

# ST MARY`S UNIVERSITY SCHOOL OF GRADUATE STUDIES

# THE RELATIONHIP BETWEEN ORGANIZATIONAL CLIMATE AND EMPLOYEE JOB SATISFACTION IN ENAT BANK S.Co

BY BEZAYIT TADELE SGS/0141/2007B

JUNE, 2017

ADDIS ABABA, ETHIOPIA

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## SGS/0141/2007B

## A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION (MBA)

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**ADDIS ABABA, ETHIOPIA** 

# **ST MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES FACULTY OF BUSINESS**

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## **APPROVED BY BOARD OF EXMINERS**

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# DECLARATION

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

Name

Signature

St. Mary's University, Addis Ababa

June, 2017

# **ENDORSEMENT**

This thesis has been submitted to St. Mary's University College, school of Graduate Studies for examination with my approval as a university advisor.

Advisor

Signature

St. Mary's University, Addis Ababa

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June, 2017

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# LIST OF ACRONYMS USED

ANOVA	Analysis of Variance
BA	Bachelors of Degree
MA	Master of Arts
MSc	Master of Science
OC	Organizational Climate
OCV	Organizational Climate Variable

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# ABSTRACT

The main purpose of this study was to explore the relationship between the relationship between organizational climate and job satisfaction in Enat Bank S.Co. The subjects of the study were all employees of the Bank which are located in Addis Ababa.

This study was conducted with the use of a survey. An organizational climate questionnaire was developed to measure the organizational climate and job satisfaction of the organization. One hundred sixty (160) questionnaires were returned, for a response rate of 94 percent. The questionnaire consisted of two parts. The first part was all about respondent's demographic factors and the second part was drawn from the Organizational Climate Questionnaire.

Statistical methods used to analyze the data included Cronbach's alpha coefficient to determine reliability of the instrument. Pearson's product-moment correlation was used to determine the degree of relationship between organizational climate and job satisfaction. Analysis of variance was used to identify the perception of organizational climate and job satisfaction of different respondents group.

Examination of the data revealed that the there was a strong positive correlation between organizational climate and job satisfaction. Tenure and job level (position) as organizational variable and educational level as biographical variable were used to see significant deference in perception of the respondents. The result indicates job level has statistically significant effect on job satisfaction, whereas tenure and educational level has no statistically significant effect on job satisfaction. The result also showed that management staffs are more satisfied than junior and senior employees.

Key Words: - Organizational Climate, Job Satisfaction

## CHAPTER ONE INTRODUCTION

#### 1.1 Background of the study

The study of the climate of an organization is necessary for an insight into important dimensions such as communication, cooperation, creativity, morale and most importantly employee satisfaction (Farokhi and Murty, 2003).

Organizational climate has been a field of interest for many years, indicating several differences between values and expectations of employees with different cultural backgrounds (Tayeb, 1996).

The job satisfaction of employees occupies the important place in the list of main concerns of human resource management department. The reason of this importance is twofold. On one side it helps in retaining the employees and on the other side it raises their performance level.

The concept of job satisfaction has been widely defined by different people. (Locke 1979) specified that job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job experiences. Spector (1997) refined the definition of job satisfaction to constitute an attitudinal variable that measures how a person feels about his or her job, including different facets of the job. Rice, Gentile and Mcfarlin (1991) defined job satisfaction as an overall feeling about one's job or career in terms of specific facets of job or careers (e.g. compensation, autonomy, coworkers). According to Hoppock (1935) job satisfaction is "any combination of psychological, physiological, and environmental circumstances that causes a person to say, "I am satisfied with my job". Ivancevich et al. (1997) state that job satisfaction is something due to which a worker feels that how well he/she is in an organization.

Researchers link job satisfaction with many factors e.g. fairness of rewards, growth opportunities, participation in decision making, supervisory support and compensation etc. A large number of researchers, however, link job satisfaction with organizational climate e.g. Taber (1975), Jiang and Klen (2000), Mckinnon (2003), Navaie-Waliser (2004), Rad (2006), Arnold (2006) etc.

Past researches on job satisfaction has focused on the job itself or the work climate as the primary means of increasing satisfaction. The main argument is that, if jobs or work climate are developed to provide a more desirable work environment, an increase in job satisfaction will result (Metle 2001). However Some of the researchers (Trombetta and Rogers, 1988; Ibarra and Andrews, 1993) established the strong relationship between satisfaction with information given in a job and the resulting job satisfaction of those employees and for achieving increased Organizational efficiency, good bidirectional communication would seem a critical part of an effective management equation (Brunetto, 2002).Without structures and procedures that facilitate good supervisor-employee communication, role ambiguity is inevitable, as is job dissatisfaction.

One issue that still continues to cause dissatisfaction amongst employees is when employees believe there is a discrepancy between the official Organizational rewards system and process and what actually happens at work. In addition, organizations communicate the real worth of an employee via the reward system in use, irrespective of the written policies about promotions (Pettigrew 1986) and there are some extrinsic factors in the Organizational climate that also lead to dissatisfaction. Further it has been found that organizational climate acts as a mediating variable for enhancing the relationship of commitment with job satisfaction. Job satisfaction along with organizational climate plays a vital role in retaining the employees by enhancing their commitment towards the organization as it is an antecedent of commitment (Kumar and Giri 2007).

## 1.2 Statement of the problem

The study of organizational climate and job satisfaction has been accounted several years in the discipline of organizational behavior. Most of these studies have been conducted to know the relationship between organizational climate and different organizational variables, such as job satisfaction, employees' turnover and organizational performance.

In the contemporary world there has been movement of employees from one organization to other both in developed and developing nations, which implies that there had been constant mobility of highly skilled persons from one employer to another due to unpleasant organizational climate. However, what is critical is the fact that it had been established that some of these employees hardly stay for long time in one organization before moving to another employers (Gruneberg, Startup and Tapefield, 1975). Competent employees are necessary for organization's productivity, therefore there is a need to find out and examine the relationship between organizational climate and job satisfaction which in turn influence job performance and organizational productivity.

Whenever employees felt dissatisfied and start complaining, the bank focuses on the job itself as a primary means of increasing their satisfaction but this is not a convincing solution to the employee. Therefore, the researcher made an attempt in this study to provide another better alternative to make the employees more satisfied by analyzing the relationship between organizational climate and employee job satisfaction in Enat Bank S.Co.

## 1.3 Research Questions

- How does the organizational climate look like in Enat Bank S.Co?
- ♦ What is the level of job satisfaction in Enat Bank S.Co?
- To what extent do organizational climate and job satisfaction are related?
- What are the demographical and organizational climate factors with higher impact on job satisfaction?

#### 1.4 Objective of the study

#### 1.4.1 General Objective

The general aim of this research is to determine whether there is a relationship between organizational climate and job satisfaction in Enat Bank S.Co.

#### 1.4.2 Specific Objectives

- ✤ To investigate organizational climate in Enat Bank S.Co.
- ✤ To investigate job satisfaction in Enat Bank S.Co.
- To investigate the relationship between the organizational climate and employees' job Satisfaction in Enat Bank S.Co.
- To investigate whether there is a difference in the perception of organizational climate and job satisfaction between employees.

### 1.5 Research Hypothesis

The following hypotheses were tested in this research

#### Hypothesis 1

H0: There is no positive and statistically significant relationship between employees' job Satisfaction and organizational climate in Enat Bank

H1: There is positive and statistically significant relationship between organizational climate and job satisfaction in Enat Bank.

#### Hypothesis 2

H0: There is no statistically significant difference between the employees in perception of their organizational climate and job satisfaction that varies by their job level (junior officers, senior officers and managements).

H1: There is statistically significant difference between employees in their perception of organizational climate and job satisfaction that varies by their job level (junior officers, senior officers and managements).

#### Hypothesis 3

Ho: There is no statistically significant difference between employees in perception of their organizational climate and job satisfaction that varies by their tenure.

H1: There is statistically significant difference between employees in perception of their organizational climate and job satisfaction that varies by their tenure.

#### Hypothesis 4

Ho: There is no statistically significant difference between employees in perception of their organizational climate and job satisfaction that varies by their Level of Education.

H1: There is statistically significant difference between employees in perception of their organizational climate and job satisfaction that varies by their Level of Education.

## 1.6 Definition of Terms

**Organizational Climate**: - Organizational climate is a mutually agreed internal (or molar) environmental description of an organization's practices and procedures. (Schneider, 1975)

**Job Satisfaction**: - Job satisfaction is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (Spector, 1997)

**Demographic factors or Biographic factors**: - In this study, this term refers to the characteristics of Age, Sex, Marital status, Level of education.

**Organization Climate Variables**: - In this study, this term refers to the characteristics of Employees current position in the bank and Service years.

#### 1.7 Scope/Delimitation of the study

It is understood that conducting a research in the whole banking industry will demand much money and time, so the researcher is forced to delimit the study to certain areas. Due to this, the study will be conducted only in Enat Bank head office and other branch offices which are located in Addis Ababa, hence it will be very challenging for the researcher to reach out other branch offices outside Addis Ababa.

#### 1.8 Limitation of the study

The research was conducted in Enat Bank head office and other branch office which are located in Addis Ababa due to time and money constraint. This implies the research might not be free from the extrapolation limitation, as it is difficult to generalize it to other organization and this in turn implies that the research might have less external validity.

## 1.9 Significance of the Study

The result of this study will have various significance. First, all banks who involve in commercial banking activities will have an opportunity to identify the relationship between organizational climate and employee job satisfaction. It will also help them to find out the way to satisfy their employees and make them to engage fully on their job. Second, the research will

help Enat Bank to understand and satisfy the current needs of their employees.

## 1.10 Organization of the paper

This paper is organized into five chapters. The first chapter discusses about the background of the study, chapter two is about the literature of the study and chapter three discusses about the research methodology in which the researcher is intended to use to carry out the study. In the fourth chapter the research analysis i.e. finding, interpretations and discussion is presented while chapter five discusses about summary, conclusion and recommendation of the study.

# CHAPTER TWO LITERATURE REVIEW

## 2.1 Introduction

The purpose of this chapter is to review the literature on the concept of organizational climate and job satisfaction and their measurement. It will also address key concepts relating to organizational climate and job satisfaction their definitions and dimensions and models and theories. Finally, the chapter will explore how organizational climate and job satisfaction can be measured.

## 2.2 Organizational Climate

## 2.2.1 Conceptualization of Organizational Climate

Organizational climate as a concept, its role and value in organizations and its impact on various Organizational outcomes have been studied for over 50 years. Organizations that are able to create environments that employees perceive to be benign and in which they are able to achieve their full potential are regarded as a key source of competitive advantage (Brown & Leigh, 1996).

Conceptualizing organizational climate is fraught with controversy, with little consensus among researchers on a definition of organizational climate, how it should be observed and measured and also the etymology of climates. Organizational climate has been used differently by various researchers who have formulated an array of definitions of the term. Complex matters relate to questions on the distinctiveness of organizational climate, in contrast to other organizational concepts such as job satisfaction, leadership style and organizational culture (Al-Shammari, 1992). The importance of the concept of organizational climate is not in doubt and is central to most models of organizational behavior. However, according to Guion (1973) it is most certainly "one of the fuzziest concepts to come along in some time".

Even though there appears to be a lack of consensus among researchers on the definition of climate (Woodman & King, 1978) and conflicting or confusing definitions and inconsistencies in the operationalization of the construct, most definitions include some of the following common

characteristics of the organizational climate (Woodman & King, 1978; Reichers & Schneider, 1990; James, et al., 1990; Moran & Volkwein, 1992; Patterson et al., 2005):

- Organizational climate is generally considered to be a molar concept.
- Organizational climate is phenomenological external to the individual, but cognitively, climate is internal to the individual because it is affected by individual perceptions.
- Organizational climate has the potential to influence the behavior of individuals in the organization.
- Organizational climate, although ever changing, exhibits some form of continuity over time.

## 2.2.2 Defining Organizational Climate

Various researchers define organizational climate on the basis of their viewpoint on how climates are formed. There is a clear distinction between those who highlight objective characteristics and those who emphasize subjective elements.

One of the earliest and most widely accepted definitions of organizational climate is that of Forehand and Gilmer (1964) who explain organizational climate as a set of characteristics that describes an organization, distinguishes it from other organizations, is relatively enduring over time and can influence the behavior of people in it.

According to Litwin and Stringer (1968), the concept of organizational climate developed through the application of motivation theories to behavior in organizations. The purpose was to describe the effects of organizations and organizational life on the motivation of individuals in organizations in order to ultimately describe and explain behavior. What is significant in the motivation of individuals is the perceptions of the individual's expectancy to achieve the goal and the incentive attached to the achievement of the goal. According to Litwin and Stringer (1968), the previous definitions do not consider the role of individuals' perceptions of these properties and define organizational climate as a set of measurable properties of the work environment that is perceived directly or indirectly by the people who influence their motivation and behavior.

Tagiuri and Litwin (1968,) emphasize the importance of perceptions in defining organizational climate, because according to them, organizational climate is interpreted by members of the organization and impacts on their attitudes and motivation. They have defined the concept as

follows: "Organizational climate is a relatively enduring quality of the internal environment of an organization that (1) is experienced by its members, (2) influences their behavior, and (3) can be described in terms of the values of a particular set of characteristics (or attributes) of the organization."

In order to gain a better understanding of organizational climate and to move towards a definition of the concept, Campbell et al. (1970) suggest considering certain properties of organizational climate. They indicate that organizational climate refers to a set of attributes that is specific to an organization, and may be induced from the way the organization deals with its members and environment. For them, climate describes the organization in terms of static and behavior-outcome contingencies.

Schneider and Hall (1972) state that organizational climate exists in individuals' perceptions of their organizational environment. These perceptions are formed by the individual using inputs of objective events in and characteristics of the organization, as well as characteristics of the individual.

Integrating various definitions of organizational climate of previous authors, Pritchard and Karasick (1973) define organizational climate as a relatively enduring quality of an organization's internal environment, distinguishable from other organizations, which results from the behavior and policies of members of the organization, especially top management, which is perceived by the members, serves as a basis for interpreting situations and acts as a source of pressure for directing activity.

Reichers and Schneider (1990) believe that organizational climate is a surface manifestation of culture, and it is only through delving deeper and exploring other concepts that one will be able to understand and explain variations in organizational climates. In the same vein, Moran and Volkvein (1992) state that the above definitions omit the role that organizational culture plays in influencing individuals' perceptions and interactions.

According to West, Smith, Lu Feng and Lawthom (1998), shared perceptions of the fundamental elements of individuals' particular organization are regarded as the organizational climate.

Gerber (2003) defines organizational climate as the surface manifestation of organizational culture that consists of the conscious behavior, such as the feelings or perceptions and attitudes, that is

shared by individuals in an organization at a particular time regarding the fundamental elements of the organization and that can positively or negatively influence the behaviour of organizational members in terms of organizational effectiveness.

### 2.2.3 The Development of Organizational Climate

Lewin's (1951) approach to climate was conceptualized by the relationship between individuals, their social environment and how that is set in a framework. Lewin expressed this in terms of a sample equation.

 $\mathbf{B} = \mathbf{f} (\mathbf{P}.\mathbf{E}.)$ 

In which B= Behavior, E= Environment, and P - the person

It is clear from Lewin's equation that the concept of climate takes a psychological approach, focusing upon the individual and seeking to understand the cognitive processes and behavior. Lewin's conceptualization of the theory provides the underpinnings of many studies and approaches to comate research.

#### 2.2.4 Dimensions of Organizational Climate

The components of the climate construct can be seen as the characteristics that define an organization and differentiate it from other organizations (Steers, 1977), and which, according to Litwin and Stringer (1968), can be measured and controlled. From the above discussion, it is clear that definitions and approaches to organizational climate are diverse. In the literature it is evident that the same applies to the dimensions and measurement of organizational climate because a wide variety of dimensions are used by various researchers to assess organizational climate (Davidson,

#### 2000).

According to Patterson et al. (2005) and Jones and James (1979), one of the basic assumptions of the study of organizational climate is that social environments can generally be described by a limited number of dimensions. For example, one of the most commonly referred to set of dimensions measuring organizational climate is that of Litwin and Stringer (1968). They identified the dimensions based on organizations that are mainly task orientated and that will describe a particular situation. According to Litwin and Stringer (1968), the eleven dimensions of

organizational climate are as follows:

- a) Traing and Development
- b) Communication
- c) Performance Management
- d) Team Work
- e) Salary Package
- f) Work Load
- g) Leadership
- h) Administrative styles
- i) Role Clarity
- j) Quality Service
- k) Rules, Regulations and Policies

## 2.2.5 Levels of Climate

The definitions of climate by various researchers, as discussed in section 2.3, put forward the idea that climate exists at three different levels. According to Field and Abelson (1982), empirical evidence supports the notion that three levels of climate can be identified - *organizational climate, group climate and psychological climate*.

#### Organizational Climate

Field and Abelson (1982) postulate that organizational climate can be created through experimental manipulation. They believe that climate created in this manner is an attribute of the organization because it is the result of a manipulation of organizational conditions. Organizational members perceive the climate created which, in turn, affects their motivation and behavior.

#### Group Climate

According to Field and Abelson (1982), sub climates exist for different organizational groups because of differences relating to task relationships and job functions. They also postulate that a number of studies in the literature support the concept of group climate. Drexler's (1977) research found that climates differed across groups in the same organization. Howe (1982) reports that climate responses can be seen as more of a group function than being caused by personal

characteristics. Schneider and Snyder (1975) hold that group climate is a function of organizational hierarchy.

The results of the above and other studies support the construct validity of organizational and group climate (Field & Abelson, 1982). The results also show that different climates correspond to different subgroups in an organization. Organizational climate is used to describe climate differences between organizations, but it should be borne in mind that various sub climates may exist in one organization as a result of the different practices and procedures relevant to the group's situation.

#### Psychological Climate

The third level of climate is defined as psychological climate (Field & Abelson, 1982). James and Jones (1974) postulate that it is necessary to differentiate between climate that is regarded as an organizational attribute and climate that is considered an individual attribute. When it is regarded as an organizational attribute, it should be referred to as organizational climate and when it is as an individual attribute, as psychological climate.

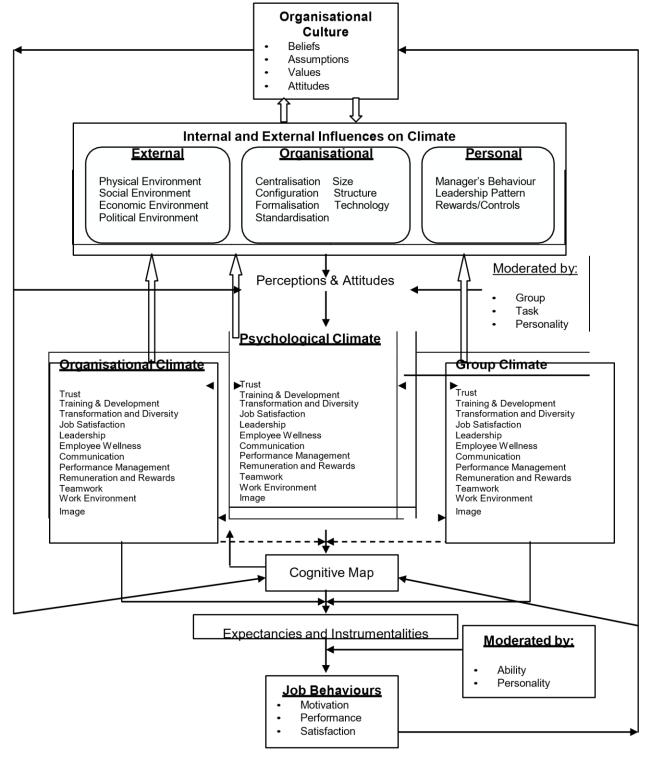
#### 2.2.6 Organizational Climate Model

The Organizational climate was conceptualized and defined in the above sections. In order to gain a better understanding of how these concepts are integrated, a model of organizational climate will now be explored.

The below model is suitable for the current research because it explains the relationship between organizational climate and important variables. In addition, it takes into account the various influences on climate, differentiates between the three levels of climate (organizational, group and psychological) and considers the variables and the moderating factors in order to better describe the impact of climate on job-related attitudes and work behaviour. The model is relevant to this study because it involves both constructs of organizational climate and job satisfaction takes and their relationship into account.

#### FIGURE 2.1

#### A MODEL OF ORGANISATIONAL CLIMATE



Source: - Adapted from Gerber (2003)

Gerber's (2003) model depicts several influences on climate. These include both internal and external influences, which can be divided into three categories, namely external, organizational and person influences. The way in which individuals observe these influences (perceptions) and form feelings about them (feelings and attitudes) are moderated by the group of which the individual is a member, and the individual's task personality. The quasi-physical, quasi-social and quasi-conceptual facts that individuals perceive are a function of the external, organizational and person variables. Inter subjectivity, the process whereby organizational members' perceptions, interpretations, values and beliefs are bound together, occurs, and plays an integral role in the subjective observations of the individual (Field & Abelson, 1982).

The individual's perceptions are represented cognitively by the climate dimensions. Organizational climate, group climate and psychological climate (individual's perceptions) interact with the external, organizational and person variables and therefore have an influence.

Psychological climate fulfils a prominent role in this model because it has a direct influence on the individual's cognitive map. Organizational and group climate also have an effect, but to a lesser degree, and is evident in the degree to which perceptual consensus exists at that particular level (Gerber, 2003). Psychological, group and organizational climate influence each other because interactions between individuals and groups. Together, all three play a key role in influencing job behaviors such as job satisfaction.

Although the individual's cognitive map is developed through the process discussed above, it can still change and have an impact on subsequent psychological perceptions (Field & Abelson, 1982). Because organizational culture is shared and accepted by organizational members, its influence on the individual's cognitive map is acknowledged (Gerber, 2003). In its simplest form, psychological climate perceptions and organizational culture will result in the development of expectancies and instrumentalities. The individual's personality and abilities will moderate job behaviors such as job satisfaction and motivation. These outcome behaviors will always be influenced by psychological climate and not necessarily by organizational or group climate (Field & Abelson, 1982).

Group climate occurs when there is consensus between group members about the interactions of quasi-facts and inter subjectivity.

The psychological climate of each group member influences the group's climate perceptions to the extent of consensus. Certain individuals may or may not have

an impact on determining consensual groups' climate perceptions (Field & Abelson, 1982). The same applies at the organizational level - the difference being in consensus that has to be achieved at organizational level.

According to Field and Abelson (1982), the three types of climate (psychological, group and organizational) can exist simultaneously and have an integrated impact on expectancies and instrumentalities. The extent to which group and organizational climate interact with psychological climate to jointly influence expectancies and instrumentalities depends on the degree of consensus. The greater the consensus is, the greater the predictive power of the climate factors will be.

In the absence of group and organizational climate, psychological climate will be solely used for predictive purposes. The accuracy of predicting job behaviors should increase as climate consensus in the organization increases from psychological climate to situations in which group and organizational climate are present (Field & Abelson, 1982).

#### 2.2.7 Importance of Organizational Climate

The modern work environment is vastly different from the work environment in the previous three decades. The reason for this difference is the overwhelming challenges organizations have to face. These challenges include increased competition, high degrees of technological innovation, changes in the nature and structure of organizations and the challenges facing employees such as redefining the employment contract, getting to grips with new business processes, flexible work patterns and work/life balance (Kangis & Williams, 2000; Nair, 2006).

From an Ethiopian banking industry perspective, these challenges are compounded by the implementation of legislation impacting on the employer-employee relationship, organizational internal restructuring in order to stay competitive in the market, transformation practices and the outsourcing of noncore departments (e.g.:- cleaning and security activities).

According to Martins and Von der Ohe (2003), all of the above changes can affect the climate in an organization and impact on employees' motivation levels, which in turn, influences the organization's profitability. One of the primary challenges facing managers today is to manage work teams in these ever-changing environments and to create a work environment or climate in which employees can thrive and apply their expertise (Suliman & Abdullah, 2005). Hence an organization's ability to develop and maintain conditions conducive to the creation of a high-performing climate is of critical importance. According to Gray (2007), a supportive work environment is related to employees' performance. He argues that a positive environment will result in motivated employees who enjoy their work. It therefore comes as no surprise that work climate is an excellent predictor of organizational and employee performance.

According to Litwin and Stringer (1968), climate assists managers to understand the relationship between the processes and practices of the organization and the needs of employees. By understanding how different practices and initiatives stimulate employees, managers will be able to understand what motivates employees to behave in a manner that leads to a positive climate and results in the organization's success.

## 2.2.8 Measuring Organizational Climate

Managers need to have a clear understanding of the organization's climate, so that practices developed for and implemented by the organization are in line with the organization's goals. To gain this understanding, the climate must be measured.

The methods used to measure organizational climate fall into four categories, namely *field studies*, *experimental variation of organizational properties, observations of objective organization properties and perceptions of organizational members*. The last two approaches, perceptual or subjective and objective methods, represent the primary methods used to measure organizational climate (Forehand & Gilmer, 1964).

Field studies involve the researcher observing the daily activities in the organization and gathering information through various sources such as observing presentations and conferences, conducting interviews with participants, reviewing diaries, memos, emails and other correspondence, to name a few. Two approaches are followed in observing variation of climate, namely comparative studies and longitudinal studies. The high cost, skill and sensitivity of the observer, issues relating to sample size and the inherent subjectivity of the classifications are criticisms of these approaches (Forehand & Gilmer, 1964).

Experimental variation of organizational properties involves the researcher identifying appropriate

dimensions of climate and then systematically manipulating them (Forehand & Gilmer, 1964). An example of possibly one of the most relevant studies of this approach is that of Lewin, et al. (1939) in which leadership styles were varied in order to investigate the effects of different leadership styles on the behavior of group members.

The majority of tools used to measure climate can be categorised into perceptual (subjective) or objective categories. According to Hellriegel and Slocum (1974), the main difference between these two methods is that the objective method does not depend on the individual's perception of the dimensions in the organization, subsystems and/or the external environment. Researchers who focus on objective measures of organizational climate examine the objective properties of organizations such as organizational size, levels of authority, decision-making authority, degree of centralization and rules and policies (Forehand & Gilmer, 1964). According to Hellriegel and Slocum (1974), even though objective methods tend to be more accurate and reliable, they have at least three limitations. Firstly, there is an abundance of variables that may be extremely specific, making interpretation difficult. Secondly, these methods do not consider how organizational properties are related to each other and to organizational functioning. The third limitation relates to the assumption that objective properties affect organizational members indirectly.

Researchers who prefer perceptual measures of organizational climate contend that the perceptions of organizational members should be measured because they provide a more encompassing description of the concept (Schnake, cited in Gerber 2003). The focus is on the active role the individual plays in perceiving organizational characteristics (Forehand & Gilmer, 1964). It is important to note that dimensions are descriptive and not affective or evaluative, which measures attitudes (Jones & James, 1979).

2.3 Job Satisfaction

### 2.3.1 Conceptualization of job satisfaction

Job satisfaction is a multifaceted construct with a variety of definitions and related concepts, which has been studied in a variety of disciplines for many years to now. Many theories and articles of interest to managers, social psychologist, and scholars, focus on job satisfaction because most people spend their life-time for work, and understanding of the factors that increase satisfaction is important to improve the well-being of individuals in this facet of the living (Gruneberg, 1997).

In the literature it is evident that there is no agreed definition of job satisfaction. According to Locke (1976) and Blum and Naylor (1968), this is partly because researchers develop operational definitions of the concept and define job satisfaction as whatever the researcher's measurement measures. The concept of job satisfaction has been confused with other concepts, and in order to clearly understand it, it needs to be clarified.

Although job satisfaction is related to job morale in that both concepts refer to the positive emotional states that employees experience, they are not the same (Gruneberg, 1979; Locke, 1976). Viteles (1953) defines morale as an attitude of satisfaction with a desire and willingness to strive for group and organizational goals. Gruneberg (1979) defines morale as group well-being, whereas job satisfaction refers to the employee's emotional reaction to a job. Blum and Naylor (1968) define morale as the feeling an employee has by belonging and being accepted by a group and adhering to the achievement of common goals. From the above, two distinctions are evident, morale is future orientated and job satisfaction is more present and past orientated; morale refers more to the group, while satisfaction places emphasis on the individual.

#### 2.3.2 Defining Job Satisfaction

Even though job satisfaction is defined in various ways, Cranny et al. (1992) suggest that there is general consensus on the definition of job satisfaction as an emotional reaction. They define job satisfaction as one's affective or emotional reaction to a job that is the result of one's comparison of actual outcomes with expected or deserved outcomes. Several authors define job satisfaction along the same lines.

Hoppock defined job satisfaction as any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job (Hoppock, 1935). According to this approach although job satisfaction is under the influence of many external factors, it remains something internal that has to do with the way how the employee feels. That is job satisfaction presents a set of factors that cause a feeling of satisfaction.

Vroom in his definition on job satisfaction focuses on the role of the employee in the workplace. Thus he defines job satisfaction as affective orientations on the part of individuals toward work roles which they are presently occupying (Vroom, 1964). One of the most often cited definitions on job satisfaction is the one given by Spector according to whom job satisfaction has to do with the way how people feel about their job and its various aspects. It has to do with the extent to which people like or dislike their job. That why job satisfaction and job dissatisfaction can appear in any given work situation.

Job satisfaction is a worker's sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one's efforts. Job satisfaction further implies enthusiasm and happiness with one's work. Job satisfaction is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfillment (Kaliski, 2007).

Job satisfaction can be defined also as the extent to which a worker is content with the rewards he or she gets out of his or her job, particularly in terms of intrinsic motivation (Statt, 2004).

The term job satisfactions refers to the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job dissatisfaction (Armstrong, 2006).

We consider that job satisfaction represents a feeling that appears as a result of the perception that the job enables the material and psychological needs (Aziri, 2008).

Job satisfaction can be considered as one of the main factors when it comes to efficiency and effectiveness of business organizations. In fact the new managerial paradigm which insists that employees should be treated and considered primarily as human beans that have their own wants, needs, personal desires is a very good indicator for the importance of job satisfaction in contemporary companies. When analyzing job satisfaction the logic that a satisfied employee is a happy employee and a happy employee is a successful employee.

The importance of job satisfaction specially emerges to surface if had in mind the many negative consequences of job dissatisfaction such a lack of loyalty, increased absenteeism, increase number of accidents etc. Spector (1997) lists three important features of job satisfaction. First, organizations should be guided by human values. Such organizations will be oriented towards treating workers fairly and with respect. In such cases the assessment of job satisfaction may serve as a good indicator of employee effectiveness. High levels of job satisfaction may be sign of a

good emotional and mental state of employees. Second, the behavior of workers depending on their level of job satisfaction will affect the functioning and activities of the organizations business. From this it can be concluded that job satisfaction will result in positive behavior and vice versa, dissatisfaction from the work will result in negative behavior of employees. Third, job satisfaction may serve as indicators of organizational activities. Through job satisfaction evaluation different levels of satisfaction in different organizational units can be defined, but in turn can serve as a good indication regarding in which organizational unit changes that would boost performance should be made.

#### 2.3.3 Influences of Job Satisfaction

Locke (1976) postulates that a job is a complex phenomenon that consists of the interrelationship of various dimensions such as tasks, roles, responsibilities, interactions, incentives and rewards. It is important for researchers to have a clear understanding of job attitudes if the job is to be analyzed in terms of its constituent elements. According to Locke (1976), typical dimensions that have been included in studies by previous researchers include work, pay, promotion, recognition, benefits, working conditions, supervision, co-workers and company and management. Research indicates that these various factors of the job can be divided into two distinct dimensions, namely *extrinsic and intrinsic factors* (Buitendach & De Witte, 2005).

Extrinsic factors form part of the job situation and are influenced by others (Lawler, 1976). According to him, these dimensions are external to the individual and are likely to satisfy lower-order needs. Extrinsic dimensions of job satisfaction are therefore beyond the employees' control and include factors such as the work itself, pay, promotion opportunities, working conditions, supervision and co-workers.

Intrinsic rewards, however, are those rewards that an individual receives as a direct result of his/her performance. These rewards are self-regulated because the person does not rely on someone else to present them, which is in direct contrast to extrinsic rewards, which are externally controlled (Snipes et al., 2005). According to Lawler (1976), intrinsic rewards satisfy higher-order needs such as feelings of accomplishment and achievement and satisfaction of utilising one's skills and abilities. According to Robbins, Odendaal and Roodt (2003), intrinsic factors, such as advancement, recognition, responsibility and achievement appear to be related to job satisfaction.

#### 2.3.4 The Influence of Personal Attributes on Job Satisfaction

Research suggests that certain personal or demographic variables have an influence on job satisfaction in one way or another. The results of studies on work-related attitudes and/or behaviors and job satisfaction indicated that personal variables influence job satisfaction (Bilgic, 1998; Okpara, 2004).

Personal or background factors include variables such as gender, age, race, marital status, tenure, job level and qualification.

#### 2.3.4.1 Gender

Today's work environment is characterized by diverse workforce, with increasingly more women entering the labor market. Hence, for organizations to effectively manage this diversity to ensure the optimal efficiency and performance of their employees, they need to identify how men and women differ in their attitudes to work. The literature on the gender-job satisfaction relationship is inconsistent - some studies indicate that males are more satisfied than females; others find the converse to be true with women being more satisfied than men, while others again find no difference in job satisfaction based on gender.

According to Spector (2005), most studies have found only a few differences in job satisfaction levels among males and females. Long (2005), however, postulates that there is a consistent positive and significant difference between the levels of happiness relating to work as reported by women relative to men.

In Loscocco's (1990) studies of job satisfaction and gender, female employees were reported as demonstrating higher levels of job satisfaction than their male counterparts. According to Loscocco's (1990) findings, women experience higher levels of job satisfaction because they value rewards that are readily available, for example, relationships with co-workers. These values are in contrast to what men value – they desire autonomy and financial rewards, which are not as readily available, resulting in lower levels of job satisfaction.

#### 2.3.4.2 Age

Research on the relationship between age and job satisfaction has produced mixed and generally

inconclusive results (Okpara, 2004). However, most studies seem to postulate a positive correlation between job satisfaction and an increase in age. Older workers tend to be more satisfied than their younger colleagues (Okpara, 2004; Clark, Oswald & Warr, 1996; Rhodes, 1983). According to Clark et al. (1996), research suggested that the relationship between age and job satisfaction was linear - younger employees were less satisfied with their jobs, but this increased with age.

#### 2.3.4.3 Employee Status

According to Ang and Slaughter (2001), organizations have significantly increased their use of employing contract workers in information systems companies. Understanding how employment status influences employees' attitudes and behaviors for organizational success is critical because of the key role they play in service delivery (Cho & Johanson, 2008).

In a study conducted by Movashi and Terborg (2002) in a call center environment, no differences were found between permanent and contract employees. Cho and Johanson's (2008) study involving restaurant employees and contractors found that employee commitment and organizational commitment on organizational citizenship behaviour among contractors was higher than that of permanent employees. Similarly, contractors in an information systems organization perceive their work environment to be more favorable than permanent employees (Ang & Slaughter, 2001).

#### 2.3.4.4 Job Level

There are hardly any studies investigating whether job satisfaction increases with upward hierarchical mobility (Oshagbemi, 1997).

According to Ronen (1978), job satisfaction increases with job level. Similarly, Near, Rice and Hunt (1978) found that occupational level was the strongest predictor of job satisfaction. Studies conducted by Mowday, Porter and Steers (1982) and Saal and Knight (1988) also found that employees at higher levels in the organization report higher job satisfaction than employees in the lower hierarchical positions.

More recent studies support previous research findings that there is a positive relationship between job level and job satisfaction. Kline and Boyd (1991) postulate that employees at the higher levels of the organization report higher levels of job satisfaction. Miles, Patrick and King (1996) present

similar findings, reporting job level to be a significant predictor of employees' level of job satisfaction. In addition, these authors postulate that job level moderates the communication-job satisfaction relationship.

#### 2.3.4.5 Tenure

It is postulated that length of service in a job may be an indication of employees' levels of job satisfaction (Oshagbemi, 2000). The rationale is simply that those employees who are less satisfied with their jobs are likely to resign, whereas employees who are satisfied with their jobs will remain in these positions. This is consistent with studies indicating a negative relationship between job satisfaction and turnover and job satisfaction and absenteeism, thereby indicating a higher average level of satisfaction by employees with longer tenure in a particular organization.

Some authors consider the relationship between tenure and job satisfaction to be u-shaped (Shields & Ward, 2001), in that changes in job satisfaction are the result of intrinsic satisfaction towards one's job over time (Ronen, 1978). Hence, tenure is related to satisfaction and dissatisfaction

#### 2.3.5 Measuring Job Satisfaction

The concept of job satisfaction is extremely broad because it includes all the characteristics of the job as well as the characteristics of the work environment which employees find rewarding, fulfilling and satisfying or which they find frustrating or unsatisfying (Churchill, Ford & Walker, 1974; Snipes et al., 2005). Robbins (1998) concurs with the above, stating that an individual's job involves more than only the obvious activities associated with the particular job. It includes factors such as interacting with colleagues, adhering to organizational policies and rules and achieving performance goals. Hence an employee's assessment of his/her level of satisfaction or dissatisfaction is a multifarious summation of various job elements.

Snipes et al (2005) share the above view and postulate that operationally job satisfaction consists of a number of facets such as satisfaction with the supervisor, work, pay, advancement opportunities, co-workers and customers.

Saura, Contri, Taulet and Velazquez (2005), hold that measuring job satisfaction is significant for organisations for two reasons. Firstly, job satisfaction can explain a range of employee behaviors relevant to the work environment such as loyalty or motivation. Secondly, these authors believe

that job satisfaction relates to company variables including quality, efficiency, productivity and consumer evaluation of the service.

According to McKenna (2000) and Khandelwal (2003), there are three ways to measure job satisfaction; paper-and-pencil tests, critical incidents and interviews. The paper-and-pencil test is the most commonly used method and involves scales that are standardized and tested using norms. These norms are useful for providing information on groups and industries and for comparison purposes (Khandelwal, 2003). The critical incident method requires participants to recall incidents that were particularly satisfying and dissatisfying to them. Their responses are then examined and underlying themes identified (Khandelwal, 2003). This method is extremely time-consuming with the likelihood of respondent bias (McKenna, 2000). Interviews allow for in-depth questioning in order to understand the causes and nature of job satisfaction and also offer respondents wider scope regarding their responses, and they afford the interviewer the opportunity to probe further (Khandelwal 2003; McKenna, 2000).

Individuals can express feelings about certain aspects or facets of their job (Fincham & Rhodes, 2005). This approach to measuring job satisfaction is referred to as the facet approach, its aim of being to individually assess how employees feel about various aspects of the general job satisfaction domain such as rewards (pay or fringe benefits), job conditions, people on the job (supervisors and co-workers), communication, security, promotion opportunities and the work itself (Robbins, 1998; Spector, 2005; Snipes et al., 2005). Each facet is relatively homogenous and discriminately different from the other.

Another approach that Robbins (1998), Khandelwal (2003) and Snipes et al (2005) suggest to measuring job satisfaction is directly asking individuals how they feel about their jobs overall. This global approach explains job satisfaction as a single, overall feeling an individual has about his/her job (Fincham & Rhodes, 2005; Robbins et al., 2003; Spector, 2005). Statements that directly measure job satisfaction are presented to the respondents and they are required to rate their responses on a Likert-scale (Khandelwal, 2003). Examples of statements that could be asked include the following: "I am satisfied with my job" or "I find my job interesting". According to Robbins (1998), individuals can also be asked to combine their reactions to various aspects of the job in a single integrated response. For example, employees could be asked: "All things considered, how satisfied are you with your job?"

It is obvious that by investigating the various facets of job satisfaction and adding the responses of each dimension will provide a more accurate evaluation of job satisfaction. However, research has shown that when comparing the one-question global rating with the longer job-facet method, the global rating method appears to be more accurate (Robbins, 1998). A possible reason for this is that because job satisfaction is such a broad concept, a single question encompasses all facets.

# 2.3.6 The Conceptual Framework of the Research

The conceptual frame work for this study is rooted in the organizational climate model depicted by Gerber (2003), which is built upon or related to the concepts described in this chapter. This frame work is suitable for the current study as it explains the relationship between organizational climate and important variables.

The frame work involves both constructs of organizational climate and job satisfaction and take into account the relationship between the constructs. Gerber's (2003) model depicts several influences on climate. These include both internal and external influences, which can be divided into three categories, namely external, organizational and personal influences. The way in which individuals observe these influences (perceptions) and form feelings about them (feelings and attitudes) are different from group to group.

However, for this study the researcher considers only internal factors involving organizational and personal variables. In this conceptual model the organizational climate dimensions and job satisfaction are either positively or negatively perceived by organizational and biographical variables. It is theorized that these variables potentially affect the organization's perceived climate categories and employees' job satisfaction. The frame work also depicted those different organizational climate categories that can influence employees' job satisfaction. In this conceptual model organizational climate categories are independent variables whereas job satisfaction is dependent construct.

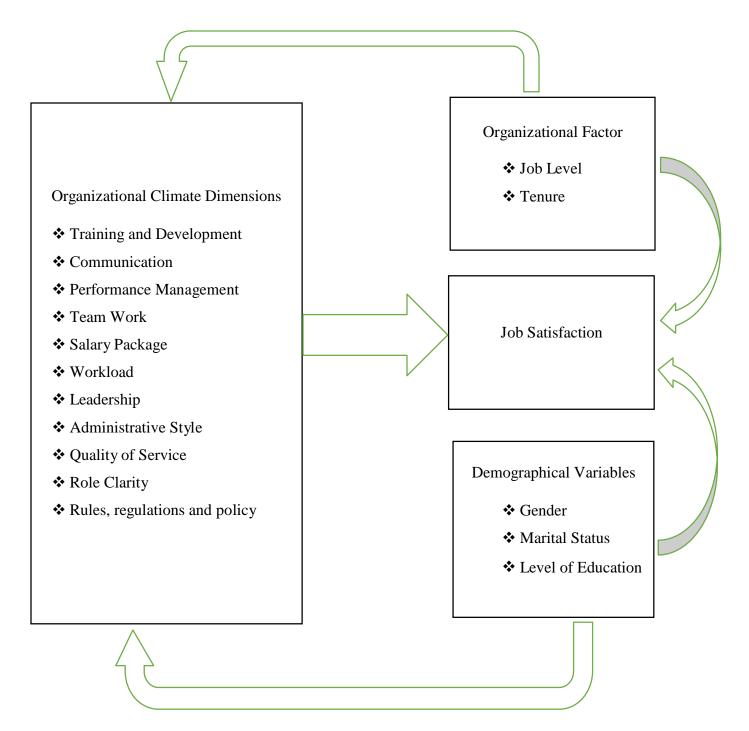


Fig 2.1:-Conceptual Framework of the Research

Adopted from Gerber (2003)

# CHAPTER THREE RESEARCH DESIGN AND METHODOLOGY

This section discusses how and where data was collected and how it was analyzed. Research design, instruments, population and sampling, and selected methods to be used in analyzing the data for this study will presented.

# 3.1 Research Design

In this study, the researcher attempted to assess the attitudes and perceptions of employees` and managers' of Enat Bank to examine the relationships among organizational climate and employee job satisfaction. The most desirable design for this kind of study is descriptive design, specifically survey research. Survey research is a technique for collecting data from a population or samples by asking questions (Kidder and Judd, 1986).

However, when asking questions about individual attitudes and perceptions directly, it is possible to obtain inaccurate responses depending on the situations and the interviewers. Sometimes, the respondents may have not thought about the questions at all or may not be familiar with the subjects. The respondents may be unwilling to give their answers or may be unable to express them verbally. Also, the respondents may give different answers depending on the interviewers-skills and behavior. This suggests that verbal reporting approaches are somewhat limited for obtaining concrete facts from informants.

Another survey method of data collection is the questionnaire, which offers several advantages over the personal interview. It can be distributed to a wider geographic area and can save an immense amount of time and expense. However, one major disadvantage is the response rate.

The researcher cannot be certain to obtain an acceptable rate of return. To address this problem, the researcher is intended to choose large enough sample. Also, to obtain a high quality of data, the researcher is intended to carefully select and present the kinds of items, arrangement of items, and instructions.

For this study, the written mail questionnaire will be an appropriate method for data collection, because this study will include employees who are spread over the city. One of the most critical concerns in using the questionnaire is what kind of instrument will be used.

# 3.2 Population and Sampling

#### 3.2.1 Sample Population

The study is carried out in the interest of finding how employees of Enat bank perceive the relationship between organizational climate and job satisfaction. The samples were taken from the employees of the bank, both management and non-managements. The bank has a head office and 18 branch offices in Addis Ababa, this constructs a population of 293 employees. For this research questionnaires were gathered from employees of the bank at head office and all branch offices found in Addis Ababa.

### 3.2.2 Sample Size

It is very expensive in terms of money and time to collect data from all these employees, so that the researcher has to determine sample which is representative for the total population. Yamane (1967) provides a simplified formula to calculate sample sizes of finite population, which was be used to determine the sample size for this study.

A 95% confidence level was assumed for this formula to determine the sample size, at error (e)=0.05.

The sample size is determined by the following formula

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

Where,

n is the required sample size,

N is the population size and

e is tolerated level of error.

By applying the above formula,

# $n = \frac{N}{1 + N(e)2} = \frac{293}{1 + 293(0.05)2} = \frac{293}{1 + 293(0.0025)} = \frac{293}{1.7325} = 169.11 = 169$

Thus the sample size will be 169 employees. The samples will be chosen using Non-probabilistic stratified sampling method.

According to Creswell (2003), 30% is deemed an acceptable sample size for most research studies because it allows generalizing to the population. In this research, a sample of 169 employees was included in the study. This represents a sample of 57.6% of the total population. Sample strata were used to make sure proportional samples are taken from each subgroups. Appropriate strata size can be found by multiplying total number of samples (169) by number of units in the population then by dividing the product by the total number of population (293). The table below shows the number of samples included in each stratum.

Groupin	g Units	Total Number of Units in the Population	No of Samples in each Stratum	
Gender	Male	111	61	
Gender	Female	118	99	
Marital status	Married	215	117	
Warnar status	Single	78	43	
	Diploma Holders	20	11	
Educational Level	Bachelor Holders	240	131	
	Masters Holders	33	18	
	<1 Year	111	61	
Tenure	1-2 Years	Years 41		
Tenure	2-3 Years	3 Years 86		
	>3 Years	55	30	
	Junior	196	107	
Position	Senior	66	36	
	Managements	31	17	

Table:- 3.1 Stratified Sample

# 3.3 Data Collection Methods

Both primary and secondary data collection techniques was applied in this research. For collecting primary data questionnaires was distributed to the selected respondents. Respondents are Regarding the questionnaire Letwin's and stinger's organizational climate questionnaire and Gerber's organizational climate model was adopted, since its highly recommended and widely used for undertaking organizational climate survey. Secondary data was collected from the organization's web site.

#### Structure of Research Questionnaire

The questionnaire that was used in this study is divided into two sections:

#### Section I: Demographic Information

This section was used for statistical reasons. It consisted of five questions to find out the demographic features of the respondents such as gender, marital status, career, academic qualification and current position in the bank

#### Section II: Organizational Climate Ratings

This section was used to identify employees' perceptions about their climate by using 52 questions grouped in to 12 dimensions on five-point interval scale.

### 3.4 Validity Analysis

The content validity of the instrument for this study was ensured as the organizational climate dimensions. Pilot tests were also been conducted with employees who were seen as similar to the population for the study. The purpose of the pre-testing was to refine the questionnaire and to assess the validity of measures.

# 3.5 Reliability Analysis

Reliability with regards to the consistency of the results is obtained from the instrument used in the research. The study is reliable because it used valid strategies and techniques appropriate to the research objectives. Reliability of variables are also tested using Cronbach's alpha test.

The researcher had undertaken a pre-test on selected employee to check the validity of the

questionnaire using the eleven organizational climate dimensions mentioned on page 11.

The Cronbach's Alpha for comparing the internal reliability of items was used. A reliability coefficient of 0.70 or higher is considered acceptable in most social science research. The table below shows that the alpha coefficient for the items is that the items have relatively high internal consistency and are acceptable.

			Chrombach's	
No	Categories	Chrombach's Alpha	Alpha Based on Standardized Items	No of Items
1	Training and Development	0.924	0.922	6
2	Communication	0.734	0.734	5
3	Performance Management	0.894	0.897	5
4	Team Work	0.86	0.875	5
5	Salary Package	0.869	0.877	3
6	Workload	0.71	0.7	4
7	Leadership	0.942	0.947	5
8	Administrative Style	0.809	0.801	3
9	Quality of Service	0.781	0.819	4
10	Role Clarity	0.87	0.875	3
11	Rules, Regulations and Policy	0.838	0.839	4

Table 3.2 Scale Reliability (Chrombach's Alpha)

# 3.6 Data Processing and Analysis Methods

Several statistical methods were used to analyze the data. Cronbach's alpha was used to test reliability of variables. Pearson's correlation was used to determine the strength of the organizational climate and job satisfaction. Analysis of Variance (ANOVA) was used to identify the perception of organizational climate and job satisfaction of different respondents group. Microsoft excel (Version 2013) along with SPSS (version 23) was used to facilitate the data processing.

# 3.7 Ethical Consideration

Before the research was conducted, the researcher informed the participants of the study about the objectives of the study, and was consciously considered ethical issues in seeking consent, avoiding deception, maintaining confidentiality, respecting the privacy and protecting the anonymity of all respondents.

# CHAPTER FOUR DATA ANALYSIS AND INTERPRETATION

### 4.1 Introduction

This chapter reveals the results of the study. The data collected through the means of questionnaires are analyzed & interpreted using the SPSS. Detailed analysis of the results derived from this analysis is presented in this chapter. 169 questionnaires were distributed among head office and all branch offices which are located in Addis Ababa, of this 160 were returned.

First the descriptive statistics of the research population is presented, then correlation analysis was conducted to determine the relationship between organizational climate and employees' job satisfaction and finally Analysis of Variance (ANOVA test) were conducted to determine the relationship between organizational climate variables and employee job satisfaction.

# 4.2 Demographic Profile of respondents

The biographical variable that is presented in this research is gender and marital status of the respondents whereas the organizational variables are tenure of employees, current job position and educational level of employees which are depicted and discussed by graph in the following sections.

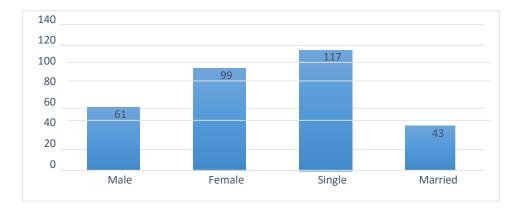
# 4.2.1 Gender of Respondents

As it is shown in the figure 4.1, majority of the respondents were female consisting of 61.8% of the total employees who are participated in the questionnaire and the remaining 38.2% respondents were male.

# 4.2.2 Marital Status of Respondents

Figure 4.1, shows most of the respondents are single, 73.1% whereas the remaining 26.8% are married.

Fig 4.1 Demographic Variable of Respondents



Source: - Researchers` Survey

# 4.2.3 Tenure of Responders

Tenure is one of the major organizational level which is measured by the length of service years of employees in certain organization. As it is shown figure 4.2, majority of the respondents worked for the organization for less than a year, comprising 38.1% of the total participants. 18.7 % of the respondents has been with organization for more than 3 years, whereas 29.3% of the respondents were worked in the organization for 2-3 years. Among the participants 13.7 % were worked in the organization for 1-2 years.

# 4.2.4 Current Job Level of Respondents

Job level is another organizational variable which is considered in this research. The researcher included the job level in the study to see if there is difference in the perception of organizational climate among junior officers, senior officers and managements in the organization. Figure 4.2, depicts that the majority of the respondents 66.8% were junior officers this is because the bank is opening new branches and in process of recruiting fresh graduates. Figure 4.2 also shows that 22.5% of the respondents were senior officers, whereas the rest 10.6% were managements.

# 4.2.5 Educational Level of Respondents

Over 81% of the respondents completed bachelors` degrees. 11.2% of the respondents had master` degrees, only 6.8% of the respondents held their diploma. Surprisingly there is no PhD holder in the organization.

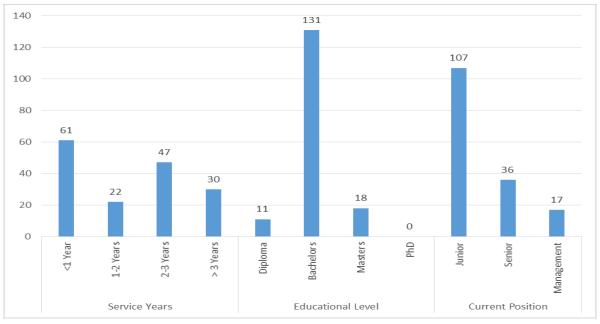


Fig 4.2 Organizational Variable of Respondents

Source: - Researchers` Survey

# 4.3 Analysis of Organizational Climate Variables

Researcher's survey In the analysis to make the interpretations understandable, the mean scores are converted into percentage scores using the formula, climate percentage score = (Mean value-1) x 25; where the score 1 corresponds to 0%, 2 represents 25%, 3 corresponds to 50%, 4 represents 75% and 5 represents 100%, (Rao and Abraham, 1991). The percentage indicates the degree at which the particular items exist in the organization under the consideration.

It is certainly desirable for the organizations to have percentage scores at least above 50% (average) on each item to say it has moderate organizational climate. According to Rao (1991), if the organizations score 60% and above they reasonably do have a good developmental climate, and if they score 75% and above there is a good degree of improvement desirable in the organizations and presumed that at this level there are conducive climates and most employees have positive attitudes towards their work and to the origination. The analysis of all dimensions with their measurement was explained in the following sections of this study.

Table 4.1 Anal	ysis of Training	and Development

Items	Ν	Mean	Std. Deviation	Percent
The organization provides me necessary training for doing my job	160	3.74	1.379	68.5938
The organization provides me with training opportunities based on my job and profession	160	3.59	1.498	64.6875
Necessary information and training is provided for new employees.	160	3.81	1.077	70.3125
I believe that I have the opportunity for career advancement.	160	3.60	1.209	65
I am satisfied with the opportunities with career development.	160	3.50	1.213	62.5
Clear promotion criteria are available in the organization.	160	3.16	1.358	53.9063
Total Average Score	160	3.57		64.17

Source: - Researcher's Survey

As it is indicated in the table 4.1 above, the percentage score result for training and development dimension ranges 53.9% to 70.3%. The item 'Clear promotion criteria are available in the organization' is poorly supported by the majority of the respondents (53.91%) with mean score of 3.16, and standard deviation 1.35, followed by the statement 'I am satisfied with the opportunities with career development' 62.5% with mean score 3.5 and standard deviation 1.21. 'The organization provides me with training opportunities based on my job and profession' was supported by 64.6% of the respondents with mean score of 3.59 and standard deviation 1.49. 'I believe that 'I have the opportunity for career advancement' was supported by 65% of the respondents with mean score of 3.6 and 1.2 standard deviation. The item 'the organization provides me necessary training for doing my job' is supported by the 68.59% of the respondents with mean score of 3.74 and standard deviation of 1.37, on top of the list the item 'Necessary information and training is provided for new employees' is found, it is supported by the majority of the respondents (70.31%) with mean score of 3.81 and standard deviation of 1.07. In general the analysis of all items under training and development indicates the bank reasonably do have a good developmental climate.

Table 4.2 Analysis of Communication

Items	Ν	Mean	Std.	Percent
			Deviation	
I receive all information required to carry out my job.	160	3.73	1.196	68.2813
My immediate leader carefully listens his/her employees	160	3.89	1.284	72.1875
Concern.				
The organization spends too much time on unessential	160	2.77	1.285	44.2187
Issue/problems.				
The organization supports honest two-way	160	3.75	1.149	68.75
Communication.				
The organization's strategy has been clearly	160	3.44	1.487	61.0938
Communicated to the employees.				
Total Average Score	160	3.52		62.9063

Source:- Researcher's survey Result

As indicated in table 4.2, Among the items of communication variable dimension, the idea 'My immediate leader carefully listens his/her employees concern.' has the highest percentage score which is 72.18% with mean score of 3.89 and standard deviation 1.284, whereas the idea 'The organization spends too much time on unessential issue/problems.' is not supported by majority of the respondents (44.21%) with mean score of 2.77 and standard deviation of 1.28. In general as table 4.4 indicates the total percentage score for this dimension is 62.9%. This shows the existence of reasonably good communicational climate but this percentage has to increase because communication variable is of paramount importance in an organization as it contributes to the effectiveness and success of an organization.

Table 4.3 Analysis	of Performance Management
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Items	N	Mean	Std.	Percent
			Deviation	
My immediate leader regularly provides me with	160	3.93	1.037	73.125
feedback concerning my performance				
I am satisfied with the way my work is evaluated.	160	3.39	1.432	59.8438
My performance is evaluated as per personnel policies of	160	3.06	1.670	51.5625
the organization.				
I am satisfied with the recognition given to my good	160	3.09	1.699	52.1875
work.				
Good work results are readily noticed and awarded.	160	3.63	1.174	65.7813
Total Average Score	160	3.42		60.50

Source: - Researcher`s survey

As indicated in table 4.3, the analysis for performance management dimension indicates that the total respond of the employees exceed the percentage average score (50%), which at least one organization has to possess. As it is shown in the below table the overall score for communication dimension is 60.5%. Among the measurements of performance management presented, the majority of the respondents agree with the statement 'My immediate leader regularly provides me with feedback concerning my performance' (73.12%) with mean score 3.93 and standard deviation of 1.03 where as they disagree with the 'My performance is evaluated as per personnel policies of the organization.' 51.56% with mean score 3.06 and standard deviation 1.67. In general the over analysis of performance management variable indicates the bank has reasonably good developmental climate for this variable.

Percent

81.09

73.28

81.25

79.21

81.25

79.22

			~ .	_
Items	Ν	Mean	Std.	
			Deviation	
My team focuses on fixing the problem rather than	160	4.24	.88	
blaming people.				
My team members help me whenever I ask them.	160	3.93	1.20	
				Ì
I feel needed in my team.	160	4.25	.73	l
My team members participate in decision making.	160	4.17	.75	1
				l
I solve problems with my team.	160	4.25	.71	1
-				I
Total Average Score	160	4.17		

Table 4.4:-Analysis for Teamwork

Source: -Researcher's survey

As shown in table 4.4, the analysis for teamwork variable indicates that all items under this dimension is positively perceived by the participants. The total percentage score for this dimension is 79.22% with mean score of 4.17, which indicate the existence of good developmental climate for this variable.

Items by item score indicates that the statements 'I solve problems with my team' and 'I feel needed in my team' was supported by large number of the respondents with percentage of 81.25% and mean score of 4.25 whereas the idea 'My team members help me whenever I ask them.' was poorly (compared to the others) supported by the respondents with score 73.28%, mean 3.93 and standard deviation 1.20. In general the research result on teamwork variable revealed the existence

of positive support by majority of the respondents.

Items	Ν	Mean	Std.	Percent
			Deviation	
I am fairly paid for my position.	160	3.96	.944	74.06
I am satisfied with my salary package.	160	3.44	1.038	60.93
My salary package is fair in comparison with similar positions in the market.	160	3.52	1.239	62.96
Total Average Score	160	3.64		65.99

Source: -Researcher's survey

As shown in table 4.5, the general percentage score for salary package variables is 65.99 with mean score of 3.64 and standard deviation 1.07, indicating reasonably good satisfaction of participants with the salary the organization paid for them. Comparisons of item by item for salary package variable indicates that 'I am fairly paid for my position' was supported by most of the respondents with the percentage of 74.06% and mean score of 3.96 and standard deviation 0.944 whereas the item 'I am satisfied with my salary package' was slightly supported by the respondents with a percentage score of 60.93% and mean 3.44 and standard deviation of 1.038. In general the analysis of all items under salary package indicates the bank reasonably do have a good developmental climate and the employees are moderately satisfied by the salary package the bank offers to them.

Items	N	Mean	Std. Deviation	Percent
Jobs that do not pertain to me are sometimes allocated to me.	160	3.13	1.307	53.12
I am often overloaded with work because my colleagues do not properly do their jobs.	160	2.91	1.266	47.81
Jobs allocated to me do not often match with my educational level and my experience.	160	2.98	1.376	49.53
The work load allocated to me is not fair with the available time.	160	3.23	1.150	55.78
Total Average Score	160	3.06		51.56

Source: - Researcher's survey

As shown in table 4.6, the analysis of item by item for work load variable ranges from 47.81% to 55.78%, whereas the overall percentage score is 51.56% with mean 3.06. Majority of the respondents were agreed with the idea 'The work load allocated to me is not fair with the available time.' with score 55.78%, mean 3.23 and standard deviation 1.15. Hence, the organization had better improve the work load by taking necessary action. On the other hand, majority of the respondents disagreed with the idea 'I am often overloaded with work because my colleagues do not properly do their jobs' scoring

47.81% with mean 2.91 and standard deviation 1.26. The overall result of work load variable shows the existence of average organizational climate for this dimension.

Items	N	Mean	Std. Deviation	Percent
My immediate leader sees and positively responses to issues I raise to him/her	160	3.76	1.389	69.06
The management style of my immediate leader is generally Participative	160	4.00	1.223	75
My immediate leader reflects strong leadership skills	160	3.81	1.049	70.15
My immediate leader positively responses to customers	160	3.97	1.078	74.21
My immediate leader is knowledgeable and handles well his/her work	160	3.97	1.096	74.21
Total Average Score	160	3.90		72.53

Table 4.7:- Analysis for Leadership

Source: - Researcher's survey

As shown in table 4.7, the overall percentage and mean for leadership variable is 72.53% and 3.90 respectively, which indicates the existence of good climate for this dimension. The item 'The management style of my immediate leader is generally participative' was supported by large number of respondents 75%, whereas the idea 'My immediate leader sees and positively responses to issues I raise to him/her' was relatively supported by fewer number of respondents 69.06. In general the research result on leadership variable revealed the existence of positive support by majority of the respondents.

Table 4.8, Analysis for Administrative styles

Items	N	Mean	Std. Deviation	Percent
Employees spend too much time in meetings	160	1.97	1.451	24.21
Time spent in meetings keep me away from doing my best on the job	160	2.11	1.452	27.65
I benefit a lot from the meetings of the organization	160	3.10	1.250	52.50
Total Average Score	160	2.39		34.79

Source: - Researcher's survey

As seen in table 4.8, the overall percentage and mean score for administrative style variable is 34.79% and 2.39 respectively, which indicates the existence of poor climate for this dimension. The item 'I benefit a lot from the meetings of the organization' was supported slightly by the respondents 52.5% with mean score of 3.1 and standard deviation 1.25, whereas the idea 'Employees spend too much time in meetings' was supported by fewer respondents 24.21% with mean score of 1.97 and standard deviation 1.451. The overall result shows that the employees are very dissatisfied by the administrative styles that the bank is currently following.

Table 4.9 Analysis for Role Clarity

Items	N	Mean	Std. Deviation	Percent
I have clear goals and objectives for my work	160	3.41	1.575	60.15
The organization provides me with clear job description	160	3.51	1.392	62.81
I am clear about my priorities at work	160	4.18	1.096	79.37
Total Average Score	160	3.70		67.44

Source: - Researcher`s survey

As shown in table 4.9, the overall percentage and mean score for role clarity variable is 67.44% and 43.7 respectively, which indicates the existence of good climate for this dimension. The item 'I am clear about my priorities at work' was supported by most of the respondents 79.37% with mean score of 4.18 and standard deviation of 1.09 shows existence of good climate for this particular item whereas the idea 'I have clear goals and objectives for my work' was supported by fewer respondents 60.15% with mean score of 3.41 and standard

deviation of 1.57. The overall result shows the existence of reasonably good organizational climate but this has to improve because every employee should understand it's role clearly to contribute something useful for the bank.

Table 4.10 A	nalysis	for Qua	lity of	Service
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Items	N	Mean	Std.	Percent
			Deviation	
I am proud of the quality services the company provides	160	4.24	.740	80.93
I am proud of the quality of the services my department Provides	160	3.69	1.116	67.34
This company has quality standards in providing services	160	4.21	.753	80.15
Fast and quality service providing employees get recognition and promoted	160	3.49	1.259	62.18
Total Average Score	160	3.91		72.6

Source: - Researcher's Survey

As it is indicated in the table 4.10 above, the percentage score result of the analysis for quality of service dimension ranges from 62.18% to 80.93%. The items 'Fast and quality service providing employees get recognition and promoted' is the least supported by the majority of the respondents 62.18% with mean score 3.49 and standard deviation 1.25 whereas 'I am proud of the quality services the company provides' is highly supported by the majority of the respondents 80.93% with mean score of 4.24 and standard deviation of 0.74.

Table 4.11 Analysis for Rules, Regulations and policies

Items	N	Mean	Std. Deviation	Percent
The organization has clear rules, regulations and policies	160	3.67	1.316	66.71
Employees' fear of rules and regulations sometimes leads to delays in decision making	160	3.06	1.194	51.40
I know well the rules, regulations and policies of the Organization	160	3.61	1.254	65.31
The risky nature of some rules and regulations leads employees turn over	160	2.77	1.235	44.21
Total Average Score	160	3.28		56.91

Source:-Researcher's Survey

As indicated in Table 4.11 The idea 'The organization has clear rules, regulations and policies' was supported by large number of employees while the statement The risky nature of some rules and regulations leads employees turn over' was poorly supported, with percentage score of 44.21%, the mean and standard deviation 2.77 and 1.23 respectively. Table 4.13 also depicts that the total percentage score for rules, regulation and policy variables is 56.91% with mean score of 3.28 indicating the existence of moderate organizational climate.

Table 4.12 Analysis for Job Satisfaction

Items	N	Mean	Std. Deviation	Percent
I find the organization cares for its employees	160	3.93	1.108	73.125
I find the organization retains its best and experienced Employees	160	4.07	.855	76.7188
I find my work interesting	160	3.65	1.351	66.25
I find my work challenging	160	4.11	.801	77.8125
I feel my future in the organization is bright	160	4.09	.927	77.1875
Total Average Score	160	3.97		74.22

Source: - Researcher's Survey

As seen in the above table 4.12, 'I find my work challenging' and 'I feel my future in the organization is bright' was supported by the majority of the respondents with percentage score of above 77, whereas 'I find my work interesting' was poorly supported by the respondents 66.25% with mean score of 3.65 and standard deviation of 1.35. The total percentage score for job satisfaction at the bank is 74.22% with mean score of 3.97, this shows the existence of good climate for this Particular variable.

Table 4.13 Analysis by Job Level of Respondents

	Junior Officers		Senior	Officers	Management		
Dimensions	Mean Score	Percentage Score	Mean Score	Percentage Score	Mean Score	Percentage Score	
Training and Development	3.56	64.00	3.62	65.50	3.45	61.25	

Communication	3.50	62.50	3.52	63.00	3.59	64.75
Performance						
Management	3.44	61.00	3.46	61.50	3.24	56.00
U						
Team Work	4.18	79.50	4.19	79.75	4.04	76.00
Salary Package	3.66	66.50	3.63	65.75	3.51	62.75
Salary Package	5.00	00.30	5.05	03.75	5.51	02.75
Work Load	3.08	52.00	3.00	50.00	3.07	51.75
Leadership	3.91	72.75	3.90	72.50	3.85	71.25
Administrative	5.71	12.15	5.70	72.50	5.05	/1.23
	2.26	24.00	2.20	22.00	2 02	45 50
Styles	2.36	34.00	2.28	32.00	2.82	45.50
Role Clarity	3.70	67.50	3.66	66.50	3.76	69.00
Quality of Service	3.89	72.25	3.94	73.50	3.91	72.75
Rules, Regulations						
and Policies	3.29	57.25	3.22	55.50	3.34	58.50
Total Score	3.51	62.66	3.49	62.32	3.51	62.68
Job Satisfaction	3.97	74.25	3.96	74.00	3.99	74.75

Source: - Researcher's survey

As it is shown in the table 4.13 above, the survey result of the three groups of respondents revealed that, respondents in different groups perceived their climate in different ways. Training and Development dimension was highly supported by senior officers with percentage score of 65.50%, whereas this dimension is poorly supported by managements. Managements highly supports communication dimension with 64.75%. Performance Management was somehow supported equally by junior and senior officers with percentage score of 61% and 61.5% respectively. Junior and senior officers highly supported team work dimension with 79.5% and 79.75% respectively, whereas teamwork dimension is least supported by managements with 76%. Junior Officers are more satisfied with the salary package followed by senior officers. Managements are poorly satisfied with the salary package. The work load dimension is highly supported by junior officers with 52% followed by managements with 51.75% then by senior officers with 50%. The Leadership dimension was highly supported by junior officers with 72.75%, however it is poorly supported by all the respondents regardless of their job level, as it is shown in the below table administrative styles has got below average. Role clarity is highly supported by the managements with a

percentage score of 69%, followed by junior officers with 67.50% and lastly by senior officers. The quality of service dimension was highly supported by senior officers with a percentage score of 73.50%, followed by managements with 72.75% percentage score and lastly by junior officers with a percentage score of 72.25%. As one can easily see from the below table all the dimensions other than administrative styles are positively perceived by the respondents. The Overall score from the below table indicates that there exists a conducive climate in the organization, with a percentage score of around 62% for all respondents.

	Diplon	na Holders		lor's Degree Holders	Master`s Degree Holders		
Dimensions	Mean Score	Percentage Score	Mean Score	Percentage Score	Mean Score	Percentage Score	
Training and Development	3.40	60.00	3.56	64.00	3.67	66.75	
Communication	3.67	66.75	3.49	62.25	3.62	65.50	
Performance Management	3.34	58.50	3.45	61.25	3.23	55.75	
Team Work	4.07	76.75	4.20	80.00	4.01	75.25	
Salary Package	3.45	61.25	3.65	66.25	3.64	66.00	
Work Load	3.18	54.50	3.04	51.00	3.13	53.25	
Leadership	3.83	70.75	3.91	72.75	3.91	72.75	
Administrative Styles	2.24	31.00	2.29	32.25	3.24	56.00	
Role Clarity	3.57	64.25	3.70	67.50	3.75	68.75	
Quality of Service	4.06	76.50	3.92	73.00	3.73	68.25	
Rules, Regulations and Policies	3.13	53.25	3.26	56.50	3.47	61.75	
Total Score	3.45	61.23	3.50	62.43	3.58	64.55	
Job Satisfaction	3.94	73.50	3.96	74.00	4.06	76.50	

Table 4.14 Analysis by Educational Level of Respondents

Source:- Researcher's Survey

As it is shown in the below table 4.14 the research result of the three groups of respondents revealed that, descriptively the participants in different groups perceived their climate in different ways. Team work has been highly supported by all the three groups. Employees who held their master's degree highly supported the leadership variable next to team work with a percentage score

of 72.75% they also perceive their climate more positively than the others moreover they are more satisfied than diploma and bachelor's degree holders. On the contrary, Bachelors' degree holders highly supported Quality of service dimensions with mean 3.92 and percentage score of 73%. Similarly Diploma holders highly supported Quality of service with mean score of 4.06 and percentage score of 76.50, but they are the list satisfied.

Table 4.15 Analysis by years of service (										
		<1 Service						Service		
		Year		Years	Years		>3 Service Years			
Dimensions	Mean Score	Percentage Score	Mean Score	Percent age Score	Mean Score	Percentage Score	Mean Score	Percentage Score		
Training and										
Development	3.59	64.75	3.47	61.75	3.61	65.25	3.50	62.50		
Communication	3.50	62.50	3.64	66.00	3.47	61.75	3.52	63.00		
Performance	2.52	(2) 2 7	0.1.6	- 4 00		<i></i>		<b>7</b> 0.00		
Management	3.53	63.25	3.16	54.00	3.45	61.25	3.32	58.00		
Team Work	4.24	81.00	4.00	75.00	4.17	79.25	4.11	77.75		
Salary Package	3.66	66.50	3.60	65.00	3.59	64.75	3.67	66.75		
Work Load	3.04	51.00	3.22	55.50	2.93	48.25	3.17	54.25		
Leadership	3.91	72.75	3.85	71.25	3.91	72.75	3.88	72.00		
Administrative Styles	2.09	27.25	3.03	50.75	2.31	32.75	2.64	41.00		
Role Clarity	3.69	67.25	3.63	65.75	3.73	68.25	3.68	67.00		
Quality of Service	3.96	74.00	3.81	70.25	3.92	73.00	3.82	70.50		
Rules, Regulations and Policies	3.23	55.75	3.38	59.50	3.22	55.50	3.35	58.75		
Total Score	3.49	62.36	3.53	63.16	3.48	62.07	3.51	62.86		
Job Satisfaction	3.95	73.75	4.01	75.25	3.94	73.50	4.00	75.00		

Table 4.15 Analysis by years of service (Tenure) of respondents

Source: - Researcher`s Survey

As it is shown in the above table 4.17 the research result of the four groups of respondents showed that, descriptively the participants in different groups perceived their climate in different ways. Team work has been highly supported by all the four groups. Employees who have more than 3 years of experience are more satisfied than the others followed by employees who work from 1-2

years for the bank. Employees who have 2-3 years of experience are the least satisfied.

# 4.5 Hypothesis Testing

In this section, the hypothesized statements which are mentioned in chapter one are statistically tested and interpreted using different statistical techniques. For Correlation, as it is bivariate measure of association (strength) of the relationship between two variables, the Pearson's moment-product 'r' being the most common measure was adopted. It varies from -1 to +1, where -1 is 'total negative linear correlation', 0 is no linear correlation and +1 'total positive linear correlation'. Rowntree (1987) formed guidelines for interpreting the correlation value indicated in the following table.

Coefficient Range	Interpretation
0	No Correlation
0-0.2	Very Weak Correlation
0.2-0.4	Weak Correlation
0.4-0.6	Moderate Correlation
0.6-0.8	Strong Correlation
0.8-1	Very Strong Correlation

Table 4.16: Guidelines for interpreting correlation coefficient

# Hypothesis 1

H0: There is no statistically significant relationship between organizational climate and employee job satisfaction in Enat Bank S.Co.

H1: There is statistically significant relationship between organizational climate and job satisfaction in Enat Bank S.Co.

		Organizational Climate	Job Satisfaction
Organizational Climate	Pearson Correlation	1	.861**
	Sig. (2- tailed)		.000

	N	160	160			
Job Satisfaction	Pearson Correlation	.861**	1			
	Sig. (2- tailed)	.000				
	Ν	160	160			
**. Correlation is significant at the 0.01 level (2-tailed).						

### Source: - Researcher Survey Result

The correlation coefficient of organizational climate and employees' job satisfaction is presented in the table 4.17 above. As it is shown in table, the research result of Pearson product-moment correlation indicates positive and significant relationship between the two variables i.e.

organizational climate and job satisfaction (r=0.861, n=160 p=.000) Hence, the researcher accept the alternate hypothesis that stated, 'there is positive and significant relationship between organizational climate and job satisfaction, as the correlation of the two variables lie between 0.8 -1, p=.861 implying positive and very strong relationship and reject the null hypothesis stating 'there would be no positive and significant relationship between organizational climate and job satisfaction'. This finding is consistent with several previous finding such as Friedman and Margulies (1969).

#### Hypothesis Regarding Biographical and Organizational Variables of the respondents

In this section, biographical variable (Educational level) and organizational variables (job level and tenure) will be studied to identify the perception of different groups concerning their organizational climates. Based on these, to test the hypotheses concerning respondent's perception of organizational climate and job satisfaction, the researcher used ANOVA (Analysis Of Variance) test. If the result of Anova coefficient is very small (less than 0.05) then there exists different perception levels between same groups of employees.

#### Hypothesis1:-

Ho: - There is no difference between the employees in perception of their organizational climate and job satisfaction by their job level.

H1:- There is a difference between employees in their perception of organizational climate and job satisfaction by their job level.

		Sum of Squares	d f	Mean Square	F	Sig.
	Between Groups	.007	2	1.004		
Job	Within Groups	126.037	157	.803	.004	.001
Satisfaction	Total	126.044	159		.004	.001
	Between Groups	.009	2	2.005		
Organizational	Within Groups	85.396	157	.544		
Climate	Total	85.405	159		.008	.003

Table 4.18:- Comparing employees' perception of Organizational Climate and job satisfaction based on their current job level

Source: - Researcher's survey result

The result of ANOVA, as presented in the table 4.20 revealed the existence of significant difference between groups in perception of their organizational climates and job satisfaction by their j o b level. This implies that the groups perceived their organizational climate in the different way, (F (2, 157,) =2.005, p = .003). The research result in the above table also indicates the different groups had different satisfaction level (F(2, 157,)=1.004, p=.001). Therefore, the researcher reject the null hypothesis 'stating there is no difference between groups in perception of their organization's climate' and their job satisfaction level and accept the alternative hypothesis stating 'there is a difference between groups in perception of their organizational climate and their job satisfaction that varies by their job level.

Even though, the above ANOVA table indicates employees' perception of organizational climate and job satisfaction by their job level as a whole it does not show which of the specific groups differ from each other. Therefore to see degree of perception difference between groups, a multiple Comparisons using Tukey post-hoc tests result, which is preferred most of the time to compare multiple group was used and presented as below. Table 4.19:- Multiple comparisons of employee's perception of organizational climate based on their Job level.

Mean	(I) Job Level of the Employees	(J) Job Level of the Employees	Mean Difference (I-J)	Std. Error	Sig.
2 51	Junior Officers	Senior Officers	01680	.14210	.002
5.51	3.51	Managements	01402	.19256	.004
3.29	Senior Officers	Junior Officers	.01680	.14210	.002
5.29	Manage	Managements	.00278	.21704	.000
3.71	Managements	Junior Officers	.01402	.19256	.004
5.71		Senior Officers	00278	.21704	.000

Source: - Researcher's survey Result

The research results Tukey post-hoc tests of table 4.19 indicates that specific groups perceived their organizational climate in different ways, as p values for all groups is less than 0.05. The lowest satisfaction climate was recorded by senior officers (M=3.29) followed by junior officers (M=3.51) whereas highest was recorded by managements (M=3.71).

# Hypothesis2:-

Ho: - There is no difference between the employees in perception of their organizational climate and job satisfaction by their tenure.

H1:- There is a difference between employees in their perception of organizational climate and job satisfaction by their tenure.

Table 4.20:- Comparing employees' perception of Organizational Climate and job satisfaction based on their tenure.

		Sum of Squares	df	Mean Square	F	Sig.
	Between Groups	.129	3	.043		
Job Satisfaction	Within Groups	125.915	156	.807	.053	.984

	Total	126.044	159			
Organizational Climate	Between Groups	1.838	3	.613		
	Within Groups	89.773	156	.575	1.065	.366
	Total	91.611	159			

Source: - Researcher's survey result

The analysis of the group based on their tenure in the perception of employees towards their organizational climate and job satisfaction indicates, there is no statistically significant difference in employees' job satisfaction (F (3, 156) = 0.53, p= .984) and their perception of organizational climate (F (3,156) = 1.065, p= .366).

Therefore, the researcher Accept the null hypothesis 'stating there is no difference between groups in perception of their organization's climate' and their job satisfaction level that varies by their tenure and reject the alternative hypothesis stating 'there is a difference between groups in perception of their organizational climate and their job satisfaction that varies by their tenure'.

	0 · V	NT		Std.
	Service Years	N	Mean	Deviation
	<1 Year	61	3.9574	.90562
Job Satisfaction	>3 Years	30	4.0000	.81875
	2-3 Years	47	3.9404	.96901
	1-2 Years	22	4.0182	.81861
	Total	160	3.9688	.89035
				Std.
	Service Years	Ν	Mean	Deviation
Omeniational	<1 year	61	3.4995	.72858
Organizational Climate	>3 Years	30	3.7733	.81359
Cinnate	2-3 Years	47	3.4883	.75250
	1-2 Years	22	3.5314	.77704
	Total	160	3.5519	.75906

Table 4.21:- Descriptive analysis of the respondents based on their tenure

Source: - Researcher's Survey Result

As it is shown in table 4.21 the mean statics of the participants indicates that employees with 1-2 years of experience were relatively highly satisfied with mean score 4.01, standard deviation 0.81

whereas employees with 2-3 Years of experience were comparatively less satisfied with mean score 3.94, standard deviation 0.96.

Regarding perception of organizational climate by the participants, the respondents with greater than 3 years of experience positively perceived their climates with mean score of 3.7 and standard deviation of 0.81, whereas respondents with 2-3 years of experience has perceived their climates poorly with mean score of 3.48 and standard deviation of 0.75. Even though the hypothesis tests concerning employees' perception of organizational climate and job satisfaction indicates no existence of statistical significant difference between the groups, descriptively there is difference in the way employees' perceived their organizational climate and job satisfaction but the difference is not statistically significant.

#### Hypothesis3:-

Ho: - There is no difference between the employees in perception of their organizational climate and job satisfaction by their level of education.

H1:- There is a difference between employees in their perception of organizational climate and job satisfaction by their level of education.

Table 4.22:- Comparing employees'	perception of	Organizational	Climate and	job satisfaction
based on their level of education				

		Sum of Squares	df	Mean Square	F	Sig.	
Job Satisfaction	Between Groups	.196	2	.098			
	Within Groups	125.848	157	.802	.122	.885	
	Total	126.044	159				
Organizational Climate	Between Groups	.156	2	.078			
	Within	86.124	157	.549	.142	.867	
	Total	86.280	159				

Source: - Researcher's survey result

The analysis of the group based on their level of education in the perception of employees towards

their organizational climate and job satisfaction indicates, there is no statistically significant difference in employees' job satisfaction (F (2, 157) = 0.122, p= .885) and their perception of organizational climate (F (2,157) = 0.142, p= .867).

Therefore, the researcher Accept the null hypothesis 'stating there is no difference between groups in perception of their organization's climate' and their job satisfaction level that varies by their level of education and reject the alternative hypothesis stating 'there is a difference between groups in perception of their organizational climate and their job satisfaction that varies by their level of education'.

		N	Mean	Std. Deviation
Job Satisfaction	Bachelor Holders	131	3.9573	.89271
Job Satisfaction	Masters Holders	18	4.0667	.88118
	Diploma Holders	11	3.9455	.95117
	Total	160	3.9688	.89035
		Ν	Mean	Std. Deviation
Organizational Climata	Bachelor Holders	131	3.4973	.73166
Organizational Climate	Masters Holders	18	3.5861	.77445
	Dialama Haldana	11	3.4527	.79592
	Diploma Holders	11	5.4527	.17572

Table 4.23:- Descriptive analysis of the respondents based on their educational level

Source: - Researcher's survey result

As it is shown in table 4.23, the mean statics of the participants indicates that employees who held Master's degree were relatively highly satisfied with mean score 4.06, standard deviation 0.881 whereas employees who held their diplomas were comparatively less satisfied with mean score 3.94s, standard deviation 0.951.

Regarding perception of organizational climate by the participants, the respondents who have Master's Degree positively perceived their climates with mean score of 3.5 and standard deviation of 0.77, whereas respondents who are diploma holders perceived their climates poorly with mean score of 3.45 and standard deviation of 0.79.

Results of the hypothesis tests are summarized in the below table.

Table 4.26	Summary	Result	of the	Hypothesis	Tests
	<i>.</i>			<b>V</b> 1	

No	Hypotheses	Decision
1	There is positive and statistically significant relationship between organizational climate and job satisfaction.	Accepted
2	There is statistically significant difference between employees in the perception of their organizational climate and job satisfaction that varies by job level.	Accepted
3	There is statistically significant difference between employees in perception of their organizational climate and job satisfaction by their tenure.	Rejected
4	There would be statistically significant difference in perception of organizational climate that varies by educational level.	Rejected

Source: - Researchers survey result

# **CHAPTER FIVE**

# SUMMARY, CONCLUSION AND RECOMMENDATION

# 5.1 Introduction

This chapter contains a summary of the key findings, conclusions and recommendations for the state agencies and for further study.

# 5.2 Summary of key Findings

- Demographic information of the sample shows that majority of the respondents were female (61.8%) and the rest 38.2% are male. Also of the 160 respondents 117 were single and 43 were married. Regarding educational level of respondents 11 of them are diploma holders, 131 were BA or BSc holders and the rest 18 are MA or MSc holders.
- The organizational variables included in this research were tenure and job level (position) of the respondents. Based on this, tenure of the respondents indicates 61 (38.1%) has service length less than a year, 22 (13.7%) worked for the company for 1-2 years, 47 (29.3%) served for 2-3 years whereas the rest 30 (18.7%) of the subjects had service greater than 3 years. Regarding the job level analysis (position) of the respondents indicate 107 (66.8%) were junior officers, 36 (22.5%) were senior officers, whereas 17 (10.6%) were managements of the organization.
- Before undertaking the analysis the researcher conducted a validity test using pilot test and reliability test using Cronbach's Alpha. The Cronbach's Alpha for all items was 0.96 which is greater than 0.70 indicating the research is reliable.
- All dimension of the organizational climate were descriptively analyzed. Generally 12 dimensions comprising training and development, communication, performance management, team work, salary package, work load, Leadership, administrative styles, role clarity, quality of services, rules regulations and policies are chosen for this study. Among the above stated dimensions administrative styles had minimum score with mean score 2.39 and percentage score 37.79% whereas team work dimension has highest score with mean 4.17 and percentage score 79.22%.
- Among the different groups of employees based on their job level, senior officers are

relatively poorly perceived their organization's climate and also the least satisfied.

- Among the different groups of employees based on their educational level, diploma holders relatively poorly perceived their organization's climate and also the least satisfied.
- Regarding the different groups of employees based on their tenure, employees with service year of 2-3 relatively poorly perceived their organization's climate and also the least satisfied with mean score of 3.94.
- The correlation analysis was undertaken to test the relationship between dependent variable (job satisfaction) and independent variable (organizational climate). Accordingly the research result of Pearson product-moment correlation indicates positive and significant relationship between the two variables i.e. organizational climate and job satisfaction (r=0.861, n=160 p=.000) as P<0.05 which implies the existence of positive correlation between the variables.
- To see whether the existing difference in the perception of the respondents towards their organizational climate and job satisfaction was statistically significant, ANOVA test was conducted. Tenure and job level (position) as organizational variable and educational level as biographical variable were used to see significance deference in perception of the respondents. Based on this research result using ANOVA indicates job level has statistically significant effect on job satisfaction, whereas tenure and educational level has no statistically significant effect on job satisfaction.
  - 5.3 Conclusion

The aim of this research was to investigate the relationship between organizational climate and job satisfaction. Conclusion regarding the empirical investigation in the study is also presented in relation to the objective of the study.

Objective 1:- How does the organizational climate look like in Enat Bank S.Co?

The mean score for the total climate is greater than the recommended cut-off point. The results indicated that organizational climate, as perceived by the organizational members, can be regarded as generally positive, with a mean score of 62.59%.

Objective 2:- What is the level of job satisfaction in Enat Bank S.Co?

The job satisfaction of the organizational members was measured according to the perpetual

approach, whereby individuals' perceptions towards their organization and was applied to this research study. The results in table 4.12 indicate that 74.22% of the respondents were satisfied with their jobs.

Objective 3:- What is the relationship between the perception on organizational climate and employees' job satisfaction in Enat Bank S.Co?

From the results presented in table 4.17 it can be concluded that there was a strong positive correlation between organizational climate and job satisfaction, p=.861

Objective 4:- What are the Biographical and organizational climate factors with higher impact on job satisfaction?

Regarding Biographical factors, Educational level was selected for the study. The respondents who are MA or MSc holders reported the highest level of job satisfaction than any other educational level groups (76.5%). But the results of this research found no statistical significant difference in the perception of total organizational climate and job satisfaction of the respondents with regard to their educational level.

Regarding Organizational climate factors, Tenure and job level was selected for the study. The respondents who worked for the company more than 3 years holders reported the highest level of job satisfaction (75%) than any other educational level groups. But also the results of this research found no statistical significant difference in the perception of total organizational climate and job satisfaction of the respondents with regard to their tenure.

The empirical investigation indicated that significant differences were reported in the job satisfaction levels of respondents in terms of job level, it appears that management had more positive perception of the organizational climate (62.68%) and job satisfaction level (74.75%) than junior and senior staff members. Therefore job level had a higher impact on job satisfaction.

# 5.4 Recommendations

# 5.4.1 Recommendation for the bank

It is recommended that the organization continues focusing on the areas in which it is doing well and find ways to improve these areas by giving employees' feedback and encouraging open and honest feedback. Although areas such as teamwork, leadership and quality of service reported positive perceptions among employees, the results indicated that employees are not satisfied with the administrative styles of the bank. Hence, the bank should consider conducting focus groups or further surveys to understand why employees become less satisfied with the administrative styles.

It is also recommended that the bank should address concerns relating to improving job satisfaction level of junior and senior officers. The organization should ensure all new and existing employees have better level of job satisfaction level, otherwise they may leave the bank.

# 5.4.2 Recommendation for the bank industry

The conclusions of this research tend to indicate that practitioners should be mindful of the fact that climate is unique to every organization and should be viewed in the context of the particular organization. In addition, practitioners should be aware of the influence that an organization's climate can have a meaningful impact on the satisfaction levels of its employees. Understanding what the needs of the organizational members are, is crucial when developing and implementing initiatives that are aimed at improving the climate in the organization.

Practitioners also have a role to fulfil in assisting business leaders to understand how the perception of various elements in the organization can have a positive or negative impact on employees, and ultimately influence the bottom line of the organization. Hence, practitioners need to focus on understanding the importance of workplace climate and job satisfaction in determining an organization's success or failure and implementing appropriate programs and initiatives that set best practices to enable the organization to perform at its best in both the short and long term.

# 5.4.3 Recommendation for further research

Future research should consider studying climate and satisfaction over a number of years, and not only at a single point in time. Also larger samples should be used, utilizing a number of organizations, across a range of industries.

The final recommendation relating to the conclusions of this research is that further studies should be conducted to explore the relationship between organizational climate dimensions that are perceived to be internal to or having a direct influence on the employee versus organizational climate dimensions that are perceived as external to or having an indirect influence on the employee and satisfaction levels.

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# **APPENDIX** A

# QUESTIONNAIRE

# ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

# A RESEARCH QUESTIONNAIRE TO BE FILLED TO ASSESS THE RELATIONSHIP BETWEEN ORGANIZATIONAL CLIMATE AND EMPLOYEE JOB SATISFACTION IN ENAT BANK S.Co

Thank you for participating in the survey. This questionnaire consists of 57 questions, divided in to two parts. The first part is all about your profile and the second is about the company's profile. It takes approximately 15 to 20 minutes on average to complete it.

□ Female

For any enquiries please contact Bezayit Tadele (Tel:- 251913867053)

Please note that this survey is handled completely confidentially.

### Part I

### **Respondents Profile**

1. Gender

□ Male

2. Marital status

□ Single □ Married

3. How long have you been employed in Enat Bank S.co?

 $\Box$  <1 year  $\Box$  2 years

 $\Box$  3years  $\Box$  >3yrs

4. Your highest level of education

Diploma	$\Box$ Bachelors
□ Masters	□ PhD

5. What is your current position in the company?

□ Junior Officers □ senior officer □ Management

Part II

## **Organizational Ratings**

#### **Instructions:**

Considering your own experience in your present position, please put tick mark " $\sqrt{}$ " in the appropriate box according to the rating that best represents your opinion or perception of the company.

1=Strongly Disagree 2=Disagree 3=Not sure 4=Agree 5= Strong	ngly Agree
---	------------

No	Statements	1	2	3	4	5
	Training and Development					
1	The organization provides me necessary training for doing my job					
2	The organization provides me with training opportunities based on my job and profession					
3	Necessary information and training is provided for new employees.					
4	I believe that I have the opportunity for career advancement.					
5	I am satisfied with the opportunities with career development.					
6	Clear promotion criteria are available in the organization.					
	Communication					
7	I receive all information required to carry out my job.					
8	My immediate leader carefully listens his/her employees concern.					
9	The organization spends too much time on unessential issue/problems.					
10	The organization supports honest two-way communication.					
11	The organization's strategy has been clearly communicated to the employees.					
	Performance Management					
12	My immediate leader regularly provides me with feedback concerning my performance					
13	I am satisfied with the way my work is evaluated.					

14	My performance is evaluated as per personnel policies of the organization.			
15	I am satisfied with the recognition given to my good work.			
16	Good work results are readily noticed and awarded.			
	Team Work			
17	My team focuses on fixing the problem rather than blaming people.			
18	My team members help me whenever I ask them.			
19	I feel needed in my team.			
20	My team members participate in decision making.			
21	I solve problems with my team.			
	Salary Package			
22	I am fairly paid for my position.			
23	I am satisfied with my salary package.	-		
24	My salary package is fair in comparison with similar positions in the market.	-		
	Work Load			
25	Jobs that do not pertain to me are sometimes allocated to me.		İ	
26	I am often overloaded with work because my colleagues do not properly do their jobs.	-		
27	Jobs allocated to me do not often match with my educational level and my experience.			
28	The work load allocated to me is not fair with the available time.	-		
	Leadership			
29	My immediate leader sees and positively responses to issues I raise to him/her			
30	The management style of my immediate leader is generally participative			
31	My immediate leader reflects strong leadership skills			
32	My immediate leader positively responses to customers			
33	My immediate leader is knowledgeable and handles well his/her work			
	Administrative styles			
34	Employees spend too much time in meetings			
35	Time spent in meetings keep me away from doing my best on the job			
36	I benefit a lot from the meetings of the organization			
	Role Clarity			
37	I have clear goals and objectives for my work			
38	The organization provides me with clear job description			_
39	I am clear about my priorities at work			
	Quality of Service			
40	I am proud of the quality services the company provides			
41	I am proud of the quality of the services my department provides			

42	This company has quality standards in providing services			
43	Fast and quality service providing employees get recognition and promoted			
	Rules, Regulations and Policies			
44	The organization has clear rules, regulations and policies			
45	Employees' fear of rules and regulations sometimes leads to delays in decision making			
46	I know well the rules, regulations and policies of the organization			
47	The risky nature of some rules and regulations leads employees turn over			
	Job Satisfaction			
48	I find the organization cares for its employees			
49	I find the organization retains its best and experienced employees			
50	I find my work interesting			
51	I find my work challenging			
52	I feel my future in the organization is bright			

# **APPENDIX B**

#### **Correlation Matrix of all variables**

		Training and Developme nt	Commu nication	Perfor mance Manag ement	Team Work	Salary Package	Work Load	Leadershi p	Admini strative Styles	Role Clarity	Quality of Service	Rules,Reg ulations and Policies
Training and Development	Pearson Correlation Sig. (2-tailed)	1	.776**	.826**	.645**	.501**	233**	.634**	.348**	.774**	.395**	.692**
	Ν	160	.000 160	.000 160		.000 160				.000 160	.000 160	
Communication	Pearson Correlation Sig. (2-tailed) N	.776 <sup>**</sup> .000 160		.837 <sup>**</sup> .000 160		.686** .000 160				.868** .000 160	.561** .000 160	
Performance Management	Pearson Correlation Sig. (2-tailed) N	.826** .000 160			.816** .000 160	.776 <sup>**</sup> .000 160				.892** .000 160	.576** .000 160	
Team Work	Pearson Correlation Sig. (2-tailed) N	.645 <sup>**</sup> .000 160		.816** .000 160		.774** .000 160		.000		.730** .000 160	.624** .000 160	
Salary Package	Pearson Correlation Sig. (2-tailed) N	.501** .000 160		.776 <sup>**</sup> .000 160		1 160	133 .092 160	.000		.704 <sup>**</sup> .000 160	.494** .000 160	

Work Load	Pearson	233**			044	133	1	137		277**	420**	.119
	Correlation		158 <sup>*</sup>	199*	570	000		005	.158*			404
	Sig. (2-tailed)	.003			.579 160	.092 160		.085 160		.000 160	.000 160	.134 160
	Ν	160	.046 160	.012 160	100	100	160	100	.046 160	160	160	100
Leadership	Pearson Correlation	.634**	.854**	.869**	.773**	.865**	137	1	.230**	.870**	.594**	.684**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.085		.003	.000	.000	.000
	Ν	160	160	160	160	160	160	160	160	160	160	160
Administrative	Pearson	.348**	.404**	.151	.105	.146		.230**	1	.415**		.646**
Styles	Correlation						.158 <sup>*</sup>				.181*	
	Sig. (2-tailed)	.000	.000	.056	.188	.066		.003		.000		.000
	N	160	160	160	160	160	.040		160	160	.022	160
							160				160	
Role Clarity	Pearson Correlation	.774**	.868**	.892**	.730**	.704**	277**	.870**	.415**	1	.719**	.840**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000
	Ν	160	160	160	160	160	160	160	160	160	160	160
Quality of Servic	ce Pearson	.395**	.561**	.576**	.624**	.494**	420**	.594**		.719**	1	.581**
	Correlation								.181*			
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000		.000		.000
	Ν	160	160	160	160	160	160	160	.022 160	160	160	160
Rules,Regulatio and Policies Co		.692**	.743**	.708**	.699**	.579**	.119	.684**	.646**	.840**	.581**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.134		.000	.000	.000	
	Ν	160	160	160	160	160	160	160	160	160	160	160

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

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