therefore, job stress is one of the important factors that affect employee performance. So, after taking the remaining effect as a constant, for a unit percentage increment of job stress would lead to 17.9% loss of employee performance.

This study finding shows a similar idea with the theory by (Beehr, 1976) states that stress in an organizational role that produces adverse consequences for the individual. likewise, this finding of the study supports the literature revealed that stress in employees results in reduced workplace performance (Klein, 2002). In addition to that, other study findings support that stress affecting one's performance is great (Tuten & Neidermeyer, 2004). In line with this study's findings, Maneze (2005) states that the upward trend of job stress has become a major challenge to employers as it reduces performance levels in jobs.

Second the researcher wants to test in here that whether the motivation (x_{2i}) has significant impact on employee performance (Y_i) or not. As the result indicated, those two variables are statistically associated. That is (Beta= 0.224, p-value = 0.000 < sig. value = 0.05). so, motivation again is one of the important factors that affect employee performance. Which means that, by considering the remaining effect as a constant, if motivation increase by one percent would lead to increase employee performance by 22.4%.

Regarding this idea, theoretical literature revealed that motivation has a direct positive effect on the work situation, and lead to improved productivity (Herzberg, 1966). similarly, a study result indicates that employee performance increased through incentive provisions (Knights and Willmott, 2007). In addition, this study result also supports an empirical study were done by (Mulatu, 2014) argues that motivation has effects on employees' job performance of their study organization. Furthermore, (Gebregziabher, 2009) claims that the employees' job performance affected by motivational factors.

This study finding indicates that working environment also explain the employee performance with the results of (Beta= 0.058, p-value = 0.001 < sig. value = 0.05). Therefore, after keeping the remaining effect as a constant, if the working environment improved by one percent, the corresponding employee performance would rise by 21%.

As can be observed in Table 4.19 implies that improved workplace environment can raise employees' performance. In line with this study finding, other study result indicates making the workplace more enjoyable, which in turn means a positive attitude towards work and increased productivity (Edge, 2006). Similarly, a better workplace environment boosts employees' performance as stated by (Chandraseker, 2011).

Finally, the study wants to test whether provision of training (x_{4i}) has significant impact on employee performance (Y_i) or not. As the result of the study reviled in the above table that this variable has also statically significant contribution on the employee performance. i.e. (Beta= 0.448, p-value = 0.000 < sig. value = 0.05). Thus, for a unit percentage change of training provision would lead to 44.8% increment on employee performance, after taking the remaining effect as a constant.

This study is congruent with the study results showed that most organizations provide training to their employees for the purposes to increase productivity or employees' performance by (Belcourt et al., 2000). In addition to this, similar with a study by (Aliya et al, 2015; Jehanzeb and Beshir, 2013) resulted firms with trained employees have a more positive impact on their employee's performance.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

This final part of the thesis deals with the conclusions and the recommendations forwarded on the basis of findings in the next portions.

4.12 Conclusions

The study was conducted to examine factors that affect employee's performance in Ministry of Revenue Eastern Addis Ababa Small Taxpayer Branch Office. Due to its relevant evidence to improving the performance of employee's in MOR, employee's performance in the organization links with job stress, motivation, working environment and trainings. By taking these factors, this study was identified factors that influence employee's performance in the Eastern Addis Ababa Small Taxpayer Branch Office and then analyzed those factors whether they affect their performance or not. Therefore, based on the findings the following conclusions are drawn:

Related to job stress, the finding of the study demonstrated that the feeling of job stress on employees has negative impact on their job performance. As most of the arguments related to job stress indicated that existence of this feeling might be reduce the performance of employees.

In the case of motivation, the findings revealed that the opinions under this factor also affect the employee's performance in this organization. Different literatures argued that motivation is one of the factors which can affect employee performance. Similarly, in this organization, motivation is an important determinant factor for the performance of employees.

The other significant and important factor is the working environment. As the study finding showed that the working environment has positive effects on performance as most of the opinions in this aspect. In that regard, the average of most respondents' perception level is believed that it affects their performance. Therefore, it is possible to conclude that if the

organization facilitates and develops working environments, the performance of employees can show increments.

Training is the other significant factor that improves employee's performance. besides, the finding revealed that as most arguments under this factor agreed by the employees. Therefore, it is possible to conclude that training provides by this branch office for their employees is support to improve employee's performance.

4.13 Recommendations

The following recommendations are forward based on the major findings obtained and the conclusions reached, for the affecting factors of employee's performance:

- From the conclusion indicated that one of the factors which can affect employee's performance on the Ministry of Revenue Eastern Addis Ababa Small Taxpayer Branch Office, job stress shows a negative effect on their job performance. work environment, lack of sufficient time to complete work, frequent changes of directives, taking more responsibility & daily serving a large number of taxpayers are causes of stress in employees. To solve this, making the management effective and practice among the managers and administrator bodies by giving attention to the stress reduction mechanism like counseling and change the existing management system and making some management reforms to reduce the above causes. otherwise, the potential of efficient employees can be wasted causing stress to the organizational goals and lowering overall performance.
- According to this study finding motivation has an important role to enhance the employees' job performance of the study organization. Therefore, to improve the employees' performance and produce productive manpower in line with the strategy of the ministry of revenue, it is better to taking consideration by management and other respective concerning bodies. And they should focus on motivational practice such as a good relationship with co-workers, promoting Staff in a fair and transparent way, recognition of employees and making

pleasant the work environment. Employees in turn apply their best efforts to achieve organizational goals and show high performance on the job.

- In this study, working environment is found a significant positive effect on employees' job performance in the Ministry of Revenue Eastern Addis Ababa Small Tax Payer Branch Office; thus, it implies when the comfortably of the working environment increase, employees' job performance also leads to increase. And employees need to be in a good working environment with a good relationship for them to enhance performance and teamwork. To do so, the researcher recommends this organization should plan for build or rent a wide office to minimize or eliminate if possible the uncomfortable work environment such as overcrowding workplace and hiring additional employees to reduce over workloads. further, it should create a secure work environment & providing necessary information supposed to their works.
- Training provided by the study organization shows that it has a direct positive relation and a more percentage contribution to employees' performance. So even if it contributes more, additional work should be needed to make better employee's performance by investing more in training and development programs. Hence this organization expects to establish strategies that target enhancing employee performance with training like establishing and facilitating its own training center, rooms, and halls in addition to other organization collaborations.
- In addition, the researcher recommends a more detailed and comprehensive study on other sector for instance other government and private organizations as they also heavily contribute to the economy to ensure strong empirical conclusions on how job stress, training, motivation, and working environment impacts on employees' performance. Since this study only focused on the MOREAASTBO.

4.14 Limitation of the study

As the study is cross-sectional in design, the possibility of biases resulting in under or over reporting and misreporting of events is likely. In addition, most of the information were

questionnaire-based; so, questions that required a good memory are vulnerable to recall bias. Moreover, the study findings cannot be generalized about the entire offices of Ministry of Revenue; because, the study was only emphasized in the employees working in Eastern Addis Ababa small taxpayer branch office. Further, some respondents to fill and return the questionnaires on time was one limitation in this study.

4.15 Future Research

This study was examined factors that affect employee's performance by identifying only four factors such as job stress, motivation, working environment and training. but there are other factors in literature which were not considered in this study and that can may affect employee's performance in the study organization like; organizational culture, organizational communication Job Design, Management style, leadership and so on. And as stated in limitation, the study findings cannot be generalized about the entire offices of Ministry of Revenue.

Therefore, other researchers can expand the study area and include those mentioned factors or variables. This may help to improve Ministry of Revenue employee's performance.

In addition, the adjusted R square value in this case is 0.541. This indicated that the four independent variables of the model accounted 54.1% of the variation over the employee performance (the dependent variable); whereas, the rest of the variation can cover by other unknown variable which is not included in the study. So, this implies conducting further study needed to know and examine the interaction effects between the remaining variables which might be affect employees' performances.

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Appendix

APPENDIX

JIMMA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

Masters of Business Administration Program

RESEARCH QUESTIONNAIRES

Research Topic: Factors Affecting Employees' Performance

Researcher Name: Hailegebriel Welana

Dear sir/madam

I am a post graduate student of Masters in Business Administration in Jimma University Addis Ababa ABH campus. Currently, I am undertaking a research entitled Factors Affecting Employees' Performance: In Case of Ministry of Revenue. You are one of the respondents selected to participate on this study.

The purpose of the study is purely academic and you are selected as a key respondent for this study. Please fill kindly the questionnaire to enable the researcher complete the study.

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

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

Sincerely, Hailegebriel Welana

Instructions

- No need of writing your name

SECTION A: GENERAL INFORMATION (DEMOGRAPHIC DATA)

Please put a check mark (✓) in the appropriate box that indicating your correct choice.

A. Gender:

1. Male 2. Female

B. Age:

- 1) 25 and below 2) 26- 30 3) 31- 35 4) 36 - 40 5. Above 40

C. level of education

1. Diploma and below 2. BA Degree 3. Master and above

D. Marital Status

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

E. Year of service you have worked in this branch?

- 1) 1 – 2 years 2) 3 – 4 years 3) 5 – 6 years 4) 7 years and above

F. Current Position

1. Junior officer 2. Officer 3. Senior officer I 4. Senior officer II
5. Team leader 6. Other sate here: _____

	task.					
6	when I am doing criminal case job, I'm not performing well					
7	Doing my job after ordinary working hour affects my job performance.					
8	I believe that daily serving large number of taxpayers affects my performance.					
9	Always I am tired after work, it affects my tomorrow jobs					
10	Lack of sufficient time to complete my work affects my job performance					
11	Stress affects my current job performance					
12	Frequent changes of directives contribute to decreasing my performance					

Question related to motivation

I. Do you think that motivation affects employee's performance?

Yes []

No []

Why do you say so?

.....

II. Do you believe that an effective appraisal system affect employee's performance?

Yes []

No []

III. Do you feel daily briefing from the team leader affects your performance?

Yes []

No []

IV. Do you think that acknowledge your work affects your performance?

Yes []

	2. MOTIVATION	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My salary payment is satisfactory in relation to perform my duty					
2	Working condition affects my day-to-day job performance					
3	My good relationship with co-workers initiates me to do well					
4	Recreation program of the branch has an effect on my job performance					
5	employee's recognition system is affected my performance					
6	promoting Staffs in a fair and transparent way affects my performance					
7	Better benefit package affects my job performance					
8	Employees, who receive frequent positive feedback concerning their performance, are usually highly productive.					
9	The responsibility (delegation) I got from my boss contributes for a high level of job performance.					

Question related to working environment

I. Does working conditions affect your performance?

Yes []

No []

Why do you say so?

.....

II. Do you require further facilities to increase your job performance?

Yes []

No []

III. Do you think a suitable working environment contributes to increase job performance?

Yes []

No []

IV. Do you believe that employee participation in the organizational plan effects your job performance?

Yes []

No []

	3. WORKING ENVIROMENT	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Overcrowding at my workplace is not comfortable to perform my job effectively.					
2	The cleanness of the office is motivating me to do more of my duty					
3	The seating arrangement helped me to do my duties in better way					
4	Job security in the workplace helps me to do my job without disturbance					
5	I perform competently if there is no pressure from my bosses					
6	Getting information about what I am supposed easily helps me to perform my job effectively					
7	Office environment initiates me to do my job even beyond the normal working hours					
8	The delegation has given by management influence my job performance.					
9	Getting an opportunity to work with my colleague's increase my job performance					
10	Satisfaction with the working condition of the office helps me to do my job effectively.					
11	Carrying much workload affects my job performance					
12	A better organizational problem the solving system influences my job performance.					

Question related to training

I. Do you think that training affects employee’s performance?

Yes []

No []

Why do you say so?

.....

II. The training that you took is relevant to your performance?

Yes []

No []

III. The training provided by the branch is enough to develop my performance?

Yes []

No []

	4. TRAINING	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Job training provided by the branch office helps me to increase my performance.					
2	In your opinion, additional training is helpful to perform your job in a better way					
3	I perform better in my job after taking some training.					
4	The way that training provided has contributions to increases my job performance.					
5	The training designed based on the requirements of the job is contributed to an increase in my performance.					
6	I feel that on job training opportunities help me to work better					
7	Training facilitation itself affects my performance.					
8	Training valued me as a hardworking individual within my organization					
9	Training provided by the branch affects my organization performance.					

10	position-based training for employees is a means for increase employees job performance					
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	5. EMPLOYEE PERFORMANCE	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I perform my work with accuracy					
2	My performance has continually improved					
3	I solve my duty effectively without argument					
4	I combine the available resources very well to execute quality Work					
5	My job is in line with my interests, skills and ability.					
6	I work overtime to complete my tasks					
7	I receive job performance feedback that measured by key performance indicator					
8	I believe there is fairness in the way my performance is assessed.					

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Interview Questions (for key informant person)

1. Do you have a strategy to develop the performance of employees and how effective are they?
2. Employees in your branch who face overloaded work and done without a break are decrease their performance through time?
3. In what way the motivation provides by the branch made contribution to the performance of the employees?
4. Are motivated employees well performing their tasks better than previously done?
5. In your own understanding, in what ways do the working conditions in your branch affect the Performance of your employees'?
6. Do you believe that training improves the performance of your employees?
7. In what ways motivation, job stress, training & working environment affect the employee's performance?