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ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
GENERAL MBA

RELATIONSHIP BETWEEN ORGANIZATIONAL CLIMATE AND
EMPLOYEES JOB SATISFACTION: THE CASE OF DEVELOPMENT
BANK OF ETHIOPIA

BY
SOLOMON FIKRIE **ID.NO:** SGS/0540/2010A

JUNE, 2019
ADDIS ABABA, ETHIOPIA

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

JUNE, 2019

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ACKNOWLEDGEMENT

First and foremost, I would like to thank the Almighty God for directing me with his true spirit all the time with success. Without his help, it would have been impossible to accomplish my studies. Secondly, I would like to express my deepest gratitude to my thesis advisor Dr. Tesfaye Wolde for his enthusiastic support, encouragements and constructive comments throughout the writing of this thesis. He was generous to dedicate his time reading the drafts of this thesis and promptly replying to me. Without his support, the result of this work is imperceptible. His influence is inherited in both the theoretical and practical aspects of this work.

I am also grateful to all my colleagues and friends. I truly appreciate your contribution to my academic and social life at St Marry University. I never forget all the chats and wonderful moments I shared with my friends and classmates. They were fundamental energy for me during those stressful and challenging moments. I would also like to extend my deepest appreciation to my boss Mr. Ahmed Mengistu for providing me permission to attend my class. Without such support from him, it would have been impossible to accomplish this study.

Special thanks are given to all the staffs of the bank under consideration that assisted me in data collection with patience, commitment and dedication. Their cooperation was not only on the basis of their material benefit but is really their own commitment to help me.

My deepest gratitude also goes to my editors, supporters, and dearest friends Mr. Tewodros Moges, Zewdu Tadesse and Ms. Sinetsehay Tesfaye. Without all of them, it would have been unthinkable to achieve this. Almighty God Bless you all. I also extend my deepest gratitude to my mother Abaynesh Debebe, to my father Fikrie Yassin and to my sisters for their unconditional love and support throughout my life and my studies.

Lastly but not least, thanks goes to St. Marry University in general and my department lecturers in particular.

LIST OF ACRONYMS

BA/BSC:	Bachelors of Art/Science
MA/MSC:	Master of Art/Science
DBE:	Development Bank of Ethiopia
SBP:	Salary and Benefits Packages
SPSS:	Statistical package for social science
ANOVA:	Analysis of Variance

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ABSTRACT

The purpose of this study was to explore the relationship between organizational climate dimensions and employees' job satisfaction in Development Bank of Ethiopia. Convenience sampling method was employed to select Head office, Addis Ababa district and branches located in Addis Ababa due to a reason that it is very costly to undertake the study within a given time and economically infeasible for the researcher to conduct the study outside of Addis Ababa and simple random sampling was used to select the sample respondents determined by using Toro Yamane formula. Both primary and secondary sources of data were used. Additionally, this study used both explanatory and descriptive research design. To analyze this data descriptive and inferential analysis using SPSS software program were used. The major finding of the study revealed that from those all organizational climate variables, salary and benefit package was the most poorly perceived by the employees with a mean score of 2.68, and percentage score (42%) which is by far below the average score (50%). The results of correlation coefficient statistics revealed that there is a significant positive relationship between organizational climate and employees' job satisfaction ($r=0.557$, $n=277$, $p=.000$), (2 tailed) and finally, the study concluded by providing possible recommendations that the bank must take immediate action and must be given special attention to the climate dimensions scored below average (50%). The study concludes with limitations and future research suggestions to enhance organizational climate in Development Bank of Ethiopia as well as other related banks.

Key -Words: *Organizational climate, Job satisfaction, Team work, Perception, Correlation*

CHAPTER ONE: INTRODUCTION

This part deals with the background of the research, statement of the problem, objectives of the study, Hypothesis of the study, significance of the study, scope of the study, limitations of the study and organization of the study.

1.1. Background of the Study

Organizations in the 21st century are faced with more challenges than ever before. These challenges are not unique to any specific organization or industry, but affect all organizations, regardless of their structure and size. An organizational climate in a particular organization is constantly challenged by the increasing number of changes impacting on organizations today (Nair, 2006). These changes relate to restructures, mergers and acquisitions, technological trends, political and international trends, increased competition as well as the local and international economy. If these changes are not managed appropriately by the organization, they could result in a change in the behavior and perception of individuals employed in the organization, which could lead to, internal conflicts, decreased motivation and employee satisfaction, increased turnover and absenteeism and hence a decline in organizational performance (Gray, 2007).

The climate plays an active effect in the managerial process and behavior of employees in different organizations (DeConick, 2011). Additionally, the organizational climate is linked to the health of individuals, physical and psychological, so that the prevalence of unhealthy climate in an organization leads to a low level of satisfaction among employees and reduced motivation to work and increasing absenteeism. Job satisfaction is related to the physical and mental well-being of employees (Oshagbemi, 2000).

This shows that there has been long-standing interest in relationship of organizational climate to other organizational phenomenon including job satisfaction, job performance, leadership behavior and the quality of work group interaction (Schnake, 1983). Research on the contribution of people management to Organizational performance outcomes such as productivity and profitability has been related to a climate of satisfaction in the workplace

(West et al., 1999) and considerable evidence indicates that there are relationships between climate factors and measures of job satisfaction too (Downey et al., 1975).

According to (Stone et al., 2004) defined organizational climate as individuals' perceptions about the organizational situation in the organization, such as decision-making and the type of leadership and models of jobs and tasks. Ali and Patnaik (2014) mention that although climate has usually been used to describe organizations, the term can also be used to describe people's perceptions of groups or job assignments in which they work.

Organizational climate can be seen as a descriptive concept that reflects the common view and agreement of all members regarding the various elements of the organization such as structure, systems and practices (McMurray, 2003). Creating an appropriate organizational climate is considered one of the most important factors in improving and developing the performance of the organization efficiently; it would also consolidate and strengthen the confidence and satisfaction among employees (Chiang and Birtch, 2011, DeConick, 2011).

According to (Neher,1996) the climate in an organization is affected by events and characteristics relevant to the organization, which in turn exert a strong influence on the behavior of the organization's members. Organizational climate and the way in which individuals respond to it continually interact. Over time, the organizational climate is said to have the capacity to convey the general psychological atmosphere of an organization, and consequently, may affect the satisfaction, motivation and behavior patterns of individuals in the workplace (Wright et al., 2007).

Job satisfaction is a phenomenon that transcends the borders of the organization or company, and impact individual life outside the organization (Robbins, 2002). Achieving individual job satisfaction will help identify existing problems and difficulties in the organization and determine the cause of the absence of staff. (Weiss, 2002) described it as 'a positive (or negative) evaluative opinion on one's job or work situation'.

Thus, organizational climate should be considered among the important management and technical processes so that, top managers should take into account to achieve highly valuable outcomes. In consequence, creation of an appropriate organizational climate is not a secondary choice for contemporary organization; rather it is vital to ensure substantial merit-based excellence under the intense global competition. In Ethiopia, there is movement of employees

from one organization to other organization due to low job satisfaction which is caused by un conducive organizational climate. Due to this reason, turnover ratio and absenteeism are increasing in addition to decreasing of employee's motivation to work hard and decreasing of organization performance. Development bank of Ethiopia is one of the financial institutions engaged in providing short, medium, and long term development credits. Since its establishment in 1990, the bank has playing a significant role in promoting the overall economic development of the country. The bank earnestly believed that the objective of it can be served through continuous capacity building, customer focus and concern to the wider environment. Starting from its establishment, it creates job opportunity for the employees. However, currently the bank is one of the financial institutions in which mass employees turnover is observed from year to year due to lack organizational climate variables which this research is going to assess.

1.2. Statement of Problem

In the current 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 unattractive organizational climate Gruneberg et al., (1975).

Patterson, West M (2004) stated that company productivity was more strongly correlated with those aspects of climate that had stronger satisfaction loadings. Similarly, Farokhi, (2003) indicated that organizational climate accounted for a large percentage of variance in individuals' satisfaction. This leads that organizational climate can directly cause work outcomes that are either positive or negative. Positive work incentives are incentives that make work interesting, e.g. attractive work environment, good management and leadership style, feedback, high salary package, training and development and appropriate performance management (Patterson, West M 2004). On the other hand, negative work incentives include those incentives that make work boring, unchallenging and dissatisfying. They lead to increased absenteeism, turnover and accidents. It is also important to point out that factors like low salary package, poor training and development, poor performance management and high work load could also discourage work outcomes which if not adequately put in place could result in turnover of the employees. Because, people tend to accept and internalize the climate

of the organization in which they work, and the perception of climate has an important impact on their behavior (Vardi, 2001).

However, it is very difficult to easily understand the climate employee favor because; it ultimately varies from place to place, situation to situation, position to position. This infers that, the contemporary organization must be dynamic, flexible and understand their employee's needs as much as possible.

Therefore, to prevent the negative perception of employees toward their organization's climate, there is a need to assess the climate of the bank to find out which factors of the organizational climate lead to low satisfaction and take appropriate measure so as to continually have productive, satisfied and competent employees. In addition, there is a need for the bank to create optimal climate which enable them to retain their experienced and most productive employees, though, it is not easy to understand what type of climate employees prefer because their perceptions and choices differ from time to time and from situation to situation. This entails that the bank must be dynamics, flexible and understands their employees' needs in order to achieve its objective.

Currently, the bank is one of the financial institutions in which mass employees turnover is observed from year to year due to lack organizational climate variables like salary and benefit package, training, performance appraisal system, supervision, and communication. Even if different researchers had conducted their research at different organization on such issue, the majority of the research result showed that salary and benefit package is moderately perceived by the employees. However, employees of Development bank of Ethiopia have poor perception on salary and benefit package and as a result turnover ratio is increasing day to day.

Bearing these issues in mind and to fill the gap that arises due to poor organizational climate, the researcher was tried to provide information about the climate variables and employees' perceptions towards these variables and its relationship with job satisfaction, as negative organizational climate results in low job satisfaction which in turn causes low organizational productivity and high employees turnover, which is currently a critical problem in the bank.

1.3. Research Questions

- What is the relationship between organizational climate and job satisfaction in Development bank of Ethiopia?
- What is the perception of employees on organizational climate and employees' job satisfaction in terms of demographic variables?
- What are the effects of organizational climate variables on employee's job satisfaction?
- Which organizational climate dimensions are poorly perceived by the employees of Development Bank of Ethiopia?

1.4. Objectives of the Study

1.4.1. General Objective

The general objective of this study is to find out the relationship between organizational climate and job satisfaction in Development Bank of Ethiopia specifically at Head office and selected branches included under Addis Ababa district (West, East, North and South Addis Ababa branches).

1.4.2. Specific Objective

The specific objectives of this study are:

- ❖ To assess the relationship between Organizational Climates (OCs) dimensions and employee job satisfaction in DBE.
- ❖ To examine the effect of OCs dimensions on employees job satisfaction at Development Bank of Ethiopia (DBE).
- ❖ To identify whether there is a difference in the perception of organizational climate and employees' job satisfaction that varies by demographic factors.
- ❖ To identify the poorly perceived organizational climates by the employees and recommend appropriate measures.

1.5. Significance of the Study

The study helps the organizations in both the private and public sectors that are interested in matching organizational climate and job satisfaction. It also provide an in depth understanding of the relationship between organizational climate and job satisfaction for organizations interested in matching employees with organizational climates.

The findings of this study helps Development Bank of Ethiopia by which management can develop a better understanding of the relationship between organizational culture and employees' job satisfaction. Furthermore, the findings of this study might help DBE, managers, practitioners and academicians to compare and contrast the theory and the reality. The study would also recommend acceptable policies and strategies for mitigating organizational climate which are poorly perceived by the respondents.

1.6. Scope of the Study

This research was delimited to Development Bank of Ethiopia specifically at employees of Head office, Addis Ababa district, East Addis Ababa branch, West Addis Ababa branch, South Addis Ababa branch and North Addis Ababa branch. The organizational climate variables which were assessed are those related with salary and Benefits packages, training and development, team work, communication, leadership/management, and Performance appraisals system.

1.7. Limitation of the Study

It would have been suitable if the study could cover the Development Bank of Ethiopia as a whole, but due to time and financial constraints, the researcher was obliged to concentrate the study on employees of Head office, Addis Ababa district and selected branches of DBE.

The other limitation of the study was the variables those listed under delimitation of the study did not cover the whole aspects of organizational climate variables. Therefore, this research was not free from the limitation of generalizability, as it is difficult to generalize it to other organizations. This implies the research had less external validity.

In addition, the study was conducted based on perceptions of the respondents, which may not be free from their individual perception and bias, in spite of the researcher's efforts to get them as objectively as possible.

1.8. Organization of the Study

This research was organized into five chapters. The first chapter focused on the background of the study. The second chapter reviewed related theoretical and empirical studies. The third chapter concentrated on the methodology used for collection and Analysis of the data. The next chapter (chapter four) deals with the data analysis and interpretation followed by the last Chapter (chapter five) which focused on summary, conclusion and recommendation of the study.

CHAPTER TWO: REVIEW OF RELATED LITERATURES

A literature review is a critical summary of what the scientific research or study says about specific topic or questions (Adams *et al.*, 2007). This chapter was reviewed studies relevant to organizational climate and job satisfaction. It is intended to convey the message of what knowledge and ideas have been established on a stated topic in general and on specific research questions or study objectives in particular. Besides to discussing it in a logical and coherent way with its strengths and weakness, these literatures were explained and discussed in relation to the objectives of this particular study.

2.1. Theoretical Review

2.1.1. Organizational Climate

Organizational climate can have positive and negative effects on employees (Suliman and Abdullah, 2005). They point out climate that does not promote communication upwards, downwards and literally would lead to fear of expression of ideas and opinions. Absence of an open-door policy (situations where employees are not allowed to come to the manager with anything that is bothering them) can also have negative effects on the climate (Gray, 2007).

Previous researchers in organizational behavior have long been interested in understanding employees' perceptions of the work environment and how these perceptions influence individuals' work-related attitudes and behaviors (Lawler, 1992). Early researchers suggested that the social climate or atmosphere created in a workplace had significant consequences employees' perceptions of the work context purportedly influenced the extent to which people were satisfied and perform up to their potential, which in turn, was predicted to influence organizational productivity (Katz & Kahn, 2004). Climate has been described as an experientially based description of the work environment and, more specifically, employees' perceptions of the formal and informal policies, practices and procedures in their organization (Schneider, 2008).

According to (Gerber and Coetzee, 2003) organizational climate is representative of organizational members' collective perceptions and/or feelings (attitudes) about the organization. They went on to say that the organization's climate reflects members' subjective attitudes and perceptions, regardless of whether it is an accurate description of reality in the organization.

Many different studies have focused on perceptually based measures of climate dimensions and job satisfaction,(Friedlander and Margulies, 2008) using perception data from an electronics firm, studied the multiple impacts of organizational climate components and individual job values on workers satisfaction. They found that climate had the greatest impact on satisfaction with interpersonal relationships on a job, a moderate impact upon satisfaction with recognizable advancement in the organization, and relatively less impact upon self-realization from task involvement.

2.1.1.1. Dimension of Organizational Climate

There are literature evidences that suggest there are no constant organizational dimensions/variables/ across the world that scholars agreed upon. Organizational climate has been researched in assorted situations, such as businesses, laboratories, schools and governments, making it difficult to determine which key dimensions are relevant to all of the above environments (Luthans, 1998).

Therefore, researchers are forced to use different measurements of organizational climate dimensions as different organizations have distinct climates. For instance (Koys and DeCotiis, 1991) identified over 80 different separate labeled dimensions of climate in literatures; whereas (Litwin and Stringer, 2008) identified about nine dimensions. Therefore, organizational climates dimensions which were used in this study are identified by reviewing different literatures conducted by different researchers. The study under consideration had intended to use the next organizational climate dimensions like Training and Development, team work, leadership/management, Communication, salary and benefit package and performance appraisal.

2.1.1.2. Measuring Organizational Climate

It is difficult for managers to practice and implement organizational goals without understanding organizational climate (Gerber, 2003). Therefore, measuring organizational climate is crucial. The tools used to measure climate can be classified into perceptual (subjective) or objective categories. According to (Hellriegel and Slocum, 1984), 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 spotlight on objective measures of organizational climate scrutinize the objective properties of organizations such as organizational size, levels of authority, decision-making authority, degree of centralization and rules and policies.

Researchers/Authors 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 (Katz and Kahn, 2004).

2.1.2. Employee's Job Satisfaction

With the absence of the workers, organizations are plainly empty buildings and unused equipment's (Spector, 1997). It is people who give them life, purpose, and meaning. Healthy and energetic organizations are those with healthy and vibrant workers. Happy and vibrant workers are productive workers; and productive organizations are those with satisfied workers and favorable environment (Fletcher and Williams, 2007).

Different researchers and authors have different approaches towards defining job satisfaction. Among many definitions given by scholars some are discussed in this section. According to (Fletcher and Williams, 2007) job satisfaction is the personal evaluation of the job conditions, the job itself, the attitude of the administration etc., or it is the consequences of the job such as wages, occupational security acquired from the job.

Another most cited definition on job satisfaction is the one given by Spector, who states that job satisfaction has to do with the way 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 is why job satisfaction can appear in any given work situation. Job satisfaction represents a combination of positive or negative feelings that workers have towards their work (Mahamuda, 2011).

According to Reichers, (2006) job satisfaction is the phenomenon discovering the pleasure of the employees and emerging when the qualifications of the job and the demands of the employees match. Job satisfaction is complex phenomenon with multi facets; it is influenced by the factors like salary, working environment, autonomy, communication, and organizational commitment.

Robbins and Judge (2007) believe that job satisfaction represent an attitude and not behavior. They define job satisfaction as a positive feeling that an individual has about his/her job, based on the evaluation of the characteristics of the job. They consider job satisfaction to be an attitude - an outcome that many managers concern themselves with because it has possible links to productivity, absenteeism and turnover.

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. Second, the behavior of workers depending on their level of job satisfaction will affect the functioning and activities of the organization's 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 indicator the changes that would boost performance, so much so that they should be made.

2.1.2.1. The Theory of Job Satisfaction

Scholars and researchers have formed comprehensive theories based on job satisfaction. Their aim was to provide a framework for understanding, not just the factors influencing such attitudes, but also why it results in such effects (Baron & Greenberg 2003).

A. Herzberg's Two Factor Theory

The research done by Herzberg determined what people actually want from their jobs. The respondents had to describe work situations in which they felt good (satisfied) or bad (dissatisfied) in their jobs. The feedback collected was then categorized into satisfaction or

dissatisfaction. The characteristics related to job satisfaction included advancement, recognition, the work itself, achievement, growth and responsibilities. Herzberg referred to these characteristics as motivators. The characteristics related to dissatisfaction, which included working conditions, supervision, interpersonal relationships, company policy and administration were referred to as hygiene factors (Robbins, 2001).

According to (Schermerhorn, 1993), Herzberg's two-factor theory is an important frame of reference for managers who want to gain an understanding of job satisfaction and related job performance issues. Schermerhorn asserts that Herzberg's two-factor theory is a useful reminder that there are two important aspects of all jobs: what people do in terms of job tasks (job content), and the work setting in which they do it (job context).

B. Locke's Value theory

As per this theory (Baron and Greenberg 2003), the impact of the various factors of job satisfaction can be determined. In this aspect, if an organization knows the value placed on each factor, the greater the shift in satisfaction changes that will be produced. This theory also promotes that if too much value is placed on a particular factor, stronger feelings of dissatisfaction will occur. Locke's theory is therefore multifaceted and greatly specific for each individual (Locke, 2006). In contrast, Baron and Greenberg (2003) argue that although Locke's Theory has not been extensively researched, a great amount of emphasis placed on values alludes that job satisfaction may rise from factors. This theory as well is significant to this study as it is essential to guide in determining the factors that contribute towards the varying degrees of job satisfaction or job dissatisfaction.

2.1.2.2. Measuring Job Satisfaction

The concept of job satisfaction is enormously 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 (Ford & Walker, 2005).

There are diverse ways of measuring job satisfaction in literatures (Erik, 2007). These are 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. The critical incident method requires participants to recall incidents that were particularly satisfying

and dissatisfying to them. This method is extremely time-consuming. 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. This study describes job satisfaction as the feeling an individual has about his/her job, and therefore is concerned with measuring the affective aspect of job satisfaction. This was made by including a number of statements in a questionnaire measuring job satisfaction. The respondents were required to answer these statements by indicating the degree to which they agreed or disagreed with them using a five-point Likert scale.

2.1.2.3. Factors Affecting Job Satisfaction

Job satisfaction is universal concept which is determined by several factors. Factors affecting job satisfaction of employees are elaborated below.

A. Extrinsic Factors

Extrinsic job conditions are external variables which are generally viewed as primary sources of job dissatisfaction (Gruneberg and Tapefield, 2011). These factors include: salary, supervision, working conditions, and interpersonal relationship.

B. Intrinsic Job Characteristics

Intrinsic job characteristics are considered as the core variables as well as motivators of job satisfaction (Robins, 2008). The main factors are achievement, feedback, responsibility and autonomy, personal development, work value, and cooperation with other departments.

C. Individual Characteristics

Research advocates that certain personal or demographic variables have an influence on job satisfaction in one way or another. The outcome of studies on work-related attitudes and/or behaviors and job satisfaction indicated that personal variables influence job satisfaction. Those individual variables associated with job satisfaction are: gender, job level, and tenure (Schneider, 2008).

2.1.3. The relationship between Organizational Climate and Job Satisfaction

The notion of organizational climate and job satisfaction has been long lasting in organizational behavior discipline (Brown and Brook, 2002). Researchers have tried to conduct several studies to show the relationship between the two constructs. Organizational climate

focuses on organizational/institutional attributes as perceived by organizational members, while job satisfaction addresses perceptions and attitudes that people have towards and exhibit in their work. In their field experiments, (Litwin and Stringer, 2008) created different climates, and discovered that these contributed to different levels of employee satisfaction.

The results of a study by (Friedlander and Margulies, 2008) showed that organizational climate is a significant determinant of job satisfaction, reporting that individuals with different work values were more satisfied in different work climates and that individuals' satisfaction with various aspects of their work depended on certain combinations of climate components.

Organizational climates that showed an interest in their employees, provided opportunities for them and recognized their accomplishments, resulted in their employees being more satisfied (Hackman, 2004). According to (Brief, 2008) found that salary, benefits and advancement opportunities were components of organizational climate that had a direct influence on job satisfaction.

2.2. Empirical Review

A number of studies have been conducted to find out the relationship between organizational climate and employee job satisfaction previously. Almost the overall studies proved that Human Resource practices affect the organizational performance and employee directly as well as indirectly (Nair, 2006). There is a positive and meaningful relation between organizational environment and managerial skills of managers which are the most rare and at the same time the most valuable capital of the organizations and are of the major and effective factors in/ the society that has fundamental and vital role in flourishing and development of human beings (Samaneh,2014). Moreover, across a wide range of demographic variables, organizations with a "higher level" of ethics have more satisfied employees (Erik, 2007).

So far, literature examining the relationship between the organizational climate and employee's job satisfaction has been mainly circumstantial. To put this study into perspective, it is necessary to compare it with some of the earlier work on this issue. An empirical study by Chien, (2004) on the effect of the types of organizational climate on job satisfaction in Kenya Commercial Bank employees indicates that job satisfaction levels varied across organizational

climate variables. Correlation results indicated that the relationship between perceived organizational climate and job satisfaction was significant. ANOVA results showed that perception of organization climate was important for job satisfaction but the relationship was not influenced by the moderating variables; age, years of service and educational level.

Loh Kooi Cheng, (2009) conducted an empirical study to the relationship between perceived organizational climate and job satisfaction among the female production operators in one of the electronic manufacturing industries located in Free Industrial Zone, Bayan Lepas, Penang, Malaysia.. The results provided quite compelling support for the importance of organizational climate in affecting outcomes. Monia Lola Castro (2008) examined the relationship between organizational climate and job satisfaction in an Information and Communication Technology (ICT) organization within South Africa. The results indicate that there was a strong positive correlation (0.813 at the 0.01 level) between organizational climate and job satisfaction.

Omolayo & Ajila, (2012) report the existence of relationships between organizational culture, climate and job satisfaction. Gerber (2010) reveals that job performance and job satisfaction are related to organizational climate. Furthermore, he observed that job satisfaction and climate of the organization are interdependent on each other. Werner (2016) determine the relationship between organizational structure and job satisfaction. They observed that employees at different levels are influenced by diverse work aspects and different facets of work environment. Slocum & Hellriegel, (2011) find that there is a close relationship between job satisfaction and organizational climate where job satisfaction is the result of organizational climate. In their study, however, some facets prove positive relations and others negative relations. They argue that this varied relation depends on employees and how differently they perceive cultural perspective.

In an empirical study conducted by Freindler and Margulies, (2008) to examine executive perceptions of organizational climate and job satisfaction in small organizations, the results indicated that where emphasis on rewards and supportiveness were perceived as dominant climate variables characteristics, there was a strong association with job satisfaction. Rosenwald, (2000) contends whenever the individual demand is congruent with climates, it will result in the highest job satisfaction. For example, the individuals with high autonomy and high achievement motives will result in higher satisfaction under the organizational climate with loose supervision and emphasis of achievement rewarding.

By reviewing aforesaid scientific studies, we can find most scholars' confirmation of the significant relationship between organizational climate variables and job satisfaction. It means organizational climate can actually affect the extent to which employees are satisfied with their jobs. Thus, if employees identify with organizational climates, the extent of job satisfaction shall be higher naturally Hassen, (2007). From the above discussion, it appears that organizational climate does play an important role in promoting the job satisfaction for employees towards the organizational success, and this could only be achieved by ensuring that an appropriate climate is being developed or shaped in the organization that matched managerial values, attitudes and behaviors. Evidently, organizational climates do affect employee's job satisfaction. All these finding indicate there is positive relationship between organization climate and job satisfaction.

2.2.1. Team work and Job satisfaction

A team can be defined as a small number of employees with complementary competencies who are committed to common objectives of the organization and working relationships for which they hold themselves mutually accountable and the heart of any team is the shared commitment by its members for their joint performance (Slocum & Hellriegel, 2011:351). Teams are groups of two or more people who work together and influence each other, who are mutually accountable in order to achieving common objective set by the organization, and who experience social entity with an organization (Mc Shane & Von Glinow, 2010:260). People who are placed in positions that match their personal characteristics and competencies will generally perform better and exceed expectations (Werner, 2016:90).

According to Mc Shane and Von Glinow, (2010:236), teams create better decisions, render better services, improve better products, and create a more engaged workforce under the right conditions than employees working on their own do. According to Gerber (2003), team work is the effective functioning of the team and as a result achievement of goals and dynamics. It is all about belonging and fitting to the team and organization.

Even if those researcher had conducted their study on relationship between organizational climate variables and employees job satisfaction, their research study showed that employees have poor perception on team work due to different reason such as frustration of disseminating

information to others, lack of friendship and lack of good social life. However, the research done by Mc Shane and Von Glinow, (2010) showed that employees of the target organization have good perception on team work practice. This research was conducted specifically to identify whether the respondents have good perception on team work on the Development Bank of Ethiopia. The result revealed that the employees of the bank have good perception on this organizational climate variables and this study is consistent with the result of the study conducted by Mc Shane and Von Glinow, (2010)

2.2.2. Salary and job Satisfaction

Benefit is something that an organization gives to the employee so that the employees become motivated for future positive behavior (Ongori, 2008). According to Ongori a benefit/reward can be extrinsic or intrinsic, it can be a cash reward such as bonuses or it can be recognition such as naming a worker an employee of the year. The extrinsic rewards/benefits are the most tangible, such as salaries, bonuses, promotions etc., yet these incentives alone are not enough. Employees judge the quality of their job in the intrinsic satisfaction (the personal reward they receive from their work). Using intrinsic rewards to increase employee commitment and retention is achievable in any organization. While it is both an art and science, it has basic components of human nature that are fundamental. When these intrinsic approaches are understood and ingrained in the organization's culture, productive employees remain. It has been asserted that, when pay and benefits are comparable to the market, it is the intangibles that make for a dedicated workforce (Shechtman, 2008).

Recognition and reward programs are an important component of an employee retention plan. The importance of these kinds of program is rooted in theories of positive reinforcement. By saying "thank you" to employees for a job well done or a pat on a shoulder to show appreciation, an organization is reinforcing ideal behavior and encouraging more of the actions that will make it successful (Johnson, 2004). According to Henderson (cited by Nel & Werner, 2014:134), the goal of a compensation package is to influence employee motivation in a positive manner, which will lead to improved organizational performance and strategy. Employee benefits are defined by Nel and Werner (2014:138) as rewards that are allotted to employees for being members of the organization. These benefits could include benefits for death, accident, sickness, retirement and study benefits. Boggie (2005) says that poor pay and absence of recognition often leads to a problem with employee retention. Chung (1977) says

that dissatisfaction and discontent can be the reason if salaries are not market related. Neel, Van Dykand Werner (2004) also said that employees will compare themselves with their colleagues in terms of salary and their inputs to their job and may leave an organization if they are not satisfied and contented.

Researchers like Shechtman, Johnson, Henderson, Ongori and Werner had conducted their research in order to explore the factor that affects employee's job satisfaction at different organization. In their study, they tried to show the effect of salary on employee's job satisfaction and the major finding of the research revealed that salary was one of the organizational climate dimension which is a significant effect on job satisfaction of the employees. However, the researchers were missed the benefit package provided by the organization apart from salary which has an effect on employees job satisfaction. Due to this reason, this research was incorporated the benefit package as an organizational climate variables and tried to show the effect of it on employees satisfaction. The study revealed that the majority of the respondents were not satisfied by the salary and benefit package of the bank.

2.2.3. Performance appraisal and Job satisfaction

Performance appraisal is vital for the success of every organization and profitability in this dynamic environment (Chien, 2004). Now a day's organizations require such type of employees who contribute more than their job scope and far from goals expectations. Most of the organizations coping with contemporary challenges put more emphasis on employee performance appraisal (Gruman&Saks, 2011). According to same author's service firms or organization like government sectors invest more on their force in order to maintain long term relationships with them and to increase their performance along with job satisfaction. The deficiencies of employee performance appraisal will be overcome by effective leadership, communication, motivation, and organizational culture (Karatep, 2006). According to Gray (2007:41), organizational climate influences performance, and the kind of climate in which most people are likely to feel a sense of well-being, which is faithfully related to happiness, is also the kind of climate in which work is accomplished most successfully.

Employee performance appraisal is used to measure employee workplace performance and improving performance (Taylor, 2004). It is asserted that the impact of fair performance

appraisal process on employee retention is positive as Kuvaas, (2008) contends. Memon et al. (2010), explained that performance appraisals are designed to relate pay to performance irrespective of intensity of performance and goal achievement. However, the result of this research revealed that performance appraisal is the main factor that is significantly affect employees job satisfaction in Development Bank of Ethiopia.

2.2.4. Supervision and Job satisfaction

Gerber (2003) in his study of organizational climate defined management and leadership as supervision hindering or helping employees in performing their duties. An organization might have excellent plans, organizing and controlling procedures, but may not survive due to poor leadership. Ineffective leadership accounts for most of organizational failures, and this is a serious obstacle to organizational development and growth (Omolayo&Ajila, 2012:28).

A manager can make a good team work well. A good manager can make an average team work well, but a true leader can change the philosophy, spirit and attitude of any group of people (Flanagan & Finger, 2000:131). According to Werner (2016:397), an effective leader is looking for situations that requires change, does the right things and uses personal influence to lead his/her followers. The effective leader is strong on vision and inspiration. In contrast, the effective manager implements change, creates momentum and relies on positional influence.

According to Nahavandi (cited by Werner, 2016:400), studies done at Ohio State University and the University of Michigan identified two distinct dimensions of leadership behavior: relationship dimension and task dimension. Consideration, or the relationship dimension, is associated with creating mutual respect, trust and showing concern for the needs of employees, while initiating structure, the task dimension, is leadership behavior associated with work structure and goal attainment.

According to Kotter (cited by McKenna, 2012:388), leadership and management are two distinctive systems, each with its own functions and activities, but both are necessary to manage an organization effectively. Management is about planning, controlling and putting appropriate systems and structures in place. Leadership has more to do with anticipating change, coping with change and adopting a visionary stance. The leadership grid is a useful model for leaders to identify their predominant supervision and to consider which behavior's to change to become more effective leaders (Werner, 2016:401). In this research employees have

good perception on supervision even if additional effort is required by the managers and supervisors.

2.2.5. Training and Job satisfaction

The basic purpose of employees' training is to achieve those units which are human made with the intention of achieving human potential with the purpose of attaining organizational objectives and those skilled personals are advocated of groups, organizational credibility and work procedure (Hassen, 2007).

Employee development programs can make a big difference in alleviating such feelings. Employees have a hard time caring about a company if they do not believe the company cares about them. Companies utilizing employee development programs are experiencing higher employee satisfaction with lower turnover rates (Wagner, 2000).

According to Stacey Wagner, a director with the American Society for Training and Development, training builds company loyalty because employees know the organization is investing in their futures Rosenwald, (2000). Human Resource Training and Development function plays an important role in developing a learning organization which exploits full potential of its people at an individual, team and organization level. Hassen, (2007).suggested, "In an organization where employees receive the proper training needed to assume greater responsibilities, turnover rates are generally lower". Beside this, Rosenwald, (2000) found that employee training considerably mitigates employee desire to leave the organization particularly for the new employees.

It is observed that the clear and well-articulated career growth strategy mitigates the effect of employee intention to leave typically at the time when employees have an unclear career expectation. In this context, clearly defined job growth and advancement opportunities affect employee–employer relationship in many positive ways and it leads to reduced turnover Wagner, (2000). The result of this research revealed that even if employees have good perception on training, they needs additional training in order to improve their working capacity and that leads increasing of job performance. Therefore, training has positive relation with employee's job satisfaction.

2.2.6. Communication and Job satisfaction

Communication is a process through which information, ideas, and knowledge can be exchanged (Freindler and Margulies, 2008). There are many ways through which communication process can be delivered as writing, print or electronic media and through speech. It is a tool by which people can communicate with each other with effective communication ideas and information can be conveyed (Wanguri, 1995). Organizational communication is defined as the method in which language is used as a toll to make different kind of societal structures, such as teams, relationships, and network((Eisenberg, 2007).

Organizational communication takes place in many forms which includes supervisor's communication, communication climate, horizontal communication media quality, organizational integration, organizational perspective, personal feedback, subordinate Communication as well as top management communication (Rashid, 2010).

According to (Joseph & Patricia, 2009) communication is more effective to influence the lower level employees because they are directly related to production of the organization and shows positive linkage between communication and productivity. The study of organizational dimensions of Wiley and Brooks (2000) defined communication as information and knowledge which means provision of clear direction, vision and understanding of goals. Employees are informed about decisions/changes and information is shared.

Effective communication can overcome many communication problems. Managers need good interpersonal skills if they want to communicate effectively (Werner et al., 2016:247). According to Sanchez (cited by Werner et al., 2016:251), communication is the only organizational process that has the power to inform, educate and bring about the cooperation needed for cultural change. Differences in conversational and linguistic styles between men and women often create communication barriers. Although men and women understand each other, we have to take note that social norms have created differences in the way that genders approach communication and say the same things. Knowing these differences should assist us in improving communication and avoid gender-associated styles being criticized (Werner et al., 2016:249). According to (Nelet *al.*, 2014:259), communication is only effective if it carries the honest intentions and views of the sender. Leaders need to be proactive in creating an open

and ethically-based pattern to ensure that individual and group networks are rather supportive of the formal employee network, and not in conflict with it (Slocum & Hellriegel, 2011:285).

2.3. The Conceptual Frameworks

An effective employee is a combination of a good skill set and a productive work environment. There are many organizational climates dimensions that may affect employee job satisfaction, in which managers need to be aware of and should work to improve at all time. Below is a diagrammatic representation of these factors.

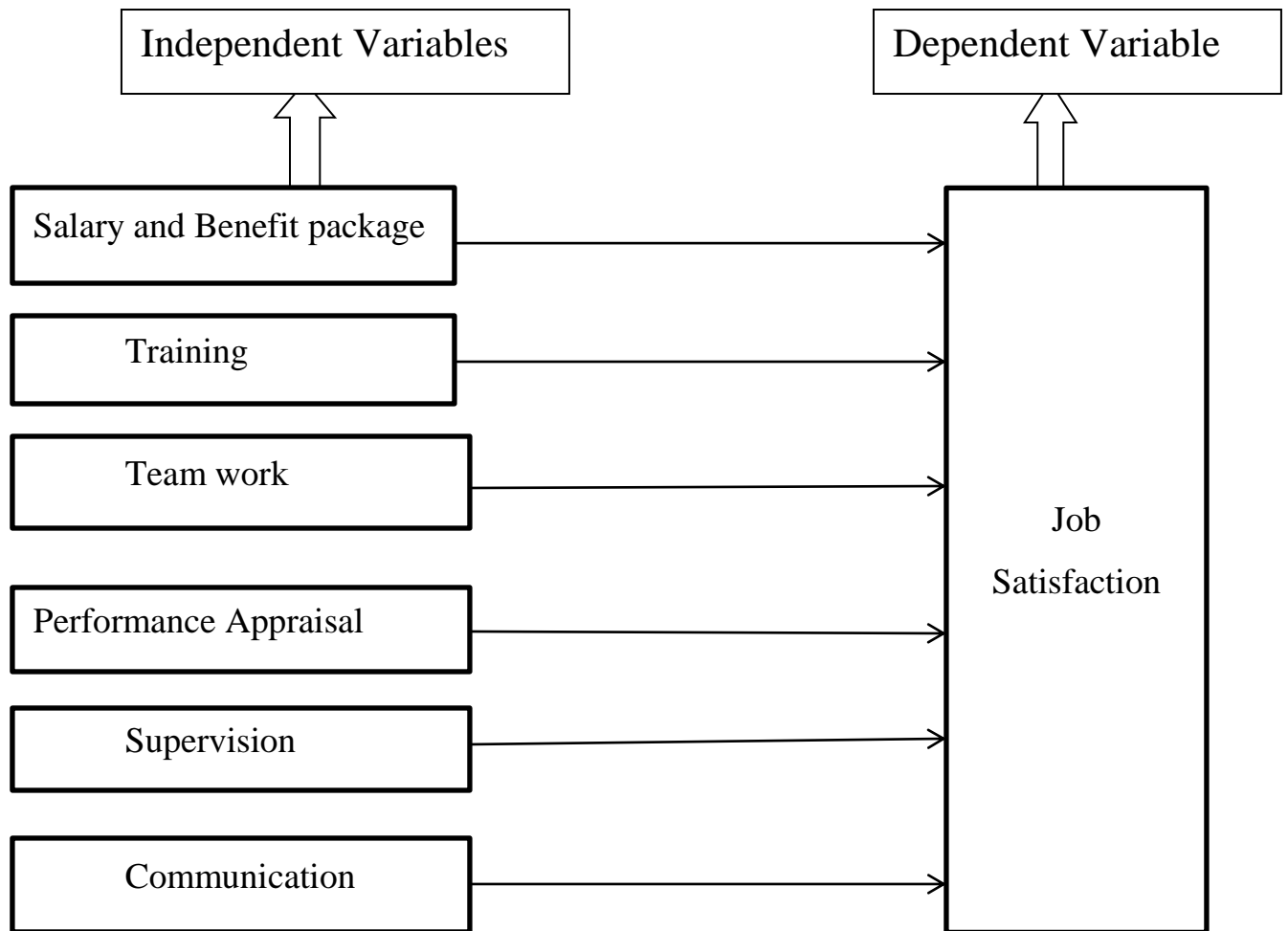


Fig 2.1: Conceptual Framework

2.4. Research Hypotheses

To provide answers to the research questions the following hypotheses were tested in this research.

Hypothesis 1

H₀: There is no positive and significant relationship between employees' job satisfaction and organizational climate in Development Bank of Ethiopia.

H₁: There is positive and significant relationship between organizational climate and job satisfaction in Development Bank of Ethiopia.

Hypothesis 2

H₀: There is no statically significant effect of Organizational Climates (OCs) variables on job satisfaction.

H₁: There is statically significant effect of Organizational Climates (OCs) variables on job satisfaction.

Hypothesis 3

H₀: There is no statically significant difference between employee's perception on OC variables and job satisfaction in terms of demographic variables.

H₁: There is no statically significant difference between employee's perception on OC variables and job satisfaction in terms of demographic variables.

CHAPTER THREE: RESEARCH METHODOLOGY

The methodology refers to the procedural framework within which the research is conducted. This chapter deals with the methodology that used to answer the research questions of this study. It comprised research approach, sampling design, instruments of data collection, procedures of data collection, data analysis procedures and validity and reliability test. They are explained along with their various steps and procedures, and with the rationale behind employing them in the context of this particular study.

3.1. Research Design and Approach

In an attempt to answer the research questions and achieve the stated objectives, the study has employed a combination of descriptive and casual research designs. As it is clearly annexed in the second part of the questionnaire specifically from question number 1 up to 42 are all about examining the dimensions of organizational climate in the selected organization. Therefore, in order to analyze the existing situation under consideration, descriptive research design was employed. Moreover, the third part of the annexed questionnaire(s) showed as the qualitative data obtained from the management also used for this study. On the other hand, causal research design was employed for the relation between the effects of organizational climate dimensions on employee job satisfaction. Causal research is designed to collect raw data and create data structures and information that will allow the decision maker or researcher to model cause-and-effect relationships between two or more decision variables (Hair et al.1998).

Both quantitative and qualitative types of data were collected and analyzed in an integrated manner. The research also used a cross sectional survey because the data was collected at one point in a time to compare the effect of organizational climate variables on the job satisfaction.

3.2. Sampling Design

The target population of this study was the workers of Development Bank of Ethiopia (Head office, Addis Ababa district, West Addis Ababa branch, East Addis Ababa branch, North Addis Ababa branch and South Addis Ababa branch) with different job level (Supportive staff, expert, and management). Supportive staff includes Messengers, Secretary, Guard, and Driver. Expert includes loan officer, bank officer and accountant. Afterwards, the questionnaires were

administered and simple random sampling technique was used for those respondents. Consequently, every single element in the population has a known and equal chance of being selected as a subject. According to Kerlinger (2004), probability sampling increases the likelihood of achieving the primary aim of sampling because every participant has an equal chance of being selected. Random sampling is regarded as the simplest form of probability sampling.

3.3. Population of the Study

According to (Kitchenham, 2002), population represents the group or the individuals to whom the survey applies. In other words, populations contain those group or individuals who are in a position to answer the questions and to whom results of the survey apply.

The population of the study was the selected offices of Development Bank of Ethiopia (Head office, Addis Ababa district, West Addis Ababa branch, East Addis Ababa branch, North Addis Ababa branch, and South Addis Ababa branch). Convenience sampling method was employed to select location (Head office, district and branches located in Addis Ababa). It is not easy to include districts and branches located outside Addis Ababa, as it is costly to undertake the study within a given time and economically infeasible for the researcher to conduct the study outside of Addis Ababa.

3.4. Determination of the Sample Size

3.4.1. Quantitative Data

The total populations in the study area were 1,130 employees. It is very expensive to collect data from all these employees, so that the researcher has obliged to determine sample which is representative for the total population. Using Toro Yemane's (1973) as cited by Fikadu Abdisa, the sample size is determined by the following formula. A 95% confidence level is assumed for this formula to determine the sample size, at $e=0.05$.

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

where 'n' is the required sample size,

N is the population size and

e indicates the level of precision. By applying the above formula, the sample size of the study was 295. To generalize it, the population of the study was presented in table 3.1 below.

Table 3.1: Population of the Study and sample size

Total Population			Sample Size		
Male	Female	Total	Male	Female	Total
743	387	1,130	187	108	295

Source: - DBE's Human Resource Directorate

3.4.2. Qualitative Data

In order to deal with the qualitative part of this study, interview with some of the concerning management staffs of the bank were employed. The structured interview was conducted by the researcher. Apart from that the researcher was made a note and mobile recorder was also used after having approval of interviewees. As a result, the information in the interview session was not missed.

3.5. Types of Data

Both primary and secondary sources of data were used. Primary source of data were employed from the sampled respondent and secondary source of data were the materials used (referred) from the magazines of the bank, timely reports (monthly, quarterly, mid-yearly, yearly and the like), and other relevant documents from the organizations human resource department.

3.6. Instruments of Data Collection

The main tool used in this study for data collection was a questionnaire. A questionnaire is a formalized set of questions for obtaining information from respondents that translate the researcher's information needs into a set of specific questions that respondents are willing and able to answer.

For the purpose of data collection, the researcher used closed-ended questionnaires and structured interviews. Closed-ended questionnaires were developed from already prepared questionnaires by different authors Belete Getnet et al, (2014), as intended to answer objectives

researcher wants to examine. On the other hand open ended questions were prepared by researcher based on the core issues of the topic in general for management of the bank.

3.7. Procedures of Data Collection

The questionnaires were distributed to collect necessary information from respondents. The researcher was used one structured questionnaire for all employees. The respondents have a number of options within structural questionnaire from which they can choose the one that most closely approximates their view. The value of the study and the instructions were explained for the sample respondents and requested them to complete the questionnaires. Following to this, the status of the questionnaires was followed via phone and by physical visiting and a pre-test was conducted before actual data collection using small representative sample to find out whether the questions are properly being filled.

3.8. Data Quality Assurance: Validity and Reliability

In order to ensure the reliability of the questionnaire or the consistency of measurement, pre-test method was applied. The questionnaire pretested in a comparable setting prior to actual data collection.

Cronbach's alpha is one of the most commonly accepted measures of reliability. It measures the internal consistency of the items in a scale. It indicates that the extent to which the items in a questionnaire are related to each other (Fubara and Mguni, 2005). The normal range of Cronbach's coefficient alpha value ranges between 0-1 and the higher values reflects a higher degree of internal consistency. Different authors accept different values of this test in order to achieve internal reliability, but, satisfactory value is required to be more than 0.6 for the scale to be reliable Sekaran, (2003) as cited by Sirbel(2012). In this research paper Cronbach's Alpha, using SPSS version 21 was used to measure the reliability of the organizational climate variables.

Table 3.2 Cronbach's Alpha for each variables of the questionnaire

No_	OCs Variables	Number of items	Cronbach's Alpha
1	Salary and Benefit Package	4	0.888
2	Team work	6	0.608
3	Communication	4	0.688
4	Supervision	6	0.874
5	Performance Appraisal	4	0.937
6	Training	3	0.582
7	Job satisfaction	10	0.779
8	Total	37	0.891

Source: Researcher's Survey Result

The above table revealed that the value of Cronbach's Alpha for each variable range between 0.582 and 0.937 and the overall Cronbach's Alpha for entire questionnaire is 0.891. According to Pallet (2011) cited in Monia Lola (2008), the total value of Cronbach's Alpha should equal to 0.7 and above to be reliable. Consequently, the value of Cronbach's Alpha as depicted from the above table shows the total value is above 0.7 and leads the scale is a reliable measure for examining the sample. This indicates that the items of this study have internal consistencies as they lied above the recommended cutoff which is 0.7.

3.9. Data Analysis Methods

In this research, both qualitative and quantitative methods of data analysis techniques were employed. IBM Statistical Package for Social Science (SPSS) version 21 computer software program was used. From the beginning, the responses of the participants were coded in Excel spreadsheet and then exported to SPSS to analyze the findings. Once, the respondents profile was presented, the organizational climates and job satisfaction variables were processed using

descriptive statics and inferential statics such as correlation, analysis of variance (ANOVA) and T-test. The descriptive statistics part of the variables were analyzed using means, standard deviation, and percentage whereas hypotheses of the study were tested using correlation, multiple regressions, analysis of variance (ANOVA) and T-test. To determine the relationship between organizational climate and job satisfaction correlation statistics was used, whereas ANOVA and T-test were used to test the significant mean differences between/ among respondents' views on organizational climate variables and their job satisfaction level.

A descriptive analysis was also used for demographic factors such as gender, current position, marital status, educational level, and work experiences in the administration. In the study, five hypotheses were analyzed using methods of statistical inference. Pearson Correlation analysis was conducted to test the existence of significant relationship between the organizational climate variables and employee job satisfaction. Then, the multiple regression analyses were also conducted to determine by how much percent the independent variable i.e. organizational climate dimensions explain the dependent variable which is job satisfaction. Tables were also employed to present the data.

By taking the conceptual model of the study expressed in Figure 2.1, the relationship between organizational climate dimensions and employee job satisfaction is expressed mathematically in multiple regression equation as:

$$Y = X_0 + X_1 (\text{SBP}) + X_2 (\text{TW}) + X_3 (\text{COC}) + X_4 (\text{TR}) + X_5 (\text{PA}) + X_6 (\text{SUP}) + e$$

Where: Y=Employee Job satisfaction.

SBP = Salary and Benefit Packages

TW = Team work

COC = Communication

TR = Training

PA= Performance Appraisal

SUP = Supervision

X₀, 1, 2, 3, 4, 5, 6= the constant parameter.

e=error term

CHAPTER FOUR: RESULTS AND DISCUSSION

This chapter deals with presentation and discussion of the statistical result of both the descriptive and inferential statistics. Moreover, the correlation, regression analysis and hypothesis testing were conducted for the studied variables.

4.1. Response rate of Respondents

For this research a questionnaire with 37 and 5 close-ended items for general (objective) and demographic related factors respectively were used to collect information from employees of Development Bank of Ethiopia regarding the independent variables (Salary and benefit Packages, team work, leadership/management, training, Communication, performance appraisal) and the dependent variable employees Job satisfaction.

Table 4.1: Number of distributed, collected and Response rate

Sr. No.	Current position	Distributed	Returned	Response Rate in (%)
1	Supportive staffs	30	26	86.7%
2	Expert	225	219	97.3%
3	Management	40	32	80%
Total		295	277	93.9%

Source: Researcher's Survey (N=277)

As per the above table, a total of 295 questionnaires were distributed to employees of the bank who served at different job position. Among the total distributed questioner, 277 (93.9%) were filled up and returned. This clearly indicated that by considering 5% contingency held for non-respondents, 98.9 % of the sample was cooperative and responds accordingly.

4.2. Demographic Characteristics of the Respondents

There are two variables which were presented in this research. These are biographical and organizational variables. The biographical variables that were presented in this research are gender and marital status of the respondents whereas the organizational variables were current job position, educational level and experience of the employees. Consequently, these demographic variables are depicted and discussed in the following frequency table.

Table 4.2: Respondents' Demographic Characteristics

No	Demographic Factors	Sub division	Frequency (n = 277)	Percentage
1	Gender	Male	178	64.3
		Female	99	35.7
2	Current position	Expert	219	79.1
		Management	32	11.6
		Supportive staff	26	9.4
3	Marital status	Single	165	59.6
		Married	100	36.1
		Divorced	11	4
		Widowed	1	0.4
4	Education level	Masters	45	16.2
		Degree	200	72.2
		Diploma	20	7.2
		< Diploma	12	4.3
5	Experience	3 years or less	96	34.7
		From 4 – 8years	100	36.1
		From 9 – 12 Years	63	22.7
		>12 years	18	6.5

Source: Own Survey Result (N=277)

The researcher has tried to show the frequency and its percentage of individual demographic variables. Thus with regards to the gender of the respondents, as depicted in figure 4.2 above, there were 277 respondents who answered the questionnaire about their gender. It showed that majority of them were male which comprising 178 (64.3%) and the remaining that comprises 99(35.7%) were female. This shows gender distribution in the sample was not equal. Apart from this, the result from the above table indicates that the majority of the respondents representing 219 (79.1%) from the total sample respondent were expert (loan officer, bank officer and accountant) which is followed by 32(11.6%) of management. In line with this, supportive staffs which include secretary, messengers and drivers were taken the small portion from the total sample respondents.

As depicted in the table 4.2 above, the majority of respondents in the sample had worked in the organization for 4 to 8 years, that representing 100(36.1%) of the sample. Consequently, the least represented category with only 18 (6.5%) respondents has more than 12 years of work experience in the bank. On the other hand 96(34.7%) respondents had been with the organization for 3 years or less and 63 respondents (22.7%) had been worked for 9-12 years.

Regard to the marital status of the participants, majority of them were single representing 165(59.6%) of the total respondents. On the other hand 100 (36.1%) of the respondents were married. The rest which depict small number of the participants were those who are already divorced that accounts 11(4%) which is followed by widowed 1(0.4%) of the total respondents. This describes majority of the respondents are single and not engaged in marriage so far and as a result most of the employees of the bank were young who are in the productive age group.

As clearly indicated in the same table 4.2 above, 200 (72.2%) of the respondents were BA degree holders, 20 (7.2%) hold Diploma holders, 45 (16.2%) hold Masters, and 12(4.3%) are less than Diploma holders.

4.3. Analysis of Collected Data

4.3.1. Descriptive Analysis

4.3.1.1. Perception Level of Employees on Salary and Benefits Packages

In this section of the analysis, the employees' responses were used to assess their perception level on salary and benefit package dimension and job satisfaction. From the collected data, mean scores and standard deviations were calculated for all Five-Point Likert Scale items. Then to assess the employee's perception level on each salary and benefit package dimensions and Job satisfaction (JS) descriptive statistics, mean and standard deviation were considered.

In the analysis to make the interpretations understandable, the mean scores are converted into percentage scores using the formula, (Rao and Abraham, 1991) cited in Mulatu Takele(2013) as climate percentage score = $(\text{Mean value}-1) \times 25$; where the score 1 corresponds to 0%, 2 represents 25%, 3 corresponds to 50%, 4 represents 75% and 5 represents 100%. 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. As Rao (1991), cited Mulatu Takele (2013), if the bank 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 bank and presumed that at this level there are conducive climates and most employees have positive attitudes towards their work and to the bank.

Table 4.3 Perception of employees on Salary and Benefit package

	N	Minimum	Maximum	Mean	Std. Deviation	Percentage
I am fairly paid for my position	277	1.00	5.00	2.86	1.07	46.5
I am satisfied with my salary package	277	1.00	5.00	2.86	1.07	46.5
My salary package is fair in comparison with similar positions in the market	277	1.00	5.00	2.84	1.07	46
I am satisfied with my benefit packages	277	1.00	5.00	2.16	1.10	29
Overall score	277	1.00	5.00	2.68	1.08	42

Source: Researcher's Survey (N=277), SPSS software

As clearly shown in the table 4.3 above, the percentage score result of descriptive statistics for salary and benefit package ranges from 29% to 46.5%. In addition, the mean value for the first item is 2.86 (standard Deviation=1.07) which is below the average value. Also for item 2 the mean value is 2.86(standard deviation 1.07), which is also below average. For item 3 the mean value is 2.84(standard deviation 1.07) again which is below the average value. In addition, for item 4 the mean value is 2.16 (standard deviation 1.10) which is below the average value too. All the values for each item are below the average as well as the overall mean value is 2.65 (standard deviation=1.08). This is an indicator that shows the employees of the bank have poor perception on salary and benefit package. This implies that highly skilled professionals will transfer to other organizations which are doing the same activity and which are pay a good salary. As a result turnover ratio is increase in the bank. Generally, salary and benefit package is a good indicator for the bank in order to make appropriate action since employees have poor perception on it.

4.3.1.2. Employees' Perception on Team work practice

Employee's team work is one of the organizational climate variables that affect the performance and job satisfaction of the employees directly or indirectly. The analysis for team work of OCs variable was depicted here under.

Table 4.4: Perception of the employees on team work practice

	N	Minimum	Maximum	Mean	Std. Deviation	Percent
Management encourages collaboration and teamwork	277	1.00	5.00	3.66	1.00	66.5
My co-workers help each other	276	1.00	5.00	4.04	.86	76
I understand the nature of the role I play within my team	277	1.00	5.00	4.04	.82	76
I prefer to work as part of a team	275	1.00	5.00	4.24	.77	81
The management and employees treat one another with respect	277	1.00	5.00	3.42	1.21	60.5
There is fear among the team members	276	1.00	5.00	3.08	1.38	52
Overall Average Score		1.00	5.00	3.75	1.01	68.7

Source: Researcher's Survey result (N=277)

As it is indicated in Table 4.4 above, team work was assessed by 6 measurement items. Accordingly, the mean value for the item 1 is 3.66 (standard deviation=1.00) which is above the average value and, item 2 revealed that the mean value is 4.04 (standard deviation =0.86) which is above the average. Also the mean value for the item 3 is 4.04 (standard deviation=.82) which is also above the average value. Moreover, the remaining items showed that the mean value is above the average value which is 50%. The table also indicated that the item "I prefer to work as part of a team" is supported by more respondents with a mean value of 4.21 (standard deviation = 0.77) as well as percentage score of 81% which is followed by "My co-

workers help each other and I understand the nature of the role I play within my team” with a percentage of score of 76%. The results showed that majority of the respondents have good perception on the team work in the organization. This implies that there is a good team work in the bank, additional effort to create a good social life between the employees which leads minimization of risk and increasing communication as well.

4.3.1.3 Employees’ Perception on Supervision style

As the variables of organizational climate, a supervision style was assessed to know how the employees perceive it and its effects on job satisfaction.

Table 4.5: Perception of employees on supervision

	N	Mean	SD	Percent
I feel that the management is building a positive work environment	277	3.42	1.07	60.5
My immediate leader sees and positively responses to issues I raise to him/her	277	3.46	1.06	59
The management style of my immediate leader is generally participative	277	3.47	1.11	61.75
My immediate leader reflects strong leadership skills	277	3.42	1.14	60.5
My immediate leader positively responses to customers	277	3.99	1.00	74.75
My immediate leader is knowledgeable and handles well his/her work	277	3.66	1.05	66.5
Overall average score		3.57	1.07	64.25

Source: Researcher’s Survey result (N=277)

Each analysis in the above table 4.5 shows those items that measure leadership variable dimension has percentage score ranging 59% to 74.75% indicating the existence good climate when considering individual items. The item “My immediate leader positively responses to customers’ was supported by large number of employees while the statement ‘My immediate leader sees and positively responses to issues I raise to him/her” was poorly supported by them, with percentage score, 74.75%, 59 %, the mean score 3.99, 3.46 and standard deviation of 1.00

and 1.06 respectively. On the other hand, the item “My immediate leader is knowledgeable and handles well his/her work, The management style of my immediate leader is generally participative and I feel that the management is building a positive work environment” were supported by higher respondents with a percentage score of 66.5%, 61.75% and 60.5% respectively. The above table 4.13 also indicates the total percentage score for team work variables was 64.25% with mean and standard deviation 3.57 and 1.07 respectively indicating the existence of good climate for this particular variable.

The overall scores of items of supervision organizational climate variables shows majority of the respondents support the conducive leadership of OCV with a percentage score, mean score and 64.25%, 3.57 and 1.07 which is higher than minimum range expected from an organization operating in normal condition(50%). This implies that even if employees have moderate perception on supervision, they need a close supervision more than the current situation in order to their activity properly.

From the table above the researcher has identified that the immediate leader did not response the idea raised by the employees immediately. Therefore, the bank should exert more effort to improve the reporting system and create awareness for the immediate leader about the importance of providing immediate response to create good perception of employees on supervision.

4.3.1.4. Employees' Perception on Training Dimension

Training is the organizational climate variables which have the same basic concept with slightly difference has also assessed to know employee's perception's towards how it is offered for them.

Table 4.6: Perception of the employee's on Training

	N	Mean	Std. Deviation	Percent
Training and development is given for employee based on the job needs	276	3.59	1.18	64.75
Training and Development is provided based on political ideology	272	2.56	1.17	39
Clear promotion criteria are available in the organization	277	3.58	1.11	64.5
Overall average score		3.24	1.15	56.08

Source: Researcher's Survey result (N=277)

As it is shown in the Table 4.6 above, the overall percentage, mean and standard deviation score for training and development variable is 56.08%, 3.24 and 1.15 respectively, which indicates the existence of slightly good climate for this dimension. Among these items, 'Training and development is given for employee based on the job needs' shows existence of good climate for this particular item that comprising 64.75%, whereas the idea 'Training and Development is provided based on political ideology' was supported by fewer respondents. 'Clear promotion criteria are available in the organization' item has also good score (64.5%).

This implies that even if employees have moderate perception on training, they could not get training at the required and at the right time and it leads employees have no knowledgeable in different aspects which are essential to achieve the banks objective which results decreasing of customer satisfaction.

4.3.1.5. Employees' Perception on Communication

As OCs variables which affects the employee job satisfaction and performance employees, perception towards communication within the organization and among each other was assessed. Accordingly the mean, standard deviation and computed average results summarized in the table 4.7 hereunder;

Table 4.7: Perception of the employees' on communication

	N	Mean	Std. Deviation	Percent
The direction and goals of the organization are communicated to all employees regardless of position.	276	3.52	1.03	63
There is clear communication among employees in my organization	277	3.73	.87	68.25
The communication and strategic plan of my organization is transparent and two ways	277	2.90	1.17	47.5
I am freely communicate with my staff as whole without fear of reprisal	276	3.39	1.17	59.75
Overall average score		3.39	1.06	59.63

Source: Researcher's Survey result (N=277)

As indicated in table 4.7, communication dimension indicates that the total respond of the employees nearly exceed the percentage average score (50%), which at least one organization has to possess. As it is shown in the table above the overall score for communication dimension is 59.63%. From the measurements of communication presented, the majority of the respondents relatively agree with the statement 'There is clear communication among employees in my organization' with a percentage score, mean score and standard deviation of 68.25%, 3.73 and 0.87 respectively. In contrarily, respondents were disagree with the statement 'the communication and strategic plan of my organization is transparent and two ways' with a percentage score, mean score and standard deviation of 47.5%, 2.90 and 1.17 respectively.

This implies that the bank did not create two way communications regarding on strategic plan of it. This also leads respondents were disagree with the statement 'the communication and strategic plan of my organization is transparent and two ways' and as a result employees have no strong perception regarding on communication.

4.3.1.6. Employees' Perception on Performance Appraisal practice

Since Performance Appraisal affects the employees' job satisfaction, it was taken as organizational climate variables. The computed mean, standard deviation and average perception was clearly indicated in the following table.

Table 4.8: Perception of the employees on Performance Appraisal

	N	Mean	SD	Percent
My performance is appraised based on pre-planned activities and actual performance	276	3.17	1.06	54.25
Appraisal result and employee performance is really match and practical	277	3.13	1.04	53.25
I am satisfied with the way my work is evaluated	276	3.13	1.05	53.25
I am satisfied with the recognition given to my good work	276	3.17	1.11	54.25
Overall average score		3.15	1.07	53.75

Source: Own Survey result (N=277)

As clearly shown in the table 4.8 above, the percentage score result of descriptive statics for performance appraisal is ranges from 53.25% to 54.25%. Moreover, the above table 4.8 indicated that, out of the performance appraisal measurement items, "my performance is appraised based on pre-planned activities and actual performance" as well as "I am satisfied with the recognition given to my good work" were supported by majority of respondent 54.25% with mean scores of 3.17 and standard deviation of 1.11 which is adequately higher than the minimum standard expected from healthy organizational climate adopted. Whereas the items intended to asses weather the employee's Appraisal result and employee performance is really match and practical or not and I am satisfied with the way my work is evaluated was poorly perceived by the respondents with a percentage score , mean score and standard deviation of 53.25%, 3.13, and 1.05 respectively.

Additionally, the table depicted that the overall percentage, mean and standard deviation score for appraisal performance variable is 53.75%, 3.15 and 1.07 respectively, which indicates the existence of slightly moderate climate for this dimension. This implies that even if the

performance appraisal system has moderately perceived by the employees, the system has its own weakness and it needs some adjustment in order to create employee job satisfaction.

4.3.1.7. Employees' Perception on Job satisfaction

Employees' job satisfaction as one of dependent variables assessed to know the employees' perceptual level toward their jobs currently they are engaged in. Accordingly, ten items of job satisfaction with regard to organizational climate variables were tested with computed mean score, standard deviation and averaged scores as clearly depicted in the next table 4.9.

Table 4.9: Perception of the employees on Job satisfaction

	N	Mean	Std. Deviation	Percent
I am motivated by job and am happy with it	277	3.32	1.04	58
I work in an environment where there is cooperation and respect	277	3.34	1.01	58.5
I am satisfied with the organizational structure	277	3.33	1.07	67.75
I am satisfied with the core function of my role	276	3.71	1.01	58.25
I find the organization cares for its employees	277	2.62	1.12	67.75
I find my work challenging	277	2.26	1.12	40.5
I find my work is interesting	277	3.75	1.01	31.5
I feel my future in the organization is bright	277	4.02	.92	68.75
I am satisfied with the management team	277	3.55	1.05	75.5
I am satisfied with my chances for promotion	277	3.46	1.17	63.75
Overall average score		3.34	1.05	61.5

Source: Own Survey result (N=277)

As it is indicated in Table 4.9 above, job satisfaction was assessed by 6 measurement items. As shown in the above table, the items stated as “I feel my future in the organization is bright and I find my work is interesting” were supported by the respondents more than other items which is a percentage score of 75.5%, 68.75 with mean score of 4.02, 3.75 and Standard Deviation of 0.92, 1.01 respectively which is greater than minimum requirement stipulated. Moreover, the items stated as “I find my work challenging and I find the organization cares for its employees” were poorly supported by the employees (respondents) which accounts only 31.5%, 40.5% with mean score of 2.26, 2.62 and with standard deviation of 1.12 respectively.

The overall average score of the job satisfaction ten items assessed (10) shows the job satisfaction in the area under consideration is supported slightly by majority the respondents 59.25% with averaged mean score=3.34 and standard deviation=1.05 which is somewhat above minimum requirement though significant items were unsupported by a number respondents. This implies that the bank have different problems regarding on organizational climate variables like salary and benefit package, team work, training, supervision, communication and performance appraisal system. As a result, the bank has lost qualified employees due to lack of organizational climate and it needs to make appropriate action for the variables which are poorly perceived by employees.

4.3.1.8. Management perception on Organizational climate variables

The researcher has made interview with the management of the bank to assess the relationship between organizational climate variables and employee job satisfaction.

In line with this, 7 structured interview questions related with organizational climate variables (independent variables) were prepared and assessed.

Regarding with employee’s satisfaction on the bank salary and benefit package almost all respondents (managers) revealed that the current salary and benefit is obsolete. Due to this reason the employees are not satisfied by the salary and benefit package provided by the bank. As a result, the bank has tried to update a new benefit package for their employees in order to increase satisfaction.

On the other side, information collected from interviewing the management of the bank revealed that the organization has gave due attention for team work in order to increase the

relationship of the employees and to achieve the objective of it. Additionally, the interviewee responds as there were fear among the employees due to temporary issues (conflict) happened around in the last year. In addition, information obtained while interviewing management of the bank showed that even though there were some problems regarding on leadership, currently the bank has providing training for managers as well as team leaders about how to lead and manage an organization by creating smooth relation with the employees.

As per the respondents response via interview, the bank had set different criteria to provide training for its employees in different time like at the time of recruitment (after employees joined to the bank), at the time of adopting new policy and procedure and also at the time where it deems as possible. Similarly, information gathered from an interview conducted with the management staff, shows that as there is an opportunity to clear communication in the bank among employees, the direction and goals of the organization are communicated to all employees regardless of position.

As per the information gathered from the managers, the objective of performance appraisal are to review the performance of the employees over a given period of time, to judge the gap between the actual and the desired performance, to help the management in exercising organizational control, helps to strengthen the relationship and communication between superior -subordinates and management – employees, to diagnose the strengths and weaknesses of the individuals so as to identify the training and development needs of the future, to provide feedback to the employees regarding their past performance, provide clarity of the expectations and responsibilities of the functions to be performed by the employees and also to enhance the overall control of administrative improvement. On the other hand, the interview made with the management staff with such issues revealed that the bank has practicing the practical effort wise measured performance appraisals even if the appraisal system is very difficult to be real. Furthermore, they expressed that the bank has trying to amend the performance appraisal system and will apply in the near future.

4.3.2. Correlation Analysis

4.3.2.1. Hypotheses for Relationship between OC and Job Satisfaction

In this part of the research, the results of the statistical technique used to test the study's hypothesis were presented and interpreted. 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 0 'random relationship' to 1 'perfect positive linear relationship' or -1 'perfect negative linear relationship'. The significance level or p-value is the probability of obtaining results as extreme as the one observed. If the significance level is very small (less than 0.05) then the correlation is significant and the two variables are linearly related whereas if the significance level is relatively large (for instance, 0.05) then the correlation is not significant and the two variables are not linearly related. Rowntree (1987) formed guidelines for interpreting the correlation value indicated in the following table.

Table 4.10: Guide lines for interpreting correlation

Range	Strength of relationship
0-0.2	Negligible relationship
0.2-0.4	Weak relationship
0.4-0.7	Moderate strongly relationship
0.7-0.9	Strong relationship
0.9-1.0	Very high relationship

Source: - ISSN: 22247610 (p. 15)

Above all, preliminary analyses were performed to confirm that there were no violations of the assumptions of normality, linearity and homoscedasticity. As illustrated in the table 4.11 below, the research result of Pearson Product-moment correlation shows positive and significant relationship between the two variables i.e. organizational climate and job satisfaction ($r=0.447$, $n=277$, $p=.000$). Accordingly, the research results Pearson's product-moment correlation coefficient between organizational climate and employee job satisfaction are presented in table 4.11 here under.

Table 4.11: Relationship between OC and job satisfaction

		Job Satisfaction	Organizational Climates
Job Satisfaction	Pearson Correlation	1.00	.447**
	Sig. (2-tailed)		.000
	N	277	277
Organizational Climates	Pearson Correlation	.447**	1.00
	Sig. (2-tailed)	.000	
	N	277	277

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

Source: Researcher's Survey Result (N=277)

Based on Rowntree (1987) guide lines, the researcher has presented and interpreted the research question and hypothesis in the following section.

Hypothesis 1

H0: There would be no positive and significant relationship between employees' job satisfaction and organizational climate in Development Bank of Ethiopia.

H1: There would be positive and significant relationship between organizational climate and job satisfaction in Development Bank of Ethiopia.

As it is shown in table above, the research result of Pearson product-moment correlation indicates positive and significant relationship between the two variables i.e. organizational climate and job satisfaction ($r=0.447$, $n=277$, $p=.000$). Referring the guideline formed by Rowntree (1987), the researcher accepted 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 0.04 to 0.07, $p=.000$ implying positive and significant relationship and reject the null hypothesis stating 'there would be no positive and significant relationship between organizational climate and job satisfaction' and accept hypothesis stating 'there would be positive and significant relationship between organizational climate and job satisfaction'. This finding is consistent with several previous finding such as Friedman and Margulies (1969), Freeman & Rodgers, cited in Peek, (2003), and Hackman

&Suttle, cited in Peek, 2003.

Furthermore, the correlation matrix of all organizational climate dimensions and job satisfaction are presented in table 4.12 below. Preliminary analyses were also performed to ensure that no violations of the assumptions of normality, linearity and homoscedasticity.

Table 4.12: Correlations between OCs dimensions and Job satisfaction

		SBP	TW	SUP	TR	COC	PA	JS
SBP	Pearson Correlation	1	.418**	.276**	.313**	.290**	.293**	.404**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	277	277	277	277	277	277	277
TW	Pearson Correlation	.418	1	.435**	.520	.486**	.401**	.542**
	Sig. (2-tailed)	.000		.000	.000	.002	.007	.000
	N	277	277	277	277	277	277	277
SUP	Pearson Correlation	.276	.435**	1	.452**	.413**	.294**	.378**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	277	277	277	277	277	277	277
TR	Pearson Correlation	.313**	.520**	.452**	1	.473**	.267**	.410**
	Sig. (2-tailed)	.000	.000	.000		.000	.005	.000
	N	277	277	277	277	277	277	277
COC	Pearson Correlation	.290	.486**	.413**	.473**	1	.266**	.503**
	Sig. (2-tailed)	.000	.002	.000	.000		.000	.000
	N	277	277	277	277	277	277	277
PA	Pearson Correlation	.293**	.401**	.294**	.267**	.266**	1	.505**
	Sig. (2-tailed)	.000	.007	.000	.005	.000		.000
	N	277	277	277	277	277	277	277
JS	Pearson Correlation	.404**	.542**	.378**	.410**	.503**	.505**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	277	277	277	277	277	277	277

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

Source: Researcher's Survey Result (N=277), SPSS result

As clearly shown in the above table 4.12, team work is highly correlated with job satisfaction of an employee's ($r = .542$, $N = 277$ and $p = .000$) which is followed by team work with training. The table also indicates performance appraisal and job satisfaction has moderately strong relationship ($r = 0.505$, $N = 277$ and $p = .000$) which lie between 0.04 to 0.07, $p = .000$ which is followed by communication with job satisfaction ($r = .503$, $N = 277$, $p = .000$). Regarding on the relationship between salary and benefit package with other organization variables, the correlation result shows there is weak relationship except team work is moderately strong relationship with it ($r = .418$, $N = 277$, $p = .000$). Beside to this, salary and benefit package has positive correlation with the dependent variable job satisfaction (with $r = .404$, $N = 277$, $p = 0.000$).

Apart from this team work has good relationship with all other independent variables and dependent variable which lie in the rowtree guideline 0.04 to 0.07, $p = .000$. Even if, leadership and management have moderate relationship with team work, training and development, and communication with referencing rowtree guideline which lie between 0.4-0.7, it has weak relationship with the job satisfaction.

Moreover, the above table reveals that performance appraisal has weak relationship with salary and benefit package, supervision, training, and also communication. However, it has moderately strong correlation with team work and job satisfaction. In addition, table 4.12 shows the least correlated variables are communication with performance appraisal. The findings of this research is consistence with the earlier works on this subject matter with slightly differed on strength of the correlation with finding of research done by Mulatu Takele et al, 2013, Fikadu Abdisa et al, 2014. Similarly a hypotheses attempt to approve the relationship or correlation between organizational climate and job satisfaction is positively supported.

By taking the strength of their relationship in to consideration, the finding further indicates that in the captioned organization (bank) , the correlation of the OCs variables with Job satisfaction was ordered as follow; team work, Performance Appraisal, communication, Training, salary and benefit package and supervision from highly correlation to least correlation. These results also consistence with the studies conducted by Field & Abelson (1982), Kerego and Mthupa (1997), Fikadu Abdisa (2014) and Solomon Markos & Tekle Abeba (2016). Generally, there is a positive and statistically significant correlation between OCs dimensions and Job satisfaction

at 1% level of significance which signifies the effect of organizational climate on the Job satisfaction at the bank in reference to the table presented above.

4.3.3. Regression Analysis

The regression analysis was conducted to know by how much the independent variable explains the dependent variable. In this study, regression was employed to examine the effect of the independent OCVs such as salary and benefit packages, team work, supervision, Training, communication and performance Appraisal on dependent variable which is Job satisfaction.

Table 4.13 Regression result of organization climate variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.445	.206		7.010	.000
Salary and benefit package	.145	.036	.221	4.069	.000
Teamwork	.052	.048	.058	1.094	.275
Leadership/management	.123	.041	.170	2.966	.003
Training and development	-.016	.038	-.023	-.410	.000
Communication	.058	.048	.069	5.228	.002
Performance appraisal	.229	.033	.366	6.979	.000

a. Dependent Variable: Job Satisfaction

Source: Researcher's Survey Result (N=277)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.697 ^a	.718	.754	.49189

- a. Predictors: (Constant), performance appraisal, teamwork, communication, Salary and benefit package, training and development, leadership/management

ANOVA

Model	Sum of Squares	df	Mean Square	F-test	Sig.
1 Regression	38.098	6	6.350	26.243	.000 ^b
Residual	65.329	270	.242		
Total	103.427	276			

- a. Dependent Variable: job satisfaction

- b. Predictors: (Constant), performance appraisal, teamwork, communication, Salary and benefit package, training and development, leadership/management

The values of the Beta Coefficients (β) indicate the effects of each independent variable on dependent variable. Furthermore, the values of the Beta Coefficients, indicate which independent variable (OCV) makes the strongest contribution to explain the dependent variable (Job satisfaction), when the variance explained by all other independent variables in the model is controlled. The t value and the sig (p) value indicate whether the independent variable is significantly contributing to the prediction of the dependent variable.

Hypothesis 2

H0: There is no statically significant effect of OCs variables on job satisfaction.

H1: There is statically significant effect of OCs variables on job satisfaction.

As clearly shown in the above table 4.13, organizational climate variables (salary & Benefits packages, Communication, supervision, performance Appraisal) significantly affect the job satisfaction of employees. However the extent of their effect was varies ranging from Performance Appraisal, Training as well as salary and benefit package which are the highest to the bank and supervision was the least one. On the other hand one variable (team work perceived by majority of the respondents has no significant effect on their job satisfaction. Therefore, the Null hypothesis there is no significant effect of these variables on employees’

job satisfaction was rejected and an alternative stating there is statically significant effect of an organizational climate on the employee job satisfaction) was accepted.

On the other hand the ANOVA table showed that the model tested is significant ($p < 0.000$) with the adjusted R square .754. This value indicates that 75.4 % of variance in job satisfaction is attributed to the six independent variables entered into the regression. The remaining 24.6 % of the variance in satisfaction may attribute to other factors. This finding is consistent with several previous finding such as Eweet (2001), Friedman and Margulies (1969).

Consequently, the effects of these organizational variables have adverse effect on the job satisfaction and performance of an employee in DBE and should be strictly consider. The perception of the group is said to be different if p (significant level) is less than 0.05 for both ANOVA and T-test. Consequently, research questions and hypotheses were dealt in the following sections.

Table 4.14: Regression result of Demographic variables on Job satisfaction

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.716	.241		11.289	.000
Gender	.030	.076	.024	.399	.690
Marital status	.070	.065	.064	1.072	.285
Work experience in Development Bank of Ethiopia	.122	.044	.183	2.797	.004
Educational level	-.127	.072	-.133	-1.778	.047
Current position	.291	.102	.218	2.859	.0049

a. Dependent Variable: job satisfaction

Source: Own Survey result (N=277)

Hypothesis 3:

Ho: There is no statically significant difference between employee's perception on OC variables and job satisfaction in terms demographic variables.

H1: There is statically significant difference between employee's perception on OC variables and job satisfaction in terms demographic variables.

As clearly shown in the above table 4.14 the respondents perception on their job satisfaction has no significant difference by gender and marital status) with p-values 0.690 and 0.285 respectively which is higher than the significance level(0.05).This result is consistence with the study done by Me sempane et al(2002), and Tekile Abeba& Solomon Markos (2016). Therefore, there is no statically significant difference between of employee's perception on OC variables and job satisfaction in terms of gender and marital status.

Regarding on the statically difference among organizational climate variables among employees with job level, table 4.14 above depicts current position of the employees was statically significant effect on the job satisfaction with p-value .0049 which is less than 0.05(significance level). So, there is a significance difference between employee's perception on organizational climate variables in terms of current passion, and educational level.

As it is presented in table 4.14 work experience has statically significant effect on the job satisfaction with p-value .004 which is less than 0.05. Therefore, the alternative hypothesis stating there is statically difference in perception on OCs variables and job satisfaction among the employees in terms of demographic factors was accepted and the null hypothesis was rejected.

4.4. Summary of Research Hypotheses

The above section addressed the objectives of the study through testing of the research hypotheses as listed in this chapter. Table 4.15 below, provides a summary of the research hypotheses accepted and rejected.

Table 4.15 Summary of hypothesis testing

Ser.NO.	Hypothesis	Tool	Outcome
1	There would be positive and significant relationship between organizational climate and job satisfaction in Development Bank of Ethiopia.	Multiple Regression	Accepted
2	Organizational climate variables have significant effect on job satisfaction	Multiple Regression	Accepted
3	There is statically significant difference between employee's perception on OC variables and job satisfaction in terms demographic variables.	Multiple Regression	Accepted

Source: Own Survey result

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter dealt with the summary of major findings of the study and conclusions drawn from the analysis made. Furthermore, based on the findings of the study possible recommendations are made for all stakeholders to maintain conducive environmental climate accordingly.

5.1. Summary of Major Findings

- ✚ The aim of this research was to explore the relationship between organizational climate and employee's job satisfaction in Development Bank of Ethiopia. In this research two demographic variables such as biographic and organizational variable were presented and assessed. In line with socio demographic variables of the respondents, majority of the participants were male accounting 178 (64.3%) whereas 99 (35.7%) were female respondents.
- ✚ Furthermore, the organizational variables included in this research were job level, educational level and experience of the respondents. Based on this, experience of the respondents indicates the majority of respondents in the sample had worked in the organization for 4 to 8 years that representing 36.1% of the sample. Contrarily, the least represented category with only 18 (6.5%) respondents had service more than 12 years. On the other hand 96(34.7%) respondents had been with the organization for 3 years or less and 63 respondents (22.7%) had been worked for 9-12 years. This implies that the existence low job satisfaction which in turn cause high turnover in the bank under consideration. In connection with the educational level of the participants, 200 (72.2%) of the respondents had BA degree, 20 (7.2%) were Diploma holder, 45 (16.2%) held Masters, and 12(4.3%) were less than Diploma holders. The job level analysis (position) of the respondents indicate the majority of the respondents representing 219 (79.1%) from the total sample respondent were expert (loan officer, bank officer and accountant) which was followed by 32 (11.6%) of management. In line with this, supportive staffs which include secretary, messengers and drivers were taken the small portion from the total sample respondents.

- ✚ In the study the Cronbach's alpha coefficient was calculated for each field of the questionnaire. Regarding on it, Table 3.1 showed the values of Cronbach's Alpha for entire variable of the questionnaire was 0.911 which is greater than 0.70 indicating the research is reliable.
- ✚ Organizational climate dimensions were descriptively presented and analyzed. Among the dimensions the salary and benefit package had minimum score with mean score 2.68 and percentage score 42% whereas team work dimension has highest score with mean 3.75 and percentage score 68.7%. This is an indicator that shows the employees of the bank have poor perception on SBP and majority of the respondents have good perception on the team work in the organization. Generally salary and benefit package was the dimension below the minimum climate score one organization has to possess reflecting negative perception of the employees towards the organization. Consequently, this areas needs special attention by the organization and the appropriate measure should be taken.
- ✚ To show the correlation/ relationship between organizational climate and job satisfaction as well as OCs dimensions with job satisfaction, correlation analysis is used. The result of the Pearson Product-moment correlation regarding on it revealed that there was a positive and significant relationship between the two variables i.e. organizational climate and job satisfaction ($r=0.557$, $n=277$, $p=.000$). It shows organizational climate variables and job satisfactions were highly correlated.
- ✚ Regarding employees perception towards practicing OCs dimensions, the practices of some selected OCs variables (Salary and benefit packages, and performance appraisal) were poorly perceived by the respondents.
- ✚ Multiple regression analysis was conducted to test the hypothesis as indicated in table 4.11 and Table 4.12 and that depicts the model tested is significant ($p<0.000$) with the adjusted R square .754. This value indicates that 75.4 % of variance in job satisfaction is attributed to the six independent variables entered into the regression. The remaining 24.6 % of the variance in satisfaction may attribute to other factors.
- ✚ Regarding the hypothesis testing summary as Table 4.13, the beta coefficients were found significant and the entire hypothesis in the study are accepted except for the

second hypothesis. In general, the finding of this research gives an overview of relationship between Organizational climate and job satisfaction but it fails to highlight all the factors that significantly affect job satisfaction.

5.2. Conclusion of the Study

The present research seeks to investigate the relationship between these organizational climate variables and employee job satisfaction in Development Bank of Ethiopia .Thus; on the bases of the finding the following conclusions were made.

According to this study, the organizational climate variable factors that influence employee's job satisfaction at work places in the bank under consideration include salary and benefit package, team work, communication, supervision, performance appraisal, training Accordingly, the relationship between organizational climate and job satisfaction in Development Bank of Ethiopia was investigated in two ways, namely theoretically through the literature review and statistically by conducting an empirical investigation. A model of organizational climate was also presented to investigate the relationships between the various aspects of organizational climate variables. Gerber's (2003) model of organizational climate was found to be suitable for the purposes of this research, because it not only highlights the various climate levels, but also acknowledges the role of organizational culture and its interaction with organizational climate. In addition, the model also describes the relationship between climate and job outcomes such as job satisfaction. The vital role that climate plays in an organization was also investigated and it was concluded that climate has a significance influence on employee's job satisfaction in particular and an organization's performance in general.

The research was also aimed to investigate whether a relationship exists between organizational climate and job satisfaction in DBE and was presented in chapter 4. From the results presented in table 4.10 it can be concluded that there was a strong positive correlation between organizational climate and job satisfaction. On the other hand Table 4.11 provides the results for all the dimensions of organizational climate, and it can be concluded that the dimensions of organizational climate correlated positively with job satisfaction.

Regarding the perception of employees towards OCs practices and job satisfaction, the findings of the study practically showed that the practices of each OCs practices dimensions (Salary and benefit packages, Performance appraisal, training) were significant impact on the dependent variable whereas (team work, communication and supervision) were poorly and moderately practiced respectively even though the overall job satisfaction of the employee is satisfactory.

As the finding of correlation analyses confirmed, there is also a strong, positive and significant relationship between organizational climate dimensions (Salary and benefit packages, team work, communication, training, performance appraisal and supervision) and Job satisfaction. Similarly, from multiple regression analysis result that variability in Job Satisfaction is resulted from the variability in practicing of OCs variables. Hence, from this the study concludes that the employees' job satisfaction which intern in high performance for the overall goal of the organization and the country as a whole is determined by the emphasis that the bank and the concerned body in general give to each dimensions of organizational climate dimensions stipulated formerly.

Regarding the relative influence of an individual component of organizational climate dimensions (variables) is concerned; the result of multiple regression coefficient shows that performance appraisal and supervision are the most dominant dimension in determining Job satisfaction of an employees. In line with the difference between employee's perception on OC variables and job satisfaction in terms of demographic variables, the result of the study showed that employees have no perception difference on organizational climate dimensions and job satisfaction in gender and marital status. Apart from this, there are differences between employee's perception on organizational climate variables and job satisfaction in terms of employees work experience, educational level as well as job level.

Finally, the results of this study revealed that organizational climate dimensions implementation influences the job satisfaction of employees. Hence, it can be concluded that job satisfaction of an employees in the arena under consideration was not admirable due to low practice of organizational climate dimensions.

5.3. Recommendations

Based on the research findings the following recommendations are provided in order to create conducive work environment and improve employee's job satisfaction for the organization.

These include:

- The overall organizational climate variables are critical in establishing and making conducive environment for employees in which Performance appraisal and supervision play a lion share. Thus, the administration Managements cooperation with all concerned body (stakeholders) need to examine the existing ways of practicing performance appraisal, and supervision in their office where necessary should make changes which can improve the job satisfaction the employees.
- It is recommended that the organization had better continues focusing on the areas in which it is doing well and find ways to improve those areas it is doing poor.
- The bank has to investigate the issues and concerns of employees about salary and benefit package. This dimension reported a mean score of 2.68 and percentage score 42% indicating that employees negatively perceived the salary and benefit package that the bank paid for them. Hence, the organization could see comparative market information and arrange different workshops where employees are informed of the value of their salary and benefit packages and it is also recommended to implement essential career improvement for this dimension. Moreover, the bank should quickly adopt the newly under processing salary and benefit packages reform before the employees have more and more tedious.
- The research showed that the bank has lost highly skilled professionals due to lack of organizational climate. So, the bank should retain and care for its experienced employees by promoting them to better position or by giving the different opportunities such as education and training within and outside the country.
- The bank should invest heavily on training and development of its employees to create an overall team of knowledgeable staff who can take over one another as needed, work on teams or independently without constant help and supervision from others, and also to keep them well-informed with new technological changes. In this regard, the

organizations should ensure management at all levels of organization and an employee at all job position receives adequate training in order to achieve its objective.

- Managers who are serving in the bank should put into practice the behavior that they want their followers to follow or do at work, and also leaders should respect the followers(employees) in order to improve good reporting system and to strengthen the relationship between employee and management staff and consequently to achieve organizational goal.
- The bank should exert more effort to create two way communication on the strategic plan since the majority of the respondents are disagree with the statement the communication and strategic plan of my organization is transparent and two ways.
- The bank has to look for more areas for improvement of the working environment. Work environment plays a vital role since it influences job satisfaction, as employees are concerned with a comfortable physical work environment that will ultimately renders more positive level of job satisfaction (Robbins, 2001). Lack of favorable working conditions, amongst other things, can affect poorly on the worker's mental and physical well-being (Baron and Greenberg, 2003).
- The result of the research showed that the bank does not have well organized performance appraisal system. Therefore, the bank should develop realistic and applicable system of performance appraisal that participate all employees from its early planning and owned by all stakeholders.
- The bank need to identify, differentiate and plan training need assessment before conducting (giving) training and development opportunity for the employees though currently few encouragements is seen. Hence, Job based (needs) provision of training and development with rational, transparent way system should be applied.
- In addition to improving poorly perceived organizational climate dimensions, and bank should appreciate their strength, to be continued and participatory; servant serve leadership styles should be followed.
- Generally the bank has to reconsider majority of its climates namely those which are poorly perceived (below average) i.e. below 50% such as salary and benefit package as

well as moderately perceived by the respondents like, training, performance appraisal, and communication.

5.4. Implication to Further Research

As it has been mentioned earlier, it is not possible to generalize this finding for all employees of the bank as well as the same others organizations as the samples of this study cannot represent all. Hence, 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. Also larger samples should be used (consider all employees of the DBE), other banks of same structure & level , inclusion of other dimensions of organizational climate variables included is recommended for generalizing the findings of this targeted area to the whole.

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APPENDIXES

Appendix I: Questionnaire

St. Mary's University

MBA Program

Survey Questionnaire

Dear respondent,

The purpose of this questionnaire is to collect data about “**Relationship between Organizational climate/s and employees Job satisfaction**” for the partial fulfilment of MA degree in General MBA. I kindly request you to provide me reliable information for the quality of my work. Thus, your response for each question is used only for research purpose, and its confidentiality is preserved.

Thank you in advance for your cooperation.

Solomon Fikrie

General Direction

No need to write your name

Read each question and put (✓) on the given space/ box.

For any ambiguity do not hesitate to Contact me via 09-28-39-64-01

Part one: Respondents' Background /Profile

1. Gender: Male Female
2. Marital status: Married Single Divorced Widowed
3. Work experience in the Development Bank of Ethiopia
1-3 years 4-8 years 9-12 years >12 years
4. Educational level : < Diploma Diploma Bachelors' Masters PhD
5. Current position: Supportive staff Expert Management

Part Two:

General questions related with the topic (objectives)

Please put tick (√) in the table provided for each given statement using the following scales

1= strongly Disagree; 2=disagree; 3=Neutral; 4=Agree; 5=strongly Agree

No.	Items	Scales/Rates				
		1	2	3	4	5
	Salary and Benefit Packages					
1	I am fairly paid for my position					
2	I am satisfied with my salary package					
3	My salary package is fair in comparison with similar positions in the market					
4	I am satisfied with my benefit packages					
	Team work					
5	Management encourages collaboration and teamwork					
6	My co-workers help each other					
7	I understand the nature of the role I play within my team					
8	I prefer to work as part of a team					
9	The management and employees treat one another with respect					
10	There is fear among the team members					
	Supervision					
11	I feel that the management is building a positive work environment					
12	My immediate leader sees and positively responses to issues I raise to him/her					
13	The management style of my immediate leader is generally participative					
14	My immediate leader reflects strong leadership skills					
15	My immediate leader positively responses to customers					
16	My immediate leader is knowledgeable and handles well his/her work					
	Training and Development					
17	Training and development is given for employee based on the job needs					
18	Development and Training is provided based on political ideology					

19	Clear promotion criteria are available in the organization						
	Communication						
20	The direction and goals of the organization are communicated to all employees regardless of position.						
21	There is clear communication among employees in my organization						
22	The communication and strategic plan of my organization is transparent and two ways						
23	I am freely communicate with my staff as whole without fear of reprisal						
	Performance Appraisal						
24	My performance is appraised based on pre-planned activities and actual performance						
25	Appraisal result and employee performance is really match and practical						
26	I am satisfied with the way my work is evaluated						
27	I am satisfied with the recognition given to my good work						
	Job Satisfaction						
28	I am motivated by job and am happy with it						
29	I work in an environment where there is cooperation and respect						
30	I am satisfied with the organizational structure						
31	I am satisfied with the core function of my role						
32	I find the organization cares for its employees						
33	I find my work challenging						
34	I find my work is interesting						
35	I feel my future in the organization is bright						
36	I am satisfied with the management team						
37	I am satisfied with my chances for promotion						

Appendix II: Interview Question

PART III: Interview Questions (Management)

1. Do you think that, your employees are satisfied with your bank's Salary and Benefit Packages and what attempts are done to satisfy your bank's employees?

2. Do you think that your employees are good relationship with each other and with management?

3. What are the preconditions required to give Training and Development for the employees in your bank?

4. Do you think that, the bank's management and leadership styles are self-servant or civil servant? Why?

5. Does your organization believe that there is dual and healthy communication within your staff?

6. Is that the performance Appraisal of your organization is pre-known by all employees and owned before performance appraisal is measured?

7. Do you think that your employees generally satisfied with their jobs with the current salary grade?

DECLARATION

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

Name: Solomon Fikrie

Signature_____

Date_____

Addis Ababa, Ethiopia