



**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE**

**THE EFFECT OF SELECTED HUMAN RESOURCE  
MANAGEMENT PRACTICES ON EMPLOYEES' JOB  
SATISFACTION: THE CASE OF HIBRET BANK SHARE  
COMPANY**

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**A research proposal submitted to Addis Ababa University School of  
Commerce in partial fulfillment of the requirements for Master of Art in  
Human Resource Management**

**Advisor: Seifu Mamo (PHD)**

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Ababa UNIVERSITY IN PARTIAL FULFILMENT OF THE  
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HUMAN RESOURCE MANAGEMENT**

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## **DECLARATION**

I, Yoseph Abshiro, declare that “**The Effect of selected Human Resource Management Practices on Employees’ Job Satisfaction in case of Hibret Bank**” is my original work and has not been presented in Addis Ababa University or any other university, and that all sources of material used; for the thesis have been duly acknowledged. It is submitted for the degree of Masters of Art in Human Resource Management to Addis Ababa University School of Commerce Graduate Program.

**Declared by:**

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# **LETTER OF CERTIFICATION**

This is to certify that Yoseph Abshiro carried out his thesis on the topic entitled with''The Effect of Selected Human Resource Management Practices on Employeess's Job Satisfaction in case of Hibret Bank S.C'' under my supervision. This work is original in nature and is suitable for the awards of Master of Arts (MA) in Human Resource Management.

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**SEIFU MAMO (PHD)**

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## **Acronyms**

HR Human Resource

HRM Human Resource Management

SD Standard Deviation

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## **Abstract**

*The aim of this study is to investigate the effect of selected HRM practice on employee's job satisfaction in case of Hibret Bank S.C. The explanatory research design used and primary and secondary data are utilized. The primary data was collected through questionnaires to 187 employees of Hibret Bank. The collected data were analysis using SPSS version 20.0 to analyzed frequencies, descriptive statistics, correlation and regression analysis. The descriptive analysis showed that the respondents' overall feelings towards the selected human resource management practices on average show that employees are not satisfied The regression analysis showed that the human resource management practices which are training, promotion and reward and compensation practices have positive and significant effect on employees' job satisfaction. Also the result of correlation showed that there are positive and significant relationships between the selected HRM practice and job satisfaction. The overall implication of the study result is that the human resource management practice has significant portative relationship with job satisfaction.*

**Key words:** *HRM, HRM practices, Employees' job satisfaction*

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1 Background of the Study

Human resource management is the key axis in managing the relationship between the organization and its employees, and HRM is in charge of achieving organizational goals through a variety of activities and special programs for human resource development and employee retention (Zahidul, 2015)

On the other hand Job satisfaction is also defined as an overall evaluation of the work for the company (Chetty & Phung, 2018). Job satisfaction can be thought of as a machine that affects the internal environment, employee performance, and service quality in the repair and enhancement of customer services. Employee happiness is crucial, but it is never achieved at any given time, and it is extremely difficult to calculate (Dorothea, 2015). In service businesses, job satisfaction is a critical factor. The employees who are satisfied are employees who are motivated to convey his concern for others and serve the company better (Paul, 2013).

The effect of human resource management practices on employee job satisfaction has been studied, and the majority of the studies have indicated that human resource management practices have a positive impact on employee job satisfaction. The study by Chetty and Phunt (2018) demonstrates the link between human resource management practices and job satisfaction among employees. They discovered that employee satisfaction is influenced by training and development.

Mira et al. (2019) found that HRM strategies such training and development, reward, promotion, and recruiting and selection have a favorable impact on employee work satisfaction. While Jaynob et al (2018) look into the impact of HRM practices on employee job satisfaction in Bangladesh's private commercial banks. HRM activities like as training and development, compensation and reward, recruiting and selection, and work-life balance have the strongest link and influence on employee job satisfaction. In addition, Govand Anwar and Inji Shukur (2015) found that training and development has a large and favorable 3 effect on job satisfaction in

Erbil, Iraq. In our country context, Amare Worku (2015) found that training and development, performance appraisal and compensation practices in Ethiopian public banks have a favorable impact on job satisfaction.

In the context of a developing economy, where the need for formation of capital is pressing, where developments in the field of the bank management are dynamic, and where financial crises frequently accompany economic downturns, the issues provided by HRM become increasingly important; as a result, examining the possibilities of HRM application becomes increasingly important. a very relevant field of enquiry and research (Md. Tofael Hossain Majumder, 2012). Overall, the inconsistency of the results may be influenced by the country's context, among other things.

In our country, it is difficult to access and get researches conducted that show the relationship between human resource management practices and employees' job satisfaction in public banks. Some studies on the relationship between human resource management practices and employee job satisfaction in commercial banks have been undertaken in our country. According to Ijigu (2015), HRM strategies such as training and development and compensation packages have a substantial impact on job satisfaction. Other research findings also indicated reward system has positive and strong effect on job satisfaction (Abel G/tsadik, 2012). Furthermore, as the findings of Bekele (2014) explain the banking industry of Ethiopia is experiencing a rapid turnover due to employees' dissatisfaction.

Therefore, study of job satisfaction on bank employees is critical, as their activities have a significant impact on a country's economy, and their contentment determines their performance.

## **1.2. Back Ground of the organization**

United bank was incorporated as share Company on 10 September 1998 in accordance with the commercial cod of Ethiopia of 1960 and the Licensing and supervision of banking business proclamation No.84/1994. Currently it has 383 branches as of June 30 2021. The existing branches render all types of banking service. The bank has board of directors, which is accountable to the general meeting of shareholders. The current board consists of none members appointed bay general meeting of shareholders. The board appoints the CEO of the bank, who carries out the day -to - day management of the bank. The banks total number of staff reached

more than 6,537 as of December 31, 2021 including managerial, supervisory and support staff. The bank's total capital as at June30, 2021 was 6.5 billion.

### **Vision**

“To globally be the preferred financial services provider of innovative solutions across Africa”

### **Mission**

“Committed to exceeding the expectations of our customers and other stakeholders by providing competitive financial solutions while ensuring efficient service delivery and people empowerment”

### **Main services are**

- Domestic banking operations
- Foreign banking operations
- Loans and advances
- Internet banking operation
- Mobile banking
- Debit card operation
- Interest free banking (IFB)

According to the Hibret bank Human resource management policy functions of Human resource management practice which are related to the purpose of this study stated below.

### **Training practice**

The annual plan of the bank prepared considering the facts on the ground and within the framework on the long strategy. Thus Branches & departments in to account the themes, objective and the goals set in the strategy while preparing its respective annual plans. And so HR plan is one of the elements of annual plans prepared by branches & departments.

Branches & departments have responsible to sketch its respective human resource plan, the part of Human Capital Director Office is compile and improve the plan before approving by directors of board. Finlay the directors of board approved the human resource plan.

As it can be seen from the HR plan of the bank, the bank's HR plan consider the long terms strategy and participants of the HR plan in to account the objective and goals of the strategy while preparing the HR plan.

### **Promotion practice**

The Human Resource Director office has responsible to promote employees from internal based on approved corporate HR plane. The Sources of internal recruitment of the bank are promotion, job rotation & transfer.

### **Reward and compensation**

The bank has compensate its employees with direct compensation/base pay/ and indirect compensation/benefits/. This compensations /salary scale and benefit package/ approved by board of directors. The human resource director office follow-up the implementation of salary scale and also advise the executive managements on improvement the scale for competitive to other banks. The banks' Salary adjustment consider performance appraisal of the bank. When the staffs promoted and reclassify the job the salary adjustment is made for the staffs.

## **1.3. Statement of the Problem**

HRM practices, according to Armstrong (2017), improve employee performance by facilitating their engagement, motivation, and skill development in order to complete their work successfully. Active recruitment and selection procedures, substantial and relevant training and development activities, incentive pay schemes and strong performance management processes or performance appraisal methods are all linked to high employee satisfaction.

The research revealed that most employees are unsatisfied with their compeanstion package, followed by reward and motivation, career progression, training and development, management style, and job design and duties, according to the research. 2012 (Goyal and Shrivastava) It was discovered that a business's HR strategies can boost employees' job satisfaction and strengthen their commitment to the organization. A study was conducted to determine the impact of HRM strategies on job satisfaction, organizational commitment, and intention to leave, recruitment and hiring, remuneration and benefits, training and development, and supervision and evaluation were all examples of HRM activities. The study discovered a substantial link between HR

practices views and intention to quit, which was mediated by organizational commitment and work satisfaction. 2008 (Aswathappa) in order to motivate employees, a firm needs have comprehensive HR plans, according to the researcher. Employee work satisfaction can be improved by effective HR planning that allows employees to participate in the planning of their careers (Weeratunga, 2003).

According to the findings of the literature review, there is a significant link between employee satisfaction and productivity and HRM practices. As a result, organizations, particularly service-oriented ones like banks, should focus on proper HR practices to satisfy and motivate their employees and gain competitive advantages over their competitors. However, Most of the above mentioned studies were conducted in developed economies that are economically, culturally, and politically different from developing countries like Ethiopia and therefore yield different outcomes and the findings may not apply in the current context. In addition there is limited published research in Ethiopian private bank context. And also, yet it was observed that the independent variables considered by the researcher were not crucially analyzed. These research gaps in knowledge so the purpose of this research is to fill the research gap through by investigating the effect of human resource management practices /training, promotion and reward and compensation practice on satisfaction of employees“ towards a job those employed on the Hibret bank.

Based on the above study, the researcher wants to investigate some selected HRM practice among other such as training practice, promotion practice and reward and compensation practice that Hibret Bank practicing and identify the relationship between these practices and employee job satisfaction The researcher’s reasoning for concentrating on this HRM practices was that they were the most common evaluating the aspects that will influence an employee's future career and modifying their way of living.

#### **1.4. Research Questions**

In order to achieve the statement of the problem stated the following research questions were developed.

- What is the level of Job satisfaction at Hibret Bank?

- What is the relationship between selected HRM practice and employees' job satisfaction?
- How do selected HRM practices affect employees' job satisfaction?

## **1.5. Objectives of the study**

### **1.5.1 General objective**

The main objective of the study is to investigate the effect of selected Human Resource Management practices on employees' job satisfaction.

### **1.5.2 Specific Objectives**

- To explain the level of job satisfaction at Hibret Bank.
- To examine the relationship between selected HRM practice and employee's job satisfaction.
- To evaluate the effect of selected HPM practice and employee's job satisfaction.

## **1.6. Significance of the study**

The study is important because it provides an insight on the effect of certain HRM practices have on employees' job satisfaction which is supported by empirical evidence. Therefore, it helps to understand the effect of certain HRM practices on employees' job satisfaction. In addition, the result of the study is important and it informs to the concerned Hibret banks to implement the recommendations that were forwarded by the researcher. The study also gives the researcher the opportunity to gain deep knowledge on the effect of HRM practices on employees' job satisfaction towards private banks. Finally, the study contributes to the existing literature and serves as a further reference on the field of study and to the future researchers who want to conduct a research on this area.

## **1.7. Scope of the Study**

Human resource management practice includes different activities however; this study focuses only three HRM practices named training practice, promotion practice and reward and compensation practice. The reason for selecting these three practices is its direct attachment with financial earning and its direct enhancing effect on employee performance. Further the study

focus employees how are located head office of the Hibret bank. The reason of choosing Head office due to time and financial constraints, and geographical restriction moreover, the researcher believed that the data which is gathered by the questionnaire is going to be identical or homogeneous for both Addis Ababa and outlining branches. The research has only covered employees who are permanent and being clerical or professional and managerial staffs that are also have one or more years of experience in the bank. Therefore, non – clerical employees, and regional and City branches employees and managers are excluded from the study.

This research investigated relationships between independent variables and dependent variable using descriptive and quantitative analysis applying multiple regression analysis.

### **1.8. Definition of Terms**

**Human resource management** – refers to rules procedures, practice and systems that have an impact on employee behavior, attitude and performance (Noe et al., 2007).

**Training** - is the process of coaching employees with specific skills or assisting them in correcting performance flaws (Luis R., David B., & Robert L. 2001:260)

**Promotion** –happened when an employee progresses up the organizational ladder and into a position of higher responsibility, Des (2008)

**Job satisfaction** -refers to the approaches and state of mind people have about their job. Positive and advantageous assertiveness towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong M, 2006).

### **1.9. Organization of the Study**

The study was organized into five chapters. Chapter one was include introduction, research problem, research questions and objectives of the study, hypothesis, definition of key terms and finally the significance and scope of the study.

Chapter two was deal review of related literature. Chapter three was describing research design and methodology. Chapter four was being data presentation, analysis and interpretation which present the empirical findings. And finally chapter five was comprises summary, conclusions and recommendations which includes summary of findings, conclusions, limitations of the study, recommendations and suggestions for future research.

## **CHAPTER TWO**

### **2. REVIEW OF RELATED**

#### **2.1. Conceptual Definition**

##### **2.1.1. Human Resource Management (HRM)**

HRM is defined by Bratton and Gold (2009) as a strategic approach to managing employment relations that emphasizes the importance of leveraging people's capabilities to achieve competitive advantage, which is accomplished through a unique set of integrated employment policies, programs, and practices.

HRM is also "a systematic and cohesive approach to the administration of an organization's most important asset: the people who work there individually and collectively to achieve the organization's goal" (Amstrong, 2011 p. 3.).

Staffing, human resource development, remuneration and benefits, safety and health, and employee and labor relations are among the functions of HRM, according to Mondy and Noe (2005).

HRM is defined by Zahidul (2015) as the "main axis in regulating the relationship between the organization and its employees, and HRM is responsible for achieving organizational goals through a variety of activities and special programs for human resources development, employment, and evaluation, maintenance, and retention."

##### **2.1.2 Human Resource Management Practice**

HRM practices, according to Minbaava (2005), are a set of practices used by organizations to manage human resources by facilitating the development of firm-specific competencies, producing complex social relationships, and generating organizational knowledge in order to maintain competitive advantage. HRM practices, according to Tiwari and Saxena (2012), are those organizational activities aimed at managing the pool of human resources and ensuring that those resources are used to achieve organizational goals. In addition, according to Yeganeh and Su (2008), the most prevalent human resource management strategies are recruiting, selection,

training and development, compensations, reward, and recognition. The study's focus was on training, promotion, and reward and recognition procedures, as they appear to be the most important elements in job satisfaction.

## **Training**

Training is the process of equipping personnel with specific skills or assisting them in correcting performance flaws (Luis R., David B., & Robert L. 2001:260) one of the most difficult aspects of working in today's world is the constant sensation of having to sell oneself, with no time to pursue personal or professional objectives. Employee development programs can go a long way toward easing such feelings. Employee development programs result in increased employee satisfaction and lower turnover rates in companies that use them. Training fosters business loyalty, according to Stacey Wagner, a director with the American Society for Training and Development, because employees feel the company is investing in their futures (Karen S. 2001:24).

The most popular HR practice is believed to be training and development. It refers to any endeavor to increase the skills, abilities, and knowledge of present and prospective employees. Training and development has a substantial beneficial impact on employee work satisfaction and leads to superior employee knowledge, skills, abilities, attitudes, and conduct, all of which contribute to the organization's good financial and non-financial performance (Mir M. et al. 2010: 34). Effective training can reduce learning costs, increase individual, team, and corporate performance speed and overall productivity, improve operational flexibility by broadening employees' sets, and attract high- quality employees by providing them with opportunities for learning and development. It improves skill their job knowledge and skills, allowing people to be more satisfied at work and earn a greater salary and promotion. It also assists employees in identifying the firm's goals and mission, as well as managing change and building a positive culture inside the organization, all of which may lead to a greater quality of service to stakeholders (Tegene A. 2008:22).

Employees can continuously update their abilities and grow their careers by providing systematic and planned training and development activities to enhance learning. Many people now consider access to training to be an important part of the entire compensation package. The availability of

learning opportunities, the selection of individuals for high-profile training courses and programs, and the organization's emphasis on the acquisition of new skills as well as the enhancement of current ones can all be effective motivators. This is especially significant in delayed companies, where promotion opportunities are limited but workers can still advance laterally (Armstrong, 2007:35).

### **Promotion**

According to Dessler (2008), who is quoted by Naveed A., Usman A., and Bushra F. (2011:301-302), promotion occurs when an employee progresses up the organizational hierarchy and into a position of increased responsibility. Furthermore, according to Naveed A. et al. (2011:301), promotion can result in a large increase in an employee's income as well as the scope of authority and control. It will assist competitors in identifying the most productive individuals in the business sector while also recognizing employees within their own organization. Pergamit & Veum are cited (1989) According to Naveed A. et al. (2011:302), employees that feel like they are contributing effectively would be more satisfied with their jobs. Employees will be more satisfied with their jobs if they have a better opportunity of being promoted.

According to De Souza (2002), as mentioned in the study of Naveed A. et al (2011:302), employee happiness is determined by contentment with advancement in addition to job satisfaction. When employees believe they have a good chance of getting promoted, they are content with their current position in the company.

According to Armstrong (2009:994), a promotion strategy could declare the organization's aim to promote from within whenever possible as a manner of meeting its high-quality staffing needs. However, the policy could recognize that there will be times when the organization's current and future needs can only be satisfied through external recruitment.

(Torrington D. Hall L. & Taylor S. 2008:149) argue that giving preference to internal recruits, particularly when it comes to promotions, has the significant benefit of providing existing employees with an incentive to work hard, demonstrate their commitment, and stay with the company when they might otherwise consider leaving. Furthermore, the practice sends a strong message from management, demonstrating that current employees are valued and that attractive

career growth options are available. Failing to recruit internally may thus serve to put off good candidates with potential from applying for the more junior positions in an organization.

### **Reward and Compensation**

The main goal of a recognition and reward program, according to Rizwan Q. and Ali U. (2010:160), is to create a compensation system and explain it to employees so that they may link their reward to their performance, which leads to employee job satisfaction. In addition, they claimed that incentives, awards, and recognitions are the most important variables influencing employee motivation. Employees will feel intrinsic motivation in their actions if they engage in their work tasks for their own sake. Their activities will fundamentally be joyful and satisfying.

Employees are obviously closer to their organization, according to Wilson (1994), as stated by Rizwan Q. & Ali U. (2010:161), because their employment can become the major source of satisfaction in their lives if they are properly rewarded and recognized at work. According to Flynn (1998), as referenced by Rizwan Q. & Ali U. (2010), rewards and recognition programs keep employees happy, increase their morale, and create a relationship between their performance and motivation.

According to Rizwan Q. & Ali U. (2010:162), recognition is the process of assigning a specific position to an individual inside a company. This is a critical component of employee motivation. The term "recognition" refers to how an employee's performance is judged and how much admiration he receives from his employer. It also describes how an organization rewards and elevates its employees based on their efforts and accomplishments.

According to Ali and Ahmed (2009), who were quoted in a study by Khawaja J., Mazen F., Anwar R., and Alamzeb A. (2012), reward and motivation are the two key aspects that influence employee job satisfaction and motivation. There is a considerable association between reward and recognition, as well as motivation and job happiness, according to statistics.

There are three parts to total compensation. The proportion of each (known as the pay mix) varies a lot from company to company. Base compensation, which is the set income an employee receives on a regular basis in the form of salary or hourly wage, is the first and (in most

organizations) major component of total compensation. Pay incentives, or programs that reward employees for good performance, are the second component of total compensation. Bonuses and profit sharing are two examples of these incentives. Benefits, often known as indirect compensation, are the final component of total remuneration. Benefits include a wide range of services such as health insurance, vacations, and unemployment compensation, to name a few (Luis R. et al. 2001:325).

### **2.1.3 Job Satisfaction**

Job satisfaction is the degree to which people feel good or bad about their jobs, according to a formal definition. It's a mentality or emotional reaction to one's tasks, as well as the physical and social environment at work (John R., James G., & Richard N. 2002: 162).

Job satisfaction, according to Man M., Modrak V., Dima I.C., and Pachura P. (2011: 8), is a generic statement of workers' favorable sentiments about their jobs. They also stated that workers' attitudes toward their occupations are influenced by a variety of factors such as the nature of their jobs, the social status they have attained as a result of their jobs, and their experiences in the workplace. This mindset can also be detrimental to one's career. Job satisfaction exists when the economic advantages, social status, job-specific traits, and the job expectations employees hoped for are all acceptable for the employees' desires. Job satisfaction refers to employees' positive sentiments regarding the entire corporate environment as a result of their work experiences.

### **3. Classification of Job Satisfaction Theories**

According to Saifuddin K., Allah N., Farzand A., Muhammad I. (2012:1384), a review of the literature on job satisfaction theories reveals that theories are typically grouped either by their "type of theories" or their "chronological appearance."

Shajahan S. & Linu S. (2004) cited in the study by Saifuddin K. et al (2012) classified motivation theories as 'Content-theories' under which we can find Maslow's Needs Hierarchy, Herzberg's Two Factor theory, Theory X and Theory Y, Alderfer's ERG theory, and McClelland's theory of Needs and 'Process-theories' which constitutes Behavior Modification

theory, Cognitive Evaluation theory, Goal Setting theory, Reinforcement theory, Expectancy theory, and Equity theory).

Content theories: Focus primarily on individual needs—the physiological or psychological deficiencies that we feel a compulsion to reduce or eliminate. These theories suggest that the manager’s job is to create a work environment that responds positively to individual needs. They help to explain how poor performance, undesirable behaviors, low satisfaction, and the like can be caused by “blocked” needs or needs that are not satisfied on the job (John R. et al, 2002: 147).

**Process theories:** Focus on the thought or cognitive processes that take place within the minds of people and that influence their behavior. Whereas a content approach may identify job security as an important need for an individual, a process approach probes further to identify why the person behaves in particular ways relative to available rewards and work opportunities. Ultimately, we use the insights of three sets of theories to offer an integrated view of motivational dynamics that should be useful in any work setting (John R. et al. 2002: 147).

For the purpose of this research only Herzberg’s two factor theory will be discussed.

### **Herzberg’s Two Factor theory**

Frederick Herzberg, as cited in John R. et al. (2002:157-158), developed a distinct approach to studying motivation. He simply asked employees to report on the instances when they felt particularly pleased about their jobs and when they felt particularly bad about them. Furthermore, Herzberg and his colleagues discovered that when respondents felt good or negative about their work, they listed somewhat different things. They established the two-factor hypothesis, also known as the motivator-hygiene theory, as a result of their research, which depicts many aspects as key drivers of job satisfaction and discontent. Hygiene variables, according to this hypothesis, are sources of job dissatisfaction. These variables are linked to the employment context or work setting; that is, they have more to do with the environment in which individuals work rather than the nature of the work itself. Job satisfaction and job dissatisfaction are two distinct variables in the two-factor hypothesis. As a result, enhancing a hygiene component, such as working circumstances, will not make people satisfy at work; it will simply keep them from being dissatisfied.

Herzberg (1959), as cited by John Adair (2004: 162), identified the elements that influence job satisfaction and discontent, which are addressed further below.

The eight ‘**hygiene**’ factors, according to Herzberg, which can create job dissatisfaction, are:

- 1. Company policy and administration:** Availability of clearly defined policies, especially those relating to people, adequacy of organization and management
- 2. Supervision – technical:** Accessibility, competence and fairness of your superior
- 3. Interpersonal relations:** Relations with supervisors, subordinates and colleagues, quality of social life at work
- 4. Salary:** Total compensation package, such as wages, salary, pension, company car and other financially related benefits.
- 5. Status:** A person’s position or rank in relation to others, symbolized by title, size of office or other tangible elements.
- 6. Job security:** Freedom from insecurity, such as loss of position or loss of employment altogether
- 7. Personal life:** The effect of a person’s work on family life, eg stress, unsocial hours or moving house
- 8. Working conditions:** The physical conditions in which you work & the amount of work, facilities available, environmental aspects eg ventilation, light, space, tools, noise.

The six **motivating** factors that lead to job satisfaction were identified by Herzberg as being:

- 1. Achievement:** Specific successes, such as the successful completion of a job, solutions to problems, vindication and seeing the results of your work.
- 2. Recognition:** Any act of recognition, whether notice or praise (separating recognition and reward from recognition with no reward).
- 3. Possibility of growth:** Changes in job where professional growth potential is increased.
- 4. Advancement:** Changes which enhance position or status at work.
- 5. Responsibility:** Being given real responsibility, matched with necessary authority to discharge it.
- 6. The work itself:** The actual doing of the job or phases of it.

## **4. Empirical Literature Review**

This section contented the researched papers which are done by other researchers about human resource management practices impact on employees' job satisfaction in different countries are discussed below.

### **4.1. Effect of Training on Job Satisfaction**

Khan et al. (2015) used explanatory research in their study in Pakistan, collecting data from a sample of 100 respondents using a questionnaire. Correlation and regression statistical tools were used to analyze the data. The researchers came to the conclusion that there was a link between job satisfaction and training and development. The exploratory and descriptive study designs were used by Chaudhary and Bhaskary (2016). A random sample of 125 people was chosen at random. Data was gathered via questionnaires. Training and development, according to the findings, lead to job satisfaction.

Nagaraju and Archana (2015) used a self-administered questionnaire and a sample of 237 respondents to investigate work satisfaction and training and development. Descriptive statistics and paired test methods were used to evaluate the data. The findings suggested that training and development have an impact on job satisfaction in the workplace. Johanzeb et al. (2013) used 250 employees to investigate the impact of training on job satisfaction. Questionnaires were used to collect data, which was then analyzed using correlation and regression analysis. The findings indicated that there was a considerable positive association between training and work satisfaction among employees. Employees who have the possibility for training and development are more satisfied with their jobs in organizations, according to Costen and Salazar (2011).

#### **4.1.2 Effect of Promotion on Job Satisfaction**

Zahid N., Aman U.K., and Imran N. (2015) investigated the impact of promotion on job satisfaction in universities in Pakistan's KPK province. The study included 94 faculty members from ten universities, five from each of the private and public sectors, and found a favorable relationship between advancement and work satisfaction.

According to Petros W.F. and Dawit T.B. (2016), there is an appositive association between job satisfaction and promotion; however the relationship is minimal when compared to the other factors studied.

Asan and Wirba (2017) conducted a study on faculty members (N=30) from several universities in Saudi Arabia's eastern province. They looked at over thirteen variables, including promotion, to see if there was a link between job satisfaction and promotion. According to the findings, there is a link between job happiness and advancement.

#### **4.1.3. Effect of Reward and Compensation on Job Satisfaction**

Salisu, et al. (2015) used stratified random sampling procedures to choose a sample of 265 respondents for their study on the impact of compensation and reward on job satisfaction of public sector construction workers in Nigeria. Confirmatory factor analysis was used to analyze the data. Compensation and rewards, according to the study, have a beneficial impact on employee work satisfaction. Yaseen (2013) looked into how salary affects employee satisfaction. In this study, a simple random sample technique was employed, as well as correlation, ANOVA, and regression analytic techniques. Pay, recognition, promotion, and meaningful work all had an impact on job satisfaction, according to the findings. Teseema et al. (2013) conducted research in the United States, Vietnam, and Malaysia on the effects of remuneration packages on job satisfaction. A self-reported questionnaire survey was used on a sample of 457 respondents from the United States, 391 respondents from Vietnam, and 347 respondents from Malaysia in this cross- sectional study. ANOVA, descriptive statistics, and regression analysis were used to evaluate the data. Recognition was found to have a favorable impact on job satisfaction.

### **5. Conceptual Framework**

Based on the above theoretical and Empirical reviews, the diagrammatic representation was formulated in Fig. 2.1 below. The diagram provided an understanding of the association between the independent variables and dependent variables. Therefore it helped to understand the variables and formed after the consideration to set the research questions, objective, and literature review.

The researcher had selected the three HRM practices to include in the conceptual framework by using these practices as an indicator of how good HRM practices were used in the private banking sector. The numbers of HRM practices presented were determined by the adaptation of more HRM practices used previously that had better employee job satisfaction.



Fig 2.1 Conceptual Framework of the Study

### 5.1 Research hypothesis

Based on the literature review the following three hypotheses are proposed.

H1. Training practices do have significant effect on employee's job satisfaction

H2. Promotion practices do have significant effect on employee's job satisfaction

H3. Reward and compensation practices do have significant effect on employee's job satisfaction

## CHAPTER THREE

### 3. RESEARCH DESIGN AND METHODOLOGY

#### 3.1 Research Approach

There are two basic approaches to research, quantitative approach and the qualitative approach. The quantitative approach involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion. Qualitative approach to research is concerned with subjective assessment of attitudes, opinions and behavior. Research in such a situation is a function of researcher's insights and impressions (Kothari C. R. 2004: 22). Therefore, the research design that is used for this study is a quantitative research design. The reason for choosing quantitative research design is due to the fact that it involves studies that make use of statistical analyses to obtain their findings.

#### 3.2. Type/ Design of Research

The final goal of this study is to describe the relationship between the selected HRM practice and employee's job satisfaction in Hibret Bank S.C. selected HRM practices are independent variables whereas employee's job performance is the dependent one. Though the study seeks to answer "what" and "how" questions, how and in what ways selected HRM practices affect employees' job satisfaction and describe the situation in terms of its characteristics, the research tend to be explanatory research.

#### 3.3. Study variables

The independent and dependent variables are;

**Independent variables - training, promotion and reward and compensation practices**

**Depended variable-** employee's job satisfaction

#### 3.4. Population of the Study

The total population of the study is all employees of Hibret Bank S.C in 2014 E.C form whom the researcher was took a sample.

### 3.5 Sampling Techniques

Sampling technique is the process of selecting appropriate sample for the purpose of determining parameters of the whole population. The two basic sampling techniques are probability and non-probability sampling. A probability sampling techniques can be defined as a sample in which every element of the population has an equal chance of probability sampling technique guarantees equal representation for each group in proportion to the size of each group. According to this, the researcher use stratified random sampling. This probability sampling technique guarantees equal presentation for each group population to the size of each group. The researcher employed this technique by taking the list of population from HRM department. The population of the study is divided in to groups based on the structure of the bank namely Credit Department, Trade Finance Department, Human Capital Department, Finance Department, Internal Audit Department, Risk and Compliance Department, Legal Department, Retail Banking Department, IT Department, Marketing and Customer experience Department and Facility Department.

### 3.6 Population and Sample Size

As the data obtained from Hibret bank, currently the overall number of employees working in the bank is 6537. But, by considering geographical restrictions, access to data, expected rate of return from the study and degree of literacy, the study will confine to employees and managers at head office who are at clerical position of the bank. So, the target population of the study wills employees at head office of Hibret bank those who are above the clerical position and whose work experience is one year and above. Hence, the population size will be 365. The following formula is use to select the appropriate sample size based on 95% confidence level and 5% margin of error or level of precision.

$$n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2 (N-1) + z^2 \cdot p \cdot q}$$

Source: C.R. Kothari (2004)

$$n = \frac{1.96^2 (0.5) (0.5) (365)}{0.05^2 (365-1) + 1.96^2 (0.5) (0.5)} = 187$$

So, based on the above formula a sample of 187 will be selected from the target population.

### **3.7. Sources/Instrument of Data Collection**

In order to address the research objectives the research were used primary and secondary sources of data. Primary data is obtained through questionnaire that is collect from employees and managers at the head offices of the bank. In order to collect data from the target population, instruments of data collection will prepare. Questionnaires are used where the aim is to generate quantitative data from a large sample to test research questions and/or hypotheses (Phyllis Tharenou et al..., 2007). A five point Likert Scale questionnaire will use to measure the variables of the study.

Secondary data was gathered from published theoretical literatures and empirical studies, books, journal articles, internet and other publications.

### **3.8. Procedures of Data Collection**

First, questionnaire will distribute to the participants of the study. After the questionnaires are carefully filled, then the completed questionnaire will collect and arrange for data discussion and analysis. Finally, the collected data will insert into data set and ready for data analysis and discussion by using statistical software application programs (SPSS). And then the result will summarize and conclude.

### **3.9. Ethical Consideration**

The study will carefully consider ethical issues throughout the research process. Before the actual study conducted, the researcher will sent a permission letter to concerned parties of the bank and showed willingness and allowed to participate in the study. The participants of the study will fully inform and understand the aim and/or purpose of study and then, the data that obtained from respondents will keep honestly and confidentially.

### **3.10. Data Analysis Method**

The Quantitative data analysis tools will use to analyze the collected data. Quantitative data analysis tools include both descriptive and inferential statistics.

Descriptive statistics are used to describe and interpret the results of the study. Descriptive analyses are used to compute the demographic profile of respondents, determine respondents' satisfaction level of HRM practices and with the job.

Correlation analysis more specifically Pearson correlation coefficient is used to measure the degree of association between Training, Reward and compensation and Promotion and employees' job satisfaction.

From inferential statistics, Regression analysis is used to test the hypothesis of the study. It also used to measure the causal relationship between the Training, Reward and Compensation and Promotion and employees' job satisfaction.

### 3.11. Reliability and Validity Test

The reliability of questionnaire item was tested to check the relevance and consistence of research instruments. The researcher used Cronbach's alpha to measures internal consistency of items in this study.

**No table of figures entries found.**

Table 2.1 Average Cronbach's alpha Reliability Coefficient for all Variables

Cronbach's Alpha	Cronbach's Alpha based on standardized item	N of items
.943	.941	35

Table 2.2 Cronbach's Alpha Reliability Coefficients for Independent and Dependent Variables

Variables	Items	Cronbach's Alpha	Status
Training practice	4	.851	Good
Promotion practice	4	.768	Acceptable
Reward and compensation practice	4	.767	Acceptable
Job satisfaction	4	.824	Good

Cronbach's alpha reliability coefficient normally ranges between 0 and 1 the closer Cronbach's alpha coefficient closer to 1.0 the greater the internal consistency of the items in the scale. Therefore; average Cronbach's alpha coefficient of all variables is 0.943, which indicates that the internal consistencies of the items are great.

## CHAPTER FOUR

### 4. DATA ANALYSIS, INTERPRETATION AND DISCUSSION

#### 4.1. Introduction

This chapter presents and discusses the results of the study. The following discussion is organized around sub-topics reflecting the research objectives and questions. The purpose is to simplify the discussion and to contribute to a better understanding of the research findings. Findings about the demographics of study participants, and the statistical analyzes used to answer hypothesis and research questions also presented. This helped to interpret and understand the results.

Data for the analysis was collected from Hibret Bank. One hundred eighty seven (187) questionnaires were distributed to employees and out of which one hundred seventy two (172) questionnaires were returned, and the researcher found it suitable for further analysis. Meaning 91.97 percent response rate is recorded.

#### 4.2. Demographic Characteristics

In this section the selected demographic characteristics of the study respondents such as sex, age, position, service year and educational level are presented. Descriptive statistics using frequencies was used to analyze the demographic characteristics of the respondents and hence the result of the analysis is described in detail here under.

Table 3.1 .Demographic characteristics of the respondents

Variables	Category	Frequency	Percent
N=172			
	Sex		
	Male	93	54.1%
	Female	79	45.9%
Age	≤25	6	3.5%
	26-35	91	52.9%

	36-45	66	38.4%
	≥46	9	5.2%
Position	Officer level	118	68.6%
	Supervisory level	32	18.6%
	Managerial level	22	12.8%
Service year	1-5 years	35	20.3%
	6-10 years	96	55.8%
	11-15 years	26	15.1%
	>15 years	15	8.7%
Educational level	Diploma	0	0
	Degree	76	44.2%
	Masters	96	55.8%
	PHD	0	0

Source: Employee Questionnaire, 2022

According to the table, 93 (54.1%) of the respondents were male, while the remaining 79 (45.9%) were female. This result indicate that to genders were represented adequate level in this study.

The respondent's age group was mostly 26-35 and 36-45 years, accounting for 91(52.9%) and 66(38.4%) of the total, respectively, while 25 and 46 years accounted for just 6(3.5) and 9(5.2%), respectively The result indicates that respondents were well distributed in terms of their age group. Therefore, again with regard to age, the study did not suffer from age group bias.

Another important demographic variable is the work experience which was defined as years of service an employee have worked. In this regard, 35 (20.3%) of respondents service year was <5 years, 96 (55.8%) of respondents service year was 6-10 years, 26 (15.1%) of respondents service year was 11-15 years, and 15(8.7%) of respondents service year was more than 15 years. This indicated that only 20.3% respondents are serving less than 5 years the remaining respondents have work experience more than 5 years. This long time service creates awareness of HRM practice of the bank.

The study result also showed that the majority of the respondents 118(68.6%) worked as officers, with the remaining 32(18.6%) in supervisory positions and 22 (12.8%) in management positions. This indicated that respondents whom above officer level represented with 31.4 percent in this study.

The respondent's educational levels were largely bachelor's and master's degrees, accounting for 76 (44.2%) and 96 (55.8%), respectively. This result showed as the respondents are well educated and they well capable to read and respond this research questionnaire.

### 4.3. Result of Descriptive Statistics

The descriptive statistics of the variables are presented here after. The average score from the 5-point lickert scale with 5 as strongly agree and 1 as strongly disagree for all the variables was computed to show the proportion of the respondents that either strongly agreed or disagreed with the items of the variables.

For the purpose of this study the researcher used the mean score measurement of Mabonga (2012). The interpretation of the independent and dependent variables were presented as follows. Mean score range from 1.10 up to 1.80 are categorized in very low level (very disagree), mean score range from 1.90 up to 2.60 are categorized in low (disagree), mean score range from 2.70 up to 3.40 are categorized in undecided (neutral), mean score range from 3.50 up to 4.20 are high (agree) and mean score range from 4.30 up to 5.00 are categorized in very high (very agree).

#### 4.3.1. Employee's response on training practice

Table 3.2 Descriptive results of training practice

Item	N	Mean	Std. Dev.
1. I believe that I have training opportunities to learn and grow.	172	2.93	1.300
2. I consider that available training match with my job.	172	2.85	1.180
3. I feel I get the chance to develop new and better ways of doing a job.	172	2.74	1.141
4. I am happy with the way my boss	172	3.06	1.208

trains his/her employees.			
5. I feel that sufficient time and money are allocated for training.	172	2.61	1.051
6. I am happy that training currently provided is leading to satisfactory results.	172	2.78	1.075
7. I feel that training plans are developed and monitored for all employees and it enhances job satisfaction of employees.	172	2.77	1.195
8. I feel that employees receive training to perform multiple tasks.	172	2.88	1.156
Grand mean	172	2.83	0.856

Source: Own Survey Questionnaire, 2022

As it can be seen from the above table the respondents expressed their agreement with moderate level for; training opportunities to learn and grow 2.93 SD=1.93, available training match with job scored mean 2.85 SD=1.18, the chance to develop new and better ways of doing a job scored mean 2.74 SD=1.141, the way boss trains his/her employees mean 3.06 SD=1.208, the bank allocate sufficient time and money for training scored mean 2.61 SD= 1.051, satisfactory result of the training scored mean 2.78 SD= 1.075, the bank's training plans are developed and monitored for all employees scored mean 2.77 SD= 1.195 and for that employees receive training to perform multiple tasks scored mean 2.88 SD= 1.56.

Also the overall training practice based on the respondent's perception mean scored value of 2.83 with SD= 0.856 therefore, it can be infer that training practice of the Hibret Bank is moderate level.

#### 4.3.2. Employee's response on promotion practice

Table 3.3 Descriptive result of promotion practice

Item	N	Mean	Std. Dev.
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1. I feel that I have the chances for advancement on my job.	172	2.94	1.227
2. I am happy that the way promotions are given to employees.	172	2.57	1.155
3. I feel that there are good promotion policies and procedures at this bank.	172	2.65	1.208
4. I am happy with the advancement opportunities of the bank.	172	2.62	1.248
5. The company do have clear promotion strategies.	172	2.74	1.259
Grand mean	172	2.70	1.048

Source: Own Survey Questionnaire, 2022

Regarding promotion practice, the above result shown as mean scored 2.94 with SD= 1.227 for the chance for the advancement of the job, again mean scored 2.257 with SD= 1.155 for the way promotion given to employees, also for good promotion policies, the advancement of promotion opportunities and clear promotion strategies means scored 2.65 with SD= 1.208, 2.62 with SD= 1.248 and 2.74 with SD= 1.59 respectively. And also the overall mean scored for promotion practice 2.70 with SD= 1.048 which is below the level of satisfaction. So, this implies that the promotion practice in Hibret Bank at moderate level.

#### 4.3.3. Employee's response on Reward and Compensation Practices

Table 3.4 Descriptive result of reward and compensation practice

Item	N	Mean	Std. Dev.
1. In this bank, employees get incentives such as promotions, awards, bonuses, etc.	172	3.44	1.145
2. I feel my salary is fair for my tasks, duties and responsibilities of my job.	172	2.69	1.230
3. The banks reward system really recognizes the people who contribute	172	2.69	1.063

the most to the bank's efficiency and effectiveness.			
4. I feel that the incentive system encourages me to strongly pursue the bank objectives.	172	2.83	1.167
5. The bank provides performance based compensation and I am happy with the system.	172	2.60	1.122
6. I believe that the bank provide equitable external salary.	172	2.71	1.198
7. I am happy with the assistance given by the bank in terms of money, leave and subscriptions.	172	2.67	1.081
Grand mean	172	2.80	0.849

Source: Own Survey Questionnaire, 2022

As it can be clearly understood the above table the bank incentive program rated as mean 3.44 SD= 1.45 therefore, it can be concluded as the respondents are moderately satisfied with the incentive program such as award and bonus. Also for salary fairness for the tasks, duties and responsibilities scored mean value 2.69 SD= 1.123, for the banks reward system really recognizes the people who contribute the most to the bank's efficiency and effectiveness mean scored 2.69 SD= 1.063, the incentive system encourages employees to strongly pursue the bank objectives mean scored 2.83 SD= 1.167, for providing performance based compensation mean scored 2.60 SD= 1.122, for the bank provide equitable external salary mean scored 2.71 SD= 1.198 and for the assistance given by the bank in terms of money, leave and subscriptions mean scored 2.67 SD= 1.081. And also the overall responses regarding compensation and reward practice mean scored 2.80 with SD= 0.849. This implies that the reward and compensation practice in Hibret bank at moderate level.

#### 4.3.4. Employee's response on job satisfaction

Table 3.5 Descriptive result of job satisfaction

Item	N	Mean	Std. Dev
1. The job requires me to be creative	172	3.16	1.011
2. The job allows me to make my own decisions about how to schedule my work.	172	2.99	1.121
3. I always feel comfortable in doing my work.	172	3.06	1.219
4. The company do have good technological tools.	172	3.49	0.970
5. The challenges of my job make me more dedicated to work.	172	3.37	0.949
6. I am paid fair amount for the work I do.	172	2.76	1.245
7. Everyone is treated fairly and with respect.	172	2.88	1.099
8. I do get acknowledgment by bosses and colleagues for my skills and competencies.	172	2.95	1.120
9. I like the people I work with.	172	3.76	0.878
10. My nearest supervisor respects the co-worker's opinion.	172	3.55	1.077
11. My supervisor is competent in doing his/her job.	172	3.77	0.943
12. I am motivated to work for this organization because I do have opportunity to continually advance to more senior positions.	172	3.26	1.230
13. I am motivated to work for this organization because I do have secure, permanent and reliable job	172	3.35	1.097

position.			
14. I am motivated to work for this organization because I do have opportunities to acquire new knowledge and skills, reach personal potential.	172	3.02	1.209
15. The rules and procedures of the organization support doing a good job.	172	3.28	1.028
Grand mean	172	3.24	0.656

Source: Own Survey Questionnaire, 2022

Table 5 result showed that for the statements the job requires me to be creative, The job allows me to make my own decisions about how to schedule my work, I always feel comfortable in doing my work, The company do have good technological tools, The challenges of my job make me more dedicated to work. I am paid fair amount for the work I do, Everyone is treated fairly and with respect, I do get acknowledgment by bosses and colleagues for my skills and competencies, I like the people I work with, My nearest supervisor respects the co-worker's opinion, My supervisor is competent in doing his/her job, I am motivated to work for this organization because I do have opportunity to continually advance to more senior positions, I am motivated to work for this organization because I do have secure, permanent and reliable job I am motivated to work for this organization because I do have opportunities to acquire new knowledge and skills, reach personal potential and . The rules and procedures of the organization support doing a good job the total mean scored 3.24 SD=0.656. Based on the interpretation tool and the descriptive results at the Hibreat bank there is exist job satisfaction with undecided level. Hence, the company should try to increase the level of job satisfaction by implementing better HRM practice.

#### 4.4. Result of Correlation Analysis

Correlation is a measure of relationship between two variables. The correlation coefficient gives a mathematical value (-1 to 1) for measuring direction and the strength of the linear relationship between two variables. Pearson's correlation coefficients were computed through bivariate

correlation for this study. Bivariate correlations which test the strength of the relationship between two variables without giving any consideration to the interference some other variable might cause to the relationship between the two variables being tested.

In this study, Correlation analysis is used to measure the relationship between independent and dependent variables. Training practice was measured by using eight items (questions), five items were used to measure promotion practice. Finally, reward and compensation practice was measured by using seven items.

According to Franzblau

(1985), the correlation coefficient can be interpreted as follows:-

If  $r=0$  to  $0.20$ , it indicates no correlation

If  $r=0.20$  to  $0.40$ , it indicates positive but low degree of correlation

If  $r=0.40$  to  $0.60$ , it indicates positive moderate degree of correlation

If  $r=0.60$  to  $0.80$ , it indicates positive and marked degree of correlation

If  $r=0.80$  to  $1.00$ , positive and high degree of correlation

Table 3.6 Correlation analysis result

Variables		Training practice	Promotion practice	Reward and compensation	Job satisfaction
Training practice	Pearson correlation	1	.598**	.476**	.434**
	Sig. (2-tailed)		.000	.000	.000
	N	172	172	172	172
Promotion practice	Pearson correlation	.598**	1	.757**	.587**
	Sig. (2-tailed)	.000		.000	.000
	N	172	172	172	172
Reward and compensation practice	Pearson correlation	.476**	.757**	1	.713**
	Sig. (2-tailed)	.000	.000		.000
	N	172	172	172	172
Job satisfaction	Pearson correlation	.434**	.587**	.713**	1

	Sig. (2-tailed)	.000	.000	.000	
	N	172	172	172	172

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

Source: Own Survey Questionnaire, 2022

As shown in the table, training practices, promotion practices, and reward and compensation practices all have a positive relationship with job satisfaction. According to the above table, training practices have a moderately positive relationship with job satisfaction, with a correlation value of 0.434; promotion practices have a moderately positive relationship with job satisfaction, with a correlation value of 0.587. The other reward and compensation practices have a strong positive relationship with a correlation value of 0.713. The three variables has a significant value <0.01.

#### **4.5. Result of Regression analysis**

The effect of HRM activities on job satisfaction was investigated in this study using the SPSS statistical method. This tool was used to conduct linear regression to ascertain the impact of employees of Hibret Bank perceptions regarding HRM practices on their job satisfaction.

In a regression analysis, a decision must be taken on which independent variables should be included in the regression equation and which should be excluded. Employees' perceptions of HRM activities (independent variables) had a significant beneficial effect on their job satisfaction, according to the regression results (dependent variable).

##### **4.5.1. Test for Assumptions of Regression Analysis**

Multiple Regressions is the study of a dependent variable  $y$  is related to two or more independent variables. The general objective of the study is to investigate the effect of selected HRM practices on job satisfaction at Hibret Bank S.C. To determine the relationship between the two variables multiple regression analysis was conducted. It illustrates that how much each independent variable has an effect or relationship with dependent variable. Before the result of the regression analysis, the data was analyzed to check the basic assumptions such as multi-collinearity test, normality test, homoscedasticity, and linearity test. Some of the test is illustrated in the form of tables as follows:-

1. **Multi- collinearly Test:** may occur when two or more x-variables that are included simultaneously in the model are strongly correlated with each other. It is tested by variance inflation Factors (VIF).

Table 3.7 Multi- Collinearly Test

Model	collinearly statistics	
	Tolerance	VIF
Training practice	0.641	1.560
Promotion practice	0.354	2.823
Reward and compensation practice	0.426	2.345

Source: Survey, 2022

For this study, multico-linearity was checked with tolerance and VIF statistics. A tolerance value less than 0.1 almost certainly indicate a serious co linearity problem and also state that a VIF value greater than 10 is also a concern. In this study, all of the independent variables were found to have a tolerance of more than 0.1 and a VIF value of less than 10, which again indicates that the assumption of Multi-co linearity is not violated.

## 2. Model Specification

The researcher used the multiple regression analysis by using dependent and independent variables. In this study the estimation process was based on ordinary least square (OLS) [i.e= $a+bx$ ]. For this purpose, Job satisfaction is considered as dependent variable and the selected HRM practices are considered as independent variables and the following models are developed to find out statistical significant among the two variables.

$$JS = \beta_0 + \beta_1 (TR) + \beta_2 (PO) + \beta_3 (RC) + e \text{----model (1)}$$

Where:-

$\beta_0$  is constant

$\beta_1, \beta_2, \beta_3$  are the regression coefficient

JS=Job satisfaction

TR=Training

PO=Promotion

RC= Reward and compensation

e=error term.

Table 3.8 Model Summary

Model	R	R square	Adjusted R square	Std error of the estimate
1.	0.766(a)	0.57	0.581	3.17881

Predictors (constant):- training, promotion and reward and compensation

Source: Survey 2022

As seen from the above table the value of adjusted R =0.581. This indicates that independent or predictor variables jointly explained 58.1% variance in dependent variable, job satisfaction.

### 3. ANOVA

Table 3.9 ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig
Regression	2757.832	3	919.277	90.97	.000(b)
Residual	1940.168	192	10.15		
Total	4698.000	195			

a. Dependent Variable: Job satisfaction

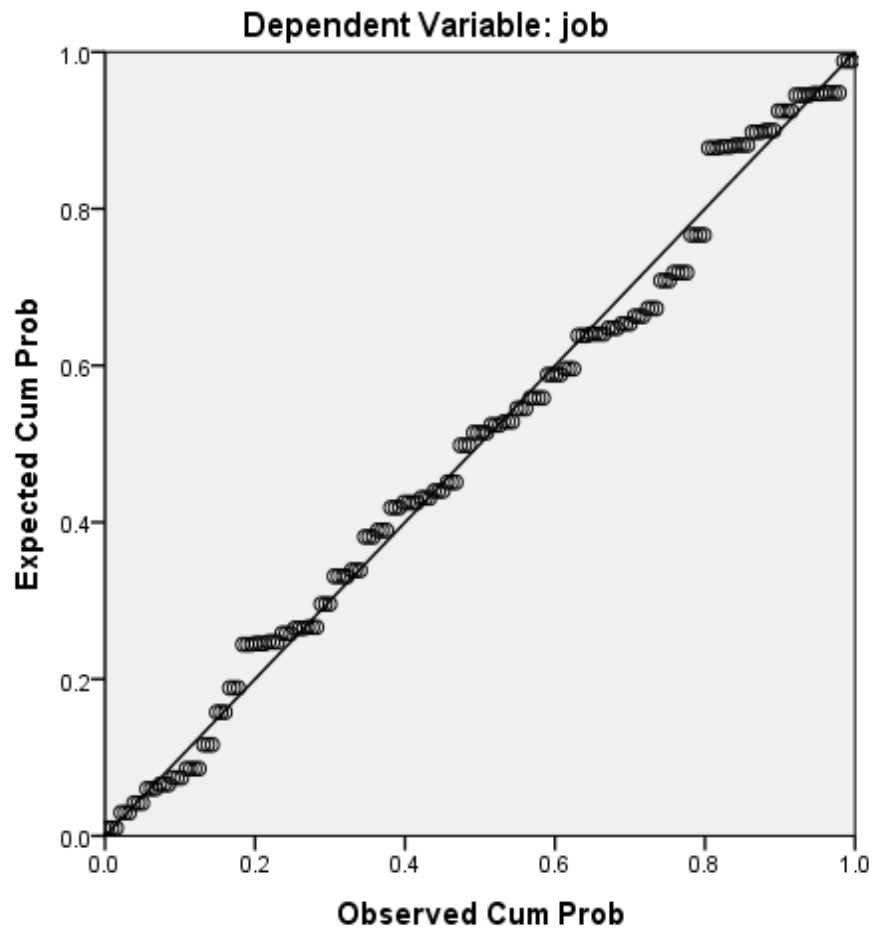
b. Predictors (constant): Training, Promotion and Reward and compensation Coefficients

The result in table (14.2) shows that the predictor variables training, promotion, and reward and compensation were jointly significant predictors of job satisfaction ( $F(3,192)=90.97$ ). This indicates that the selected HRM practices are key managerial tools to boost up employees job satisfaction.

### 4. Normality Test

The figure below displays the frequency distribution of the standardized residual compared to normal distribution. As can be understood from the figure, the data points are close to the diagonal line confirming that there is normality.

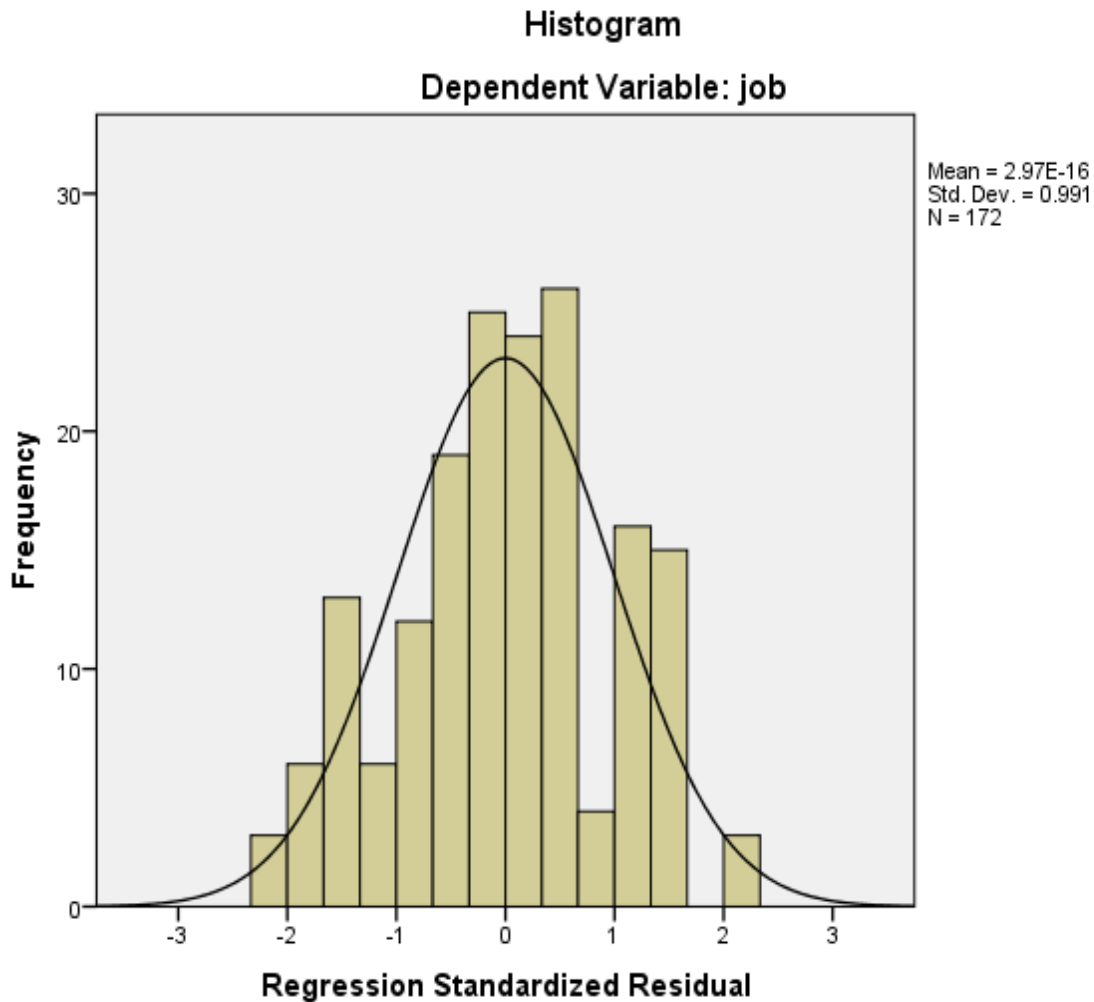
### Normal P-P Plot of Regression Standardized Residual



**Figure 4.1 Normal Q-Q Plot of Employee job satisfactions**

Source: Survey 2022

The linearity pattern was observed because the point was symmetrically distributed along a diagonal line. As a result, the linearity was demonstrated by the straight line relationship between the residuals and the projected dependent variable scores.



**Figure 4.2 Histogram for testing normality**

Since the graph was nearly belly-shaped and symmetric about the mean, the distribution was approximately.

#### **4.5.2. Regression coefficients**

The Beta value is used to measure the contribution of HRM practices (independent variables) on employee job satisfaction (dependent variable), which can be explained using t values. The coefficients table contained coefficients for the regression equation t-tests of significance for

each variable and collinearity statistics. The collinearity statistics in the table above showed that measurements of multiple variables'(the selected HRM practices) relationships.

Table 3.10 regression coefficients

Variables	Unstandardized coefficients		Standardized coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	1.574	.142		11.114	.000
Training practice	.082	.051	.107	1.602	.111
Promotion practice	.032	.056	.052	.577	.565
Reward and compensation practice	.482	.063	.623	7.623	<0.01

This study was conducted to determine if various HRM practices can be impact on employee job satisfaction. It was hypothesized that training, Promotion and reward and Compensation, will positively predict the effect on job satisfaction. To test this hypothesis, multiple regression analysis was used.

The beta value is a measure of how strongly independent variable influences the dependent variable. Looking at the individual HRM practice contributions of the predictors, the result shows that training ( $\beta=.107$ ,  $t=1.602$ ), promotion ( $\beta=.052$ ,  $t=0.577$ ), and reward and compensation ( $\beta=.623$ ,  $t=7.623$ ) positively impact job satisfaction. This supports the predict hypothesis. From the analysis of the coefficient result reward and compensation has a higher impact on job satisfaction. Since the higher the beta value the greater the effect of the independent variable on the dependent variable.

## CHAPTER FIVE

### 5. SEMMERY OF FINDING, CONCUPTIONS AND RECOMENDATION

#### 5.1. Summary of the research study

This study was conducted to examine the relationship between selected HRM practices and employees' job satisfaction. The selected HRM practices are training, promotion, and reward and compensation practice. To address the stated objectives both descriptive and inferential statistics were employed. The descriptive statistics explained in the form of frequency, percent, mean and standard deviation. Descriptive results of training, promotion, reward and compensation and job satisfaction had a grand mean score of (M=2.83, M=2.70, M=2.80, M= 3.24) respectively. The inferential statistics was presented in the form of correlation and multiple Regression analysis. The correlation coefficient of the selected HRM practices showed positive relationship with job satisfaction (Training and practice  $r=.434$ , promotion practice  $r=.587$ , and reward and compensation  $r=.713$ ). Multiple Regression analysis of predictor variables were jointly significant of job satisfaction ( $F(3,192)=90.972$ ,  $R^2=0.587$ ,  $p<0.05$ ). And 58.1% of independent variables jointly explained job satisfaction. The regression coefficient result shows that training ( $\beta=.107$ ,  $t=1.602$ ), promotion ( $\beta=.052$ ,  $t=0.577$ ), and reward and compensation ( $\beta=.623$ ,  $t=7.623$ ) positively impact job satisfaction. This findings support to accept the three hypotheses.

#### 5.2. Conclusions

The purpose of this study was to examine the effect of the selected human resource practices on employee job satisfaction in the case of Hibret Bank S.C. For any organization to be successful, having satisfied employees has a paramount importance. Because organization will be efficient if and only if their employees are satisfied and this can happen among others through having an efficient HRM practice system that always considers and meets employee's expectations to get best out of employees.

The findings show that the total result of perception of employees towards training, promotion and reward and compensation practice is dissatisfied. Likewise the results revealed that employees were not satisfied with the above mentioned there HRM practices.

The data obtained from the respondents indicating the extent of adoption of human resource management practice are correlated with employee's job satisfaction. The overall correlation analyses which were found to be significant showed that training practice and promotion practice have moderate correlation with employee job satisfaction and reward and compensation practice have strong correlation with employees job satisfaction. Furthermore, the regression result shows training practice, promotion practice and reward and compensation practice have a significant positive impact on job satisfaction of employees.

### **5.3. Recommendations**

Training and development: the average mean of training and development  $M=2.83$  was inconclusive. As a result, decision makers should work to overcome the practice's limitations by introducing stronger training and development policies and procedures. Because it is critical to have stronger policies and practices in place in order to retain competent people, which in turn improves organizational performance.

In regarding of promotion practice the over mean was 2.40 it indicates poor so, the bank should revise and make adjustment it promotion practice in order to maintain employees at the bank and to increase the extents of job satisfaction.

Compensation practice revealed the average mean was 2.80 this indicates which is below the agreement level Decision-makers should make every effort to enhance reward and compensation practices in the future, both in terms of financial and non-financial categories. Because compensation has a significant impact on job satisfaction

Job Satisfaction: This received a mean score of 3.24 with a level of indeterminate. This finding shows that employees are dissatisfied with their jobs to some level As a result, company decision-makers should develop and adopt stronger HRM strategies to improve job satisfaction Because highly pleased personnel lead to the achievement of the organization's short and long term goals

Finally, to reduce turnover, absenteeism, tardiness, and employee withdrawal, the organization should develop better HRM policies and practices. As a result, employees are likely to be satisfied, and their productivity is likely to be high. In general, top-level management should

strive to implement a more comprehensive set of HRM practices in order to motivate and retain competent people. Employee satisfaction and competence are a source of competitive advantage.

## **5.4. Research limitation and Areas of Future Research**

### **5.4.1. Limitation of the study**

The following are some of the study's limitations:

- The sample size may not fully reflect the actual population.
- One of the study's primary limitations is respondents' unwillingness to participate.
- The study might be influenced by the respondents' biases and preconceptions
- The study might be subjected to the bias and prejudices of the respondents. Hence 100% accuracy can't be assured
- The research is confined to head office employees and managers only, so the result might be indicative it might not be conclusive

### **5.4.2 Suggestions for future research**

The study's sample is primarily focused of employee from the Hibret bank head offices. As a result, future researchers can collect a sample of employees and managers from city and outline or regional branch locations. Furthermore, the study aims to investigate the impact of certain HRM practices on employee job satisfaction, such as training, promotion, and reward and compensation. Potential researchers can investigate whether HRM methods have an impact on employee job satisfaction by looking into it deeper.

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# RESEARCH QUESTIONNAIRE

Addis Ababa University School of Commerce

Post Graduate Studies Department in Human Resources Management

Dear respondents;

This questionnaire is prepared for the partial fulfillment of Master of Arts Degree in Human Resource Management. The thesis title is “*The Effect of, selected HRM practices on employees’ job satisfaction*”. The purpose of this questionnaire is aimed at collecting your views and opinions about the above variables. The motivation you provide will only

be used for the purpose of the research and will strictly be kept confidential. Your genuine response for every question is very essential and has an impact on the findings of the research.

## Contact Address

If you have any query, please do not hesitate to contact me and I am available as per your convenience at (Tele; 09-13-13-17-71 or e-mail; [yoseab363@gmail.com](mailto:yoseab363@gmail.com).)

**There is no need to write your name.**

Best Regards,

**Please tick your answer with (√)**

## Part 1: Demographic Variables

**1: Gender:** \_\_\_\_ Female \_\_\_\_ Male

**2: Age:** \_\_\_\_ 25 years or less \_\_\_\_ 26 to 35 years \_\_\_\_ 36 to 45 years \_\_\_\_ 46 years and above

**3: Position:** \_\_\_\_ Strategic level \_\_\_\_ Tactical Level \_\_\_\_ Operational Level \_\_\_\_ Non managerial

**4: Service Year** \_\_\_\_ <5 years \_\_\_\_ >6 but < 10 \_\_\_\_ >11 but <20 \_\_\_\_ 20 years and above

**5: Educational Level** \_\_\_\_ Diploma \_\_\_\_ Degree \_\_\_\_ Masters \_\_\_\_ PH.D

## **Part 2: Human Resource Management (HRM) Dimensions:**

Please read the following items and respond by indicating your degree of agreement on each statement on the five point Likert scale; where 1= strongly disagree 2= Disagree 3= Neutral 4= Agree 5= strongly

agree.

<b>No</b>	<b>Training Practice</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	I believe that I have training opportunities to learn and grow					
2	I consider that available training match with my job					
3	I feel I get the chance to develop new and better ways of doing a job					
4	I am happy with the way my boss trains his/her employees					
5	I feel that sufficient time and money are allocated for training					
6	I am happy that training currently provided is leading to satisfactory results					
7	I feel that training plans are developed and monitored for all employees and it enhances job satisfaction of employees					
8	I feel that employees receive training to perform multiple tasks					
	<b>Promotion Practice</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	I feel that I have the chances for advancement on my job					
2	I am happy that the way promotions are given to employees					
3	I feel that there are good promotion policies and procedures at this Bank					
4	I am happy with the advancement opportunities of the bank					
5	The company do have clear promotion strategies					
	<b>Reward and Compensation Practice</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	In this bank, employees get incentives such as Promotions, awards, bonuses, etc.					
2	I feel my salary is fair for my tasks, duties and responsibilities of my job					
3	The banks reward system really recognizes the people who contribute the most to the bank's efficiency and effectiveness					
4	I feel that the incentive system encourages me to strongly pursue the bank objectives					
5	The bank provide performance based compensation and I am happy with the system					
6	I believe that the bank provide equitable external salary					
7	I am happy with the assistance given by the bank in terms of money, leave and subscriptions					

## Job Satisfaction

		1	2	3	4	5
1	The job requires me to be creative.					
2	The job allows me to make my own decisions about how to schedule my work.					
3	I always feel comfortable in doing my work					
4	The company do have good technological tools					
5	The challenges of my job make me more dedicated to work.					
6	I am paid fair amount for the work I do					
7	Everyone is treated fairly and with respect					
8	I do get acknowledgment by bosses and colleagues for my skills and competencies					
9	I like the people I work with					
10	My nearest superior respects the co-worker's opinions.					
11	My supervisor is competent in doing his/her job.					
12	I am motivated to working for this organization because I do have opportunity to continually advance to more senior positions					
13	I am motivated to working for this organization because I do have secure, permanent and reliable job position.					
14	I am motivated to working for this organization because I do have opportunities to acquire new knowledge and skills, reach personal potential					
15	The rules and procedures of the organization support doing a good job.					

Annex Different tests

