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ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATS

MARKETING MANAGEMENT PROGRAM

**ASSESSMENT OF BENEFIT AND COMPENSATION MANAGEMENT OF JOB
SATISFACTION OF EMPLOYEES THE CASE OF SELECTED CBE BRANCHES IN ADDIS
ABABA**

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***A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY FULFILMENT REQUIREMENTS FOR THE
AWARD OF MASTER OF ART DEGREE IN MARKETING MANAGEMENT***

ADDIS ABABA, ETHIOPIA

DECEMBER, 2021

Declaration

I, Frehiwot Alemseged declare that this research paper entitled “**ASSESSMENT OF BENEFIT AND COMPENSATION MANAGEMENT OF JOB SATISFACTION OF EMPLOYEES THE CASE OF SELECTED CBE BRANCHES IN ADDIS ABABA**”in Commercial Bank of Ethiopia is my original work, and has not been present for a degree or diploma in any other university and it is in partial fulfillment to the requirement of the masters of Marketing Management.

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We, the undersigned, members of the Board of Examiners of the final open defense by Frehiwot Alemseged have read and his thesis titled “**ASSESSMENT OF BENEFIT AND COMPENSATION MANAGEMENT OF JOB SATISFACTION OF EMPLOYEES THE CASE OF SELECTED CBE BRANCHES IN ADDIS ABABA**”, and examined the candidate. This is, therefore, to certify that the thesis has been accepted in partial fulfilment requirements for the award of master of art degree in marketing management

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Acknowledgment

First all, I would like to thank God for giving me the courage and patience for accomplishing this research study. I would also like to thank my advisor Taye Amogne for his guidance and support right from the start all the way to the accomplishment of this thesis. Second to that I would like to show my deepest gratitude and classmate to Chuchu Genene for his emotional and support material for all the times. In the deepest of my heart I like to thank my for all St. Mary's university marketing department staffs and friends. Special thanks for Commercial Bank of Ethiopian Staff for helping me give information the back ground of the organization. In addition I like to thanks the employees for giving me all the necessary information for the study without hesitations by sparing from the little time they have.

ABBREVIATION AND ACRONYM

| | |
|--------------|--|
| ANOVA | Analysis of Variance |
| ATM | Automatic Teller Machine |
| CBE | Commercial Bank of Ethiopia |
| CBEND | Commercial Bank of Ethiopia North District |
| CBEHO | Commercial Bank of Ethiopia Head Office |
| NBE | National Bank of Ethiopia |
| OCB | Organizational Citizenship Behavior |
| POS | Points of Sales |
| SPSS | Statistical Package for Social Science |
| VIF | Variance Inflation factor |

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ABSTRACT

The main objective of the study is to examine the benefit and compensation management of job satisfaction of employees the case of selected CBE Employee satisfaction is considered important when it comes particularly to the service providing industries. Human capital is the pivotal of organizational effectiveness and the most valuable asset available to an organization is its people. Retaining employees in their jobs is crucial for any organizational productivity and competitiveness. The aim of the study was to investigate the impact of compensation, benefits on job satisfaction among employee's satisfaction of CBE the variables including Pay, Promotion, Supervision, Fringe Benefit, Contingent Reward, Operating Procedure, Co-worker, Nature of work, and Communications on employee's job satisfaction. It is a cross sectional case study by using survey data collection method. Using SPSS version 23, ANOVA, and correlation were performed to arrive at the findings. This study employed the quantitative research method to investigate the influence of rewards on talent attraction and retention. The research employs stratified random sampling technique to select the district and head office. Primary data was gathered through questionnaires and secondary data through review of relevant documents. The collected data is analyzed through the descriptive statistics by using Statistical Package for the Social Sciences (SPSS) version 23 software as a tool to calculate percentages, mean, reliability test, validity and correlation. The findings of the research indicate that the majority of the employees/respondents works in CBE are satisfied by their basic salary. There is less opportunity for promotion and transfer opportunities. Further, there is a high work load within the work environment. To avert this problem the researcher recommends revision of salary scale by compared to workload and critically revise the promotion and transfer process of the bank. Therefore, improve their compensation strategy and benefit in order to boost employees' dedication that will enable commitment, while efficiently deliver outstanding results.

Key Words, *Job Satisfaction, Pay, Promotion, Supervision, Fringe Benefits.*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The sources of satisfaction or ways of getting satisfied depend, on what people think that will make them satisfied. The phenomenon that brings satisfaction for someone could not make satisfied the other. Researchers have found out that due to individual differences, motivational factors, ability of communication, working environment, etc, satisfaction varies among individuals. Tietjen & Myers(1998) believe that having lots of money might satisfy them.

Thus, high job satisfaction will increase the productivity of an organization, in turn increasing the overall organizational performance. Compensation plays an important role in determining an employee's level of job satisfaction.

Job satisfaction is very important because most of the employees spend a major portion of their life in their work place. Moreover, it has impact on the general life of the employees because a satisfied employee is a contented human being (*Chahal, et.al.2013*). Similarly, satisfied employees have better physical and mental well-being. Employees' satisfaction is important because it enhances employee retention, increase productivity and customer satisfaction, and reduces costs associated with turnover, recruiting and training (Locke, 1980).

A successful strategic employee compensation plan allows a business to compete in the market for the best employees in the existing industry. Compensation plan entails a variety of aspects including pay scales, reward programs, and benefits packages. Employee compensation determines how much we want to pay employees and what type of employees we want to attract.

Good compensation was found to be one of the policies that organizations can adopt to increase their workers performance and thereby increase the organization's productivity. A close look at employee performance of many organizations today reveals that many personnel are not happy with the present compensation scheme in the organization due to the ever changing needs.

According to Simon (2000), “the area of acceptance within which the employee will accept authority of any organization depends certainly on the nature of the incentives or bonuses the organization offers.” In other word, employee’s performance towards the achievement of organization goals depends on the incentives of the organization.

Even if job satisfaction is very important, “there are many people who work in jobs that they don’t like simply because they guarantee them a living in which they can enjoy life” (*Lawler, 1990*). The effect of job satisfaction is linked with vital organizational elements like its effect on absenteeism, turnover, organizational citizenship behavior (OCB), organizational commitment, and productivity. Compensation is a useful instrument in the hand of the management to contribute to the organizational effectiveness and can impact positively on the behavior and productivity of employees

1.2 Background of Commercial Bank of Ethiopia

With the history of dating back to 1942, CBE merge with the privately-owned Addis Ababa Bank in 1974. Since then, it has been playing significant role in the development of the country being innovative in the outlining of modern banking to the country (CBE website Company Profile 2012).

Envisioning to becoming a world-class commercial bank by the year 2025, CBE endeavors to best apprehend stakeholders' needs by enhancing the financial intermediation globally and supporting national development priorities.

Now a day, CBE carries a comprehensive banking business such as, providing different types of loans for borrowers, Internet Banking, Mobile Banking, ATM/Visa Card ,POS, Interest Free Banking, different types of saving deposits, providing local and foreign money transfer and facilitating domestic and international trade in and between the country with the help of its above 1680 above branches as all over the country and one abroad to its corporate, business, commercial and retail customer which makes it a truly national as well as the largest and dominant commercial bank in Ethiopia.

CBE is the pioneer to introduce modern banking to the country. The leading African bank with assets of 565.5 billion Birr as on June 30th 2018. Plays a catalytic role in the economic progress & development of the country. The first bank in Ethiopia to introduce ATM service for local users. Currently, CBE has more than 18.8 million account holders and the number of Mobile and Internet Banking users also reached more than 1,736,768 as of June 30th 2018. Active ATM cardholders reached more than 4.4 million. As of June 30, 2018, 1708 ATM machine and 11,796 POS machines were available. (*Source: CBE HR manuals*).

CBE combines a wide capital base with more than 33,000 talented and committed employees. Pioneer to introduce Western Union Money Transfer Services in Ethiopia early 1990s and currently working with other 20 money transfer agents like Money Gram, Atlantic International (Bole), Xpress Money. CBE has opened four branches in South Sudan and has been in the business since June 2009. CBE has reliable and long-standing relationships with many internationally acclaimed banks throughout the world.

1.3 Statement of the Problem

It is well known that from all commercial banks in Ethiopia, Commercial bank of Ethiopia has a wide geographical coverage. This helps the bank to have large market shares and this have a good effect on the customers' satisfaction although customers' satisfaction solely relies on employees' satisfaction. The efficient service delivery system in any organization whether it is profitable or charitable needs the interaction of human resource, technology and customers.

Efficient banking service delivery system includes the existence of viable work place, job design procedure, planned policies and smooth interaction between the customers and the institution. It also includes employee's competency, punctuality, office neatness of office equipment and time effectiveness in providing the service.

Although the above mentioned factors are efficient service delivery ways for banks, commercial bank of Ethiopia has some limitations in performing these factors. For example, sometimes the interaction between the customers and the employees are not smooth and also regarding time effectiveness in providing the service.

Job satisfaction is not an easy feeling since the employees are always in question to meet their limitless needs. Now days, employee's satisfaction is a daily discussed issue in the Banks top level and operational level managers. The reason is that employee satisfaction is the root cause for success in the banking industry. Employees are the catalyst for these activities.

In conditional meetings employees also raising many questions about being dissatisfied with the work load and salary they earn, working conditions, work status, and on other issues as well. There is also high employee compliant on the employee's promotion of the bank.

The purpose of this study is therefore to assess benefit and compensation management like pay, promotion, supervision, Fringe Benefits, Contingent Rewards, Operating Procedures, Compensation & Benefits and Nature of the work and Communications that benefit and compensation management of job satisfaction of employees.

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of this study is to assess of benefit and compensation management of job satisfaction of employees the case of selected CBE

1.4.2 Specific Objectives

1. To assess the satisfaction level of employees in relation to between benefits and job satisfaction.
2. To show the satisfaction of employees in relation to the salary and benefits
3. To assess the satisfaction of employees concerning with compensation and benefit impact on job satisfaction
4. To examine whether employees are satisfied with the nature of their work.
5. To investigate the satisfaction of employees in relationship between compensation and job satisfaction

1.5. Research Questions

This study is designed to answer the following research questions

1. What is the relationship between benefits and job satisfaction??
2. How employees are satisfied with the salary and benefits of CBE??
3. Does compensation and benefit impact on job satisfaction??
4. How does the nature of the work affect employees' job satisfaction?
5. What is the relationship between compensation and job satisfaction?

1.6. Scope of the Study

The study would be delimited conceptually, geographically as well as methodologically conceptually; this study only focuses on assessment of benefit and compensation management of Job satisfaction of employees on the banks which are Head Office and available staff from District Branch Offices in Addis Ababa City. Considering the limited time and scattered geographical locations of all the employees of CBE, the researcher try to restrict the geographical coverage to collect primary data from Head Office and selected branches North districts under Addis Ababa City. While the independent variables, Work Environment, Compensation & Benefits, Career Advancement and Intrinsic Motivation will be assessed through the questionnaire adopted from Sayeed (2016) which had been tested and validated.

1.7. Limitations of the Study

This study is about the assessment of benefit and compensation management of job satisfaction of employees the case of selected at commercial bank of Ethiopia Addis Ababa city branches. Hence, it did not consider the cases of other districts of commercial bank of Ethiopia which are located out of Addis Ababa city. Furthermore, it does not consider the cases of other commercial banks operating in the town due to their different orientation, ownership, time and cost matters. At the same time the sample has been limited to employees and professional managers who are working in commercial bank of Ethiopia Addis Ababa city branches .Moreover, the study has constrained with time and resource limitations to make the study broad and inclusive to other issues.

1.8. Significance of the Study

The study is expected to provide information about which benefit and to what extent they compensation management of job satisfaction of employees for the respective body and give insight for policy makers of both banks on how to establish policies that can enhance the job satisfaction of their employees. In addition, managers also be benefited from this study in a sense that, the findings provide informed suggestions on how to improve work place treatment and practice their powers in order to retain employees loyal and committed to their job which in turn enables the bank achieve its objectives. The finding of the study was also served as input for various stakeholders including Employers/policymakers and employees to revisit and modify their approach towards benefit and compensation management of job satisfaction. It was also be helpful for current and future research in the area of employee job satisfaction.

1.9 Definition of Terms

Reward: the word rewards state the benefits that workers receive from their job and significant elements of employees job attitudes such as organizational commitment, motivation and job satisfaction (strees and porter 1991)

Job satisfaction: Job satisfaction is the collection of feelings and beliefs that people have about their current jobs (Heneman ,2005). Locke (1976) defines job satisfaction as the pleasurable emotional state which emanates from assessment of individual job as facilitating the accomplishment of individuals' job values.

Payment: Heery and Noon (2006), defined pay as “what an employee gets against his work after fulfilling his duty, include all type of financial and non-financial rewards” or “ pay as payment, in which include many components like basic salary, bonuses, pay for doing extra work and incentives”

Working condition: Working condition refers to the working environment and all the existing circumstances affecting labor in the work place, including job hours, physical aspects, legal rights and responsibilities or it is about providing healthy, safe and so far as practicable pleasant working environment for employees (Armstrong, 2006).

Promotional opportunities: Heery and Noon (2006) define promotion “getting high status in workplace by doing effective work, generally increase the status, position and remuneration of employee in the organization”.

1.10 Organization of the Study

This study would be organized in to five chapters. Chapter one discusses the introductory part of the Research which includes back ground of the study, significance of the study, statement of the problem, objectives of the study, scope of the study, definition of terms and organization of study would be incorporated. The second chapter would have the literature review of the study. In this part literatures related to theories of job satisfaction, assessment of benefit and compensation management of job satisfaction are reviewed & conceptual framework of the study. In addition prior studies were reviewed. The third chapter was explained methods of the study. In this chapter the type and design of the study, the subjects and sampling of the study, procedures of data collection and the data analysis techniques was discussed. The forth chapter covers the result of the study. The last chapter would be provide summary of findings, the conclusion of the study and suggests possible remedial recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Review

What is Employee Compensation?

“Employee compensation refers to all the rewards given to workers for their services. Compensation plays a useful role in the relationship between an employer and employee. While the employees have knowledge, skills, attitude, experience and qualification at their disposal, the employers on the other hand have at their disposal pay, benefits and incentives” (Ax et al, 2006).

“Compensation includes employee wages and salaries, incentives, bonuses and commissions” (Belcourt, 1999). “The reward systems may differ from one organization to the other and may change from time to time. This arguably makes motivating employees the most complex of all management functions (Bowen & Radhakrishna, 1991)”. However, a basic feature of any reward system is that it must cause employees to give their best to the organization.

Compensation and performance are two key concepts for an organization, which impacts the employer’s ability to retain employee as well as get optimum level of performance from them so that it helps to meet the organization’s strategic objective. When the number of unmotivated employees is high, the turnover will also be high which will cost a given organization dearly because the company has incurred a lot of cost in training the employee. Employees always seek for a job that they can work with a high motivation and can satisfy their need. Therefore a proper system and balancing act is required for an organization to compete in this competing world.

2.2 Job Satisfaction

Job satisfaction is in regard to one's feelings or state-of-mind regarding the nature of their work. Job satisfaction can be influenced by a variety of factors, for example pay practice, quality of one's relationship with their supervisor, quality of the physical environment in which they work (Tanjeen, 2011).

An attitude of great interest to managers and team leaders is job satisfaction. Job satisfaction reflects the extent to which individuals find fulfillment in their work. Job satisfaction is an affective or emotional response towards various facets of one’s job. In other words job satisfaction involves a person’s positive or negative feelings about his or her job (Lisa&Timothy,

2004). The most used definition of job satisfaction in organizational research is that of Locke (1980), who described job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences”. Locke developed three important dimensions of job satisfaction. They are as follows: Job satisfaction is an emotional response to a job situation. As such, it cannot be seen; it can only be inferred. Job satisfaction is often determined by how well outcomes meet or exceed expectations. For example, if organizational participants feel that they are working much harder than others in the department but are receiving fewer rewards, they will probably have a negative attitude toward the work, the boss and/or co-workers and they will be dissatisfied. On the other hand, if they feel that they are being treated very well and are being paid equitably, they are likely to have a positive attitude toward the job, and then they will be job satisfied. Job satisfaction represents several related attitudes, Sowmya & Panchanatham (2011) defined job satisfaction as how much employees like or dislike their work and the extent to which their expectations concerning work have been fulfilled. Understanding job satisfaction is critical to the success of an organization and continues to be a major topic of research interest.

Job satisfaction refers to a collection of feelings that an individual holds towards his or her job. A person with a high level of job satisfaction holds a positive feeling about the job, while a person who is dissatisfied with his/her job holds a negative feeling about the job (Langton & Robbins, 2006). Job Satisfaction is simply how people feel about their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs, it can also be a reflection of good treatment and an indicator of emotional well-being.

The importance of enhancing job satisfaction has been studied by many researchers and it is also discussed in different literatures. The effect of job satisfaction is linked with vital organizational elements. The most important effect of job satisfactions includes its effect on absenteeism, turnover, organizational citizenship behaviour (OCB), organizational commitment, and productivity. Job satisfaction describes a collection of factors that creates a feeling of satisfaction. It can be simply stated as a combination of how an individual feels, thinks and perceives about his or her job and it is affected by many internal and external factors. A set of positive and negative feelings that an employee has about his job is known as job satisfaction (Rizwan, 2010).

A. Herzberg and job satisfaction

Armstrong (1991) showed that in terms of Herzberg's two factor theory of motivation, employees need can be divided into two groups: namely, satisfiers, or motivators, because they are seen to be effective in motivating the individual to superior performance and effort. The other consists of dissatisfies, which mainly describe the environment and serve primarily to prevent job dissatisfaction while having little effect on positive job attitudes. These are called hygiene factors, implying that they are preventive and environment.

Robbins (1993) itemized that during his experiments, Herzberg found that certain characteristics tend to be consistently related to job satisfaction. Intrinsic factors: such as achievement, recognition, the work itself, responsibility, advancement and growth related to job satisfaction.

When respondents questioned felt good about their work; they tended to attribute those factors to themselves. On the other hand, when they were dissatisfied, they tended to cite extrinsic factors such as company policy, administration and supervision. Herzberg deduced from the experiments that the opposite of satisfaction is not dissatisfaction, as was believed. He found that removing dissatisfying characteristics from a job does not necessarily make the job satisfying. He thus proposed a dual continuum, where the opposite of satisfaction would be no satisfaction and the opposite of dissatisfaction would be no dissatisfaction.

La Motta (1995) designated that Herzberg's two factor theory of motivation; organizations cannot begin to motivate employees until that which dissatisfies them has been removed. Hygiene factors such as salary, working conditions and supervision are not motivators even when they are being met. Other types of hygiene factors include, company policy, poor personal relations and job security. The meeting of lower level needs of employees is not motivating, but can have a demoting impact if not met. True motivation only kicks in when an employee's higher level needs are met. Schultz (1982) found that Herzberg's motivators are the factors that motivate employees to the highest level of performance.

These motivators are an integral part of the work itself and include factors such as the nature of the work, the person's sense of achievement, level of responsibility, personal development and growth, recognition for a job well done and feedback. Nel et al (2001) emphasized that the relevance of Herzberg's theory to the discussion of reward and recognition is that a dissatisfied employee cannot be motivated. It is thus important that an organization first give attention to hygiene factors before introducing motivators into the work place. Barling et al (1987) found that intrinsic to Herzberg's theory is the fact that only motivators cause true motivation since the hygiene factors are of short-term duration, they could never be truly associated with work motivation. Rather they would be involved in reducing negative factors in the work environment.

B. Locke's theory on job satisfaction

According to Tietjen & Myers(1998) Locke's composite theory of job satisfaction is founded from the many other concepts which Locke has developed through study and research on related topics such as goal setting and employee performance. Initially Locke's job satisfaction theory is developed by criticizing Herzberg's theory of job satisfaction. After criticizing Herzberg's work, Locke continued with his theory on values, agent/event factors, and finally an adjusted view of job satisfaction. The two basic points in which Locke's criticize Herzberg's two-factor theory are summarized in brief as follows; the first is that Job satisfaction and dissatisfaction result from different causes.

The second point is that two-factor theory is parallel to the dual theory of man's needs, which states that physical needs (like those of animals) work in conjunction with hygiene factors, and psychological needs or growth needs (unique to humans) work alongside motivators. (Tietjen & Myers, 1998). The point of Locke's criticisms is the concept of mind-body dichotomy, unidirectional operation of needs, lack of parallel between man's needs and the motivation and hygiene factors, incident classification system, defensiveness, the use of frequency data and denial of individual differences.

Tietjen & Myers (1998) added that, by distinguishing values from needs, he also argue that they have more in common with goals. Both values and goals have content and intensity characteristics. The content attribute answers the question of what is valued, and the intensity attribute, how much is valued. With regard to finding satisfaction in one's job, the employee who performs adequately on the job is the individual who decides to pursue his or her values.

As values are a point at which Locke's theory of job satisfaction begins to separate from the theory of Herzberg, so too are agent and event factors a source of divergence between the two theorists. The comparison of needs and values by Locke is described as follows. Primarily Locke refers needs as innate, a priori, and the same for all humans. Locke mentioned that needs are objective: they exist apart from knowledge of the Needs confront man and require action. Locke refers values to be acquired and posterior. Locke added that values are unique to the individual, and Values are subjective: they are acquired through conscious and sub-conscious means; Values ultimately determine choice and emotional reaction (Tietjen&Myers, 1998).

2.3 Empirical Review

Employee satisfaction is one of the most researchable issues in the human resource management practice. Many scholars invest their time and energy to identify the main benefit and compensation management of Job Satisfaction for employees' satisfaction, but their results may not always be the same. Sehgal (2012) for example conducted a study on job satisfaction of bank employees in Shimla (town in northern India). It is a comparative study of private and public banks. When comparing public and private banks, there is no much difference in the level of job satisfaction, but with regard to some factors like job security, salary, benefits and experience, the satisfaction level differs between the private and public banks. Public banks employees were found highly satisfied with the level of job security compared to the employees of private banks. When it comes to salary package in relation to experience, employees of public banks were more satisfied than employees of the private Banks. Employees of the public banks were also happy regarding the benefits they get in terms of promotions, appraisals, incentives, etc.

Usmanet al (2013) made a study on the determinants of Job Satisfaction among Employees of the Banking Industry in Bahawalpur (a city in eastern Pakistan). The purpose of this study was to identify the determinants of job satisfaction and examine its impact on employees of the banking industry in the city. The results concluded that all the variables including organizational

policy and strategy, nature of work, communication, job stress, employee personality and recruitment and selection procedures were found to have significant association with employees' job satisfaction.

Kithuku (2012) studied employee satisfaction of Kenya commercial bank and concluded that level of absenteeism does not necessarily reflect the level of job satisfaction. This is because the level of absenteeism is due to personal factors like sickness and other family commitments, and not due to the level of job satisfaction of employees. The study also concluded that there are other factors that reflect the level of job satisfaction, including staff turnover, job rotation, career development, time management, job performance and teamwork. Many researches indicated that there is no strong linkage between satisfaction and productivity. Satisfied workers will not necessarily be the highest producers although at theoretical level, this is what organizations expect. The method of performance appraisal used by the bank (Balanced Score card) and the 360 degree feedback also have an effect on employee motivation and general job satisfaction. This is because performance has improved as a result of the reward employees receive after performance appraisal.

Iwu (2012) also carried out a study on job satisfaction of Nigerian banks' employees and the results of the study shows that job satisfaction is a function of the efficacy of incentive systems in an organization. All subjects sampled were of the view that they could only be satisfied if the job satisfaction facets were present. However, the one-way analysis performed indicated that staff of the banking industry identified more with interpersonal relationship than every other facet of job satisfaction.

This means that the job facets have their own ranking in terms of like or dislike. But the obvious fact is that job satisfaction and incentives are related, bearing in mind that a job condition in any organization cannot be created in isolation from other conditions. Srivastava and Bhatia (2013) conducted a study on the contribution of motivation on employee performance in public sector banks in India. The result showed that 64% of bank employees were satisfied with their job and the top factors that motivated employees were job satisfaction, promotion/ expectations, recognition, good pay, and styles of organizations or management.

Every year, Danske Bank Group conducts a survey based on a European model known as the European Employee Index to ascertain the satisfaction, motivation and loyalty of its employees who are working in seven European countries – Denmark, Finland, Sweden, Norway, Northern Ireland, Ireland and Baltic's. According to the Group's 2018 survey, the highest result was observed in Denmark and the Baltic's with 76% of employees' satisfaction level. About 73% of its employees who work in Sweden and Northern Ireland are satisfied with their job. Similarly, employees who work in Norway and Finland scored a satisfaction level of 74% and 71% respectively.

The least employee satisfaction was observed in Ireland with the satisfaction level of 61%. FMO is a public-private partnership Dutch development bank, with 51% of its shares held by the Dutch Government and 49% held by commercial banks, a Dutch union and other representatives of the private sector.

FMO has an AAA rating from Standard & Poor's, Best Employer in the Dutch Financial Sector by research company effectors and publisher VNU Media and eighth Best Employer in the Netherlands among companies with up to 1,000 employees.

The bank conducts employee satisfaction survey every two years. The 2017 survey in which 92% of the employees of the bank participated showed that overall satisfaction score was 81%. This was considered a positive improvement from the 2015 score of 78%. Employees also reported a score of 73% for motivation, 89% for commitment and 82% for engagement – all of which were improvements from the 2015 scores.

TG Banking and Finance Consulting Plc (2018) also conducted an employee satisfaction survey for the CBE. The study revealed that only 40.4% of sampled employees were satisfied, which was below the average level.

Among the attributes that is used for the study, benefit and other motivational schemes registered the least satisfaction level (22.2%), and relationship with supervisor is the highest (71.8). Table 2.1 below provides summary of survey results of some of the empirical findings discussed above.

Table 2.1: summary of Empirical Findings on Employees Satisfaction

| | | Overall Employee Satisfaction |
|----------------------------|-------------------|--------------------------------------|
| CBE 2017 | | 40% |
| Public Banks in India 2018 | | 64% |
| Danske BankGroup 2018 | Denmark | 76% |
| | Finland | 71% |
| | Sweden | 73% |
| | Norway | 74% |
| | Northern Ireland | 73% |
| | Ireland | 61% |
| | Baltic's | 76% |
| | Danske Bank Group | 74% |
| FMO 2017 | | 81% |

Source: TG Banking and Finance Consulting Plc, Srivastava and Bhatia (2018)

2.4 Determinants of Job Satisfaction

The following are some of the major determinants of job satisfaction – mentally challenging work, equitable rewards, supportive working conditions, supportive fellow employees, personality-job fit, company policies and programs (Rmaniram, 2007). As defined by (Lokhe, 1976) job satisfaction is a positive state originating from some ones work or work experience. Positive changes in working groups, supervision, incentives and the work itself can increase Job satisfaction. (Argile,1972). In a 2012 Society for Human Resource Management survey, it was revealed that employees deem the following factors of the most importance in determining job satisfaction:

Opportunities to Use Skills and Abilities: Employees like to feel that their talents are being appreciated, and working endlessly or performing the same tasks can start to wear on their emotional state. It is important for leaders within organizations to recognize existing talent and engage the employee in making the most of his or her abilities.

Job Security: job security is the second most **critical** benefit and compensation management of Job Satisfaction **in determining job satisfaction** as people need financial security.

Compensation/Pay: A nice compensation package can be a wonderful draw when recruiting and hiring, but once an employee has signed on with an organization, they need to feel as though their efforts are being appreciated. Raises and bonuses are powerful incentives for employees to push harder towards success, and rewarding them monetarily shows that their hard work has not gone unnoticed. A healthy compensation plan with room for bonuses and raises when appropriate can boost an employee's job satisfaction and raise the Retention rate of an organization

Communication between Employees and Senior Management: Working in an environment where communication is impossible leads to **dissatisfaction and often time** results in resentment on the part of the employee. Open lines of communication between management and employees instill a trust and equality that boosts company Morale. Regular staff meetings and open-door policies reiterate the importance of each employee and promotes the notion that everyone's opinion should be heard (Rmaniram, 2007), stated that factors such as conducive working environment, mentally challenging work, equitable rewards, supportive working conditions, supportive colleagues, the personality-job fit etc. are important benefit and compensation management of Job Satisfaction which will enhance the level of job satisfaction.

Mentally Challenging Jobs: employees tend to prefer jobs that give them opportunities to use their skills and abilities and offer a variety of tasks, freedom on how well they are doing. Jobsthat have too little challenge create boredom.

Equitable rewards: employees who perceive that promotion decisions are made in a fair andjust manner are likely to experience satisfaction from their jobs.

Furthermore when pay is seen as fair and based on job demands, individual skill level and the prevailing market pay standards, job satisfaction is likely to result. Promotion provides opportunities for personal growth, more responsibilities and increased social status.

Supportive Working Conditions: according to (Rmaniram, 2007) most employees prefer working relatively close to home, in clean and relatively modern facilities and with adequate, safe and well-maintained tools and equipment.

This is because comfortable working conditions such as temperature, light and other environmental factors facilitate to enhance satisfaction level of the employees.

Supportive Fellow employees: Employee's satisfaction is increased when the immediate supervisor understands and friendly, offers praise for good performance, listens to the employee's opinions and shows a personal interest in them.

Personality-job fit: it provided that high agreement between an employee's personality and occupation results in more satisfaction. People with personality type are congruent.

2.5 Measure of Job Satisfaction

A popular measure of job satisfaction used by organizations is measures of the five facets of job satisfaction: pay, security, social, supervisory, and growth satisfaction. The sources of job satisfaction and dissatisfaction vary from person to person.(Qasim Cheema &Syed 2012)

As it has been reviewed above from different literatures (Qasim, Cheema &Syed 2012) summedup the important sources of satisfaction for many employees include the challenge of the job, the interest that the work holds for them, the physical activity required, the working conditions, rewards available from the organization, the nature of co-worker's, and the like.

In most of recent researches job satisfaction is measured by using scientific research methods such as the questionnaire. According to Spector (1997) The Job Satisfaction Survey (JSS); is a36 item, nine-facet survey instrument designed to assess employee attitudes about aspects of their jobs. Each facet is assessed with four items using a Likert-type rating scale format with six ordered response options ranging from "strongly disagree" to "strongly agree and Descriptions of the nine job satisfaction facets.

The Minnesota Satisfaction Questionnaire measures twenty features of work which can easily be responded by respondents in a paper-pencil type of a questionnaire. The Minnesota Satisfaction Questionnaire can be implemented both individually and in group. It is estimated that responding to this questionnaire usually takes between 15-20 minutes (Aziri B, 2011).

The 1967 version of the Minnesota Satisfaction Questionnaire uses five response categories: the categories are; Not satisfied, somewhat satisfied, satisfied, and very satisfied and extremely satisfied. Whereas the 1977 version of the Minnesota Satisfaction Questionnaire uses the following response categories: Very satisfied, Satisfied, neither satisfied nor dissatisfied, Dissatisfied and Very dissatisfied.

According to Aziri B, (2011) the 1977 version of the Minnesota Satisfaction questionnaire is more balanced compared to the 1967 version. The 1977 questionnaire has the following aspects of job: Co-workers, Achievement, Activity, Advancement, Authority, Company Policies, Compensation, Moral Values, Creativity, Independence, Security, Social Service, Social Status, Recognition, Responsibility, Supervision-Human Relations, Supervision-Technical, Variety, Working Conditions.

The second job satisfaction measurement technique is the Job Description Index. The Job Description Index is one of the most widely used techniques for measuring job satisfaction. It is a simple and easily applicable method. The measurement of strength and weakness within each factor are a sign as in which field improvement and changes are necessary (Aziri B, 2011).

This questionnaire allows acquisition of information on all major aspects of work and takes sex differences into consideration. The factors considered by the job description index are: The nature of work, Compensation and benefits, Attitudes toward supervisors, Relations with co-workers and Opportunities for promotion.

Descriptors on each of the five factors can be evaluated with three potential options by the employees: 1 which means that the description is relevant, 2 which means that the description is not relevant and 3 that means that the employee does not have an opinion (Aziri B, 2011)

Job satisfaction does not come automatically to business organizations. In a broad sense, the job satisfaction program needs to exist and should have activities carefully designed to achieve the intended job satisfaction goals. It must be an action program and it should be carefully monitored to ensure that changes are periodically made as needed. (Kelski, 2007).

According to (Armstrong, 2006) the level of job satisfaction can be measured by the use of attitude surveys. There are four methods of conducting them

1. By the use of structured questionnaires

These can be issued to all or a sample of employees. The advantage of using standardized questionnaires is that they have been thoroughly tested and in many cases norms are available against which results can be compared. Benchmarking can be carried out with other organizations additional questions especially relevant to the company can be added to the standard list.

A tailor made questionnaire can be used to highlight particular issues, but it may be advisable to obtain professional help from an experienced psychologist, who can carry out the skilled work of drafting and pilot-testing the questionnaire and interpreting the results. Questionnaires have the advantage of being relatively cheap to administer and analyze, especially when there are large numbers involved.

2. By the use of interviews

These may be open ended or depth interviews in which the discussion is allowed to range quite freely or they may be semi-structured in that there is a checklist of points to be covered, although the aim of the interviewer should be to allow discussion to flow around the points so that the frank and open views of the individual are obtained. Alternatively, and more rarely, interviews can be highly structured so that they become no more than the spoken application of a questionnaire.

Individual interviews are to be preferred because they are more likely to be revealing, but they are expensive and time consuming and not so easy to analyze. Discussions through ‘focus groups’ (that is groups of employees convened to focus their attention on particular issues) are a quicker way of reaching a large number of people, but the results are not so easy to quantify and some people may have difficulty in expressing their views in public.

3. By a combination of questionnaire and interview

This is the ideal approach because it combines the quantitative data from the questionnaire with the qualitative data the interviews. It is always advisable to accompany questionnaires with some depth interviews, even if time permits only a limited sample.

An alternative approach is to administer the questionnaire to a group of people and then discuss the reactions to each question with the group.

This ensures that a quantified analysis is possible but enables the group, or at least some members of it, to express their feelings more fully.

4. By the use of focus groups

A focus group is a representative sample of employees whose attitudes and opinions are sought on issues concerning the organization and their work. The essential features of a focus group are that it is structured, informed, constructive and confidential.

2.6 Steps to achieve job satisfaction

Organizations can help to increase job satisfaction by putting systems in place that will ensure that workers are being rewarded for being successful. The following list of suggestions may contribute to job satisfaction:-flexible work arrangements possibly including telecommuting, training and other professional growth opportunities, Interesting work that offers variety and challenge and allows the workers to put their signature on the finished product, opportunities to use one's talents and to be creative, opportunities to take responsibilities and direct one's own work, a stable, secure work environment that includes job security and continuity, an environment in which workers are supported by an accessible supervisor who provides timely feedback as well as congenial team members, flexible benefits, such as child-care and exercise facilities, Up-to-date technology and Quality health insurance. (Kelski,2007).

2.7 Faceted vs. Overall Satisfaction

Job satisfaction is a positive emotional state resulting from the appraisal of one's job or reactions to work experiences, how workers feel about their jobs, aspect of their jobs, and work situations. It is the extent to which a worker feels positively or negatively about the internal and/or external domain of his/her job (Bhuan S. N. et al, 2002). Employees evaluate their job and related factors through their experience in the organization. The result of this evaluation enables the employee to know whether he/she is satisfied or not. Job satisfaction is generally recognized as a multifaceted construct that includes employee feelings about a variety of both intrinsic and extrinsic job elements. It encompasses specific aspects of satisfaction related to pay, benefits, promotion, working conditions, supervision, organizational practices and relationships with co-workers (Misener et al., 1996).

2.8 Benefit and Compensation management of job satisfaction

Pay: is what an employee gets against his/her work after fulfilling his/her duty include all types of financial and non-financial rewards A major determinant of employee productivity and satisfaction arises from the degree of fairness or unfairness dissatisfaction can influence employees feeling about their job (Bezuidenhout, 2001).

Promotion: getting high status in work place by doing effective work generally increase the status, position and remuneration of an employee in the organization Promotion and interesting work are the most important factors that motivate employees. According to Arnolds and Boshoff (2011) Satisfaction in the workplace, by providing promotional opportunities, has been shown to impact positively on employee's job performance. According to steyn (2002), most educators

indicated that promotion to a higher post level was one of their goals.

Contingent Reward: is the acknowledgement of an individual contribution showing appreciation and to reward the individual for an accomplishment of a task(osthuizen,2001) or in recognition for good performance. Stroh (2001) adds that when rewarding individuals for good performance, the element of recognition must be present. Recognition by supervisor and peers were desired by employees in order to perform well, Analoui (2000) found that good work and high quality performance are not often recognized. This, according to Analoui (2000), may be a result of traditional managerial styles, bureaucratic organizational structures, or insufficient interpersonal skills on the part of management.

Fringe Benefits: A benefit refers to employees' satisfaction with pension, medical schemes and leave. Lam's et al. (2001) research found that reward (including benefits) has a positive relationship with overall job satisfaction. In fact, the variable 'reward" emerged as the most important benefit and compensation management of Job Satisfaction in predicting overall job satisfaction.

Nature of the work: the work content refers to the doing of the work and the type of work. The job can be repetitive or changing, creative or monotonous, easy or difficult." According to Pearson (1991), jobs that are both motivating and satisfying are said to be those that provide skill variety, task identity, task significance, autonomy and feedback. Osthuizen (2001) concurs that the type of work individuals do influences their satisfaction. He states that managers must make the work content as interesting as possible in order to build strong levels of motivation.

Lam et al. (2000) found that the job itself is an influential factor in predicting overall job satisfaction. They concur that a job itself should be seen as challenging and interesting. Therefore, variety and flexibility in managers' work are important.

Operating Procedure: Perceptions of fairness are important determinants of people's behavior and reactions to work (Spector 2008). According to Martins and Coetzee (2007), employee motivation and organizational culture are affected by how an employee's needs and objectives are integrated with the needs and objectives of the organization, work-life balance practices and physical work environment. Work fulfills an individual's social factor need. Therefore, having friendly and supportive co-workers leads to increased job satisfaction.

Communications: Lack of communication in the workforce is a major contributor to dissatisfaction. This is usually the result of managerial staff that is isolated and does not know how to relate to their employees on a personal or professional level (Branham, 2005). Bad communication leaves employees feeling disconnected from the organization. This is detrimental to the wellbeing of the company because when an employee feels neglected, he or she will tend to perform at a lower level. This employee becomes unsure of his or her position within the company, and wonders what his or her purpose is within the workplace. Employees may be unaware of how their performance measures up to that of their co-workers and have no sense of how they can improve. Without communication, it becomes difficult for employees to make any progress in their efficiency.

Supervision: Managers must learn to communicate better with lower level employees. Connection to the company gives staff a better feeling of belonging and worth. Supervisors should set an example by promoting friendly relationships with the staff so the work environment is healthier (Kaye & Jordan-Evans, 1999). They need to learn to listen to the employees when they have a concern or a question about the work that they are doing or the direction that the company is taking. It is imperative that managers show respect for all employees, their opinions, and their work.

Co-Workers: Another dimension which influences job satisfaction is the extent to which co-workers are Friendly, competent and supportive (Robbins et al., 2003). Research indicates that employees who have supportive co-workers will be more satisfied with their jobs (Aamodt, 2004; Robbins, 1989; 2005). This is mainly because “the work group normally serves as a source of support, comfort, advice and assistance to the individual worker” (Luthans, 1995, p. 127). Researchers further found that employees observe the levels of satisfaction of other employees and then model these behaviors (Salancik & Pfeffer, 1997 as cited by Aamodt, 2004). Hence, if an organization’s veteran employees work hard and talk positively about their jobs; new employees will model this behavior and be both productive and satisfied. The reverse can also be true.

2.9 Conceptual Framework

The general objective of this study is to assess of benefit and compensation management job satisfaction of employees the case of selected CBE Head Office and selected branches from the north districts under Addis Ababa City. The benefit and compensation management investigated under this study include Pay, Promotion, Supervision, Fringe Benefits, Contingent Rewards, Operating Procedures, Compensation, Nature of Work and Communications.

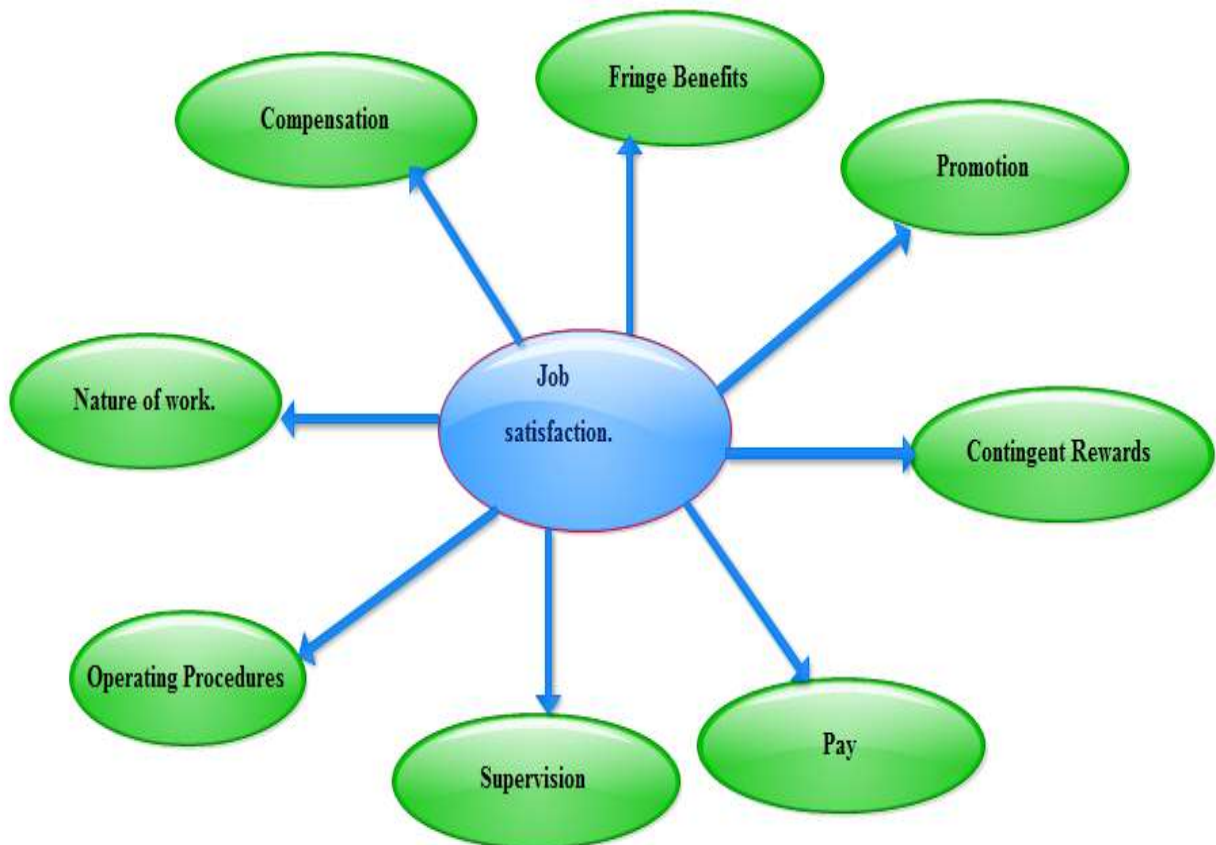


Figure 2.1: Conceptual framework of the assessment of benefit and compensation management of job satisfaction of employees

Adapted and modified from Mehmood, Irum, Ahmed & Sultana (2012).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

This chapter presents details of the organization of the study, the research design, source of data, method and tools of data collection, target population, sample size and sampling technique and method of data analysis. The data collect from both CBE Head Office and select branches from North districts under Addis Ababa city. Using questionnaires are present and analyze in this chapter and interpretation of the result making use of SPSS version 23 software.

3.2 Research Approach

The primary aim of this study is to insight the benefit and compensation management of job satisfaction at commercial bank of Ethiopia Addis Ababa city branches. To achieve this objective, descriptive type of research design with a mixed approach has been employed. The descriptive type of research design helps to portray accurately the characteristics of a particular individual, situation or a group (Creswell, 2014). So that, in this study the descriptive research design is employed to describe the benefit and compensation management of job satisfaction at commercial bank of Ethiopia in Addis Ababa city branches.

With regard to research method, mixed research method is considered to be very efficient in answering research questions compared to the quantitative and qualitative approach when used in isolation (Creswell, 2014). Therefore, in this study, a mixed approach is used since it helps to capitalize the strength of using the quantitative approaches and remove any biases that can be encountered in any single research method.

3.3. Sources of Data

The study used both primary and secondary sources of data for its successful accomplishment. Primary data was collected from the employees through structured questionnaires. Secondary data was collected from sources like prior researches, journals articles, books, internet websites and manuals etc.

3.4 . Method and Tools of Data Collection

The research approach used in this paper was quantitative. Qualitative research is concerned with qualitative phenomena, that is, phenomena relating to or involving quality or kind. On the other hand, quantitative research focuses on ascertaining the relationship between variations of independent and dependent variables. In this study structured questionnaires containing close ended questions have been used to collect primary data. Secondary data was collected by referring different articles, and books.

3.5. Target Population

The target population of the study was staffs of CBE Head Office and Commercial Bank of Ethiopia working in North Addis District City Branches.

3.6. Sampling Technique and Sample Size

The researcher was used stratified random sampling technique to select the respondents from the population. Stratified random sampling was used because it help to ensure that all parts of the population are represent in the sample in order to increase the accuracy and to decrease the error in the estimation from the target population. With regards to the respondents who were locate at the branch offices, respondents were select base on the convenience and availability of the branches and employees respective. The 1st stratum was selected from staffs of Commercial Bank of Ethiopia North District (CBE) and the 2nd stratum from staffs of CBE Head Office.

CBE North Addis district has 84 branches out of which 43 branches are located in the Addis. The total number of employees in North Addis District city branches is 1200. On the other hand CBE Head Office and the total number of employees under head office is 520. Therefore, the total populations used for the study were 1720.

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

Where,

n=samplesize

N=population size

e=the level of precision, sampling error

(Source: Yamne (1967))

$$\text{So, } n = \frac{1720}{1 + 1720(0.05)^2}$$

$$= \frac{1720}{1721(0.0025)}$$

$$n = 400$$

Thus, the total sample size was 400. Since the number of employees in each sample banks was not the same, it was necessary to proportionate this for each bank and calculate using the following formula:

$$n = \frac{nN1}{N}$$

Where; n= total number of samples

N= total number of population

N1= total number of population in each bank

$$n1 = \frac{400(1200)}{1720}$$

$$n2 = \frac{400(520)}{1720}$$

CBEND n1= 279

CBEHO n2= 121

Therefore, the sample of respondents was determined by using simple random sampling (lottery method).

Table 3.1 The number of population and sample Size in each sample branches of CBE North Addis District City Branches.

| Branches | Number of Population | Sample Size |
|-----------------|----------------------|-------------|
| Abunepetros | 13 | 11 |
| Arada Giorgis | 85 | 61 |
| Arat kilo | 78 | 57 |
| Gedamsefer | 15 | 12 |
| Gulelle | 45 | 22 |
| Mahateme Ghandi | 52 | 38 |
| Mehalketema | 48 | 28 |
| Sebarababur | 19 | 10 |
| Kidste Mariam | 35 | 15 |
| Silasse | 52 | 25 |
| Total | 442 | 279 |

Source: Employee records in the Human resource management department of CBE, 2021.

Table 3.2: The Number of population and sample size CBE Head Office

| Branches | Number of Population | Sample Size |
|--|----------------------|-------------|
| Branch and Digital Banking | 15 | 12 |
| Internal Audit | 9 | 7 |
| Risk and Compliance | 16 | 10 |
| Information Systems | 13 | 8 |
| Credit Appraisal and credit Management | 22 | 16 |
| International Banking | 20 | 16 |
| Legal Loan Workout and Resource | 12 | 10 |
| Facility Management | 13 | 6 |
| Human Resource | 10 | 8 |
| Finance | 12 | 7 |
| Strategy and Business Development | 17 | 13 |
| Quality Management and control | 14 | 8 |
| Total | 173 | 121 |

3.7. Method of Data Analysis

From the questionnaires, a few procedures can be done such as checking the data for accuracy. Besides that the questions were being coded to enable for analysis using Statistical Packages for the Social Science (SPSS) version 23. This is followed by the examination and presentation of demographic profile of respondents using Descriptive Statistics. According to Zikmund (2000), descriptive analysis refers to the transformation of the raw data into a form that will make them easy to understand and interpret. Secondly, the Cronbach Alpha testing will be used as it is the most well accepted reliability test tools applied by social researcher (Sekaran, 2006). In Cronbach's Alpha reliability analysis, the closer Cronbach's Alpha to 1.0, the higher the internal consistency reliability.

3.8. Validity and Reliability of the research instruments

3.8.1. Reliability

Reliability of an instrument is usually expressed as a correlation coefficient with values ranging between 0.0. A coefficient of 1.0 indicates a perfect reliability, which is never practically attained, while a rating of 0.0 indicates no reliability.

Reliability was considered by doing a pre-testing of the questionnaire using Cronbach's alpha measure of internal consistency on a section of the study sample and modifications will use incorporate for clarity, comprehensiveness, relevance and meaning. Subsequently, the improve version of the questionnaire will reprint, duplicate and dispatch accordingly to the respondents.

3.8.2 Validity

The content validity of the instrument was in two ways. It was determined through piloting, where the responses of the items were checked against the research objectives. For a research instrument to be considered valid, the content selected and included in the questionnaire must be relevant to the variable being investigated. Secondly, the researcher used experts in the Department of Commerce, who are the Supervisors of the research to scrutinize the items in the data collection instruments to ensure it measures what the researcher intends to capture. Their suggestions and clarifications were considered and incorporated in the final draft of the questionnaire so as to ensure its validity

Validity was concerned with the degree to which the designed questionnaire items fairly and accurately represented the main variables discussed in literature review. The validity of the instruments used in the study was estimated after a pretest. Experts in the field were consulted about the content of the instruments, ambiguity of question items and their relevancy.

3.9. Ethical Considerations

There were certain ethical protocols that are followed by the researcher. The first is asking explicit consent from the respondents. This ensures that their participation to the study is not out of their own will. The researcher also ensured that the respondents are aware of the objectives of the research and their contribution to its completion. One other ethical measure includes treating the respondents with respect and courtesy. This makes the respondents at ease and more likely to give honest responses to the questionnaire. They were told about their right to refuse and withdraw from participating in the research. For the concern of confidentiality, the name of the study participants was not included in the questionnaire and data was kept safe and only for the intended purpose.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Introduction

Most of the staff from the head office and branch office, such as policy; the strategic and operational process is covered by the head office. Even if the branch is designed by the police, it will be approved by the head office. If he trusts in him. So they spend a lot of time doing the work and some important things at the head office, but this is not the case with the branch office and everything is complete in the head office and not much of the branch. This, in turn, reduces the satisfaction of the employee. This chapter presents a summary of the findings of study and a discussion of the final results and the processes through which the results were obtained. Including the profile of respondents and the statistical methods of analysis, descriptive analysis, T-test and correlation analysis using SPSS version 23 for computational statistics based on the practices, analysis and determining the findings, summary and recommendations forwarded.

4.1 Data Analysis

Table 4.1: Profile of Respondents

| Questionnaires | Commercial Bank of Ethiopia North Addis District City Branches. | | CBE Head Office | |
|----------------|---|------------------|-----------------|------------------|
| | Respondents | Valid percentage | Respondents | Valid percentage |
| Returned | 242 | 87% | 108 | 89% |
| Not returned | 37 | 13% | 13 | 11% |
| Total | 279 | 100% | 121 | 100% |

Source: Survey result, 2021

4.1.1 Demographic Characteristics of Respondents

The demographic profile of the respondents includes the following sex, age, level of education, experience and salary level. This aspect of data analysis deals with the analysis of personal data on the respondents. These were summarized in the following table.

Table 4.2: Demographic Characteristics of the Respondent

| Characteristics | Frequency | | Percentage | |
|------------------------|------------------|-------|-------------------|-------|
| | CBEHO | CBEND | CBEHO | CBEND |
| Age | | | | |
| 20-30 | 65 | 194 | 60.2 | 80.2 |
| 31-40 | 40 | 35 | 37 | 14.5 |
| 41-50 | 3 | 11 | 2.8 | 4.5 |
| Characteristics | Frequency | | Percentage | |
| | CBEHO | CBEND | CBEHO | CBEND |
| Above 51 | 0 | 2 | 0 | 0.8 |
| Total | 108 | 242 | 100% | 100% |
| Gender | | | | |
| Male | 71 | 138 | 65.7 | 57 |
| Female | 37 | 104 | 34.3 | 43 |
| Total | 108 | 242 | 100 | 100 |
| Experience | | | | |
| Less than 2 years | 19 | 84 | 17.6 | 34.7 |
| 2-5 years | 47 | 96 | 43.5 | 39.7 |
| 5-10 years | 37 | 42 | 34.3 | 17.4 |
| 10-15 years | - | 10 | - | 4.1 |
| More than 15 years | 5 | 10 | 4.6 | 4.1 |
| Total | 108 | 242 | 100 | 100 |
| Education level | | | | |
| Diploma | 5 | 10 | 4.6 | 4.1 |
| Bachelor Degree | 90 | 212 | 83.3 | 87.6 |
| Master's Degree | 12 | 20 | 11.1 | 8.3 |
| Above master's Degree | 1 | - | 0.9 | - |
| Total | 108 | 242 | 100 | 100 |
| Salary | | | | |
| Less than 3000 | - | 32 | - | 13.2 |
| 3001-6000 | 21 | 166 | 19.4 | 68.6 |
| 6001-9000 | 73 | 21 | 67.6 | 8.7 |
| 9001-12000 | 10 | 14 | 9.3 | 5.8 |
| 12001-15000 | 2 | 9 | 1.9 | 3.7 |
| Greater than 15,000 | 2 | - | 1.9 | - |
| Total | 108 | 242 | 100 | 100 |

Source: own survey, 2021

As have seen from table 4.2 out of the total CBEHO respondents 65.7% (71) were male while the remaining 34.3% (37) were female. Similarly, in the case of CBEND out of the total respondents 57% (138) were male while the remaining 43% (104) were female. Therefore, the majority respondents are male.

The above table 4.2 also illustrates respondent's age category. From the valid number of Participants, the numbers of respondent 60.2 % (65) were aged between 20 and 30. and 37 % (40) of the respondents were between 31-40 and 2.8 % (3) of the respondent were between 41-50.

Likewise, the largest groups of CBEND respondents which contain 80.2 % (194) were aged between 20 and 30. 14.5 % (35) were between 31-40. 4.5 % (11) were aged between 41-50. And 0.8 % (2) is above 51 years.

Result from the above table 4.2 shows about educational background of the respondents" revealed that the majority (83.3%) and 87.6% of the respond had first degree level. The rests (11.1%) and 8.3% and (4.6%) and 4.1% had MA degree and diploma holders respectively. This implies that the majority of employees under this study area are first degree graduates.

With regard to experience, out of the total CBEHO respondents 43.5% (47) have 2-5years work experience, 34.3%(37) of the respondent have 5-10 years experience. 17.6 % (19) of the respondent have less than two years work experience.

And 4.6 % (5) of the respondent havemore than 15 years work experience. However, out of the total CBEND respondents 39.7% (96) of the respondent have2-5 years work experience. 34.7 % (84) of the respondent have less than two years work experience. 17.4 % (42) of the respondent have 5-10 years experience. 4.1 % (10) of the respondent have10-15 years of experience and 4.1 % (10) of the respondent have more than15 years experience.

With regard to salary level, the largest group of CBEHO respondent 67.6 % (73) got 6001-9000 Birr. 19.4 % (21) of the respondent got between 3001-6000 Birr. 9.3 % (10) of the respondent got 9001-12 000. 1.9 % (2) of the respondent got 12001-15000 and 1.9 % (2) of the respondent got greater than 15000 Birr. On the other hand the largest group of CBEND respondent 68.6 % (166) got 3001-6000. 13.2 % (32) of the respondent got less than 3000. 8.7 % (21) of the respondent got between 6001-9000. 5.8 % (14) of the respondent got 9001-12000 and 3.7 % (9) of the respondent got between 12001-15000 Birr.

4.2 Data Reliability

Cronbach's alpha reliability test was run on the data collected to determine the reliability of the data. Results showed that all the values were above 0.70 indicating acceptable reliability (Table 4.3). Nunally (1978) cited in Abreham (2015) suggested that the minimum of 0.70 would be a acceptable level. Therefore the nine dimensions of benefit and compensation management of Job Satisfaction were found to be an acceptable in their internal consistency and thereby in measuring the dimensions of interest.

Table 4.3: Cronbach's Alpha Reliability Test Result

| Factors of the Job Satisfactions | Cronbach's Alpha |
|----------------------------------|------------------|
| Pay | .744 |
| Promotion | .740 |
| Supervision | .803 |
| Fringe Benefits | .815 |
| Contingent reward | .844 |
| Operating Procedure | .851 |
| Co-worker | .751 |
| Nature of work | .775 |
| Communications | .713 |

4.3 Assessment of benefit and compensation management of Job Satisfaction of Employees in CBE North Addis District City Branches

4.3.1 Pay and Remuneration

As presented in Table 4.4 below, one of the most important benefit and compensation management of Job Satisfaction is salary. Companies need to have an instrument in place to assess employee performance and provide salary increases. Prospect to earn special incentives, such as bonuses, extra paid time off or vacations also bring stimulation and higher job satisfaction. There is no doubt that monetary rewards play a very influential role in determining job satisfaction. Pay is one of the fundamental components of job satisfaction since it has a powerful benefit and compensation management in determining job satisfaction. Accordingly the mean value of pay and remuneration were 3.10. This implies that the respondents were neither agree nor disagree by their organization pay and remuneration. As it can be seen from the table the highest mean score was obtained from I feel appreciated by the organization when I think about what they pay me. That had the mean value of 3.5 and relatively it was the highest score from other. The lowest mean score is obtained in the statement which asks Raises are too many and frequent.

Table 4.4: the mean value of Pay and Remuneration

| | I FEEL I AM BEING PAID A FAIR AMOUNT FOR THE WORK I DO | RAISES ARE TOO MANY AND FREQUENT. | I FEEL APPRECIATED BY THE ORGANIZATION WHEN I THINK ABOUT WHAT THEY PAY ME. | I FEEL SATISFIED WITH MY CHANCES FOR SALARY INCREASES | Pay and Remuneration |
|-----------|--|-----------------------------------|---|---|----------------------|
| N Valid | 242 | 242 | 242 | 242 | 242 |
| N Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | 3.13 | 2.83 | 3.50 | 2.97 | 3.10 |

Source: own survey, 2021

4.3.2 Promotion Opportunities

Promotion provides employees with opportunities for personal growth, more responsibilities and also increased social status. Employees seek promotion policies and practices that they perceive to be fair and unambiguous and in line with their expectations. Research indicates that employees who perceive that promotion decisions are made in a fair and just manner are most likely to experience job satisfaction.

Accordingly the mean value of Promotion Opportunities was 2.98 (it was almost Neutral). Relatively the highest mean score is obtained from the statement People get ahead as fast here as they do in other place. That had the mean value of 3.08. The lowest mean score was obtained on There is really high chance for promotion on my job. The respondents were disagreeing by this statement and which had the mean value of 2.76. Therefore the general perception of CBE employees related to promotion opportunities is neutral.

Table 4.5: The mean value of promotion opportunities

| | | THERE IS REALLY HIGH CHANCE FOR PROMOTION ON MY JOB. | THOSE WHO DO WELL ON THE JOB STAND A FAIR CHANCE OF BEING PROMOTED | PEOPLE GET AHEAD AS FAST HERE AS THEY DO IN OTHER PLACES | I AM SATISIED WITH MY CHANCES FOR PROMOTION | PROMOTION OPPORTUNITIES |
|------|---------|--|--|--|---|-------------------------|
| N | Valid | 242 | 242 | 242 | 242 | 242 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 2.76 | 3.05 | 3.08 | 3.04 | 2.9804 |

Source: own survey, 2021

4.3.3 Immediate Supervisor

People who enjoy working with their supervisors will be more satisfied with their jobs and satisfaction with supervisors was related to organizational and team commitment, which in turn resulted in higher productivity, lower turnover and a greater willingness to help.

As it can be noted from the below table the mean score of Immediate Supervisor was 2.78(Disagree). Relatively the highest mean score was obtained on my Supervisor shows high interest in the feelings of subordinate which had the mean value of 2.93. It is more related to neutral (nether agree nor disagree). Relatively the lowest mean score was obtained on my supervisor is fair to me which was (2.62). The respondents were disagreeing by the statement. Generality the mean value of Immediate Supervisor was 2.78 which represent most of the respondent were not happy by their supervisor).

Table 4.6: The Mean Value of Immediate Supervisor

| | | MY SUPERVISOR IS QUITE COMPETENT IN DOING HIS OR HER JOB | MY SUPERVISOR IS FAIR TO ME | MY SUPERVISOR SHOWS HIGH INTEREST IN THE FEELINGS OF SUBORDINATEs. | I LIKE MY SUPERVISOR | IMMEDIATE SUPERVISOR |
|------|---------|--|-----------------------------|--|----------------------|-----------------------------|
| N | Valid | 242 | 242 | 242 | 242 | 242 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 2.71 | 2.62 | 2.93 | 2.89 | 2.7862 |

Source: own survey, 2021

4.3.4 Monetary and Nonmonetary Fringe Benefits

It includes insurance payment and retirement plan, payment for time not worked, medical plans and different allowances, extra cash payment other than bonus based on performance and cost of service and so on.

Accordingly to Monetary and Nonmonetary fringe Benefit had a mean score 3.11 (it is Neutral) the respondent were neither agree nor disagree in related to fringe benefit. Relatively from this factor the highest score was the benefits we receive are as good as most other organizations Offer. That had a mean score 3.23 and relatively the lowest score on I am satisfied with the benefits I receive. It had a mean value of 2.68. By this benefit and compensation management some of the respondents were disagree. In general the total mean of this benefit and compensation management were neutral.

Table 4.7: The mean value of Fringe Benefits

| | | I AM SATISFIED WITH THE BENEFITS I RECEIVE | THE BENEFITS WE RECEIVE ARE AS GOOD AS MOST OTHER ORGANIZATIONS OFFER | THE BENEFIT PACKAGE WE HAVE IS EQUITABLE | THERE ARE NO BENEFITS WE DO NOT HAVE WHICH WE SHOULD HAVE. | MONETARY AND NONMONETARY FRINGE BENEFITS |
|------|---------|--|---|--|--|---|
| N | Valid | 242 | 242 | 242 | 242 | 242 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 2.68 | 3.23 | 2.99 | 3.10 | 3.1198 |

Source: own survey, 2021

4.3.5 Contingent Rewards

According to Spector (1997), examples of contingent rewards are appreciation, recognition and rewards for good work. Employee dissatisfaction may result if an employee perceives that their efforts are not recognized or that their rewards are not equitable tied to their performance or tailored to their needs (Robbins 1993). Contingent rewards support the reinforcement theory of motivation, in terms of which performance-relevant behaviors will increase in frequency if rewarded (Spector 2008). From these factors the mean value was 2.60, which represent disagree. Relatively the highest mean of this factor was 3.31 that were ‘when I do a good job I receive the recognition for it that I should receive’. It indicates that most of the respondents were in between neither accept not reject the statement. And also relatively the lowest score on 2.07 I feel that the work I do is appreciated.

Table 4.8: The mean value of Contingent Rewards

| | | WHEN I DO A GOOD JOB I RECEIVE THE RECOGNITION FOR IT THAT I SHOULD RECEIVE | I FEEL THAT THE WORK I DO IS APPRECIATED. | THERE ARE MANY REWARDS FOR THOSE WHO WORK HERE. | I FEEL MY EFFORTS ARE REWARDED THE WAY THEY SHOULD BE. | CONTINGENT REWARDS |
|------|---------|---|---|---|--|--------------------|
| N | Valid | 242 | 242 | 242 | 242 | 242 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 3.31 | 2.07 | 2.40 | 2.62 | 2.6033 |

Source: own survey, 2021

4.3.6 Operating Police and Procedures

Perceptions of fairness are important determinants of people’s behavior and reactions to work (Spector 2008). According to Martins and Coetzee (2007), employee motivation and organizational culture are affected by how an employee’s needs and objectives are integrated with the needs and objectives of the organization, work–life balance practices and physical work environment. Work fulfills an individual’s social factor need. Therefore, having friendly and supportive co-workers leads to increased

Job satisfaction (Robbins 1993). As observed in Table 4.9 the total mean value of operating policies and procedure were 3.00 this also neutral. Most of the respondents neither agree nor disagree by the statement. Relatively the higher score on I do not have too much paper work. The mean value was 3.28, and also relatively the lowest mean score was I do not have too much to do at work. Which had 2.81 the respondents were disagreeing by this fact.

Table 4.9: The mean value of Operating Police and Procedures

| | | MANY OF OUR RULES AND PROCEDURES MAKE DOING A GOOD JOB DIFFICULT | THERE ARE NO OBSTACLES THAT BLOCK MY EFFORTS TO DO A GOOD JOB | I DO NOT HAVE TOO MUCH TO DO AT WORK | I DO NOT HAVE TOO MUCH PAPER WORK | OPERATING POLICIES AND PROCEDURES |
|------|---------|--|---|--------------------------------------|-----------------------------------|-----------------------------------|
| N | Valid | 242 | 242 | 242 | 242 | 242 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 2.95 | 2.98 | 2.81 | 3.28 | 3.0052 |

Source: own survey, 2021

4.3.7 People you work with

Another benefit and compensation management of job satisfaction is the extent to which co-workers are friendly, competent and supportive (Robbins et al., 2003). Research indicates that employees who have supportive co-workers will be more satisfied with their jobs (Aamodt, 2004; Robbins, 1989; 2005). This is mainly because “the work group normally serves as a source of support, comfort, advice and assistance to the individual worker”. From this factor the highest mean score on there is too little bickering and fighting at work, the mean value was 4.05 which is related to Agree and the lowest mean score on I find I have to work equitable at my job because of the competence of people I work with. That had the mean value of 3.10. In general the mean value of People you work with had a mean score of 3.73, which is the relatively highest from all other benefit and compensation management. Even though which also in the range of between neutral and Agree.

Table 4.10: The Mean Value of People you work with

| | I LIKE THE PEOPLE I WORK WITH | I FIND I HAVE TO WORK EQUITABLE AT MY JOB BECAUSE OF THE COMPETENCE OF PEOPLE I WORK WITH | I ENJOY MY CO WORKERS | THERE IS TOO LITTLE BICKERING AND FIGHTING AT WORK. | PEOPLE YOU WORK WITH |
|---------|-------------------------------|---|-----------------------|---|-----------------------------|
| N Valid | 242 | 242 | 242 | 242 | 242 |
| Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | 3.89 | 3.10 | 3.89 | 4.05 | 3.7324 |

Source: own survey, 2021

4.3.8 Job Task Themselves

The content of the work performed by employees is a major predictor of job satisfaction. Not surprisingly, “research is fairly clear that employees, who find their work interesting, are more satisfied and motivated than employees who do not enjoy their jobs”. Employees tend to prefer jobs which afford them the opportunity to apply their skills and abilities, offer them variety and freedom as well as jobs where they get constant feedback on how well they are doing. From this factor the total mean was 2.90 which is between disagreeing and neutral. Relatively from this factor the highest mean score was I fell a sense of pride in doing my job, which had the mean score of 3.14 which also were neutral (nether agree nor disagree). The lowest mean in this factor were I always feel my job is meaning full, which were 2.66. It was totally disagree and implies that most of the respondents were not fell their job is meaningful.

Table 4.11: The mean value of Job Task Themselves

| | | I ALWAYS FEEL MY JOB IS MEANING FULL. | I LIKE DOING THE THINGS I DO AT WORK | I FELT A SENSE OF PRIDE IN DOING MY JOB | MY JOB IS ENJOYABLE | JOB TASK THEMSELVES |
|------|---------|---------------------------------------|--------------------------------------|---|---------------------|---------------------|
| N | Valid | 242 | 242 | 242 | 242 | 242 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 2.66 | 3.12 | 3.14 | 2.72 | 2.9091 |

Source: own survey, 2021

4.3.9. Communication

The formation of specific goals, feedback on progress towards these goals, and reinforcement of desired behavior all stimulate motivation and require communication. The fewer distortions, ambiguities and incongruities that occur in communication within organizations, the more satisfied employees will feel with regard to their work (Robbins 1993). As mentioned in table 4.12 the total mean value of this factor was 3.13, which represent neutral. Relatively the highest score for this factor was the goals of this organization are clear to me. It had the mean value of 4.22; most of the respondents were agree by the statement. And also relatively the lowest mean was scored on work assignments are fully and clearly explained, this had the mean value of 2.53.

Table 4.12: The Mean Value of Communications

| | | COMMUNICATIONS SEEM GOOD WITHIN THIS ORGANIZATION | THE GOALS OF THIS ORGANIZATION ARE CLEAR TO ME. | I OFTEN FEEL THAT I KNOW VERY WELL ABOUT WHAT IS GOING ON WITH THE ORGANIZATION. | WORK ASSIGNMENTS ARE FULLY AND CLEARLY EXPLAINED. | COMMUNICATION |
|------|---------|---|---|--|---|---------------|
| N | Valid | 242 | 242 | 242 | 242 | 242 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 3.25 | 4.22 | 2.89 | 2.53 | 3.1395 |

Source: own survey, 2021

4.4 Assessment of benefit and compensation management of Job Satisfaction of employees in CBE Head Office

4.4.1 Pay and Remuneration

Payment is also referred as salary or remuneration is significantly found to motivate individuals. Arnolds and Boshoff (2001) found that managers and employees are significantly motivated by monetary rewards. They added that remuneration packages of top managers and employees should be linked to motivational interventions that satisfy the self-actualization and growth needs of top managers. For example, by linking salary increases and performance bonuses to the successful completion of challenging assignments.

As it can be noted from the below table the mean score of Pay and Remuneration is 3.95, which represent the respondents were agree by their organization pay and Remuneration. Relatively the highest mean score is obtained on I feel satisfied with my chances for salary increases, which had the mean value 4.02. whereas relatively the lowest mean score is obtained on Raises are too many and frequent, the mean value of 3.89. Generally most of the respondents were agree about their organization pay and remuneration.

Table 4.13: The mean value of Pay and Remuneration

| | | I FEEL I AM BEING PAID A FAIR AMOUNT FOR THE WORK I DO | RAISES ARE TOO MANY AND FREQUENT. | I FEEL APPRECIATED BY THE ORGANIZATION WHEN I THINK ABOUT WHAT THEY PAY ME. | I FEEL SATISFIED WITH MY CHANCES FOR SALARY INCREASES | PAY AND REMUNERATION |
|------|---------|--|--|---|---|-------------------------|
| N | Valid | 108 | 108 | 108 | 108 | 108 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 3.96 | 3.89 | 3.94 | 4.02 | 3.9514 |

Source: own survey, 2021

4.4.2 Promotion Opportunities

Promotion opportunity means a chance to advance or it is a chance to promote from lower position to a higher or the next higher position. For any employee promotion opportunity is a very essential term in his work. If the promotion opportunity of an organization is very low, employees' turnover of that organization will be increased.

Promotion is also known as advancement, is a motivator, and should therefore build strong levels of motivation (Oosthuizen, 2001). His research indicated that this factor contributes significantly to the dissatisfaction of employees. Accordingly the mean value of Promotion Opportunities is 3.92 which is relative to agree. The respondents were happy by their organization promotion Opportunities. The highest mean score is obtained on there is really high chance for promotion on my job, it had 4.14 mean value. Which indicate that the respondents were agree by their organization chances for promotion. Relatively the lowest mean score is obtained on I am satisfied with my chances for promotion; this had the mean value 3.83.

Table 4.14: The mean value of Promotion Opportunities

| | THERE IS REALLY HIGH CHANCE FOR PROMOTION ON MY JOB. | THOSE WHO DO WELL ON THE JOB STAND A FAIR CHANCE OF BEIING PROMOTED | PEOPLE GET AHEAD AS FAST AS THEY DO IN OTHER PLACES | I AM SATISFIED WITH MY CHANCES FOR PROMOTION | PROMOTION OPPORTUNITIES |
|---------|--|---|---|--|-------------------------|
| N Valid | 108 | 108 | 108 | 108 | 108 |
| Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | 4.14 | 3.87 | 3.86 | 3.83 | 3.9259 |

Source: own survey, 2021

4.4.3 Immediate Supervisor

Supervisor support is one of the important factors for employee job satisfaction. Supervisor support is defined as the extent to which leaders care about their employees' welfare and value their contributions. A leader with high supervisor support is one that makes employees feel appreciated, heard and cared about. Researchers like Buckingham & Coffman in Break All the Rules, (1999) have found that the talented employee may join an organization for many reason, but how long that employee stays and how productive he/she is while there is determined by the relationship with the immediate supervisor.

The mean score of immediate supervisor was 4.10, which indicate that the respondents were agree by the statement. Relatively the highest score on my supervisor is quite competent in doing his/ her job, which had the mean value of 4.24. Relatively the lowest mean score is obtained on my supervisor is fair to me, but it also in the range of agree. This had the mean value 4.02 and the most of respondents were happy by their Immediate Supervisor

Table 4.15: The Mean Value of Immediate Supervisor

| | | MY SUPERVISOR IS QUITE COMPETENT IN DOING HIS/HER JOB | MY SUPERVISOR IS FAIR TO ME. | MY SUPERVISOR SHOWS HIGH INTEREST IN THE FEELINGS OF SUBORDINATES. | I LIKE MY SUPERVISOR | IMMEDIATE SUPERVISOR |
|------|---------|---|------------------------------|--|----------------------|----------------------|
| N | Valid | 108 | 108 | 108 | 108 | 108 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 4.24 | 4.02 | 4.13 | 4.03 | 4.1042 |

Source: own survey, 2021

4.4.4 Monetary and Nonmonetary Fringe Benefits

Benefit refers to employee’s satisfaction with pension, medical schemes and leave. Lam’s et al. (2001) research found that that monetary and nonmonetary fringe benefit has positive relationship with overall job satisfaction. As mentioned table 4.16 the total mean value of fringe benefit were 4.00, Which represent the respondent were agree about the benefit they receive from their organization. Relatively the largest mean value was the benefits we receive are as good as most other organization offer. That had the mean value of 4.05 which represent the respondents were agree and also relatively the lowest mean score were I am satisfied with the benefits I receive. That had the mean score 3.95, this also indicate the respondents were almost agree by the statement.

Table 4.16: The mean value of Monetary and Nonmonetary Fringe Benefits

| | | I AM SATISFIED WITH THE BENEFITS I RECEIVE. | THE BENEFITS WE RECEIVE ARE AS GOOD AS MOST OTHER ORGANIZATIONS OFFER | THE BENEFIT PACKAGE WE HAVE IS EQUITABLE | THERE ARE NO BENEFITS WE DO NOT HAVE WHICH WE SHOULD HAVE. | MONETARY AND NONMONETARY FRINGE BENEFITS |
|------|---------|---|---|--|--|--|
| N | Valid | 108 | 108 | 108 | 108 | 108 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 3.95 | 4.05 | 3.99 | 4.04 | 4.0069 |

Source: own survey, 2021

4.4.5 Contingent Rewards

Recognition is the acknowledgement of the contribution of a person, to express appreciation or to reward the individual for the accomplishment of a task. The mean score of contingent Reward were 3.92, which indicate that the respondents were almost agree about reward system of their organization. Relatively the highest score on there are many rewards for those who work here. That had the mean value of 4.06, and also relatively the lowest score on I fell my efforts are rewarded the way they should be. That had the mean value of 3.77, it represent neutral.

Table 4.17: The Mean Value of Contingent Rewards

| | | WHEN I DO A GOOD JOB, I RECEIVE THE RECOGNITION FOR IT THAT I SHOULD RECEIVE | I FEEL THAT THE WORK I DO IS APPRECIATED. | THERE ARE MANY REWARDS FOR THOSE WHO WORK HERE. | I FEEL MY EFFORTS ARE REWARDED THE WAY THEY SHOULD BE. | CONTINGENT REWARDS |
|------|---------|--|---|---|--|---------------------------|
| N | Valid | 108 | 108 | 108 | 108 | 108 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 3.97 | 3.92 | 4.06 | 3.77 | 3.9282 |

Source: own survey, 2021

4.4.6 Operating Policies and Procedures

Perceptions of fairness are important determinants of people’s behavior and reactions to work (Spector 2008). According to Martins and Coetzee (2007), employee motivation and organizational culture are affected by how an employee’s needs and objectives are integrated with the needs and objectives of the organization, work–life balance practices and physical work environment. Work fulfills an individual’s social factor need.

As observed in Table 4.18 the total mean value of operating policies and procedure were 3.96, this also indicate the respondents were agree by the statement. Relatively the higher score on there are no obstacles that block my efforts to do a good job, the mean value was 4.02 and also relatively the lowest mean score on many of our rules and procedures make doing a good job difficult, this had 3.91 mean values, even if the respondent were agree.

Table 4.18: The mean value operating Policies and Procedures

| | | MANY OF OUR RULES AND PROCEDURES MAKE DOING A GOOD JOB | THERE ARE NO OBSTACLES THAT BLOCK MY EFFORTS TO DO A GOOD JOB. | I HAVE NOT TOO MUCH TO DO AT WORK | I HAVE NOT TOO MUCH PAPER WORK | OPERATING POLICIES AND PROCEDURES |
|---|---------|--|--|-----------------------------------|--------------------------------|-----------------------------------|
| N | Valid | 108 | 108 | 108 | 108 | 108 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| | Mean | 3.91 | 4.02 | 3.98 | 3.94 | 3.9630 |

Source: own survey, 2021

4.4.7 People you work with

Another dimension benefit and compensation management of job satisfaction is the extent to which co-workers are friendly, competent and supportive (Robbins et al., 2003). Research indicates that employees who have supportive co-workers will be more satisfied with their jobs (Aamodt, 2004; Robbins, 1989; 2005). There is a natural desire of human beings to interact with others and so existence of groups in organization is common observable fact. This characteristic results informal of work group in the work place. The work group make use of a remarkable influence on the satisfaction of employees. The satisfaction of an individual is dependent largely on the relationship with the group member, group dynamics, group cohesiveness and his own need for affiliation.

As mentioned table 4.19 the total mean value of People you work with were 3.98, it represent the respondent were almost agree. Relatively the highest score on I like the people I work with. That had 4.18 mean values, this implies that most of the respondents were agree they like their co- worker and also relatively the lowest mean score on I enjoy my co-workers it had the mean value of 3.99 still the respondents were agree on this statement.

Table 4.19: The mean value of people you work with

| | | I LIKE THE PEOPLE I WORK WITH | I FIND I HAVE TO WORK EQUITABLE AT MY JOB BECAUSE OF THE COMPETENCE OF PEOPLE I WORK WITH | I ENJOY MY CO-WORKERS | THERE IS TOO LITTLE BICKERING AND FIGHTING AT WORK. | PEOPLE YOU WORK WITH |
|------|---------|-------------------------------|---|-----------------------|---|----------------------|
| N | Valid | 108 | 108 | 108 | 108 | 108 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 4.18 | 4.03 | 3.99 | 4.02 | 3.9884 |

Source: own survey, 2021

4.4.8 Job Task Themselves

This term describes the working condition of a given task; employees are highly motivated with good working conditions as they provide a feeling of safety, comfort and motivation. On contrary, poor working conditions bring out a fear of bad health in employees. Employees prefer work that is mentally challenging in that it provides them with opportunities to use their skills and abilities and offers a variety of tasks, freedom and feedback on how well they are doing (Robbins, 1993).

Accordingly the mean value of job task themselves was 3.83, which reflect the respondents were between neutral and agree. The highest mean score is obtained on I always feel my job is meaning full. It had the mean value of 3.93, which indicate that the respondents were almost agree about the statement. Relatively the lowest mean score was obtained I like doing the things I do at work, this had the mean value 3.76.

Table 4.20: The mean value of Job Task Themselves

| | | I ALWAYS FEEL MY JOB IS MEANING FULL. | I LIKE DOING THE THINGS I DO AT WORK | I FEEL A SENSE OF PRIDE IN DOING MY JOB | MY JOB IS ENJOYABLE | JOB TASK THEMSELVES |
|------|---------|---------------------------------------|--------------------------------------|---|---------------------|---------------------|
| N | Valid | 108 | 108 | 108 | 108 | 108 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 3.93 | 3.76 | 3.83 | 3.83 | 3.8380 |

Source: own survey, 2021

4.4.9 Communication

The formation of specific goals, feedback on progress towards these goals, and reinforcement of desired behavior all stimulate motivation and require communication. The fewer distortions, ambiguities and incongruities that occur in communication within organizations, the more satisfied employees will feel with regard to their work (Robbins 1993). As mentioned in table 4.21 the total mean value of this factor was 3.90, which represent agree. Relatively the highest score for this benefit and compensation management was the goal of this organization are clear to me and work assignments are fully and clearly explained both had the mean value of 3.99, and also relatively the lowest mean was scored on Communications seem good within this organization, this had the mean value of 3.82.

Table 4.21: The Mean Value of Communications

| | COMMUNICATIO NS SEEM GOOD WITHIN THIS ORGANIZATION | THE GOALS OF THIS ORGANIZATIO N ARE CLEAR TO ME. | I OFTEN FEEL THAT I KNOW VERY WELL ABOUT WHAT IS GOING ON WITH THE ORGANIZATION. | WORK ASSIGNMENTS ARE FULLY AND CLEARLY EXPLAINED. | COMMUNIC ATIONS |
|------|---|--|--|---|----------------------------|
| N | Valid Missing | 108 0 | 108 0 | 108 0 | 108 0 |
| Mean | | 3.82 | 3.99 | 3.83 | 3.99 |
| | | | | | 3.9097 |

Source: own survey, 2021

Table 4.22: Descriptive Analysis about Comparison of Mean between each benefit and compensation management of JobSatisfaction

| Factors affecting job satisfaction | Commercial Bank of Ethiopia North District Branch | | CBE Head Office | |
|------------------------------------|---|----------------|-----------------|----------------|
| | Mean | Std. Deviation | Mean | Std. Deviation |
| Pay | 3.10 | .74 | 3.95 | .50 |
| Promotion | 2.98 | .71 | 3.92 | .47 |
| Supervision | 2.78 | .57 | 4.10 | .48 |
| Fringe benefits | 3.11 | .73 | 4.00 | .53 |
| Contingent Reward | 2.60 | .72 | 3.92 | .52 |
| Operating Procedures | 3.00 | .64 | 3.96 | .56 |
| Co-workers | 3.73 | .69 | 3.98 | .46 |
| Nature of work | 2.90 | .73 | 3.83 | .47 |
| Communication | 3.13 | .57 | 3.90 | .42 |
| Over all job Satisfaction | 3.03 | | 3.95 | |

Source: own survey, 2021

The above table shows that the overall Job Satisfaction mean score for the two banks (CBEND and CBEHO) was 3.03 and 3.95 respectively which is in the range of between neutral and agree. This indicates that respondents perceived the overall job satisfaction of the two banks was neutral for CBEND and agree for CBEHO. It is perceived that relatively CBEHO employees got better job satisfaction than CBEND employees.

As we have seen from the above table CBEND payment benefit and compensation management score the mean of 3.10 and CBEHO 3.95, which indicate that CBEHO employees were almost satisfied by their organization payment structure than CBEND employees. When we come to the Promotion, Supervision, and Fringe Benefit the mean score of CBEND and CBEHO were 2.98, 2.78, 3.11 and 3.92, 4.10, 4.00 respectively. This implies that by promotion opportunity staff of CBEND employees were neutral (nether agree nor disagree) in the supervision factor of CBEND employees were dissatisfied by their organization. Whereas, CBEHO employees were satisfied by promotion opportunities and supervision style of their organization.

In fringe benefit CBEND employees were neutral neither satisfied nor dissatisfied but CBEHO employees were satisfied by the benefits they receive from their organization.

The other benefit and compensation management Contingent Reward, Operating Police, and Co-workers CBEND and CBEHO employees score the mean value of 2.6, 3.00, 3.73 and 3.92, 3.96 and 3.98 respectively. It indicates that by the reward factor CBEND employees were dissatisfied but CBEHO employees were satisfied by reward system of their organization. In operating police and co-worker factor CBEND employees were between neutral and agree. On the contrary CBEHO employees were satisfied by the two factors.

In the last benefit and compensation management of job satisfaction Nature of the work and Communications the mean value of CBEND and CBEHO employees were 2.90, 3.13 and 3.83, 3.90 respectively. This implies that by nature of the work and communication benefit and compensation management CBEND employees were neutral, whereas CBEHO employees were between neutral and agree.

4.5 Correlation

To find out the relationship between benefit and compensation of job Satisfaction employees, Pearson's correlation coefficient (r) which measures the strength and direction of a linear relationship between two variables is used. Values of Pearson's correlation coefficient are always between -1 and +1. A correlation coefficient of +1 indicates that two variables are perfectly related in a positive sense; a correlation coefficient of -1 indicates that two variables are perfectly related in a negative sense, and a correlation coefficient of 0 indicates that there is no linear relationship between the two variables. A low correlation coefficient; 0.1-0.29 suggests that the relationship between two items is weak or non-existent. If r is between 0.3 and 0.49 the relationship is moderate. A high correlation coefficient i.e. >0.5 indicates a strong relationship between variables. The direction of the dependent variable's change depends on the sign of the coefficient. If the coefficient is a positive number, then the dependent variable will move in the same direction as the independent variable; if the coefficient is negative, then the dependent variable will move in the opposite direction of the independent variable. The table below presents the result of the correlation analysis made using bivariate correlation.

Table 4.23: Correlation

| Variables | Commercial Bank of Ethiopia North District | | CBE Head Office | |
|----------------------|---|----------------------|------------------------|----------------------|
| | Overall Job Satisfaction | | | |
| | Pearson Correlation | Sig. (2- tailed) | Pearson Correlation | Sig. (2- tailed) |
| Pay | .568 | .000 | .514 | .000 |
| Promotion | .491 | .000 | .516 | .000 |
| Supervision | .446 | .000 | .474 | .000 |
| Fringe Benefits | .489 | .000 | .483 | .000 |
| Contingent Reward | .418 | .000 | .480 | .000 |
| Operating procedures | .385 | .000 | .444 | .000 |
| Co-workers | .475 | .000 | .481 | .000 |
| Nature of work | .454 | .000 | .488 | .000 |
| Communications | .430 | .000 | .465 | .000 |

Source: own survey, 2021

The result in the above table 4.23 shows that pay ($r = .568$, $p < 0.01$) was strong and significant relationship with employees job satisfaction in CBEND likewise in CBEHO pay ($r = .514$, $p < 0.01$) was strong and significantly relationship with employees job satisfaction. It means that increase or decreases in pay will bring corresponding change in employee job satisfaction.

Result reported in the above table show that promotion Opportunities also significantly correlated with employees job satisfaction ($r = .491$, $p < 0.01$) in CBEND and ($r = .516$, $p < 0.01$) in CBEHO. Which indicate that change in promotion result in change in Job Satisfaction of employees'.

As it can be seen in the above table supervision factor ($r = .446$, $p < 0.01$) in CBEND and ($r = .474$, $p < 0.01$) in CBEHO. This indicates that there is moderate and significant relationship between supervision and employees job satisfaction on both banks.

A statistical moderate and significant relationship was also observed between Fringe Benefit and employees job satisfaction ($r = .489$, $p < 0.01$) in CBEND and ($r = .483$, $p < 0.01$) in CBEHO.

As indicated in Table 4.23 Contingent Reward has moderate and significant relationship with employees job satisfaction with coefficient ($r = .418$, $p < 0.01$) in CBEND and ($r = .480$, $p < 0.01$) in

CBEHO. Operating procedure was also moderate and significant relationship with employees job satisfaction ($r=3.85$, $p<0.01$) in CBEND and ($r= .444$, $p<0.01$) in CBEHO.

A statistical significant and moderate relationship was observed between co-workers, nature of the work and communications with employees job satisfaction ($r= .475$, $p<0.01$), ($r= .454$, $p<0.01$) and ($r=.430$, $p<0.01$) in CBEND respectively and ($r<.481$, $p<0.01$), ($r=.488$, $p<0.01$) and ($r=.465$, $p<0.01$) in CBEHO respectively.

Table 4.24: ANOVA for benefit and compensation management of Job Satisfaction Employees

| | Commercial Bank of Ethiopia North District Branch | | | | | CBE Head Office | | | | |
|------------|---|-----|-------------|--------|-------------------|-----------------|-----|-------------|--------|-------------------|
| | Sum of squares | DF | Mean square | F | Sig. | Sum of squares | DF | Mean square | F | Sig |
| Regression | 29.423 | 9 | 3.269 | 62.357 | .000 [*] | 6.146 | 9 | .683 | 17.361 | .000 [*] |
| Residual | 12.163 | 232 | .052 | | | 3.854 | 98 | .039 | | |
| Total | 41.587 | 241 | | | | 10.000 | 107 | | | |

a. Dependent Variable: overall satisfaction

b. Predictors: (Constant), Factor affecting Job Satisfaction

F-test is used to test the impact of overall explanatory power of the whole model, or the joint effect of all explanatory variables as a group. (I.e. testing the overall performance of the regression coefficients). It measures the statistical significance of the entire regression equation rather than of each individual coefficient as the t-test is designed to do the greater the value of F- statistics, the more confident the researcher would be that variables included in the model have together a significant effect on the dependent variable, and the model has a high explanatory power.

From the ANOVA table 4.24 it is identified that the value of F for CBEND and CBEHO was 62.357 and 17.361, $p< 0.001$ respectively. This indicates that the overall model was fit and there was a statistically significant association between benefit and compensation management of Job Satisfaction employees.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

By investigating the relationship between Assessment of benefit and compensation management of Job Satisfaction Employees' in CBEND and CBEHO, the following findings were reached.

- Descriptive statistic was used to indicate that the mean of pay, promotion, supervision, Fringe Benefits, Contingent Reward, Operating Procedure, Co-worker, Nature of work, Communications. These are pay (mean=3.10), promotion (mean=2.98), supervision (mean=2.78), Fringe Benefit (mean=3.11), Contingent Reward (mean=2.60), Operating Procedure (mean=3.00), Co-worker (mean=3.73), Nature of work (mean=2.90), Communications (3.13) for CBEND.

For CBEHO, pay (mean=3.95), promotion (mean=3.92), supervision (mean=4.10), Fringe Benefit (mean=4.00), Contingent Reward (mean=3.92), Operating Procedure (mean=3.96), Co-worker (mean=3.98), Nature of work (mean=3.83), Communications (mean=3.90). The result has shown that CBEHO employees were more satisfied by their job than CBEND employees.

- Correlation coefficient was computed for the purpose of determining the relationship between benefit and compensation management of Job Satisfaction Employees in CBEND and CBEHO. There was a positive and statistically significant relationship between the variables and the overall Job Satisfaction of employees. For CBEND, pay ($r=.568$, $p<0.01$), promotion ($r=.491$, $p<0.01$), supervision ($r=.446$, $p<0.01$). Fringe Benefit ($r=.489$, $p<0.01$), Contingent Reward ($r=.418$, $p<0.01$), operating procedure ($r=.385$, $p<0.01$), Co-worker ($r=.475$, $p<0.01$) nature of work ($r=.454$, $p<0.01$) and Communications ($r=.430$, $p<0.01$).
- The present recommendations may be important for CBE higher officials to be aware of what benefit and compensation management were determined the level of employees job satisfaction .Because employees job dissatisfaction is not only destructive for

workers themselves but also for the organization because, when people fail to show up for work or quit their jobs, valuable human resources are wasted and result in economic crisis .so CBE should improve the observed gaps.

- From the overall finding it is concluded that almost half of the employees are satisfied with their jobs and also from the demographic characteristics marital status and educational status have significant with job satisfaction. Among the proposed determinate factors it is concluded that nature of job, career advancement, pay and benefit and interpersonal relationship are significant predictor of the job satisfaction. If these all benefit and compensation management become favorable for the employees then job satisfaction level will be enhanced.
- The standardized regression coefficient shows the impact of a unit change in independent variable on the dependent variable: Employees Job satisfaction.
- ANOVA is identified that the value of F for CBEND and CBEHO was 62.357 and 17.361, $p < 0.001$ respectively. This indicates that the overall model was fit and there was a statistically significant association between benefit and compensation management of Job Satisfaction employees.

5.2 Conclusion

Job satisfaction represents one of the most complex areas facing today's managers when it comes to managing their employees. Thousands of papers and research have been conducted on job satisfaction all over the world. Many studies have demonstrated an unusually large impact on the job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and hence also on performance of business organizations. There is a considerable impact of the employees' perceptions for the nature of his work and the level of overall job satisfaction. Pay and Remuneration has a great impact on the overall job satisfaction of employees.

Benefit and compensation management of Job Satisfaction of employees was explored in this study including pay, promotion, supervision, Fringe Benefit, Contingent reward, Operating Procedures, Co-workers, Nature of work, and Communications. There was a significant and positive relationship between in variables mentioned with employees' job satisfaction. From the finding of the study, it can be concluded that, out of nine of benefit and compensation management of Job Satisfaction of employees' dimensions, relatively the highest mean score for CBEND was Co-workers whereas Contingent Reward had the lowest mean score. For CBEHO relatively the highest mean score was on supervision whereas Nature of work had relatively the lowest mean score.

The study concluded that in order to gain competitive advantage and adapt to the dramatic changing environment it is important for the organizations to achieve management efficiency by increasing employee satisfaction. Therefore it is concluded that in order to keep employees satisfied today, it takes an entirely different approach than it did just a few years ago. Now days the relationship with co-workers and Supervision is the most critical benefit and compensation management in keeping an employee satisfied in today's business world.

5.3 Recommendations

Based on the findings and conclusions of the study, the researcher forwards the following recommendations.

- From the result the least job satisfaction level is from the Contingent Reward for CBEND. So the researcher suggests for top management of the bank to provide sufficient level of reward for its employees based on their performance to gain competitive advantage from other bank and to keep their employees for long period of time. For CBEHO relatively the least job satisfaction level is from nature of the work, the researcher suggests that the top management of the bank take innovative steps to make work more interesting in order to increase the levels of job satisfaction of employees. Furthermore, if a job is highly motivating, employees are likely to be satisfied with the job content and deliver higher quality work.
- The overall Job Satisfaction of CBE employees were neutral; this means that they werenot satisfied. So that the bank management give high attention to their employees to satisfy them in order to achieve the organization goal. With low employee's motivation and satisfaction level, it is very difficult to be a world class bank by the year 2025.
- The banks management should also initiate mechanisms to improve communication amongst workers in different units by developing a better communication system. Promotion should be regularly considered to reward good performance. However, alternative forms of reinforcement should also be introduced and used frequently, including verbal reinforcement, letters of recognition for tasks performed well, priority for short – and long term training for workers who excel in their performance, and creating an environment where good service generates self-motivation for the workers.

- Regarding the relationship between benefit and compensation management of job satisfaction dimensions with employees overall job satisfaction the correlation analysis shows that there is a direct and positive relationship between them. So, it is recommended that banks should give equal attention for each component and improve them to increase employees' productivity. Appropriate reinforcement should also be given for good service with more focus on administering positive reinforcement for work well done. In general, banks should have to make improvement on all dimensions of job satisfaction in order to increase employees' satisfaction .This will enable them maintain high level of competitiveness in retail banking industry.

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APPENDIX

St. Mary's University

School of Graduates Study

Marketing Management Program

Questionnaire to be filled by employees of Commercial Bank of Ethiopia

Dear Respondents,

This questionnaire is prepared by graduate student of St. Mary's university in the field of marketing management masters program in fulfillment of a master's thesis. This study entails to assess the benefit and compensation management of job satisfaction of employees in case of Commercial Bank of Ethiopia (CBE) at head office and the north district branch of Addis Ababa City.

Therefore, you are selected to fill this questionnaire because student researcher has full trust on you to get complete and real information that are required for this research. Note that, the validity of your response has high contribution for success of my study due to this reason I would like to ask with due respect to give the right response. All information you provide to this study will be kept strictly confidential.

Thank you in advance for your cooperation.

Section I– Background information

Please indicate your choice by putting a thick mark (☐) among the given alternatives

Notice:

- It is not necessary to write your name.
- Please put a “☐” mark on the space provided.

Section I: Demographic profile of respondents

Please indicate the following by ticking (√) on the spaces in front of the response options:

1. Gender : Male Female
2. Age : 20-30 31-40 41-50 51 Above
3. Educational level: Diploma holder First degree holder Masters degree
Above Masters

4. How many years of experience do you have in your current organization?

Less than 2 years 5-10 years More than 15 years

2-5 years 10-15 years

5. Monthly incomes (in Eth. Birr):

Less than 3000 3001-6000

6001-9000 9001-12000

12001-15000 Greater than 15,000

Section II

This part of questionnaire covers about to assess benefit and compensation management of job satisfaction. Please indicate how much you agree or disagree with each of the following statements by putting a thick mark (☐) that best represents of your opinion. 1 indicates strongly disagree (SDA), 2 indicates disagree (DA), 3 indicates neutral (N), 4 indicates agree (A) and 5 indicates strongly agree (SA).

| No | Questions | 1(SDA) | 2(DA) | 3(N) | 4(A) | 5(SA) |
|--------------------------------|---|--------|-------|------|------|-------|
| Pay and Remuneration | | | | | | |
| 6. | I feel I am being paid a fair amount for the work I do. | | | | | |
| 7. | Raises are too many and frequent. | | | | | |
| 8. | I feel appreciated by the organization when I think about what they pay me. | | | | | |
| 9. | I feel satisfied with my chances for salary increases. | | | | | |
| Promotion Opportunities | | | | | | |
| 10 | There is really high chance for promotion on my job. | | | | | |
| 11 | Those who do well on the job stand a fair chance of | | | | | |

| | | | | | | |
|---|---|--|--|--|--|--|
| | being promoted. | | | | | |
| 12 | People get ahead as fast here as they do in other places. | | | | | |
| 13 | I am satisfied with my chances for promotion | | | | | |
| Immediate Supervisor | | | | | | |
| 14 | My supervisor is quite competent in doing his/her job. | | | | | |
| 15 | My supervisor is fair to me. | | | | | |
| 16 | My supervisor shows high interest in the feelings of subordinates. | | | | | |
| 17 | I like my supervisor. | | | | | |
| Monetary and Nonmonetary Fringe Benefits | | | | | | |
| 18 | I am satisfied with the benefits I receive. | | | | | |
| 19 | The benefits we receive are as good as most other organizations offer. | | | | | |
| 20 | The benefit package we have is equitable. | | | | | |
| 21 | There are no benefits we do not have which we should have. | | | | | |
| Contingent Rewards | | | | | | |
| 22 | When I do a good job, I receive the recognition for it that I should receive. | | | | | |

| No | Questions | 1(SDA) | 2(DA) | 3(N) | 4(A) | 5(SA) |
|--|---|--------|-------|------|------|-------|
| 23 | I feel that the work I do is appreciated. | | | | | |
| 24 | There are many rewards for those who work here. | | | | | |
| 25 | I feel my efforts are rewarded the way they should be. | | | | | |
| Operating Policies and Procedures | | | | | | |
| 26 | Many of our rules and procedures make doing a good job difficult. | | | | | |
| 27 | There are no obstacles that block my efforts to do a good job. | | | | | |
| 28 | I have too much to do at work. | | | | | |
| 29 | I have too much paperwork. | | | | | |
| People you Work with | | | | | | |
| 30 | I like the people I work with. | | | | | |
| 31 | I find I have to work harder at my job because of the incompetence of people I work with. | | | | | |
| 32 | I enjoy my co-workers. | | | | | |
| 33 | There is too little bickering and fighting at work. | | | | | |
| Job Tasks Themselves | | | | | | |
| 34 | I always feel my job is meaning full. | | | | | |
| 35 | I like doing the things I do at work. | | | | | |
| 36 | I feel a sense of pride in doing my job. | | | | | |
| 37 | My job is enjoyable. | | | | | |
| Communication | | | | | | |
| 38 | Communications seem good within this organization. | | | | | |
| 39 | The goals of this organization are clear to me. | | | | | |
| 40 | I often feel that I know very well about what is going on with the organization. | | | | | |
| 41 | Work assignments are fully and clearly explained. | | | | | |

