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Addis Ababa University

College of Business and Economics

Masters of Business Administration

**“Factors affecting employees job satisfaction: the case of Ethiopian
Insurance Corporation”**

**A thesis submitted to Addis Ababa University in partial fulfillment of the requirements
for the award of a Master’s Degree in Business Administration in Financial Services**

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DECLARATION

I, Tsion Solomon hereby declare that this work entitled “*Factors affecting employee’s job satisfaction: the case of Ethiopian Insurance Corporation*” is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which has been accepted for the award of any other degree or diploma of the university or other institute of higher learning, except where due acknowledgment has been made in the text.

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This Thesis has been submitted for examination with my approval as an advisor.

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Abstract

This paper is intended to determine the factors affecting employee job satisfaction in the case of Ethiopian Insurance Corporation. In order to identify whether the factors considered are having an impact on the satisfaction of employees, the researcher used Herzberg's Two-Factor Theory to determine the influence of intrinsic and extrinsic job satisfaction factors on employees of Ethiopian Insurance Corporation. The main objective of the study is examining factors that affect employees' job satisfaction in Ethiopian Insurance Corporation. The study has used explanatory research design & data was collected by distributing questionnaires to 174 employees of EIC. Respondents were requested to mark their satisfaction level which is based on 5-point Likert Scale. The question related to job satisfaction consists of the factors that are supposed to affect job satisfaction: a) payment & Benefit b) promotion c) Work Environment as extrinsic factors and d) Recognition & e) Responsibility as intrinsic factors. This tool is employed to measure the intrinsic factors of satisfaction, the extrinsic factors of satisfaction as well as the general satisfaction levels of employees. The average from all the answers on each question was computed and the higher the score mean the higher the level of job satisfaction in this aspect of employees work. The data gathered was entered into SPSS in order to analyse using the statistical tools such as descriptive statistics & inferential statistics which involves percentage analysis, mean analysis and correlation of independent and dependent variables. The result of the study indicated that recognition, responsibility, payment and benefits & promotion have positive and statistically significant effect on job satisfaction and the intrinsic factors (recognition & responsibility) have more influence on the job satisfaction of employees of EIC. EIC should formulate a fair Recognition, Responsibility & promotion system to increase employees' motivation and their job satisfaction.

Key words and phrases: *Job satisfaction, Responsibility, Recognition, Payments, Promotion, Work environment*

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List of Acronyms

EIC	Ethiopia Insurance Corporation
MSQ	Minnesota Satisfaction Questionnaire
PCA	Principal Component analysis
SPSS	Statistical Package for Social Sciences

CHAPTER ONE

INTRODUCTION

The purpose of this research was to determine the factors that affect employee job satisfaction of EIC. This chapter provides Background of the study, Statement of the Problem, Research Questions, Objective of the Study, Significance of the Study, Delimitation/Scope of the Study, Organization of the Study & Definition of Terms.

1.1 Background of the study

Human capital is perceived as one of the most dynamic assets for the enhancement and development of any organization. It is crucial in making other assets useful and valuable in any organization in order to generate the best return for the organization. In view of this, to obtain improved human capital, any organization needs to execute appropriate actions in time. It is evident that if employees are satisfied and are happy with the actions of their company, then they will do their best for the best of their company (Al-Ali, et al., 2019).

The meaning of Job satisfaction is defined by many writers in different ways. For example, it is considered as the the attitudes and feelings that people have about their jobs (Armstrong, M. & Taylor, S. 2014). In another study, job satisfaction is considered as the level of gratification and contentment that any employee has towards his/her job. Since it is important in positively impacting employees, increasing their productivity as well as the overall organizational success, it is considered in any organization as being a major driver which directs any organization achieve its goals (Fahed-Sreih, 2020).

According to Locke (1976), job satisfaction is defined as a state of being in a positive emotion which he considered arises from a person's job or the experience of his/her job. Similarly, Locke and Lathan (1990) define it as the pleasurable or the positive emotional state of being resulting from the appraisal of a person's job or job experience. On the other hand, lack of job satisfaction can be considered as a predictor of giving up a job (Alexandar et al., 1998). Workers may switch from public to private sector jobs and vice versa.

At other cases, the transition is from one career to another that is thought to be a better fit. This is typical in countries dealing with a shrinking economy and its consequences, such as bad working conditions and late salary payments (Nwagwu., 1997). Job satisfaction significantly influences organization behavior. Most studies have indicated that job satisfaction positively affects employee working performance and organizational commitment, and negatively influences employee turnover (Agarwal and Ferratt, 2001; Fraser, 2001). Companies need to know what factors need to be identified in order to have the knowledge of what cause both satisfaction and dissatisfaction among employees in the intention of increasing employees motivation and satisfaction for organizational commitment (Herzberg, 1966; Mc Gregor ,1961). Ethiopian Insurance Corporation also encounters a problem of determining the factors which can lead to its employees' job satisfaction. Due to this, the corporation first need to properly identify the current factors that affect its employees' job satisfaction so that to take appropriate measures to address the gap.

1.2 Statement of the problem

Many organizations in both the general public and indeed the private sector take into account their workers as an important asset within the organization towards the attainment of the structure goals. However, the same objectives can only be earned from a satisfied workforce. Thus worker satisfaction is of significance if organizational goals are to be attained. Worker job satisfaction is related to increased productivity, organizational commitment, lower absence and turnover, and ultimately with increased organizational effectiveness (Logsdon & Ellickson, 2001).

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

Job satisfaction is an important issue in running of institutions and one of the key signs of how well an organization is. Thus, organizations attach great importance to the job satisfaction issue. Satisfaction levels of employees are vital for organizations, since satisfied employees contribute to success and enduring achievement of the organizations (Ahmed, 2010). The efficiency and performance of an organization depends on its employees and surely "a happy worker is an effective one". It is not imaginable for advancement of an organization without considering developing of the staff's abilities and refining their working conditions. Organizations which have very satisfied employees are without doubt more fruitful (Smith, 2017).

There are some academic works related to employees' job satisfaction in Ethiopia. However, most of them focused on education and health sectors, among others. For instance, studies performed by Mengistu (2012) and Gebremichael and Rao (2013) focused on employees' satisfaction in education sector but studies by Mengistu and Bali (2015) focused on health professionals. As per the studies, low job satisfaction was commonly observed in different public medical centers in Ethiopian hospitals because of lack of mentoring support in the work places. Another study on Ethiopian anesthetists' job satisfaction level and factors affecting their level of job satisfaction implicate a problem of improper supervision to be one of the reasons for employees' job dissatisfaction (Desalegn, 2015).

A study conducted on "Assessment of job satisfaction among pharmacy professionals in south west of Ethiopia shows that poor salary and poor management might be the major factors for dissatisfaction and consequently migration of health professionals in Ethiopia" (Ahmed *et al.*, 2013). Job satisfaction study in public sectors of health workers in Addis Ababa, Oromia, Amhara and Somali also shows high level of dissatisfaction in relation to financial rewards (Hotchkiss *et al.*, 2015).

There are a lot of indicators showing that EIC has faced problems with regard to employees' job satisfaction. The researcher could observe that in Ethiopian Insurance Corporation, many employees complained regarding the management practice of the company in satisfying their needs. Employees within the corporation are heard complaining that Company structures as well as salary structure are not timely done as compared to other financial organizations; such as, The Commercial Bank of Ethiopia and The Development Bank of Ethiopia.

In fact, the National Bank of Ethiopia previously had issued a directive requiring all financial institutions, both government and private, to set aside a minimum of 2% of their recurrent budget for training and development in order to encourage businesses to invest in human resources development and to report on their efforts. This directive was issued because the majority of the enterprises under its oversight are unaware that having productive and engaged employees who provide a lasting competitive advantage necessitates a significant investment. In addition to that, a recent survey by the Corporation shows that customers are also complaining about getting quality service from employees (Masresha, T. 2018). Due to these reasons, those dissatisfied but experienced employees had been leaving to the private insurance industry and became its own competitors. It is clear that if this problem is not solved accordingly, the Corporation's services eventually may decline and makes it lose its market share in the insurance industry.

The purpose of this study work is to identify the characteristics that influence employee job satisfaction in general, with a focus on those that are more significant in the context of EIC. Employee job satisfaction is influenced by a variety of factors, according to a large body of literature. Failure to pay attention to these issues can result in employee dissatisfaction, which can manifest as turnover, absenteeism, lost productivity, poorer morale, and startling drops in performance. As a result, it's critical to figure out what elements influence employee job satisfaction.

1.3 Research questions

This study paper is led by the following research questions:-

1. What are the intrinsic factors that affect employee job satisfaction in Ethiopian Insurance Corporation?
2. What are the extrinsic factors that affect employee job satisfaction in Ethiopian Insurance Corporation?
3. Which factors have more effect on employee job satisfaction in Ethiopian Insurance Corporation?

1.4 Objective of the study

This study has general and specific objectives.

1.4.1 General objective

The general objective of the study is examining factors that affect employees' job satisfaction in Ethiopian Insurance Corporation.

1.4.2 Specific objectives

1. Determining the intrinsic factors that affect employee job satisfaction in Ethiopian Insurance Corporation.
2. Analyze the extrinsic factors that affect employee job satisfaction in Ethiopian Insurance Corporation.
3. Analyzing the factors which have more effect on employee job satisfaction in Ethiopian Insurance Corporation

1.5 Significance of the study

It is believed that the study can identify the factors that affect employee job satisfaction in EIC and that can help the corporation take appropriate actions to keep employees being satisfied and perform to the best of their capacity. Moreover, the results of the study can be used as an input for further research studies and also will enhance the researcher's knowledge in the areas of job satisfaction. Investigating and analyzing the elements that influence employee job satisfaction, particularly in the context of businesses, helps to explain the idea and its practical implications. The research outcome can be used in a variety of ways. By offering a conceptual framework and identifying the factors, it benefits businesses to have focus on employee job satisfaction, and develop a strategy to remedy the job satisfaction problem.

1.6 Delimitation/Scope of the study

This study is delimited to examining the factors that affect employees' job satisfaction in Ethiopian Insurance Corporation. Despite the fact that there has been a rush of research and studies undertaken since the invention of this construct, having enough research and studies

conducted in the Ethiopian setting in general, and in the Insurance Industry in particular, would be a difficulty. Targeted employees' willingness to participate in questionnaire responses would also potentially be a problem.

The scope of methodology is limited to conducting a survey through questionnaires that are distributed to sample participants of professional employees of the corporation. Based on the conceptual framework, the factors which would be emphasized are: intrinsic factors which are; recognition & responsibility and extrinsic factors which are; salary, benefit, promotion & work environment. The survey is restricted to Districts & Branches that are located in Addis Ababa because of the fact that all Districts & Branches have similar characteristics & working conditions so that it is believed that the research can be represented well by outlets located in Addis Ababa.

1.7 Organization of the Study

This paper is organized to have five chapters; the introduction part of the paper chapter one includes background of the study, statement of the problem, research questions, research objectives of the study, significance of the study and scope/delimitation of the study. Chapter two covers review of theoretical as well as empirical literature of the subject matter under study. Under chapter three methodologies & the research design are discussed. Under chapter four, the findings of the study are going to be presented, analyzed and discussed. Finally, the summary, conclusions, and recommendations are going to be forwarded in chapter five based on the research findings.

1.8 Operational Definitions of terms

Job satisfaction: - is an attitude towards work related condition in organization perspective

Supervision: - is the systematic and willing of supervisors to teach, coaching, and delegation of authority and share of job knowledge.

Working condition: - Factors that affect employees' wellbeing on operation or office: amount of work, work facilities, tools, ventilation, temperature, and workspaces. Generally it means that having all necessary materials to operate employees' job activities.

Job security: - the attitude of employees in organization to the permanent status or the position of having a formal secure appointment until retirement

Salary/reward: - is a payment for employees within organization for achieving the expected task with in a specific time.

Intrinsic Factors; Intrinsic factors are the non-physical one. They cannot be seen or touched but are emotionally connected with the employees. In other words, intrinsic factors can be defined as the feeling of contentment one finds in the completion of any task.

Extrinsic Factors; an extrinsic factor is a tangible and visible reward given to an individual or an employee for achieving something. They usually have monetary value such as a salary, bonus, award, or public recognition.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

In this chapter, a literature review in relation to employees' job satisfaction was discussed. The first part of this chapter is focused on the concept of job satisfaction and review of theoretical literature. The second part of this paper has covered the empirical literature review in relation to job satisfaction. The final part of this chapter states the conceptual framework.

2.2 Theoretical Literature

2.2.1 Definition of Job Satisfaction

Job satisfaction has been defined by different authors in numerous ways. In this paper the widely cited definitions of job satisfaction are going to be analyzed as follows.

Hoppock (1935), in his classic research of job satisfaction defined job satisfaction as the collaboration of the physical, the psychological and the environmental factors that make any person feel the sense of being satisfied. His study shows that a person's internal sensation plays a greater role in making him/her feel satisfied.

People may have positive or negative attitudes towards their job. The positive attitude can be considered as favorable attitude which implicate the person's satisfaction but the negative attitude on the other hand is considered as the negative attitude which implicate dissatisfaction. Generally speaking job satisfaction is a person's feelings/attitudes regarding his/her job (Armstrong, 2006). Job satisfaction is the attitudes and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

Employees' level of comfort with their jobs is referred to as work satisfaction. Beyond their regular tasks, this includes how happy they are with their bosses and team members, how happy they are with the organization's rules, and how their job affects their life. Employee job

satisfaction is the fulfillment, gratification, and enjoyment that come from work. It is not the money or the fringe benefits, but the feelings employees receive from the work itself (Asegid, et al., 2014).

2.2.2 Importance of job satisfaction

Many companies have a problem of keeping their experienced & developed employees due to their lack of a better understanding of the intrinsic and extrinsic satisfaction factors of their employees (Garg, et al.,2018).

2.2.3 Theories of job satisfaction

When mentioning Job satisfaction theories, it is clear to observe that there are similarities with motivational theories. The frequently mentioned theories in this area include: Maslow's needs hierarchy theory; Herzberg's motivator hygiene theory; Aldefer-ERG theory; McClelland's Need Theory; Vroom's Expectancy Theory, Locke's Goal- Setting Theory, Adams' Equity Theory; Job Characteristic Theory and the dispositional approach. These theories are discussed in the following part of this sub title.

2.2.3.1 Maslow's needs hierarchy theory

Maslow's needs hierarchy theory is one of the basic motivation theories. These needs are classified as deficiency needs meaning physiological and safety needs and growth needs meaning belonging, self-esteem and self- actualization needs. As per his explanation if the deficiency needs are not satisfied then the individual will feel the gap and that in turn will affect his/her development (A, Lemma. 2020).

2.2.3.2 Herzberg's motivator hygiene theory

Herzberg (1959) has discussed motivation from two angles of job satisfaction namely; motivators and job dissatisfaction as hygiene factors. It is clearly stated that job satisfaction can increase employees' satisfaction while job dissatisfaction can decrease employees' satisfaction which leads to poor working performance. Since job satisfaction is a process that an individual's feeling of good concerning his/her work, it can hold for instance, job security, high salary, recognition and interest in one's work, (Shaikh, S. H. et al.,2019). As per Herzberg, job dissatisfaction is one part of the two-factor theory. It can however be improved by creating

satisfaction in the organization. But according to him, this is only possible when managers exert motivating factors (Yuosef, 2000). In the Herzberg's two-factor theory, individuals are motivated by lower-level needs (extrinsic or hygiene factors) due to elimination of dissatisfaction in order to do better performance. Robbins (2009) stated that intrinsic or motivation factors (i.e. recognition, responsibility) should be there to motivate and enhance employee's performance. Examples of hygiene factors include the company, organizational policies, administration, salary, status, job security, working conditions, personal life, and interpersonal relations (A, Lemma. 2020).

On the other hand, Herzberg's motivation-hygiene theory is also criticized on some points. Theory does not clarify the differences between the satisfaction and dissatisfaction. These two factors, called "motivators" and "hygiene", conclude differently from population to population. Any factor that causes dissatisfaction may contribute to satisfaction in any other condition or any other country. In addition, this difference is hard to put into effect, since people have different needs and expectations. According to researcher having opposite view, level of satisfaction cannot be predicted with the only motivator or hygiene (Stello, 2011).

There are however, some criticisms regarding Herzberg's motivation-hygiene theory. These are because the theory doesn't clearly separate satisfaction and dissatisfaction. These factors may be accepted in a different way from one group of people to another. This is explained as being factors that bring dissatisfaction in one group of people may bring satisfaction in another group (Unutmaz, S. 2014).

2.2.3.3 Alderfer-ERG theory

As per Alderfer, C. P. (1989), the ERG theory states that the order of need is different for different individuals. He further developed the A. Maslow's Hierarchy of Needs into a three factor motivation models which are called the ERG model namely; existence, relatedness and growth. In another study, ERG Theory needs the understanding of the factors that affect the individual behavior. It is considered to be one of the other approaches that focus on the intrinsic factors of an individual which are responsible in making him take specific actions (Ivancevich, J.

M.,et al., 1990). As per the study of Caulton, J. R. (2012) ERG Theory can be used to study needs and family relationships and also performance and human right needs.

2.2.3.4 McClelland's Need Theory

As per David McClelland there are three central motivational paradigms namely: achievement, affiliation and power. The Theory states how the needs for authority, achievement and affiliation affect people's actions in the context of management. David McClelland theory was based on Henry Murray's (1938) list of motives and manifest needs study (Osemeke, M., & Adegboyega, S. 2017)

McClelland's research has identified the six characteristics of high need achievers as:

- They have a strong desire to assume personal responsibilities in order to perform a task;
- They try to set moderately difficult goals and take calculated risks;
- They also have a strong desire to get performance feedback?
- They have the need for achievement regarding attaining personal accomplishment.
- They are interested in challenging tasks.
- They don't pass their responsibilities to others. Sinha,D. K, (2015)

2.2.3.5 Vroom's Expectancy Theory

As Parijat, P., & Bagga, S. (2014) described, Vroom's Expectancy Theory focuses on the relationship between personal goals and organizational rewards. Employees' personal goals can be fulfilled by organizational rewards. It concludes that outcomes (organizational rewards) are highly dependent on employees' performance. In addition, employee's perception of their effort to contribute high performance of the company is considered very important. On the other hand, the theory is criticized as being very complicated and with so many variables that makes it difficult to implement. Robbins, S. P. (2010) indicated that the theory is more of idealistic since there are few individuals who can clearly perceive the relationship of effort with performance and performance with company reward.

2.2.3.6 Locke's Goal- Setting Theory

As per this theory goal setting is a very important part of job satisfaction. The theory is developed by Locke and Latham. In goal setting process, if people want to be satisfied on

emotions and desires they need to get their goals. The theory further states that, for a goal setting to be effective, consistent feedback must be there. Here, supervisors or managers need to evaluate the cause of undesirable performance of employees rather than applying punishment (Luthans, 1995).

2.2.3.7 Equity Theory of Adams

As Adams (1963, 1965) stated, in Equity Theory satisfaction is determined by the input & outcome balance. He states that, employees aim to reach a balance between their inputs and their outcomes. He considered inputs as factors such as, experience, educational level, ability & skill responsibility, age and effort, and outcomes as such as performance, salary, good working conditions, work insurance, promotion, recognition, status, and opportunity. Outcomes are also explained as being rewards that a company gives to its employees; such as salary and inputs are those contributions rendered by the employees of the company (Huseman & Hatfield, 1990).

2.2.3.8 Job Characteristic Theory

The Job Characteristics Model (JCM) is developed by Hackman and Oldham (1980) is understood to be the most powerful model in researching job design (Thomas-Shaw, S. A. 2004). The authors had first proposed then tested the theory of work redesign which targeted the characteristics of jobs. The model elaborates how the characteristics of people and the characteristics of jobs interact to determine when an enhanced job will lead to favorable outcomes. The model also shows the time of failure expectation of such efforts (Thomas-Shaw, S. A. 2004). According to Atasoy (2004). The theory has the most widely accepted job characteristic approach with the following job attributes namely: task identity, feedback, variety, dealing with others friendship opportunities and autonomy.

2.2.3.9 The dispositional approach

This Theory which is also known as the Trait Theory is the study of human personality and human behavior. Some employees can be consistently more satisfied with their jobs than others. Employees who love their jobs may keep doing it even if they have another job (Borghini, A., & Williams, N. E. ,2008). The theory focus on the measurement of traits, that

directs to the higher understanding of human personalities. Through the passage of time, these traits become relatively stable based on the individual's surrounding environment that can influence his/her behavior.

2.2.4 Factors that affect job satisfaction

As Aziri (2011) explained, job satisfaction is affected by many factors such as: salary, nature of work, development opportunities, the management itself, work conditions and work groups. In another study factors of job satisfaction are stated as: Manager's concern for people, the job design, employee compensation, work conditions, social relationships, long-range opportunities which are perceived by employees, elsewhere perceived opportunities and levels of aspiration & need achievement which all lead to either job satisfaction or dissatisfaction. Job satisfaction or dissatisfaction also leads to the commitment to the organization or absenteeism, tardiness, strike, etc. (Rue and Byars, 2003).

There is a distinction between intrinsic factors (i.e. recognition, responsibility) and extrinsic hygiene (i.e. job security, wage, and working environment) variables, according to the Two-Factor Theory of Job Satisfaction. Higher satisfaction and performance are facilitated by intrinsic factors, whilst the absence of extrinsic factors helps to decrease dissatisfaction. (Goetz and Champbell.2012)

Salary

Pay is the leading and most important feature of satisfaction for almost each type of employee in public, private, small, medium and large institutions and that reasonable pay system is related with job satisfaction (Bajpai and Srivastava, 2004). When a worker is paid well for the services presented to the employer, it displays the worker that their presence in the organization matters (Chiu et al., 2002). For Saeed et al., (2013), the significance of money in employee job satisfaction should not be misjudged subsequently everyone wants money and all employees work so that they can make money. The core drive after all of this is nothing but money. So, money and compensation play a significant role in the job satisfaction of the employees.

Work environment

According to Kawada & Otsuka (2011) an environment is anything that aids and supports employees to be or to implement in a definite way. It is one of the significant guides of determining their working comfort and their satisfaction. Subsequently it is a fact that employees expend most of their time in an organization, it is very essential for organizations to familiarize and keep suitable working conditions. Saeed et al., (2013), working conditions have recognized to be a strong effect on the job satisfaction of employees. Additionally, the physical design too, to some extent affects the job satisfaction of employees and that work greatly depends on the relationship between employees and the environment; hence they consider a part of the working conditions that affect job satisfaction.

Staff relation

Several studies conducted among healthcare professionals reveals the importance of interpersonal relationships in job satisfaction, and show that they lead to increased patient safety, improved quality of care and greater patient satisfaction. Highly functioning teams have also been shown to offer great support to inexperienced staff. Specifically within healthcare, there has been arising need to improve teamwork. Introducing team-building activities has resulted in stronger interpersonal; relationships, improved staff communication, understanding and clarity of roles as well as greater job satisfaction.

Job security

Employee's personal feelings about future security of engagement condition define job security. The feelings however vary from person to person. The aftermath of real practices in the employment marketplace are those job security feelings (Emberland & Rundmo, 2010). If employees are satisfied and gratified with the job security they will spontaneously be dedicated to and faithful to their organizations (Lane et al., 2010). An employee who is satisfied with his /her job security has a tendency to achieve well than the one who is not (Ruvio, 1996).

Reward and recognition

Recognition is a process of giving an employee a definite position within an institution (Danish et al., 2010). Milne (2007) emphasizes that although “recognition” is still an important management tool, it is somewhat diverse. Usually it is a non-financial prize given to employees selectively, in gratitude of high level of conduct or accomplishment that is not dependent on achievement of a given target. Recognition can be as simple as giving someone response on what they have done right, or just saying “thank-you”.

Promotion

Promotion refers to advancing in career or career development. There is an agreement among the researchers that job satisfaction is strongly associated to opportunities for promotion (Pergamit & Veum, 1999). The positive relationship between job satisfaction and promotion is dependent on perceived fairness by employees (Kreitner & Kinicki, 2001).

2.3 Empirical Literature Review

As Tremblay and others discovered, a positively influencing work environment is characterized by setting clear expectations of employees’ roles and a consistent support from supervisors. These are believed to positively affect the intrinsic as well as extrinsic motivation of employees to get organizational objectives. On the other hand, if the work environment allows insecurity of jobs, employees may act just to get their salaries without the self-motivating factor (Tremblay. et al., 2009).

Kanwal and Majid (2013) investigated the factors which are the major contributors towards employee’s job satisfaction. It was found that low pay, long working hours, bonuses and rewards and effective communication were the contributors towards job satisfaction or dissatisfaction and have impact to the employees intention to leave or stay in the organization. Nyamekye (2012) argued that non-monetary benefits had a direct bearing on employees’ job satisfaction. The employees were dissatisfied with supervision and non-participation in the decision making process, these may influence their intention to leave the job.

Girmachew (2019) investigated a study on to make comparison of job satisfaction level in between public and private bank employees. Job satisfaction is attitude of employees towards

their work. The study used MSQ standardized questionnaire. The questionnaire has 20 items with 5 likert scale. The validity of the questionnaire was checked by the designers of these questionnaires. In this study SPSS version 21 used. The researcher used means to make comparison and used t-test to check whether their difference is significant or not. In addition the researcher used levan's test to check the homogeneity of variance. The result of study is public bank employee satisfied more in overall satisfaction supervision, and promotion.

In the Woldia district, Haile and Premanandam (2017) investigated the predictive capacity of job satisfaction characteristics for private and governmental employees, as well as job satisfaction discrepancies between the two organizations.

Workers from 135 public and 189 private organizations participated in the survey. were participated. As the findings of the study indicated, statistically significant mean difference observed between private and public workers job satisfaction of communication and relationship, job security, pay and promotion and fairness. The job satisfaction factors correctly classified the private and public organizations. The likelihood ratio of the study indicated, privately employed workers are 1.8 times more likely satisfied in pay and promotion of their respective organization than the public worker's job motivation of pay and promotion. In the same vein, public employed workers are 1.3 times more likely satisfied in job security of their organization than the privately employed workers.

Ijaz et al. (2015) investigated a study the impact of different non-monetary rewards in the eyes of the employees at banking sector of Pakistan. Quantitative data is collected through questionnaires from a sample of 249 respondents. Analysis is done using SPSS 17.0 and the results suggest that there exists a positive correlation among the non-financial rewards and job satisfaction. Different non-financial rewards like learning & promotions, trainings, work autonomy, work life balance, working environment etc play an important role in employee's satisfaction towards their jobs. It is concluded from the study that if the organizations want to get a quality output from their employees.

Hossain (2014) investigated a study on the relative importance of job satisfaction factors and their impacts on the overall job satisfaction of employees. In this study the targeted population is

employees of Bank. The Banks include private and public Bank. The data was collected and administered by means of a structured questionnaire. The study showed that organizational factors such as work conditions, pay, fairness, and promotion significantly influenced employee job satisfaction in Bank. However, individual factors such as age and gender did not significantly influence employee job satisfaction in Banks. The overall job satisfaction of the bank officers is at the positive level appeal to their customers. In such situation, job satisfaction of bank officers becomes an important issue that has to be taken care of in order to achieve ultimate goals of the banking sector in Bangladesh.

Timkete (2018) studied on to identify the top most determinants of job satisfaction among employees of Abay bank using a sample of 150 employees working in Addis Ababa. A combination of principal component analysis (PCA) and OLR models were used. Out of the 13 variables initially identified, 5 principal factors were drawn using PCA. Based on the earlier findings of PCA, OLR analysis was conducted on the five prime factors. The findings demonstrate that 4 factors are statistically significant with evidence that remuneration and fringe benefits and effective leadership are positively linked with job satisfaction wherein unmet job expectation and workload are negatively correlated with job satisfaction. However, evaluation and promotion appeared statistically insignificant. The findings highlight the need for establishing conducive working environment and recommend the bank to stay attuned in weighting workers economic status.

There has been a lot of research on job satisfaction for over a century from various angles (Judge et al., 2017). Referring the study performed by Gedif, G & others; salary, marital status, leadership style and supportive supervision were observed as being the determinant factors of job satisfaction. Employees who were paid high salary were found to be more satisfied with their job as compared to the others who didn't get such payment (Gedif, et al., 2018).

As per the study of Walkowiak and Staszewski (2019), salary, company policies and working conditions were the factors that highly affected employee's job satisfaction. It was also evident that employment security, rendering service to other individuals and being active on one's job can positively influence the level of job satisfaction. Strong correlation was exhibited between

job seniority and the feeling of accomplishment from the job. However, there was no correlation observed between satisfaction with pay and level of education, age and seniority.

Koorella and Perumal (2019) investigated a study on the impact of job satisfaction of an employee. This study also finds out various factors underlying employee satisfaction. To achieve the aim of the study questionnaire survey was used. The results show that there is direct impact of all the factors in the organization. Job satisfaction is related to different Socioeconomic and personal factors, such as: Age, Sex, Incentives, Working Environment, Education, duration of work etc. The paper highlighted different factors affecting job satisfaction in pharmaceutical company in Hyderabad, India.

Kaur et al. (2020) conducted a study on the factors influencing job satisfaction in banking Industry. Factors which mostly influenced the job satisfaction are Job security, job rotation ,job enrichment, salary, promotion, working condition, nature of work, benefits, relationship with co-workers, supervision support, demographic factors, working experiences, quality of management, attitude of employee, career opportunities, communication, higher education level, motivation, long term employment. Some other factors are style, Culture, Job Environment, Employee Improvement, age, gender.

Biniyam (2021) conducted a study to examine the determinants of police employee's job satisfaction in Dire Dawa Administration Police Commission. Cross - sectional survey quantitative designs adopted to collect the relevant data and information regarding the determinants of police employee's job satisfaction. Descriptive statistics such as means and standard deviation and inferential statistics such as Ordinal Logistic Regression (O logit) model analysis was used to establish the determinants factors that affect employee's job satisfaction by the predictor variables. Among the major findings of the study, Working Condition and Job Enrichment practice were not statistically significant variables on determinants of police employee's job satisfaction.

2.4 Conceptual framework

In order to get the research objectives the researcher has applied the twenty item short form of Minnesota Satisfaction Questionnaire (MSQ) to measure and determine employee's job

satisfaction at Ethiopian Insurance Corporation (EIC). The researcher used the Minnesota Satisfaction Questionnaire (MSQ) in order to use the advantage of effective measurement of the Intrinsic as well as the extrinsic job satisfaction components. As per Spector, (1997) and Herzberg et al (1959)., Intrinsic job satisfaction refers to how people feel about the nature of the job tasks themselves, whereas extrinsic job satisfaction refers to how people feel about the task outside the work itself. In this study employee job satisfaction is going to be taken as dependent variable while, intrinsic and extrinsic factors of job satisfaction are to be taken as independent variables.

Independent Variables

Dependent Variable

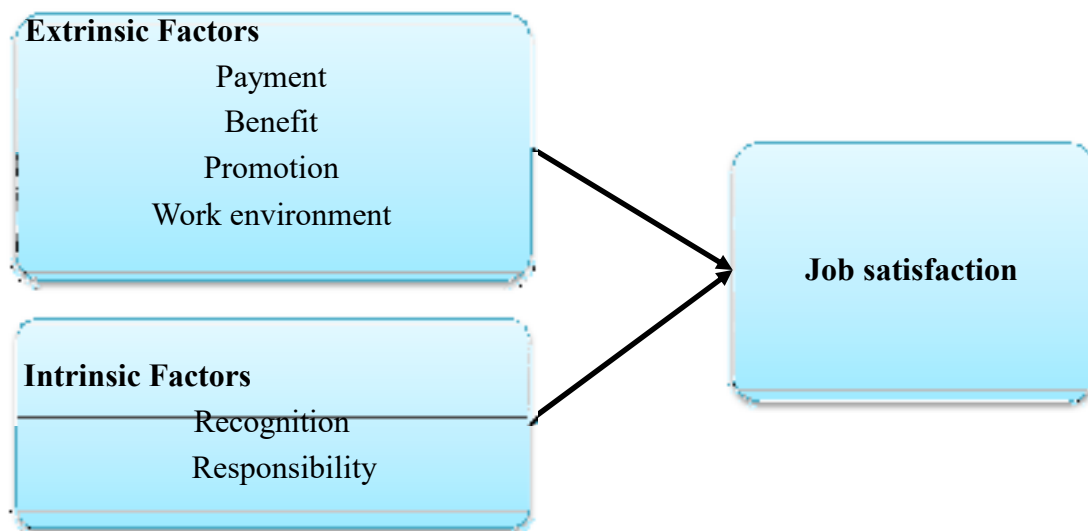


Figure 2.1: Conceptual frame work, the relationship between intrinsic and extrinsic factors of job satisfaction and employees' job satisfaction based on Herzberg (1959) theory.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Background of the organization

The Ethiopia Insurance Corporation (EIC) was established in 1976 by proclamation No 68/1975 and governed as per the public enterprise proclamation No.25/1992. The corporation was established to engage in business objectives of provision of insurance services and any other related activities which makes it attain its purpose. The Corporation has been providing insurance services for its customers for the last 46 years being the only insurance service provider (for 19 years, from 1976-1994) before becoming a competitive insurance service provider among the other private insurance providing companies in the country (from 1994 to present day). The Ethiopian insurance industry has been opened-up for private insurance companies following the liberalization of the financial sector in 1994.

EIC provides life, property and liability insurance policies. Known for its strong and reliable financial position, long standing and well-built affiliation with many international insurance organizations and associations. EIC has maintained a comprehensive range of out ward reinsurance contract, and accepting inward reinsurance (including Co-insurance) business.

Moreover, the Corporation has been involved in different investment area. Previously, the corporation had executed a business process re-engineering in its core and support process to bring about institutional transformation, which in turn would enable to boost the level of customer satisfaction be competitive in both the domestic as well as international insurance markets to achieve its vision (i.e. To be World Class Insurer in 2025; EIC Annual Report of the year 2013/2014). Above all reasons it needs to boost its employees' level of job satisfaction to achieve its goals.

In this chapter the methodological elements of the study that include the research design, the research approach, the source as well as the type of data used, the method of data collection, target population and sampling design, the method of data analysis and the ethical considerations followed are discussed.

3.2 Research Design

A research design is a plan or a blueprint of how to design conducting the research (Bobbie and Mouton, 2001). The function of research design is to provide the collection of relevant evidence with minimal expenditure of effort, time, and money (Kothari, 2004). In order to answer the research questions and achieve the stated objectives, the study has used a combination of descriptive and explanatory research designs. Therefore, in order to analyze the existing situation under consideration, descriptive research and explanatory design was employed. On the other hand, the researcher also used explanatory research designed to collect raw data and create data structures and information that allow the decision maker or researcher to model cause-and effect relationships between two or more decision variables (Hair et al., 1998). Descriptive survey design helped the study to gather varieties of data to achieve the objectives of the study by describing the situation as it is. It helped in assessing the practices by addressing the size of population and describes the situation. In terms of data collection type and source, the researcher employed survey research technique using structured; enumerators administered questionnaire to obtain first hand qualitative and quantitative data from target population.

The aim of this research is to determine which factors are important for employee job satisfaction in Ethiopian Insurance Corporation.

3.3 Research Approach

In this research paper, quantitative research approach is used and survey was conducted through questionnaires. The Minnesota Satisfaction Questionnaire (MSQ) with the short version of 20 questions was also developed in order to collect relevant information from the respondents to get the general job satisfaction of employees. The questionnaire was

constructed based on the 5-point Likert scale. The twenty questions were ranked on a five point scale (very dissatisfied, dissatisfied, neither, satisfied, and very satisfied). This tool is employed to measure the intrinsic factors of satisfaction, the extrinsic factors of satisfaction as well as the general satisfaction levels of employees. The average from all the answers on each question was computed and the higher the score mean the higher the level of job satisfaction in this aspect of employees work. The MSQ is equipped with short information regarding respondents, containing questions about their gender, age and professional experience (Walkowiak, D., & Staszewski, R., 2019).

3.4 Source and type of data

The research has used the combination of primary and secondary data sources.

3.4.1 Primary Data

Primary data was collected by using survey questionnaire which was distributed to management members and professional employees in the Head Office, Districts and Branches.

3.4.2 Secondary Data

The secondary data collection was from review of literature of journals, articles, and other relevant documents, EIC's corporate strategy and annual reports of the corporation.

3.5 Data Collection method

The main data gathering instruments were questionnaire and document analysis. The researcher has used questionnaire to get quantified result. To maintain the data collection instrument to be valid and reliable, the researcher has employed different techniques prior to collection and before analysis.

3.5.1 Questionnaire

Structured Questionnaire was used in order to reach wide range of respondents in order to acquire information to examine and explain the relationships between variables. The survey questionnaire has two parts; the first part contains demographic variables which indicate

profile of participants of the survey; such as gender, age category, marital status, highest qualification and lengths of service in the company. The second part comprises close-ended question statements, so as to measure the variables of the study. The questions were framed using Likert's scale of measurement ranging from strongly agree to strongly disagree (Strongly agree 5, Agree 4, Neutral 3, Disagree 2 and Strongly Disagree 1) & the MSQ general satisfaction questions were ranked on a five point scale (very dissatisfied 1, dissatisfied 2, neither 3, satisfied 4, and very satisfied 5).

3.6 Target Population, Sampling and Sampling Method

As of January 31, 2022 Ethiopian Insurance Corporation has a total of 1,766 employees. In this study, employees of the corporation have participated. The target population included the top management members at all level and professional employees working in Addis Ababa excluding non-clerical employees like cleaners, drivers, and security guards since these job positions are usually filled by outsourcing. As a result, the target population has been lowered to 1,180 people. List of employee profile from the Human Resource data base was used to determine the sample data. As per literature review, probability sampling was assumed to be suitable to survey research methods since it is possible to make inferences from the samples regarding the population (Saunders, et al., 2009).

The total number of professional permanent employees working in EIC is 1180 individuals. Regarding the employee respondents, the researcher used Yemane's formula (1967), in order to determine the sample size of the population. This formula is reliable to 93% and has only 7 % margin error.

$$n = \frac{N}{1 + N(e^2)} = \frac{1180}{1 + 1180(0.07^2)} = \frac{1180}{6.782} = 173.99$$

Where:

n = the sample size

N = size of population

e = the level of accuracy (e = 0.07)

Accordingly, the number of sample items from the target population of 1,180 employees was 174. Since employee perception towards job satisfaction and its factor is presumed to vary

across employee types of an organization, the researcher has used proportional samples from different departments or work units. Thus, in order to determine the number of sample items from each stratum; the researcher has used the following formula. Furthermore, a probability random sampling technique was adopted because it gives equal chance to everyone in the samples.

$$\text{Sample size} = \frac{\text{Number of staff in each stratum} \times 174 \text{ (total sample size)}}{\text{Total Population}}$$

Table 3.1: Proportional Distribution of Sample to each stratum

no	Name of the department	Total Number of Employees	Proportion Sample size
1	Top Management	8	2
2	Middle Level Management	64	9
3	First Line Managers And Officers	978	144
4	Clerical And Non-Clerical Employees	130	19
Total		1180	174

3.7 Method of data analysis

Data analysis is the computation of certain measures along with searching for patterns of relationship that exist among the data group (Kothari, 2004). In this research data was analyzed using descriptive statistics, comparing means, and regression analysis to provide summaries of tables and figures. The collected data was analyzed using Statistical Package for the Social Sciences (SPSS) for windows because it is broadly used computer software which is employed to analyze quantitative data. SPSS can electronically store collected data; generate descriptive statistical data for the responses, create graphical figures of questionnaire data for the reporting and presentations; and analyze relationships between responses to different questions.

3.7.1 Descriptive statistics

The final report of the relevant demographic variables were produced through central tendency measurements (frequency and frequency distribution, valid & cumulative percentage, and comparison of mean). In addition, tabular explanations were used to present the result with the help of SPSS.

3.7.2 Inferential statistical Analysis

In inferential statistical analysis, correlation and multiple linear regression methods are utilized using statistical package for social sciences (SPSS) software. The use of these statistical tools and methods of presentation are described below.

3.7.2.1 Correlation

Correlation (r) is used to describe the strength and direction of the relationship between two variables. Since all variables are measured as an interval level, Pearson product-moment correlation was used. Correlation “r” output always lies between -1.0 and +1.0 and if “r” is positive, there exists a positive relationship between the variables. If it's negative, the relationship between the variables is negative. While computing a correlation, the significance level shall be set at 95% with an alpha value of 0.05 or a chance of occurrence of odd correlation is 5 out of 100 observations.

3.7.2.2 Multiple Regression Analysis

Based on the developed conceptual of the expressed study, figure no 2.1 mathematically the relationship between selected independent variable and dependent variable is expressed in the multiple regression equation. Multiple regression analysis is a major statistical tool for predicting the unknown value of a variable from the known value of variables. And it is about finding a relationship between variables and forming a model. The Model for this study was developed using five factors or predictors which have influences on employee job satisfaction.

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \beta_5 X_{5i} + \epsilon_i$$

Where Y is the dependent variable and the independent variables are those which explain the response ranges from X1 to X5.

Where: Y= employee job satisfaction

X1= payment and benefit

X2= promotion

X3 = work environment

X4 = Recognition

X5 = Responsibility

β_0 to β_5 are the coefficients and ϵ_i the error term

Table 3.2: Model Specification of Variables.

No	Independent variable	Beta Coefficients (β)	Independent variable assigned by X
1	payment and benefit	β_1	X ₁
2	Promotion	β_2	X ₂
3	work environment	β_3	X ₃
4	Recognition	β_4	X ₄
5	Responsibility	β_5	X ₅
	Dependent variable		Variable assigned by Y
1	Employee job satisfaction		Y

3.8 Reliability Test

In order to ensure the quality of the research design, content and construct validity of the study was checked. The content validity was verified by the advisor of this research, who looked into the appropriateness of questions and the scales of measurement. The questionnaire involved the six dimensions to measure employee job satisfaction based on the selected independent variables. The questionnaire with five points rating scale was used. Cronbach's alpha is one of the most commonly accepted measures of reliability. It indicates that the extent to which the items in a questionnaire are related to each other Fubara and Mguni, (2005). The normal range of Cronbach's coefficient alpha value ranges between 0-1

and the higher values reflects a higher degree of internal consistency. Reliability is calculated in such a way that it represents the reliability of the mean of the items, not the reliability of any single item for instance as shown in the below factor loading table, all the latent variables and their corresponding indicator variables consisted of multi-item questions. As reported by Gliem and Gliem (2003), a single item question is not reliable to conclude as compared to summated multi-item questions.

Table 3.3: Reliability Test of Variable’s Using Cronbach’s Alpha

Reliability Statistics				
No	Variable Name	Cronbach's Alpha Value	Cronbach's Alpha based on standardized items	No of items
Independent variables				
1	Payments and Benefit	0.788	0.787	7
2	Promotion	0.828	0.828	3
3	Working Environment	0.756	0.759	4
4	Responsibility	0.684	0.686	3
5	Recognition	0.852	0.852	3
Dependent variable				
1	Job Satisfaction	0.878	0.908	20
	Overall	0.945	0.946	40

Source: Own computation using SPSS of the survey, 2022

3.9 Ethical Considerations

The researcher has used all the information given by employees in a manner of confidentially and full anonymity of the respondents’ identity. According to the Social

Research Association's (2003) Ethical criteria, the research shall be carried out in accordance with ethical principles and standards. To encourage ethical reflection, 14 check lists are offered. Informed permission, data protection, confidentiality, and anonymity are among the usual protocols that must be followed. Participants must also be made aware of any risks or potential advantages associated with the research endeavor.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND DISCUSSION OF THE RESULT

4.1 Introduction

This study is about determining the factors which influence employee's job satisfaction at work places, using Ethiopian Insurance Corporation as a case study. More than half of Ethiopian Insurance Corporation professional employees are located in Addis Ababa, especially in the Insurance Service Core process. The sample size for this study involved 174 staff working under different departments both at the managerial level and non-managerial level. The data was analysed using computer based software SPSS 20.0 and the results have been presented in tables and figures. The findings are provided in the context of descriptive and as per the study objectives.

The data collection procedure for the research followed the following pattern: first, respondents were contacted and asked for their consent to participate in the study; then, they were informed about how confidentiality and ethical principles would be protected during the research process. After that, total of 174 questionnaires were distributed to the respondents and from that 160 (91.95%) questionnaires were collected through a self-administered survey and 151 (86.78%) questionnaires were properly filled and ready for analysis. After that, the data were entered into SPSS and the dataset was rechecked to ensure the accuracy of the data entry. The minimum and maximum data values on each variable related to each case were checked to detect any irregular or unusual data values. The chapter is structured along the objectives of the study.

4.2 Demographic Information

The findings are presented in the context of Age, Sex, Education level, Working Experience, and Work unit and also according to the findings gathered from the respondents on the subject matter.

Table 4.1: General Background Information of Respondents

No.		Item	Frequency	Percent	Cumulative Percent
1	Gender	Male	95	62.9	62.9
		Female	56	37.1	100.0
		Total	151	100.0	
2	Age	18- 25 years	4	2.6	2.6
		26-35 years	86	57.0	59.6
		36-45 years	46	30.5	90.1
		46 & above	15	9.9	100.0
		Total	151	100.0	
3	Education	Diploma	3	2.0	2.0
		First Degree	106	70.2	72.2
		Master's (MA/MSc)	42	27.8	100.0
		Total	151	100.0	
4	Experience	Below 5 years	34	22.5	22.5
		6-10 years	57	37.7	60.3
		11-20 years	36	23.8	84.1
		Above 20 years	24	15.9	100.0
		Total	151	100.0	
5	Work unit	General Insurance	35	23.2	23.2
		Long Term Insurance	27	17.9	41.1
		Finance & Investment	20	13.2	54.3
		Information T (ITSM)	18	11.9	66.2
		Human Resource	15	9.9	76.2
		Legal	11	7.3	83.4
		Business Dev. & Risk	10	6.6	90.1
		Internal Audit	5	3.3	93.4
		Others	10	6.6	100.0
		Total	151	100.0	

Source: Own computation using SPSS of the survey, 2022

Gender Distribution

The most important demographic variable that receives huge attention in job satisfaction research is sex. A number of empirical studies on job satisfaction have suggested that female workers have lower level of job satisfaction than their male counterparts because male officials dominate most of the public organizations. The findings show that 95 (62.9 percent) were male and 56 (37.1 percent) were female respondents as Table 4.1 demonstrates: The results presented in Table 4.1 show that the majority of the respondents were male. This also indicates that there are more male professional employees than female ones in the Corporation. On the whole, there is gender imbalance among professional employees in the organization.

Age Distribution

The commonly identified variable in the research on demographic characteristics is age. Worker's age has been found to have a negative impact on worker's job satisfaction (Buzawa, 1984). This means that younger workers are more satisfied with their jobs than their senior counterparts. In this study, respondents were asked to indicate their age in the appropriate space provided. The result shows that the age group between 26 and 35 years were 86 (57 percent) respondents. This was followed by 46 (30.5 percent) respondents in the age group of 36 and 45 years, while the age group between 18- 25 were only 4 (2.6 percent) respondents. The age group between 46 and above years had 15 (9.9 percent) respondents.

Educational Level Distribution

Another common demographic variable studied was educational level. Most of the researches on the relationship between education level and job satisfaction yield consistent findings. Especially Griffin, Dunbar & McGill (1978) found that workers with higher educational level are tend to be more satisfied with their job than workers with lower educational level. The study also set out to establish respondents' level of education and found that the majority of the respondents have a bachelor's degree as evidenced by 106 (70.2 percent), while 42 (27.8 percent) of the respondents have masters degree and 3 (2 percent) of the respondents have the

diploma level. This is an indication that about 70.2 percent of the professional staff of the Corporation have the university education level of at least first degree.

Year of Service Distribution

The respondents were also asked to provide information on their work experience in the Corporation. The selection of respondents for the purpose of this study was done with regard to their duration of service. The findings show that the largest number of respondents had stayed between 6-10 years of services within the Corporation constitute 57(37.7 percent). This is followed by those respondents with 11-20 years of services who were 36 (23.8 percent), 34 (22.5 percent) of the respondents had spent below 5 years and 24 (15.9 percent) respondents had spent over 20 years in the Corporation.

Place of Work Distribution

Regarding the work unit in the Corporation, the majority of the respondents were working in General Insurance Service 35 (23.2 percent) and followed by Long Term Insurance Service 27 (17.9 percent), Finance & Investment 20 (13.2 percent), Information Technology & Service Management Directorate (ITSM) 18(11.9 percent), Human Resource Management Directorate 15(9.9 percent), Legal Service Directorate 11(7.3 percent), Business Development & Risk Management Office 10 (6.6 percent), Internal Audit 5 (3.3 percent) and others 10 (6.6 percent).

4.3 Factors That Affect employees' Job Satisfaction

In this section, the factors affecting job satisfaction are discussed. The study sought to examine factors that affect employees' job satisfaction in Ethiopian Insurance Corporation. Job satisfaction factors were viewed in terms of payment and benefits, promotions, work environment, responsibility and recognition as the independent variables and job satisfaction as the dependent variable.

Table 4.2: Extrinsic factors

A. Payments and Benefit	Mean	Std. Dev.
My salary is equitable when compared with other Insurance Companies	3.25	.995
My salary payment is satisfactory in relation to what I do	2.95	1.106
I am satisfied by the Corporation's pay grade	2.80	1.096
Salary adjustment or increment is made on reasonable time period	2.36	1.152
The Corporation pay Competent benefit in the Market	2.95	.900
Benefit and Bonus payment of the Corporation are matched (Bonus based on Profitability of the Corporation is Matched)	3.20	.945
The benefit system of the Corporation has effect on my satisfaction	3.50	1.015
B. Promotion		
Everyone has an equal chance to be promoted	2.66	1.119
The Corporation's promotion policy is clearly communicated to all Employees	2.50	1.064
The existing Promotion motivate employees for high level of job satisfaction	2.50	1.051
C. Working Environment		
I am provided with adequate facilities and resources to do my job effectively	3.02	1.086
The working condition like space, seating arrangement, ventilation, lighting etc helped me to do my duties in better way	2.78	1.171
The Corporation provides flexible work hours to accommodate my personal needs	2.98	1.104
All in all I am satisfied with the working condition of the Corporation	2.97	1.016

Source: Own computation using SPSS of the survey, 2022

The study finding under extrinsic factors shows that in achieving payment and benefits, the benefit system of the Corporation has effect on my satisfaction has mean value of 3.5 & SD 1.015, My salary is equitable when compared with other Insurance Companies has mean value of 3.25 & SD 0.995, Benefit and Bonus payment the Corporation are matched (Bonus based on Profitability of the Corporation is Matched) has mean value of 3.2 & SD 0.945 and The Corporation pay Competent benefit in the Market has mean value of 2.95 & SD 0.9 are considered by the respondents to be the most important payment and benefit practices in the Corporation. The findings of the study indicates that my salary payment is satisfactory in relation to what I do (Mean = 2.95, SD = 1.106), I am satisfied by the Corporation's pay grade

(Mean = 2.8, SD = 1.096) and Salary adjustment or increment is made on reasonable time period (Mean = 2.36, SD = 1.152) are also important components of payment and benefit practices in the Corporation.

With regard to achieving promotion in the organization, everyone has an equal chance to be promoted (Mean = 2.66, SD = 1.119), the Corporation's promotion policy is clearly communicated to all Employees (Mean = 2.5, SD = 1.106) and the existing promotion motivate employees for high level of job satisfaction (Mean = 2.8, SD = 1.051) show that they were not well applied in the organization.

As per the table 4.2 the study finding shows that in achieving working environment, I am provided with adequate facilities and resources to do my job effectively (Mean = 3.02, SD = 1.06), the Corporation provides flexible work hours to accommodate my personal needs (Mean = 2.97, SD = 1.104), all in all I am satisfied with the working condition of the Corporation (Mean = 2.97, SD = 1.06), the working condition like space, seating arrangement, ventilation, lighting etc helped me to do my duties in better way (Mean = 2.78, SD = 1.118) are important components of working environment in the organization.

Table 4.3: Intrinsic factors

	Responsibility	Mean	Std. Dev.
1	Employees have clear job responsibilities in our organization	3.01	1.055
2	Employees participate in decisions making that has a positive effect on their job satisfaction	2.69	.967
3	I perform my duty with full autonomy and freedom	3.22	.999
	Recognition		
1	I get credit for what I do	2.72	1.021
2	I receive constructive criticism(positive feedback)about my work	2.81	1.016
3	The existence of recognition for good work, has given me an opportunity to Perform well	2.82	.994

Source: Own computation using SPSS of the survey, 2022

The study finding shows that in achieving responsibility under intrinsic factors, I perform my duty with full autonomy and freedom (Mean = 3.22, SD = 0.999), employees have clear job responsibilities in our Corporation (Mean = 3.01, SD = 1.055) and employees participate in decisions making that has a positive effect on their job satisfaction (Mean = 2.69, SD = 0.967) are more important components of responsibility.

Regarding to recognition under intrinsic factors, the existence of recognition for good work, has given me an opportunity to perform well (Mean = 2.82, SD = 1.016), I receive constructive criticism (positive feedback) about my work (Mean = 2.81, SD = 0.944) and I get credit for what they do (Mean = 2.72, SD = 1.021) are considered to be less important components in the Corporation.

4.4 Job satisfaction

Table 4.4: job satisfaction

No	Items	Mean	Std. Deviation
1	Being able to keep busy all the time	3.21	.961
2	The chance to work alone on the job	3.24	.892
3	The chance to do different things from time to time	3.15	.943
4	The chance to be "somebody" in the community	3.11	.888
5	The way my boss handles his/her workers	3.25	1.021
6	The competence of my supervisor in making decisions	3.24	.950
7	Being able to do things that don't go against my conscience	3.16	.924
8	The way my job provides for steady employment	3.23	.844
9	The chance to do things for other people	3.40	.857
10	The chance to tell people what to do	3.40	.841
11	The chance to do something that makes use of my	3.37	.984

	abilities		
12	The way company policies are put into practice	2.92	.949
13	My pay and the amount of work I do	2.89	1.036
14	The chances for advancement on this job	2.84	.987
15	The freedom to use my own judgment	3.12	.993
16	The chance to try my own methods of doing the job	3.32	2.554
17	The working conditions	3.19	.991
18	The way my co-workers get along with each other	3.47	.908
19	The praise I get for doing a good job	3.05	.982
20	The feeling of accomplishment I get from the job	3.15	.943

Source: Own computation using SPSS of the survey, 2022

As per the above table the study finding that shows job satisfaction in the Corporation: The way my co-workers get along with each other (Mean = 3.47, SD = 0.908), The chance to do things for other people (Mean = 3.4, SD = 0.841), The chance to tell people what to do (Mean = 3.4, SD = 0.841), The chance to try my own methods of doing the job (Mean = 3.32, SD = 0.254), the chance to do something that makes use of my abilities (Mean = 3.4, SD = 0.841), the chance to work alone on the job (Mean = 3.24, SD = 0.892), the competence of my supervisor in making decisions (Mean = 3.24, SD = 0.950), the way my job provides for steady employment (Mean = 3.23, SD = 0.844), and being able to keep busy all the time (Mean = 3.21, SD = 0.961) are observed to be more important components of job satisfaction in the Corporation.

The findings of the study also indicates that, the chances for advancement on this job (Mean = 2.84, SD = 0.987), pay and the amount of work they do (Mean = 2.89, SD = 1.036) and the way company policies are put into practice (Mean = 2.92, SD = 0.949) are less important components of job satisfaction in the Corporation.

4.5 Descriptive statistics of the variables

As presented in the table below, the descriptive statistics of payment and benefits, promotions, work environment, responsibility and recognition presented as the independent variables and job satisfaction as the dependent variable. The results in the table show that payments and benefits has the highest mean score of 3.00 followed by responsibility with an overall mean score of 2.97 and the relatively low overall mean score was recorded by promotion which is 2.55. Regarding to the dependent variable the summery statistics shows that job satisfaction had relatively highest mean score value which is 3.18.

Table 4.5: Descriptive statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Payment & Benefit	150	1.14	4.57	3.0067	.68609
Promotion	151	1.00	4.67	2.5541	.93006
Working Environment	151	1.00	5.00	2.9371	.83278
Responsibility	151	1.00	5.00	2.9713	.78875
Recognition	151	1.00	5.00	2.7859	.88723
Job Satisfaction	151	1.30	4.65	3.1848	.59394
Valid N (listwise)	150				

Source: Own computation using SPSS of the survey, 2022

4.6 Correlation analysis

It is a statistical measure that shows the strength of association between different variables within a study and relative movement of variables as well. The value of correlation coefficient is needed to be within -1 to +1. The table below shows that correlation coefficients of this research. The Pearson's correlation coefficient analysis helped the researcher to better understand whether there was a positive relationship, negative relationship, or no correlation between dependent variables and independent variable. Thus, the strength and direction of relationship between variables was analysed by the researcher using Pearson's correlation

coefficient analysis. In addition, the researcher used it to measure whether there was a significant relationship between independent variables and dependent variable.

Table 4.6: Correlation matrix of dependent and independent variables

Correlations							
		Satisf action	Paymen t & Benefit	prom otion	Working Environm ent	Responsib ility	Recognit ion
Satisfaction	R	1	.515**	.564**	.539**	.599**	.621**
	Sig.		.000	.000	.000	.000	.000
Payment & Benefit	R	.515**	1	.500**	.390**	.418**	.493**
	Sig.	.000		.000	.000	.000	.000
Promotion	R	.564**	.500**	1	.522**	.565**	.481**
	Sig.	.000	.000		.000	.000	.000
Working Environment	R	.539**	.390**	.522**	1	.676**	.491**
	Sig.	.000	.000	.000		.000	.000
Responsibility	R	.599**	.418**	.565**	.676**	1	.542**
	Sig.	.000	.000	.000	.000		.000
Recognition	R	.621**	.493**	.481**	.491**	.542**	1
	Sig.	.000	.000	.000	.000	.000	

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

Source: Own computation using SPSS of the survey, 2022

The first tested relationship was among variables provided on recognition and satisfaction gained through the job. The p-value is less than 0.01, which shows that correlation between the said two variables is statistically significant. Out of the relationships, on the basis of 151 responses, among the five selected variables, the strongest relationship of job satisfaction in this study is with recognition which has a value of 0.621. This is a direct or positive relationship that means if recognition will be improved by 100% there will be 62.1% increase in job satisfaction. As per the collected data from 151 responses from the employees, among the five selected variables in this study the second strongest relationship of job satisfaction is with responsibility which has a value of 0.599. This is a direct or positive relationship that means if responsibility will be improved by 100% there will be 59.9% increase in job satisfaction in work place. As per the collected five selected variables in this study the third

strongest relationship of satisfaction level is with promotion because the value is 0.564. This is a direct or positive relationship that means if workplace environment will be improved by 100% there will be 56.4 % increase satisfaction of the personnel from their jobs.

4.7 Regression Analysis

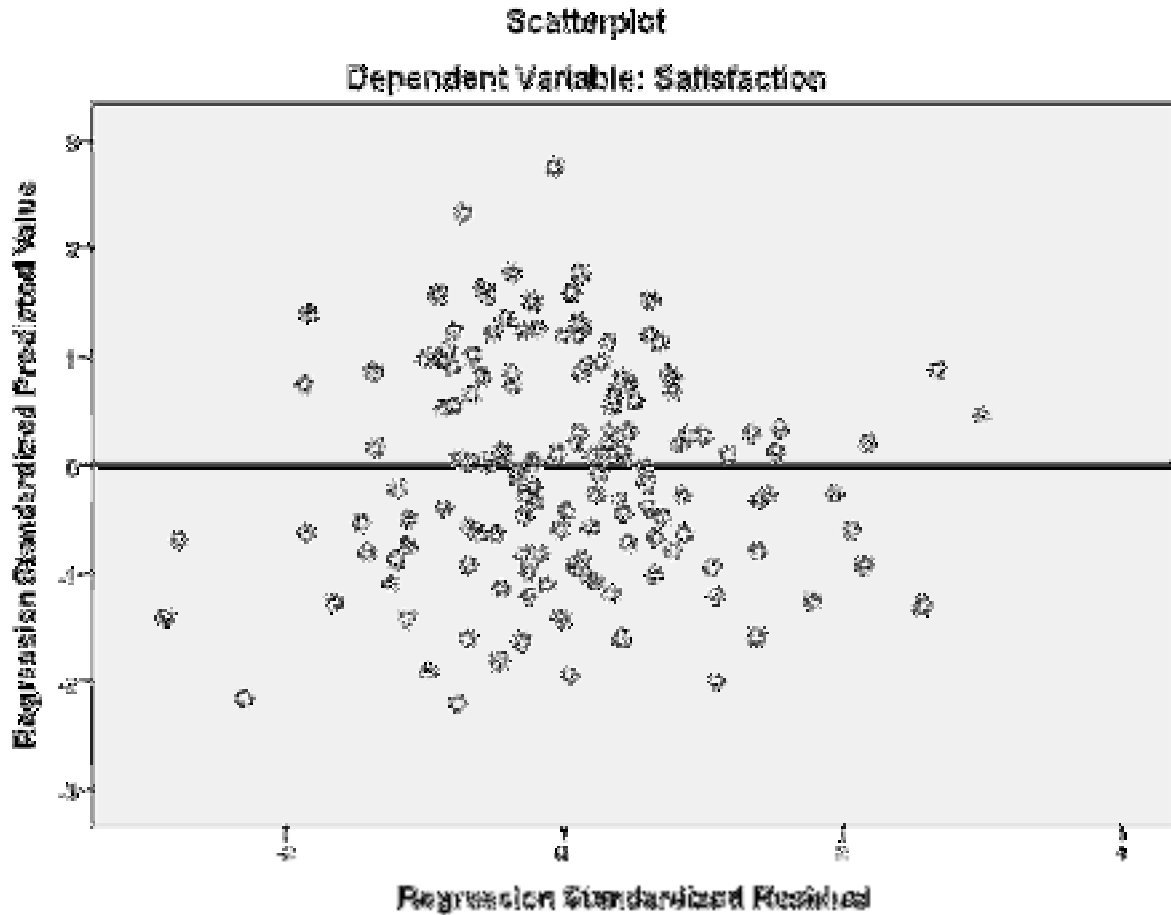
Regression analysis is a statistical measurement used to estimate the relationships among the dependent and independent variables. It enables to determine the strength of the relationship between variables and the predictive power of the independent variables on the dependent variable. In short, regression helps a researcher understand to what extent the change of the value of the dependent variable causes the change in the value of the independent variables, while other independent variables are held unchanged. Regression analysis is a way of statistically sorting out the variables that have indeed an impact. While there are many types of regression analysis, at their core they all examine the influence of one or more independent variables on a dependent variable.

4.7.1 Diagnostic Tests of Assumptions of Classical Linear Regression Model (CLRM)

The Classical linear regression model such as homoscedasticity, autocorrelation, Multicollinearity, and normality were conducted and are discussed below.

4.7.1.1 Homoscedasticity Test

This assumption of homoscedasticity is central to the linear regression model. It describes a situation in which the error term (that is, random disturbance in the relationship between the independent variables and the dependent variables) is the same across all values of the independent variables. Assumptions can be checked by a scatter plot diagram. The result plots the values the model would predict, against the residuals obtained. As the predicted values increase, the variation in the residuals should be roughly similar. The graph looks like a random array of dots. So, the model is homoscedasticity.



Source: Own computation using SPSS of the survey, 2022

Figure 4.1 Homoscedasticity Test

4.7.1.2 Autocorrelation Test

Durbin-Watson statistic is used to test for the presence of serial correlation among the residuals. The residuals are not correlated if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50. As it can be shown from the table below the Durbin-Watson statistic value is 1.793 and this value almost approaches 2 therefore, there is no autocorrelation problem in this model.

Table 4.7: Autocorrelation Test

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.738 ^a	.545	.530	.40616	1.793
a. Predictors: (Constant), Recognition, promotion, payments, Working Environment, Responsibility					
b. Dependent Variable: Job Satisfaction					

Source: Own computation using SPSS of the survey, 2022

4.7.1.3 Multicollinearity Test

Multicollinearity is the situation in which the independent variables are highly correlated each other. When independent variables are correlated, there is an “overlap” or sharing of predictive power. This may lead to the paradoxical effect, whereby the regression model fits the data well, but none of the predictor variables has a significant impact in predicting the dependent variable. This is because when the predictor variables are highly correlated, they share essentially the same information. Thus, together, they may explain a great deal of the dependent variable, but may not individually contribute significantly to the model. The existence of multicollinearity can be checked using “Tolerance” and “VIF” values for each predictor variable. Tolerance values less than 0.10 and VIF (variance inflation factor) greater than 10 indicates the existence of multicollinearity (Robert, 2006). The VIF is a measure of the reciprocal of the complement of the inter-correlation among the predictors. The decision rule is a variable whose VIF value is greater than 10 indicates the possible existence of a multicollinearity problem. Tolerance (TOL) defined as $1/VIF$, it also used by many researchers to check on the degree of collinearity. The decision rule for tolerance is a variable whose TOL value is less than 0.1 shows the possible existence of a multicollinearity problem (Gujarati, 2004).

Based on the test result below all the variance inflated factor (VIF) values are less than 10 and also all the tolerance value greater than 0.1 therefore, in this model there is no high multicollinearity problem. Multicollinearity problem it is not a matter of existence rather it is a matter of degree.

Table 4.8: Test of Multicollinearity

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Payments	.662	1.510
	Promotion	.567	1.765
	Working Environment	.498	2.008
	Responsibility	.450	2.222
	Recognition	.594	1.683

Source: Own computation using SPSS of the survey, 2022

4.7.1.4 Normality test

Multiple regressions require the residuals to be normally distributed. Skewness and kurtosis are statistical tools that can enable to check if the data is normally distributed or not. According to Smith and Wells (2006), kurtosis is defined as “property of a distribution that describes the thickness of the tails. The thickness of the tail comes from the amount of scores falling at the extremes relative to the Gaussian/normal distribution”. Skewness is a measure of symmetry. A distribution or data set is symmetric if it looks the same to the left and right of the center point. The skewness and kurtosis test results of the data is within the acceptable range (-1.0 to +1.0) and it can be concluded that the data is normally distributed.

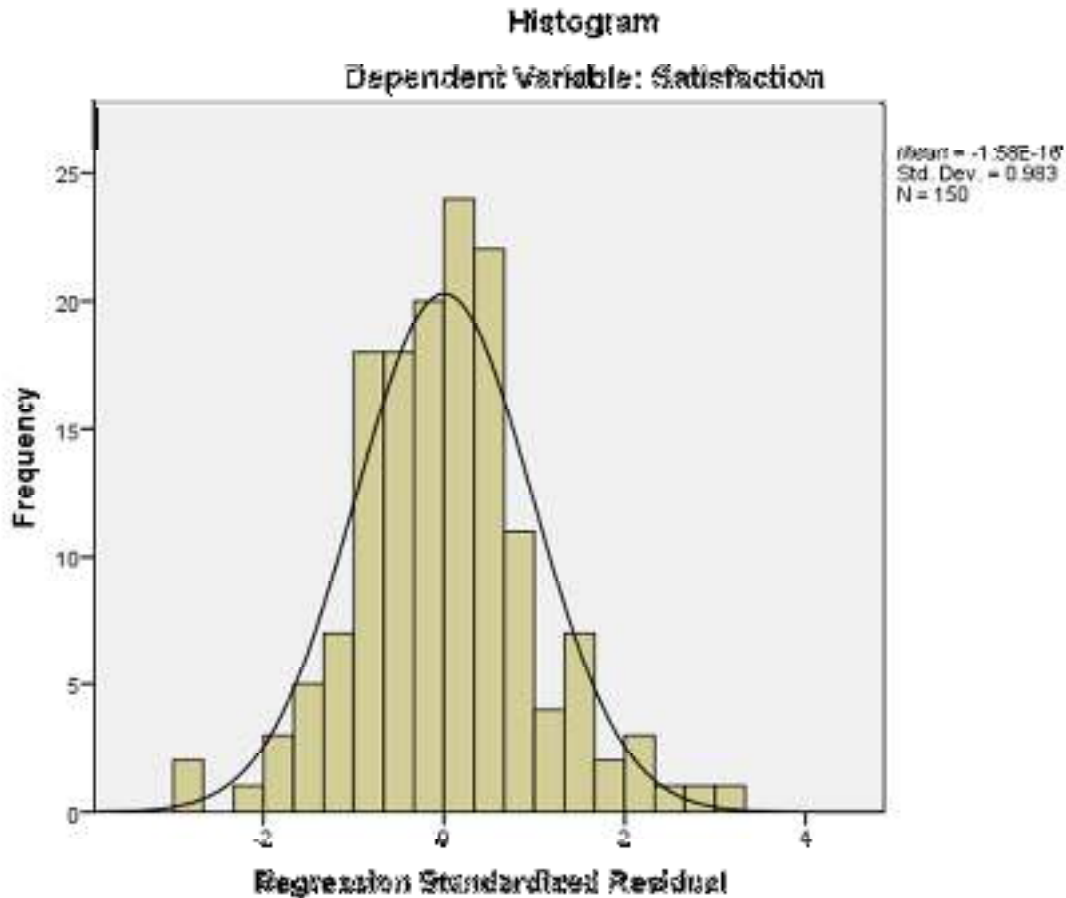


Figure 4.2: Normality Test

4.7.2 Regression Result Analysis and Discussion

Overall, the entire model passed the four diagnostic tests in accordance with Classical Linear Regression Assumptions (CLRM). The next part will present the results of the regression output to analyze the factors that affecting job satisfaction. With the help of multiple linear regression analysis, model summary, ANOVA, and Beta coefficient were determined, and the regression model was developed.

Model Summary: The table below shows that there are five predictor variables in the study including payment and benefits, promotions, work environment, responsibility and recognition. Regression model was applied to test how far job satisfaction factors had impact on employee’s satisfaction. Coefficient of determination- R^2 is the measure of proportion of

the variance of dependent variable about its mean that is explained by the independent or predictor variables (Hair et.al, 1998). Higher value of R^2 represents greater explanatory power of the regression equation. The table below shows the R^2 value of 0.545. This result shows that the independent variables (payment and benefits, promotions, work environment, responsibility and recognition) accounted for 54.5 percent of the variance in employee's job satisfaction. This means 54.5 percent of the variation in job satisfaction of employee's is explained by the independent variables whereas the remaining 45.5 percent of the variation is explained by other factors which are not included in this study.

Table 4.9: Model Summary

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.738 ^a	.545	.530	.40616	1.793
a. Predictors: (Constant), Recognition, promotion, payments, Working Environment, Responsibility					
b. Dependent Variable: Job Satisfaction					

Source: Own computation using SPSS of the survey, 2022

The below table i.e. ANOVA test shows if the predictors of this research actually predict job satisfaction or not. This can be answered through overall significance of the model, which is typically and traditionally shown through a p-value that is less than 0.05. The table shows that the p-value is appropriately and shows a perfectly significant of all collective independent variables on one dependent variable.

Table 4.10: ANOVA table

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	28.491	5	5.698	34.542	.000 ^b
	Residual	23.755	144	.165		
	Total	52.246	149			
a. Dependent Variable: Job Satisfaction						

b. Predictors: (Constant), Recognition, promotion, payments, Working Environment, Responsibility

Source: Own computation using SPSS of the survey, 2022

Table 4.11: Regression output

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.262	.169		7.479	.000
	Payments(ext.)	.133	.060	.154	2.226	.028
	Promotion(ext.)	.110	.047	.173	2.321	.022
	Working Environment (ext.)	.084	.057	.118	1.487	.139
	Responsibility(int.)	.151	.063	.201	2.405	.017
	Recognition (int.)	.195	.049	.293	4.014	.000
a. Dependent Variable: Satisfaction						

Source: Own computation using SPSS of the survey, 2022

Standardized Beta Coefficient: It is the coefficients that can explain the relative importance of explanatory variables. These coefficients are obtained from regression analysis after all the explanatory variables are standardized. As can be seen from table 4.11 above the standardized coefficient of recognition is the largest value followed by responsibility, promotion, payments and work environment two to five respectively. The larger the standardized coefficient, the higher is the relative effect of the factors to the job satisfaction.

Unstandardized Beta Coefficient (β): As it is defined in chapter three, the unstandardized coefficients (β_1 up to β_5) are the coefficients of the estimated

regression model. Hence, by including the error term (ϵ), the model for job satisfaction can be written as;

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \beta_5 X_{5i} + \epsilon_i$$

$$\hat{Y}_i = 1.262 + 0.133X_{1i} + 0.110X_{2i} + 0.084X_{3i} + 0.151X_{4i} + 0.195X_{5i}$$

The intercept (β_0) is the point on the vertical axis where the regression line crosses the Y axis. The value of β_0 is 1.262 which means the expected value of job satisfaction is 1.262 when all the five explanatory variables.

Among the five factors, four of them are found to be a statistically significant effect on employee performance. The significant variables are Payment and benefits, promotions, responsibility and recognition.

4.7.3 Discussion of the Regression Result

Payment and benefits

Pay is the leading and most important feature of satisfaction for almost each type of employee in public, private, small, medium and large institutions and that reasonable pay system is related with job satisfaction (Bajpai and Srivastava, 2004). Pay is a payment system that employee view as being fair and proportionate with their skills and expectation is called pay. The provision of benefits will create an optimistic, motivating work environment and increases output and sales. The motivated workforce will lead to organizational excellence, prosperity, excellent quality and cost control. As per the regression output of model one table 4.11 above, the coefficient of payments and benefits is positive and statistically significant at 5 percent level of significance. This implies that a one-unit increase in payments and benefits leads to 0.133 unit increase in job satisfaction being other variables are constant. The findings of this study is in line with the findings of Chiu et al. (2002), Saeed et al., (2013), Kanwal and Majid (2013), Haile and Premanandam (2017), Hossain (2014), Judge et al., 2017) and Walkowiak and Staszewski (2019).

Promotion

Koch and Nafziger, (2012) specified that promotions are desirable for most employees, only because they work harder to compensate for their “incompetence.” As a result, promotion at regular interval of time has an optimistic approach behind and they are generally given to satisfy the psychological requirements of employees in the organization. Promotion refers to advancing in career or career development. The coefficient of promotion is positive and statistically significant at 5 percent level of significance. This implies that a one-unit increase in promotion leads to 0.110 unit increase in job satisfaction being other variables are constant. Therefore, the study failed to reject the null hypothesis that promotion has a negative effect on job satisfaction. This means, there is enough evidence to support the positive relationship between job satisfaction and promotion. The relationship is positive as expected. The findings of this study is in line with the findings of Kanwal and Majid (2013), Girmachew (2019), Haile and Premanandam (2017), Hossain (2014), Judge et al., 2017), Walkowiak and Staszewski (2019), Kaur et al. (2020) and Biniyam (2021).

Responsibility

According to Herzberg (1950) the relationship of people to their work is a basic one and that their attitude towards their work can very well determine the job satisfaction. He states that intrinsic factor such as achievement, recognition, responsibility. As per the regression output of model table 4.11 above, the coefficient of responsibility is 0.151. The coefficient is positive and has statistically significant effect job satisfaction at one percent level of significance. The coefficient of responsibility interpreted as holding constant other explanatory variables when responsibility increased by one percent, the level of job satisfaction is increased by 0.151 units. Therefore, the study failed to accept the null hypothesis that responsibility has a negative effect job satisfaction. This means, there is enough evidence to support the positive relationship between job satisfaction and responsibility. The relationship is positive as expected. The findings of this study is consistent with the findings of Kanwal and Majid (2013), Girmachew (2019), Hossain (2014), Timkete (2018), Judge et al., 2017), Walkowiak and Staszewski (2019) and Koorella and Perumal (2019).

Recognition

Recognition can be as simple as giving someone response on what they have done right, or just saying “thank-you”. Recognition enhances the level of productivity and performance at job whether it is a first time performance or a repeated action at the job in a progressive way and ultimately reinforces the behavior of employee. As per the regression output of model table 4.11 above, the coefficient of recognition is 0.195. The coefficient is positive and has statistically significant effect job satisfaction at one percent level of significance. The coefficient of recognition interpreted as holding constant other explanatory variables when recognition increased by one percent, the level of job satisfaction is increased by 0.195 units. Therefore, the study failed to accept the null hypothesis that responsibility has a negative effect job satisfaction. This means, there is enough evidence to support the positive relationship between job satisfaction and recognition. The relationship is positive as expected. The relationship is positive as expected. The findings of this study is consistent with the findings of Danish et al. (2010), Milne (2007), Girmachew (2019), Hossain (2014), Timkete (2018), Kaur et al. (2020) and Biniyam (2021)

Work environment

Jung and Kim, (2012) stated that good work environment and good work conditions can increase employee job satisfaction and an employee organizational commitment. So the employees will try to give their best which can increase the employee work performance. The coefficient of work environment is positive but statistically insignificant. This implies that a one-unit increase in work environment leads to 0.084 unit increase in job satisfaction being other variables are constant. Therefore, the study failed to reject the null hypothesis that work environment has a significant effect on job satisfaction. This means, there is enough evidence to support the positive relationship between job satisfaction and work environment. The relationship is positive as expected. The findings of this study is inconsistent with the findings of Kawada & Otsuka (2011), Saeed et al., (2013), Emberland & Rundmo (2010), Tremblay. et al., 2009), Girmachew (2019), Haile and Premanandam (2017), Hossain (2014), Timkete (2018), Koorella and Perumal (2019), Kaur et al. (2020) and Biniyam (2021).

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter states the summary of the study findings and results. Based on the key findings and results, conclusions are drawn and recommendations are made. The recommendations include interventions to improve job satisfaction in Ethiopian Insurance Corporation and give implication for further studies.

5.2 Summary of Findings

The main goal of this study is to examine factors that affect employees' job satisfaction in Ethiopian Insurance Corporation based on the questionnaire which was distributed to 174 professional employees of EIC. Based on the literature review discussed in chapter two, five independent variables have been established. These variables are payment and benefits, promotions, work environment as extrinsic factors and responsibility and recognition as intrinsic factors.

In the descriptive part of the analysis, the result indicated that majority of the total respondents are male (62.9%), 57 % of the respondents are in the age range of 26 – 35 years and 70.2 % of the respondents are master's degree holders.

Prior to the main analysis of the study, a reliability test was administered to check whether the questionnaire was reliable or not. With this regard, as Table 3.2 illustrates all the quaternaries were reliable and acceptable with overall Cronbach's Alpha result 0.945.

The result from Pearson coefficients implies that the five factors were all positively related to employee job satisfaction within the range of 0.621 to 0.515.

Findings from the multiple regression analysis depict, 54.5 % variation in job satisfaction is explained by employed explanatory variables (where by R square is 0.545). Furthermore, the

significance value of F statistics shows a value 0.000, which is less than $p < 0.05$, implies the model is significant.

The standardized coefficient of the intrinsic factor recognition is the largest value followed by responsibility which is also intrinsic and payments, promotion and work environment which are extrinsic factors three to five respectively. The larger the standardized coefficient, the higher is the relative effect of the factors to the job satisfaction.

5.3 Conclusions

To realize the objectives of the study, three research questions were generated, and correlation and multiple regression method were employed to answer the research objective: To address the problem the study aim to find answers to the following basic research questions.

1. What are the intrinsic factors that affect employee job satisfaction in Ethiopian Insurance Corporation?
2. What are the extrinsic factors that affect employee job satisfaction in Ethiopian Insurance Corporation?
3. Which factors have more effect on employee job satisfaction in Ethiopian Insurance Corporation?

Thus, on the base of research questions and specific objectives the following conclusions which are: Determining the intrinsic factors that affect employee job satisfaction in Ethiopian Insurance Corporation, Analysing the extrinsic factors that affect employee job satisfaction in Ethiopian Insurance Corporation and Analysing the factors which have more effect on employee job satisfaction in Ethiopian Insurance Corporation.

Based on the findings, job satisfaction is a critical factor in every organization to be successful. This research work could justify that job satisfaction has positive relationship with all the intrinsic & extrinsic factors i.e., payment and benefits, promotions, work environment, responsibility and recognition.

The multiple regression assumptions like multicollinearity, autocorrelation, normality and heteroskedasticity tests were meet accordingly in model. The ANOVA test result in model

also showed that, the value of R and R² obtained under the model summary part was statistically significant and overall significant. The multiple linear regression analysis of the independent variables and dependent variables shows that in the model out of five independent variables four variables are positively and statistically significant effect on job satisfaction i.e payment and benefits (extrinsic), promotion (extrinsic), responsibility and recognition (Intrinsic) factors while the other extrinsic variable has positive but insignificant effect on job satisfaction i.e work environment.

From the above result, the researcher conclude that both of the intrinsic variables; responsibility and recognition and out of the three extrinsic variables; payments and promotion, are the key factors that affect job satisfaction in EIC.

5.4 Policy recommendation

From the conclusion made based on the major findings of the research the following recommendations are suggested. These are:

- ✓ Recognition, which is one of the intrinsic variables has the most influential factor on the satisfaction of employees of EIC. Therefore, it is strongly recommended for the top management to give a due attention towards this variable. Managers should establish criteria for identifying employees who are eligible for recognition, then recognize anyone who meets the criteria by being consistently fair.
- ✓ The management of EIC should recognize excellent performance. Employees are motivated when their above-average efforts are recognized and rewarded. This helps to build a sense of employee attachment to the organization thus increase job satisfaction.
- ✓ EIC should also formulate a fair promotion system, an extrinsic factor to increase employees' motivation and their job satisfaction.
- ✓ Since responsibility (intrinsic variable) is a significant variable supervision of employees in any insurance companies, it should be conducted based on their job requirements. When people's responsibilities are meaningful and involve their strengths and values, they become driven. Supervision of employees must be free from bias and the results of supervision are supposed to be communicated with employees in a transparent manner.
- ✓ Additionally, EIC needs to promptly update pay and benefits.

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Appendix



ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS & ECONOMICS

Masters of Business Administration in Financial Studies Questionnaire intended to Ethiopian Insurance Corporation Employees

Dear
Colleagues
:

I am a student of Masters of Business Administration in Addis Ababa University College of Business & Economics. I would like to express my sincere appreciation for your generous time, honest and prompt responses.

This questionnaire is designed to get information only for academic purpose and is the major requirement to complete the research on the topic: “Factors Affecting Employees’ Job Satisfaction: the case of Ethiopian Insurance Corporation” in pursuance of Masters of Business Administration. The purpose of this questionnaire is also to know how you feel about your present job, which things you are satisfied with and those things you are not satisfied with. On the basis of your answers and those of like you, it is expected to get a better understanding of the things individuals like and dislike about their jobs. This survey is primarily essential for companies to have satisfied, competent and committed staff for better chance of meeting the overall objectives and goals. This study will also suggest possible solution that will be used as an input for management in amending policies and practices concerning

employee job satisfaction.

Your support in responding to this questionnaire is highly appreciated and it is of paramount importance to the success of this study. The questionnaire may take a few minutes of your precious time & you are not required to write your name and all information you provide will be handled with great confidentiality.

If you have any questions about this survey, please do not hesitate to contact me at my phone number 0911435466 or via my email address: tsionsolomon51@gmail.com.

Thank you very much for your time, participation & and prompt response.

Please rate the following Statements by ticking “√” only one box on the right side in the space provided based on the description:

Part I. General demographic information

- | | | | | | |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|
| 1 | Gender | 1. Male | <input type="checkbox"/> | 2. Female | <input type="checkbox"/> |
| 2 | Age | 1. Below 25 years | <input type="checkbox"/> | 2. 26-35 years | <input type="checkbox"/> |
| | | 3. 36-45 years | <input type="checkbox"/> | 4. 46 & above | <input type="checkbox"/> |
| 3 | Highest level of your achievement (Education) | 1. Diploma | <input type="checkbox"/> | 2. First Degree | <input type="checkbox"/> |
| | | 3. Master's (MA/MSc) | <input type="checkbox"/> | | |
| 4 | How long have you been working for EIC? | 1. Below 5 years | <input type="checkbox"/> | 2. 6-10 years | <input type="checkbox"/> |
| | | 3. 11-20 years | <input type="checkbox"/> | 4. Above 20 years | <input type="checkbox"/> |
| 5 | In which of the following working unit are you working? | | | | |
| | 1. General Insurance | <input type="checkbox"/> | 2. Long Term Insurance | <input type="checkbox"/> | |
| | 3. Finance & Investment | <input type="checkbox"/> | 4. Information T (ITSM) | <input type="checkbox"/> | |
| | | <input type="checkbox"/> | | | |

5. Human Resource

6. Legal

7. Business Dev. & Risk

8. Internal Audit

SECTION II: FACTORS THAT AFFECT JOB SATISFACTION

Kindly indicate the degree to which you agree with the following statements concerning factors that affecting job satisfaction in your Corporation.

Please give them a rank based on a five point Likert Scale. Select if

1 = **strongly disagree** 2 = **Disagree** 3 = **Neutral** 4 = **Agree** 5 = **strongly agree**

Extrinsic factors

No	D. Payments and Benefit	1	2	3	4	5
1	My salary is equitable when compared with other insurance companies					
2	My salary payment is satisfactory in relation to what I do					
3	I am satisfied by the Corporation's pay grade					
4	Salary adjustment or increment is made on reasonable time period					
5	The Corporation pay Competent benefit in the Market					
6	Benefit and Bonus payment of the Corporation are matched (Bonus based on Profitability of the Corporation is Matched)					
7	The benefit system of the Corporation has effect on my satisfaction					
	E. Promotion					
1	Everyone has an equal chance to be promoted					
2	The Corporation's promotion policy is clearly communicated to all Employees					
3	The existing Promotion motivate employees for high level of job satisfaction					
	F. Working Environment					
1	I am provided with adequate facilities and resources to do my job effectively					
2	The working condition like space, seating arrangement, ventilation, refrigerator, lighting etc helped me to do my duties in better way					
3	The Corporation provides flexible work hours to accommodate my personal needs					
4	All in all I am satisfied with the working condition of the Corporation					

Intrinsic factors

	G. Responsibility	1	2	3	4	5
1	Employees have clear job responsibilities in our Corporation					
2	Employees participate in decisions making that has a positive effect on their job satisfaction					
3	I perform my duty with full autonomy and freedom					
	H. Recognition					
1	I get credit for what I do					
2	I receive constructive criticism(positive feedback)about my work					
3	The existence of recognition for good work, has given me an opportunity to Perform well					

PART III: QUESTIONS RELATED TO JOB SATISFACTION

Here are items that help to measure Job satisfaction. Please give them a rank based on a five point Likert Scale. Select 1 = **very dissatisfied** 2 = **dissatisfied** 3 = **Neutral** 4 = **satisfied** 5 = **very satisfied**

No	Items	1	2	3	4	5
1	Being able to keep busy all the time					
2	The chance to work alone on the job					
3	The chance to do different things from time to time					
4	The chance to be "somebody" in the community					
5	The way my boss handles his/her workers					
6	The competence of my supervisor in making decisions					
7	Being able to do things that don't go against my conscience					

8	The way my job provides for steady employment					
9	The chance to do things for other people					
10	The chance to tell people what to do					
11	The chance to do something that makes use of my abilities					
12	The way the Corporation's policies are put into practice					
13	My pay and the amount of work I do					
14	The chances for advancement on this job					
15	The freedom to use my own judgment					
16	The chance to try my own methods of doing the job					
17	The working conditions					
18	The way my co-workers get along with each other					
19	The praise I get for doing a good job					
20	The feeling of accomplishment I get from the job					

THANK YOU FOR YOUR GENUINE RESPONSE