

***ASSESSMENT OF FACTORS AFFECTING EMPLOYEES'
PERFORMANCE IN WEGAGEN BANK, ETHIOPIA.***

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CERTIFICATE

This is to certify that the thesis entitled

“Assessment of Factors Affecting Employees’Performance in Wegagen Bank, Ethiopia”,
submitted to Jimma University for the award of the Degree of Master’s in Business
Administration (MBA) and is a record of valuable research work carried out by Mr. Tadesse
Assefa, under our guidance and supervision.

Therefore, we hereby declare that no part of this thesis has been submitted to any other
university or institutions for the award of any degree of Diploma.

Main Advisor’s Name

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DECLARATION

I hereby declare that this Thesis entitled —Assessment of Factors Affecting Employees’ Performance in Wegagen Bank, Ethiopia has been carried out by me under the guidance and supervision of Wondwossen Seyoum (Ass. Professor) and Ato Firew Mulatu.

The thesis is original and has not been submitted for the award of degree of diploma in any university or institutions.

Researcher’s Name

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ACRONYMS/ABBREVIATIONS

CEP Compensation in EP

EP Employees' Performance

ILO International Labor Organization

LEP Leadership in EP

TEP Training & Development in EP

JSEP Job satisfaction in EP

SPSS Statistical Package for Social Sciences

WB Wegagen Bank

VIF Variance Inflation Factors

ABSTRACT

A lot of companies currently try to take a general look at accepting the initiative of learning and improving at both employee and organizational levels as a major source of competitive advantage. In this regard employees are critically important as a great resources to confirm the companies' competitiveness. The purpose of this quantitative study was to assess the effect of factors affecting on employees' performance in Wegagen Bank. The research approach applied was quantitative type of research where both descriptive and explanatory analyses have been deployed. The target population of this study was employees of Wegagen Bank working in the country dispersed branches. From 3,600 total populations of Wegagen Bank, 360 employees were selected as the sample size of the study. Random sampling technique was used to select the branches and individual respondents.

The standardized questionnaires concerning factors affecting employees' performance, such as, compensation, leadership, training & development, and job satisfaction were adapted for this research. Correlation and multiple linear regressions were used to analyze the relationship and its effect between factors and employees' performance. The regression results showed that the factors significant contribution for organization and employees' performance. Moreover, all factors dimensions have significant and positive effect on employees' performance. The result conformed that, if employees are satisfied in their jobs and their demands were maintained, the competitiveness and productivity of the bank directly and positively related to employees' performance. Finally, the researcher made conclusion and recommendation that the mentioned independent variables (compensation, leadership, training& development and job satisfaction have direct/positive effects towards employee performance at WB.

Key words: Compensation, Employees performance, Job satisfaction, Leadership,
Training & Development

CHAPTER ONE

1. INTRODUCTION

This chapter presents an overview of the study matter. In brief, it has background of the study, statement of the problem, research objectives and questions, significance of the study and delimitations of the study.

1.1 Background of the Study

Companies today are forced to compete and to act professionally in those harsh times; therefore, it is very important to have capable employees who can account on them to create competitive advantage. The importance of having effective and hardworking employees in the company is vital for its survival. Employee performance is one of the most important dependent variables and has been studied for decades (Wall et al., 2004).

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. Tessema and Soeters (2006) have carried out study on eight HR practices including recruitment and selection practices, placement practices, training, compensation, employee performance evaluation, promotion, grievance procedure and pension or social security in relation with the perceived performance of employees. Therefore, it is concluded that these HR practices have positive and significant associations with the perceived performance of employees.

Performance management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams (Armstrong, 2006). According to him, it is a means of getting better results from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standard sand competence requirements.

According to Armstrong and Murlis (2007), reward systems and recognition are consistently acknowledged by organizations and managers as an important tool in motivating individual employees. Reward systems are the clearest ways managers and leaders of an organization can send a message to employees about what they consider important. It is a function that an individual can successfully perform within framework of normal constraints and available resources (Jamal, 2007).

According to Armstrong and Murlis (2007), reward systems and recognition are consistently acknowledged by organizations and managers as an important tool in motivating individual employees. Reward systems are the clearest ways managers and leaders of an organization can send a message to employees about what they consider important.

For an employee to perform effectively in a company, job satisfaction is one of the cardinal points. It is important for both the worker and the organization. Job satisfaction brings about a sense of fulfillment and security to the employee. Due to these facts, the commitment level of employee will be increased, absenteeism will reduce and the turnover rate will decrease (Yücel, (2012:7, pp 44-58)). In the case of the organization, when employees are satisfied with their jobs, the workforce will be more committed and this will reduce the cost of recruitment and training. An individual's general attitude towards his or her job is known as job satisfaction (Syed and Yan, (2012:4, pp 318-342)).

Reviewing the literature, it was found that there are many human resource management factors that can influence the firm performance include performance of employees. Factors such as Compensation, Leadership, training and development, and job satisfaction have been studied and researchers have demonstrated evidence on the relationship between these factors and employee performance.

The purpose of this study is to examine the effect of factors affecting (such as Compensation, Leadership, training and development, and job satisfaction) on Employees performance in Wegagen Bank.

1.2 Statement of the Problem

Companies today are forced to compete and to act professionally in those harsh times; therefore, it is very important to have capable employees who can account to create competitive advantage. Good results and increased output is assumed to be the result of better workplace and will boost the employees and finally improve their productivity (Carnevale, 1992).

The importance of having effective and hardworking employees in the company is vital for its survival. Employee performance is one of the most important dependent variables and has been studied for decades (Wall et al., 2004). Reviewing literatures, it was found that there are many human resource management factors that can influence the firm performance include performance of employees. Factors such as job satisfaction, training and development, compensation and leadership, have been studied and researchers have demonstrated evidence on the relationship between these factors and employee performance.

Western studies have focused on employee performance to increase their country competitiveness and economic growth. It can be concluded that in a developing country like Ethiopia, with rich natural resource and sufficient human capital can achieve economic success and its competitiveness by adopting the right tools to increase the employee performance. The purpose of this study is to find the effect of firm performance includes employee performance and the human resource management factors - such as, job satisfaction, training and development, compensation and leadership are expected to influence the performance of employees in Wegagen Bank.

Extensive research provides greater understanding behind the significant variation in job performance between employees and organizations. Factors such as motivation and job satisfaction (Wang, 2011), training and development (Harel and Tzafrir (1999), Sultana, 2013), compensation (Fulmer, 2003) and leadership (GryaYukl, 2006 & Peter Northouse (2010) have been studied to determine the effect of factors affecting variables to Employees performance (MacDuffie, 1995).

The purpose of this study was so, to assess & examine the effect of factors affecting the Employees performance in Wegagen Bank, one of private commercial bank in Ethiopia.

1.3 Research Questions

This study intended to answer the following questions:

- ✓ Is there a relationship between compensation and employee performance in Wegagen Bank?
- ✓ Is there a relationship between job satisfaction and employee performance in Wegagen Bank?
- ✓ Is there relationship between Leadership and employee performance in Wegagen Bank?
- ✓ Is there relationship between training and development and employee Performance in Wegagen Bank?

1.4 Objective of the Study

1.4.1 General objective

The main objective of this study was to assess the Factors affecting Employees' Performance in Wegagen Bank, Ethiopia.

1.4.2 Specific objectives

The specific objectives of the study were:

- ✓ To assess the effect of compensation on employee Performance at Wegagen Bank,
- ✓ To assess the effect of leadership practices on employees' performance at Wegagen Bank,
- ✓ To examine the effect of training & development on employee Performance in Wegagen Bank ,
- ✓ To assess the effect of job satisfaction on employee performance in the Bank

1.5 Scope of the Study

The applicability of the findings of this study covers the objective situation in Wegagen Bank level throughout the country despite the fact that data were collected from branches situated. This was based on understanding the working conditions, the policies, strategies, etc. in bank throughout the country is substantially similar. In addition to this, it is being under scored that individual performance in the long term amounts to

organizational performance. From total population of the bank, sample size was designed and questionnaire data collection was applied in this thesis.

1.6 Significance of the study

This study addresses the outcomes being exhibited at the bank level which in turn is critically important in crafting strategy with the Employees Performance. The result of the study will serve as an input for the organizations to re-examine how much their effectiveness from the factors affecting employees that employed by the organizations towards improving the performance of the workforce to take corrective action for the future. The organizations, research scholars and others should build their research wings for finding and implementation of those factors which contribute in making the level of employees' performance better as reference documents. Also benefit to academia by extending knowledge, filling specific knowledge gap, Self-worth and contentment of the researcher, etc.

1.7 Organization of the study

Generally this study was comprised of five distinctive chapters. The first chapter deals with the brief introduction about the study, problem statement, objective of the study, research questions, significances and scope of the study. Chapter two contains conceptual, theoretical explanations and empirical framework of existing literature review. Chapter three provides brief explanation about the methodologies used, data analysis, presentations, and interpretations for the study. Chapter four provides with contents of data presentation and analysis. Chapter five focuses on summary, conclusions and recommendations regarding the study. The report also contains references and appendices at the end.

CHAPTER TWO

2. LITERATURE REVIEW

This chapter gives the reader an insight on assessing the determinant factors of employees' performance in Wegagen Bank. The Chapter lays down contextual knowledge to assist in a better understanding of what is going to be examined and reported in the study. In accordance with the aims and objectives of the study, the chapter provides a theoretical review, empirical review and conceptual framework.

2.1 THEORETICAL REVIEW

2.1.1 Definitions

2.1.1.1 Performance

Performance has been defined by Hellriegel, Jackson and Slocum (1999) as the level of an individual's work achievement after having exerted effort. Cummings and Schwab (1973) and Whetten and Cameron (1998) believe that performance is ultimately an individual phenomenon with environmental variables influencing performance primarily through their effect on the individual determinants of performance – ability and motivation.

2.1.1.2 Employees Performance

Employee performance has been shown to have a significant positive effect on organizational performance (Collis and Montgomery, 1995). One of the major pitfalls in an organization occurs when managers believe their organizations are constantly operating at the highest level of efficiency, or that they do not require input from their employees (Foot and Hook, 1999).

2.1.1.3 Compensation/Remuneration

Industrialists and researchers have been in constant search for the factors that affect employee performance. In his early attempt, Taylor had suggested prescriptions which looked for the 'one best way' of production attached to a reward package which enabled

'economic man' to maximize income in return for his/her great effort. This was an early attempt to couple employee motivation with productivity and output.

(Ting, Y., 1997 L.W. Porter and J.P. Hite, 1995).

2.1.1.4 Training & Development

According to Harel and Tzafrir (1999), training can influence performance by improving skills and abilities relevant to employees' tasks and development. The findings of McEvoy (1997) reveal that training influences organizational commitment, participant knowledge and organization-based self-esteem.

2.1.1.5 Job Satisfaction

There are a number of definitions of job satisfaction found in the literature. Among the most cited definition of job satisfaction is the definition of Locke (1976) who defined it as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". The appraisal involves various elements related to the job such as salary, working conditions, colleagues and boss, career prospects and, of course, the intrinsic aspects of the job itself (Berghe&Hyung, 2011). Traditionally, job satisfaction has been defined; —as the feelings a worker has about his or her job or job experiences in relation to previous experiences, current expectations, or available alternatives (Balzer et al., 2000).

2.1.1.6 Customer Satisfaction

As expressed by Tsoukatos and Rand (2006), customer satisfaction is a key to long-term business success. To protect or gain market shares, organizations need to outperform competitors by offering high quality product or service to ensure satisfaction of customers. In proportion to Magesh (2010), satisfaction means a feeling of pleasure because one has something or has achieved something.

2.1.1.7 Leadership/Management

According to Bass (1997), in the modern business environment much research has proved that leaders make a difference in their subordinates' performance, and also make a difference as to whether their organizations succeed or fail. Kotter (1988) argues for the ever-increasing importance of leadership in organizations, because of significant

shifts in the business environments, such as the change in competitive intensity and the need for more participation of the total workforce.

Leadership is perhaps the most thoroughly investigated organizational variable that has a potential impact on employee performance (Cummings and Schwab, 1973). Winning leaders understand what motivates employees and how the employee's strengths and weaknesses influence their decisions, actions, and relationships. Cummings and Schwab (1973) mention the connection between leadership traits or leadership behaviors and employee performance. However, they stress that the literature was not based on empirical evidence and therefore has become discredited over time (Cummings and Schwab, 1973; Fiedler and House, 1988).

2.2 Conceptual Review

2.2.1 Training and Development

Employee training and development continues to be an essential element for organizations striving for sustainable competitive advantage and survival in the twenty-first century. Kaplan also suggested that employee performance review should take place on a regular basis. The way in which an organization manages people can influence its performance (Delany 1996). In particular, employee participation and empowerment job redesign including based production system, extensive employee training at work- place and performance continuity incentive compensation are widely believed to improve the performance of organization. (Refer 1994).

According to Gold stem (1980) and Latham (1988), training is defined as the systematic acquisition and development of the knowledge and skills, altitudes required by employees to adequately perform an assigned job or task to boost performance in the job environment. According to Salas (1999), Trained should import new knowledge and skill and thus meet organization needs, and efficiency and thus and thus improve organization performance.

Takeda (1993) agreed that organization should contribute to technology evolution and revolution but the two should be combined with organization work system to enable individual employee and groups to reach the highest level of performance. Selcoran (1998) argued that satisfied workers gives the results in the organization like to improve

work life quality, performance reward linkage improve the overall atmosphere of organization.

Training and development is a formal training given to employees. It is designed to develop technical skills or basic skills, such as work teams, and leadership (Delery and Doty 1996). According to Anthony (1999) argued that, training involves learning and teaching employee due to a need for development of skills and knowledge. Training involves three main activities which are training, education and development. Arthur (1995) states that training an employee to get along well with authority and with people who entertain diverse point of view is one of the best guarantees of long term success.

Harel and Tzafir! (1999) confirm that training affects performance in two ways:

- I. Training improves the skills and capabilities,
- II. Training increase staff satisfaction about their jobs and the workplace.

In the field of human resource management, training and development is the field concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings.

While training focuses more on current job duties or responsibilities, development points to future job responsibilities. However, sometimes these terms have been used interchangeably or have been denoted by the single term performance consulting, which emphasizes either the product of training and development or how individuals perform as a result of what they have learned (Robinson, 1995).

Training is an educational process. People can learn new information, re-learn and reinforce existing knowledge and skills, and most importantly have time to think and consider what new options can help them improve their effectiveness and performance at work. Effective trainings convey relevant and useful information that inform employees and develop skills and behaviors that can be transferred back to the workplace. (Montana &Charnov, 2000).

The goal of training is to create an impact that lasts beyond the end time of the training itself. The focus is on creating specific action steps and commitments that focus people's attention on incorporating their new skills and ideas back at work. Training can be

offered as skill development for individuals and groups. In general, trainings involve presentation and learning of content as a means for enhancing skill development and improving workplace behaviors (Karlan&Valdivia, 2011). These two processes, training and development are often closely connected. Training can be used as a proactive means for developing skills and expertise to prevent problems from arising and can be an effective tool in addressing any skills or performance gaps among staff.

Development can be used to create solutions to workplace issues, before they become a concern or after they become identifiable problem (Aguinis&Kraiger, 2009).

Development is a process that —strives to build the capacity to achieve and sustain a new desired state that benefits the organization or community and the world around theml (Garavan, Costine, and Heraty 1995 as cited in AbuKhalifeh, Som, and AlBattat (2013).

Development perspective examines the current environment, the present state, and helps people on a team, in a department and as part of an institution identify effective strategies for improving performance. In some situations, there may not be anything wrong at the present time; the group or manager may simply be seeking ways to continue to develop and enhance existing relationships and job performance. In other situations, there may be an identifiable issue or problem that needs to be addressed; the Development process aims to find ideas and solutions that can effectively return the group to a state of high performance.

Development implies creating and sustaining change (Beer, 2011). Training and development describes the formal, ongoing efforts that are made within organizations to improve the performance and self-fulfillment of their employees through a variety of educational methods and programmes. In the modern workplace, these efforts have taken on a broad range of applications—from instruction in highly specific job skills to long-term professional development. In recent years, training and development has emerged as a formal business function, an integral element of strategy, and a recognized profession with distinct theories and methodologies (Beer, 2011).

In general, training programmes have very specific and quantifiable goals, like operating a particular piece of machinery, understanding a specific process, or performing certain procedures with great precision. Developmental programmes, on the other hand,

concentrate on broader skills that are applicable to a wider variety of situations, such as decision-making, leadership skills, and goal setting. (Aguinis&Kraiger, 2009).

2.2.2 Leadership & Employees performance

The success of an organization is reliant on the leader's ability to optimize human resources. A good leader understands the importance of employees in achieving the goals of the organization, and that motivating these employees is of paramount importance in achieving these goals.

To have an effective organization the people within the organization need to be inspired to invest themselves in the organization's mission- the employees need to be stimulated so that they can be effective; hence effective organizations require effective leadership (Wall, Solum and Sobol, et al, 1996). Fiedler and House, (1988) indicate that organizational performance will suffer in direct proportion to the neglect of this. Ultimately it is the individual employee who either performs, or fails to perform, a task.

In order for an organization to perform, an individual must set aside his personal goals, at least in part, to strive for the collective goals of the organization (Cummings and Schwab, 1973). In an organizational context, the very nature of performance is defined by the organization itself (Cummings and Schwab, 1973). Employees are of paramount importance to the achievement of any organization. Thus, effective leadership enables greater participation of the entire workforce, and can also influence both individual and organizational performance (Bass, 1997; Mullins, 1999). Effective leader behavior facilitates the attainment of the follower's desires, which then results in effective performance (Fiedler and House, 1988; Maritz, 1995; Ristow, et al., 1999).

Cummings and Schwab (1973) mention the connection between leadership traits or leadership behaviors and employee performance. However, they stress that the literature was not based on empirical evidence and therefore has become discredited over time (Cummings and Schwab, 1973; Fiedler and House, 1988).

There is agreement in the literature (Maritz, 1995; Bass, 1997) that leadership is a critical factor in the success or failure of an organization; excellent organizations begin with excellent leadership, and successful organizations therefore reflect their leadership.

Leaders are effective when the influence they exert over their subordinates works towards achieving organizational performance (Jones and George, 2000).

Furthermore, leadership is often regarded as the single most critical success factor in the success or failure of an institution (Bass, 1990). Dimma (1989) believes that leadership is undoubtedly the critical determinant of the success of an organization, and thus determines organizational performance in the competitive global market. Research into organizational behavior in different environments found that transformational leadership has a positive influence on employee performance, and therefore organizational performance (Bass and Avolio, 1994; Ristow, 1998).

However, through research by Pruijn and Boucher (1994) it was shown that transformational leadership is an extension of transactional leadership (Bass, 1997). The difference between these two models is that followers of transformational leadership exhibit performance which is beyond expectations, while transactional leadership, at best, leads to expected performance (Bass and Avolio, 1994).

Ristow (1998) states that transactional leaders were effective in markets, which were continually growing, and where there was little or no competition, but this is not the case in the markets of today, where competition is fierce and resources are scarce. Research data (Brand, et al., 2000) has clearly shown that transformational leaders are more effective than transactional leaders, regardless of how —effectiveness‡ has been defined.

2.2.3 Remuneration / compensation

The manner in which reward is observed on any given organization stand to influence the manner to which the employees are motivated in their work environment. Dessler(2008) defines employee compensation to include all forms of pays given to the employees arising from their employment. Rewards management policy is one of the elements organizations use to attract and retain its most valuable and worthy assets. Literature has identified various human resources management practices which are considered to be the best practices for retaining and motivating human capital in an organization. A good rewards management practice is one of such practices.

Khan (2011) further notes that Human Resources are the key drivers of the prosperity and success of any organization and unless the organization does offer salary, rewards and due benefits according to its employees needs and wants it will not be able to conquer the highest level of efficiency and competency of its employees. Khan et al continues to point out that rewards management is a complex process which requires accuracy and precision and if not carried out properly may lead to organizational concerns.

Grud (2008) notes that extraordinarily high wage increases are not in general associated with further increases in individual productivity. On the contrary these high wage increases may lead to an inefficient employee. Nawab (2011) in their study revealed that compensation management can affect job satisfaction and employees organizational commitment. Organizations can use employee compensation as a method for enhancing employee's job satisfaction and their commitment with the organization. Both financial and non-financial compensation are significant in fostering overall organizational commitment which when realized helps maximize employee contribution.

International Labor Organization (ILO) publications such as —an introduction to performance and skill- based pay systems — (1998) has pointed out pay as an important and contentious element in an employment relationship with the employer, employee and the government having equal interests. For the employer it forms part of a greater part of his costs and it also affects his ability to recruit and retain quality labor force. To the employee it is fundamental to his/her standard of living and is a measure of the value and his/her services.

The government is interested since salaries affect aspects of macro-economic stability such as employment, inflation, purchasing power and socio-economic development in general. Tsai K et al (2005) in their study demonstrated that employee benefits offer advantage in organization productivity through improvement of labor efficiency. Benefits also help increase employee satisfaction which is a sign of good management and happy environment in any organization.

Ismail et al., (2010) note that performance based pay acts as a precursor to job satisfaction. When employees perceive that they receive adequate pay from their employer and that they are actively involved in the pay systems this leads to greater job

satisfaction. In case studies of different firms it was found that production increased, when system changed from monthly salary to daily wages. This means that increased wages have direct effect on employee performance (Lazear, 2000). In case of fruit pickers, the progress of workers increased significantly when pay system was shifted from incentive pay (Bandiera et al., 2005).

Managerial performance bonuses have the capability to enhance employee output. As far as posts of higher management are concerned, managers often emphasize on recruiting and retaining capable workers by moving from piece rate to salary. The core purpose of this activity is retaining efficient man power by providing more incentives (Bandiera et al., 2007). People who work on monthly pay system do not show noticeable enhancement in their production while the workforce who is employed on piece rate system usually shows enhanced output (Ferne and Metcalf, 1999).

Compensation is not isolated in an organization it is inextricably linked to the technology, marketing, operations and financial decisions of an organization. Given the important effects of compensation for both organization performance and employee behavior it is important to understand what factors managers should consider when designing their organizations compensation systems and what elements should be in place for compensation systems to produce desirable worker behavior. This brings to the fore the need to design strategic compensation packages to enhance employee performance.

The packages should have an integrated framework of strategic compensation. Benefits also help increase employee satisfaction which is a sign of good management and happy environment in any organization.

2.2.4 Job satisfaction:

Hulin and Judge (2003) have defined job satisfaction as multidimensional psychological responses to one's job. As such, job satisfaction can be considered as both an affective and cognitive state. Hulin and Judge (2003) suggested that job satisfaction is an attitude and that attitudes are either emotions or judgments.

In other words, affect is considered an emotion or feeling, whereas judgment comes from the cognitive realm. Saari and Judge (2004) utilized attitudes and satisfaction

synonymously, reflecting one belief that job satisfaction could be an effective response. Consequently, job satisfaction can be seen as containing three components: an affective component, a cognitive component, and a behavioral component. While the affective component refers to a feeling about a job, the cognitive component represents a belief concerning a job. Often these two aspects are related.

The behavioral component is an indicator for behavioral intentions towards a job such as getting to work in time and working hard (Saari& Judge, 2004). External environment effects on human sensations in work place. Thus, as job is a large part of life, job satisfaction can have its influence on total satisfaction of human (Berghe&Hyung, 2011).

Therefore, it can be concluded that there is a mutual effect between job satisfaction and life so managers should not only monitor the job situations but also check their employee life conditions (Poyrazli, Yesilyaprak, &Milliogullari, 2012). When employees are hired, they will have a set of needs, wishes, and previous experiences, which make totally the job expectations. Organization's reaction and response to these needs will produce negative or positive attitude among personnel toward their job. Job satisfaction shows the relation between human expectations and advantages taken from job (Dizgah, Chegini, &Bisokhan, 2012).

2.2.5 Related to Employee Performance

Performance refers to the degree of achievement of the mission at work place that builds up an employee job (Cascio, 2006). Different researchers have different thoughts about performance. Most researchers have used the term performance to express the range of measurements of transactional efficiency and input & output efficiency (Stannack, 1996). Job performance has been defined as the value an organization can expect from discrete behaviors performed by an employee over time (Motowidlo& Van Scotter, 1994).

Borman and Motowidlo (1997) distinguished between two types of job performance; task performance and contextual performance. Task performance represents those things that are typically on a job description and involve the transformation of materials into goods and services such as sales or operating manufacturing equipment.

Contextual performance refers to the —behavior that contributes to organizational effectiveness through its effects on the psychological, social, and organizational context of work (Borman & Motowidlo, 1997).

The performance is defined as the attained outcome of actions with the skills of employees who perform in some situation (Prasetya & Kato, 2011). According to Suhartini (1995) employee performance is a mutual result of efforts, abilities and perception of tasks. Good performance is the step towards achievement of organizational aims. Hence more effort is required to improve the employee performance. (Tarantino, 2005) argued that business managers fail to appreciate their people, even though they claim their employees are more important than other assets.

Dharma (1991) said that performance is something that is done or products formed and offered by a group of people. Swasto (1996) said that employee performance is the actions or the completion of errands that were done by individuals within specific period of time. According to (Freeman 2005), one can link people's feelings and performances, suggesting an association of employee performance and organizational climate. Further, Freedman suggested that different groups in the same organization can be driven by different factors indicating that the influences of organizational climate on employee performance may be available to identification and measurement could possibly assist organizations in receiving the maximum potential out of their employees.

The literature pertaining to employee performance as a factor within organizations was presented from several perspectives. Some authors believed that as employees become empowered they enjoy their jobs more causing them to stay and help organizations avoid high turnover costs (Aranoff et al, 2005). An employee who is enthusiastic is more apt to stay with the organization and produce at a higher level than an employee who is not enthusiastic in his or her organizational environment.

According to Armstrong (2009), the criteria for reviewing performance should be balanced between: achievements in relation to objectives; the level of knowledge and skills possessed and applied (competences or technical competencies); behavior in the job as it affects performance (competencies); the degree to which behavior upholds the core values of the organization; day-to-day effectiveness. As Mathis and Jackson (1997) stressed, performance criteria are standards commonly used for testing or measuring

performances. Criteria for evaluating job performances can be classified as trait-based, behavioral based, or results based.

2.2.6 Customer Satisfaction in Banking Sector

It is an action of fulfilling a need, desire, demand or expectation. Customers compare their expectations about a specific product or services and its actual benefits.

As stated by Kotler & Armstrong, (2010), satisfaction as a person's feelings of pleasure or disappointment resulting from the comparison of product's perceived performance in reference to expectations. Customer's feelings and beliefs also affect their satisfaction level. Zeithaml (2009) satisfaction or dissatisfaction is a measure or evaluation of a product or service's ability to meet a customer's need or expectations. Razak et al. (2007) also reported that overall satisfaction is the outcome of customer's evaluation of a set of experiences that are linked with the specific service provider.

It is observed that organization's concentration on customer expectations resulted into greater satisfaction. If the customers of an organization are satisfied by their services the result is that, they will be loyal to them and consequently be retained by the organization, which is positive for the organization because it could also mean higher profits, higher market share, and increasing customer base (Karatepe et al., 2005).

Customer satisfaction has become important due to increased competition as it is considered very important factor in the determination of bank's competitiveness (Berry et al., 2002). Continuous measurement of satisfaction level is necessary in a systematic manner (Chakravarty et al., 1996). Because satisfied customer is the real asset for an organization that ensures long-term profitability even in the era of great competition. Cronin et al., (2000) mentioned in their study that satisfied customer repeat his/her experience to buy the products and also create new customers by communication of positive message about it to others.

On the other hand, dissatisfied customer may switch to alternative products/services and communicate negative message to others. Customer satisfaction is a set of feeling or outcome attached with customer's experience towards any product/ service (Solomon, 1998). Hence, organizations must ensure the customer satisfaction regarding their goods/services.

Customers will always assess the services they experienced by comparing them with whatever they wish to receive. According to Kotler (2003), satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance in relation to his or her expectations. Here we see that there is a close relationship between service quality and customer satisfaction because they seem to be measured in terms of the difference between perceived performance and expected performance.

2.3 Empirical Review

2.3.1 Related to Performance & Leadership

Preliminary research undertaken by Booysen and Van Wyk (1994, in Swanepoel, et al., 2000) in a South African context found that outstanding leaders, in terms of effectiveness, are perceived to show a strong and direct, but democratic and participative leadership style, and are seen as agents of change and visionaries who increase organizational performance.

Maccoby (1979), in Botha, 2001) indicated that the need of firms to flourish in the world of escalating competitiveness, of technological advances, of altering government regulations and of changing employee attitudes, requires an advanced level of leadership more than ever before. His views further demonstrate the importance of leadership in the business arena. According to Bass (1997), in the modern business environment much research has proved that leaders make a difference in their subordinates' performance, and also make a difference as to whether their organizations succeed or fail.

Leadership is perhaps the most thoroughly investigated organizational variable that has a potential impact on employee performance (Cummings and Schwab, 1973). Winning leaders understand what motivates employees and how the employee's strengths and weaknesses influence their decisions, actions, and relationships. Cummings and Schwab (1973) mention the connection between leadership traits or leadership behaviors and employee performance. However, they stress that the literature was not based on empirical evidence and therefore has become discredited over time (Cummings and Schwab, 1973; Fiedler and House, 1988).

Research into organizational behavior in different environments found that leadership has a positive influence on employee performance, and therefore organizational performance (Bass and Avolio, 1994; Ristow, 1998). However, through research by Pruijn and Boucher (1994) it was shown that transformational leadership is an extension of transactional leadership (Bass, 1997). The difference between these two models is that followers of transformational leadership exhibit performance which is beyond expectations, while transactional leadership, at best, leads to expected performance (Bass and Avolio, 1994).

Research data (Brand, et al., 2000) has clearly shown that transformational leaders are more effective than transactional leaders, regardless of how —effectiveness‖ has been defined.

Management styles can influence the commitment level of employees. Eisenberger *et al.* (1990) [as cited in Avolio *et al.*, 2004] argue that managers and organizations must reward and support their employees for the work that they do because this perceived support allows for more trust in the organization. They discuss that those employees who feel that they are cared for by their organization and managers also have not only higher levels of commitment, but that they are more conscious about their responsibilities, have greater involvement in the organization, and are more innovative.

Many articles also repeat the same topics and findings and the author chose to include just to show that the findings are similar but from a wide range of domains. In many researches in the literature it was determined that there was a strong relationship between leadership styles and employee commitment (Lo *et al.*, 2009; Lo *et al.*, 2010; Avolio *et al.*, 2004; Bučiūnienė & Škudienė, 2008; Lok & Crawford, 1999; Awan & Mahmood, 2009; Ponnu & Tennakoon, 2009). These studies were generally conducted in business organizations, yet there have been few researches conducted in education organizations specifically in Ethiopia. Thus, the aim of this research is to determine the relationship between leadership styles and employee performance.

2.3.2. Related to Compensation/Remuneration

Fulmer (2003) investigated that the association between compensation and work performance and found positive association between them. Compensation has a

significant correlation with worker performance outcomes (Jones, J.R. and J. Schaubroeck, 2004). Moreover, a significantly positive relationship has been identified by Teseema and Soeters (2006) between compensation practices and employee performance. (Altarawmneh and AlexchangeKilani, 2010) state that —employees are motivated when there are financial rewards directly tied to their performance.¶

When workers are properly and fairly compensated, the more they will perform better at the same time, organizational performance will increase (Bilal and Raja, (2011:3, pp 907-913)). Research has shown that rewarding employee will often lead to increased employees performance (Amodt.2007). A successful incentive program will not only increase profit, but also inspire staff loyally and raise morale. Larkin (2011) points out in his research that, compensation is inherently strategic. Organizations use different compensation strategies and have discriminatory powers in choosing their reward and pay policies. These policies affect employee performance and are highly complementary with other activities in an organization.

2.3.3. Related to Job satisfaction

Finding of Dizgah et al (2012) who referred the relationship between employee performance and job satisfaction. They considered, job satisfaction is a tool that can lead to higher productivity of the organization. The authors found that the relationship between the two variables is significant and direct. Coomber et al (2007) found that individual would work better when they are satisfied and they pointed out that the relationship between the two variables is significant and positive. Thus, the findings of the study are supported by the findings of other researchers and it can be interpreted as the increase in job satisfaction will lead to the increase of employee performance, i.e., the more satisfied the employees, the higher his/her performance.

2.3.4. Related to Training and Development

A study by Zakaria and Rozhan (1993), showed that only 44 percent of the responding organizations conducted formal training, 38 percent for informal training. Ong et al (2000) indicated that training should be implemented and for the service quality. Besides that, the Malaysia government has make a training need assessment which is an effort to

analyze and diagnose the person, task, and organization to determine whether or not training is required (Goldstein, 1993)

Kaplan (2003) indicated that as a company grows, establishing a system for managing behavior and ensuring that the result are consistent with the goal and strategies of the organization.

2.3.5. Related to Employees performance

As the performance of an organization is dependent on the quality of the workforce at all levels of the organization (Temple, 2002), it is essential to discuss the concept of individual performance. ‘

Millcorvich and Bondream (1997) define employee performance as the degree to which employees accomplish work requirements. To them employee performance in effect reflects the efficiency of the organization. People are an organization's greatest assets: individuals and organizations have learned about the importance of the role of people in an organization, and how the success of an organization depends on its people (Bartlett and Ghoshal, 1995). The role of human resources is absolutely critical in raising performance in an organization (Armstrong and Baron, 1998). Ultimately it is the performance of many individuals, which culminates in the performance of an organization, or the achievement of goals in an organizational context (Armstrong and Baron, 1998).

Amos, et al. (2004) states, that —the effective management of individual performance is critical to the execution of strategy and the organization achieving its strategic objectives. Performance cannot be left in anticipation that it will develop naturally, despite the employee's natural desire to perform and be rewarded for it. This desire needs to be accommodated, facilitated and cultivated (Amos, et al., 2004). In return for this performance, organizations extend themselves in various forms of acknowledgement (Foot and Hook, 1999). Individual performance has become a topical issue in today's business environment, so much so that organizations go to great lengths to appraise and manage it (Armstrong and Baron, 1998).

Whetten and Cameron (1998), stated that individual performance is the product of ability multiplied by motivation. Furthermore, Cummings and Schwab (1973) concur with the belief that performance is ultimately an individual phenomenon with environmental factors influencing performance, primarily through their effect on the factors are those factors over which the organization has little or no control, such as demands for job grading systems (Hellriegel, et al., 1999).

2. 4. Conceptual Framework

The study has four independent variables and one dependent variable. The leadership plays an independent role and leader's commitment and employee's performance as dependent variable.

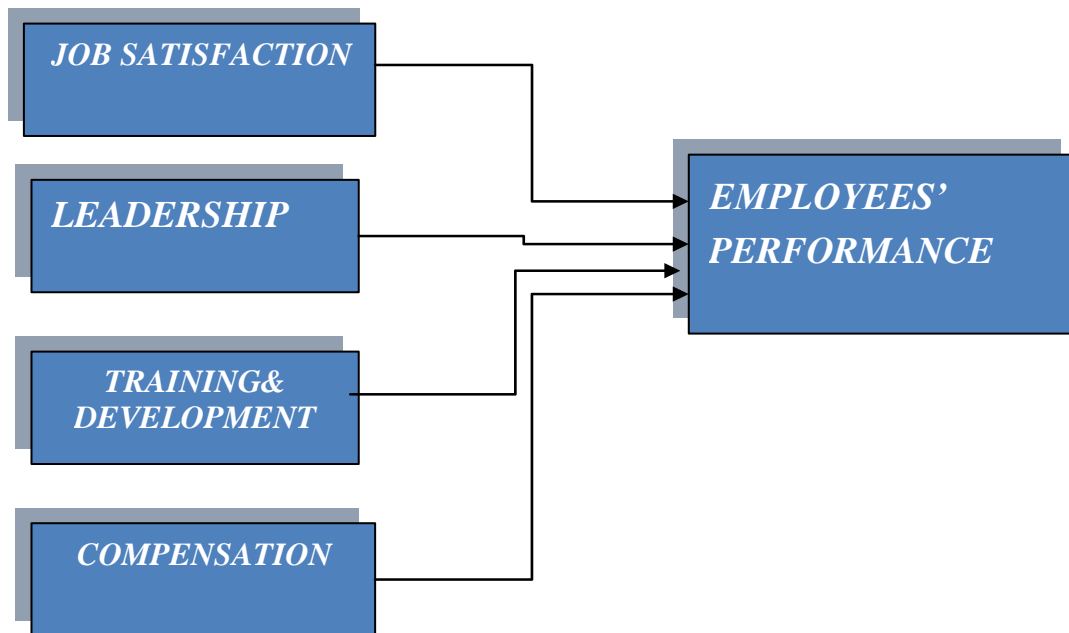
The employee's performance questionnaire was developed taken from the research of Campbell (1990), which focuses the improvement of individual work performance.

The employee performance cannot be increased merely by increasing the focus on the authority, discipline and control in the organizations (Hart & Willower, 1994). Training given to the employees improves their performance by the way of development in their skill (Harel&Tzafirir,1999). McEvoy (1997) concludes training of the employees can improve their commitment level, knowledge sharing and their honor to work in the organization. Burke and Day (1986) found that the managers' performance can also be amplified in the organization by the way of providing them training.

A conceptual framework is a graphical or diagrammatic representation of the relationship between variables in a study Mugenda and Mugenda (1999). He further notes that it is a hypothesized model identifying concepts under study and their relationships.

Figure 1 shows the conceptualization of the dependent and independent variables of the study depicting how they are related. The independent variables in the study, points out the determinant factors of employee performance in Wegagen Bank which includes; attractive compensation/remuneration, leading styles of managers, employee training and development, which bring entire job satisfactions. The dependent variable in the study is employees' performance. Based on the literature review and the theoretical framework, conceptual framework on the effect of the Employees Performance can be developed by the researcher as follows.

Figure 1: Conceptual framework



Source: Compiled from Literature, 2018

CHAPTER THREE

3. RESEARCH METHOD

In order to achieve the objective of this study, using of appropriate methodology could help to approach the research scientifically is the priority attention given by the researcher. Therefore, this chapter includes research design, sample and sampling technique, instrument and procedure for data collection, method of data analysis, reliability and validity and ethical issue.

3.1 RESEARCH DESIGN

The researcher employed explanatory study design, to explaining and understanding the relationship between Independent variables (i.e., compensation, leadership, training & development, and job satisfaction) and dependent variables (employees' performance).

This is a type of research that explaining phenomena by collecting numerical data that are analyzed using mathematically based methods (in particular statistics) (Creswell, 1994). For the purpose of this study, employee performance is supposed to be a dependent variable and compensation, leadership, training & development, and job satisfaction (factors affecting) employee performance are independent ones.

3.2 Sample Design and Population:

Simple random sampling type of sampling method was used in this study. It also known as chance sampling or probability sampling where each and every item in the population has an equal chance of inclusion in the sample and each one of the possible samples, in case of finite universe, has the same probability of being selected.

Accordingly, target population of this study was employees of Wegagen Bank working in the country dispersed branches. From 3,600 total employees of Wegagen Bank, 360 employees were selected as the sample size of the study. Simple Random sampling technique was applied to select the branches and individual respondents to accomplish this study.

Sekaran (2006) defined population as the entire group of people, events or things of interest that the researcher wishes to investigate. The population of this study is the entire Wegagen Bank employees in Ethiopia. The sample of this study was taken from total population of 3600 of these employees. Sekaran (2006) defined the sample as the process of selecting a sufficient number of elements from the population, so that results from analyzing the sample are generalizable to the population.

Twenty branches were randomly selected which, in retrospect, turned out to have fairly represented all areas. Then from each selected branch, employees with less than one year experience (about 56 employees) were purposely excluded on the grounds that they did not have adequate exposure to the Bank to provide reasonable responses.

3.3 Method of Data Collection

For this study's objective, the researchers choose Questionnaire to collect data –one of the most common data collection instruments. Questionnaires are doubtless one of the primary sources of obtaining data in any research method. However, the critical point is that when designing a questionnaire, the researcher should ensure that it is —valid, reliable and unambiguous (Richards & Schmidt, 2002).

The researcher use a series of questions designed to find out required information, which is filled in by all participants in the sample and can be gathered by written questionnaire as survey in which the respondents can answer the questionnaire. The researcher can utilize a high-structured questionnaire to improve the validity of the data through controlling the respondents' answers under research objectives. Thus, the respondents may feel free to give their information or ideas honestly and the reliability of the data collected is increased. In addition, using this instrument is to help the researcher to summarize, using supportive tool as data analysis SPSS version20 software to work out the research reliable.

Typically structured Questionnaire constitutes 45 item-scales. The questions were tested as questionnaire for their validity and reliability, and proved as right for this research. Furthermore, employee performance questionnaires were adopted from distinct scales

which were developed by Campbell (1990) with 5-items of which were directed towards measuring factors affecting employees performance.

A five point Likert scale was used in the questionnaire to measure the effects of factors on employees performance outcomes. The scaling was ranging from (strongly agree)- (strongly disagree) with a numeric value of 1 to 5 respectively.

The measuring instrument can be described as a self-report questionnaire, which the participants had to indicate the degree to which they agreed or disagreed with each statement in every dimension of the questionnaire. The usage of this particular scaling method ensured that the research study illustrated the facts and measure quantifiable, so that a pattern or trend may be produced in order to answer the research questions.

3.4 Sources of Data and Sampling size

To determine the sample size as representative of the target population, the study uses statistical instrument formula. The mathematical formula is adopted from Glenn D.

Israel (1992).

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

Where, n= sample size,
N=total target population,
e= margin error

The study assumes that the margin of error 5% and confidence level or error free of 95%.

Using the above portrayed statistical formula, the sample size of study was determined according to the bank's report of end of June 30, 2017; the total permanent employees of Wegagen Bank S.C. were 3,656 (i.e. 2,450 male, and 1,206 female), hence:

$$n = \frac{N}{1+N(e^2)} = \frac{3600}{1+3600(0.05^2)} = \frac{3600}{1+9} = 360 \text{ sample size}$$

were selected out of total employees of 3656. Since, 56 of them exempted due to they might have less than one year experience in the bank.

As per Glenn (1992) there are several approaches to determining the sample size. Thus include using a census for small populations, imitating a sample size of similar studies, using published tables, and applying formulas to calculate a sample size.

Since the population of the study are many in number it was difficult to use census, and also imitating the sample size of similar studies was not possible because it was difficult to gate this kind of research that is done in the Wegagen bank or other banks. Therefore the researcher has used mathematical formula for determining sample size, because it is easy and developed by experienced scholars. Since the study was delimited from total population size of employees working in Wegagen bank's that have experienced more than one year and above.

3.5 Reliability Analysis

The credibility of the research finding

The three analysis tools can check the credibility of any research

3.5.1 Reliability Analysis:

This can be done by using Cronbach's Alpha. To measure the internal consistency of items, reliability analysis was conducted by calculating the Cronbach's alpha for the main construct. Given that the multidimensionality of the construct, alpha coefficients were computed for all dimensions separately that are presented.

The results show that Cronbach's alpha measures for all dimensions exceed the threshold point of 0.70 .

The reliability of items was assessed by computing the Cronbach's alpha. Cronbach's alpha measures the internal consistency of the items and the details are in Table No : 2.. For the purpose of this research, Cronbach's alpha has been computed separately to assess the reliability of the scales adopted in the study. All the values of Cronbach's alpha ranges from 0.705 to 0.836. This indicates that all dimensions of the construct significantly contribute to the reliability.

3.5.2 Validity Analysis:

Validity tests have been conducted to select and assess the final items of the construct that are finally used for statistical testing. Among several; two types of validity tests namely, content and criterion-related validity have been conducted in this study. According to Rungtusanatham (1998), the content validity of a construct is termed as the degree to which the measure spans the domain of the construct's theoretical definition. It represents the adequacy with which a particular domain of construct was sampled (Nunnally, 1978; Ahir, Golhar and Waller, 1996). Content validity is subjective and judgmental but is often based on two standards as suggested by Nunnally: does the instrument contain a representative set of measures, and were sensible methods of scale construction used (Flynn, Sakakibara, Schroeder, Bates and Flynn, 1990).

For this study, the content validity of the instrument was ensured as the service quality dimensions, recommend intentions and customer loyalty attributes were included from an extensive review of related literature and feedback of banking customers obtained during exploratory interviews. The selected attributes were thoroughly reviewed and approved by two professor level academicians and two professionals from the related field.

3.5.3 Sensitivity Analysis:

As each of these items was evaluated on a five-point Likert scale, ranging from 1: "strongly disagree" to 5: "strongly agree". So because of use of Likert Scale confirm the sensitivity check of the research.

Table No.2 Cronbach's alpha coefficient

Variables	Number of items	Cronbach's Alpha
Employee Performance	5	.793
Compensation	10	.820
Leadership	10	.705
Training and development	10	.776
Job satisfaction	10	.836

3.6. Method of Data Analysis

Descriptive statistics Analysis was used to summarize responses from massive respondents in a few simple statistics. Descriptive analysis could be defined as the elementary transformation of raw data in a way that describes the basic characteristics such as central tendency, distribution and variability. (Zikmund, Babin, Carr, & Griffin, 2010).

Inferential statistics on the other hand is a branch of statistics largely concerned with the analysis and interpretation of data obtained from the population (Hoyle and Ingram, 1991). The questionnaire response was basically based on closed ended questions requiring responses on the likert continuum scale of the range of 1 to 5. Where, 1 were strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agreed. Factor analysis was used in describing the variability among observed correlated variables in terms of a potentially lower number of unobserved constructs in the questionnaire.

Under inferential statistics Pearson correlation analysis and multiple regression analysis under the panel data framework were used in testing the hypotheses. Panel data analysis is a method of studying a particular subject within multiple sites, periodically observed over a defined time frame. Westham, (2009). The correlation analysis shows only the degree of association between variables and does not permit the researcher to make causal inferences regarding the relationship between variables (Mack et al 2005). Therefore, multiple linear regression analysis was also used to explain the relationship between independent variables and employees' performance selected variables.

Data was analyzed by using the statistical package SPSS 20 versions. Descriptive analysis of the data is presented in a table, showing the frequency; mean Scores and standard deviations of the independent variable dimensions (factors affecting) and dependent variables (employees' performance).

Model specification

Multiple regression analysis was employed to test the impact of factors affecting on employees performance. It is a useful technique that can be used to analyze the relationship between several independent variables and a single dependent (Hair et al., 1998).

Regression tests shown in equation: $Y = a + b x$, where Y is the dependent variable, as is the Y intercept, that is the value of Y when $x = 0$, b is the regression coefficient which indicates the amount of change in Y given a unit change in x , and finally x is the value for the independent variable.

Regression Equation:

$$Y = a + b_1X_1 + b_2X_2 + b_3 X_3 + b_4X_4$$

Where, Y = Dependent variable-Employees' Performance

a = Constant , b = beta

x_1 = Compensation , x_2 = Leadership,

x_3 = Training & Development x_4 = Job satisfaction

3.7 Ethical Issues

It could not be ethical to access some confidential documents of the organization.

Therefore, the organization's code of ethics was taken in to account without significantly compromising findings of the study.

Additionally, all the research participants included in this study were appropriately informed about the purpose of the research and their willingness and consent was secured before the commencement of distributing questionnaire. Regarding the right to privacy of the respondents, the study was maintained the confidentiality of each respondent. In all cases, names were omitted for confidentiality hence collective names like respondents' were used.

Also it may not be ethical to ask employees to answer questionnaires while they are at their work responsibility. Hence, enough time was given to respondents so that they can either take the questionnaire to their home or use their break time.

CHAPTER FOUR

4. DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter deals with analysis, interpretation and discussion of the data collected through questionnaire. Responses for measures on the questionnaire were summarized and analyzed by using SPSS version 20 software.

These research questions were designed as questionnaire form on the Likert Scale and based on the respondents view regarding employees' performance of Wegagen Bank. Questionnaires were prepared and distributed to respondents of 360; however, 344 (96%) responses were valid and used for data analysis purposes.

In addition to questionnaires, documents of the organizations, literatures, related journals were used for the purpose of this study which has been discussed and analyzed per their content.

4.2. Demographic Characteristics of Respondents'

The demographic profile of the respondents was presented in this section. The personal profile of the respondents were analyzed as per their gender, age, levels of educational achievements, and years of service in the organization and service year in the working environment of the branches. Descriptive statistics were performed on the demographic variables as a means of describing the respondents.

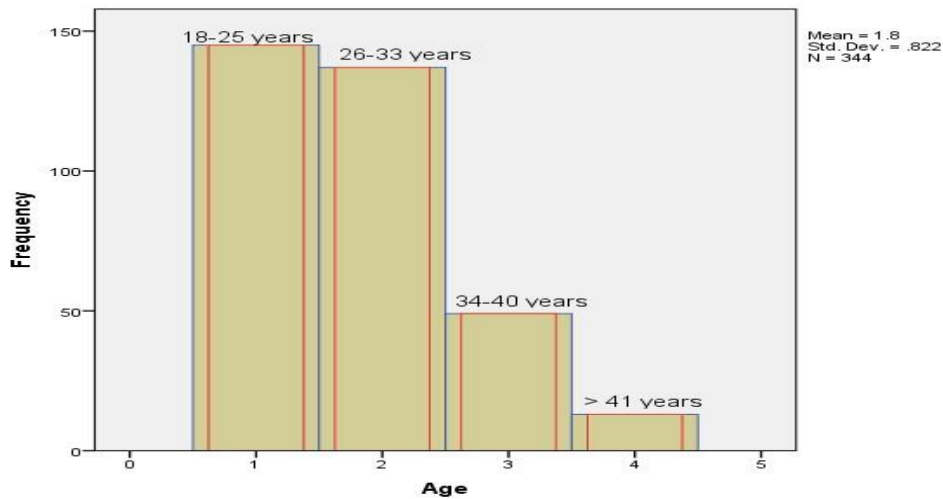
Table 3: Gender Distribution of respondents'

		Frequency	Percent
Valid	male	232	67.4
	female	112	32.6
	Total	344	100.0

Source: own survey (2018)

Both male and female employees were included in the survey; as respondents' illustrated Table 3 above shows that, out of 344 respondents, 232(67.4%) male and the rest 112(32.6%) were female employees.

Figure .4 :Age Distributions of Respondents



Source: own survey (2018)

The age distribution of respondent is illustrated in Table 3 above that ,first ranked of the respondents are of the ages of 18 to 25 , 145(42.2%), while those within the age of 26 to 33 accounted for 137(39.8%), those aged 34 to 40 years were 49(14.82%) and the rest of above 41 years amounted to 13 (3.8%).

This implies that, the age distribution of the employees indicate almost 82% of the workforce are under the age of 33 years, i.e., hardworking and young people are engaged.

Table 5. Education level of Respondents'

	Frequency	Percent	Cumulative Percent
2nd degree/masters	16	4.7	4.7
1st degree	196	57.0	61.6
Diploma	71	20.6	82.3
Certificate	61	17.7	100.0
Total	344	100.0	

Source: own survey (2018)

It is possible to understand from the above table that the majority 196(57%) of work force are in the category of BA, and the second Wegagen Bank's employees educational category are Diploma 71(20.6%) and remained employees of educational level categorized TVET and MA are 61 (17.7%) and 16 (4.7%) respectively. This indicates, the bank recently employs who have first degree (57% of the employees) in their education background.

4.2.4 Working Experience of Respondents' in the Bank

Table No. 6: Work Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
1-5years	133	38.7	38.7	38.7
6-10 years	96	27.9	27.9	66.6
11-15 years	72	20.9	20.9	87.5
above 16 years	43	12.5	12.5	100.0
Total	344	100.0	100.0	

Source: own survey (2018)

Table 5 indicated about work experience, the subjects were divided into four groups according to the number of years of service with the Bank (group-1: 1 to 5 year, group-2: 6 to 10 years, group-3: 11 to 15 years, and group-4: above 16 years).

The number of respondents whose service in the Bank below 10 years are 229(66.6%) and 115(33.4%) of respondents have above 11 years of service. According to employees experience in the bank shows about 67% of employees working in Wegagen Bank are assumed to be young. And the rest employees those more than 10 years were considered as the management members, being their experience, skill, knowledge and qualification contributed as criteria requirement for the post and leading & working ability in managing the bank.

Table 7: Dimension statistics for Employees performance

Dimensions	N	Minimum	Maximum	Mean	Std. Deviation
Compensation	344	1.00	5.00	4.1128	.89185
Leadership	344	1.00	5.00	4.0093	.79262
Training & Development	344	1.00	5.00	4.0593	.82010
Job Satisfaction	344	1.00	5.00	4.2157	.79454
Employees' Performance	344	1.00	5.00	4.3378	.65898
Total	344				

Source, own survey (2018)

A total number of 360 questionnaires were distributed to respondents, of which a total number of 344 was answered, thus generated as usable response rate of 96 % (from sample size of 360 respondents 344 were collected / answered) and was used for the purpose of this research further analysis. The researcher wanted to get the opinion of every member of staff working in the bank and not just a particular segment that was why the questionnaire made use of the entire population. The above table 7 shows that the collected data calculated statistically for further analysis which summarizes as respondents view on the various questions that were associated with the dimensions addressed in this study. Accordingly, the four independent variables (factors) examined in this study shows that all of the four types of independent variables were exhibited in relatively with acceptable mean standard of the dependent variable.

Table 7 above summarizes the reactions of respondents on the various question items that were later associated to the various dimensions addressed in this study. Accordingly, the four independent variables examined in this study: the compensation is exhibited the least while Training & Development, leadership and job satisfaction were rated at almost same level (about 4.0 in a Likert type scale ranging between 1 and 5). As same thing that can be observed here is the fact that all the four variables are generally rated to have been exhibited in a rather same way above 4.0 mean standards.

4.3 Statistics for Employees performance dimensions of the study.

Table No. 8: The Mean Score value of Employees Performance Rating

Item	mean	Std. deviation
Good performance is clearly related to productivity and customer satisfaction	4.68	.627
Employees in the company are effective	4.47	.818
The performance of employees is high.	4.36	.793
Employees' performance reflects the efficiency of the organization.	4.28	.937
High employees' performance indicates Strong team work.	4.61	.782

Source: own survey (2018)

Table no. 8 above summarizes the reactions of respondents on the question items that were associated to the employees' performance dimensions addressed in this study. Accordingly, it can be seen from the table that of the five employees performance examined in this study employees performance related to productivity and customer satisfaction scored the highest mean exhibited the highest while employees efficiency were rated the least mean from the other five. However, all questions were almost same level (about 4.0 in a Likert type scale ranging between 1 and 5).

As indicated on above table no. 8, for the first question —Good performance is clearly related to productivity and customer satisfaction, 96% of the respondents agreed & the remained disagreed at Likert scaled.

For the second question —Employees in the company are effective, 91.8% of the respondent agreed & the mean score 4.47 was calculated to measure the variable.

For the third question —The performance of employees is high, 91.8% respondents agreed, 6.1% disagreed & the remained 1.7% .indifferent in their idea, mean score of variable is 4.36.

For the fourth question “Employees' performance reflects the efficiency of the organization”, 87.2% of the respondents agree with measuring idea, 10.5% of the respondents were disagree &2.3% indifferent/neutral, the mean score was concluded 4.2.

For the last question “High employees' performance indicates Strong team work”, 92.4% of the respondents were agreed, 5.5% disagreed & 2% indifferent/neutral in their response,& mean score was concluded 4.61.

4.4 Correlation Analysis between independent and dependent variables

To find out the relationship between job satisfaction dimensions and Employees Performance, Pearson's correlation coefficient (r) which measures the strength and direction of a linear relationship between two variables is used. Values of Pearson's correlation coefficient are always between -1 1. A correlation coefficient of +1 indicates that two variables are perfectly related in a positive sense; a correlation coefficient of -1 indicates that two variables are perfectly related in a negative sense, and a correlation coefficient of 0 indicates that there is no linear relationship between the two variables.

As indicated table no.9 below, correlation coefficient; 0.00-0.19 suggests that the relationship between two variables is —very weak or very low. If r is between 0.20 and 0.59 the relationship is weak and moderate. A high and strong correlation coefficient shows greater than 0.6 which indicates a strong relationship between variables. The direction of the dependent variable's change depends on the sign of the coefficient. If the coefficient is a positive number, then the dependent variable will move in the same direction as the independent variable; if the coefficient is negative, then the dependent variable will move in the opposite direction of the independent variable.

Hence in this study both the direction and the level of relationship between the dimensions of compensation and employees performance are conducted using the Pearson's correlation coefficient. The table below depicts the result of the relationship analysis made using bivariate relations.

Table 9 : Correlation Analysis on Employees performance

		Compensation	Leadership	Training & Development	Job Satisfaction
Compensation	Pearson Correlation	1			
	Sig. (2-tailed)	.000			
	N	344			
Leadership	Pearson Correlation	.415**	1		
	Sig. (2-tailed)	.000			
	N	344	344		
Training & Development	Pearson Correlation	.164**	.393**	1	
	Sig. (2-tailed)	.002	.000		
	N	344	344	344	
Job Satisfaction	Pearson Correlation	.481**	.405**	.414**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	344	344	344	344
Employees' Performance	Pearson Correlation	.486**	.542**	.469**	.632**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	344	344	344	344

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

As indicated table no.9 above, Employees Performance has a strong correlation with Job satisfaction and Leadership. Likewise, Employees performance has positive direction correlation with all four variables; Job satisfaction, leadership, Training & Development, and Compensation. Employee performance has moderate correlation with compensation and Training & Development. Employee performance has a weak relationship of correlation with compensation. But Employee Performance has correlation in positive direction with Job satisfaction, Leadership, and Training and Development. Compensation has moderate correlation from others, and Training & Development has weak correlation from all other factors.

Similarly, Job satisfaction has Positive direction correlation with leadership and compensation. Compensation has a moderate correlation in positive direction with others. All the tested factors are having positive correlation with employees' performance.

Table no.9 above shows that, the highest correlation is found between employee performance and job satisfaction at correlation of 0.632 and followed by leadership (0.542), compensation, and training and development at correlations of 0.486 and 0.469 respectively. The relationship between the variables was examined based on the Pearson correlation and the value of the coefficient of the relationships.

4.5 Assessing Multicollinearity Test

Multicollinearity (also Collinearity) is a phenomenon in which two or more predictor variables in a multiple regression model are highly correlated, meaning that one can be linearly predicted from the others with a substantial degree of accuracy. Multicollinearity refers to the assumption that the independent variables are uncorrelated. The researcher is able to interpret regression coefficients as the effects of the independent variables on the dependent variables when Collinearity is low. i.e., make inferences about the cause and effects of variables reliably. Multicollinearity occurs when several independent variables correlate at high levels with one another, or when one independent variable is a near linear combination of other independent variables.

The more variables overlap (correlate) the less able researchers can separate the effects of variables (Keith, 2006). If this assumption is not satisfied, auto-correlation is present. Multicollinearity can result in misleading and unusual results, inflated standard errors, reduced power of regression coefficients that create a need for larger sample sizes (Jaccard et al., 2006). Widely used technique of identifying the existence of Multicollinearity is calculating variance inflation factor (VIF) between all independent variables. The VIF is an index of the amount that the variance of each regression coefficient is increased over that with uncorrelated independent variables (Keith, 2006).

When a predictor variable has a strong linear association with other predictor variables, the associated VIF is large and is evidence of Multicollinearity (Shieh, 2010). A rule of

thumb of Collinearity VIFs is 10 or lower to suggest no Multicollinearity in the model (Kock, 2013). Andy (2006) suggests that a tolerance value less than 0.1 almost certainly indicates a serious Collinearity problem. (Liu2010) also suggests that a VIF value greater than 10 is because for concern and in these research data the values are below 10 for all predictors. It seems from these values that there is not an issue of co linearity between the predictor variables. This means that the derived model is likely to be unchanged by small changes in the measured variables. Higher VIFs mean more severe Multicollinearity. More over the Rule of thumb: VIFs (β_i) >5 indicates severe Multicollinearity. The researcher checked through Tolerance and VIF and the above table result indicated that there is no Multicollinearity between the variables.

Table 10 Test for Mulicolliniarity

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Compensation	.699	1.430
	Leadership	.706	1.416
	Training & Development	.756	1.323
	Job satisfaction	.641	1.559

Dependent Variable: Employees' performance

4.6 Normality Test for Employees Performance

Table below shows the test statistics results on Employees Performance dimensions. The statistics used for normality test in Anderson- Darling statistics and with p-value <0.05 indicates the non-normality of data. The p-value is less than 0.05 confirm the non-normality of the data. The results of table below derived from the two well-known tests of normality, namely the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test. Shapiro-Wilk Test is more appropriate for small sample sizes (< 50 samples) but can also handle sample sizes as large as 200. For this reason, the Shapiro-Wilk test used as numerical means of assessing normality.

Table 11 : Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Employees' Performance	.157	344	.000	.852	344	.000

a. Lilliefors Significance Correction

The normal test of result represented in the table above confirmed that the data does not follow a normal distribution model. As can be seen in the p-value which are less than 0.05. Therefore, due to non-normality of data, non-parametric test was used and considered more appropriate for data analysis in case rather than a parametric test (McBurnay and white,2010).

4.7 Multiple Regression Model Results

Regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, but the focus is on the relationship between a dependent variable and one or more independent variables. More specifically, regression analysis helps one understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed. In this study regression analysis is used to identify the impact of factors affecting dimensions on employees' performance thus it answers the four research questions in this study.

In this study, a multiple regression analysis was conducted to test the influence among predictors (independent variables) on the response or dependent variable. In this research the predictors are the effects of compensation, leadership, training & development, and job satisfaction to Employees performance. The effect of these predictors on employees' performance was analyzed using the statistical package for social sciences (SPSS version 20) to code, enter and compute the measurements of the multiple linear regressions.

The regression coefficient is the slope of the regression line and tells us what the nature of the relationship between the variables is. It shows how much change in the independent variables is associated with how much change in the dependent variable.

The larger the regression coefficient the more change.

R- Square or coefficient of determination is a commonly used statistic to evaluate model fit. The model summary table 11 below shows that the coefficient, using all the predictors simultaneously, is $R=0.800(R^2=0.641)$ and the adjusted R^2 is 0.627, meaning that 62.70% of the variance in Employees performance can be predicted from combined effects of independent variables.

Adjusted R square value is found to be 0.627. This value represents strength of the model of Regression Model .Adding to this, for current study it is found that 62.7% of change in dependent variable is explained by Independent variables of the study. As, p-value is significant of multiple variables regression model, therefore all above listed questions are answered.

Table12: Result of multiple Regressions between dependent & Independent variables

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.800 ^a	.641	.627	.17908	.641	69.977	4	339	.000
a. Predictors: (Constant), COP, LED, TRD, JBSAT									

At ANOVA table 13 below, it has been determined that $F = 69.98$ and $p < .05$, which confirms that independent variables have significant impact on employees' performance. Hence the result depicted that the alternative analysis —independent variables have a significant impact on employees' performance in Wegagen Bank “ is accepted.

Table No. 13. ANOVA Results of Multiple Regressions between dependent and Independent Variable

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.595	4	14.649	69.977	.000 ^b
	Residual	49.671	339	.147		
	Total	108.266	343			
a. Dependent Variable: Employees' Performance						
b. Predictors: (Constant), Job Satisfaction, Leadership, Training & Development, Compensation						

The following table 13 shows as one of the most important tables of regression coefficients table that indicates the standardized beta coefficients. The regression equation stated in the table below has established by taking all factors into account.

The researcher constructed a regression equation by using the unstandardized coefficient value listed as β . The regression findings revealed that taking all other independent variables at zero, a unit increasing in compensation would lead to improved employees performance by 0.135. In addition the findings shows a unit increased in leadership would lead to improve in employees' performance by 0.201. Furthermore, the finding shows that a unit increase in training & development would lead to improve in employees' performance by 0.184.

To compare the independent variables, it is important to look at the standardized coefficients. In this case the researcher was interested in comparing the contribution of each independent variable; therefore the researcher used the beta values to compare the independent variables. In this case the largest beta coefficient is 0.317, which is employees performance gets from job satisfaction. This indicates that job satisfaction variable makes the strongest unique contribution or effect on employees performance in Wegagen Bank.

The second larger beta value have for leadership i.e. 0.201, which indicate that due to lack in leadership highly affect the performance of employees in WB. The third factor

that has contribution value as the researcher gets is training & development i.e. 0.184. And the last and value which contributes 0.135 is compensation. This indicates that the performance of employees was affected by factors in WB due to lack of compensation, training & development, etc.

Table No. 14. : Regression coefficient of relationship between Employees Performance and all the predictive Variables.

Employees Performance						
Model		Unstandardized Coefficients		Standardized Coefficients	T	P
		B	Std. Error	Beta		
1	(Constant)	.834	.189		4.415	.000
	Compensation	.135	.034	.176	3.993	.000
	Leadership	.201	.036	.244	5.577	.000
	Training & Development	.184	.041	.191	4.520	.000
	Job Satisfaction	.317	.039	.370	8.052	.000
a. Dependent Variable: Employees' Performance						

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

$$EP = .834 + .135CEP + .201LED + .184TED + .317JSAT$$

Where, EP=Employees performance

COP = Compensation

LED = Leadership

TED = Training & Development

CHAPTER FIVE

5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

The basic objective of this study is to find out the effect of factors affecting employees' performance in Wegagen Bank. The results of the research mainly depend on information gathered from target population of respondents & literatures comprised in the document.

The population for this study was employees of Wegagen Bank who were working at different branches dispersed in the country. From total population of 3656 (WB report, June 30, 2017), 360 sample size were selected through sampling technique for this research. Accordingly, 380 questionnaires are delivered in paper as survey method to the respondents and the researcher received 344 answers, no questionnaire is unsatisfactory. A total of 344 responses were collected valid and consistent with the research sample size of 360.

The majority of the respondents are male 232(67.4%) and 112 (32.6%) female. This indicates, though Wegagen bank applies both men and women with equal employment opportunity (EEO) as a workforce, the number of women employees are less than male workforces. Discrimination according to (Henderson, (2010: pp 191-192)) means showing distinction amongst people whereby treating some differently from others by other reasons.

Accordingly, the findings revealed by the researcher were discussed as follows:

The first research question intended to find the relationship between employee performance and compensation. This research revealed a positive and direct relationship between employee performance and Compensation. Table 9 shows that, the relationship between the job satisfaction & compensation variables is positive at 0.486 because of the positive sign in front of the coefficient. The relationship is significant because the correlation is significant at the level 0.01.

Therefore, the second research question —Is there a relationship between compensation and employees performance in Wegagen Bank? is answered.

In related findings, researcher (Amodt.2007) has shown that rewarding employee will often lead to increased employees performance (A successful incentive program will not only increase profit, but also inspire staff loyally and raise morale. In his research, Larkin (2011) points out that, compensation is inherently strategic. Organizations use different compensation strategies and have discriminatory powers in choosing their reward and pay policies. These policies affect employee performance and are highly complementary with other activities in an organization.

Fulmer (2003) also investigated that the association between compensation and work performance and found positive association between them. Compensation has a significant correlation with worker performance outcomes (Jones, J.R. and J. Schaubroeck, 2004). Moreover, a significantly positive relationship has been identified by Teseema and Soeters (2006) between compensation practices and employee performance. (Altarawmneh and AlexchangeKilani ,2010) state that “employees are motivated when there are financial rewards directly tied to their performance.” When workers are properly and fairly compensated, the more they will perform better at the same time, organizational performance will increase (Bilal and Raja, (2011:3, pp 907-913)).

The second question of this research proposed a relationship between employee performance and job satisfaction. The analysis confirmed that the relationship between the two variables was found positive and significant. Meanwhile, this research proposed a positive and direct relationship between the two variables. Table 9 shows that the correlation between employee performance and job satisfaction at 0.632 is positive ($r > 0.6$), because of the positive sign and significant because the correlation is significant at the 0.01 level. Therefore, the second research question “Is there a relationship between job satisfaction and Employees‘ performance in Wegagen Bank?” is answered.

Similarly, other researchers have examined the relationship and found similar findings. For instance, the finding of this study is in agreement with the finding of Dizgah et al (2012) who referred to the relationship between employee performance and job satisfaction. They considered, job satisfaction is a tool that can lead to higher

productivity of the organization. The authors found that the relationship between the two variables is significant and direct. Coomber et al (2007) found that individual would work better when they are satisfied and they pointed out that the relationship between the two variables is significant and positive. Thus, the findings of the study are supported by the findings of other researchers and it can be interpreted as the increase in job satisfaction will lead to the increase of employee performance. i.e., the more satisfied the employees, the higher his or her performance.

The third research question intended to find the relationship between employee performance and Leadership/management. This question reflects a positive and significant relationship between employee performance and Leadership is positive at. Table no.9 shows that, the relationship between employee performance and leadership is positive because of the positive .542** sign in front of the coefficient and it is significant ($r > 0.5$), because the correlation is significant at the level of 0.01.

Therefore, the third question of the research “is there any relationship between Leadership and employee performance in Wegagen Bank?” is answered. Other literatures supported the relationship and found similar findings. For reference, According to (Adair J, 2002), “Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and to improve their performance and to direct them towards goals.”

Leadership is a process by which an executive can direct, guide and influence the behavior and work of others toward the accomplishment of specific goals in a given situation. Leadership is an ability of a manager to induce the subordinates to work with confidence and zeal. Leadership can be defined as the capacity to influence a group realization of the goal. Leaders are required to develop the future vision, and to motivate the organizational members to want to achieve the visions and to improve the performance. (KourdiJ, 1999) suggested that leadership is to deal and cope with change, focusing on the long-term and the big picture, not always doing to safe himself in fact to take risks, and concentrating on people and their values, not just the bottom line.

According to (Collins J, 1995) published an article in the Harvard Business Review about leadership —Good to Great, in that article, titled leadership, —the most powerfully transforming executives possess a paradoxical mixture of personal humility

and professional will...they are timid and ferocious. They are focus on empowerment rather than control for the development of employees' performance. The employees had also demanded for a better performance, that supervision and leadership in the bank should be more cordial. Giving employees the free hand to make decisions concerning their job functions brings about motivation and job satisfaction.

Wegagen Bank's leaders should expect one of the critical factors to motivate their followers to perform beyond expectations by influencing them to pursue higher and convincing followers to replace their self-interest with organizational interests. Among the factors affecting employees performance the Leadership, as indicated in result the company should maintain to empower employee and let them participate or engage more in their work for their highest performance through bellowed recommendations:

The fourth question of this research assumed that the relationship between employee performance and training and development activities is positive and significant. After testing the question, the assumption was accepted and the relationship was found as a positive and direct relationship between employee performance and training and development. Table 9 shows that the correlation between the two variables is positive at 0.469 because of the positive sign in front of the coefficient. The relationship is significant because the correlation is significant at the level 0.01. Therefore, the fourth research question "Is there relationship between training and development and employee performance in Wegagen Bank?" is accepted.

The finding of the study was supported by other researchers' findings. Singh and Mohanty (2012) refer to that training is an important tool to increase employee productivity. They found that relationship between training and development, and employee performance is significant. In similar approach, Sultana et al (2012) found training and development significant for the employee performance and they suggested that the organization must increase their investment in training and development to increase the performance of employees as well as their skills and capabilities. Therefore, training and development is important for increasing the employee performance.

The result of the study can be explained as the increase in training, and development activities by the organizations lead to increase in employee performance. Training is a type of activity which is planned, systematic and it results in enhanced level of skill,

knowledge and competency that are necessary to perform work effectively (Gordon, 1992). Existing literature presents evidence of an existence of obvious effects of training and development on employee performance.

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

Most of managers give training to their employees for three main purposes (Belcourt, Wright and Saks, 2000), which are (1) to increase productivity or the performance of employees; (2) to achieve organizational goals; and (3) to invest in employees to succeed in the unpredictable and turbulent business environment. There are 3 most important types of training: training needs assessment (TNA), training contents and delivery.

On the other hand, there are strong relationships among independent variables. The relationships between compensation and job satisfaction ($r=0.481$), followed by compensation and leadership ($r=0.415$), training and development and job satisfaction ($r=0.414$) and leadership and job satisfaction (0.405).

Accordingly, the result confirmed that there is a positive and significant relationship between job satisfaction and employees' performance. Hence any improvement in one of the dimensions was positively contributed in enhancing the employees' performance in Wegagen Bank.

Performance refers to the degree of achievement of the mission at work place that builds up an employee job (Cascio, 2006). Different researchers have different thoughts about performance. Most researchers have used the term performance to express the range of measurements of transactional efficiency and input & output efficiency (Stannack, 1996).

5.2. Conclusion

The main purpose of this thesis is to analyze the factors affecting employee performance in Wegagen Bank, Ethiopia. Employee performance is supposed to be one of the most important factors affecting the overall organization performance and the success of the organization in the competitive market nowadays. Through the data analysis mentioned in the above chapters, the researcher figured out the general conclusions:

The findings of the study revealed that there were positive and direct relationship between employee performance and job satisfaction, leadership, training and development and compensation. In the case of the organization, when employees are satisfied with their jobs, the workforce will be more committed and this will reduce the cost of recruitment and training, etc. When employees were demanding for a better compensation and other factors, that supervision and leadership in the bank should be more cordial. Giving employees the free hand to make decisions concerning their job functions brings about motivation and job satisfaction.

All those organizations who are interested for High growth through increasing employee performance must pay attention on Training and Development, Compensation, leadership, and job satisfaction for policy development.

According to the survey result, the employees seem happy with the opportunities offered to them for training, which in turn enable them extend their professional abilities and skills. Similarly, the workers believe the bank they were working for are committed to nurturing a cordial relationship with their work force. Hence, the findings of the study has shown that giving adequate training to employees is positively related to employees job satisfaction, commitment, retention and organizational performance in general. Evidence from previous researches also indicates that, firms with superior training programs are likely to have lower staff turnover than organizations that neglect staff development.

Decision makers should have to be concerned about the employees benefit package (compensation) and create employees can enjoy and feel sense of belonging while they are working. Moreover, teamwork spirit must be emphasized in the workplace. Pay and benefits are essential for employees therefore; they must be based on performance and

contribution of the employees. Continuous motivation along with fair and justice environment can lead to increase the performance of employees and encourage them to repeat the desired productivity at large.

5.3. Recommendations

According to the above findings of four main factors affecting employee performance at WB, improving employees' performance through improving factors affecting their performance should be considered and the company's management levels should consider the following recommendations:

- The bank should invest on employees' job satisfaction factors to enhance its employees' performance become high for the bank to operate proactively and management's focus area should emanate from strategic plan to succeed productivity with customer satisfaction.
- The bank should exert its maximum effort to bring high Employees' performance, thus productivity & customer satisfactions are the outcomes of Employees' performance. When a leader builds a confident, motivated, enthusiastic team working together to meet the vision of the organization, he/ she build a better team and greatly enhance to success.
- It is obvious that compensation as financial reward and its importance stipulated to both the employees and employers. Compensation is the major element to influence organization's staff. When workers are adequately compensated, the better they perform. Compensation is a core motivational tool for employees and this motivation is defiantly going to reflect on the organizational performance.
- The bank's management should assess the existing leaders and training for leadership improvement as well as identifying the Gap in Leadership competency. After evaluation of leadership capability of the existing potential leaders and the gaps, the bank should develop training programs pursuant to training needs based on the bank's need including on job training, job rotation, coaching and mentoring. If people are empowered and encouraged to proactively take risks, and challenge the norm, always be motivated and be innovative. Besides this, it's necessary for the company to improve and much pay attention to the management level's to make the employee feel more encouraged for their better performance.

5.4 Suggestions for the Future Research

It would be interesting if further research should have also involved with survey covering samples at all the directions concerning employees' performance. It also suggested that, if comparisons can also be made between the industries and other financial service provider sectors in the country.

Finally, the researcher believes that this study is not exhaustive that could consider all the related factors of topic. However, it gives a bird-eye view on the topic and it stimulates for further discussion, critics and research.

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APPENDICES

APPENDIX I : DATA GATHERING QUESTIONNAIRES

A: Introduction

Dear respondent,

You are kindly requested to respond the following inquiries for student's Thesis purpose. This is an academic research geared towards fulfilling the requirements for the degree of Master's in Business Administration Award under the guidance of Jimma University.

The information you provide will be used to concord with the Topic –Assessment of Employees Performance Factors in Wegagen Banks, with the mentioned objectives below. You are advised under no obligation to state your name or affix/append your signature on this questionnaire. The study assures you that data collected will be used only for academic purpose and treated strictly confidential. Your discretion and authentication in answering these questions will be highly appreciated.

Please answer the following questions by placing a tick or mark in the appropriate spaces provided.

B : Personal information;

i) Gender () Male () Female

(ii) Age () 18 – 25 () 26 – 33 () 34 – 40 () above 41

iii) Education level () 2nd degree/Masters () 1st Degree () Diploma

() certificate () other

iv) Job experience: () 2-5 years () 6-10 years () 11-15 () above 16 years

C : Questions on Employees performance

Please read each statement carefully and show your agreement on the statements by putting or |x| mark in the boxes using the following rating scales (Likert scales):

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

Objective 1: To identify the Remuneration/Compensation on Employees

Performance at your bank:

No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	salary and benefits of the employee paid always on time					
2	The current employees benefits package is fair and equitable					
3	Allowances paid are sufficient in my organization					
4	Employees' job assignment and benefits paid couldn't agree.					
5	All benefits are paid as per current benefit packages in the bank.					
6	Incentives & Rewards more attracts employees performance					
7	Salary & Benefit packages highly influences employee's performance					
8	more employees recognize benefits during their work					

9	Employees benefit not equitable with performance they achieved					
10	More employees prefer job opportunities than pays					

Objective 2: to identify Leadership effect on Employee's Performance at your bank.

No.	Items	No. %	Level of Agreement					TOTAL
			SD	D	N	A	SA	
1	The assigned manager is quiet competent & mastered at his/her roles.							
2	The immediate supervisor provides supportive supervision to individuals while maintaining a harmonious working relationship.							
3	The main focus of supervisor is deliverable to employees							
4	Effective leader facilitates the attainment of the follower's desires to job.							
5	Every supervisor delegates Work assignment to team members.							
6	All employees are free to express objectively their feelings about jobs to their supervisor							
7	Leadership is a critical factor in the success or failure of an organization.							
8	Leadership is a critical factor in the success or failure of an organization.							
9	My leader provides recognition/rewards when others achieve their duties.							
10	Leadership is undoubtedly the critical determinant of the success of an organization.							

Objective 3: Training and Development on Employees performance

No.	Items	No. %	Level of Agreement					TOTAL
			SD	D	N	A	SA	
1	The organization has a clear path that allows promotion to employees.							
2	Training positively influences the level of performance of employees.							
3	The bank has continuous employees training plan.							
4	Training and development package in the bank is appropriately implemented.							
5	Employees promotion is depend on the level of skills and experience they acquired.							
6	All employees are equal to acquire skills and knowledge relevant to the work.							
7	Training can be offered as skill development for individuals and groups.							
8	Training conducted contributes to the employees' and the bank to attain objectives.							
9	Training allows employees to acquire greater competencies that are needed to perform their duties in better ways.							
10	Training influences employees' performance in the banking operation.							

Objective 4. Employees Job satisfaction in Wegagen Bank S.Co

4	Items	No. %	Level of Agreement					TOTAL
			SD	D	N	A	SA	
1	I am satisfied with my job performance.							
2	Individual job performance had clear measurement in the bank.							

3	The immediate supervisor/manager follows the appropriate performance measurement.							
4	Employees were fully aware of their performance evaluation system in this bank.							
5	Employee's performance is measured based on specified objectives of the bank.							
6	Formal communication with immediate supervisor regarding employees' performance is open.							
7	The supervisor provides feedback with necessary guidelines to improve employees' performance.							
8	My supervisor sets jobs jointly and objectively with me.							
9	Job performance of employees evaluated without any biasness by his/her immediate supervisor.							
10	The duties assigned to each employee are expected to be accomplished.							

5.Information on performance of employees:

No.	Items	No. %	Level of Agreement					TOTAL
			SD	D	N	A	SA	
1	Good performance is clearly related to productivity and customer satisfaction.							

2	Employees in the company are effective.							
3	The performance of employees is high.							
4	Employees' performance reflects the efficiency of the organization.							
5	High employees performance indicates Strong team work							

Thank you very much, for your patience.

APPENDIX II :Mathematical tables

1 Correlations

		Compensation	Leadership	Training & Development	Job Satisfaction	Employees' Performance
Compensation	Pearson Correlation	1				
	Sig. (2-tailed)					
Leadership	N	344				
	Pearson Correlation	.415**	1			
Training & Development	Sig. (2-tailed)	.000				
	N	344	344			
Job Satisfaction	Pearson Correlation	.164**	.393**	1		
	Sig. (2-tailed)	.002	.000			
Employees' Performance	N	344	344	344		
	Pearson Correlation	.481**	.405**	.414**	1	
Compensation	Sig. (2-tailed)	.000	.000	.000		
	N	344	344	344	344	
Leadership	Pearson Correlation	.486**	.542**	.469**	.632**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
Training & Development	N	344	344	344	344	344
	Pearson Correlation					
Job Satisfaction	Sig. (2-tailed)					
	N					

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

Regression Analysis

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.632 ^a	.400	.398	.43590

a. Predictors: (Constant), Job Satisfaction

b. Dependent Variable: Employees' Performance

Correlations

		Employees' Performance	Job Satisfaction
Pearson Correlation	Employees' Performance	1.000	.632
	Job Satisfaction	.632	1.000
Sig. (1-tailed)	Employees' Performance	.	.000
	Job Satisfaction	.000	.
N	Employees' Performance	344	344
	Job Satisfaction	344	344

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.282	1	43.282	227.791	.000 ^b
	Residual	64.983	342	.190		
	Total	108.266	343			

a. Dependent Variable: Employees' Performance

b. Predictors: (Constant), Job Satisfaction

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.056	.157		13.055	.000
	Job Satisfaction	.542	.036	.632	15.093	.000

a. Dependent Variable: Employees' Performance

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.542 ^a	.294	.292	.47288

a. Predictors: (Constant), Leadership

b. Dependent Variable: Employees' Performance

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.562	.157		16.342	.000
	Leadership	.445	.037	.542	11.923	.000

a. Dependent Variable: Employees' Performance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.790	1	31.790	142.166	.000 ^b
	Residual	76.476	342	.224		
	Total	108.266	343			

a. Dependent Variable: Employees' Performance

b. Predictors: (Constant), Leadership

Correlation

	Employees' Performance	Leadership
Employees' Pearson Correlation Performance	1.000	.542
Leadership	.542	1.000
Employees' Performance		.000
Sig. (1-tailed)	.	.
Leadership	.000	.
Employees' Performance		344
	344	
N	344	344

Descriptive Statistics

	Mean	Std. Deviation	N
Employees' Performance	4.4064	.56182	344
Leadership	4.1407	.68348	344

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.469 ^a	.220	.218	.49694

a. Predictors: (Constant), Training & Development

b. Dependent Variable: Employees Performance Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t
	B	Std. Error	Beta	
1 (Constant)	2.467	.199		12.377
Training & Development	.451	.046	.469	9.819

a. Dependent Variable: Employees' Performance

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	23.810	1	23.810	96.417	.000 ^b
Residual	84.456	342	.247		
Total	108.266	343			

a. Dependent Variable: Employees' Performance

b. Predictors: (Constant), Training & Development

Correlations

		Employees' Performance	Training & Development
Pearson Correlation	Employees' Performance	1.000	.469
	Training & Development	.469	1.000
Sig. (1-tailed)	Employees' Performance	.	.000
	Training & Development	.000	.
N	Employees' Performance	344	344
	Training & Development	344	344

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.486 ^a	.236	.234	.49170

a. Predictors: (Constant), Compensation

b. Dependent Variable: Employees' Performance

Correlations

		Employees' Performance	Compensation
Correlation	Employees' Performance	1.000	.486
	Compensation	.486	1.000
Sig. (1-tailed)	Employees' Performance	.	.000
	Compensation	.000	.
N	Employees' Performance	344	344
	Compensation	344	344

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	25.582	1	25.582	.242	105.814	.000 ^b
	Residual	82.684	342				
	Total	108.266	343				

a. Dependent Variable: Employees' Performance

b. Predictors: (Constant), Compensation

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.812	.157		17.888	.000
	Compensation	.373	.036	.486	10.287	.000

a. Dependent Variable: Employees' Performance

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.736 ^a	.541	.536	.38278

a. Predictors: (Constant), Job Satisfaction, Leadership, Training & Development, Compensation

b. Dependent Variable: Employees' Performance

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	.834	.189		4.415	.000
	Compensation	.135	.034	.176	3.993	.000
	Leadership	.201	.036	.244	5.577	.000
	Training & Development	.184	.041	.191	4.520	.000
	Job Satisfaction	.317	.039	.370	8.052	.000

a. Dependent Variable: Employees' Performance