



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

**ASSESSING EFFECT OF JOB SATISFACTION ON EMPLOYEE
PERFORMANCE:IN THE CASE OF COMMERCIAL BANK OF
ETHIOPIA**

**BY
ASRESASH KUMA**

**JAN, 2017
ADDIS ABABA, ETHIOPIA**

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ID NO. SGS/0392/2007A

**THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES
IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER
OF BUSINESS ADMINISTRATION**

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Acknowledgments

First and foremost, I would like to thank my Almighty GOD for giving me power to do this paper. Second, my gratitude is extended to my advisor, ZemenuAynadis (Professor) for his continuous support and assistance from beginning to the end of this research project. Next,I would like to thank my family and friends who made a tremendous contribution in making this project successful. Finally, my gratitude is extended to my best friends Kalkidan .A and Kalkidan.Bfor their unwavering support and cooperation while conducting this research work.

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Acronyms

1	CBE	Commercial Bank of Ethiopia
2	SPSS	Statistical Packages for social sciences

ABSTRACT

Employee attitudes are very significant to management and organizations since they determine the behavior of employees in an organization. It is believed that employees who are satisfied are normally productive than their counterparts who are dissatisfied. Satisfied employees are not only creators of a pleasant atmosphere within organizations to perform well but ensure quality gain and show loyalty as well. The major purpose of the study is to assess role of job satisfaction on employee performance in commercial bank of Ethiopia. The study mainly focuses on the identifying the determinants of job satisfaction among employees, the level of importance of the determinants of job satisfaction to employees, to identify challenges of job satisfaction in banking industry and finally to determine the influence of job satisfaction on the performance of employees of commercial bank of Ethiopia. In order to achieve the objectives The study reviewed literature on the concepts of job satisfaction and performance. Data was collected through the administration of both close ended and open ended questionnaires. Questionnaires were administered to 315 employees of Commercial bank of Ethiopia working in Addis Ababa .Convenience sampling technique was used to distribute questioner for employees, and in order to select branches Purposive Sampling Technique was used. Descriptive statistical analysis technique was employed to obtain useful summary of responses.It has emerged from the study that out of the eight determinants that were explored, the employees viewed compensation/pay, promotion and nature of the work as their major determinant of job satisfaction. The study revealed that Job satisfaction have major role on job performance. Safety at the work place and training and development has a positive effect on their current job performance whereas the bank pay/compensation scale, promotion opportunity and nature of work has a negative effect on employees current performance. Finally Regarding to level of importance of the determinants of job satisfaction the result indicates compensation /pay and promotion are very important to respondents. The study recommends that the bank should consider and give attention to job satisfaction variables which have lower level score level promotional opportunities, pay, management recognition and the nature of the work.

Keywords: Satisfaction, job performance, performance management and motivation.

CHAPTER ONE

1. Introduction

This introductory chapter is intended to provide information concerning an overview of the study. It involves background of the study, statements of the problems and research questions of the study, objectives (general and specific objectives), significance, and scope of the study. Also it includes the organization of the study.

1.1. Background of the study

Job satisfaction is one criterion for establishing the health of an organization; rendering effective services largely depends on the human resource (Fitzgerald et. Al., 1994) and job satisfaction experienced by employees will affect the quality of service they render.

Job satisfaction has been linked with enhanced job performance, positive work values, high levels of employee motivation, and lower rates of absenteeism, turnover and burnout (Ngo, 2009). Therefore, it is essential that managers be concerned with the level of satisfaction in their organization. Dissatisfied employees may cause undesirable job outcomes by stealing, moonlighting and demonstrating high rates of absenteeism. As a result, these employees may withdraw from the position psychologically, and display disruptive behaviors, such as, not being punctual, not attending meetings or wandering about trying to look busy. Dissatisfaction produces a series of withdrawal cognitions in which employees examine the costs and benefits associated with leaving their jobs, hence this type of thinking causes them to slip on productivity.

Different studies shows that there are different factor that affect job satisfaction like job itself, advancement, compensation, reward, challenge, work group, work status, co-workers, creativity, moral values, flexibility in enrichment, style of leadership, marketing stand of the company, recognition, responsibility, job safety and security, social status, supervision, variety, working condition, company policies and the extent of transparency in communication.

According to Bashayreh (2009), job satisfaction is a pleasurable positive state resulting from one's job and job experience. Individuals show pleasurable positive attitudes when they are satisfied with their job. Job satisfaction is a general attitude which is the result of many specific attitudes. Many factors affect employees' job satisfaction. Bashayreh (2009) divides the factors into the intrinsic satisfactory factors related to work and the extrinsic satisfactory factors not directly related to work itself. Researchers consider that personal attributes and environment play major role in influencing job satisfaction (Bashayreh, 2009: 7).

As mentioned, satisfied employees are more likely to work harder and provide better services via Organizational citizenship behaviors. Employees who are satisfied with their jobs tend to be more involved in their employing organizations, and more dedicated to delivering services with a high level of quality. Different studies show that loyal employees are more eager to and more capable of delivering a higher level of service quality. Researchers have argued that service quality is influenced by job satisfaction of employees. The argument that employee satisfaction improves service quality is grounded on the theory of equity in social exchanges (Zafirovski, 2005).

The level of job satisfaction of employees has been a major concern for managers: low job satisfaction of the workforce would lead to low productivity. This is especially true in the service industry: factors which determine competitive advantage of a firm are much more likely to be controlled by people at the point of delivering the services. Thus the service organizations, like banks, that care about employees job satisfaction will reap benefits in terms of increased employee motivation and satisfaction and a high level of service performance, which, in turn, results in more customer satisfaction. (Yü, Ying-siu 1997).

Job performance is a multi-dimensional concept and the whole individual performance will affect the organizational performance. The relationship between job satisfaction and performance is still controversial.

In modern competitive market, it is the vision of every organization to attain high performance through productivity and efficiency. However, the attainment of this vision requires highly satisfied workforce as they endeavor to extend more effort to performance and work harder to achieve result. Similarly, the overall performance of an organization is dependent

on resourceful and successful individual performance. In explaining the impact of job satisfaction on performance, Cummings (1970) came out with three major points of view that, satisfaction causes performance, performance causes satisfaction and reward causes both satisfaction and performance. Curral et al. (2005) also found that the output and productivity of an organization is evaluated against the performance of its employees and therefore better performance of employees demands high level of job satisfaction. In industries, such as banking, in which customers directly interact with employees, the behavior of employees influences the customers to leave or stay.

Thus, by considering the above importance creating satisfied employee is crucial for organizations especially in the service sector in order to improve the performance and competence of the organization. As a result, organizations should pay more attention to employee satisfaction.

The study was conducted in Commercial bank of Ethiopia which is a public owned bank engaged in delivering financial service, the leading bank in Ethiopia, established in 1942. As we know it's a Pioneer to introduce modern banking to the country. Therefore, the purpose of this study is to assess the role of job satisfaction on employee performance in the case of commercial bank of Ethiopia as a case study and to provide suggestions to the organizations as how they can create satisfied employee which in result increase the performance of the bank.

1.2. Statement of the problem

Job satisfaction is an important factor towards employee's performance and the predictors of work behavior. The benefits of job satisfaction for an organization are to reduce complaints and grievance regarding workers, better turnover and absenteeism and reducing cost of training as termination of employees and also improved punctuality and work morale of the workers. Motivating is a strong factor of satisfy worker. Motivating factors include responsibilities, promotion and personal development. In the working environment, motivating factors play an important role to satisfying worker while the absence of the motivation resulting dissatisfying worker. (Mark A. Tietjen, 1998).

An organization will not work without the contribution from the employees as the employees could lead the organization to a better position in the highly competitive market nowadays. Thus,

it is reasonable to explain why employees are viewed as one of the important assets to an organization (Daft and Marcic, 2011). Since employees are so vital to an organization, it is important to understand how the satisfaction of the employees can affect their job performance which is directly linked to organization performance.

Attainment of a high level performance through productivity and efficiency has always been an organizational goal of high priority. In order to do that highly satisfied work force is an absolutely necessity for achieving a high level of performance advancement of an organization. Satisfied worker leads to extend more effort to job performance, then works harder and better. Thus every organization tries to create a satisfied work force to operate the well-being of the organization also the total organizational performance depends on efficient and effective performance of individual employees of the organization. Therefore, every organization places a considerable reliance on their individual employee performance to gain high productivity in the organization. When an employee feels a satisfaction about the job, he/she is motivated to do greater effort to the job performance. Then it tends to increase the overall performance of the organization. In other words, a satisfied individual employee and his effort and commitment are crucial for the successful-ness of the organization.

Banking industry is highly competitive and Commercial bank of Ethiopia has been playing a major role in economic development of the country since it is the largest commercial bank in Ethiopia. The Bank sees employees as the root source of quality and productivity gains by making sure that there is a spirit of cooperation and sense of commitment with in the sphere of its influence. Their satisfaction, competence and commitment largely determine the objectives that the bank has set for itself and its success in achieving them. In order to make employees satisfied and committed to their jobs, there is a need for strong and effective motivation at the various levels. Because employees can give their best only if they are satisfied and their satisfaction leads to customer satisfaction, otherwise unsatisfied employees are usually looking an opportunity to gain what they have not in their Bank.

The researcher, as an employee of Commercial Bank of Ethiopia (CBE) which is one of the public owned banks in Ethiopia for more than two years, observed a wide array of problems especially in the customer service environment. Most customer service officers are not interested on their job and majority of them think that they are not a good fit for the job they are doing. As a result of this they fail to deliver fast and accurate customer service with full respect for the

customer, and obviously this is followed by high levels of customer complaint which is a great obstacle towards achieving the banks strategic goals and initiatives.

Recently, the bank has made attractive salary revision and also introduced new benefit packages like fuel and housing allowances which are aimed to motivate and make job satisfaction on employees for higher levels of performance. However, authorities in the bank are claiming that the new salary and benefit adjustments are not helping the bank to motivate and make satisfaction on its employees as per the expectations made in advance. After considering all the above issues the researcher thought that the bank has problems related with employee job satisfaction. Due to this the study empirically aims to assess the role of job satisfaction on employee performance in commercial bank of Ethiopia.

1.3. Research Question

The study wants to analyze the following research questions in order to achieve the study objectives:

- What are the determinants of job satisfaction among employees of commercial bank of Ethiopia?
- What is the level of importance of the determinants of job satisfaction to employees of commercial bank of Ethiopia?
- What are the challenges of job satisfaction in banking industry?
- How does job satisfaction influence the performance of employees of commercial bank of Ethiopia?

1.4 Objective of the study

1.4.1. General Objective

The General objective of the study is to assess role of job satisfaction on employee performance in commercial bank of Ethiopia.

1.4.2. Specific Objective

- To identify the determinants of job satisfaction among employees of commercial bank of Ethiopia.
- To identify the level of importance of the determinants of job satisfaction to employees of commercial bank of Ethiopia.

- To see the challenges of job satisfaction in banking industry.
- To determine the influence of job satisfaction on the performance of employees of commercial bank of Ethiopia.

1.5. Significance of the study

This study investigates the role of job satisfaction on employee performance in the case of commercial bank of Ethiopia. In the researcher's opinion, the findings of the study are important for both the organization and other people who are interested. Moreover, it gives a valuable contribution to the organization in identifying the role of job satisfaction on employee performance. Normally managers don not focus upon the relationship between employee job satisfaction and employee performance. So this study will enable them to make a better strategy in terms of employees' job satisfaction .The other significance of the study is to contribute to the existing body of knowledge in the Ethiopian context and to tackle the problems associated with job satisfaction. Furthermore, the study may serve as a reference and base for future researchers who want to conduct detailed research on the issue. Finally, the study is significant because it is an academic exercise required in partial fulfillment for the award of a Master Degree in Business Administration.

1.6 Delimitation/Scope of the study

As it can be seen from the objectives of the study, this research was focus on assessing the role of job satisfaction on employee performance.

❖ Theoretically

The study was concentrated on the following concepts in an attempt to understand job satisfaction roles on employees job performance.

- ✚ Nature of work
- ✚ Safety at the workplace
- ✚ Relationship with co-workers
- ✚ Promotion
- ✚ Relationship with supervisors/manager
- ✚ Compensation/pay

- ✚ Relationship with co-workers.
- ✚ Management recognition
- ✚ Training and development

❖ **Geographically**

This research was done on employees of commercial bank of Ethiopia. Since there are a lot of branches under the bank and it's difficult to address its employees so geographically, this research was focuses only on those selected branches in Addis Ababa District.

1.7. Definition of terms and concepts

Job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Locke (1969)

Motivation refers to a psychological process that gives behavior purpose and direction. By appealing to this process, managers attempt to get individuals to pursue organizational objectives willingly and persistently. (**Robert Kreitner 2009**). It's a key of successful organization to maintain the continuity of the work in a powerful manner and help organizations to survive.

Performance management a process which contributes effective management of individuals and teams in order to achieve high level of organizational performance, as such, it establishes shared understanding about what is to be achieved and approach to leading and developing people which ensure that it is achieved. (Armstrong .M 2006).

1.8. Limitation of the study

The major limitation was persuading employees to fill questionnaire was the major challenge because they are busy serving their customers and hence do not have time. The other limitation of the study was that the researcher was not able to review all the relevant secondary sources for the study due to restriction from the bank's management and the filed questionnaire was not responded on time due to busy schedule of the day time. The other limitation was the researcher work load, health condition and time constraint affect the completion of the project on time.

1.9. Organization of the paper

The paper consist five chapters. The first chapter contains introductions of the study which includes background of the study, definitions of term and concepts, statement of the problem, research question, and objective of the study, significance of the study, scope of the study and organization of the paper. The second chapter is to review of the related literature. The third chapter focuses on the research design and methodology while the fourth chapter provides analysis of data collected. The fifth chapter which is the last one focuses on providing conclusions and recommendations based on the findings.

CHAPTER TWO

2. Review of Related Literature

2.1 The Nature of Job Satisfaction

Job satisfaction is a complex phenomenon that has been studied quite extensively. Various literature sources indicate that there is an association between job satisfaction and motivation, motivation is hard to define, but there is a positive correlation between job satisfaction, performance and motivation, whereby motivation encourages an employee, depending on their level of job satisfaction, to act in a certain manner (Hollyforde, 2002).

Job satisfaction is described at this point as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Job satisfaction results from the perception that one's job fulfils or allows the fulfillment of one's own important job values, providing that and to the degree that those values are congruent with one's needs. According to Kreitner et al (2002) job satisfaction is an affective and emotional response to various facets of one's job.

According to Woods et al (2004), job satisfaction can be achieved when an employee becomes one with the organization, performs to the best of their ability and shows commitment; moreover, job satisfaction and performance are positively influenced by rewards. Kreitner et al (2002) identified various factors influencing job satisfaction, such as the need for management to create an environment that encourages employee involvement and manages stress in the workplace.

In order to understand job satisfaction it is useful to distinguish morale and attitude, and their relationship to job satisfaction (Locke, 1968).Morale can be defined as the extent to which an individual's needs are satisfied and the extent to which an individual perceives that satisfaction as stemming from the total job. Attitude can be defined as an evaluation that predisposes a person to act in a certain way and includes cognitive, affective and behavioral components.

The level of job satisfaction across various groups may not be consistent, but could be related to a number of variables. This allows managers to predict which groups are likely to exhibit

behavior associated with dissatisfaction. Older employees are generally satisfied with their jobs although this may change as their chances of advancement get diminished and they face the reality of retirement. Management also tends to be satisfied with their jobs, probably due to better remuneration, better working conditions and job content (Greenberg et al, 1997)

Job satisfaction refers to a collection of feelings that an individual holds towards his or her job. A person with a high level of job satisfaction holds positive feelings toward the job; a person who is dissatisfied with his or her job hold negative feeling feelings about the job. When people speak of employee attitudes, more often than not yet mean job satisfaction

(Stephen P. Robbins, 2005).

In its most basic sense, job satisfaction is a positive emotional state resulting from the appraisal of one's job experience. Job classification occurs when these expectations are not met. Job satisfaction is determined by an individual's evaluation of his or her work experiences. The evaluation may be personal and internal or may be partly external, influenced by managers, co – workers, or the like; but the individual is the final determinant of the positive or negative feeling that results (Robert L. Mathis and John H. Jackson, 1994).

2.2 Definitions of job satisfaction

Various schools of thought have in diverse ways tried to explain the meaning of job satisfaction. Locke (1969) states that job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Spector (1997) defines job satisfaction as an extent to which people like or dislike their jobs. Other authors consider job satisfaction as the attitudes people have toward their job (Ivancervich et al., 2005). In this direction, Mankoe (2002) states that, job satisfaction is a set of feelings which employees have about their work.

For example Smith et al. (1969), view job satisfaction as —feelings or affective responses to facets of the (workplace) situation. This definition of job satisfaction is an emotional reaction of employees in relation to the aspects of their job and response(s) they experience at the workplace. It describes how happy employees are with the facets of their job. This to some extent connotes that, a satisfied worker is the one who is contented with the facets of his or her job.

Similarly, Locke (1976) posits that job satisfaction can be conceptualized as a state of happiness that arises from evaluation of one's job or experiences. This conceptualization considers both affect (feeling) and cognition (thinking). The cognition aspect considers opinions and beliefs of the job while the affect component on the other hand consists of feelings and emotions relative to the job (Cook, 2008). Spector (1985) categorized job satisfaction into nine dimensions namely:

- Pay
- Promotion
- Supervision
- Fringe benefit
- Contingent rewards
- Operating procedures
- Co-workers
- Nature of work as well as
- Communication

The first dimension-**pay**-can be considered as the amount of money that is paid to an employee for the work that he or she has done. According to (Heery and Noon 2001), pay or remuneration is the "payment for work, which can assume a number of different forms, including a basic wage or salary, supplementary cash payments, such as shift pay and overtime pay and benefits in kind". Pay satisfaction refers to the employee's attitude or how the employee thinks about the pay received. It will depend on the difference between the pay that they expect and pay that they actually acquire (Cobb, 2004).

Satisfaction in terms of promotion is referred to the employee's satisfaction with fairness of company policy and administration on reassigning an employee to a higher-level job due to a particular reason (Cobb, 2004). Supervisor is "a front-line manager who is responsible for the supervision of employees" (Heery and Noon, 2001). The job scope for a supervisor is to assign work to the employees fairly, provide advice and feedback to the employees regarding their job

performance and evaluate employees' performance on the job as well as fill in the appraisal form for them (Resheske, 2001).

Fringe benefits refer to the indirect financial payments or compensations beyond the employee's regular salary given to the employee such as employer-paid insurance, vacations, paid holidays, subsidized cafeterias, company cars, disability income protection, retirement plans and others (Dessler, 2013). Satisfaction in terms of co-workers refers to the degree to which the employees like their colleagues in the company and how great is the relationship formed between them. Cobb (2004) defined co-workers satisfaction as the satisfaction level of the employees with their colleagues regarding work related interaction. Lastly, satisfaction of employees in terms of communication is defined as the satisfaction where employees gain from the communication within the organization (Spector, 1997).

In summary, job satisfaction is defined as an extent to which people like or dislike their job which implies whether employees are happy and contented in fulfilling their desires and needs at work.

2.3 Job Satisfaction Theories

Wehrich and Koontz (1999) in explaining the genesis of job satisfaction argue that, the debate on job satisfaction started with Maslow's Hierarchy of needs theory (1943) but the whole story about the phenomena emanates from Taylorism or Scientific Movement by Frederick Winslow Taylor (1911) which considers human being as economic man and money is believed to be the biggest reason for job satisfaction.

However, this idea was criticized by the Hawthorne Studies (1924-1933) by Elton Mayo and Associates about the nature of human being. They argue that apart from money, there are other important elements such as personal morale, positive interrelationships, management understanding of individual employee and group behaviour as other factors that contribute to employee satisfaction. Studies show that certain conditions can either bring about job satisfaction or dissatisfaction, and the burgeoning literature on the theories of job satisfaction propose that theories are usually classified according to their nature or chronological arrangement (Saifuddin et al., 2012). In line with this argument, Shajahan and Shajahan (2004) noted that there are content theories such as Maslow's Need

Hierarchy, Herzberg's Two Factor Theory, Theory X and Y, Alderfer's ERG Theory, and McClelland's Theory of Needs. Similarly, there are process theories such as Behavior Modification, Cognitive Evaluation Theory, Goal Setting Theory, Reinforcement Theory, Expectancy Theory and Equity Theory.

We now look at different theories of job satisfaction, to determine how they can be utilized to improve and increase job satisfaction.

2.3.1 Content theories of job satisfaction

The content theory of job satisfaction rests on identifying the needs and motives that drive people. The theory emphasizes the inner needs that drive people to act in a particular way in the work environment. These theories therefore suggest that management can determine and predict the needs of employees by observing their behavior.

2.3.2 Herzberg's Two-Factor Theory

Herzberg's theory is said to be the most functional model to study job satisfaction (Kim, 2004), and it has been used as a theoretical framework for evaluating the Police Officers' job satisfaction (Getahun et al., 2007).

During the 1950s, Frederick Herzberg proposed a theory of employee motivation based on satisfaction. His theory implied that a satisfied employee is motivated from within to work harder and that a dissatisfied employee is not self-motivated. Herzberg's research uncovered two classes of factors associated with employee satisfaction and dissatisfaction. As a result; his concept has come to be called Herzberg's two-factor theory. The two factors are called the dissatisfiers – satisfiers or the hygiene-motivators or the extrinsic-intrinsic factors, depending on the discussion of the theory. The original research which led to the theory, gave rise to two specific conditions.

First there is a set of extrinsic conditions, the job context, which results in dissatisfaction among employees when the conditions are not present. If these conditions are present, this does not necessarily motivate employees. These conditions are the dissatisfiers or hygiene factors. Hygiene factors are features of the job such as policies and practices, remuneration, benefits and working conditions, corresponding to Maslow's lower order of needs. Improving these factors may decrease job dissatisfaction and thus increasing of motivators. Inadequate hygiene factors

may lead to dissatisfaction, but at the same time adequate hygiene factors do not necessarily lead to job satisfaction. Hygiene factors need to be tackled first, and the motivators can follow. Organizations cannot afford to ignore hygiene factors as employees will be generally unhappy and thus likely to seek other opportunities, while mediocre employees might stay on, and compromise the organization's success. These include:

- Salary
- Job security
- Working condition
- Status
- Company procedures
- Quality of technical supervisors
- Quality of interpersonal relation among peers, with superiors and with subordinates.

Second, a set of intrinsic conditions, the job content with present in the job, builds strong levels of motivation that can result in good job performance for increase the productivity of the firm. If these conditions are not present they do not prove highly dissatisfying. According to Herzberg, motivators include job content such as responsibility, self-esteem, growth and autonomy. These satisfy high order needs and can result in job satisfaction. Granting employees more responsibility and creativity in their jobs is an example of a motivator which may encourage them to exert more effort and perform better. The factors in this set are called the satisfiers of motivation and includes

- Achievement
- Recognition
- Responsibility
- Advancement
- The work itself
- The possibility of growth

Harzberg's model basically assumes that job satisfaction is not the undimensional concept. His researches led to the conclusion that two continual are needed correctly interpret job satisfaction.

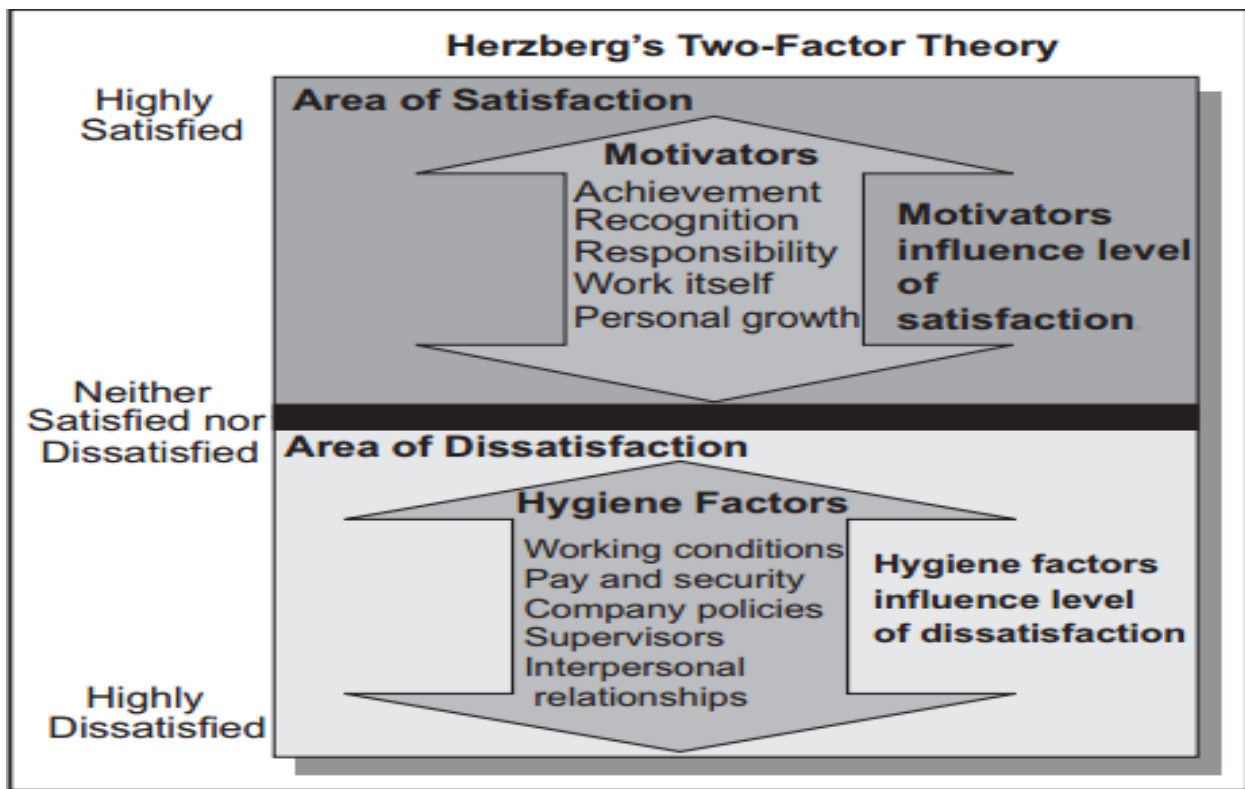


Figure 2.1: Herzberg's Two-factor Theory Source: (Hiriyappa, 2009)

2.3.3 Maslow's Hierarchy of Needs Theory

In 1943 psychologist Abraham Maslow proposed that people are motivated by a predictable five-step hierarchy of needs. Little did he realize at the time that his tentative proposal, based on an extremely limited clinical study of neurotic patients, would become one of the most influential concepts in the field of management. Perhaps because it is so straightforward and intuitively appealing, Maslow's theory has strongly influenced those interested in work behavior. Maslow's message was simply this: people always have needs, and when one need is relatively fulfilled, others emerge in a predictable sequence to take its place. From bottom to top, Maslow's needs hierarchy includes physiological, safety, love, esteem, and self-actualization. (Robert Keritiner 2009).

Physiological needs. At the bottom of the hierarchy are needs based on physical drives, including the need for food, water, sleep, and sex. Fulfillment of these lowest-level needs enables the individual to survive, and nothing else is important when these bodily needs have not been satisfied. As Maslow observed, "It is quite true that man lives by bread alone when there is no

bread.”But today the average employee experiences little difficulty in satisfying physiological needs. Figuratively speaking, the prospect of eating more bread is not motivating when one has plenty of bread to eat.

Safety needs. After our basic physiological needs have been relatively well satisfied, we next become concerned about our safety from the elements, enemies, and other threats. For reasons that are not entirely clear (terrorism? workplace violence?), researchers have documented a recent jump in the need for “feeling safe at work.”

Love needs. A physiologically satisfied and secure person focuses next on satisfying needs for love and affection. This category is a powerful motivator of human behavior. People typically strive hard to achieve a sense of belonging with others. As with the first two levels of needs, relative satisfaction of love needs paves the way for the emergence of needs at the next higher level.

Esteem needs. People who perceive themselves as worthwhile are said to possess high self-esteem. Self-respect is the key to esteem needs. Much of our self-respect, and therefore our esteem, come from being accepted and respected by others. It is important for those who are expected to help achieve organizational objectives to have their esteem needs relatively well fulfilled. But esteem needs cannot emerge if lower-level needs go unattended.

Self actualization needs. At the very top of Maslow’s hierarchy is the open-ended category self-actualization needs. It is open-ended because, as Maslow pointed out, it reflects the need “to become more and more what one is, to become everything that one is capable of becoming. (Robert Keritiner 2009).

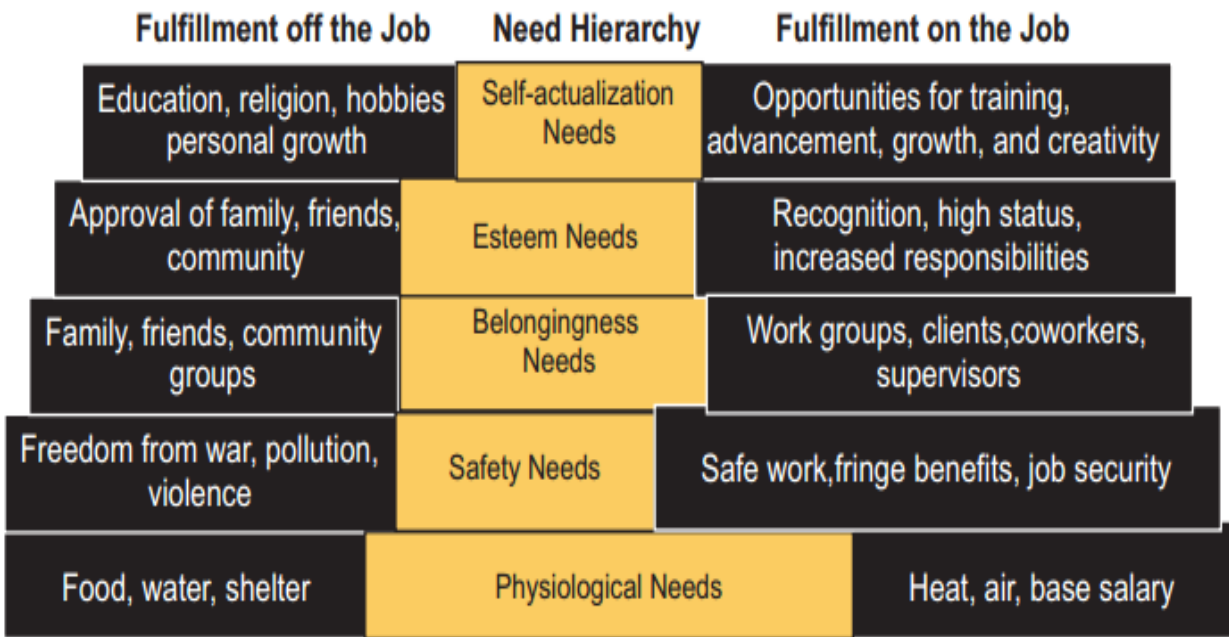


Figure 2.2 Maslow's Hierarchy of Needs. Source: (Hiriyappa, 2009).

2.3.4 Process theories of job satisfaction

Behavior is a fundamental indication of an individual's perception and expectations about a situation and possible outcome of behavior. Process theories define how and by which goals individuals are motivated. They are based on the assumption that people make conscious decisions regarding their behavior. The most common process theories are the equity theory, the expectancy theory and the job characteristics model.

2.3.5 Expectancy theory

This theory was developed by Vroom(1964) who asserts that job satisfaction is based on people's beliefs about the probability that their effort will lead to performance (expectancy) multiplied by the probability that performance leads to rewards (instrumentality) and the value of perceived rewards (valence). This theory is based on the belief that the amount of effort exerted on a job depends on the expected return and may result in increased pleasure or decreased displeasure, and that people may perform their job and be satisfied if they believe that their efforts will be rewarded.

The fundamental principle of expectancy theory is the understanding of individuals' goals and the linkages between effort and performance, performance and rewards, and rewards and

individual goal satisfaction. This theory recognizes that there is no universal principle that explains people's motivation and is regarded as a contingency model. Understanding what needs a person seeks to satisfy does not ensure that the individual perceives high performance as necessarily leading to the satisfaction of these needs.

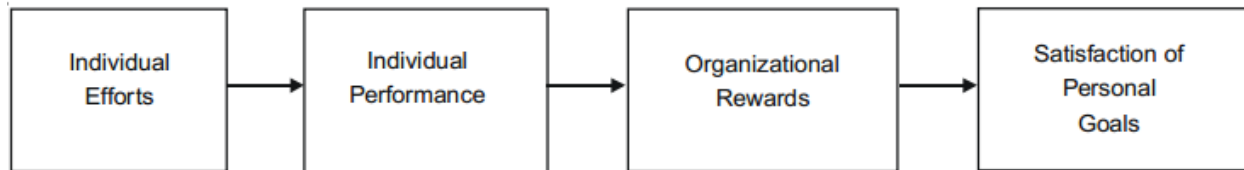


Figure 2.3: Expectancy Theory-Vroom. Source: (Girum 2013)

2.3.6 Job characteristics model

Bergh and Theron (2000) describe this model as an interactive model that develops employees and the work environment to achieve maximum fit in the work environment. The model asserts that the job should be designed to possess characteristics to enable conditions for high motivation, satisfaction and performance. There are five core characteristics of the job that influence workers' behavior and attitude, namely, skill variety, task identity, task significance, autonomy and feedback.

The relationship between core job characteristics and work outcomes is moderated by employees' growth-need strength, knowledge, skill, and context satisfaction, therefore the relationship between core job characteristics and work outcomes may differ.

2.3.7 Equity Theory

Equity theory (Adams, 1965) is concerned with the perceptions people have about how they are being treated as compared to others. To be dealt with equitably is to be treated fairly in comparison with another group of people (a reference group) or a relevant other person. Equity involves feelings and perceptions and it always a comparative process. It is not synonymous with equality, which means treating everyone the same, since this would be inequitable if they deserve to be treated fairly. Equity theory, in effect, that people will be better motivated if they are treated equitably and de-motivated if they are treated inequitably. It explains only one aspect of the process of motivation and job satisfaction, although it may be significant in terms of morale.

There are two forms of equity, which are distributive equity, which is concerned with the fairness with which people feel they are rewarded in accordance with their contribution and in comparison with others and procedural equity, which is concerned with the perception employees have about fairness with which company procedures in such areas as performance appraisal, promotion and discipline are being operated

2.4 Causes of job satisfaction

People usually tend to consider their appraisal of work experiences in terms of liking or disliking and develop feelings of satisfaction or dissatisfaction with respect to their job and the organization as a whole. Many factors account for how favorable an individual appraises his or her job, more especially the attitude of an individual toward his or her work. Researchers have identified a number of variables that seem to contribute to either job satisfaction or organizational commitment. According to Jex (2002), researchers have considered three approaches to explain the development of job satisfaction namely job characteristics, social information processing (organizational characteristics) and dispositional (worker characteristics).

2.4.1 Job Characteristics

The job characteristics approach assumes that the nature of individual's work or the Characteristics of organization is a predominant determinant of job satisfaction (Jex, 20 2002). According to Hackman and Oldham (1980), job characteristic is facet of a job that causes a rise in level of motivation, satisfaction and performance. They suggest five features of a job for which all jobs have in common including skill variety, task identity, task significance, autonomy and feedback. Again, they define four personal work outcomes such as internal work motivation, growth satisfaction, general satisfaction and work effectiveness. These job features have been fused together with the most common aspect of job satisfaction assessment which includes promotional opportunities, supervision, work itself and co-worker relations.

A general principle in study of the outcome of job characteristics on job satisfaction is that individual assess job satisfaction by comparing benefits they are currently receiving from their jobs with what they believe they should receive. Therefore, satisfaction will be achieved if individual's expectation from the job is fulfilled. Contrary, dissatisfaction sets in

if expectations are far exceeds what is being received. Variation in satisfaction is as a result of individual differences and expectation levels.

Therefore, in keeping with this, individuals would compare aspect of a job such as skill level, promotional opportunities, seniority, supervision, work recognition, salaries and incentives, autonomy, nature of work, etc to determining their level of satisfaction in an organization.

2.4.2 Social Information Processing (Organization Characteristics)

Jex (2002) states that job satisfaction level of an employee is determined by his or her relation with other co-workers. All things being equal, if employees perceive that their co-workers are positive and satisfied, they will automatically be affected, however, if they are negative and dissatisfied then they are likely to become dissatisfied as well. Jex and Spector (1989) proved that social-information has a prevailing impact on job satisfaction and organizations. They believe that newly engaged workers could morally be corrupted during their socialization process at the workplace. They are likely to become tainted if they are placed around dissatisfied employees.

In Aamodt (2009), Weiss and Shaw (1978) conducted a study where participants were asked to view training video of assembly line workers who either gave positive or negative remark regarding their job. Afterwards, the viewers were given the chance to perform the same job. The study observed that participants who had the opportunity to watch the positive tape enjoy performing the task than their counterpart who viewed the negative video. Generally —research on social information processing theory supports that social environment does have an effect on employees' attitudes and behaviors (Aamodt, 2009).

2.4.3 Dispositional (Work Characteristics)

Research has shown that satisfaction to some extent is base on disposition (Judge and Larsen, 2001). Work characteristics suggests that some people are inclined to be satisfied or dissatisfied with their job regardless of the nature of it or the organizational environment. Again, some people are genetically positive in disposition while others are inherently negative in disposition. For instance, Arvey et al. (1989) conducted a study to support the genetic makeup component to job satisfaction in their study of monozygotic or identical twins not

reared together. They concluded that identical twins even reared at a distance from each other or not in the same environment still tend to have quite significant correlated level of satisfaction.

In addition to the above three approaches, Lamond and Spector (2000), stated firmly that different facets of work in relation to pay, supervision, promotion reward, fringe benefits, operating procedure, the nature of work, and co-workers affect the level of job satisfaction of employees.

2.5. Measuring Job Satisfaction

How job satisfaction is measured depends on whether affective or cognitive job satisfaction is of interest. The majority of job satisfaction measures are self-reports and based on multi-item scales. Several measures have been developed over the years, although they vary in terms of how carefully and distinctively they are conceptualized with respect to affective or cognitive job satisfaction. They also vary in terms of the extent and rigour of their psychometric validation (http://en.wikipedia.org/wiki/Job_satisfaction). Some of the most commonly used methods of measuring job satisfaction are:

I. Brief Index of Affective Job Satisfaction (BIAJS)

The Brief Index of Affective Job Satisfaction (BIAJS) is a 4-item, overtly affective as opposed to cognitive, measure of overall affective job satisfaction. The BIAJS differs from other job satisfaction measures in being comprehensively validated not just for internal consistency reliability, temporal stability, convergent and criterion-related validities, but also for cross-population invariance by nationality, job level, and job type (http://en.wikipedia.org/wiki/Job_satisfaction).

II. The Job Descriptive Index (JDI)

As it is cited in Wikipedia, the free encyclopedia, Smith, P.C., Kendall, L.M., &Hulin, C.L. (1969) describe that job descriptive index (JDI) is a specifically cognitive job satisfaction measure. It measures one's satisfaction in five facets: pay, promotions and promotion opportunities, co-workers, supervision, and the work itself. The scale is simple, participants answer either yes, no, or cannot decide (indicated by „?“) in response to whether given statements accurately describe ones job (http://en.wikipedia.org/wiki/Job_satisfaction).

III. Minnesota Satisfaction Questionnaire (MSQ)

The Minnesota Satisfaction Questionnaire is a paper-pencil type of a questionnaire and can be implemented both individually and in group, but it does not take sex differences into consideration. This questionnaire has one short form and two long forms that date from 1967 and 1977. In fact 20 work features in five levels are measured with this questionnaire (Brikend AZIRI, 2011).

IV. The Job Satisfaction Survey (JSS)

The JSS is a 36 item questionnaire that measures nine facets of job satisfaction (http://en.wikipedia.org/wiki/Job_satisfaction).

V. The Faces Scale

The Faces Scale of job satisfaction, one of the first scales used widely, measured overall job satisfaction with just one item which participants respond to by choosing a face. (http://en.wikipedia.org/wiki/Job_satisfaction).

2.6 Job Performance

While job satisfaction is a common area of interest for researchers and employers, another area of consideration is job performance and the factors that influence job performance. Job performance is a variable commonly researched in conjunction with job satisfaction, but has also been a variable that has received its own amount of attention in the literature.

Performance Management: According to Judge and Ferris (1993), perhaps there is no human resources system more important in organizations other than performance evaluation and the ratings of employees' performance represent critical decisions that highly influence a variety of subsequent human resources actions and outcomes.

Performance is often defined simply in output terms the achievement of quantified objectives. But performance is a matter not only of what people achieve but how they achieve it. The Oxford English Dictionary confirms this by including the phrase carrying out in its definition of performance: The accomplishment, execution, carrying out, working out of anything ordered or undertaken. High performance results from appropriate behavior, especially discretionary

behavior and the effective use of the required knowledge, skills and competencies. Performance management must examine how results are attained because this provides the information necessary to consider what needs to be done to improve those results (Armstrong, 2006).

Performance Measurement: Measurement and evaluation are used to strengthen and improve performance. According to Armstrong (2006), firstly, performance measures are yardsticks which used to determine how well employees produced or provided products or services. It is important that the required outcome of an intervention to be measured and assessed is clearly defined and known; secondly the appropriate methods are used; and thirdly to determine whether the selected activities and Interventions will narrow or close the performance gap. The importance of measurement in the performance improvement process cannot be overemphasized. As Armstrong, (2006) highlight, if you cannot understand something you cannot measure it. If you cannot measure it, you cannot control it. If you cannot control it, you cannot improve it.

2.7. Relationship between job satisfaction and job Performance

Miss VartikkaIndermun and Prof Mohamed SaheedBayat in their study try to explain the correlation between job satisfaction and performance in the following way:

The Hawthorne studies are recognized for setting the pace for researchers on the effect of employee attitude on performance. After the Hawthorne's work, more researchers have emerged to critically investigate the idea that —a happier worker is a productive worker. Most of their literature review proposed a weak and conflicting relationship between job satisfaction and performance. Upon further review of literature, Iaffaldano and Muchinsky (1985) proposed that the statistical relationship between job satisfaction and performance was 0.17 which signifies that job satisfaction and performance slightly related. They further declared that the said relationship between the two variables was as a result of —management fad and —illusory. This result is in favor of the views of researchers and organizations, managers as well as human resource practitioners who perceive the relationship between job satisfaction and performance as insignificant.

Further study disagrees with the finding of Iaffaldano and Muchinsky (1985). Organ (1988) proposes that the inability to determine a strong relationship between the two variables is attributable to the narrow definition that is given to job performance. Organ (1988) challenged that when performance is defined to take into consideration critical behaviors not

normally revealed in performance appraisal for example organizational citizenship behavior, its link with job satisfaction improves.

According to Organ and Ryan (1995), research inclines to back Organ (1988) argument because job satisfaction has relationship with organizational citizenship behavior. Current and in-depth analysis of 301 studies have identified that when the correlations are accurately corrected, the average correlation constrain between job satisfaction and performance must be 0.30 (Judge et al., (2001). They assigned the difference in result to the fact that, Iaffaldano and Muchinsky (1985) research only addresses satisfaction at the facet level instead of global level. As performance was conceptualized at a general level, is obvious that measuring job satisfaction at the facet level would automatically end up producing lower correlation than gauging satisfaction at the global level. They further found that the relationship between job satisfaction and performance for complex jobs was higher than less complex ones.

2.8. Moderators of the relationship between job satisfaction and employee performance

It is important to remember that the relationship between job satisfaction and employee performance is moderated or regulated by many other variables (Judge, Thoreson, Bono & Patton, 2001). One of the most common of these variables is the possibility of gaining a reward.

In other words, those who place a high value on compensation or rewards would be satisfied in their jobs leading them to perform better because of the eventuality of them receiving a reward or compensation from a better or higher performance. Some individuals however do not place much emphasis on compensation as a motivator (extrinsic motivation) and would place higher value on factors that intrinsically motivate them. Variables such as, for example: the nature of work itself, job complexity, and a sense of accomplishment and achievement that individuals derive from their work, lead to job satisfaction and consequently, improved performance at work. Hence, stimulating and interesting jobs are more satisfying than tedious and monotonous jobs.

Thus, the above factors provide an intrinsic satisfaction to the individuals who value them, as compared to compensation which provides an extrinsic satisfaction. Studies have however found that the relationship between job satisfaction and performance is stronger in cases where pay or compensation is linked to the employee's performance as opposed to cases where there was no possibility of pay being linked to performance. Other variables that moderate the relationship between satisfaction and performance include: self-esteem of the individual, organizational tenure, cognitive ability, need for achievement, career development, affective disposition and situational constraints (Judge, Thoreson, Bono & Patton, 2001).

2.9. Conceptual framework

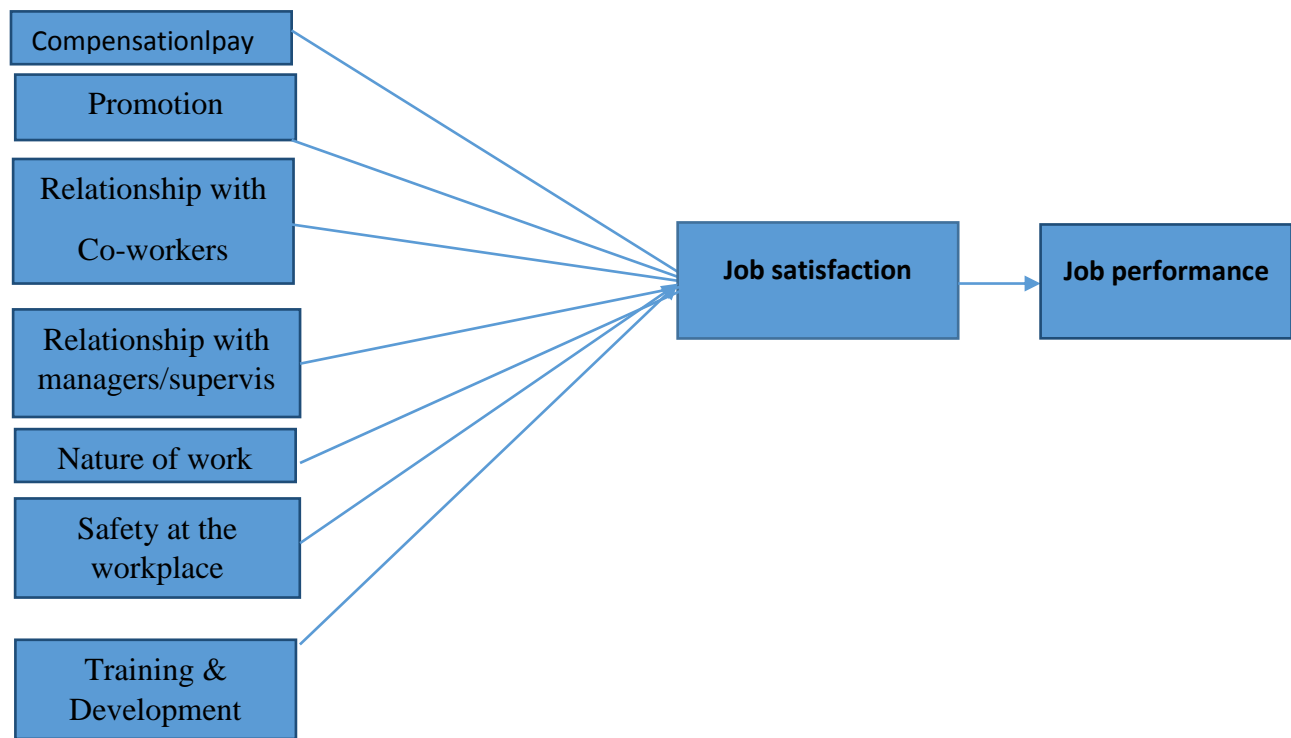


Figure 2.4 conceptual framework. Source, Funmilola, Sola and Olusola (2013)

This conceptual framework was taken from the reviewed literature about job satisfaction and job performance and support the conceptualization of objectives and research questions of this study. The conceptual framework states that compensation/pay, promotion, relationship with co-workers, relationship with managers, nature of the work, safety at the work place and training and development are factors that affect job satisfaction and job satisfaction plays a major role in job performance of the employees.

CHAPTER THREE

3. Research Methodology

This chapter discusses how the researcher is designed, the methodology, and population and sampling, sources of data gathering tools and method of data analysis

3.1. Research Design

Business research can be classified on the basis of either technique or purpose. One is based on their purpose. In terms of their purpose we can divide the research in to exploratory, descriptive or causal study. Matching the particular decision situation with the right type of research is important in obtaining useful research results. (William, Barry, Carr, & Griffin, 2010)

This study used a descriptive design through surveys to assess the role of job satisfaction on employee performance in commercial bank of Ethiopia. This type of research design helps to portray accurately the characteristics of a particular individual, situation or a group.

This study applies both quantitative and qualitative data (mixed method research). A mixed method approach is one in which the researcher collects, analyzes, and “mix” or “integrates” both quantitative and qualitative data in a single study to understand a research problem (Creswell, 2003). The quantitative approaches are important to measure the objectives and perform statistical analysis of numeric data to understand and explain phenomenon from perspective of participants in the study. Hence, by applying the mixed method the researcher used to ensure the strength of the findings towards being more objective and generalizable to the entire population.

3.2 Source of Data

The researcher used both primary and secondary data sources

3.2.1 Primary data sources: This refers to raw facts collected or generated in a given research for the first time. This data was generated from the sample population by use of the questionnaire which was close ended as well as open ended questionnaires.

3.2.2 Secondary data sources: This method involves sourcing for already processed information. Data's are taken from by reviewing relevant text books, journals, magazines and other documents of the CBE are used to enrich the paper with tangible facts.

3.3.Sampling Design

3.3.1 Target population

As discussed above, this research aimed at assessing the role of job satisfaction on employee performance in the case of commercial bank of Ethiopia. The total population of the research was professional staff of commercial bank of Ethiopia and the staff's that have more than one year experience working in Addis Ababa Branches for the reason of the following justifications

- They are back bone of the banking operation and are playing a great role in service excellence; they have undeniable contribution for productivity
- They are the one who have first contact with customers.

Incorporating all employees' idea on the analysis will be better for conclusion and generalization, but economically and operationally it will be very difficult to contact all employees in the research. Therefore, taking a representative sample of the population of the employees' is feasible. In additions, the professional staffs of outlying Branches are not considered because of the remoteness of data access.

3.3.2 Sampling Technique and sample size determination

The researcher used non probability sampling technique. Convenience sampling technique was used to distribute questioner for employees of commercial bank of Ethiopia, and in order to select branches Purposive Sampling Technique used.

The Total No Of Staffs in Addis ababa 10,079 in four districts but 122 of them are below one year experience as a result the total population size of the study will be 9,957.

To select the sample; MalhortaNaresh, Marketing Research: an applied approach, 2007 will be used. Hence in table 3.1, the above population size categorized in the sixth row and the samples to be used as lowest (80), medium (200), and highest (315), in order to be representative in this Study uses the highest sample size (315 employees) were selected.

Population size	Sample size		
	Low	Medium	High
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
10001-35000	125	315	500
35001-150000	200	500	800

(Source: Malhorta Naresh, Marketing Research: an applied approach, 2007)

Figure 3.1 Sample size

The researcher selected branches purposely and then distributed the questionnaires to selected employees according to the sample size determined by using convenient sampling method.

Then the researcher selected grade four branches located in Addis Ababa districts because the branches are more suitable for the researcher because there are more number of employees in grade four branches so it's easy to approach more number of respondents, consequently respondents was selected conveniently from selected branches.

Table 3.1: Status of Questionnaires Distributed to employees of CBE

NO.	District	Number of grade 4 branches under each district	Questionnaires distributed in each branch	Total number of questioners' distributed
1	West	5	15	79
2	East	5	15	79
3	North	5	15	79

4	South	5	15	78
	TOTAL	20		315

Source: own survey, 2017

3.4. Method of data analysis

The data was collected from respondent employees through questionnaire. They are analyzed and interpreted so as to reach on meaningful findings. The researcher used SPSS to code and analyzes the collecting responses for questionnaires. In addition to this descriptive statistical techniques was used for analysis of data in doing tables and percentages are applied.

3.5 Validity and Reliability

According to R. Kothari, (2004), Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. Validity is the extent to which any instrument measures what is intended to measure. To ensure the validity of the study the researcher collects the data from the reliable sources and respondents who are working in commercial bank of Ethiopia, Addis Ababa.. The study used Cronbach's alpha to assess the consistency of the research instrument. It is commonly used as a measure of the consistency or reliability of sample examinees. The higher Alpha Coefficients indicate higher scale reliability (Santos, 1999: as cited in Eze et al., 2008). As shown in table the reliability in this study as assessed by coefficient alpha was found to be 0.78 as an indication of acceptability of the scale for further analysis.

Table 3.2 Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
0.783	27

Item Statistics			
	Mean	Std. Deviation	N
To what extent compensation important to your job satisfaction	2.6667	0.72375	15
To what extent promotion important to your job satisfaction	2.6667	0.48795	15
To what extent relationship with co-workers important to your job satisfaction	2.6	0.50709	15
To what extent relationship with manager important to your job satisfaction	2.4667	0.5164	15
To what extent supervisors important to your job satisfaction	2.0667	0.79881	15
To what extent nature of the work important to your job satisfaction	2.4667	0.63994	15
To what extent management recognition important to your job satisfaction	2.5333	0.63994	15
To what extent safety at the workplace important to your job satisfaction	2.7333	0.45774	15
To what extent training and development important to your job satisfaction	2.6667	0.61721	15
Think of your job in general over all i am satisfied with the job i work in	1.5333	1.12546	15
I am satisfied with the amount of pay and financial compensation i receive	1.8667	0.83381	15
When i do a good job, I receive the recognition for it that i should receive	3.0667	0.70373	15
I perceive that the pay i receive is fair & equitable	1.8667	0.91548	15

I am satisfied with the opportunities of being promoted to a better position and advancement	2.2	1.08233	15
Promotion in the bank is fair and within performance	2.2667	0.96115	15

Source: descriptive analysis result based on questionnaire survey, 2017

3.6. Ethical considerations

The study was conducted in such a way that it considered ethical responsibility. Ethical responsibility include, providing information about the study for respondents (like who's conducting the research, for what and who will benefit), also the study provided anonymity, means the information from the respondents is confidential and will not be used for any personal interest.

CHAPTER FOUR

4. Data Analysis & Interpretation

This chapter will present data that has been collected through a quantitative survey. A total of 315 questionnaires were administered and data were collected from employees of commercial bank of Ethiopia grade four A.A branches. From the 315 questionnaires distributed only 293 (93%) have been collected and analyzed using the descriptive statistics (frequency statistics).

4.1. Background information of respondents

Demographic characteristics under the study include gender, age, educational status, and work experience. Descriptive statistics (frequencies & percentages) were used to identify the study sample. The results are shown as follows:

Table 4.1 Sex, Age, Educational Status, & work experience

Gender of respondent			
No		Frequency	Percent
1	Male	199	67.9
	Female	94	32.1
	Total	293	100
Age of respondent			
No		Frequency	Percent
2	20-25	128	43.7
	26-31	126	43
	32-40	27	9.2
	40 and above	12	4.1
	Total	293	100

Education level of respondent			
No		Frequency	Percent
3	diploma	119	40.6
	degree	139	47.5
	Masters	35	11.9
	Other	0	0
	Total	293	100
How long have you working at CBE			
No		Frequency	Percent
4	less than3	119	40.6
	3-5 years	112	38.2
	5-8 Years	24	8.2
	More than 8	38	13
	Total	293	100

Source: descriptive analysis result based on questionnaire survey, 2017.

As the above table 4.1 shown, the male respondents were 199 (67.9%) and female respondents were 94(32.1%). As a matter of chance, the male respondents are higher than the female. Another demographic factor in this research was age of respondents, large number of respondents 128 (43.7) were at the age range of 26-31, 126 (43%) were at the age range of 20-25, 27 (9.2%) were at the age range of 32-40 and 12 (4.1%) were at the age above 40. With regards to the educational status of the respondents, 119 (40.6%) of the respondents were diploma holder, 139 (47.5%) were degree holders, and 35 (119%) were masters holders. Concerning to the experience of respondents 119 (40.6%) of the respondents worked in CBE between less than 3 years, 112 (38.2%) have served CBE between 3-5 and 24(8.2%) have served between 6-8 years and 38 (13.0%) of the respondents have served CBE for more than 8years.

4.2.The Determinants of Job Satisfaction

This section of the analysis identifies the determinants of job satisfaction among employees of commercial bank of Ethiopia Addis Ababa District as shown in below table.

Table 4.2:The Determinants of Job Satisfaction among Employees of Commercial Bank of Ethiopia

Which one of these factors most determine your job satisfaction		
	Frequency	Percent
Compensation/pay	128	43.7
Promotion	76	25.9
Relationship with co-workers	28	9.6
Relationship with managers	19	6.5
Nature of work	30	10.2
Safety at the workplace	4	1.4
Training & Development	4	1.4
Others	4	1.4
Total	293	100

Source: descriptive analysis result based on questionnaire survey, 2017.

.The study explored eight (8) determinants of job satisfaction. The determining factors include (i) Compensation/pay, (ii) Promotion, (iii) Relationship with co-workers (iv) Relationship with managers/supervisors (v) Nature of work (vi) management recognition (vii) Safety at the workplace (viii) Training and development

❖ **Compensation/pay**

An efficient compensation system results in organizational growth and expansion and exhibits a positive relationship between employee satisfaction and performance (Lai, 2011). Pay is highly considered as the most important determinant of job satisfaction relative to the other factors in order to attract and retain expert labor force (Frye, 2004). The finding that 136 (46.6%) employees identified compensation/pay as the major determinant of their job satisfaction. This reveals that good salary is considered as the most determinant factor of job satisfaction.

❖ **Promotion**

The advancement of an employee from one job position to another job position that has a higher salary range, a higher title together with higher job responsibilities was revealed as a determinant. The study revealed that 76 (25.9%) employees view promotion as a determinant of job satisfaction. The finding falls in line with Teseema and Soeters's (2006) position in their research study that higher level of job satisfaction and better performance of employees is attached to good promotional practices.

❖ **Relationship with co-workers**

Workplace relationships are unique interpersonal relationships with important implications for the individuals in those relationships, and the organizations in which the relationships exist and develop (Jex, 2002). Because workers spend an average of 40 hours a week at the workplace, these long work hours result in the formation of workplace friendships.. From the field data, 28 (9.6%) respondents view relationship with co-workers as an important factor that determines their job satisfaction.

❖ **Relationship with managers/supervisors**

The need theories (Mayo 1933; Maslow 1943; Herzberg 1993) show that man is a social animal. One of the most important needs is love, both giving and receiving. Relationship with managers play an important role in job satisfaction for two reasons: first, good relationship improves people's interest in staying at work which can maintain high job satisfaction and secondly, good employee-manager relationship leads to a positive intervention, which is proved to be the social information people rely on to form their attitudes towards jobs. In line with this, 19 (6.5%) respondents view relationship with managers/supervisors as a job satisfaction determinant.

❖ **Nature of work**

Depending on the nature of work, that is, complexity, confidentiality, risk, routines and other considerations may affect the level of employee satisfaction. Robbins et al. (2003) refer to the nature of work as the extent to which the job provides the individual with stimulating tasks, opportunities for learning and personal growth, and the chance to be responsible and accountable for results. Employees prefer jobs that matched with their competencies and are mentally liked. This finding that 30(10.2%) employees view the nature of their work as a determining factor for their job satisfaction and is ranked the third highest factor. The nature of banking operation is risky and routine, therefore, employees view this as very important determinant.

❖ **Safety at the work place**

Workplace safety is the other issue for employers and employees. Everyone has a responsibility to ensure the safety of him or her and others affected by their work activities in the workplace. From the data collected, 4(1.4%) respondents view safety at the workplace as one of the determinants of job satisfaction.

❖ Training and development

Training and development deals with systematic approaches to improve employee skills and performance. It is the ongoing acquisition or refinement of skills and knowledge, including job mastery and professional development, coupled with career planning activities. From the field data, 4 (1.4%) employees acknowledge training and development as a determinant in their job satisfaction.

Besides the above Mentioned determinants 4 (1.4%) of employees suggests other factors such as lower level of overtime compensation and unattractive fringe benefits.

4.3. The Level of Importance of the Determinants of Job Satisfaction

Table 4.3 The Level of Importance of The Determinants of Job Satisfaction To Employees of Commercial Bank of Ethiopia.

To what extent compensation important to your job satisfaction		
	Frequency	Percent
Not important	25	8.5
Important	43	14.7
Very important	225	76.8
Total	293	100
To what extent promotion important to your job satisfaction		
	Frequency	Percent
Not important	20	6.8
Important	76	25.9
Very important	197	67.2
Total	293	100
To what extent relationship with co-workers important to your job satisfaction		
	Frequency	Percent
Not important	10	3.4
Important	139	47.4

Very important	144	49.1
Total	293	100
To what extent relationship with manager important to your job satisfaction		
	Frequency	Percent
Not important	17	5.8
Important	148	50.5
Very important	128	43.7
Total	293	100
To what extent supervisors important to your job satisfaction		
	Frequency	Percent
Not important	29	9.9
Important	152	51.9
Very important	112	38.2
Total	293	100
To what extent nature of the work important to your job satisfaction		
	Frequency	Percent
Not important	16	5.5
Important	117	39.9
Very important	160	54.6
Total	293	100
To what extent management recognition important to your job satisfaction		
	Frequency	Percent
Not important	26	8.9
Important	149	50.9
Very important	118	40.3
Total	293	100
To what extent safety at the workplace important to your job satisfaction		
	Frequency	Percent
Not important	16	5.5
Important	93	31.7

Very important	184	62.8
Total	293	100
To what extent training and development important to your job satisfaction		
	Frequency	Percent
Not important	11	3.8
Important	113	38.6
Very important	169	57.7
Total	293	100

Source: descriptive analysis result based on questionnaire survey, 2017.

The factors were assessed from very important to not important. From the data 225(76.8%) respondents consider compensation/pay as the very important factor followed by 197(67.2%) promotion, 185(62.8%) nature of the work, 169(57.7%) training and development, 160(54.6%) safety at workplace, 144(49.1%) relationship with coworkers, 128(43.7%) relationship with manager, 118(40.3%) management recognition, 112(38.2%) relationship with supervisor. corroborates Abdullah et al. (2011) who identified wage/pay among other factors such as promotion, nature of work, and safety at the work place as the single major factor that influence satisfaction level at work. Further, the findings confirm what Butt et al. (2007) state that, in all, employees place more emphasis on pay and promotion.

This reveals that good salary is considered as the most important factor of job satisfaction followed by promotion, nature of the work, training and development, safety at work place, relationship with coworkers, relationship with manager, management recognition, and relationship with supervisor.

4.4 Factors that affect the current job performance of employees of Commercial bank of Ethiopia

Data was collected on the positive and negative factors that mostly affect the job performance of the employees. Tables 4.4.1 and 4.4.2 present data on positive and negative factors that mostly affect the job performance of employees of commercial bank of Ethiopia in Addis Ababa district.

Table 4.4.1 Positive factors that affect current job performance of the employees of CBE

Which one of these factors most positively affects your job performance		
	Frequency	Percent
Compensation/pay	14	4.8
Promotion	20	6.8
Relationship with co-workers	94	32.1
Relationship with managers/ supervisors	21	7.2
Nature of work	13	4.4
Management recognition	36	12.3
Safety at the workplace	39	13.3
Training & Development	56	19.1
Other	0	0
Total	293	100

Source: descriptive analysis result based on questionnaire survey, 2017.

From the data presented in Table 4.4, 14 (4.8%) employees respond compensation/pay, 20 (6.8%) of them respond promotion, 94 (32.1%) respond relationship with coworkers, 21 (7.2%) respond relationship with manager/supervisor, 13 (4.4%) respond nature of the work, 36 (12.3%) respond management recognition, 56 (19.1%) respond safety at the work place, 39 (13.1%) respond training and development, as a positive factor that affects their

performance currently. This shows that currently relationship with their co-workers, safety at the work place, and training & development play the major role in their job performance in other word the respondents were more satisfied in those factor. On the other hand the remaining factors relationship with manager/supervisor, management recognition were contribute moderately and compensation/pay, nature of the work, promotion were contribute less to their job performance currently.

Table 4.4.2 Negative factors that affect job performance of the employees of CBE

Which one of these factors most negatively affects your current job performance		
	Frequency	Percent
Compensation/pay	53	18.1
Promotion	50	17.1
Relationship with co-workers	14	4.8
Relationship with managers	39	13.3
Nature of work	68	23.2
Management recognition	23	7.8
Safety at the workplace	26	8.9
Training & Development	20	6.8
Other	0	0
Total	293	100

Source: descriptive analysis result based on questionnaire survey, 2017.

From the data presented in Table 4.5, 53(18.1%) employees respond compensation/pay, 50(17.1%) of them respond promotion, 14(4.81%) respond relationship with coworkers, 39(13.3%) respond relationship with manager/supervisor, 68(23.2%) respond nature of the work, 23(7.8%) respond management recognition, 26(8.9%) respond safety at the work place, 20(6.8%) respond training and development, as a negative factor that affects their performance currently. This shows that the respondents were not satisfied in the amount of pay/compensation they receive, the promotion policy of the bank and in the nature of the work which indirectly affect their job performance negatively.

Table 4.5 Extent of job satisfaction

Think of your job in general over all i am satisfied with the job i work in				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	40	13.7	2.8908	1.13552
Disagree	64	21.8		
Neutral	99	33.8		
Agree	68	23.2		
Strongly agree	22	7.5		
Total	293	100		
I am satisfied with the amount of pay and financial compensation i receive				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	108	36.9	2.1024	1.07736
Disagree	95	32.4		
Neutral	42	14.3		
Agree	48	16.4		
Strongly agree	0	0		
Total	293	100		
When i do a good job, I receive the recognition for it that i should receive				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	58	19.8	2.686	1.19805
Disagree	76	25.9		
Neutral	79	27		
Agree	60	20.5		
Strongly agree	20	6.8		
Total	293	100		
I perceive that the pay i receive is fair & equitable				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	90	30.7	2.2969	1.17795
Disagree	93	31.7		
Neutral	58	19.8		
Agree	37	12.6		
Strongly agree	15	5.1		
Total	293	100		
I am satisfied with the opportunities of being promoted to a better position and advancement				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	71	24.2	2.3652	1.06618
Disagree	101	34.5		
Neutral	68	23.2		

Agree	49	16.7		
Strongly agree	4	1.4		
Total	293	100		
Promotion in the bank is fair and within performance				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	83	28.3	2.3276	1.09254
Disagree	83	28.3		
Neutral	82	28		
Agree	38	13		
Strongly agree	7	2.4		
Total	293	100		
People with whom i work or meet in connection with my work are good				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	25	8.5	3.7474	1.12766
Disagree	16	5.5		
Neutral	34	11.6		
Agree	151	51.5		
Strongly agree	67	22.9		
Total	293	100		
Communications seem good within this organization				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	25	8.5	3.7816	1.19075
Disagree	19	6.5		
Neutral	39	13.3		
Agree	122	41.6		
Strongly agree	88	30		
Total	293	100		
My co-workers at work are friendly and supportive				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	13	4.4	3.9181	0.99663
Disagree	12	4.1		
Neutral	44	15		
Agree	141	48.1		
Strongly agree	83	28.3		
Total	293	100		
My supervisor/manager supports me enough at work				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	14	5	3.6565	1.11282
Disagree	41	14		
Neutral	32	11		

Agree	144	49		
Strongly agree	62	21		
Total	293	100		
My manager/?supervisor appreciates good work done by me				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	41	14	3.0887	1.2299
Disagree	45	15.4		
Neutral	95	32.4		
Agree	71	24.2		
Strongly agree	41	14		
Total	293	100		
My manager/supervisor is polite and cares for me				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	18	6	3.5988	1.12217
Disagree	35	12		
Neutral	56	19		
Agree	123	42		
Strongly agree	61	21		
Total	293	100		
The job am doing is interesting				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	88	30	2.43	1.29781
Disagree	82	28		
Neutral	63	21.5		
Agree	29	9.9		
Strongly agree	31	10.6		
Total	293	100		
My job is mentally challenging with variety of job responsibilities				
	Frequency	Percent	Mean	S.Dev
Strongly disagree	48	16.4	3.0102	1.2261
Disagree	46	15.7		
Neutral	82	28		
Agree	89	30.4		
Strongly agree	28	9.6		
Total	293	100		

Source: descriptive analysis result based on questionnaire survey, 2017.

❖ **Satisfaction and compensation/pay**

Salary and compensation are the basic need for employees. It will lead to a severe dissatisfaction and ultimate demotivation if employees are dissatisfied with compensation and salary. Salary is seen by many managers as a major motivator or at least an important factor that influence employees' job satisfaction (Lai, 2011). However, the study revealed that 69.3% give negative response which means they are not satisfied with their salaries compared with the work they perform and other banking sector salary scale. Further, 14.3% of the respondents are neutral about their level of satisfaction with the salary and financial compensation they receive and 16.4% of respondents give positive response and the mean value of this variable is 2.8908 which indicate the respondents were not satisfied with their salary when compared with the work they perform and other banking sector.

Perceived fairness and equitability is very crucial to its success of any organization. In order to find out the staffs perception on how they think they are being treated. When staffs feel they are not treated fairly, it results in negative consequences on performance that is, how fair or equitable their treatment is regarding the pay they receive from CBE relative to other banking sector. Here 45.7% of respondents have negative response, 27.3% response neutral and 27.3% of respondents have positive response the mean value of this variable is 2.10 this indicate that most of the respondents were not satisfied with the pay they receive and think that it was not fair and equitable in relation with other banking sector.

❖ **Satisfaction and management recognition**

Recognition is essential to an outstanding workplace .people want to be respected and valued for their contribution. Everyone feels the need to be recognized as an individual or member of a group and to feel achievement for work well done or even for a valiant effort and when employees work recognized their satisfaction raises and they will be motivated to maintain or improve their good work. According to Namusonge *et al.*, (2012), employee recognition is the timely, informal or formal acknowledgement of a persons or teams behavior, effort or business result that supports the organizations goals and values, and which have clearly been beyond normal expectations. Appreciation is a fundamental need and employees respond to appreciation expressed through recognition of their work because it confirms that their work is valued. Employees tend to stay in organizations where they feel their capabilities, efforts, performance

and contributions are recognized and appreciated by others. Frequent recognition may be given in less formal ways.

The data revealed that 45.7% of employees give negative response, 27% of respondents' response neutral and 27.3% give positive response and the mean value of this variable is 2.7. which shows that the manager did not give recognition for their contribution and respondents are not satisfied with the management recognition.

❖ **Satisfaction and promotion**

Promotion is a device used by management to reward employees for better performance to increase their morale and job responsibility. Better performance of employees is attributed in part to good promotional practices (Teseema and Soeters, 2006). Regarding the opportunity of being promoted to a better position and advancement 58.7% of respondents give negative response, 23.2% response neutral and 18.1% of respondents give positive response and the mean value of this variable is 2.4. This shows respondents were not satisfied with the promotion opportunity that the bank gives them.

On the other hand about the fairness of the bank towards promotion within performance 56.6% of respondents give negative response, 28% response neutral and respond 15.4% respondents give positive response and the mean value of this variable is 2.32 which indicate respondents were not satisfied with the promotion opportunity that the bank give them.

❖ **Satisfaction and relationship with co-workers**

Relationship among workers at the workplace increases through socialization and interaction (Padilla-Velez, 1993). Data was collected on the extent of satisfaction with relationships at their workplace. The relationship with co-workers factors includes goodness of co-workers, communication between coworker in the organization and the friendly and supportiveness of the co-workers. Data collected revealed that a majority of employees of CBE are satisfied with relationship at the workplace and give positive response. As shown in the table 4.5, 74.4%, 71.6% and 76.6% of respondents give positive response regarding the goodness of the co-workers, communication within coworkers and the supportiveness and friendly relationship of coworkers respectively. The mean value of this variable is more than 3.7 for all factors which fall in agreed scale. This indicates that respondents are satisfied with their co-workers relationship.

❖ **Satisfaction and relationship with manager/supervisor**

Respondents were asked whether the manager/supervisor support them at their work; appreciate them for the good work done by them and the politeness and caring manner of their manager/supervisor.

As indicated in the table 4.5, 19%, 11%, 70% of the respondents give negative, neutral and positive response respectively towards the manager/supervisor support at their work and the mean value of this variable is 3.7 which fall in agreed scale. On the other hand 34.4%, 22.5% and 43% of the respondents give negative, neutral and positive response respectively about their manager/supervisor appreciation regarding the work done by them. The mean value of this variable is 3.1 which fall in neutral scale that means there is absence of appreciation for good performance. The other factor about relationship with the manager/supervisors is the manager/supervisor politeness and caring manner. 18%, 19%, 63% of respondents give negative, neutral and positive response respectively and the mean value of this variable is 3.6 which indicates that the managers/supervisors are caring and polite.

❖ **Satisfaction and nature of work**

Depending on the nature of work, that is, complexity, confidentiality, risk and other considerations may affect the level of employee satisfaction. Robbins et al. (2003) refer to the nature of work as the extent to which the job provides the individual with stimulating tasks, opportunities for learning and personal growth, and the chance to be responsible and accountable for results. Employees prefer jobs that matched with their competencies and are mentally liked. This finding that 170(58%) of respondents give positive response, 63(21.5%) respond neutral and 60(20.5%) give positive response and the mean value of this variable is 2.4 which shows respondents were not satisfied with the nature of the work.

4.6. Influence of job satisfaction on the performance of employees

Table 4.6. Influence of job satisfaction on the performance of employees of commercial bank of Ethiopia

I have the necessary factual knowledge and information of the job				
	Frequency	Percent	Mean	S. Dev
Strongly disagree	4	1.4	3.9488	0.87631
Disagree	12	4.1		
Neutral	60	20.5		
Agree	136	46.4		
Strongly agree	81	27.6		
Total	293	100		
I have the necessary procedural knowledge and skills in actually knowing what should be performed				
	Frequency	Percent	Mean	S. Dev
Strongly disagree	0	0	3.9386	0.73767
Disagree	13	4.4		
Neutral	50	17.1		
Agree	172	58.7		
Strongly agree	58	19.8		
Total	293	100		
I have the motivation to exert more effort into the job am doing				
	Frequency	Percent	Mean	S. Dev
Strongly disagree	91	31.1	2.215	1.20139
Disagree	115	39.2		
Neutral	48	16.4		

Agree	11	3.8		
Strongly agree	28	9.5		
Total	293	100		
The bank follows a defined job performance measurement criterion				
	Frequency	Percent	Mean	S. Dev
Strongly disagree	80	27.3		
Disagree	103	35.2		
Neutral	52	17.7		
Agree	36	12.3		
Strongly agree	22	7.5		
Total	293	100	2.3754	1.21732

Source: descriptive analysis result based on questionnaire survey, 2017.

❖ Employee job performance

Respondents were asked that they have the necessary factual knowledge and information of the job and from the data revealed 5.5% of respondents give negative response, 20.5% respondents response neutral, 74% of respondents give positive response and the mean value of this item is 3.9. This indicates that respondents have the necessary factual knowledge and information of job. On the other hand about the necessary procedural knowledge and skills in actually knowing what should be performed 4.4% respondents give negative response, 17.1% of respondents response neutral and 74% of respondents give positive response and the mean value of this item is 3.9. This shows the respondents have the necessary procedural knowledge and skill in actually knowing what should be performed. Also respondents were asked about their motivation to exert more effort into the job they are doing and 70.3% of employees give negative response, 16.4% of respondents response neutral and 13.3% of respondents give positive response and the mean value of this item is 2.2 this indicates that respondents did not have the motivation to exert more effort in to the job they are doing. In order to see the performance measurement practice of the commercial bank of Ethiopia respondents were asked whether the bank follows a defined job performance measurement criterion or not, results on the above table shows 62.5% of respondents give negative response, 17.7% of respondents response neutral and 19.8% of respondents give positive response and the mean value of this item is 2.3 this indicates that the respondents were not agreed on that the bank follow a defined job performance measurement criterion.

4.4. Open–Ended Questions Analysis

In addition to closed-ended questions, respondents were asked the following open-ended questions in order to know their attitude towards challenges of job satisfaction and measurement of job performance.

Questions on the challenges of job satisfaction in banking industry

1. What do you think the cause of your job dissatisfaction?

The respondents have listed the following points as their cause of job dissatisfaction. The points are listed below:

- ❖ Unfair promotion opportunities
- ❖ Uninteresting and routine job schedule and poor working condition
- ❖ Poor remuneration and fringe benefits
- ❖ There is no Praises for exceptional efforts
- ❖ Lower Overtime compensation
- ❖ Lower Salary compared with the work we perform and other banking sectors
- ❖ Absence of expression of appreciation for good performance
- ❖ Unfair performance measurement practice
- ❖ Inadequate training program

2. What do you suggest to improve the job satisfaction of employees of CBE?

The respondents suggested the following point

- ❖ The promotion policy should be improved
- ❖ There should be Acknowledgement for contributions and efforts
- ❖ There should be adequate training and development Opportunity to develop / improve skills
- ❖ job rotation system should be apply properly
- ❖ The salary scale should be increased within the current market
- ❖ Overtime compensation should be increased
- ❖ The bank should create an effective and good performance appraisal system

- ❖ The management should have much emphasis on motivating employees

Questions on job performance measurement of the bank

1. How much result do you achieved in recent performance evaluation given?

Out of 293 respondents 120(40.95%) have average performance, 100(34.14%) good performance and 73(24.91%) have very good performance. This shows that majority of respondents have good and average performance and no respondents get excellent

2. Do you feel happy by the performance result you got so far? If No why?

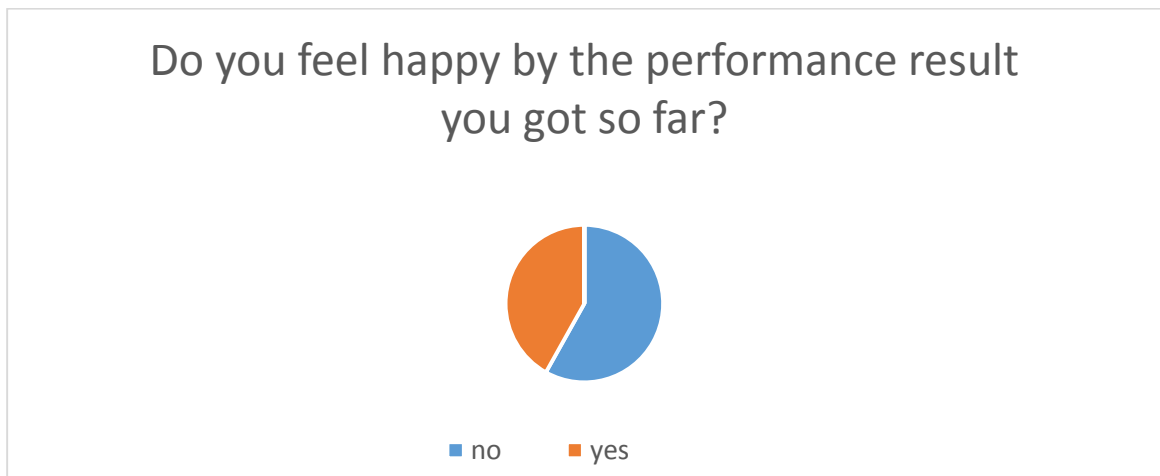


Figure 4.1 Employees feeling about their performance result

The above figure shows that out of 293 respondents 170(58.0%) answer no and don't feel happy and 123(41.98%) answer yes and feel happy. The no answer respondents comment on the reason why they don't feel with the performance result they got and their comments are summarized as follows. The target given are much stretched, the evaluation system is not well defined.

3. Do you think that your job satisfaction level affects your job performance? If yes how?

The above figure shows that out of 293 respondents 193(65.9%) their job satisfaction level affect their job performance and 100(34.1%) respondents think that their job satisfaction level do not affect their job performance. The yes answer respondents comment on how they think their job satisfaction level affect their job performance and

their comments are summarized as follows. Job satisfaction increase motivation, moral to work, communication with supervisor and affect promotion to a better position in the bank this in turn affect their job performance.

CHAPTER FIVE

Summary of Findings, Conclusion and Recommendations

5. Introduction

The chapter presents the general findings of the research in the context of the central ideas underpinning the objectives of this research. The perspective of this chapter does not only recommends solutions but presents the findings in relation to employee job satisfaction in the commercial bank of Ethiopia. The key components of the chapter include the summary of findings, recommendations and conclusion.

5.1 Summary of major findings

The objective of the study is to assess the role of job satisfaction on employee job performance in commercial bank of Ethiopia Addis Ababa district.

The demographic backgrounds of the sample respondents are presented in four parameters to understand the customer profiles i.e., gender, age, educational status and work experience Based on the data presented above a total of 67.9% & 32.1% respondents are male and female respectively With regards to age of respondents, 43%, 43.7%, 9.2%, & 4.1% of respondents are in the age range of 20-25, 26-31, 32-40 and above 40 respectively. With regards to their educational status, 47.5%, 40.6% & 11.9%, of the respondents are degree holders, diploma holder, and master's holder respectively. With regards to work experience, 40.6%, 38.2%, 24% & 13% of the respondents worked in CBE between less than 3 years, between 3-5, between 6-8 years and for more than 8 years.

In this study there are eight variables which determine the job satisfaction of employees of CBE. This are pay, promotion, relationship with co-workers, relationship with manager/supervisor, nature of the wok, safety at the work place, and management recognition)The study revealed that out of the eight determinants that were explored, 136 employees which is 46.6% view compensation/pay as their main determinant of job satisfaction of respondents .next to this

promotion has the highest value which is 25.9%. Thirdly the employees responded that the nature of the work more determines their job satisfaction than the other remaining variables.

Regarding to level of importance of the determinants of job satisfaction the result indicates compensation /pay 225(76.8%) and promotion 197(67.2%) are very important to respondents. On the other hand management recognition 118(40.3) and relationship with supervisor 112(38.2%) are mentioned as the least important factor.

Concerning to factor which affect the current job performance of employee the study revealed that compensation/pay 53(18.1%), promotion 50(17.1%) and nature of the work 68(23.2%)are affecting their current job performance on the other hand relationship with co-workers 94(32.1%), safety at work place 39(13.3%)and training and development 56(19.1%) positively affect the performance of employees.

In studying the extent of job satisfaction, relation with satisfaction and pay has a mean value of 2.9 which indicates that respondents were not satisfied. In relation satisfaction and promotion has mean value of 2.4 this result shows respondents been not satisfied with the promotion opportunity. In relation with satisfaction and nature of the work mean value of 2.4 this indicates they were not satisfied. On the other hand satisfaction and relationship with manger/supervisor there were major factors these are the management support at employees work this has mean value of 3.7 and the caring and politeness manner of the managers/supervisor has the mean value of 3.6 this indicates employees are satisfied with their relationship with manager/supervisor.

Satisfaction and co-workers relationship factors include goodness of co-workers, communication between coworker in the organization and the friendly and supportiveness of the co-workers. Data collected revealed that a majority of employees of CBE are satisfied with relationship at the workplace and give positive response and The mean value of this variables is more than 3.7 for all factors which fall in agreed scale this indicate that respondents are satisfied with their co-workers relationship.

5.2. Conclusion

The purpose of this study was to assess the role of job satisfaction on employee job performance at commercial bank of Ethiopia, Addis Ababa. Total of 293 employees with different sex, age, work experience were surveyed.

In this study eight variables (pay, promotion, relationship with co-workers, relationship with manager/supervisor, nature of the work, safety at the work place, and management recognition) that affect job satisfaction were used and their role on job performance analyzed. In order to analyze the data descriptive statistics like frequencies, percentages, figures, tables were used.

Overall in this study, the researcher revealed that out of the eight determinants that were explored, the employees view compensation/pay, promotion and nature of the work as their major determinant of job satisfaction. The role of job satisfaction on job performance is predicted that job satisfaction has a major role and when pay, promotional opportunities, relationship with manager, management recognition, relationship with co-workers, the work itself increase and when there is adequate training program performance also increases and vice versa. In addition all job satisfaction factors are significantly related to job performance.

The study explored positive and negative factors that affect the job performance of employees of CBE, relationship with coworkers, safety at the work place and training and development has a positive effect on their current job performance whereas the bank pay/compensation scale, promotion opportunity and nature of work has a negative effect on their current job performance. The study finding suggests that job satisfaction plays a great role both negatively and positively on the current performance of employees.

The study explored a lot of challenges among the employees in the bank. The challenges explored include (i) Unfair promotion opportunities (ii) Uninteresting and routine job schedule and poor working condition (iii) Poor remuneration and fringe benefits (iv) Lack of motivation (v) absence of Praises for exceptional efforts (vi) Lower Overtime compensation (vii) lower salary compared with the work they perform and other banking sectors (viii) Absence appreciation for good performance (ix) Unfair performance measurement. The study revealed that unfair promotion practice, lower salary scale compared to other banking sector and

uninteresting and routine nature of the job the major challenge to the level of job satisfaction of the workers.

Generally, the implication of this study is that job satisfaction has greatest role on job performance of employee and employee job performance can be increased by increasing job satisfaction. This study takes direction that the bank should develop fair and equitable pay within promotional policies, should design job mentally challenging with the variety of job responsibilities and should apply job rotation properly to decrease the routine nature of the work also employees have to be recognized for additional effort they give.

5.3 Recommendations

The following recommendations have been made based on the Study

1. The management of the bank should need to take into account these variables to attract, retain and motivate their employees, so that employees are satisfied with their job and have good performance.
2. Management of the bank and policy planner should consider pay, promotional opportunities, work itself as an important factor while designing jobs and have good performance.
3. The bank should consider and give attention to job satisfaction variables which have lower level score level like promotional opportunities, pay, management recognition and the nature of the work.
4. The bank has to improve the working conditions like for the uninteresting routine nature of the work the management should apply proper job rotation system to increase the level of motivation of employees. As the study reveals it is the major demotivating factor of employees.
5. The study recommends that the management should continually recognize the performance of employees formally as well as informally.
6. Management of bank should consider and encourage good employee's manager relationship to increase performance by giving different management and leadership training to supervisors and by encouraging discussion. The management should give positive and critical feedback to employees that make employees feel good about what they do and where they work.

7. The bank should create a performance evaluation system which is well defined, well communicated and which appropriately measure individual work performance, as well as ensure clear performance evaluation mechanisms based on corporate BSC.
8. The bank should use job satisfaction as an effective tool for improving employee's job performance and organizational performance at large.
9. Banking job is competitive and its essential to made steady progress to survive in the working environment and this largely depend up on the performance of its employees,for ensuring good job performance,the bank should be more sensible and cautious to the employees so that they are satisfied with their jobs.

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APPENDEX
COMMERCIAL BANK OF ETHIOPIA WORKERS
SAINT MARY'S UNIVERSITY
MBA PROGRAM

This research is to find your opinion on the role of job satisfaction on employee performance in Commercial bank of Ethiopia. Please I would be very pleased if you could spare me some time and complete this questionnaires for me. The information provided will be used for academic purpose and as such going to be confidential.

Sincerely,

AsresashKuma

Thank you.

Section 1 - Background Information

1. Gender Male Female

2. In which age group are you?

 20-25 26-31 32-40 40& above

3. What is your current Educational Qualification?

Diploma Degree

Masters Degree Other, [please specify] _____

4. What is your Service year in the company?

 Less than 3 years 3 to 5 years
 6 to 8 years more than 8 years

5. Which of the following factors do you consider to be a factor that determines your job satisfaction? Please tick the appropriate factor.

- Compensation/Pay
- Promotion
- Relationship with co-workers
- Relationship with managers/supervisors
- Nature of work
- Management recognition
- Safety at the workplace
- Training and development
- Others (Please specify).....

6. To what extent do you consider these factors important to your job satisfaction?

N.B 1= Not important 2= Important 3= very important

No		1	2	3
1	Compensation/Pay			
2	Promotion			
3	Relationship with co-workers			
4	Relationship with manager			
5	supervisors			
6	Nature of work			
7	Management recognition			
8	Safety at the workplace			
9	Training and development			

7. Which one of these factors most positively affects your job performance?

- Compensation/Pay
- Promotion
- Relationship with co-workers
- Relationship with managers/supervisors

- Nature of work
- Management recognition
- Safety at the workplace
- Training and development
- Others (Please specify).....

8. Which one of these factors most negatively affect your job performance?.

- Compensation/Pay
- Promotion
- Relationship with co-workers
- Relationship with managers/supervisors
- Nature of work
- Management recognition
- Safety at the workplace
- Training and development
- Others (Please specify).....

EXTENT OF JOB SATISFACTION

N.B 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

No.		1	2	3	4	5
1	Think of your job in general over all I am satisfied with the job I work in					
2	I am satisfied with the amount of pay and financial compensation I receive					
3	When I do a good job, I receive the recognition for it that I should receive					
4	I perceive that the pay I receive is fair & equitable					
5	I am satisfied with the opportunities of being promoted to a better position and advancement.					
6	Promotion in the bank is fair and within performance					
7	People with whom I work or meet in connection with my work are good					

8	Communications seem good within this organization.					
9	My co-workers at work are friendly and supportive					
10	My supervisor supports me enough at work					
11	My supervisor appreciates good work done by me					
12	My supervisor is polite and cares for me					
13	The job am doing is interesting					
14	My job is mentally challenging with variety of job responsibilities					

CHALLENGES OF JOB SATISFACTION

9. What do you think are the causes of your job dissatisfaction?

.....
.....
.....

10. What do you suggest to improve the job satisfaction of employees of commercial bank of Ethiopia?

.....
.....
.....

Section 4 Employee job performance

N.B 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

No		1	2	3	4	5
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1	I have the necessary factual knowledge and information of the job					
2	I have the necessary procedural knowledge and skills in actually knowing what should be performed					
3	I have the motivation to exert more effort into the job am doing					
4	The bank follows a defined job performance measurement criterion					

❖ How much result do you achieved in the recent performance evaluation given?

.....

❖ Do you feel happy by the performance result you got so far?

.....

If No why.....

❖ Do you think that your job satisfaction level affects your job performance? If yes how?

.....

.....

.....

Declaration

I AsresashKuma declare that this research paper entitled “**Assessing role of job satisfaction on employee performance in commercial bank of Ethiopia**” is my original work, and has not been presented for a degree or diploma in any other university and it is in partial fulfillment to the requirement of the program Masters of Art (MA) Degree in Business Administration.

Declared by
AsresashKumaJan , 2017

Student Signature

Endorsement

This thesis has been submitted to St. Mary's university, school of graduate studies for MBA program with my approval as a university advisor.

ZemenuAynaddis

Advisor (Professor)

Signature

St Mary's university

Jan, 2017