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COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE GRADUATE STUDIES
MASTERS OF HUMAN RESOURCE MANAGEMENT

DETERMINANTS OF JOB SATISFACTION IN THE CASE
OF COMMERCIAL BANK OF ETHIOPIA

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MA PROGRAM

Determinants of Job Satisfaction in the Case of Commercial Bank of Ethiopia

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Certification

This is to certify that HENOK TESFAYE ASFAW has done the study on the topic of “Determinants of Job satisfaction: The case of Commercial Bank of Ethiopia”

This study is authentic and has not been done before by any other researcher on the same topic.

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Declaration/Confirmation

I, Henok Tesfaye, hereby declare that the thesis work entitled, "Determinants of job Satisfaction in the Case of Commercial Bank of Ethiopia : focusing on selected branches in Addis Ababa city branches", is the outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestions of the research advisor. This study submitted by me for the award of the degree of Master of Human Resource Management (HRM) in graduated studies of Addis Ababa University School Of Commerce at Addis Ababa Ethiopia, it is original work and it hasn't been presented for the award of any other Diploma, Degree, Fellowship or other similar titles of any other university or institution.

By: Henok Tesfaye

Signature: _____

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ACRONYMS

CBE- Commercial Bank of Ethiopia

HRM-Human Resource Management

SPSS- Statistical Package for Social Science

I.E - That means

Abstract

Dynamics and conducive organizational climate is mandatory for the contemporary organizations to have satisfied and productive employees under the intense of global competition. Realizing this, the main aim of this research is to identify determinants of job satisfaction in the case of commercial bank of Ethiopia with the reward dimensions of payment, recognition, working condition, promotional opportunities and relations with co-workers. The study was done based on primary and secondary data sources. A self-administered questionnaire was designed to collect relevant information from the selected 263 respondents among this 215(81.75%) questionnaires are returned and analyzed. Descriptive research design was followed since it wants to describe what it is or what the situation looks like. The collected data was analyzed by SPSS version 20 using descriptive statics and multiple regressions. Based on the result of multiple regression payment and working condition reward variables have positive and significance impact on employee's job satisfaction but recognition, promotional opportunities and relations with co-workers have relatively not significance impact on employee's job satisfaction. Correlation analysis also used in this study based on this all reward variables have positive and significance relationship or correlation with employee's job satisfaction. Finally, the study concluded by providing possible recommendations. The study recommended that since payment and working condition dimensions have positive and significance impact on employee's job satisfaction, the bank management should give more attention and must take immediate adjustments for the two variables specially and creating different opportunities that initiates them and also should take any activities or mechanisms that enhance or improve to increase the job satisfaction level of employees of the bank.

Key words: *Reward, Job Satisfaction, Payment, Recognition, Working Condition, and Promotion Opportunities*

CHAPTER ONE

INTRODUCTION

1 Introduction

This chapter presents the introductory section of the research. It contains Background of the study, Statement of the problem, Research Questions, Research Objectives, Significance, Delimitations/Scope, Limitations, Definitions of key terms and Organization of the study.

1.1 Background of the study

Employees are the organization's key resources among all the resources an organization owns and the success or failure of organizations center on the ability of the employers to attract, retain, and reward appropriately talented and competent employees. Employees' willingness to stay on the job largely depends on reward programs of the organization. Among other things employees are motivated to work when they are provided a fair financial and non-financial reward for service rendered to the organization (Danish and usman, 2010).

In today's market a number of organizations are continuously seeking new strategies to meet both organizational and employee needs. Banks are now faced with very high and intense competition amongst themselves .Hence, in order to win this intense competition and maintain their market share of the banking industry they must give attention to the employees need, want and preferences and they must make continuous improvement in reward program to increase employees job satisfaction(Harvey, 2010).

A reward system has to be aligned to the mission, vision, business strategy and organizational structure of a company to design a reward programs in an efficient way to achieve the goals. The main objective of reward strategy is to give the right rewards for the right employee behavior. Reward processes cover both financial and non financial benefits. There are direct financial rewards which consist of payments in the form of wages, salaries and bonuses. There are also the indirect financial rewards or benefits such as; insurance plans (life, health), retirement plans, sick leave etc. Today's employees not only work for money but also place equal emphasis on other aspect of reward programs (Mondy and Noe, 2002)

According to Heath field S.M (2012), compensation is the reward given to employees in return for their services rendered and it is often the cornerstone of a productive workforce. If individuals believe they are not compensated well, a state of emotional dissatisfaction develops. This emotional discrepancy grows and accumulates overtime making employees to complaint as they render their service to the organization. Worse still, indicators such as absenteeism, turnover and strikes are experienced.

Most of the time organizations face great problem to attract and retain competent and qualified employees. Because of this they designed different strategies like improving the working condition, good employee management relationship, attractive salary, promotion opportunities etc. Healthy intended reward system enables organizations to attract qualified employees required and retain and inspire the existing workforce towards goal achievement (Decenzo and Robbins, 1999)

Reward programs entail some basic features that tend to make employees satisfy on their job amongst which includes salaries, bonuses, incentives, allowances and promotions. In most cases employees are willing and cooperative to do their job to the best of their abilities if they believe that pay is relatively equitable to performance. Means rewards and benefits affect employees' decision to stay or leave an organization, to work effectively and accept additional responsibility (Bratton & Gold, 1995)

Today's world is dynamic and ever changing. In this environment job satisfaction is an integral factor in motivating employees to accomplish organizational goals and objectives. Job satisfaction has been recognized as one of the key issues in the service sector of the economy, including bank. Job satisfaction is a key to improving both organizational and individual performance. Employees with high level of job satisfaction are more motivated to achieve the firm's objectives (Feinstein and Vondrasek, 2000)

Locke and Lathan (1976), give a comprehensive definition of job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Job satisfaction is a result of employee's perception of how well their job provides those things that are viewed as important.

Job satisfaction is a collection of feelings and beliefs that people have about their current jobs. Employee's job satisfaction towards the reward program is the most important discourse for only organizations. Because it is directly related to organizations performance that can be achieved by employees. Job satisfaction is widely used in the domain of human resources development. It is the degree to that a person reports satisfaction with intrinsic and extrinsic features of job. In other words Job satisfaction is pleasurable emotional state resulting from appraisal of one's job or job experience (Locke, 1976).

1.2 Statement of the problem

In any economy, the banking sector plays a vital role for overall development of agriculture, manufacturing and different businesses. Whatever capital has the bank, whatever the policy is framed, it is very difficult to be fruitful unless employees positive attitude towards their job and committed to their organization (Maschalu Demissie, 2004).

Effective, fair, timely, consistent and market driven rewards can satisfy employees. The aim of reward management is to reward people fairly, equitable and consistently in accordance with employees contribution for organization (Armstrong & Murlis, 2004)

Commercial bank of Ethiopia is undertaking on the range of reform initiatives to achieve its vision of becoming world class bank by the year 2025. In the current banking industry where rewards among banks becomes stiff, ensuring service excellence and customer satisfaction is largely depend on employees' job satisfaction. And also monitoring rewards toward employee's satisfaction is essential for acquisition and retention of quality work. One of the biggest issues prevailing these days is the inability of to keep the employees engaged in their work.

On 2015/16 Annual Performance Review Report study indicates that many challenges and weaknesses have been reported regarding the performance of the bank. Some of the challenges faced and weaknesses are attitude problem, poor performance, failed to keep or maintain customers, employees' turnover, knowledge gap on the Bank's Procedure and Policies; had been put as a threat that will hinder the bank from achieving its vision and mission.

And also as the HR exit interview report study on 2015/2016 indicates that some employees' reveal that even though the basic salary is good compared with other banks, there are a number of problems associated with other financial and non financial rewards provided by the bank. For instance, the fuel, transport, loan, housing and hardship allowance is said to be not enough and is not subject to adjustment with the increase in cost of living. The health service provided by the bank doesn't cover families or spouses of the employee. In addition, the educational opportunity provided by the bank is also not adequate. If those problems are not solved, the bank may face more challenges, like Customer dissatisfaction, reduction of revenue and high skilled and potential employee's shift or move to other organizations and ultimately it will hinder the bank from achieving its vision and this adversely affecting the competitiveness of the bank.

Because of all those reasons the researcher is motivated to conduct determinants of job satisfaction in this bank. Hence, the purpose of this project is to investigate determinants of job satisfaction with the variable of payment, promotional opportunities, working condition, recognition and relations with co-workers.

1.3 Research questions

From this research problem the study addressed the following research questions

- How does the reward practice of Commercial Bank of Ethiopia look like?
- What is the level of job satisfaction in Commercial Bank of Ethiopia?
- What is the impact of reward on job satisfaction in Commercial Bank of Ethiopia?
- What are the factors of reward that matter more in Commercial Bank of Ethiopia?

1.4 Research objectives

1.4.1 General Objective

The main objective of this study was to investigate determinants of job satisfaction in the case of commercial Bank of Ethiopia.

1.4.2 Specific Objective

- ❖ To assess the reward practices of Commercial Bank of Ethiopia looks like
- ❖ To identify the level of job satisfaction in Commercial Bank of Ethiopia
- ❖ To identify the impact of reward on job satisfaction in Commercial Bank of Ethiopia
- ❖ To identify the factors of reward that matter more in Commercial Bank of Ethiopia?

1.5 Hypothesis of the Study

The researcher chose to determine the associations between reward variables and employees job satisfaction using the following hypothesis.

H1: Payment has positive and significant effect on employee's job satisfaction.

H2: Working condition has positive and significant effect on employee's job satisfaction.

H3: Recognition has positive and significant effect on employee's job satisfaction

H4: Promotional opportunities has positive and significant effect on employees' job satisfaction

H5: Relations with co- workers has significant effect on employees job satisfaction

1.6 Significance of the Study

First, the study helps the banks to improve or to develop competitive reward policy that uses to attract, retain and motivate employees. Second, this paper used as a literature for employees and increases awareness about reward policies and thirdly, it provides a base for further study and give insight to researchers and students about the problem and stimulate further investigation of the issue. More over in addition to fulfilling the academic requirement of the researcher, the result of the study have also the following benefits.

- It benefits to the selected branches in particular and Banking Industry in general
- To have good understanding on the determinants of job satisfaction and to empirically inform decision makers and other concerned body about the existing problem
- To tackle problems associated with determinants of job satisfaction
- Provide useful suggestions and recommendations in regard to determinants of job satisfaction

1.7 Delimitation/Scope of the Study

This study focused on the financial sectors by taking Commercial Bank of Ethiopia as a study area. The study was limited on the impact of rewards on employees' job satisfaction in the case of commercial bank of Ethiopia in Addis Ababa city branches with only five variables payment, recognition, working conditions, promotional opportunities and relations with co-workers. Due to the large number of potential participants in the study and the geographically disbursed nature of the population, the population involved in the study is only be branches of the bank located within Addis Ababa area. The study involve as a target population of all permanent employees of CBE in Addis Ababa area. The rest non clerical employees are not included in the study because they are employed by agencies and are not permanent employees of CBE. The study also used mixed research approach.

1.8 Limitation of the Study

To conduct this study there were many challenges that affect the quality of the paper and hinder the progress of the research. The first and the major limitation of this study was conducted on the banking field of commercial bank of Ethiopia and selected city branches only. The second limitation of this study was focused only on clerical city branch employees of the bank. Non clerical employees are not included in this study. The third limitation of this study was missed to address all reward variables that have impact on job satisfaction may have some impact on the outcome of the study as the dependent variable is subject to other reward variables considerations as well. Financial resources were also another limitation. And lastly few respondents are not returned the questionnaires due to time constraint and work load. Except from those the above limitations this research may provide insight to CBE to enhance the employees' reward programs.

1.9 Definition of key terms

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

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

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

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

Recognition: Recognition is the component that is used to strengthen the relationship between organization and people (Armstrong, 2006)

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

1.10 Organization of the study

Generally the study includes five distinctive chapters. Chapter one deals with the introduction part which contains background information, the research problem, objectives, significance, scope and limitation of the study. Chapter two deals with the various literatures that were reviewed in order to enhance the knowledge about the area. Chapter three it deals with the methodology part with relevant justifications. Chapter four deals with the presentation, analysis and interpretation of data, and finally Chapter five contains summary of findings, conclusions, and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2 Introduction

This chapter gives an overview of literature that is related to the research problem presented in the previous chapter. Definitions and concepts of Reward, Objectives of reward, Importance of reward, Types of Reward, Reward Management, Reward management processes, Reward system, Total reward system, Reward policies, Reward Strategy alternatives, Dimensions of Reward under Study, Factors Affecting Reward Decision, Determining the reward and benefit packages, Factors Determining Reward Plan, Definitions and concepts of job satisfaction, Factors that lead to job satisfaction, Measure of job satisfaction, Relationship between Rewards and Job Satisfaction, Empirical Review of Studies and Conceptual Framework of the Study would be introduced in order to give a clear idea about the research area.

2.1 Definitions and concepts of Reward

The Word reward state the benefits that workers receive from their jobs and significant elements of employee job attitudes such as organizational commitment, motivation and job satisfaction (Steers and Porter 1991). According to Colin 1995, reward is defined as the benefits that arise from performing a task rendering a service of discharging a responsibility. Rewards are all of the monetary and the non-monetary payments that an organization provides for its employees in exchange for the work they perform.

Reward is the compensation which an employee receives from an organization (mainly refers to enterprise) for his or her service. It is not simply contains direct currencies and other forms which can convert to currencies, but also a comfortable office, favorable interpersonal relationship inside the organization, having access to decision-making involvement, the challenge and sense of achievement preferable growth opportunities and so forth these kinds of forms which is difficult to measure in varies currencies(Zhou Jiang,2009).

In any organization, rewards play an important role in building and sustaining the commitment among employees that ensures a high standard of performance and workforce constancy (Wang 2004). According to the individual–organization exchange theme, individuals enter organizations with specific set of skills, desires and goals, and expect in return a decent working environment where they can use their skills, satisfy desires, and attain their goals (Mottaz 1988). Mostly organizations have increased the

substantial improvement by entirely complying with the organizational strategy by a well-balanced reward and recognition programs for employees.

Rewards increase the level of efficiency and performance of the employees on their jobs and in the result thereof increase the success of the organization. Generally employees' job description and job specification determines rewards to maintain fairness among employees within an organization and competitive in the marketplace (Zainiet al. 2009). Reward is a broad construct that has been said to represent anything that an employee may value that an employer is willing to offer in exchange for his or her contributions (Chiang and Birtch, 2008). The lack of rewards will create an unpleasant environment, thus diminishing employees' work efforts and may cause them to with draw from their jobs. For these reasons, rewards are increasingly important. The main objectives of rewards are to attract and retain employees, to motivate employees to achieve high levels of performance, and to elicit and reinforce desired behavior of the employees. Organizations often use financial rewards to prevent employee dissatisfaction and to motivate employees, although it may not be the best motivator for the long-term (Mossbarger and Eddington, 2003).

Kalleberg (1977), explained rewards consist on benefits that employees receive in exchange of their work during the job. According to Wang (2004), in so many organization rewards plays so many roles in sustaining and creating commitment among employees for good performance and that better performance leads to job satisfaction. When employees achieved their desire results from job so that of desired achievement is called job satisfaction (Brief & weiss, 2002).

2.2 Objectives of reward

William F. Glueck (1982), stated that objective of reward system is to create a system of rewards which is equitable to both the employer and the employees. So that the employee is attracted to work and motivated to do a good job for employer. In order to say the reward is effective the rewards should be; Adequate, minimum governmental, union and managerial level should be met.

- Equitable: each person should be paid fairly in line with the level of effort, abilities training and so on.
- Balanced pay: benefits and other rewards provide total reward package.
- Cost effective: pay is not excessive, considering what the enterprise can afford.
- Secure: the employees security needs relative to pay and the needs which pay satisfy should be met.
- Incentive providing: pay motivates effective and productive work.
- Accepted to the employee: the employee understands the pay system and feels it is a reasonable system for the enterprise and the individual.

2.3 Importance of Reward

In every organization it is essential to understand the importance of rewards and the flexibility the hiring managers can have in designing a reward package that can in turn attract, retain and develop a quality talent pool.

Reward is important to personnel managers for many reasons. Of all personnel problems, paying employees perhaps is the most perplexing one. (Leon C. Miggison 1981), stated that it involves many emotional factors to employees and employers. Reward gives the following importance to employees:

- It is the primary source of income for employees and their family.
- It is a fair for the work employees perform and the benefits they provide for employer.
- It determines social status; income level is often used as a measure of a person's worth.

Reward gives the following importance to the employer

- To attract capable employees in the organization.
- To motivate the employees towards superior performance level
- To retain their service for an extended period of time
- To increase the company's profit

2.4 Types of rewards

According to Michael Armstrong 2006, Types of rewards include: Extrinsic and intrinsic are also called financial and Non-financial rewards and these rewards further divided in so many sub categories like direct financial rewards and indirect financial rewards. Direct financial rewards are the rewards which are given in the form of money such as wage and bonus. Indirect financial rewards are rewards which are given in the form of indirect cash that includes medical expense, transport service and insurance coverage.

Extrinsic rewards relates to financial rewards or cash related like formal recognition, fringe benefits, incentive type payments, pay, promotion and intrinsic rewards relates to nonfinancial or non-cash rewards that do not involve any direct payments and often arise from the work itself like achievement, accomplishment, feelings, recognition, job satisfaction and growth (Armstrong,2006). Today world balance between employee's commitment and performance for the organization is much necessary and rewards are most important tool for employee's commitment, job satisfaction, and motivation and employees good performance.

2.5 Reward Management

Reward constitutes an important element in Human Resources Management. Reward Management is essentially about designing, implementing and maintaining pay systems which help to improve organizational performance (Armstrong & Murlis, 2007). Reward management can also be said to be the process of developing and implementing strategies, policies and systems which help the organization to achieve its objectives by obtaining and keeping the people it needs and by increasing their motivation and commitment. The reward management system should thus be designed to support the achievement of the organization's strategies; it should be based on a philosophy of reward which matches the culture of the organization.

Consequently, reward management in this regard is concerned with the formulation and implementation of strategies and policies, the purposes of which are to reward people fairly, equitably and consistently in accordance with their value to the organization and thus help the organization to achieve its strategic goals. It deals with the design, implementation and maintenance of reward systems, reward processes, practices and procedures, that aim to meet the needs of both the organization and its employees (Berridge, 2001).

Armstrong (2009) argues that reward management is concerned with the development of appropriate organizational cultures, underpinning core values and increasing the motivation and commitment of employees. This results from the argument that there is no such best practice; there is only good practice which is best for the organization. And also that what is best practice for an organization at one stage of its development may no longer be best practice as it moves its life cycle. Moreover, practices, which were effective when they were introduced, may degenerate as the organization evolves or it degenerates. Reward management is therefore is not only about money, it is also concerned with intrinsic, as well as extrinsic motivation; with non-financial, as well as financial rewards. This leads to several components of reward management such as strategic reward, job evaluation, Market rate analysis, grade and pay structure as well as contingent pay, (Ripley, 2002).

2.5.1 Objective of Reward Management

The basic objective of reward management can be briefly termed as meeting the needs of both employees and the organization. Since both these needs emerge from different sources, often, there is a conflict between the two. This conflict can be understood by agency theory which explains the relationship between employees and employers (Osterloh & Frey, 2000). The theory suggests that employers and employees are two main stakeholders in a business unit, the former assuming the role of principals and the latter assuming the role of agents.

The aims of reward management according to Armstrong (2010) are to:

- a) Reward people according to the value they create
- b) Align reward practices with business goals and with employee values and needs
- c) Reward the right things to convey the right message about what is important in terms of behaviors and outcomes
- d) Help to attract and retain the high-quality people the organization needs
- e) Motivate people and obtain their engagement and commitment
- f) Develop a high-performance culture
- g) Support the achievement of business goals through high performance
- h) Develop and support organization's culture
- i) Define what is important in terms of behaviors and outcomes
- j) Reward people according to what the organizations values
- k) Win the engagement of people

2.5.2 Reward management processes

Reward management process is an ongoing cycle that is responsible for planning, organizing implementing, monitoring, evaluation and revising of the reward system periodically. The reward management is composed of various components that are the building blocks of the process. As per Armstrong &Helen 2007, reward management is composed of the business strategy, reward strategy, policies market analysis, job evaluation, grade structure, pay structure, financial and non-financial rewards, performance management and employees capability.

2.6 Reward system

Reward system is an important tool that management can use to channel employee motivation in desired ways. In other words, reward systems seek to attract people to join the organization to keep them coming to work, and motivate them to perform to high levels. The reward system consists of all organization components-including people processes, rules and decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization (puwanenthiren pratheepkanth, 2011). The reward systems are comprised of two main elements: financial and non-financial rewards. The financial rewards include rewards strategies such as merit-pay, market-based pay, profit-related pay, while non-financial rewards focus on the needs of people for recognition, achievement, responsibility and personal growth.(White and Drucker,2000)

2.7 Total reward system

Total reward includes all types of rewards direct as well as indirect, and intrinsic as well as extrinsic rewards. It comprises of total remuneration (base, or basic pay, job evaluation market rate analysis, grade and pay structures contingent pay, employee benefits performance management and non – financial rewards –rewards that do not involve any direct payments and often arise from the work itself, for example, achievement, autonomy, recognition, scope to use and develop skills, training, career development opportunities, and high quality leadership (Michael Armstrong2006). The aim of total reward system is to maximize the combined impact of a wide range of reward initiatives on motivation, commitment and job engagement. Total reward can be classified as transactional reward and relational rewards.

Transactional Rewards-are those tangible rewards arise from transactions between the employer and employees concerning pay (financial rewards) and benefits

Relational Rewards-are those are rewards which are non financial in nature and that do not involve any direct payments and often arise the work itself (Danish 2010)

2.8 Reward Philosophy

The reward philosophy advocates that if human resource management (HRM) is about investing in human capital from which a reasonable return is required, then, it is proper to reward people differentially according to their contribution (Armstrong, 2007). The philosophy of reward management also recognizes that it must be strategic in the sense that it addresses longer-term issues relating to how people should be valued for what they do and what they achieve. Reward strategies and the processes that are required to implement them have to flow from the business strategy.

2.9 Reward policies

According to Armstrong and Helen (2007), reward policies provide guidelines for the implementation of reward strategies and the design and management of reward processes. They will be influenced strongly by the guiding principles and reward philosophy of the organization. The reward policies will be concerned with the level of rewards, the relative importance attached to market rates and equity, attraction and retention of employees ,the match between rewards and business performance, total reward policy, the need to communicate reward policies to employees and transparency.

2.10 Reward Strategy alternatives

Glueck (1978), has identified three alternative strategies of reward. These are:

The high-pay-level strategy: under this strategy organizations choose to pay higher than the average pay level that the market pays. The assumption is that a higher salary or wage will enable organizations attract and retain competent employees and this, in turn enhances employees productivity.

The low-pay-level strategy: In this alternative, the organization pays a minimum salary or wage to employees. This may be because a poor financial condition or the work doesn't require highly qualified personnel.

The comparable-pay-level strategy: This strategy requires organizations to follow "equal pay for equal work". In this strategy employees are paid based on comparable value of jobs they are performing within the company and/or the market.

2.11 Dimensions of Reward under Study

From the above discussion it can be observed that the total reward of an organization is composed of both financial and non-financial rewards and intrinsic and extrinsic rewards. And for the purpose of this research only payment, recognition, working condition, promotion opportunity and relations with co-workers were discussed.

2.11.1 Payment

Heery and Noon (2006) defined pay as payment, in which include many components like basic salary, bonuses, pay for doing extra work and incentives" According to Erasmus, van wyk and Schenk (2001) pay is defined as, "what an employee gets against his work after fulfilling his duty, include all type of financial and non-financial rewards". Dessler (2008), showed that employee pay includes all compensation factors which are given to him against his work. The payment is so significant because when workers are satisfied with pay, their behavior and attitude could be influenced towards the desired objective (Onukwube, 2012).

Ivan Howard (2005) defines pay as the amount of financial compensation that an individual receives as well as the extent to which such compensation is perceived to be equitable. Previous study shows that monetary compensation is one of the most significant variables in explaining job satisfaction. Hamermesh (2001), found that changes in compensation (increase or decrease) have concomitant impact on job satisfaction levels of employees. Several other authors maintain that the key in linking pay to satisfaction is not absolute amount that is paid, but rather the perception of fairness (Robbins, 2003).

As Robbins (2003), employees seek pay system that are perceived as equitable, is just unambiguous and in line with their expectations. When pay is perceived as equitable, is commensurate with job demands, individual skill level and community pay standards, satisfaction is likely to be the result. Employees are satisfied when they feel that the rewards they received from their job correspond to their skills and effort. People expect that if they work well in the workplace then their performance will increase and automatically their pay will increase and they will be promoted. It is not solely about the amount of money that receives. They are satisfied when they feel that they have been fairly treated and when the rewards they receive are equal to the ones that their colleagues who have the same skills and exert the same effort. This will cause increase in their job satisfaction level. Employees' dissatisfaction with pay can lower their morale and commitment, increase theft and enhance employee turnover (Currall et. al., 2005).

Generally, one of the most important factors that affect job satisfaction is salary. Companies need to have an instrument in place to assess employee performance and provide salary increases. Prospect to earn special incentives, such as bonuses, extra paid time off or vacations also bring stimulation and higher job satisfaction. There is no doubt that monetary rewards play a very influential role in determining job satisfaction. Pay is one of the fundamental components of job satisfaction since it has a powerful effect in determining job satisfaction. Individuals have infinite needs and money provides the means to satisfy these needs. However, there is no such empirical evidence that asserts pay alone improves worker satisfaction or reduces dissatisfaction (Qasim, Cheema & Syed 2012).

2.11.2 Recognition

According to Danish (2010), recognition is considered the most important factor among non-financial compensation in order to increase job satisfaction level of employees.

Recognition is the component that is used to strengthen the relationship between organization and people. Through the recognition employee feel rewarded and motivated. Employees become more loyal to their organization if organization recognizes their work. Recognition is acknowledgement for a job well done or it is non-financial reward that increases job satisfaction (Armstrong, 2006).

The recognition is a process of giving an employee a certain status within an organization. This is a very crucial factor towards an employee motivation. Recognition describes how the work of an employee is evaluated and how much the appreciation he receives in return from the organization. It also specifies the way an organization gives its employees the reward and status for his work and activities (R.Q, Danish, 2010).

According to Nelson and Spitzer (2003), there is revolution going on in today's workplace, workers want admiration and they want it now, they want to be trusted to do a good job, they want autonomy to decide how best to do it, they want support even if they make mistake and they want to be appreciated when they do a good job. Robbins (2003), described that Maslow's theory tells about the self- esteem need of employee. This theory shows that recognition, status, development and growth are the factors which leads to motivation and ultimately leads toward job satisfaction. Herzberg theory indicated that recognition is one of those motivating factors which leads employee from no dissatisfaction to satisfaction.

2.11.3 Promotion Opportunity

Heery and Noon (2006), define promotion "getting high status in workplace by doing effective work, generally increase the status, position and remuneration of employee in the organization". Graham (1986) defines promotion as "shifting from lower designation to high designation within an organization and usually increases in pay package". If organizations are not giving promotion to their employees then employees will be dissatisfied and their turnover rate will be high organization (De Souza, 2002). When employees get promotion they will be more loyal to their Employer. Keiner and Kinicki (2001), grieved that a significant relationship exists between job satisfaction and promotion, and they viewed that job satisfaction is depending upon what employee perceives as equity in his employment relation like reward

Drafke and Kossen (2002), postulate that many people experience satisfaction when they believe that their future prospects are good. This may translate into opportunities for advancement and growth in their current work place. Visser (1990), indicates that an individual's standards for promotion are contingent on personal and career aspirations. Moreover, not all employees wish to be promoted. The reason therefore is related to the fact that promotion entails greater responsibility and tasks of a more complex nature, for which the individuals may consider themselves unprepared. If employees perceive the promotion policy as unfair, but do not desire to be promoted, they may still be satisfied.

2.11.4 Working Condition

Working conditions is about providing healthy, safe and so far as practicable pleasant working environment for employees (Armstrong 2006). It is the conditions in which an individual or staff works; this includes the relationships with colleagues, working hours, work load, availability of resources and the like. Padillia (1993), argues that unfavorable working conditions in an organization are associated with high rates of employee turnover, which is an indicator of job dissatisfaction.

According to Desslar (2008), working conditions include aspects like employee voice, employee recognition, quality of the working life, work/life balance, and talent management. The provision of modern equipment and facilities, quality furniture, well ventilated offices, well-spaced offices, secured, among others are the conditions that are required to prevent job dissatisfaction in the organization. Therefore, organizations should allow employees to have some input in decision –making that will affect them; establish goals and objectives but let the employees determine how they will achieve those goals and objectives.

2.11.5 Relations with co-works

According to Robbins (2003), supportive colleagues are also another factor that is positively related to job satisfaction. Due to the considerable amount of time that employees spend in their job, their colleagues are part of their everyday lives. Friendly and supportive co-workers can increase an employee's job satisfaction. This view can be related to Maslow's hierarchy of needs theory (1954) and refers mostly to employees that wish to fulfill their affiliation needs.

Mowday and Sutton (1993), suggests that job satisfaction is related to employees opportunity for interactions with others on the job. An individual's level of job satisfaction might be a function of personnel characteristics and the characteristics of the group to which he or she belongs.

Some studies have shown that the better the relationship, the greater the level of job satisfaction (Wharton & Baron, 1991).

Good interpersonal relationship play an important role in job satisfaction for two reasons: first, good relationship improves people's interest in staying at work which can maintain high job satisfaction (Hertzberg 1993); second, good relationship may lead to positive intervention, which is proved to be the social information people rely on to form their attitudes towards jobs.

According to Hodson (1997), such social relations constitute an important part of the social climate within the workplace and provide a setting within which employees can experience meaning and identity. Luthans (1998), postulates that work groups characterized by co-operation and understanding amongst their members tend to influence the level of job satisfaction or dissatisfaction. When cohesion

evident within a work group it usually leads to effectiveness within a group and the job becoming more enjoyable. However if the opposite situation exists and colleagues are difficult to work with, this may have a negative impact on job satisfaction.

2.12 Factors Affecting Reward Decision

There are series of internal and external factors that influence reward and benefit decisions. Let us see each of them

2.12.1 Internal Factors

Among the factors that influence reward internally, the enterprise objectives, policies and strategies, size, ability to pay, the age of enterprise, the labor budget, and the technology employed which influence the nature of the work.

Enterprise size

The evidence this far is that larger enterprise tend to have higher pay level. This may not be true for all jobs in all enterprise .but the tendency is clear; the larger enterprise the higher pay level.

The age of enterprise

Some researcher contended that the newer enterprise tend to pay more than the old ones to attract employees from old enterprise.

Enterprise objective, policies and strategies

Managers differ as much as employees do, for example, some pay their employees at high level. Some also accept or reject the policy that merit pay level strategy is a major strategy choice top manager must make. It will influenced labor cost, the quality of work life and hence the effectiveness of enterprise (William F. Glueck, 1982).

The labor budget

The labor budget normally identifies the amount of money available for employee's compensation. Every unit of organization is influence by the size of the labor budget. A firm does not normally state the exact amount money allocated to each employee; rather, it state how much is available for the unit or for division discretion.

2.12.2 External Factors

Among the factors that influence reward externally: labor market, economic condition, government and labor union are the most important factors (Ivancevich, 2003).

Labor market and compensation

In times where unemployment rates are high the amount of pay will be low. This is because the number of labor force both skilled and unskilled can agree to work with the cheaper price. Where as in the of full

employment the pay will be high to attract and retain enough qualified employees .pay may also higher if a few number of skilled employees have in the market.

Economic condition

Other external factors affecting compensation is economic condition of the industry, specially the degree of competitiveness. Which affect organizations ability to high wages. Ability to pay is also related to the relative productivity of the organization .if firm is very productive it can pay high wage.

Government influence and compensation

The government influence pay directly or indirectly. The government directly affects rewards through wage controls and guidelines, which prohibit an increase in reward for certain workers at certain times and directed at the establishment of minimum wage rates, wage an hour regulation and the prevention of discrimination. The government also indirectly influences rewards through its Scio economics policies (William F. Glueck 1982).

2.13 Determining the rewards and benefit packages

The rewards and benefit packages should be selected on the bases of what is good for employees as well as the employer. Often knowing employees preference can determine which benefits should be offered. According to Ivancevich and Glueck, (1989), government directly affect rewards and benefits through wage control and guidelines which prohibit an increase in reward for certain workers at certain times, and laws directed at the establishment of minimum wage rate, Wage and hour regulations, and prevention of discrimination directed towards certain groups. Its main concern is to ensure the financial reward support the social and economic interest of the broader society.

According to Ivancevich and Glueck (1989), the nature of the task affects rewards primarily in the method of payment for the job, such as the payment for the time worked or incentives. One of the most significant factors in reward is the nature of the employee and how employee's attitude and preference directly affect performance and pay structure.

Developing a good employee reward plan is important for any organization and its employees. He continues to say that improperly developed reward plan may result to a wage rate that is too high hence unnecessary expenses; while paying less may guarantee inferior employee quality and high employee turnover. At the same time internally inequitable wage rates reduce employee morale and cause endless complains from the employees. There are several factors that affect the design of any reward plan, these include, legal considerations, union influences, company policies and competitive strategic objective and lastly internal and external equity. To fully understand how any organizations determine its employee

reward plan, one need to look at how employee reward plans are categorized, the factors used to determine the reward plans and the process of developing the reward plans (Dessler, 2008)

2.14 Factors Determining Reward Plan

Whether an organization uses job-based or skill-based reward plan, the main aim of the plan is to enable the organization achieve its strategic objectives and attract, motivate and retain competent employees (Decenzo et al, 2007). It is for these reasons that the plan is developed to fit the organizations unique characteristic and environment.

According to Gomez et al. (2012), the key factors to be considered when determining a reward plan in any organization are; - Internal versus external equity. This refers to the perception of the plan to be fair within the company and relative to what other employers are paying, flexibility of the pay; whether the pay is fixed or variable, employee performance consideration in the plan; whether the plan pays for performance or for membership, value placed on the job versus individual skill, employee differentiation; whether all employees are treated the same or treated differently, whether the plan motivates with monetary or non-monetary awards, employee compensation information accessibility to employees and finally the decision making process in the organization whether it is centralized or decentralized.

2.15 Definitions and concepts of job satisfaction

Job satisfaction has been defined by various scholars in many different ways, but the most general way is to define it as an attitudinal variable. It is simply how people feel about their jobs and different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (S Schwab, 1970). Job satisfaction is the collection of feelings and beliefs that people have about their current jobs (Heneman, 2005).

Job satisfaction is considered to be the most important element in the organization. In order to succeed organizations must keep their employees satisfied (Wubuli, 2009).

Oshagbemi (2003), stated that job satisfaction is an affective reaction to a job that results from the comparison or actual outcomes with those that are desired. Job satisfaction is a pleasurable and emotional state resulting from the perception of one's job as fulfilling or allowing the fulfillment of one's important job values, provided these values are compatible with one's needs (Locke, 1976). Katzell (1964), argued that if there is consensus about job satisfaction, it is the verbal expression of an incumbent's evaluation of his or her job. On this basis, it is an affective or hedonic tone, for which the stimuli of events or conditions experienced in connection with jobs or occupations. Schneider et al.,

(1993), also posited that job satisfaction is an employee's overall affective evaluation of the job situation.

Job satisfaction is someone's emotional orientation towards his job. In fact, a person's job satisfaction which is measured by knowing how compatible his psychic and social characteristics is with job conditions, is a metric to measure his career performance (Kosteas, 2009). In other words we can say that if job provides the person with desired conditions, he will be satisfied but if job does not provide him with desired satisfaction and joy, the person starts to blame his job and will leave the job if possible (Bozeman & Gaughan (2011)

Job satisfaction is one of the major concerns of organization because it affects organizational outcomes like employee performance and productivity, absenteeism and turnover (Onukwube 2012). In fact, employees show the high degree of job satisfaction and low turnover intention, when the characteristics of their place of work satisfied their need (Bright, 2008).

Job satisfaction is an affective reaction to an individual's works situation. it can be defined as an overall feeling about ones job or career and can be related to specific out comes ,such as pay, work environment ,job security, promotion opportunity among others. Job satisfaction can be an important indicator of how employee feel about their jobs and protector of work behaviors such as organizational citizenship ,absenteeism, turn over and over all job performance(Hashim and Mahmood 2011).

Locke (1976) defined job satisfaction as “job satisfaction is actually an enjoyable and exciting emotional condition which someone gets in their work”. Job satisfaction is important for reducing turnover rate and increase motivation. Prior studies indentified that there are different instrument for managing job satisfaction like pay, recognition and working environment (Mathauer et al. 2006). People will be more committed and more productive during their job if they are more satisfied (Al-Hussami, 2008). Satisfaction and dissatisfaction not only depend of the job but also depend upon employee's expectation about job (Hussami, 2008).

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 represents a combination of positive or negative feelings that workers have towards their work. Meanwhile, when a worker employed in a business organization, brings with it the needs, desires and experiences which determinates expectations that he has dismissed. Job satisfaction represents the

extent to which expectations are and match the real awards. Job satisfaction is closely linked to that individual's behavior in the work place (Davis et al., 1985). Job satisfaction refers to the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

Job satisfaction is a combination of extrinsic and intrinsic job satisfaction. Extrinsic job satisfaction includes all the external factors like communication style, supervisor co-operation, pay and working conditions while intrinsic job satisfaction includes type of work the workers do and the duty considered by the employee. When employee is satisfied he will perform well in workplace. To satisfy employees, organization provides different facilities to employees like to provide good working condition, fairness in job, give promotion and rewards to employees because these are the elements which contribute to employee satisfaction (Parvin & Kabir, 2011).

According to Maslow's theory (1970), indicates that need of people starts from basic to high level. These needs are present in every human being. If there is failure to satisfy basic need then next need in hierarchy cannot be achieved. People who have need of security; they will not go to higher needs if they are not satisfied with it. Job satisfaction is a theoretical construct closely related to motivation theories and relevant to leading theories of job behavior. Over the years a growing number of behavioral scientists have generated an accumulated knowledge with their investigation on the crucial issue of job satisfaction and motivation (Ekaterini Galanou et.al.2010). In order to understand job satisfaction, it is important to understand what motivates people at work (Ian Howard 2005).

Job satisfaction theories can be categorized in to content and process theories. Content theories are based on varies factors which influence job satisfaction. In terms of content theories, there is an emphasis on the type of goals and incentives that people endeavor to achieve in order to be satisfied and succeed on the job. Process theories in contrast take in to account the process by which variables such as expectations, needs and values, and comparisons interact with the job to produce job satisfaction (Ian Howard 2005). The most representative theories are those of Maslow's hierarchy of needs, McGregor's theory X and theory Y, Herzberg's two factor theory, Vroom's expectancy theory, Adams equity theory. The first three theories are content theories and the last two theories are process theories.

According to Luthans (1998), there are three important dimensions of job satisfaction: (a) it is an emotional response to a job situation. As such it cannot be seen, it can only be inferred; (b) it is often determined by how well result meet or exceed expectations; and (c) it represents several related attitudes towards the work itself, promotion opportunities, pay, supervisor and co-workers which are most important sort of a job about which people have efficient reaction. He again said that training and skill development is one of the best ways to gain job satisfaction.

2.16 Importance of Job Satisfaction

The study of job satisfaction enriches management with a range of information pertaining to job, employee, environment etc. which facilitates in decision making and correcting the path of organizational policies and behavior (Shah, Arun K., 1990). According to Shah, Arun K (1990), the study of job satisfaction helps:

- To know the general level of satisfaction in the organization about its programs, policies etc.
- To identify employees' problems, effecting changes and correcting with least resistance.
- An organization and managements strengthens the communication system of the organization and management can discuss the result for shaping the future course of action.
- In improving the attitudes of employees towards the job and facilitates integration of employee with the organization. It inspires sense of belongingness and sense of participation leading to the overall increase in the productivity of the organization.
- Unions to know exactly what employees want and what management is doing. Thus, it facilitates mutual settlement of grievances and other unwanted situations.
- To facilitates in determining the training and development needs of the both, employees and the organization.

According to Daftaur, Chitranjan N. (1982), human resource managers are concerned about employees' job satisfaction for different reasons. Managers want satisfied employees because:

- Managers care about their employees.
- Satisfied employees may perform better and have less absenteeism and greater longevity. Satisfied employees also tend to produce higher-quality work than their dissatisfied cohorts.
- Satisfied employees are more productive and that organizations with satisfied employees are more efficient.
- Satisfied employees are more likely to experience high internal work motivation, to give high quality work performance and to have less absenteeism and turnover.

2.17 Dimensions to Increase Level of Job Satisfaction

Job satisfaction is critical to high productivity, motivation and low employee turnover (Gregory S., 2010). Employers face the challenges of finding ways to increase job satisfaction so their businesses stay competitive and maintain productivity, profitability as well as keeping their workforce engaged and satisfied with their jobs.

Those that fail to improve job satisfaction are at risk of losing their top talented people to the competition. Supervisors and managers who maximize the potential, creative abilities and talents of the

entire workforce have a greater competitive advantage than those who don't. Employees that are engaged in their work have a higher level of job satisfaction (Gregory S., 2010).

According to Gregory S. (2010), the following are some ways to improve job satisfaction:

- **Provide a positive working environment-** Creating job satisfaction begins by first providing a positive work environment. Most employees prefer Working relatively close to home, in clean and relatively modern facilities and with adequate, Safe and well-maintained tools and equipment. This is because comfortable working conditions such as temperature, light and other environmental factors facilitate to enhance satisfaction level of the employees.
- **Mentally challenging jobs:** employees tend to prefer jobs that give them opportunities to use their skills and abilities and offer a variety of tasks, freedom on how well they are doing. Jobs that have too little challenge create boredom.
- **Reward and recognition-** Personal recognition is a powerful tool in building morale and motivation.
- **Equitable rewards:** employees who perceive that promotion decisions are made in a fair and just manner are likely to experience satisfaction from their jobs. Furthermore, pay is seen as fair and based on job demands, individual skill level and the prevailing market pay standards, job satisfaction is likely to result. Promotion provides opportunities for personal growth, more responsibilities and increased social status.
- **Involve and increase employee engagement-** People may show up for work, but are they engaged and productive? People are more committed and engaged when there is a process for them to contribute their ideas and employee suggestions. This gives them a sense of ownership and pride in their work
- **Develop the skills and potential of your workforce-** Training and education motivates people and makes them more productive and innovative. Well-trained employees are more capable and willing to assume more control over their jobs. They need less supervision, which frees management for other tasks. Employees who understand the business, complain less, are more satisfied, and are more motivated. All this leads to better management-employee relationships.
- **Supportive fellow employees:** Employee's satisfaction is increased when the immediate supervisor understands and friendly, offers praise for good performance, listens to the employee's opinions and shows a personal interest in them
- **Evaluate and measure job satisfaction-** Evaluation is a nonstop activity that includes a specific cycle of steps. The primary purpose of evaluation is to measure progress and determine what needs improving. Continuous evaluation includes, but is not limited to, the measurement of attitudes, morale, and motivation of the workforce. It includes the identification of problem areas needing

improvement and the design and implementation of an improvement plan. Good organizations conduct a job satisfaction survey at least once a year.

2.18 Measure of job satisfaction

A popular measure of job satisfaction used by organizations is measures of the five facets of job satisfaction: pay, security, social, supervisory, and growth satisfaction. The sources of job satisfaction and dissatisfaction vary from person to person Aziri, 2011. As it has been reviewed above from different literatures (Qasim, Cheema & Syed 2012) summed up the important sources of satisfaction for many employees include the challenge of the job, the interest that the work holds for them, the physical activity required, the working conditions, rewards available from the organization, the nature of co-worker's, and the like. In most of recent researches, job satisfaction is measured by using scientific research methods such as the questionnaire. According to Aziri, (2011), Minnesota satisfaction questionnaire and job description index are described as the most commonly used techniques for measuring job satisfaction.

The Minnesota satisfaction questionnaire measures twenty features of work, which can easily be responded by respondents in a paper-pencil type of a questionnaire. The Minnesota satisfaction questionnaire can be implemented both individually and in-group. It is estimated that responding to this questionnaire usually takes between 15-20 minutes (Aziri , 2011). The 1967 version of the Minnesota satisfaction questionnaire uses five response categories: the categories are; not satisfied, somewhat satisfied, satisfied, very satisfied and extremely satisfied. This paper also used this version of Minnesota job satisfaction questionnaire response categories.

The 1977 version of the Minnesota satisfaction questionnaire uses the following response categories: very satisfied, satisfied, neither, dissatisfied and very dissatisfied. The 1977 questionnaire has the following aspects of job: co-workers, achievement, activity, advancement, authority, company policies, compensation, moral values, creativity, independence, security, social service, social status, recognition, responsibility, supervision human relations, supervision-technical, variety, working conditions.

The second job satisfaction measurement technique is the job description index. The job description index is one of the most widely used techniques for measuring job satisfaction. It is a simple and easily applicable method. The measurement of strength and weakness within each factor are a sign as in which field improvement and changes are necessary. The factors considered by the job description index are the nature of work, compensation and benefits, attitudes toward supervisors, relations with co-workers and opportunities for promotion. The employees can evaluate descriptors on each of the five factors with three potential options: one, which means that the description is relevant, two, which means the

description is not relevant, and three, which means the employees does not have an opinion (Aziri, 2011).

2.19 Relationship between rewards and Job Satisfaction

As stated in the above note explaining rewards and job satisfaction, now the researcher see the impact or the relationship between rewards and job satisfaction. Some empirical studies have actually found a link between rewards and employees job satisfaction. Job satisfaction can be understood as an employee's reaction to their job experience which can indicate employees positive emotional state toward their work conditions (Locke, 1976), and Luthans (1998), also further suggest that job satisfaction is an employee's perception regarding those things which are relevant to them. Kalleberg (1977), defines job satisfaction as an outcome of four job variables such as work itself, work conditions, financial benefits, and growth opportunity. Thus, job satisfaction generally describes a person's overall affective reaction to the set of work related factors.

According to March & Simon (1998), rewards can determine what types of employees are attracted to the organization by signing job seekers to less visible organizational attributes. The same also determines whether or not employees are willing to continue working for the organization. If the pay level or benefit level is not satisfactory, the desirability of movement will increase and it is more likely that withdrawal behavior such as tardiness, absenteeism, and turnover increases.

In 1982 a great deal of research has been conducted on pay satisfaction. The following points summarize the conclusions.

1. Satisfaction with pay is a function of how much is received and how much the employee feel Should be received.
2. Peoples feeling of how pay satisfaction are affected by comparison with what happen to others
3. People misperceive the pay others.
4. Overall job satisfaction is influenced by how satisfied employees are with both extrinsic and intrinsic reward they receive.

According to William F.Glueck.1982 cited by wondesen, pay satisfaction varies with these factors:

Salary level:-the higher the pay, the higher the pay satisfaction with in an occupational group at each job level.

Community cost of living: - the lower the cost of living in a community the higher pay satisfaction.

Education:-the major optimistic the employee is about future job conditions, the higher pay satisfaction.

Sex:-females are more satisfied with pay than male workers

Pay basis:-the more pay is perceived to be based on the merit or performance the great the pay

According to Johan M. Ivancevich 2006, Rewards play a significant role in influencing job satisfaction. This is because of two reasons. First, money is an important instrument in fulfilling ones needs; and two; employees often see pay as a reflection of managements' concern for them. Consequently, employees want a pay system, which is simple, fair and in line with their expectations. When pay is seen as fair, based on job demands, individual skill level, and community pay standards, satisfaction is likely to result. According to Bozeman & Gaughan (2011), the perception of being paid what one is worth predicts job satisfaction.

Studies have shown that there is a link between reward packages that employees receive and their job satisfaction. Miller et al. (2001) argue that among the top factors, reward packages create the greatest employee job satisfaction. Evidence suggests that higher rewards help in producing higher job satisfaction among employees (Boyd et al., 2008). Luthans (1998), argues that work related factors such as work activities, pay, supervision, co-workers and promotion impact job satisfaction positively. Therefore both financial and non-financial work related factors affect employees' job satisfaction.

In today's globalized world, organizations are facing changes generated by increased competition, mergers and acquisitions, shifting markets and changing employee demographics. Therefore, it is crucial for organization to strategize their competitive and benefits plans in order to attract and retain appropriate talent, maximize return on human capital and increase employees' job satisfaction.

2.20 Empirical Review of Studies

A number of studies have been conducted to improve understanding of reward systems and the extent to which it influences commitment, motivation and job satisfaction. According to some researchers, rewards and job satisfaction are positively associated with each other. Bidyut Bijoya Neog & Dr. Mukulesh Barua(2014),studies that reward variables such as: Work environment, career opportunity, job security, and supervisor, and recognition etc. have significance impact on employees' job satisfaction.

According to Arun Kant Painoli & Pradeep Joshi(2012),studies factors affecting employees job satisfaction of pharmaceutical sector in India on six different independent variables such as working environment, pay & promotion, fairness, relationship with colleagues, job security & relationship with superiors have a positive relationship with job satisfaction .

According to wondesen (2016),factors determines employees job satisfaction in commercial bank of Ethiopia study investigates on four independent variables such as payment, immediate supervisor, recognition, work itself and the nature of the work have positive relationships with job satisfaction.

According to Bozeman & Gaughan (2011), the perception of being paid what one is worth predicts job satisfaction. They further state that there is a positive significant relationship between rewards and job

satisfaction. Job satisfaction is perceived as an individual's attitude and behavior towards aspects of his own job.

According to Md. Imrul Jobaid (2015), Factors influencing job satisfaction of the employees of tannery industry in Bangladesh, this study investigates that salary and incentive are the most important factors for influencing job satisfaction of employees. Salary is most important, but working condition, supervisor supports, appraisal technique, work training, grievance handling, safety provision, and work life balance are crucial factors for determining employees' job satisfaction.

Reward is a powerful communicator of organizational goals and priorities and companies that expect to be successful must make employees become partners in their success (Shuster & Zingheim, 1993). Pam (2007), observes that employee reward programs can be a sensitive subject, and people get very passionate when trying to determine the most appropriate reward plan for any business. Although money is not a motivator, employees crave for it because financial independence equates with personal freedom. Hence it is what one does with the money that motivates one to work better. From here, it would seem that rewards and job satisfaction have a positive relationship with the employees' job satisfaction. Therefore, it would be best to offer them a competitive salary and benefits, or reduce the gap between employees' benefit expectations and employers' offers.

According to March & Simon (1998), rewards can determine what types of workers are attracted to the organization by signaling job seekers to less visible organizational attributes. If the pay level or benefit level is not satisfactory, the desirability of movement will increase and it is more likely that withdrawal behavior such as tardiness, absenteeism, and turnover increases.

According to Souza (2002), observes that reward is a predictor of job satisfaction in that employees who are paid highly show a greater job satisfaction, a view also held by (Joanne, 1980), employee benefits are used by the organizations to recruit and retain talented employees. In times of economic crisis, when organizations might not be able to offer their employees pay raises and bonuses, benefits become one of the many tools employers use to increase loyalty, productivity and job satisfaction.

A recent research by (Abel G/Tsadik, 2012): on the effect of rewards on job satisfaction; revealed that both Intrinsic and Extrinsic rewards together have positive and significant relationship with job satisfaction using variables such as; working condition, compensation and benefits ,ability and skill utilizations, nature of activity, creativity and achievement. As per his research findings compensation benefits, working relations and nature of activity are found to be strong predictors of job satisfaction

Therefore, based on the above discussions and different related studies, the researcher conclude that rewards can increase employees interest, feeling, innovation (generating of new idea) and job satisfaction of employees. In addition rewards enable employees to do own, not feeling to work in side

of the organization so that, the organization should effectively set the reward system to achieve its objectives .but this does not mean that every employee in the organization will get the same amount of money to be satisfied with their current job.

2.21 Conceptual Framework of the Study

Based on the overall review of related literatures and the theoretical framework, the following conceptual model was developed for this specific study.

As explained in the literature, rewards have significant impact on employees' job satisfaction. Reward has been taken as independent variable while, Job satisfaction as dependent variable. In the independent variable of reward includes five dimensions such as payment, recognition, working condition, promotion opportunity and relations with co-workers. The determinants of job satisfaction for this study are referred to as follows.

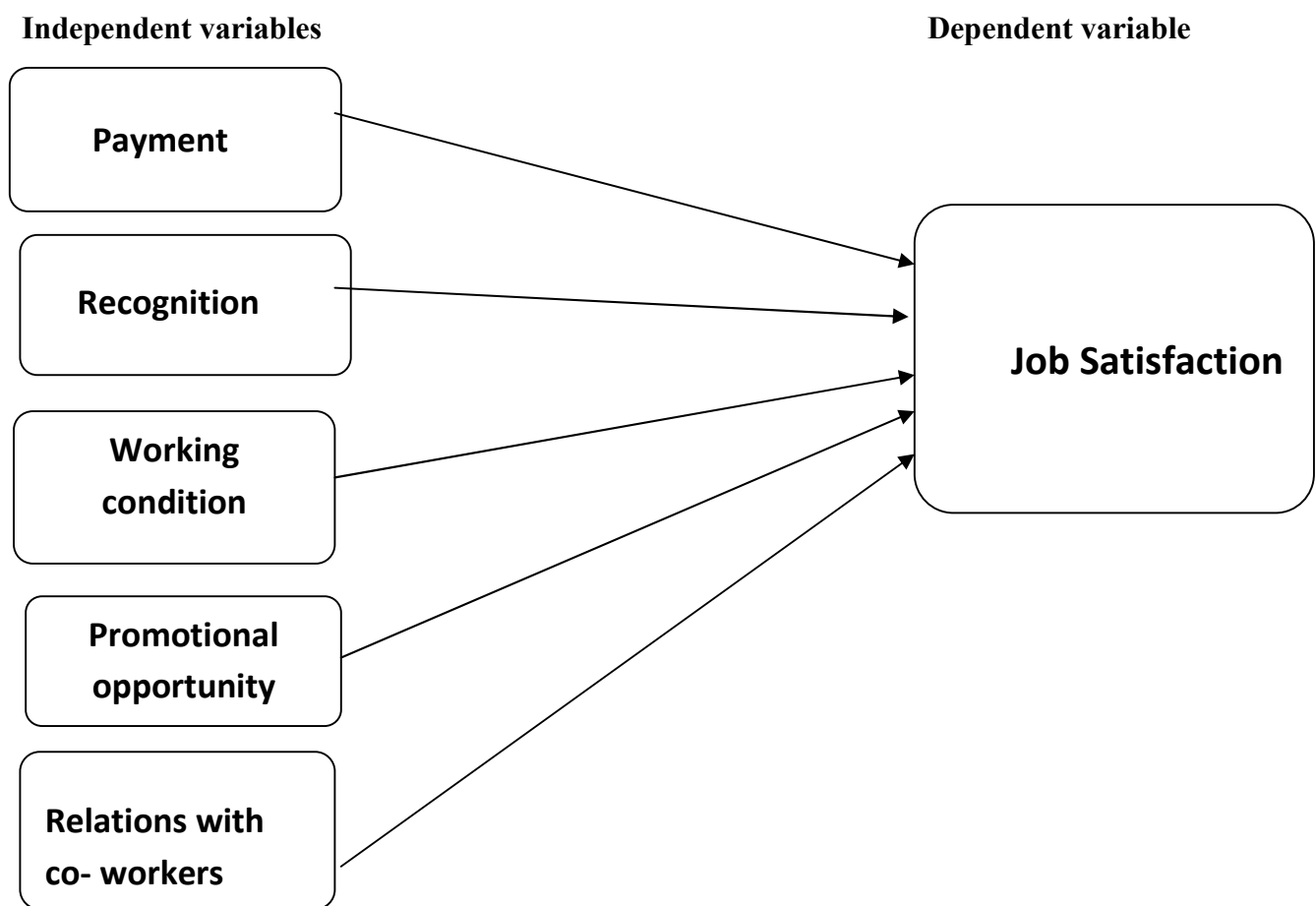


Figure 2.1, Conceptual framework of determinants of job satisfaction

Source: Adapted and modified from: Gerber Mamo (2015)

CHAPTER THREE

RESEARCH METHODOLOGY

3 Introduction

This chapter presents details of the research design and methodology. This includes the research approach, research design, sample size and sampling technique, data source and collection methods, data collection procedures, reliability and validity, ethical considerations and data analysis. After the data collected, it is necessary to utilize statistical techniques to analyze the information.

3.1 Research Approach

For the purpose of this study both qualitative and quantitative (mixed) approach method was used, where greater priority was given to quantitative approach. Because, quantitative research answers questions through a controlled logical process, allowing for the collection of numerical data, the prediction, the measurement of Variables, and the use of statistical procedures to analyze and develop inferences from that data. While qualitative research is concerned with qualitative phenomena, that is, phenomena relating to involving quality or kind. . The purpose of qualitative approach is to analyze open-ended questions and triangulate in explaining and interpreting the finding of quantitative study. According to Creswell (2003), mixed method approach is a relatively new approach which makes use of different forms of data that enable researchers to create understandable design out of complex data and analysis.

3.2 Research Design

This study used both descriptive and explanatory research design. It is descriptive because it wants to describe what it is or what the situation looks like based on the different facts, information and factors regarding the standing or position of the issue or problem as it current happen during the time of the study and also this study used explanatory study design to explain, understand and predict the cause and effect relationship between variables that is reward dimensions independent variables and job satisfaction dependent variable.

The study also used a survey method that helps to provide a quantitative description of the population and determine the relationship that exists between the identified variables. This method helps to studies the sample of the population and makes generalizations about the population. The researcher in this study investigates at the individual level unit of analysis, because individuals were asked about themselves. The research strategy for this study is cross sectional case study of commercial bank of Ethiopia where data was collected at one point in time. The reason for using cross- sectional design is

that it is a reasonable strategy to prefer cross-sectional survey to obtain relevant information from cross-section of population at a single point of time.

3.3 Population and sample Size Determination

The total population of Commercial Bank of Ethiopia is currently more than 28,000 employees and it has also more than 1,100 branches. There are 15 districts in CBE with different number of branches under their supervision where core banking service is provided and various support processes that provide different support services. Among the 15 districts 11 are located outside Addis Ababa and the rest four districts are in Addis Ababa.

CBE branches in and around Addis Ababa are classified into four districts. i.e. North, South, East and West. The branches under the four districts in Addis Ababa region are both city branches and outlying branches. Two hundred fifty five (255) branches are only found in the city and the rest are found in the outlying branches. Because of the remoteness of the outlying branches and considering the response rate in data collection from those branches the sample frame was narrowed to city branches only. The total population that involves in the study is all permanent employees of CBE working in branches under the four districts located in Addis Ababa city branches. The study does not include service workers and non clerical employees who are outsourced from other agencies.

Considering the geographical dispersion of the districts and the homogeneity of the structure of the districts and the branches under them in terms of the service provided and the overall system, the researcher selected two branches from each of the four districts with the higher number of employees and from the total of eight branches 263 samples would be drawn proportionally as it is shown table 3.1

3.4 Sample Size

The number of target population that used for the study is 767. Using Taro Yamane (1967), sample selection method with a probability of 95 % free error, a total of 263 samples would be drawn from the total target population.

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

Where n is the required sample size, N is the population size and e is the level of precision. The formula was developed by Taro Yamane (1967). BY applying the above formula

$$n = 767/1+767(0.05)^2$$

$$n = 767/2.9175= \mathbf{263}$$

So from the target population of 767 employees the researcher selected 263 employees as sample to distribute the questionnaires.

Since the number of people in each branch is not the same, the number of samples for each branch is calculated by the following formula:

$$n1 = nN1/N$$

Where, n= total number of samples

N= total number of population

N1= total number of population in each branch

Table.3.1: The number of population and sample Size in each sample branches of CBE

District	Branches	Total No of employees	Sample from each district
East	Megenagna	58	20
	Africa Avenue	60	21
South	Finfine	99	34
	Temenja yaj	60	21
West	Addis Ketema	67	23
	Abakoran	63	22
North	Addis Ababa	250	86
	Arada Giorgis	110	38
Total		767	263

Source: Employee records in the Human resource management departments of CBE, 2016

3.5 Sampling Technique

The primary purpose of sampling is that by selecting some elements of a population, the researcher can draw conclusions about the entire population. The researcher used purposive sampling technique to select the 8 branches among the 255 city branches. The rationale for planning to use this technique is it helps to select grade IV branches. Those branches are the highest grade branches in terms of their number of employees and number of customers, amount of deposit, number of transaction and the contribution they make for the profitability of the bank.

But the homogeneity of the population of CBE supports the purposive sampling method the researcher employees and makes the findings more generalizable to the CBE employees.

The researcher also used simple random sampling technique to distribute the questionnaires for 263 respondents. The rationale behind using simple random sampling technique for this study is to give each member of the population equal chance of being selected.

3.6 Data sources and types

For the purpose of this research both primary and secondary sources of data were utilized in order to generate both quantitative and qualitative data for its successful accomplishment. Primary data are information that has not been published. In other words, it is the first-hand-data. Primary data is considered the most up to date data as it is usually gathered from the subjects directly by means of questionnaire. . Most of the researchers choose to use primary data instead of secondary data due to its more credibility as it is based on the target population. Considering this the researcher collected primary data by distributing structured questionnaire for the employees of Commercial Bank of Ethiopia.

On the other hand, secondary data are information that has been published or available to public. Secondary data are less time consuming and costly compared to primary data. This is because the information is collected from previous study by other researchers. The researcher collected secondary data for complementing the data obtained from the primary source. The researcher collected secondary data from sources like prior researches, journals, articles, books, internet websites and different manuals and documents of the bank.

3.7 Measurement instrument/Data collection instrument

The main research instrument utilized in this study was questionnaire. According to Leary (2004), Questionnaire is usually inexpensive, easy to administer a large number of employees and less time-consuming and normally gets more consistent and reliable results than other measuring instruments. The results in a questionnaire are usually more reliable because employees are more likely to be truthful when their responses are anonymous.

The questionnaires in this paper contains three parts. The first part is about demographic characteristics of respondents. This part consists of five items such as sex, age, Marital Status, educational background and year of service in Commercial Bank of Ethiopia. The second part is related to the research questions. 32 items developed on a five-point Likert Scale. The third part is some open ended questions are included in order to strengthen more about the finding. Respondents were requested to choose their level of agreement on a given item as follows. 5 “extremely satisfied (ES),”4 very satisfied (VS) “,”3 “satisfied(S)”, 2 “somewhat satisfied (SS) “and 1 “not satisfied (NS)”. These are general questions about the company’s reward programs and level of satisfaction.

In this study the questionnaires were adopted Minnesota Satisfaction Questionnaire which is developed by David J. Weiss et.al (1967). According to the manual for the Minnesota Satisfaction Questionnaire (MSQ) by Weiss, Davis, England, and Lofquist (1967), “the MSQ is an instrument that measures job satisfaction with several different aspects of the work environment”. The several different aspects of the work environment refer to the intrinsic and extrinsic factors of reward that can lead to job satisfaction. To measure the independent variables and the dependent variable, the long-form MSQ used because Weiss,et al (1967),strongly recommended that the long-form MSQ provides much more information for the very short additional time that it additionally required than the short form MSQ. More importantly, the reliability and validity of the long-form MSQ were reported to be stronger than those of the short form MSQ (Weiss, et al., 1967).

3.8 Data Collection procedure

The researcher got permission from all the selected branches of the eight branch managers of the bank. After permission granted by the branch managers the questionnaires were distributed to the respondents, but the objective of the study briefly explained to the respondents in order to fill the questionnaires easily and to get appropriate response. Those questions were simple and straight forward in order to ensure maximum response from the respondents. The questionnaires were both closed-ended and open-ended questions. The closed-ended questions allow the respondents to express their opinions on some specific issues freely and confidentially and the open-ended questions are designed to encourage a full, meaningful answering the subjects own knowledge and or feeling.

3.9 Ethical considerations of data collection

Participants of the study were informed to participate voluntarily and their privacy also kept in secret and it is used for only academic study purpose. According to Creswell (2012) “as the researcher anticipate data collector, the need to respect the participants and sites for the research”. In the study there should be maintain objectivity, courtesy and no falsification, alteration or misrepresentation of data for political or other purposes. Moreover, the use of offensive, discriminatory or other unacceptable languages were avoided in the formulation of questionnaires. And it also kept or protects the confidentiality of the research.

3.10 Reliability and Validity of the Instruments

Hair et al. (2007) defines reliability as the extents to which a variable or a set of variables is consistent in what it is intended to measure or it is the consistency or dependability of a measuring instrument. In the other way reliability is the proportion of the variability in the responses to the survey which is the result

of differences in the respondents. Cronbach's alpha is a measure of reliability. To ensure the consistency of the present instrument, it used the Cronbach's alpha coefficient; Developed by Lee Cronbach in 1951, the Cronbach's alpha coefficient is a statistical tool that evaluates the confusability through the consistency of a questionnaire. For the utilization of this coefficient, it is a requirement that all the items of an instrument use the same measurement scale. The validity of a scale refers to the degree to which it measures what it is supposed to measure.

Table 3.2: Reliability Statistics

Dimensions	Number of attributes	Cronbach's alpha
Payment	7	0.785
Recognition	6	0.935
Promotion opportunities	6	0.736
Working condition	6	0.728
Relations with co-workers	6	0.790
Overall reliability analysis	31	

Source: SPSS reliability result output

As stated by Masdia Masri (2009), the closer the reliability coefficient to 1.00 is the better. In general, reliabilities less than 0.60 are considered poor; those in the range of 0.60 to 0.80 are considered good and acceptable. In this study, all the independent variables and dependent variable meet the above requirement.

3.11 Data Analysis

To analysis this study SPSS version 20 computer software program was used and to asses and describe the independent variables i.e. (payment, recognition, working condition, promotional opportunity, relations with co-workers) and the dependent variables i.e. (job satisfaction). First of all the responses of the participants are coded in excel spreadsheet and then export to SPSS to analyze the findings and then the raw data concerning the respondents demographic and reward variables were depicted using different tables. After the respondents profile presented, the rewards and job satisfaction variables were processed by using descriptive statistics and inferential statistics such as correlation and multiple regression analysis. The descriptive statistics parts of the variables are used means, frequency, standard deviation, and percentage, where as Pearson correlation was used to determine the relationship between the independent and dependent variables. And also regression analyses were used to test the significance and impact of rewards on employees' job satisfaction.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4 Introduction

This chapter entails the findings from the analysis of the collected data. The purpose of this research is to investigate determinants of job satisfaction in commercial bank of Ethiopia found in Addis Ababa. Data Analysis of the findings is generated from the results of survey which conducted through the questionnaires. This chapter presents a discussion of the final results and the process through which the results were obtained. In addition to this, background information of respondents are presented. Finally, the statistical methods of analysis were discussed, which included a descriptive analysis, a correlation analysis, and a regression analysis through SPSS version 20 computer software program.

4.1 Response Rate of the Respondents

A total of 263 questionnaires were distributed and the response rate was indicated in the following 4.1 table.

Table 4.1 Response rate of the respondents

Items	Response rate	
Sample size	263	100%
Collected	215	81.75%
Remain uncollected	48	18.25%

Source: own survey, 2017

The above table 4.1 shows that two hundred sixty three (263) questionnaires were distributed to the respondents, out of this distributed questionnaires 215 (81.75 %) were properly filled and collected while 48 (18.25%) of the questionnaires remain uncollected.

4.2 Demographic Profile of the Respondents

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

Table 4.2: Demographic Profile of the Respondents

Numbers	Items		Frequency	percent	Valid percent	Cumulative percent
1	Gender of respondents	Male	128	59.5	59.5	59.5
		Female	87	40.5	40.5	100
		Total	215	100	100	
2	Age of Respondents	21-30	92	42.8	42.8	42.8
		31-40	74	34.4	34.4	77.2
		41-50	36	16.7	16.7	94.0
		>50	13	6.0	6.0	100
		Total	215	100	100	
3	Marital status of the respondents	Married	86	40.0	40.0	40.0
		Single	121	56.3	56.3	96.3
		Divorce	7	3.3	3.3	99.5
		Widow	1	.5	.5	100
		Total	215	100	100	
4	Educational background of the Respondents	Diploma	15	7.0	7.0	7.0
		Degree	161	74.9	74.9	81.9
		Masters	39	18.1	18.1	100
		Others	-	-	-	-
		Total	215	100	100	
5	Year of service of the respondents	< 3Years	42	19.5	19.5	19.5
		3-5 years	80	37.2	37.2	56.7
		6-10 years	73	34.0	34.0	90.7
		>10 years	20	9.3	9.3	100
		Total	215	100	100	

Source: own survey, 2017

Based on the above table 4.2 item 1 states that 128(59.5%) of the respondents are male and 87(40.5%) of the respondents are female. Based on the information, it can infer that the majority of the employees

currently working in Commercial Bank of Ethiopia are male. The above table 4.2 item 2, specifies the age distribution of the respondents. Based on this 92(42.8%) Of the respondents are with the age of 21-30, 74(34.4%) are age group of 31-40, 36(16.7%) and 13(6%) are with age group of 41-50 and >51 respectively. So this implies that the majorities of the respondents are young and mature productive. Based on the above table 4.2 item 3 states that 86(40%) of respondents are married, 121(56.3%) of them are single and also 7(3.3%) and 1(0.5%) are divorced and window respectively. So this indicates the majority the respondents are single.

As shown in the above table 4.2 number 4, indicates the educational levels of the respondents. Consequently, the largest numbers of the respondents are 161(74.9%) first degree holders followed by masters 39(18.1%) and 15(7%) are diploma levels. This indicates that the majority of the respondents are bachelor degree holders.

The above table 4.2 number 5 states that the work experience or year of service of the respondents in the bank, Based on this 42(19.5%) are <3 years, 80(37.2%) of them are 3-5 years, 73(34%) of them are stay 6-10 years and also 20(9.3%) of the respondents have >10 years of experience in the bank. Therefore, the majority of the respondents have been working in a bank for 3-5 years and significant for the soundness of the data that provided by the respondents since those who have relatively more stayed in the organization know more about and assumed to be they can give accurate information.

4.3 Descriptive Statistics Analysis

Table 4.3: Payment and Job Satisfaction

Items	NS	SS	S	VS	ES
	Number (%)	Number (%)	Number (%)	Number (%)	Number (%)
1. I feel I am fairly paid in my organization in comparison with similar positions in the market	39(18.1%)	43(20%)	80(37.2%)	31(14.4%)	22(10.2%)
2. The current salary is adequate to cop up with the ongoing cost of life	95(44.2%)	54(25.1%)	44(20.5%)	14(6.5%)	8(3.7%)
3. The amount of pay for the work I do	102(47.4%)	54(25.1)	28(13%)	21(9.8)	10(4.7)
4. The Payment system is clearly stated and communicated to all employees	10(4.7%)	32(14.9%)	126(58.6%)	24(11.2%)	23(10.4%)

5. There is a good bonus and overtime payment in my organization than other organizations	11(5.1%)	33(15.3%)	113(52.6%)	46(21.4%)	12(5.6%)
6. Financial incentives are more satisfactory to exert more effort at work	11(5.1%)	61(28.4%)	75(34.9%)	58(27%)	10(4.7%)
7. There is fair salary increment in my organization	11(5.1%)	49(22.8%)	87(40.5%)	56(26%)	12(5.6%)

Source: own survey, 2017

The above table 4.3, Item 1, indicates that I feel I am fairly paid in my organization in comparison with similar positions in the market. Based on this 39(18.1%) of respondents said not satisfied, 43(20%) somewhat satisfied, 80(37.2%) satisfied, 31(14.4%) very satisfied 22(10.2%) extremely satisfied. So this implies that the majority of the respondents are satisfied when they compare their payment with similar positions in the market

Regarding the statement, the current salary is adequate to cop up with the ongoing cost of life, 95(44.2%) not satisfied, 54(25.1%) somewhat satisfied, 44(20.5%) satisfied, 14(6.5%) and the remaining 8(3.7%) extremely satisfied. This indicates that the majority of the respondents are not satisfied.

Regarding to table 4.3, Item 3, the amount of pay for the work I do. Based on this 102(47.4%) of respondents said not satisfied, 54(25.1) somewhat satisfied, 28(13%) satisfied, 21(9.8) very satisfied, 10(4.7) extremely satisfied. So this implies that the majority of the respondents are not satisfied based on the amount of pay for the work I do.

Regarding the statement, the Payment system is clearly stated and communicated to all employees, 10(4.7%) not satisfied, 32(14.9%) somewhat satisfied, 126(58.6%) satisfied, 24(11.2%) very satisfied and the remaining 23(10.4%) extremely satisfied. This indicates that the majority of the respondents are not satisfied.

The above table 4.3, Item 5, indicates that there is a good bonus and overtime payment in my organization than other organizations. Based on this 11(5.1%) of respondents said not satisfied, 33(15.3%) somewhat satisfied, 113(52.6%) satisfied, 46(21.4%) very satisfied, and 12(5.6%) extremely satisfied. So this implies that the majority of the respondents are satisfied based on the bonus and overtime payment from other organizations.

Regarding to the statement, financial incentives are more satisfactory to exert more effort at work, based on this 11(5.1%) are not satisfied, 61(28.4%) somewhat satisfied, 75(34.9%) satisfied, 58(27%) very satisfied and the remaining 10(4.7%) extremely satisfied. This indicates that the majority of the respondents are satisfied.

The above table 4.3, Item 7, indicates that there is fair salary increment in my organization. Based on this 11(5.1%) of respondents said not satisfied, 49(22.8%) somewhat satisfied, 87(40.5%) satisfied, 56(26%) very satisfied, and 12(5.6%) extremely satisfied. So this implies that the majority of the respondents are satisfied based on the salary increment programs in this organization.

Table 4.4: Recognition and Job Satisfaction

Source: own survey, 2017

Items	NS	SS	S	VS	ES
	Number (%)	Number (%)	Number (%)	Number (%)	Number (%)
8. The recognition I get for the work I do	11(5.1%)	12(5.6%)	74(34.4%)	96(44.7)	22(10.2%)
9. Fast and quality service providing employees get recognition and promotion	11(5.1%)	32(14.9%)	77(35.8%)	73(34%)	22(10.2%)
10. The praise I get for doing a good job	11(5.1%)	22(10.2%)	116(54%)	56(26%)	10(4.7%)
11. The way I am noticed when I do a good job	11(5.1%)	30(14%)	108(50.2%)	44(20.5%)	22(10.2%)
12. The way I get full credit for the work I do	11(5.1%)	21(9.8%)	106(49.3%)	65(30.2%)	12(5.6%)
13. Being able to take pride in a job well done	10(4.7%)	22(10.2%)	115(53.5%)	47(21.9%)	21(9.8%)

As shown in the above table 4.4 item 8, the recognition I get for the work I do, 11(5.1%) of the respondents are not satisfied, 12(5.6%) somewhat satisfied, 74(34.4%) satisfied, 96(44.7) very satisfied and also 22(10.2%) extremely satisfied. This shows that the majority of the respondents are very satisfied.

Regarding to the way fast and quality service providing employees get recognition and promotion, 11(5.1%) of the respondents are not satisfied, 32(14.9%) of them somewhat satisfied, 77(35.8%)

satisfied, 73(34%) very satisfied and 22(10.2%) extremely satisfied. So this indicates the majority of respondents are satisfied.

Based on the above table 4.4 item 10, indicates that the praise I get for doing a good job, 11(5.1%) of the respondents are not satisfied, 22(10.2%) somewhat satisfied, 116(54%) satisfied, 56(26%) very satisfied and also 10(4.7%) extremely satisfied. This indicates that the majority of the respondents are satisfied.

As indicated in the above table 4.4 item 11, the way I am noticed when I do a good job, 11(5.1%) of the respondents are not satisfied, 30(14%) somewhat satisfied, 108(50.2%) satisfied, 44(20.5%) very satisfied and also 22(10.2%) extremely satisfied. This shows that the majority of the respondents are satisfied.

Regarding to the statement, the way I get full credit for the work I do 11(5.1%) of the respondents are not satisfied, 21(9.8%) somewhat satisfied 106(49.3%) satisfied, 65(30.2%) very satisfied and the remaining 12(5.6%) extremely satisfied. This indicates that the majority of the respondents are satisfied.

Based on the above table 4.4 item 13, indicates that Being able to take pride in a job well done, based on this 10(4.7%) of the respondents are not satisfied, 22(10.2%) somewhat satisfied, 115(53.5%) satisfied, 47(21.9%) very satisfied and the remaining 21(9.8%) extremely satisfied. This shows that the majority of the respondents are satisfied.

Based on this analysis the majority of the respondents are satisfied with the recognition given by the bank.

Table 4.5: Promotion Opportunities and Job Satisfaction

Items	NS	SS	S	VS	ES
	Number (%)	Number (%)	Number (%)	Number (%)	Number (%)
14. I am promoted in fair and honest way	2(0.9%)	31(14.4%)	119(55.5%)	52(24.2%)	11(5.1%)
15. The way promotions are given out of the current job	21(9.8%)	22(10.2%)	95(44.2%)	66(30.7%)	11(5.1%)
16. The way my company fill vacant position in the form at internal promotion	10(4.7%)	31(14.4%)	108(50.2%)	53(24.7%)	13(6%)
17. Promotion opportunities provided for you	11(5.1%)	31(14.4%)	93(43.3%)	58(27%)	22(10.2%)

18. Clear promotion criteria's are available in the organization	11(5.1%)	23(10.7%)	87(40.5%)	73(34%)	21(9.8%)
19. Everyone has equal chance to be promoted	21(9.8%)	30(14%)	96(44.7%)	56(26%)	12(5.6%)

Source: own survey, 2017

Based on the above table 4.5 item 14, indicates that I am promoted in fair and honest way, based on this 2(0.9%) of the respondents are not satisfied, 31(14.4%) somewhat satisfied, 119(55.5%) satisfied, 52(24.2%) very satisfied and the remaining 11(5.1%) extremely satisfied. This shows that the majority of the respondents are satisfied.

Regarding to the statement, the way promotions are given out of the current job, 21(9.8%) of the respondents are not satisfied, (22(10.2%) somewhat satisfied 95(44.2%) satisfied 66(30.7%) very satisfied and the remaining 11(5.1%) extremely satisfied. This indicates that the majority of the respondents are satisfied.

Based on the above table 4.5 item 16, indicates that the way my company fill vacant position in the form at internal promotion, based on this 10(4.7%) of the respondents are not satisfied, 31(14.4%) somewhat satisfied, 108(50.2%) satisfied, 53(24.7%) very satisfied and the remaining 13(6%) extremely satisfied. This shows that the majority of the respondents are satisfied.

Regarding to the statement, Promotion opportunities provided for you, based on this 11(5.1%) of the respondents are not satisfied, 31(14.4%) somewhat satisfied 93(43.3%) satisfied, 58(27%) very satisfied and the remaining 22(10.2%) extremely satisfied. This indicates that the majority of the respondents are satisfied.

Based on the above table 4.5 item 18, clear promotion criteria's are available in the organization, based on this 11(5.1%) of the respondents are not satisfied, 23(10.7%) somewhat satisfied, 87(40.5%) satisfied, 73(34%) very satisfied and the remaining 21(9.8%) extremely satisfied. This shows that the majority of the respondents are satisfied.

Regarding to the statement, everyone has equal chance to be promoted, 21(9.8%) of the respondents are not satisfied, 30(14%) somewhat satisfied, 96(44.7%) satisfied, 56(26%) very satisfied and the remaining 12(5.6%) extremely satisfied. This indicates that the majority of the respondents are satisfied.

Based on this analysis the majority of the respondents are satisfied with the Promotion Opportunities provided by the bank.

Table 4.6: Working Condition and Job Satisfaction

Items	NS	SS	S	VS	ES
	Number (%)	Number (%)	Number (%)	Number (%)	Number (%)
20. Availability of conducive working environment for employees	12(5.6%)	20(9.3%)	99(46%)	63(29.3%)	21(9.8%)
21. The arrangement of office layout is convenient and attractive for me	20(9.3%)	15(7%)	114(53%)	55(25.6%)	11(5.1%)
22. Being able to keep busy all the time	95(44.2%)	50(23.3%)	34(15.8%)	24(11.2%)	12(5.6%)
23. The routine in my work	89(41.4%)	62(28.8%)	33(15.3%)	19(8.8%)	12(5.6%)
24. Overall job security	22(10.2%)	13(6%)	106(49.3%)	53(24.7%)	21(9.8%)
25. I have a good future in this organization	31(14.4%)	31(14.4%)	100(46.5%)	53(24.7%)	

Source: own survey, 2017

Based on the above table 4.6 item 20, Availability of conducive working environment for employees, based on this 12(5.6%) of the respondents are not satisfied, 20(9.3%) somewhat satisfied, 99(46%) satisfied, 63(29.3%) very satisfied and the remaining 21(9.8%) extremely satisfied. This shows that the majority of the respondents are satisfied.

Regarding to the statement, the arrangement of office layout is convenient and attractive for me, based on this 20(9.3%) of the respondents are not satisfied, 15(7%) somewhat satisfied, 114(53%) satisfied, 55(25.6%) very satisfied and the remaining 11(5.1%) extremely satisfied. This indicates that the majority of the respondents are satisfied.

Based on the above table 4.6 item 22, Being able to keep busy all the time, 95(44.2%) of the respondents are not satisfied, 50(23.3%) somewhat satisfied 34(15.8%) satisfied, 24(11.2%) very satisfied and the remaining 12(5.6%) extremely satisfied. This shows that the majority of the respondents are not satisfied.

Regarding to the routine in my work, the majority of the respondents are not satisfied followed by somewhat satisfied with the value of 89(41.4%) and 62(28.8%) respectively. And 33(15.3%) of the

respondents are satisfied, 19(8.8%) very satisfied and the remaining 12(5.6%) are extremely satisfied. This indicates that the majority of the respondents are not satisfied by the routine of work.

Regarding to the job security, the majority of the respondents are satisfied followed by very satisfied with the value of 106(49.3%) and 53(24.7%) respectively. And 21(9.8%) are extremely satisfied and the remaining 13(6%) are somewhat satisfied and 21(9.8%) are not satisfied. This indicates that the majority of the respondents are satisfied by job security of the bank.

Based on the above table 4.6 item 25, I have good future in this organization, 31(14.4%) of the respondents are not satisfied, 31(14.4%) somewhat satisfied, 100(46.5%) satisfied, and 53(24.7%) very satisfied. This shows that the majority of the respondents are satisfied.

Generally based on the above analysis the researcher concludes that the majority of the employees of the bank are satisfied by the physical working condition of the job and job security of the bank. On the other hand the majority of respondents are not satisfied by the routine of the work and being able stay busy in the bank.

Table 4.7: Relations with co-workers and Job Satisfaction

Items	NS	SS	S	VS	ES
	Number (%)	Number (%)	Number (%)	Number (%)	Number (%)
26. I have good communication with my co-worker	11(5.1%)	24(11.2%)	111(51.6%)	58(27%)	11(5.1%)
27. The spirit of cooperation among my co-workers	11(5.1%)	42(19.5%)	78(36.3%)	73(34%)	11(5.1%)
28. The chance to develop close friendship with my co-workers	12(5.6%)	33(15.3%)	94(43.7%)	65(30.2%)	11(5.1%)
29. Feeling of being treated equality (fairness)	20(9.3%)	40(18.6%)	99(46%)	44(20.5%)	12(5.6%)
30. Respect from colleagues	11(5.1%)	23(10.7%)	118(54.9%)	53(24.7%)	10(4.7%)
31. I fell open and honest to talk with members of my work group	11(5.1%)	32(14.9%)	88(40.9%)	61(28.4%)	23(10.7)

Source: own survey, 2017

Based on the above table 4.7 item 26, I have good communication with my co-worker, 11(5.1%) of the respondents are not satisfied, 24(11.2%) somewhat satisfied 111(51.6%) satisfied, 58(27%) very

satisfied and the remaining 11(5.1%) extremely satisfied. This shows that the majority of the respondents are satisfied.

Regarding to the statement, the spirit of cooperation among my co-workers, 11(5.1%) of the respondents are not satisfied, 42(19.5%) somewhat satisfied, 78(36.3%) satisfied, 73(34%) very satisfied and the remaining 11(5.1%) extremely satisfied. This indicates that the majority of the respondents are satisfied by the sprite of cooperation.

Regarding to the chance to develop close friendship with my co-workers, the majority of the respondents are satisfied followed by very satisfied with the value of 94(43.7%) and 65(30.2%) respectively. And 33(15.3%) are somewhat satisfied and 12(5.6%) are not satisfied and the remaining 11(5.1%) are extremely satisfied. This indicates that the majority of the respondents are satisfied.

Regarding to the statement, feeling of being treated equally (fairness), 20(9.3%) of the respondents are not satisfied, 40(18.6%) somewhat satisfied, 99(46%) satisfied, 44(20.5%) very satisfied and the remaining 12(5.6%) extremely satisfied. This indicates that the majority of the respondents are satisfied with the feeling of being treated equally.

Regarding to respect from colleagues, the majority of the respondents are satisfied followed by very satisfied with the value of 118(54.9%) and 53(24.7%) respectively. And 23(10.7%) are somewhat satisfied and 11(5.1%) are not satisfied and the remaining 10(4.7%) are extremely satisfied. This indicates that the majority of the respondents are satisfied.

Regarding to the statement, I fell open and honest to talk with members of my Work group, 11(5.1%) of the respondents are not satisfied, 32(14.9%) somewhat satisfied, 88(40.9%), 61(28.4%) very satisfied and the remaining 23(10.7) are extremely satisfied. This indicates that the majority of the respondents are satisfied with the felling of open and honest to talk with members of the group.

Table 4.8: Overall Level of Job Satisfaction

Items	NS	SS	S	VS	ES
	Number (%)	Number (%)	Number (%)	Number (%)	Number (%)
32. How do you rate your overall level of job satisfaction	30(14%)	38(17.7%)	68(31.6%)	61(28.4%)	18(8.4%)

Source: own survey, 2017

Based on the above table 4.8 the majority of the respondents are satisfied followed by very satisfied with the value of 68(31.6%) and 61(28.4%) respectively. And also 18(8.4%) of them are extremely satisfied, 38(17.7%) Somewhat Satisfied and the remaining 30(14%) are not satisfied by the overall satisfaction of the reward by the bank.

Table 4.9: Overall level of Job Satisfaction

	N	Mean	Std. Deviation
Payment	215	2.71	1.21
Recognition	215	3.26	0.93
Promotion opportunities	215	3.17	0.94
Working condition	215	2.76	1.06
Relations with co-workers	215	3.13	0.94
Employees job satisfaction	215	3.00	1.17
Valid N (list wise)	215		

The above table 4.9 indicates that Recognition, Promotion opportunities and Relations with co-workers are relatively have high Mean (3.26, 3.17 and 3.13) respectively. This shows that the majority of the respondents are satisfied by recognition, Promotion opportunities and Relations with co-workers of the bank. On the other hand working condition and payment have least mean value i.e.2.76 and 2.71 respectively. Therefore this shows that the majority of the respondents are less satisfied by Payment and working conditions of the bank. So the bank in order to satisfy its employees and to achieve its vision and mission easily and to win its competitors of others it expects more and more especially for the two parts i.e. payment and working condition must be improved or take an adjustment mechanisms.

4.4 Pearson Correlation Analysis

Table 4.10: Correlations between Reward Variables and Job Satisfaction

		Payment	Recognition	Promotion opportunities	Working condition	Relations with co-workers	Over all job satisfaction
Payment	Pearson correlation	1					
	Sig.(2-tailed)						
	N	215					
Recognition	Pearson correlation	.789**	1				
	Sig.(2-tailed)	.000					
	N	215	215				
Promotion opportunities	Pearson correlation	.634**	.742**	1			
	Sig.(2-tailed)	.000	.000				
	N	215	215				
Working condition	Pearson correlation	.558**	.621**	.748**	1		
	Sig.(2-tailed)	.000	.000	.000			
	N	215	215	215			
Relations with co-workers	Pearson correlation	.387**	.329**	.624**	.714**	1	
	Sig.(2-tailed)	.000	.000	.000	.000		
	N	215	215	215	215		
Over all Job satisfaction	Pearson correlation	.627**	.394**	.510**	.566**	.340**	1
	Sig.(2-tailed)	.000	.000	.000	.000	.000	
	N	215	215	215	215	215	215

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

Source: SPSS Correlation result output, 2017

In determining the strength of the relationship based on Pabachnic and Fidell, 2007 the value of the coefficient of correlation between 0 & 1 are interpreted as follows.

$r = .10$ to $.29$ or $r = -.10$ to $-.29$ weak

$r = .30$ to $.49$ or $r = -.30$ to $-.49$ moderate and

$r = .50$ to 1 or $r = -.50$ to -1.0 strong

The correlation analysis of the above table 4.10 shows that there is a positive relationship between each dimensions of reward. The highest correlation between recognition and payment (.789**) followed by working condition and promotion opportunities (.748**), which indicates that if there is a recognition the payment also increase proportionally. So based on the above measurement mechanisms there is strong correlation between recognition and payment as the same time there is also a strong correlation between working condition and promotion. On the other hand there is a moderate correlation between relations with co-workers and payment (.387**), and relations with co-workers and recognition (.329**) respectively.

The above table 4.10 shows that the Correlation value between reward dimensions and employees job satisfaction. The result of the correlation analysis shows that there is strong positive and moderate significant relationship or correlation between reward variables and employees job satisfaction. Payment and job satisfaction ($r = 0.627$, $p < 0.05$) has strong correlation, Recognition and job satisfaction ($r = 0.394$, $P < 0.05$) has moderate correlation, Promotion opportunities and employees job satisfaction ($r = 0.510$, $P < 0.05$) has strong correlation, Working condition and job satisfaction ($r = .566$, $p < 0.05$) has strong correlation and Relations with co-workers and job satisfaction ($r = .340$, $p < 0.05$) has moderate correlation.

4.5 Multiple Regression Analysis

In this part of the analysis includes a regression model to test the hypothesis. Five extracted dimensions were taken as independent variables against overall job satisfaction of the employees as dependent variable in a multiple regression model. For all the hypothesis of the study below was used at 95% confidence interval.

The impact of reward on employee's job satisfaction

To know about the impact of individual dimensions of reward variables on the overall of job satisfaction multiple regressions using the following model was run:

$$y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + e$$

Therefore based on the results of the regression model coefficients in table 4.12

$$\text{Job satisfaction} = 0.174 + 0.519(x_1) + 0.090(x_2) + 0.084(x_3) + 0.674(x_4) + 0.103(x_5) + 0.05$$

Overall result of reward with job satisfaction

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.884 ^a	.781	.744	.591

a. Dependent Variable: Overall job satisfaction level

b. Predictors: (Independent): payment, recognition, working condition, promotion and Relations with co-workers

Based on the above table 4.11, it can be observed that the R value is .884. So this R value states that the overall reward dimensions such as payment, recognition, working condition, promotion and Relations with co-workers, there is strong effect of five independent variables on employees' job satisfaction. And also R-square (.781) this indicates that 78.1% variation on dependent variable (job satisfaction) due to independent variable (Reward). Which in fact, it is a strong explanatory power of regression and the other unidentified variables may explain the remaining (21.9%) variation in employees' job satisfaction.

Table 4.12: Regress Job Satisfaction on Reward Dimension

Coefficients

Model	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
	B		Beta		
(Constant)	.174	.126		.938	.000
Payment	.519	.188	.277	2.755	.006
Recognition	.090	.155	.063	.579	.563
Promotion	.084	.120	.061	.697	.486
Working condition	.674	.142	.450	4.742	.000
Relations with co-workers	.103	.144	.060	.718	.473

In table 4.12, Unstandardized Coefficients indicates how much the dependent variable varies with an independent variable when all other independent variables are held constant. The beta coefficients indicates that how and to what extent reward dimensions such as payment, recognition, working condition, promotions and relations with co-workers influence employees job satisfaction of the selected commercial bank of Ethiopia.

Based on the above table 4.1 sig. value is used to test the impact of each reward variables on employees' job satisfaction separately. Based on this if sig.value is less than p-value just it is concludes that reward variables have significance impact on employees' job satisfaction.

Therefore, based on the results of multiple regressions, as presented in table 4.12 above revealed that payment and working condition have the highest significant impact on employees job satisfaction with sig. value of payment (sig.= 0.006) and working condition (sig.= .000) respectively at 95% confidence level ($p < 0.05$). Therefore, the researcher has accept the alternative hypothesis and reject the null hypothesis i.e. payment has positive and significant impact on employees job satisfaction and working condition also has a positive and significant impact on employees job satisfaction

The result of table 4.12 shows that the sig.value of recognition was positive and insignificant (sig. = 0.563, $p < 0.05$). Thus, the researcher has accept the null hypothesis and reject the alternative hypothesis.

Regarding to promotion, promotion has positive and insignificant impact on employees job satisfaction with the sig. value of (sig. =0.486, $p < 0.05$).Therefore the researcher has accept the null hypothesis and reject the alternative hypothesis.

Based on the results shown in the above table 4.12, sig. value of relations with co-workers were positive and insignificant with a sig. value of (sig. =0.473, $p < 0.05$).). Therefore, the researcher has accept the null hypothesis and reject the alternative hypothesis.

Generally based on the above analysis the researcher concludes that payment and working condition reward variables have the highest significant impact on employees' job satisfaction. But recognition, promotion opportunities and relations with co-workers have a relatively lower impact on employees' job satisfaction.

Table 4.13: ANOVA for reward dimensions and job satisfaction

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	227.184	31	7.329	121.017	0.000 ^b
	Residual	63.811	183	.349		
	Total	290.995	214			

- a. Dependent Variable: Overall job Satisfaction level
- b. Predictors: (constant): payment, recognition, working condition, promotion and Relations with co-workers

F-test is used to test the impact of overall explanatory power of the whole model, or the joint effect of all explanatory variables as a group. (i.e. testing the overall performance of the regression coefficients). It measures the statistical significance of the entire regression equation rather than each individual coefficient as the beta value is designed to do.

The greater the value of F-statistics, the more confident the researcher would be that variables included in the model have together a significant effect on the dependent variable, and the model has a high explanatory power.

From the ANOVA table 4.13, it is identified that the value of F-statistics is 121.017 and is significant as the level of significance is less than 5% ($p < 0.05$).

This indicates that the overall model was reasonable fit and there was a statistically significant association between reward dimensions and employees' job satisfaction.

4.6 Descriptions and analysis from open ended questions

Q1. Please, specify the rewards available in your organization?

Most of CBE respondents they respond that the rewards provided by Commercial Bank of Ethiopia were listed as follows: Medical plan, life insurance, bonus, transport allowance, staff loan, housing loan and educational fee programs.

Q2. What are the major problems that your bank is facing with respect to reward?

Most of CBE respondents noted that, there are a lot of problems that our bank faces with respect to reward. These are: employees' turnover increases from time to time, there is no proper communication between managers and other clerical employees due to dissatisfaction of reward policy.

Q3. What do you think the bank (i.e. CBE) should do to improve job satisfaction of employees?

Most of CBE respondents they respond that the bank should do so many things in order to improve job satisfaction of employees. Even though CBEs reward programs are good when we compared with other banks, but there are a number of problems associated with other financial and non financial rewards that provided by the bank. For instance, the salary, fuel, transport, loan, housing and hardship allowance is said to be not enough and is not subject to adjustment with the increase in cost of living. The health service provided by the bank doesn't cover families or spouses of the employee. In addition, the educational opportunity provided by the bank is also not adequate, the arrangement of office layout is not good and also there is shortage of infrastructures like chair, printer mashins etc. So in order to improve job satisfaction of employees the bank must solve those problems by critically seen each

activities and giving different training programs for its employees by considering employees are key resources for its sustainability and profitability. If those problems are really solved by the bank it is defiantly improve job satisfaction of employees.

Q4. Any comment/suggestion about the reward systems of Commercial Bank of Ethiopia

CBE respondent's comment about the overall reward programs of Commercial Bank of Ethiopia. Most of the respondents comment that there is low payment and poor benefit packages when compared to its work load, so there must be an adjustment and try to balance. Moreover, the available benefit packages should be practiced as intended. Generally speaking the current rewards that much not strongly motivate employees job satisfaction. The reward program changes should take into consideration the current market condition and employees' interest. Banks should create conducive working environment which is very essential to facilitate the day to day activities of employees. Banks should periodically update their reward policy and should be communicated to employees.

In addition to this the management has to raising awareness among employees about the issue of rewards and should assess the interest of employees then provide appropriate benefits.

Chapter Five

5 Summary of Finding, Conclusions and Recommendations

This chapter deals with summary of findings, conclusions and, recommendations. The summary of findings includes the demographic information of respondents, impact of rewards on employees' job satisfaction.

5.1 Summary of Findings

The background information of CBE respondents indicates that the majority of the respondents 128(59.5%) are male, 92(42.8%) aged in the range of 21-30 years, 121(56.3%) are single, 161(74.9%) are degree holders, 80(37.2%) of respondents have tenure of 3-5 years.

The items included in the rating scale were grouped into five dimensions these are payment, recognition, Promotion opportunities, working condition and relations with co-workers.

The results of the descriptive statistical analysis indicated that employees were satisfied with the recognition dimensions of reward followed by Promotion opportunities and Relations with co-workers. However, employees were less satisfied by payment and Working condition of the bank. The overall satisfaction level of employees shows that the majority of respondents are satisfied 68(31.6%) followed by very satisfied 61(28.4%) by rewards of the bank.

The finding of the correlation analysis shows that there is a strong positive and significant relationship or correlation between reward variables (payment, recognition, working condition, promotion opportunities and relations with co-workers) and employees' job satisfaction.

From the R square value it is shown that 78.1% of variation in employees' job satisfaction is explained by the reward dimensions.

From the multiple regression analysis it is observed that payment and working condition dimensions have positive and significant impact on employees' job satisfaction. On the other hand recognition, promotion opportunities and Relations with co-workers have relatively not significant impact on employees' job satisfaction.

5.2 Conclusion

The main objective of this research was to identify determinants of job satisfaction in the case of commercial bank of Ethiopia. As stated in the literature the five determinants of job satisfaction were; payment, recognition, working condition, promotion opportunities and relations with co-workers. The result shows that payment and working condition dimensions have positive and significance impact on

employees' job satisfaction. While recognition, promotion opportunities and relations with co-workers have relatively have not significant impact on employees' job satisfaction.

Regarding to payment dimension the majority of the employees are not satisfied when they compare their payment with the amount they perform and with other companies in the same job position level. But in overall payment dimensions have average mean score of 2.71. This indicates the majority of the employees are less satisfied by the payment of the bank.

Regarding to recognition the majority of the employees are satisfied with the average mean value of 3.26. This indicates that there is moderate attractive recognition programs are available in commercial bank of Ethiopia.

Based on the findings working condition dimension of reward, most employees are not satisfied by being stay busy and the routine in the work. But on other items in working condition most employees are satisfied therefore working condition have average mean score of 2.76, This indicates that there is relatively good working condition in commercial bank of Ethiopia.

From the analysis shown the majority of the employees are satisfied by all items of promotion opportunities except clear promotion criteria's are available in the organization i.e. not satisfied, while in overall promotion opportunity dimensions of reward most employees of commercial bank of Ethiopia satisfied with an average mean value of 3.17.

The results of the correlation analysis proved that there is strong and moderate positive and significant relationship or correlation between reward dimensions and employees job satisfaction. Regarding to regression analysis payment and working condition variables have positive and significant impact on employees' job satisfaction.

On the other hand recognition, promotional opportunities and relations with co-workers have relatively not significant impact on employees' job satisfaction.

5.3 Recommendations

Based on the findings and conclusions of the research the following recommendations were forwarded to the bank managements.

- ❖ Since payment and working conditions reward variables have positive and significant impact on employees' job satisfaction, the bank should give more attention and update the payment periodically and also it is expected to create new strategies which is unique from others to win the market.

- ❖ Promotion provides the opportunity to develop their skill and talent, which can contribute to career growth and advancement within the bank. It is recommended that to promote those employees who exemplify the quality and performance expectation of the bank and also to give opportunity of transfer to employees. So as this time they get good experience on different responsibilities and develop new skills.
- ❖ Regarding to the working condition, employees are not satisfied with the routine work and stay busy. This dissatisfaction may create an intention on employees to see somewhere else. So, it is recommended that the bank clearly examine every employees effort and create an opportunity to career advancement by applying job rotation mechanisms and by using advanced technology for its routine and boring work.
- ❖ Regarding to the overall satisfaction level, even though the majority of employees are satisfied followed by very satisfied but some employees are not satisfied. So the bank should improve those reward variables to increase the job satisfaction level of employees.

In general, banks should have to make improvement on all dimensions of reward in order to increase employees job satisfaction .This will enable them maintain high level of competitiveness in retail banking industry.

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APPENDIX



ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS SCHOOL OF COMMERCE MA IN HUMAN RESOURCE MANAGEMENT

Dear respondents!

My name is Henok Tesfaye, I am a graduate student at Addis Ababa University College of Business and Economics in HRM-Program. You are being invited to participate in a research study about determinants of job satisfaction in the case of Commercial Bank of Ethiopia. The objective of this research project is to investigate determinants of job satisfaction in Commercial bank of Ethiopia. In order for the survey to give a true picture, your genuine response will have a great impact. So feel free and respond to the questions in the way you really feel. Your answer will be kept strictly confidential and will only be used for research purposes.

General Instructions

- There is no need for writing your name
- In all cases where answer options are available please make a tick mark (√) in the appropriate box where the choice is appropriate for you.

Part I: Demographic characteristics

1. Gender: 1. Male 2. Female
2. Age: 1. 21-30 2. 31-40 3. 41-50 4. Over 50
3. Marital Status: 1. Married 2. Single 3. Divorce 4. Widow
4. Education: 1. Diploma 2. Degree 3. Masters 4. others
5. Year of service: 1. <3 years 2. 3-5 years 3. 6-10 years 4. >10 years

Part II: Research Related Questions

The following questions are presented on a five point Likert scale. If that aspect is much better than you expect it could be choose **5** extremely satisfied (**ES**), if that aspect is even better than you expected it could be choose **4** very satisfied(**VS**), if that aspect is what you would like it to be choose **3** satisfied(**S**), choose **2** somewhat satisfied(**SS**) and if that aspect is much poorer that you would like it to be choose **1** (**NS**)

Please rate the following Statements by ticking “√” only one box on the right side with the response that you think best represent your feelings and/or attitudes

Statements		1	2	3	4	5
	Basic pay/salary					
1.	I feel I am fairly paid in my organization in comparison with similar positions in the market					
2.	The current salary is adequate to cop up with the ongoing cost of life					
3.	The amount of pay for the work I do					
4.	The Payment system is clearly stated and communicated to all employees					
5.	There is a good bonus and overtime payment in my organization than other organizations					
6.	Financial incentives are more satisfactory to exert more effort at work					
7.	There is fair salary increment in my organization					
	Recognition					
8.	The recognition I get for the work I do					
9.	Fast and quality service providing employees get recognition and promotion					
10.	The praise I get for doing a good job.					
11.	The way I am noticed when I do a good job					
12.	The way I get full credit for the work I do					

13.	Being able to take pride in a job well done					
	Promotion opportunities					
14.	I am promoted in fair and honest way					
15.	The way promotion are given out of the current job					
16.	The way my company fill vacant position in the form at internal promotion					
17.	Promotion opportunities provided for you					
18.	Clear promotion criteria's are available in the organization					
19.	Everyone has equal chance to be promoted					
	Working condition					
20.	Availability of conducive working environment for employees					
21.	The arrangement of office layout is convenient and attractive for me					
22.	Being able to keep busy all the time					
23.	The routine in my work					
24.	Overall job security					
25.	I have a good future in this organization					
	Relations with co-workers					
26.	I have good communication with my co-worker					
27.	The spirit of cooperation among my co-workers					
28.	The chance to develop close friendship with my co-workers					
29.	Feeling of being treated equality (fairness)					
30.	Respect from colleagues					
31.	I fell open and honest to talk with members of my work group					
	JOB Satisfaction					
32.	How do you rate your overall level of job satisfaction					

Part III: Open-ended questions

1. Please, specify the rewards available in your organization?

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2. What are the major problems that your bank is facing with respect to reward?

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3. What do you think the bank should do to improve job satisfaction of employees?

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4. Any comment/suggestion about the reward systems of Commercial Bank Of Ethiopia

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Thank you for completing the Questionnaire!!!