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# **“The Impact of Organizational Climate on Employees’ Job satisfaction: The Case of Commercial Bank of Ethiopia”**

**By**

**Abel Yacob (GSE/5738/14)**

**Advisor:**

**Abraraw Chane (PhD)**

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## DECLARATION

I hereby declare that the research entitled “The impact of organizational climate on employees’ job satisfaction: The case of commercial bank of Ethiopia” is my own work guided by Mr. Abraraw Chane (PhD) and that all sources I have used or quoted have been indicated and acknowledged accordingly.

Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

## STATEMENT OF CERTIFICATION

This is to certify that Abel Yacob's research project work on the topic "The impact of organizational climate on employees' job satisfaction: The case of commercial bank of Ethiopia." is original and eligible for submission for a Master's Degree in Business Leadership.

Declared by: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Addis Ababa University School of Commerce**

**Department of Business Leadership**

**Board of Examination Sheet**

**The impact of organizational climate on employees' job satisfaction:**

**The case of commercial bank of Ethiopia**

**By Abel Yacob**

**Approved by the Board of Examiners:**

_____ Advisor	_____ Signature	_____ Date
_____ Internal examiner	_____ Signature	_____ Date
_____ External examiner	_____ Signature	_____ Date

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## **LIST OF ACRONYMS**

ANOVA	Analysis of Variance
CBE	Commercial bank of Ethiopia
SPSS	Statistical package for social science
VIF	Variance inflation factor

## **ABSTRACT**

The main purpose of this study is to explore the impact of organizational climate on employees' job satisfaction at commercial bank of Ethiopia. The subjects of the study are employees of the Bank who work at the head quarter. This study was conducted with the use of a survey. A questionnaire on organizational climate dimensions and job satisfaction was developed to assess both the organizational climate and job satisfaction of the employees. Two hundred seventy-eight (278) questionnaires were returned, for a response rate of 91.72 percent. The questionnaire was divided into two parts. The first part included questions related to respondents' biographical and organizational variables and the second part comprises of 30 measuring questions under different categorical dimensions. Statistical methods used to analyze the data included Cronbach's alpha coefficient to determine reliability of the instrument. Spearman's rho correlation was employed to assess the degree of relationship between organizational climate and job satisfaction. The data analysis revealed a strong, positive, and significant correlation between all dimensions of organizational climate (trust, job security, job autonomy, and recognition) and job satisfaction. Regression analysis further confirmed that these dimensions collectively explained a significant portion (64.7%) of the variance in job satisfaction, with all four being significant predictors. The findings suggest that fostering a positive organizational climate that emphasizes trust, job security, job autonomy, and recognition can contribute to increased job satisfaction among employees.

Key Words: - Organizational Climate, Job Satisfaction, Trust, Job security, Job autonomy, and Recognition and appreciation

# CHAPTER ONE

## 1. Introduction

### 1.1 Background/ Rational of the Study

Organizations are facing more challenges in this new age because of the dynamic and complex nature of the world. These challenges are not unique to any specific organization or industry, but affect all organizations. Organizational climate in particular is constantly challenged by changes impacting organizations today (Nair, 2006). Changes related to structure, technological advancements, political and global shifts, increase competition and affect the dynamics of both local and international economies. Because of this, organizations are constantly aiming to thrive, be proactive and improve their performance to survive and outperform their competitors. Organizational environment that employees perceive as favorable and in which they are able to achieve their full potential are seen as a key source of competitive advantage and that is why organizational climate is becoming more important concept (Brown & Leigh, 1996).

Organizational climate is described as the collective perceptions of employees regarding the organization's policies, practices, and procedures, and the meanings they attribute to them (Schneider et al, 2013). When employees feel valued, supported and engaged in a positive working environment, they are more likely to be satisfied and stay in the organization and contribute with their best efforts. General findings in relation to organizational climate have shown that it is an important predictor of job satisfaction (Albrecht,2018).

According to (Spector, 1997), job satisfaction is defined as the way how people feel about their job and its various aspects. It has to do with the extent to which people like or dislike their job. Previously conducted researches on job satisfaction have focused on the job itself or the work climate as the main reasons of increasing satisfaction. The major argument is that, an increase in job satisfaction will result from developing work climates that provide a more desirable work environment (Naz, 2020). Job satisfaction can influence labor market behavior, including work productivity, effort, employee absenteeism, and staff turnover.

Several conducted research have found that workers' satisfaction by their job influences their working behavior. Unsatisfied employees are more likely to leave their current position and look for new opportunities (Wright, Cropanzano & Bonett, 2007). Additional Studies that are conducted to understand how the employees' perception of work environment affect their level of job satisfaction, found that environmental factors influence worker productivity and morale. Employee satisfaction is higher in environments where there is a high degree of autonomy and where relationships between peers, supervisors, and subordinates are encouraged (Lane et al., 2010).

Nowadays, businesses in the service industry are dealing with more serious issues related to employee job satisfaction due to a mismatch between job demands and organizational climate. Like other service providing based businesses, commercial banks also share some of the same challenges when it comes to employee satisfaction. (Abgozo et al., 2017) analyzed the impact of organizational climate on increasing job satisfaction in commercial

banks and according to them, the work environment directly impacts job satisfaction in the banking sector.

In Ethiopia, a significant part of the country's overall economic development is attributed to the banking sector, which continuously builds the national economy, introduces digital markets, focuses on customer demand and creates employment opportunities for unemployed professionals (Bezayit ,2017).

As banking industry is one of the most demanding industries, the employees working in banks are under constant pressure to meet the challenges of the dynamic environment. Job satisfaction is the only way to motivate them towards high level performance. Currently, Ethiopian banks are facing stiff competition, and there is a noticeable movement of employees from one organization to another due to low job satisfaction. (Melaku, 2013). Therefore, developing a suitable organizational climate is considered one of the most crucial elements in enhancing employee confidence and satisfaction. This study intends to investigate and contribute to the previously conducted researches and literatures on the commercial bank of Ethiopia, one of the biggest financial institutions in the nation that employs a large number of people, has strong technological advancements, and provides financial banking services, to clients across the country.

This study focuses on four key dimensions of organizational climate: trust, job security, job autonomy, and recognition and appreciation. These dimensions have been selected based on their relevance, potential impact and established link to employee job satisfaction of commercial bank of Ethiopia.

Trust within an organization refers to the confidence employees have in their leaders and colleagues (McAllister, 1995). It encompasses the belief that the organization will act in the employees' best interests, maintain confidentiality, and support employees in their roles. A high level of trust can enhance job satisfaction by fostering a feeling of security and reliability in the workplace (Denison, 1990).

Job security relates to employees' perceptions of the stability and continuity of their employment (De Witte, 2005). It is a critical factor in job satisfaction as it directly affects employees' mental and emotional well-being. Feeling secure in their positions can reduce employee stress and anxiety, allowing them to focus on their work and contribute more effectively, ultimately increasing job satisfaction (Reisel et al., 2010).

Job autonomy involves the degree of freedom, independence, and discretion employees have in performing their tasks (Saragih, S., 2015). The ability to make decisions and control their work processes can enhance employee motivation and sense of ownership, leading to higher job satisfaction.

Recognition and appreciation refer to the acknowledgment of employees' efforts, achievements, and contributions. These can take various forms, including verbal praise, awards, promotions, and other incentives. Feeling valued and appreciated by supervisors and colleagues is a significant motivator and can significantly enhance employee job satisfaction (Dobre, O.I., 2013).

By examining how these specific climate dimension influence employee job satisfaction within CBE, this study aims to provide valuable insights for improving the overall work environment and employee well-being within the bank.

## **1.2 Statement of the problem**

Given the critical role that organizational climate plays in organizations, and its influence on employees' perceptions and behaviors, the purpose of this study is to contribute to the current literature by exploring whether a relationship exists between organizational climate and employees' job satisfaction at the Commercial Bank of Ethiopia.

A lot of recent studies have shown greater importance to the job satisfaction and organizational climate as both are very important in any organization and in banking sector as well (Abgozo et al., 2017). The banking sector stands as a cornerstone of the country's economy by facilitating financial transactions, providing credit, and fostering economic growth. Within this landscape, commercial bank of Ethiopia plays a pivotal and leading role. It serves as a vital component of the nation's financial system, and its employees play a crucial role in its success. However, the unique challenges and opportunities presented by the banking industry necessitate a closer examination of the factors that contribute to job satisfaction. Trust, job security, job autonomy, and recognition and appreciation are pivotal in shaping the experiences and attitudes of employees, yet they have not been extensively studied within the Ethiopian context.

Despite the growing body of research on organizational climate and job satisfaction in Ethiopia, there remains a notable gap in the literature regarding the specific dimensions of

trust, job security, job autonomy, and recognition and appreciation. Previous studies have predominantly focused on broader aspects of organizational climate and general environmental factors, often overlooking these critical dimensions. As a result, there is limited understanding of how these specific elements of organizational climate influence job satisfaction among employees, particularly in the context of the banking sector.

Concerning the research studies conducted in Ethiopia, Bezayit (2017) investigated the effect of organizational climate on employees' job satisfaction at Enat Bank. The study conducted by primarily examining general organizational climate dimensions such as training and development, communication, and leadership and they were positively related with employee's job satisfaction.

Similarly, research at the Development Bank of Ethiopia by Solomon (2019) examine the effect of organizational Climate dimensions; Salary and Benefit package, Training, Team work Performance Appraisal, Supervision and Communication, on employees' job satisfaction. The finding indicates there is a significant relationship between the two variables.

The previously conducted studies by Bezayit (2017) and Solomon (2019) have methodological gaps and did not include other organizational climate dimensions such as trust, job security, autonomy and recognition. Their finding also cannot be generalized for all banks in Ethiopia. Therefore, to fill the above gaps this study was conducted to investigate the effects of organizational climate on employees' job satisfaction of commercial bank of Ethiopia.

By addressing the gap, the current study aims to shed light on the specific ways in which trust, job security, job autonomy, and recognition and appreciation impact employee job satisfaction at CBE. Understanding these relationships is essential for developing targeted strategies that can enhance employee satisfaction, reduce turnover, and improve overall organizational performance. Therefore, the central problem addressed by this study is the examination of how organizational climate affects the job satisfaction of employees within the Commercial Bank of Ethiopia.

### **1.3 Research questions**

#### **1.3.1 General research question**

Is there a relationship between organizational climate and job satisfaction in commercial bank of Ethiopia?

#### **1.3.2 Specific Research Questions**

Regarding the research, the following specific research questions are addressed in the study.

- What is the effect of Trust on employee job satisfaction?
- Does job security affect employee job satisfaction?
- How does autonomy at work affect employee job satisfaction?
- What is the impact of recognition and appreciation on employee job satisfaction?
- Do demographical factors have effect on employee job satisfaction?

### **1.4 Objectives of the Study**

#### **1.4.1 General objective**

The general objective of this study is to examine the relationship between organizational climates and job satisfaction in Commercial bank of Ethiopia head office.

#### **1.4.2 Specific Objectives**

This study has the following specific objectives

- To assess the extent to which trust among colleagues and with management influences employee job satisfaction

- To determine the relationship between perceived job security and employee job satisfaction
- To analyze the impact of autonomy at work on employee job satisfaction
- To investigate the effect of recognition and appreciation on employee job satisfaction
- To assess the effect of demographical factors on employee job satisfaction

### **1.5 Research hypothesis**

Hypothesis is a formal statement that presents the expected relationship between an independent and dependent variable (Creswell, 2016). This study seeks to test hypotheses regarding the relationships between trust, job security, job autonomy, recognition, and appreciation, and employee job satisfaction. The following hypotheses with null and alternate hypothesis are developed to be tested.

#### **Hypothesis 1**

H0: Higher level of trust among colleagues and with management has no positive impact on job satisfaction

H1: Higher level of trust among colleagues and with management has a positive impact on job satisfaction

#### **Hypothesis 2**

H0: Employees who perceive higher levels of job security will not report higher levels of job satisfaction

H1: Employees who perceive higher levels of job security will report higher levels of job satisfaction

### **Hypothesis 3**

H0: Employees who experience greater autonomy at work will not exhibit higher levels of job satisfaction

H1: Employees who experience greater autonomy at work will exhibit higher levels of job satisfaction

### **Hypothesis 4**

H0: High level of recognition and appreciation will not lead to increased employee job satisfaction

H1: High level of recognition and appreciation will lead to increased employee job satisfaction

## **1.6 Significance of the study**

Understanding how the climate at Commercial Bank of Ethiopia impacts employee satisfaction holds significant value. By examining the relation between organizational climate and job satisfaction, findings of this study would assist to make concrete recommendations to CBE about the effect that organizational climate has on employee job satisfaction, which will help the company to cultivate a work environment that improves the job satisfaction of employees and ultimately contributes to the bank's success.

### **1.7 Scope of the study**

Although commercial bank of Ethiopia is a very large organization with many divisions and branches, this research only considers employees working at head office, since would be extremely challenging and time and resource-consuming to conduct research throughout the entire organization. It covers dimensions of organizational climate such as trust, job security, autonomy and recognition and appreciation. However, there are many other dimensions that affect employees' job satisfaction in which this study did not explore.

### **1.8 Limitations of the Study**

The study was limited only to CBE head office due to funding and scheduling limitations that force the researcher to include other groups. As a result, the result of this research may not represent the whole company's employees' job satisfaction working under other parts of it than the head office.

In addition, the study was carried out using the respondents' perceptions, which might not be free from bias and personal perspective. Bias is always a possibility, despite efforts to obtain the most objective responses possible. Besides exclusion of employees such as messengers, guards and drivers is another limitation of this research paper because the structure of the study constrains to exclude these participants.

Another limitation of this study is, although the cognitive and behavioral components of measuring job satisfaction are important in understanding attitudes such as job satisfaction, this research study did not include these components due to resource constraints.

## **1.9 Organization of the paper**

This paper is organized into five chapters. Chapter one discusses the background of the study, chapter two reviews the literature, and chapter three discusses the methodology used. In chapter four, the research analysis, including findings, interpretations, and discussion, is presented, while chapter five covers the summary, conclusion, and recommendations of the study.

### **1.10 Definition of terms**

**Organizational Climate:** Organizational climate refers to a collectively perceived internal or molar environmental description of an organization's practices and procedures. (Schneider, 1975)

**Job Satisfaction:** Job satisfaction is the extent to which people like or dislike their jobs (Spector, 1997)

**Demographic factors:** In this study, this term refers to the characteristics of age, gender, marital status, level of education, work experience and job level.

**Organization Climate dimensions:** In this study, this term refers to trust, job security, job autonomy and recognition and appreciation.

# **CHAPTER TWO**

## **LITERATURE REVIEW**

### **2. Introduction**

A literature review is a critical summary of what scientific research or studies have found regarding a specific topic or questions (Adams et al., 2017). This section reviews researches on organizational climate and job satisfaction. Its purpose is to communicate the thoughts and information that have been established regarding the subject matters in general and specific research questions in particular to provide a comprehensive overview.

#### **2.1 Organizational climate**

Many studies have been conducted on organizational climate, particularly since the 1960s and 1970s, with several authors attempting to define the concept (Thumin, 2011).

The earliest definition of the concept was published by (Forehand & Von Haller Gilmer, 1964), who stated that organizational climate refers to a set of characteristics that define an organization, distinguishing it from others. It is relatively stable over time and significantly influences the behavior of individuals within the organization

Since then, a number of scholars have tried to describe and define the concept. One of these definitions is given by (Hellriegel & Slocum, 1974) stating that organizational climate consists of a set of characteristic attributes associated with a particular organization, which may result from how the organization interacts with its members and its environment. Other definitions define organizational climate as the perception of organizational

members about the operations of the organization based on their experiences (Prasad & Sagi, 1982). According to (Fidan & Öztürk, 2015) organizational climate is the collective perceptions of the members about conceptual dimensions such as autonomy, trust, harmony, approval, innovation, and justice created by the interactions of the members. Organizational climate is the recurring patterns of behavior, attitudes and feelings that are indicative of life in the organization which are more related to atmosphere and values. These values and beliefs might not be visible but exist within the employee's behavior and action (Aiswarya and Ramasundaram, 2012).

While some definitions have emphasized the concept's objectivity, others claim that it is a subjective concept. According to (Finlayson, 1975), the focus on objectivity pertains to the physical, social, and behavioral environments of the individual, whereas emphasis on subjectivity relates to the perceptions of individual members within an organization. This distinction has led to methodological differences in how organizational climate is measured. The climate should be observed from a whole system viewpoint. Though there may be differences in climates inside departments and divisions, these will be integrated to signify the overall organizational climate.

### **2.1.1 Dimensions of organizational climate**

Definitions and approaches to organizational climate are diverse. In the literature, it is evident that the same applies to the dimensions and measurement of organizational climate because various researchers use a wide variety of dimensions to assess organizational climate (Davidson, 2000).

(Schneider, 2000) discourages the use of general multidimensional measures of climate and argues for a facet-specific climate approach where climate has a focus and is tied to something of interest. He suggests that the dimensions of organizational climate will differ depending on the purpose of the investigation and the criterion of interest, and that general measure of organizational climate will contain dimensions that are not relevant for each specific study. Both global and domain-specific approaches to organizational climate can be considered as a valid basis for the investigation of work environment perceptions. Which approach is favored depends largely on the interests of the investigation.

Despite the fact that organisational climate has been the subject of many studies, researchers have not agreed upon a standard set of dimensions for it. This is because researchers have assessed the specific climate in which they were interested rather than attempting to develop a single and central view of dimensions. Researchers made effort to assess the organizational climate in a particular situation, from their own point of views and, therefore, cannot be generalized. It is a challenge for researchers to offer a single and central view of dimensions (Denison, 1990).

The dimensions of this study compare well with those of other models and provide an encompassing construct of organizational climate. The set of dimensions chosen in this study are relevant to modern work place and they address key concerns of today's workforce in banking sector. In the demanding world of commercial banking, trust, job security, autonomy, and recognition and appreciation are crucial for employee job satisfaction.

Employees increasingly value feeling trusted since it promotes ethical behavior and collaboration, while having some level of assurances about their future reduces stress in the highly competitive sector. Employees who have autonomy in what they do are better able to make wise judgments, and those who get recognition and appreciation for their effort are more driven to provide excellent customer service.

The four key dimensions of organizational climate that this paper focused on are discussed below.

### **Trust**

The concept of trust climate is conceptualized as an important dimension of organizational climate perceived by employees and is a valuable relational asset for the long-term existence of organizations. According to (Halis et al., 2007) trust is defined as having confidence and commitment without experiencing doubt and fear. Organizational trust refers to the belief that all members of the organization will be honest and impartial, and all organizational procedures will be performed accordingly (Duffy and Lilly, 2013). In this context, increased trust inside the company promotes improved communication, better teamwork, and productive interpersonal interactions.

### **Job security**

Job Security can be defined as one's expectations about continuity in a job situation (Davy et al., 1997). It is the construct with the largest and most significant effect on employee's job satisfaction in the workplace (Nikolaou et al., 2005). According to (Adebayo & Lucky, 2012) job security is now a crucial consideration for both employees and employers due to commercial economic constraints. The general satisfaction and effectiveness of every

organization's workforce and the success of any firm are also significantly impacted by job security.

### **Job autonomy**

Job autonomy as another dimension strongly related to overall well-being and job satisfaction of employee. It is defined as the degree of independence and discretion that workers have in scheduling their work and, managing and performing tasks by themselves (Parker et al., 2017).

(Hirst et al., 2008) concluded that the organizational climate, supportive of the autonomous work practices, will lead to satisfied employees and organizational efficiency, only if they are harmonized with the appropriate settings as cultural values. Research shows that employees, especially white-collar workers are more likely to engage in environments where they feel comfortable to express their ideas, feelings, and thoughts freely as they may have less tolerance for micromanagement and organizational control (Hinkel & Allen, 2013).

### **Recognition and appreciation**

Recognition and appreciation is said to be an important key to the success of an organization because it helps people understand how their behavior makes a difference to both their personal and the organization's goals. When a person feel appreciated and recognized for his or her contributions in the place of work, it always leads to more spirited innovative environment and increased employee job satisfaction (Paul, W., 2016).

According to the definition given on queen's university website, recognition can be defined as a formal, structured acknowledgement offered by an institution whereas appreciation

can be defined as informal, individualized, spontaneous acknowledgment that recognizes an individual for their contribution. Recognition and appreciation systems are an important part of the change that is necessary for any transformation to be effective. Showing recognition and appreciation can help boost the morale of an employee and increase satisfaction, performance and engagement.

## **2.2 Job satisfaction**

### **2.2.1 Conceptualization of job satisfaction**

The concept of job satisfaction is one of the most researched variables in the area of workplace psychology that has gained significant attention from numerous organizations and scholars due to the increased competitiveness emerging due to globalization. Findings of many studies indicate that job satisfaction is an important concern for both the employee as well as the employer as it has an impact on many organizational behaviors. It will lead to better performance and the employees will be more committed towards their organization. Thus, a collection of positive or negative sentiments and emotions that employees experience in relation to their employment comprise job satisfaction. A person who is highly satisfied with their work has positive sentiments about it, whereas a person who is not satisfied with their work has negative feelings about it.

### **2.2.2 Defining Job Satisfaction**

Job satisfaction is a complex and multifaceted concept which can mean different things to different people. A review of the literature on job satisfaction suggests multiple definitions of the concept and some of the most often referenced definitions are covered in the section that follows.

(Hoppock, 1935) defined job satisfaction as any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job. Based on this even if a lot of external factors might affect job satisfaction, it is still an internal issue that affects an employee's feelings. (Vroom, 1964) in his definition on job satisfaction emphasizes the importance of the employee's function in the workplace. According to him job satisfaction is an affective orientation on the part of individuals toward work roles which they are presently occupying.

Spector's definition of job satisfaction is one of the most widely used ones. According to whom job satisfaction has to do with the extent to which people like or dislike their job (Spector, 1997). The common consensus is that it has an impact on both personal wellbeing and productivity. People's levels of degrees of job satisfaction can range from extreme satisfaction to extreme dissatisfaction. In addition to having attitudes about their jobs as a whole, people also can have attitudes about various aspects of their jobs such as the kind of work they do, their co-workers, supervisors or subordinates and their pay (George et al., 2008).

Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one's efforts. It is the key ingredient that leads to recognition, promotion, and the achievement of other goals that lead to a feeling of fulfillment (Kaliski, 2007).

### **2.2.3 Important features of job satisfaction**

According to (Spector, 1997) there are three important features of job satisfaction. He highlights the connection between how organizations treat employees, their satisfaction levels, and the success and performance of the business.

The first one is organizations should be guided by human values. Such organizations will be oriented towards treating workers fairly and with respect. When companies prioritize treating employees fairly and with respect, job satisfaction can be a good indicator of overall employee effectiveness.

Secondly, the behavior of workers depending on their level of job satisfaction will affect the functioning and activities of the organization's business. He emphasizes a two-way street between job satisfaction and employee behavior. Satisfied employees are more likely to behave in positive ways that benefit the organization, and conversely, positive work environments tend to lead to more satisfied employees.

Third, job satisfaction may serve as indicators of organizational activities. By measuring satisfaction levels across different departments, organizations can identify areas where morale might be low. This information acts as a pointer to show where changes are most needed to boost overall performance.

#### **2.2.4 Demographical factors influencing job satisfaction**

Researchers have found that several variables are positively related to job satisfaction, while others are more indicative of job dissatisfaction. A great understanding of the dimensions of job satisfaction has increased interest in enhancing job design. Reviewing and understanding demographic factors is relevant to understanding job satisfaction because these factors can influence employee' experiences and perceptions at work. According to (Nel, 2004), personal factors are one of the main categories of determinants of job satisfaction. Some of the main personal factors are covered below.

## **Age**

Earlier researches indicate that there is a positive association between age and job satisfaction. As individuals grow older, their job satisfaction tends to increase, whereas younger employees typically experience lower levels of job satisfaction (Kim, 2005). According to early discussions on age and job satisfaction, younger employees often have higher expectations from their jobs. However, they may not always find opportunities to meet these expectations, leading to dissatisfaction.

## **Gender**

Empirical findings have shown that females tend to have higher levels of job satisfaction than their male counterparts. According to Kim (2005), males experience lower levels of job satisfaction compared to females. The reason for gender differences in job satisfaction is the fact that women emphasized intrinsic rewards, whereas men emphasized extrinsic reward. In contrast there are some studies that state there is a minimal or non-existent difference in job satisfaction between genders (Judge & Watanabe, 1993).

## **Job level**

Since higher-level jobs tend to be more complex and offer better working conditions, pay, autonomy, and responsibility, the level at which an individual works within the organization may influence employee satisfaction. Most researchers have found that employee satisfaction increases as the level of the job rises within an organizational hierarchy (Howard and Frink, 1996). However, some researchers have reported negligible associations between employee satisfaction and job level, and there is evidence suggesting that employee satisfaction decreases as job level increases.

## **Tenure**

Tenure is an important determinant of the level of job satisfaction among respondents. It refers to the number of years an employee has spent in an organization. Individuals who are satisfied with their jobs tend to remain in them longer than those who are dissatisfied. Employees with more experience are generally more satisfied with their jobs compared to those who are less experienced (Luthans, F., 2001).

According to (Shah, Crossman and Parkpoom, 2003) the length of service or job tenure has a significant positive relationship with job satisfaction. They explained that as individuals spend more years in their organization, their level of psychological attachment to the firm increases, leading to higher overall job satisfaction. Employees who have served for 5-10 years tend to experience more job satisfaction compared to those with less than five years of tenure (Olatunji and Mukuolu, 2014).

### **2.3 Theories on job satisfaction**

Job satisfaction is defined in the literature with several theorists according to their own workable conditions. Across the literature, theories about the job-satisfaction have consistently been grouped in to two main categories namely Content-theories and Process-theories. This part of the chapter provides a highlight of the main theories taken from both categories and to give a broad perspective of the main developments in job satisfaction.

#### **2.3.1 Maslow's theory of motivation/satisfaction**

Maslow's hierarchy of needs is the most widely mentioned theory of motivation and satisfaction. Abraham Maslow postulated that an individual's motivational needs could be

arranged in a hierarchy. Once a given level of needs is satisfied, it no longer helps to motivate. Thus, next higher level of need has to be activated in order to motivate and thereby satisfy the individual (McGraw-Hill.,2005). Maslow identified five levels in his need hierarchical order namely physical needs, safety needs, social needs, esteem needs, and self-actualization.

### **2.3.2 Herzberg's two factor theory**

Herzberg developed a specific work motivation theory. The theory has been widely acclaimed as the most useful model for studying job satisfaction. For example, it has found support in educational settings and has been used as a theoretical framework for scientifically assessing police officers' job satisfaction (S. Karimi, 2007). The Two Factor Theory suggests that there are two factors that could satisfy or dissatisfy workers in carrying out their responsibilities namely job-satisfiers or motivator factors and job dissatisfiers or hygiene factors. Job-satisfiers are aspects of the job that stimulate employees' job satisfaction and hygiene factors are regarded as contextual factors which are not necessary motivating but their absence at the workplace bring dissatisfaction (Herzberg et al., 1959).

### **2.3.3 Equity theory**

According to J. Stacy Adams's Equity theory, employees assess the inputs they contribute to a job against the outcomes they receive, and then they compare their input-outcome ratio with that of relevant others. If they perceive their ratio to be similar to those of others they compare themselves with, a state of equity is considered to exist (S. Robbins, 2007).

### **2.3.4 Vroom's Expectancy Theory**

Vroom's theory states that people will be motivated to do things to reach a goal if they believe in the worth of that goal and if they can see that what they do will help them in achieving those (Victor H. Vroom, 1964). The theory is characterized with three major variables: valance, expectancy and instrumentality. Valance is the strength of an individual's preference for a particular output. Expectancy refers to the probability that a particular effort will lead to a specific first-level outcome. Instrumentality, on the other hand, is the degree to which a first-level outcome will lead to a desired second-level outcome.

## **2.4 Empirical researches about the relationship between organizational climate and job satisfaction**

Human relations experts began investigating the impact of an organization's organizational climate on employee job satisfaction in the late 1940s. Since then, various authors in different periods have analyzed this relationship, and based on their conclusions, one of the most critical predictors of job satisfaction is corporate organizational climate (Colakoglu et al., 2010). Several of these studies are mentioned in this section.

According to the findings of Weihui (2014), organizational climate is directly related to employee job satisfaction in the organization and (Gazioglu and Tansel, 2016) concluded that employee job satisfaction is highly dependent on organizational climate.

In their study (Zia-ur and Bin, 2013) stated that, developed economies have started to realise that improving employee job satisfaction is a necessary condition for growing

productivity in their organisations and this satisfaction is achieved by improving the organizational climate.

Authors like (Rizwan et al., 2015) strongly recommend in their research that, given the increasing importance of organizational climate in today's world, organizations should ensure that all employees who contribute value to the company continue to work diligently for its success. This can only be achieved if the organizational climate enhances employee job satisfaction.

According to a study that is conducted in manufacturing companies, there is a positive correlation between the organizational climate and employees' job satisfaction (Razik and Maulabaksha, 2015).

Albrecht (2018) asserted that organizational climate has a positive relationship with employee job satisfaction. According to the author, management should promote employee contribution to tasks and responsibilities by fostering personal growth and development opportunities for employees.

Andrew and Worall (2001) identified a positive relationship between an organization's organizational climate and employee job satisfaction.

According to Singh et al. (2018) organizational climate and job satisfaction should be considered simultaneously if organizations aim to achieve better results and improve overall productivity.

## **2.5 Conceptual framework**

A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Upton, 2001). Therefore, based on the comprehensive review of related literature and theoretical frameworks, a conceptual framework has been developed.

The conceptual frame work for this study is rooted in the organizational climate model depicted by Gerber (2003), which is built related to the concepts described in this chapter. This frame work is suitable for the current study as it explains the relationship between organizational climate and important variables. The frame work involves both variables of organizational climate and job satisfaction and take into account the relationship between the variables.

Gerber's (2003) model depicts several influences on climate. These include both internal and external influences, which can be further divided into three categories, namely external, organizational and personal influences. It is theorized that organizational and biographical variables potentially affect the organization's perceived climate categories and employees' job satisfaction. The frame work also depicted those different organizational climate dimensions that can influence employees' job satisfaction. In this conceptual model organizational climate dimensions are independent variables whereas job satisfaction is dependent construct.

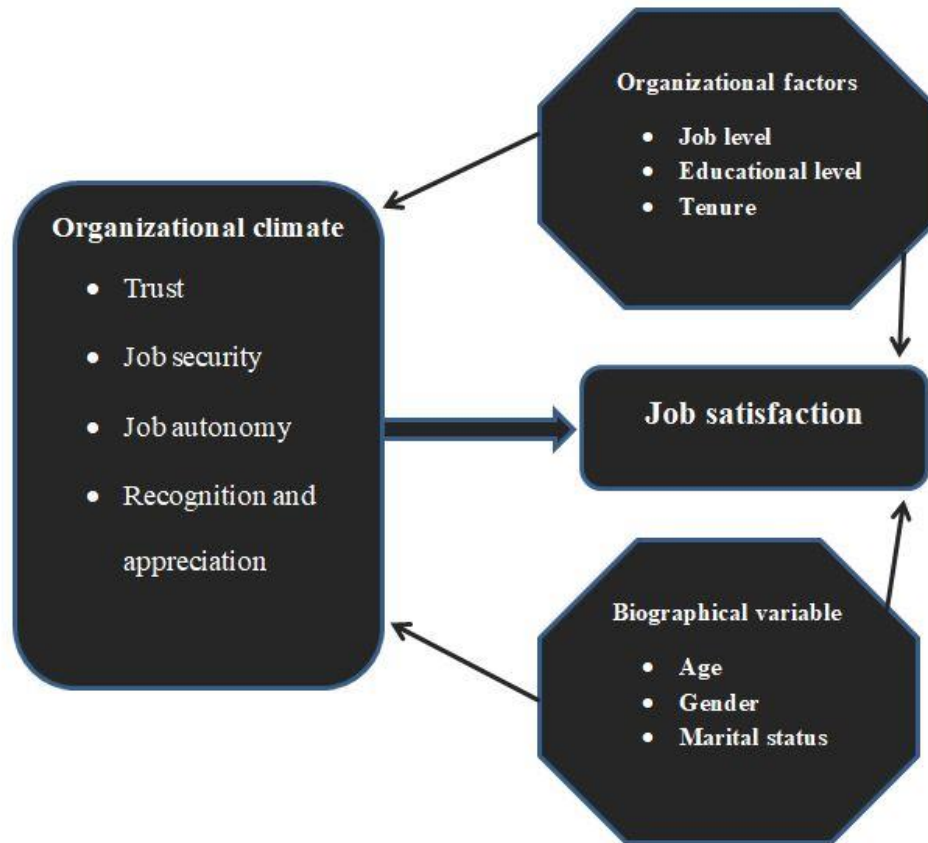


Fig 2.1: Conceptual frame work of the research model

Source: Adapted from Gerber (2003)

## **CHAPTER THREE**

### **3. Research design and methodology**

According to (Mouton and Marais, 1996), the primary objective of a research design is to plan and structure the project in such a way that the ultimate validity of the research findings is maximized. This section encompasses the research approach, sampling design, instruments of data collection, procedures of data collection, data analysis procedures, and validity and reliability tests. These components are explained along with their respective steps and procedures for their application within the context of this particular study.

#### **3.1 Research design**

The present study was conducted with the combination of descriptive and explanatory research designs. Descriptive research describes and interprets the current status of individuals, settings, conditions or events (Mertler, 2014). In descriptive research the researcher is simply studying the phenomenon of interest as it exists naturally and do not attempt to manipulate the individuals, conditions or events.

Inferential research design is useful for effectively draw conclusions about a population from the sample data. It enables researchers to derive significant findings that extend beyond the immediate data by utilizing statistical approaches to estimate population parameters and test hypotheses. More specifically, the correlational research model describes a current situation and investigates the relationship between two or more variables and the strength of this relationship (Gay et al., 2012). It determines the impact of a variable on the other variable (Walliman, 2011). In the present study, the research investigates the impact of organizational climate on employees' job satisfaction.

### **3.2 Research approach**

In order to gather the numerical data, the quantitative approach was used in this research by distributing questionnaire to a number of participants. Wyse (2011) suggested that this method is more reliable to measure and establish the relationship among the variables by interpreting the collected data into related usable results. The hypothesis will be explicitly stated, formulated beforehand and measured. The research will be conducted with the aim of testing the hypothesis and, ultimately, either accepting or rejecting the formulated hypothesis.

For the purpose of this study close-ended items were used to measure dependent and independent variable. Using a numerical value of 1 to 5, the Likert-type scale approach was used to categorize the replies from strongly disagree to strongly agree. The use of this particular scaling method ensured that the research study could effectively assess and quantify responses. Organizational climate is perceived individually within an organization, so the measuring instrument used in this research was structured to gather data on individuals' perceptions. The measuring instrument can be described as a self-report questionnaire, where participants indicated the extent to which they agreed or disagreed with each statement in each dimension of the questionnaire.

### **3.3 Sampling design**

#### **3.3.1 Population and sampling technique**

The primary goal of sampling is to select a group of people from a population in a manner that accurately represents the population from which the sample was drawn. The population of a study includes all individuals who are represented in the research. According to Kothari (2004) a sample design outlines how a sample from a given population will be drawn and the technique the researcher will adopt in selecting items for the sample.

The target population of this study was the employees of Commercial Bank of Ethiopia at head office. This represented a population of 1,225 employees. A simple random sampling technique is adopted by this study to select the study respondents based on their knowledge about the study and willingness to participate in the research. The simple random sampling technique is cost effective, less time consuming and, allow only those who have an interest in the survey to participate.

#### **3.3.2 Sample size**

The study was based on a sample framework of the CBE headquarters, where the total population of the research study area is 1,225 employees. It is difficult, to study a whole population of a study because of this drawing population become necessary (Osaro, 2015). In addition to that the nature of some population, the cost and time involved in studying a whole population are high. The study used Toro Yamane sample size formula to determine the sample size of the study. The sample size of the study was determined by single population proportion formula assuming, 5% marginal error and confidence interval of 95%.

The sample size is determined by the following formula

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

Where: n = required sample size,

N = Population size

e = the level of precision

Therefore:  $n = 1225/1+1225(0.05)^2$

$$n = 302$$

### **3.4 Method of data collection**

The study utilized both primary and secondary sources of data. Primary data were collected through questionnaires distributed to the bank staff. Specifically, data were gathered from employees working at the bank's headquarters to assess the influence of organizational climate on employees' job satisfaction at the Commercial Bank of Ethiopia (CBE). Secondary data were obtained through a documentary survey.

#### **3.4.1 The Questionnaire**

Survey research method was used for this study through the distribution of copies of questionnaire to collect necessary information from respondents. Adapted questionnaire is used for this research. It is comprised of questions for the independent variables and dependent variable.

Questionnaire is adapted from (Sarkhosh, M. and Alinasab, M.,2024), (Daniel, T, 2020), (Meron, G., 2019) and (Betelhem, K., 2020), then it is modified and standardized to better suit the current research.

The questionnaire consists of two main sections. The first part includes questions related to the respondents' biographical and organizational variables. The second part, which addresses the core focus of this study, comprises 30 measuring questions categorized under five different dimensions.

### **3.4.2 Distribution and Collection of the Questionnaire**

Questionnaires were distributed to gather the necessary information from respondents. A well-structured questionnaire is developed for gathering data from respondents, then a digitally linked online form is sent to gather responses and the responses are automatically collected and stored in a spreadsheet linked to the form. This makes it easy to review and analyze the collected data.

### **3.5 Data processing and analysis**

The original Likert scale that is a set of statements offered for a real or hypothetical situation under study is used. Participants are asked to show their level of agreement from strongly disagree to strongly agree with the given statement on a metric scale (Singh YK, 2006). The 5-point Likert scale uses five answer options, including a midpoint or neutral option, to assess a respondent's opinions. The scale includes Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree and Strongly Agree options.

SPSS version 29 computer software program was used to analyze the data. First the responses of the participants were coded in Excel spreadsheet and then exported to SPSS

to analyze the findings. After exporting to SPSS, the raw data concerning the respondents' demographic and organizational variables were depicted using different tables. Descriptive and inferential statistics are employed in the data analysis process. Descriptive statistics include frequencies, percentages, means, and standard deviations. Inferential statistics, such as correlation analysis and regression analysis, are used to test the developed hypotheses. Tables are utilized to facilitate a clear understanding of the analysis.

Regression analysis was performed to determine the nature of the relationship between the dependent variable and the independent variables. The relationship between organizational climate dimensions and employee job satisfaction is expressed mathematically in multiple regression equation as:

$$Y = X_0 + X_1 (\text{TR}) + X_2 (\text{JSC}) + X_3 (\text{JA}) + X_4 (\text{RA}) + e$$

Where: Y=Employee Job satisfaction, TR = Trust, JSC = Job security,

JA = Job autonomy, RA = Recognition and appreciation

X<sub>0</sub>, 1, 2, 3, 4 = the constant parameter,

e=error term

### **3.6 Research variables**

The dependent variable in the research is job satisfaction and the independent variables are organizational climate dimensions. The aim of the research is to determine whether organizational climate (independent variable) has an influence on job satisfaction (dependent variable). Demographic variables are considered as control factors.

### **3.7 Validity and reliability**

#### **3.7.1 Validity**

Research must ensure both internal and external validity. Internal validity indicates that a study produces accurate and valid findings concerning the phenomena under investigation (Mouton & Marais, 1996). According to these authors, internal validity is achieved when constructs are measured correctly, the collected data are accurate and reliable, the analysis is appropriate for the data type, and the final conclusions are supported by the data. External validity, on the other hand, refers to generalizability. They suggested that the results of a specific study should be applicable to similar situations.

The theoretical validity of this research is ensured by utilizing literature that addresses the nature, problems, and objectives of the study. This validity is reinforced through a detailed conceptualization of the terms "organizational climate" and "job satisfaction," ensuring these concepts are clearly defined. Every effort has been made to review the most recent literature, while also referencing several classical resources to provide a historical perspective on the development of these concepts. In the empirical research phase, validity will be ensured through the use of appropriate measuring instruments.

#### **3.7.2 Reliability**

Reliability in the literature review will be ensured through the use of existing literature sources, models and theories that are available to other interested academics. Reliability with regards to the consistency of the results is obtained from the instrument used in the research. The study used valid strategies and techniques appropriate to the research objectives. In the empirical study, reliability is ensured through the use of a representative

sample. As supported in SPSS v.29 Cronbach’s alpha coefficient was used to test reliability of the items of the questionnaire. Pre-test has been conducted on 30 randomly selected employees who work on the head office of CBE to check the validity of the questionnaire. According to (Filed, 2009), the figure of 0.70 or more denotes an accepted level of reliability. The table below demonstrates that the items' alpha coefficient indicates that they are acceptable and have a relatively high internal consistency.

**Table 3.1: Scale Reliability (Chronbach`s Alpha)**

No	Categories	Cronbach's Alpha	No of items
1	Trust	.873	6
2	Job security	.959	6
3	Job autonomy	.944	6
4	Recognition and appreciation	.928	6
5	Job satisfaction	.959	6

**Source:** Own survey 2024

### **3.8 Ethical Consideration**

Prior to conducting the research, participants were informed about the study's objectives. Ethical considerations were carefully observed to avoid any form of deception, ensure confidentiality, respect privacy, and safeguard the anonymity of all participants. The reliability and validity of the research findings improve by adhering to these ethical norms, which helped to create an atmosphere of trust and integrity.



## **CHAPTER FOUR**

### **4. Result presentation and analysis**

#### **4.1 Introduction**

The data analysis and presentation part is covered in this chapter. After gathering the data, an analysis was conducted to address the problems raised in the first chapter of this study. The findings are based on the responses provided by employees of CBE using information gathered via a questionnaire.

#### **4.2 Data analysis and interpretation**

The result of the descriptive analysis is presented at first during conducting the analysis. Data tabulation, editing, and coding comprised the first phase. This made it easier to spot any irregularities in the response. The descriptive statistics used are based on frequency tables that provide information on demographic variables and then the statistical test results are computed. Three hundred two (302) questioners were distributed to respondents and out of which two hundred seventy eight (278) questioners were returned, which accounts for the 91.72 % response rate.

#### **4.3 Descriptive analysis**

##### **4.3.1 Demographic background of respondents**

The demographic profile of the respondents, such as gender, age, marital status, levels of education, level of current position and work experience is analyzed and examined in this section.

**Table 4.1: Demographic data**

No	Item		Frequency	Percent	Valid percent	Cumulative percent
1	Age of respondents	23-30	116	41.7	41.7	41.7
		31-40	96	34.5	34.5	76.2
		41-50	43	15.5	15.5	91.7
		51-60	18	6.5	6.5	98.2
		>61	5	1.8	1.8	100.0
		Total	278	100.0	100.0	
2	Gender	Female	133	47.8	47.8	47.8
		Male	145	52.2	52.2	100.0
		Total	278	100.0	100.0	
3	Educational level	Diploma	12	4.3	4.3	4.3
		Bachelor's Degree	192	69.1	69.1	73.4
		Master's Degree	74	26.6	26.6	100.0
		Total	278	100.0	100.0	
4	Work experience	1-2	62	22.3	22.3	22.3
		3-5	78	28.1	28.1	50.4
		6-10	88	31.6	31.6	82.0
		>10	50	18.0	18.0	100.0
		Total	278	100.0	100.0	

5	Level of current position	Junior	74	26.6	26.6	26.6
		Senior	189	68.0	68.0	94.6
		Management	15	5.4	5.4	100.0
		Total	278	100.0	100.0	
6	Marital status	Married	151	54.3	54.3	54.3
		Single	127	45.7	45.7	100.0
		Total	278	100.0	100.0	

Source: Own survey, 2024

### **Age distribution**

The data shows that the largest age group among the respondents is 23-30 years old, and it accounts for 41.7% of the total. The remaining respondents are fairly evenly distributed across the other age groups, with 34.5% falling between 31-40, 15.5% between 41-50, 6.5% between 51-60, and 1.8% over 61. Generally, the age distribution data shows that the bank has a young workforce.

### **Gender distribution**

The data shows a nearly equal split between genders with 47.8% female respondents and 52.2% male respondents. It indicates that there is a gender balance among professional employees in the Corporation.

### **Educational level distribution**

The data reveals a well-educated sample of survey respondents, with a strong focus on higher education. Majority of the employees hold Bachelor's Degrees (69.1%) This indicates the workforce at the Commercial Bank of Ethiopia is predominantly composed of individuals with an undergraduate education. Another big portion holds Master's Degrees (26.6%). This further emphasizes the focus on advanced education within the sample and further specialization within a field and could indicate a desire for career advancement. Only 4.3% of the respondents have a Diploma, indicating that employees with this level of education form a small minority.

### **Work experience distribution**

The data shows 22.3% of respondents have 1-2 years of work experience, indicating a significant portion of the workforce is relatively new to their roles. The largest group with 28.1% has 3-5 years of experience, which suggest that a considerable number of employees have gained a moderate amount of experience but are still early in their careers. 31.6% of respondents have 6-10 years of experience, showing a strong presence of mid-career employees who likely have a solid understanding of their roles and responsibilities. 18.0% of respondents have over 10 years of experience, representing potentially the most experienced group within the organization.

More than half of the workforce is relatively young in terms of tenure, as indicated by the 50.4% cumulative mark, which indicates that all respondents have at least five years of experience or less. With respondents having up to ten years of experience, the cumulative score of 82.0% indicates that a sizable percentage of workers have accomplished a notable

professional milestone. The senior staffs, which make up the remaining 18.0%, have more than ten years of experience.

### **Level of current position distribution**

The majority, 68.0%, are in senior positions. This suggests that a large number of employees have advanced beyond the junior level, reflecting a substantial mid-level workforce. A sizeable percentage of the workforce is at the entry-level or in the early phases of their career within the organization, as seen by the 26.6% of respondents who occupy junior jobs. A smaller group, 5.4%, holds management positions. This indicates a more limited number of high-level roles within the organization.

By the 94.6% cumulative mark, respondents include both junior and senior positions, indicating that the vast majority of the workforce falls within these two categories. The remaining 5.4% at the top of the cumulative distribution are in management positions, highlighting the hierarchical structure with fewer roles at the top.

### **Marital status distribution**

54.3% of the respondents are married. This suggests that over half of the workforce is likely balancing their professional responsibilities with family commitments. 45.7% of the respondents are single and didn't start a family.

### 4.3.2 Descriptive Statistics of organizational climate dimensions

In the section that follows, responses of respondents in terms of mean on each organizational climate dimensions trust, job security, job autonomy and recognition and appreciation which are independent variable and the dependent variable job satisfaction will be discussed. The following range of mean values will be used to interpret the descriptive statistics for each variable.

**Table 4.2: Likert scale interpretation and distribution of values**

<b>Likert description</b>	<b>Value allocation</b>
Strongly Disagree	1.0- 1.49
Disagree	1.5-2.49
Neutral	2.5-3.49
Agree	3.5-4.49
Strongly agree	4.5-5.00

Source: Alston and Miller (2002)

**Table 4.3: Responses on trust**

<b>Items</b>	<b>N</b>	<b>Mean</b>	<b>Std. deviation</b>
I feel quite confident that my supervisor will always try to treat me fairly	278	3.71	0.790
My supervisor would never try to gain an advantage by deceiving workers	278	3.70	0.788
I have complete faith in the integrity of my supervisor	278	3.70	0.824
If I got into difficulties at work I know my workmates would try and help me out	278	3.94	0.671
Most of my workmates can be relied upon to do as they say they will do	278	3.82	0.720
I have full confidence in the skills of my workmates	278	3.84	0.735

Source: Survey data (2024)

Table 4.3 shows the responses of employees about the trust they have in their supervisors and co-workers. The data shows a positive picture of workplace relationships.

Each question regarding supervisor fairness, honesty, and integrity resulted in a mean score 3.7 and above, which indicate a moderately high level of trust in leadership. In addition, the standard deviations value being around 0.8 implies the relative low variability in the responses, which indicates a consistent level of trust among employees and the existent of a positive relationship between employees and supervisors.

The mean scores for both questions regarding co-worker reliability and skills reached nearly 3.9, which is the highest recorded value. The standard deviations for these questions were also low. This also indicates a strong sense of trust and confidence in co-worker abilities and the presence of collaborative and supportive work environment.

The standard deviations for the items range from 0.671 to 0.824, indicating moderate variability in responses. The highest standard deviation (0.824) suggests more variability in trust regarding supervisors' integrity. The lowest standard deviation (0.671) is for an item "If I got into difficulties at work, I know my workmates would try and help me out," indicating relatively consistent agreement among respondents on this item.

According to the result employees at the bank generally have positive perceptions of trust and support from both supervisors and colleagues. High trust in supervisors and colleagues indicate a positive organizational climate where employees feel respected and supported. This aligns with the literature on organizational climate, which emphasizes the importance of trust as a dimension that significantly impacts job satisfaction (Fidan & Öztürk, 2015; Halis et al., 2007).

**Table 4.4: Responses on job autonomy**

<b>Items</b>	<b>N</b>	<b>Mean</b>	<b>Std. deviation</b>
I have the freedom to decide how to do my work.	278	3.39	0.935
The job allows me to decide on the order in which things are done on the job.	278	3.45	0.920
The job gives me a chance to use my personal judgment in carrying out the work.	278	3.37	1.007
I have control over the tasks I perform each day.	278	3.65	0.839
I can set my own schedule to some extent.	278	3.47	0.952
My job allows me to be creative and innovative	278	3.26	1.060

Source: Survey data (2024)

Regarding employee autonomy at work, the data on table 4.4 suggests a mixed picture. While certain staff members might believe they have some control over how they perform tasks and schedule their work, others don't believe that way. Overall, the value of the means tend towards a neutral level. The high standard deviations across most items show a significant difference in employee experiences. Some employees seem to have more autonomy than others, indicating there might be inconsistencies in how works are done within the organization. This suggests a lack of uniformity in how autonomy on job is granted across the organization.

The lowest scores (<3.4) and highest standard deviations for personal judgment and creativity suggest that most workers believe they are unable to fully contribute their own thoughts and methods to the job.

The bank employees perceive limited opportunities for creativity and innovation in their job. But encouraging creativity is crucial for job satisfaction since it allows employees to contribute new ideas and solutions (Aiswarya and Ramasundaram, 2012).

**Table 4.5: Responses on job security**

<b>Items</b>	<b>N</b>	<b>Mean</b>	<b>Std. deviation</b>
I feel secure in my job.	278	3.53	0.926
I am confident that I will be able to work for my company as long as I wish	278	3.53	0.910
The organization values long-term employment.	278	3.49	0.930
I will be able to keep my present job as long as I want regardless of economic conditions	278	3.25	1.002
My job is stable and unlikely to be eliminated.	278	3.50	0.882
I am not worried about losing my job in the near future.	278	3.56	0.939

Source: Survey data (2024)

Table 4.5 depicts the responses of employees on job security. The mean scores for the job security items range from 3.25 to 3.56, suggesting that, on average, respondents have a moderately positive perception of job security.

The highest mean score (3.56) is for "I am not worried about losing my job in the near future," indicating a relatively higher level of confidence among employees regarding their immediate job security. The statement, "I will be able to keep my present job as long as I

want regardless of economic conditions," had the lowest mean score (3.25). This indicates that employees feel secure in their current roles but have concerns about potential future layoffs, especially if the current economic conditions worsen.

The standard deviations for the items range from 0.882 to 1.002, indicating a moderate level of variability in responses. The highest standard deviation (1.002) suggests that there is more variation in how respondents perceive their job security in relation to economic factors. The lowest standard deviation (0.882) is for item "My job is stable and unlikely to be eliminated," which indicates that there is relatively less variability in responses to this item, with most respondents agreeing to the secureness of their current positions at the bank.

In addition to promoting stability, the moderate to high levels of perceived job security among the bank employees can minimize stress associated with their employment. Employees who perceive greater job security are more likely to exhibit higher organizational commitment, which can lead to increased job satisfaction (Mowday et al., 1982).

**Table 4.6: Responses on recognition and appreciation**

<b>Items</b>	<b>N</b>	<b>Mean</b>	<b>Std. deviation</b>
My contributions are recognized by my manager.	278	3.56	0.859
I receive adequate appreciation for my work.	278	3.35	0.945
The organization acknowledges my achievements.	278	3.13	0.943
I feel valued for the work I do	278	3.34	0.959
The organization appreciates and takes care of employees Competencies	278	3.15	0.962
My organization is quick to recognize good performance	278	3.16	0.961

Source: Survey data (2024)

According to the data on the table 4.6, the mean scores for the recognition and appreciation items range from 3.13 to 3.56. This indicates a moderate level of satisfaction with recognition and appreciation within the organization. The highest mean score (3.56) suggests that employees feel their immediate supervisors acknowledge their efforts while the lowest mean score (3.13) indicates that organizational-level recognition may be less satisfactory compared to managerial recognition.

The standard deviations for the items range from 0.859 to 0.962, indicating a moderate level of variability in responses. The highest standard deviation (0.962) suggests greater variability in how employees perceive the organization's appreciation of their skills and

competencies. The lowest standard deviation (0.859) is for indicating relatively consistent agreement among respondents on the recognition of their contribution by their manager.

This implies that employees feel that they are supported by their immediate supervisors and managers are doing a good job of recognizing their teams. But, employees might not feel the bank as a whole is recognizing their contributions. This gap can be tackled by implementing different programs that are designed to improve recognition at all levels.

The result shows moderate levels of recognition and appreciation among employees of CBE, suggesting opportunities to improve these efforts to enhance job satisfaction. Employees who feel recognized and appreciated are more likely to exhibit higher job satisfaction (Meyer & Allen, 1991).

**Table 4.7: Responses on job satisfaction**

<b>Items</b>	<b>N</b>	<b>Mean</b>	<b>Std. deviation</b>
I feel fairly satisfied with my current job.	278	3.39	0.935
I find my work fulfilling.	278	3.26	0.974
I am satisfied with the level of recognition I receive.	278	3.20	0.984
I feel motivated to perform well in my job.	278	3.24	1.007
I am happy with the challenges in my work most of the time	278	3.42	0.950
I find real enjoyment in my work	278	3.24	1.002

Source: Survey data (2024)

The mean scores for the job satisfaction items on the above table range from 3.20 to 3.42, indicating a moderate level of job satisfaction among employees. The highest mean score

(3.42) suggests that employees generally find the challenges in their work to be stimulating and satisfying. The lowest mean score (3.20) indicating that recognition is a weaker area of job satisfaction. However, recognition is a key factor in job satisfaction, contributing to employees feeling valued (Paul, 2016).

The standard deviations for the items range from 0.935 to 1.007, indicating a moderate level of variability in responses. The highest standard deviation (1.007) is for "I feel motivated to perform well in my job," suggesting greater variability in how motivated employees feel. The lowest standard deviation (0.935) is indicating relatively consistent agreement among respondents for item "I feel fairly satisfied with my current job".

The moderate levels of satisfaction and motivation suggest that the bank employees are meeting their basic needs but there's still a room for improvement, especially for the attainment of additional higher-level needs such as esteem and self-actualization (Maslow, 1943). The findings also align with Spector's job satisfaction model, which shows that job satisfaction is affected by multiple factors (Spector, 1997).

### 4.3.3 Job satisfaction analysis based on demographic factors

#### ✓ Gender and job satisfaction

**Table 4.8: Job satisfaction analysis by gender ANOVA table**

The high p-value (0.616), suggests that the observed difference in mean job satisfaction

		Sum of Squares	Df	Mean Square	F	Sig.
Job Satisfaction * Gender	Between (Combined) Groups	.194	1	.194	.253	.616
	Within Groups	212.385	276	.770		
	Total	212.580	277			

scores between genders is not statistically significant. That implies that men and women employees at the Commercial Bank of Ethiopia report similar levels of job satisfaction. This result aligns with the result of previous studies that state there is a minimal or non-existent difference in job satisfaction between genders (Judge & Watanabe, 1993).

#### ✓ Age and job satisfaction

**Table 4.9: Job satisfaction analysis by age ANOVA table**

		Sum of Squares	Df	Mean Square	F	Sig.
Job satisfaction * Age	Between (Combined) Groups	28.777	4	7.194	10.685	<.001
	Within Groups	183.803	273	.673		
	Total	212.580	277			

The p-value (< 0.001) is much lower than the common significance level of 0.05, which indicated the data provides strong evidence that age groups have statistically different average job satisfaction scores. This finding is consistent with the result of other reviewed literatures, highlighting age as an important factor in understanding and managing job satisfaction in the workplace (Kim, 2005; Bedeian, 1992).

**Table 4.10: Job satisfaction analysis by age report table**

<b>Age</b>			
	Mean	N	Std. Deviation
>61	4.1667	5	.26352
23-30	2.9425	116	.88386
31-40	3.4219	96	.76164
41-50	3.6357	43	.82074
51-60	3.7685	18	.77784
Total	3.2908	278	.87603

The data is presented in a table summarizing the average job satisfaction score (mean), number of employees in each age group (N), and standard deviation of the scores. The result in the above table shows a trend in job satisfaction scores across age groups. Employees aged 23-30 reported the lowest satisfaction, while those over 61 reported the highest. It further indicates employees of different ages at the Commercial Bank of Ethiopia experience job satisfaction differently and satisfaction appears to gradually increase when age increase.

Tukey's post-hoc test is used after performing a one-way Analysis of Variance (ANOVA) to identify which specific groups within the age category have statistically significant differences in their satisfaction. The analysis is based on post-hoc test table results attached in appendixes.

The highest satisfaction difference was seen between employees with in the age range of 23-30 and employees with in the age range of 51- 60 with mean difference 0.82 and  $p < 0.001$ . Relatively the satisfaction between age group 41-50 and 52-60 shows less difference with  $p = 0.978$ .

✓ **Marital status and job satisfaction**

**Table 4.11: Job satisfaction analysis by marital status AVOVA table**

			Sum of	Mean		
			Squares	df	Square	F Sig.
Job Satisfaction	Between * Groups	(Combined)	8.532	1	8.532	11.541 <.001
Marital status	Within Groups		204.047	276	.739	
	Total		212.580	277		

The p-value (< 0.001) is much lower than the common significance level of 0.05, which indicated the data provides strong evidence that there are statistically different average job satisfaction scores between employees who are married and not married. This finding goes with the result of previous studies have shown that marital status can impact job satisfaction. Married individuals might have different job satisfaction needs compared to unmarried individuals due to factors such as social support, work-life balance, and financial stability (Spector, 1997; George et al., 2008).

**Table 4.12: Job satisfaction analysis by marital status report table**

<b>Marital status</b>			
	Mean	N	Std. Deviation
Married	3.4514	151	.84778
Single	3.0997	127	.87395
Total	3.2908	278	.87603

The data is presented in a table summarizing the average job satisfaction score (mean), number of employees in marriage group (N), and standard deviation of the scores. The result in the table indicates that there appears to be a difference in job satisfaction between married and single employees. Married employees have a higher average job satisfaction score (3.45) compared to single employees (3.09).

✓ **Work experience and job satisfaction**

**Table 4.13: Job satisfaction analysis by work experience ANOVA table**

		Sum of Squares	Df	Mean Square	F	Sig.
Job Satisfaction *	Between Work Groups (Combined)	32.891	3	10.964	16.718	<.001
Experience	Within Groups	179.689	274	.656		
	Total	212.580	277			

The statistically significant p-value ( $< 0.001$ ) indicates that work experience is a factor influencing job satisfaction. The data provides clear evidence that work experience groups have statistically different average job satisfaction scores which means people with different levels of work experience tend to have different average job satisfaction levels. This finding has consistency with previous studies that have shown work experience is a significant factor in determining job satisfaction. As employees gain more experience, they may develop greater skills, confidence, and job security, which can contribute to higher job satisfaction levels (Luthans, 2001).

**Table 4.14: Job satisfaction analysis by work experience report table**

<b>Work Experience</b>			
	Mean	N	Std. Deviation
>10	3.9300	50	.50853
1-2	2.8925	62	.95771
3-5	3.1218	78	.78894
6-10	3.3580	88	.85192
Total	3.2908	278	.87603

The data is presented in a table analyzes job satisfaction scores among employees categorized by their years of work experience. The result in the table indicates that there appears to be a trend in job satisfaction scores across work experience levels. Employees with over 10 years of experience report the highest average satisfaction (3.93) while junior employees with 1-2 years of experience report the lowest average satisfaction (2.89). Satisfaction appears to generally increase with more work experience, reaching a peak at over 10 years. This indicates as employees accumulate more years of experience, they tend to report higher job satisfaction and this finding align with other literature, which often indicates that job satisfaction tends to increase with work experience. Employees with longer tenure generally have better job security and more autonomy, contributing to higher job satisfaction (Spector, 1997).

Tukey's post-hoc test is used after performing a one-way Analysis of Variance (ANOVA) to identify which specific groups within the work experience category have statistically significant differences in their satisfaction. The analysis is based on post-hoc test table results attached in appendixes.

The highest satisfaction difference was seen between senior employees who have more than 10 year work experience and junior employees whose work experience is within the year range of 1-2, with mean difference 1.03 and  $p < 0.001$ . Relatively the satisfaction between group of employees whose work experience year lies between 1-2 and 3-5 shows less difference with  $p < 0.345$ .

✓ **Educational level and job satisfaction**

**Table 4.15: Job satisfaction analysis by educational level AVOVA table**

			Sum of	Mean			
			Squares	df	Square	F	
						Sig.	
Job Satisfaction *	Between	(Combined)	8.109	2	4.054	5.453	.005
Educational level	Groups						
	Within	Groups	204.471	275	.744		
	Total		212.580	277			

The statistically significant p-value 0.005 indicates that educational level is another factor that influences job satisfaction. Clear evidence is provided in the data that educational level groups have statistically different average job satisfaction scores which mean people with different levels of education tend to have different average job satisfaction levels. This finding aligns with previous studies that have consistently found that educational level can influence job satisfaction, although the direction and magnitude of this influence can vary (Judge & Watanabe, 1993; Kim, 2005).

**Table 4.16: Job satisfaction analysis by educational level report table**

<b>Educational level</b>			
	Mean	N	Std. Deviation
Bachelor's Degree	3.2283	192	.86044
Diploma	2.7917	12	.85317
Master's Degree	3.5338	74	.86843
Total	3.2908	278	.87603

The data is presented in a table analyzes job satisfaction scores among employees categorized by their educational level. The result in the table indicates that there appears to be a trend in job satisfaction scores across employees with different educational level.

Employees with a Master's Degree report the highest average satisfaction (3.53) while employees with a Diploma report the lowest average satisfaction (2.79). Job satisfaction appears to generally increase with attaining advanced education.

Tukey's post-hoc test is used after performing a one-way Analysis of Variance (ANOVA) to identify which specific groups within the educational level category have statistically significant differences in their satisfaction. The analysis is based on post-hoc test table results attached in appendixes.

The highest satisfaction difference was seen between employees with master's degree and employees with diploma certificate with mean difference 0.74 and  $p = 0.017$ . Relatively the satisfaction between group of employees whose educational level is diploma and bachelor's degree shows less difference with  $p = 0.43$ .

✓ **Level of current position and job satisfaction**

**Table 4.17: Job satisfaction analysis by level of current position ANOVA table**

		Sum of	Mean			
		Squares	df	Square	F	
					Sig.	
Job Satisfaction *	Between (Combined)	21.764	2	10.882	15.683	<.001
Level of current	Groups					
position	Within Groups	190.816	275	.694		
	Total	212.580	277			

The statistically significant p-value 0.001 shows that level of job position is influences job satisfaction. The data indicated that there are variations in job satisfaction scores based on level of work position which mean people at different hierarchical levels tend to have different average job satisfaction levels. The indication goes with previously done studies

that have found that job position is a significant determinant of job satisfaction, with higher-level positions often associated with greater job autonomy, responsibility, and potentially higher job satisfaction (Judge & Watanabe, 1993; Kim, 2005).

**Table 4.18: Job satisfaction analysis by level of current position report table**

	Level of current position		
	Mean	N	Std. Deviation
Junior	2.9122	74	.84725
Management	4.1000	15	.77868
Senior	3.3748	189	.83132
Total	3.2908	278	.87603

The data is presented in a table analyzes job satisfaction scores among employees categorized by their job level. The result in the table indicates that there appears to be a trend in job satisfaction scores across employees with different job level. Employees in Management positions report the highest average satisfaction (4.10), senior employees registered the next highest satisfaction score (3.37) and employees in junior positions report the lowest average satisfaction (2.91).

Tukey's post-hoc test is used after performing a one-way Analysis of Variance (ANOVA) to identify which specific groups within the level of current position category have statistically significant differences in their satisfaction. The analysis is based on post-hoc test table results attached in appendixes.

The highest satisfaction difference was seen between employees who are on junior level and employees on management level with mean difference 1.18 and  $p < 0.001$ . Relatively

the satisfaction between group of employees on senior level and management level shows less difference with  $p = 0.04$ .

#### 4.4 Analysis of inferential statistics results

In this section, the findings of inferential statistics are presented. Regression analysis and Spearman's Rank Order Correlation Coefficient were used for assessing the study's objectives. These statistical methods are used to help draw conclusions with regard to the sample.

##### 4.4.1 Correlation analysis

This section will address the relationship between the independent and dependent variables. Spearman's Rank Order Correlation ( $\rho$ ) is used to measure the degree of relationship between the variables.

**Table 4.19: Correlations direction and strength Correlation coefficient(r)**

Correlation coefficient (r)	Strength of the correlation
From 0.01-0.9	Negligible association
From 0.10-0.29	Low association
From 0.30-0.49	Moderate association
From 0.50-0.69	Substantial association
From 0.70 and above	Very strong association

Source: (Joe, 2011), (Davis, 1971)

**Table 4.20: Correlation matrix**

		<b>Correlations</b>					
			Trust	Job security	Job Autonomy	Recognition and Job Appreciation	Job Satisfaction
Spearman's rho	Trust	Correlation	1.000				
		Coefficient					
		Sig. (2-tailed)	.				
		N	278				
	Job security	Correlation	.525**	1.000			
		Coefficient					
		Sig. (2-tailed)	<.001	.			
		N	278	278			
	Job Autonomy	Correlation	.433**	.670**	1.000		
		Coefficient					
		Sig. (2-tailed)	<.001	<.001	.		
		N	278	278	278		
	Recognition and Appreciation	Correlation	.467**	.626**	.735**	1.000	
		Coefficient					
		Sig. (2-tailed)	<.001	<.001	<.001	.	
	N	278	278	278	278		
Job Satisfaction	Correlation	.514**	.666**	.715**	.775**	1.000	
	Coefficient						
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	.	
	N	278	278	278	278	278	

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

The correlation matrix provided shows the Spearman's rho correlation coefficients between the independent variables trust, job security, job autonomy, recognition and appreciation and dependent variable job satisfaction. All the correlations are significant at the 0.01 level, indicating strong relationships between the variables.

#### **4.4.2 Interpretation of correlation matrix**

##### **➤ Trust and job satisfaction**

The study's findings in the table 4.19 indicate that the correlation coefficient between trust and employees' job satisfaction is 0.514 and  $p < 0.001$  which means the correlation between the two variables is significant and positive. This positive correlation between trust and job satisfaction, implies that when employees feel a high level of trust within the workplace, they tend to report greater satisfaction with their jobs.

##### **➤ Job Security and job satisfaction**

According to the study's findings in the table 4.19, the correlation coefficient between job security and employees' job satisfaction is 0.666 and  $p < 0.001$  which indicates the correlation between the two variables is significant and positive. This strong and positive correlation between job security and job satisfaction, suggests that employees who feel more secure in their positions tend to experience greater satisfaction with their job.

##### **➤ Job Autonomy and job satisfaction**

The result in table 4.19 shows that the correlation coefficient between job autonomy and employees' job satisfaction is 0.715 and  $p < 0.001$ . This indicates there is a strong and positive correlation between the two variables. This very strong positive correlation between job autonomy and job satisfaction suggests that employees who experience greater control over their job tend to be much more satisfied with their jobs.

### ➤ **Recognition and appreciation and job satisfaction**

The study's findings in table 4.19 indicate that the correlation coefficient between recognition and appreciation and employees' job satisfaction is 0.775 and  $p < 0.001$ , implying that there is a strong and positive correlation between the variables. The very strong positive correlation between recognition and appreciation, and job satisfaction, indicates that employees who receive more recognition and appreciation tend to report significantly higher levels of job satisfaction.

#### **4.4.3 Regression Analysis**

Regression is used to make statements about the extent to which one or more independent variables will predict the value of a dependent variable. This method can be used to look at how an independent variable affects a dependent variable. In this study there are more than two independent variables so multiple regressions is used. In this section the effect of trust, job security, job autonomy, recognition and appreciation on job satisfaction of employees' will be described. The regression analysis conducted in this study was based on the examination of several key statistical assumptions to ensure the validity and reliability of the results. These assumptions include the normality of residuals, linearity, homoscedasticity, and the absence of multi co-linearity among the predictor variables.

#### **Normality**

The residuals appear to be normally distributed, which satisfies one of the key assumptions of linear regression. According to Hair et al. (2010) and Bryne (2010) the data is considered to be normal if skewness is between -2 to +2 and kurtosis is between -7 to +7. The result is based on the table attached in appendixes.

## **Linearity**

The relationship between the independent variables and dependent variable is linear. To check the linearity assumption, regression analysis was performed and the scatter plot of residuals revealed that multivariate relationship was linear. Scatter plots of each variable shows the assumption had been met. The result is based on the figures attached in appendixes.

## **Homoscedasticity**

Homoscedasticity, or the constant variance of residuals, was evaluated through a scatterplot of the regression standardized residuals against the predicted values of job satisfaction. The scatterplot shows that the residuals are randomly scattered and do not exhibit any discernible pattern, indicating that the assumption of homoscedasticity is satisfied. The figure that is bases for the result are attached in appendixes.

## **Independence of Residuals**

The values of residual are independent. The Durbin-Watson statistic showed that this assumption had been met, as obtained value was 1.939 which is close to 2. The result is based on the table attached in appendixes.

## **Multi Co-linearity test**

When conducting multiple regressions, a typical issue known as the "problem of multi-co-linearity" arises when there is a significant level of correlation between the independent variables. The independent variables should be selected carefully, to decrease multi-co-linearity. The multi co-linearity test can be done using Tolerance and VIF. The amount of

the specified independent variable's variability that cannot be explained by the other independent variables in the model is indicated by tolerance.

If this value is very small or less than 0.10, it indicates that the multiple correlations with other variables is high, suggesting the possibility of multi co-linearity. The other value given is the VIF (Variance inflation factor), which is just the inverse of the Tolerance value. VIF values above 10 indicate multi co-linearity.

**Table 4.21: Multi Co-linearity test**

	Unstandardized		Standardized			Collinearity	
	Coefficients		Coefficients			Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	-.503	.210		-2.397	.017		
Trust	.259	.065	.173	3.967	<.001	.680	1.471
Job security	.210	.058	.191	3.590	<.001	.458	2.183
Job autonomy	.231	.062	.219	3.693	<.001	.368	2.716
Recognition and appreciation	.395	.058	.371	6.852	<.001	.441	2.265

a. Dependent Variable: Job satisfaction

As it is shown in the above table the values of tolerance for all variables are greater than 0.10 and the values of VIF for all variables are below 10. Hence, it suggests that the independent variables do not exhibit multi co-linearity, which means they are not too interconnected with each other. This increases the reliability of the regression coefficients.

**Table 4.22: Model summary table**

Model summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.804 <sup>a</sup>	.647	.642	.52433

a. Predictors: (Constant), trust, job security, job autonomy, recognition and appreciation

Table 4.21 depicts the model summary. The value of R square is .647 which indicates that 64.7 % of variation on employees' job satisfaction was explained by the independent variables, which are dimensions of organizational climate. The residual 35.3% of the variance in employees' job satisfaction could be accounted for other factors.

**Table 4.23: Regression analysis**

Dependent variable: Job satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.503	.210		-2.397	.017
	Trust	.259	.065	.173	3.967	<.001
	Job security	.210	.058	.191	3.590	<.001
	Job Autonomy	.231	.062	.219	3.693	<.001
	Recognition and Appreciation	.395	.058	.371	6.852	<.001

The above table illustrates the effect of each independent variable which is the dimensions of organizational climate on the dependent variable that is job satisfaction. The standardized coefficient of Beta ( $\beta$ ) used to see which independent variables significantly influence the dependent variable. The variable that contributes the most to the dependent variable is the one with the highest value.

### **Regression analysis of trust and job satisfaction**

As shown in the regression analysis table performance feedback ( $\beta= 0.173$ ,  $p<0.05$ ); with a significance level of 0.001 which indicates that there is a positive and significant relationship between Trust and Job Satisfaction. As Trust increases, Job Satisfaction also tends to increase. This suggests that improving trust within an organization could potentially enhance employees' job satisfaction. Thus, based on the evidence, the null hypothesis stating “higher level of trust among colleagues and with management has a no positive impact on job satisfaction” is rejected and the alternate hypothesis “higher level of trust among colleagues and with management has a positive impact on job satisfaction” is accepted.

Several studies have established a positive correlation between trust in supervisors, peers, and upper management and job satisfaction. The findings of this study align with those of (Evren et al., 2014), which demonstrated a significant relationship between employees' trust in their colleagues and managers and their job satisfaction. Similarly, this study's results are consistent with (Emadi et al., 2015), who found a direct and meaningful relationship between organizational trust and job satisfaction.

### **Regression analysis of job security and job satisfaction**

As shown in the regression analysis table performance feedback ( $\beta= 0.191$ ,  $p<0.05$ ); with a significance level of 0.001 which indicates that there is a positive and significant relationship between job security and job Satisfaction. As the level of job security increases, job satisfaction also tends to increase. This suggests that perceived job security positively impacts job satisfaction. Thus, based on the evidence, the null hypothesis that

stated “employees who perceive higher levels of job security will not report higher levels of job satisfaction” is rejected and the alternate hypothesis “employees who perceive higher levels of job security will report higher levels of job satisfaction” is accepted.

This result reinforces the notion that is indicated by many studies that job security has positive and significant effect on job satisfaction. (Sousa-Poza, 2000) discovered that, across national boundaries, job security is a significant predictor of job satisfaction. (Khan et al., 2013) also revealed that among workers in Pakistan's banking industry, job security led to job satisfaction and motivation. (Blanchflower and Oswald, 1999) shows that expectations of job loss have the largest negative impact on job satisfaction by using three different cross-sectional data sources.

### **Regression analysis of job autonomy and job satisfaction**

As shown in the regression analysis table performance feedback ( $\beta= 0.219$ ,  $p<0.05$ ); with a significance level of 0.001 which indicates that there is a positive and significant relationship between job autonomy and job Satisfaction. As the level of job autonomy increases, job satisfaction also tends to increase. This suggests that greater job autonomy is associated with higher job satisfaction. Therefore, the null hypothesis that state “employees who experience greater autonomy at work will not exhibit higher levels of job satisfaction” is rejected and the alternate hypothesis stating "employees who experience greater autonomy at work will exhibit higher levels of job satisfaction" is accepted.

The finding of this study is consistent with other studies conducted on the subject matter. A study conducted by (Rizwan et al., 2014) indicated that there is significant positive relationship between job autonomy and employees' job satisfaction. The result of another

study conducted by (Gözükara İ., and Nurdan Ç., 2016) also showed that job autonomy has a positive impact on job satisfaction.

### **Regression analysis of recognition and appreciation, and job satisfaction**

The regression analysis table shows that performance feedback ( $\beta= 0.371$ ,  $p<0.05$ ); with a significance level of 0.001 which indicates that recognition and appreciation significantly boost job satisfaction of employees. This suggests that recognition and appreciation positively impacts job satisfaction. Therefore, based on the evidence the null hypothesis that state “high levels of recognition and appreciation will not lead to increased employee job satisfaction” is rejected and the alternate hypothesis “high levels of recognition and appreciation will lead to increased employee job satisfaction” is accepted.

The result of this study is consistent with the result of other several studies that indicated recognizing and appreciating employees as individuals can positively impact their job satisfaction. According to (Varnita et al., 2023) recognition and appreciation have been found to have a positive impact on job satisfaction. When employees receive recognition for their achievements and contributions, they tend to feel valued and appreciated, leading to increased job satisfaction.

In general, all four organizational dimensions show a statistically significant positive relationship with job satisfaction ( $p\text{-value} < 0.05$ ). This suggests that increased trust, job security, job autonomy, and recognition and appreciation are likely to lead to increased job satisfaction among employees. Among these, recognition and appreciation showed the strongest influence, followed by job autonomy, job security, and then trust. These findings suggest that building trust, providing job security, offering autonomy, and implementing

recognition programs can contribute to a more satisfied workforce. The findings support the hypotheses that these factors positively influence job satisfaction.

Multiple regression equation for the organizational climate dimensions and job satisfaction can be derived from table 4.22 as follows:

$$Y = -0.503 + 0.259TR + 0.210JSC + 0.231JA + 0.395RA$$

Where, Y, TR, JSC, JA and RA are job satisfaction, trust, job security, job autonomy, recognition and appreciation respectively.

## 4.5 Summary of research hypothesis

The preceding section examined the study's objectives by putting the research hypotheses to the test. Table 4.23 below, provides a summary of the research hypotheses that are accepted.

**Table 4.24: Summary of overall outcome of the research hypothesis**

<b>Hypothesis</b>	<b>Result</b>
H1: Higher level of trust among colleagues and with management has a positive impact on job satisfaction	Accepted
H2: Employees who perceive higher levels of job security will report higher levels of job satisfaction	Accepted
H3: Employees who experience greater autonomy at work will exhibit higher levels of job satisfaction	Accepted
H4: High levels of recognition and appreciation will lead to increased employee job satisfaction	Accepted

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Source: Own survey (2024)

## CHAPTER FIVE

### Summary, Conclusion and Recommendation

#### 5. Introduction

In this concluding chapter of the thesis the findings and researcher's conclusion based on the results of the study are summarized. Finally, some recommendations will be proposed by the researcher to improve organizational climate and employees' job satisfaction.

##### 5.1 Summary of key findings

- ✓ Demographic information of the sample shows that there is a diverse workforce at the Commercial Bank of Ethiopia. The majority of employees are aged between 23-40 years, with 41.7% falling in the 23-30 age groups and 34.5% in the 31-40 age groups. This suggests a youthful workforce that covers the large proportion of employees. Gender distribution is fairly balanced, with 52.2% male and 47.8% female employees which reflects gender diversity within the organization.
- ✓ Educational qualifications show that most employees hold a Bachelor's Degree (69.1%), followed by those with a Master's Degree (26.6%). The high level of educational attainment suggests that the workforce is well-qualified. In terms of work experience, 31.6% of the employees have 6-10 years of experience, while 28.1% have 3-5 years, this indicates the workforce is a mix of mid-level and early-career employees. Current work position levels indicate that 68.0% are in senior roles, and 26.6% are in junior positions, with only 5.4% in management. A majority of employees holding senior roles suggests a potential for an experienced guidance

within the organization. Marital status is also mixed, with 54.3% married and 45.7% single.

- ✓ Before undertaking the analysis tests are conducted, a validity test using pilot test and reliability test using Cronbach's Alpha. The Cronbach's Alpha for all items was greater than 0.70 indicating the research is reliable. Employees felt some independence in carrying out their jobs (mean = 3.39) and control over their daily responsibilities (mean = 3.65), indicating that job autonomy was at a moderate degree. The perceptions of work security were also moderate, with a mean of 3.53 for long-term employment confidence and overall job security. Recognition and appreciation had lower scores, with means of 3.56 for manager recognition and 3.35 for adequate appreciation. Overall job satisfaction was moderately positive, with a mean score of 3.39.
- ✓ Among the different groups of employees based on their educational level, diploma holders report the lowest average satisfaction (2.79) and employees with a Master's Degree report the highest average satisfaction (3.53).
- ✓ Regarding the different groups of employees based on their job position, employees in management positions report the highest average satisfaction (4.10), senior employees registered the next highest satisfaction score (3.37) and employees in junior positions report the lowest average satisfaction (2.91).
- ✓ Employees generally feel secure in their jobs and have confidence in the integrity and fairness of their supervisors. There is high trust among colleagues, with strong mutual support observed, especially during difficult times at work.

- ✓ Recognition from immediate supervisors receives higher ratings compared to organizational level recognition and there is room for improvement in how the organization as a whole acknowledges achievements.
- ✓ Overall job satisfaction levels are moderate to high, with employees generally satisfied with the challenges in their work and the fulfilment it provides. However, satisfaction levels vary across dimensions, with recognition and overall organizational satisfaction being areas for improvement.
- ✓ Correlation analysis revealed positive relationships between job satisfaction and the dimensions of organizational climate. Trust among employees shows a moderate positive correlation with job satisfaction, with a correlation coefficient of 0.514 and a p-value less than 0.001. Job security has a strong positive correlation with job satisfaction, evidenced by a correlation coefficient of 0.666 and a p-value less than 0.001. Job autonomy, with a very strong positive correlation of 0.715 and a p-value less than 0.001. Finally, recognition and appreciation show the strongest positive correlation with job satisfaction, with a correlation coefficient of 0.775 and a p-value less than 0.001.
- ✓ According regression output, the overall independent variables such as trust, job security, job autonomy and recognition and appreciation were observed to explain 64.7 % of the variance in the employees' job satisfaction.

## 5.2 Conclusion

The main purpose of this study was to identify the relationship between organizational climates and job satisfaction in Commercial bank of Ethiopia head office. A conclusion about the empirical investigation is also provided in reference to the study's goal.

The study found that the overall organizational climate, encompassing job security, trust, job autonomy, and recognition, had a cumulative positive effect on employee job satisfaction. It is indicated that the employees generally have a positive perception of their organizational climate, particularly in areas of trust and job autonomy. Trust in supervisors and colleagues are notably high, this reflects a supportive and cooperative work environment. Similarly, employees reported a moderate degree of job autonomy, suggesting that they have some control over their work and decision-making processes. But certain categories, such as recognition and appreciation, received lower ratings, suggesting room for development. Employees wanted their supervisors to provide them more meaningful and frequent recognition for the job they do.

The research result revealed that, the bank has a diverse demographic profile among the employees, which is indicative of a balanced workforce in terms of age, gender, education, work experience, and marital status. This diversity offers a wide-ranging perspective on the ways in which job satisfaction is affected by organizational climate for different worker sections. This analysis reveals that several demographic factors are associated with job satisfaction at CBE. While gender did not show a significant influence, age, marital status, work experience, educational level, and level of current position all play a role in shaping employee satisfaction.

The correlation analysis confirmed the significant positive relationships between job satisfaction and various dimensions of organizational climate, including trust, job autonomy, job security, and recognition and appreciation. The data indicate that when employees feel secure in their jobs, trust their management, have autonomy in their roles, and receive appropriate recognition, their overall job satisfaction increases. This demonstrates how crucial a role these elements have in enhancing job satisfaction. The regression analysis further underscored the importance of these components, collectively explaining a substantial portion of the variance in job satisfaction. Especially, recognition and appreciation stood out as the most important element, indicating that workers place a great importance on having their contributions recognized.

The analysis conducted in this paper suggests the Commercial Bank of Ethiopia should focus on building a more positive organizational climate to enhance employee satisfaction. This includes developing a culture of trust and support, providing employees with greater autonomy in their roles, ensuring job security, and most importantly, implementing effective recognition and appreciation programs. By addressing these areas, the bank can create a more motivating and satisfying climate, which in turn, can lead to improved employee performance and retention, ultimately contributing to the bank's overall success.

### **5.3 Recommendation**

Based on the findings, discussion and conclusion drawn in the study, the following recommendations are made to improve the organization climate and employee's job satisfaction.

1. Enhancing recognition and appreciation programs is crucial. The findings indicate that employees feel undervalued, which negatively impacts their job satisfaction. To address this, the bank should develop structured programs for regular and meaningful recognition of employees' efforts and achievements.
2. The other important area that needs to be improved is promoting job autonomy. The analysis revealed that employees who experience greater autonomy in their roles report higher job satisfaction. Therefore, empowering employees by delegating more responsibilities and granting them greater control over their tasks is recommended. Encouraging decision-making at various levels and providing training and development opportunities will develop employees' skills and confidence in managing their work independently.
3. Improving job security is also important, given that uncertainty about job stability negatively affects employees' satisfaction. Communicating the organization's visions and employees' roles within these plans in a clear manner, can assure job stability. Developing strong policies that protect employees' positions during organizational changes and offering career development programs will provide a clear pathway for professional growth within the organization. Focusing on maintaining and developing a trusting work environment is also important. Building transparent communication channels can cultivate trust. Ensuring

consistence managerial actions and decisions reinforces reliability, while team-building activities can enhance trust and collaboration among colleagues.

4. Evaluating the organizational climate consistently is also an essential activity to remain aware of employees' needs. Periodic surveys should be conducted to measure employees' perceptions of the organizational climate and job satisfaction since it helps to identify trends and areas that require improvement.
5. The bank should implement mentorship and career development programs for younger employees to provide guidance and support, along with clear paths for advancement and continuous learning opportunities. Senior employees should receive recognition for their contributions, with career advancement and skill development initiatives to maintain high satisfaction levels. It could also support ongoing education and professional development opportunities for employees with lower educational levels to help improve their job satisfaction.

#### **5.4 Suggestions for further research**

Future studies should consider investigating additional dimensions other than the four dimensions used in this paper to provide a more comprehensive understanding of what influences job satisfaction in the banking sector. It would also be better if future researches are conducted by incorporating qualitative methods such as interviews and focus groups to provide richer, more nuanced insights into employees' perceptions and experiences of organizational climate and job satisfaction. Additionally, conducting similar studies at the district and branch levels of the organization can provide a valuable insight on regional variations and localized factors that impact employees.

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## **APPENDIX A: Questionnaire**

### **Addis Ababa University College of Business and Economics MBL Program**

Dear respondents,

I am a MBL graduate student at Addis Ababa University conducting research on "The impact of organizational climate on employees' job satisfaction: The case of commercial bank of Ethiopia". This survey is designed to gather information for a research and it is exclusively intended for academic purpose. All data gathered will be treated in complete confidence. This survey should take approximately 10-15 minutes to complete and sincere, straightforward and precise responses are valued. I appreciate your sincere cooperation in advance.

Kind regards,

Abel Yacob.

Tel. 0917885699

## PART I

### Demographic information

1. Gender: Male , Female
2. Age: 23-30yrs, 31-40yrs, 41-50yrs, 51-60yrs >61yrs
3. Marital status: Single , Married
4. Work experience: 1-2yrs, 3-5yrs, 6-10yrs, >10yrs
5. Educational level: Diploma , Bachelor's Degree, Master's Degree
6. Level of current position: Junior, Senior, Management

## PART II

### General questions related with the topic

No	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	<b>Trust</b>					
<b>1</b>	I feel quite confident that my supervisor will always try to treat me fairly					
<b>2</b>	My supervisor would never try to gain an advantage by deceiving workers					
<b>3</b>	I have complete faith in the integrity of my supervisor					
<b>4</b>	If I got into difficulties at work I know my workmates would try and help me out					

5	Most of my workmates can be relied upon to do as they say they will do					
6	I have full confidence in the skills of my workmates					
	<b>Job autonomy</b>					
7	I have the freedom to decide how to do my work.					
8	The job allows me to decide on the order in which things are done on the job.					
9	The job gives me a chance to use my personal judgment in carrying out the work.					
10	I have control over the tasks I perform each day					
11	I can set my own schedule to some extent					
12	My job allows me to be creative and innovative					
	<b>Job security</b>					
13	I feel secure in my job.					
14	I am confident that I will be able to work for my company as long as I wish					
15	The organization values long-term employment.					
16	I will be able to keep my present job as long as I want regardless of economic conditions					

17	My job is stable and unlikely to be eliminated.					
18	I am not worried about losing my job in the near future.					
	<b>Recognition and appreciation</b>					
19	My contributions are recognized by my manager.					
20	I receive adequate appreciation for my work.					
21	The organization acknowledges my achievements					
22	I feel valued for the work I do					
23	The organization appreciates and takes care of employees Competencies					
24	My organization is quick to recognize good performance					
	<b>Job satisfaction</b>					
25	I feel fairly satisfied with my current job.					
26	I find my work fulfilling					
27	I am satisfied with the level of recognition I receive.					
28	I feel motivated to perform well in my job.					
29	I am happy with the challenges in my work most of the time					
30	I find real enjoyment in my work					

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**APPENDIX B: Post-hoc test table results**

(I) Work Experience	(J) Work Experience	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
>10	1-2	1.0375*	.15393	<.001	.6396	1.4354
	3-5	.8082*	.14671	<.001	.4290	1.1874
	6-10	.5720*	.14342	<.001	.2013	.9428
1-2	>10	-1.0375*	.15393	<.001	-1.4354	-.6396
	3-5	-.2293	.13779	.345	-.5855	.1268
	6-10	-.4655*	.13427	.003	-.8126	-.1184
3-5	>10	-.8082*	.14671	<.001	-1.1874	-.4290
	1-2	.2293	.13779	.345	-.1268	.5855
	6-10	-.2362	.12594	.241	-.5617	.0894
6-10	>10	-.5720*	.14342	<.001	-.9428	-.2013
	1-2	.4655*	.13427	.003	.1184	.8126
	3-5	.2362	.12594	.241	-.0894	.5617
Bachelor's Degree	Diploma	.4366	.25658	.206	-.1680	1.0413
	Master's Degree	-.3055*	.11798	.027	-.5835	-.0275
Diploma	Bachelor's Degree	-.4366	.25658	.206	-1.0413	.1680
	Master's Degree	-.7421*	.26834	.017	-1.3745	-.1098
Master's Degree	Bachelor's Degree	.3055*	.11798	.027	.0275	.5835
	Diploma	.7421*	.26834	.017	.1098	1.3745
Junior Management	Senior	-1.1878*	.23587	<.001	-1.7437	-.6320
	Senior	-.4626*	.11423	<.001	-.7318	-.1934
Senior Management	Junior	1.1878*	.23587	<.001	.6320	1.7437
	Senior	.7252*	.22345	.004	.1987	1.2518
Senior Management	Junior	.4626*	.11423	<.001	.1934	.7318
	Senior	-.7252*	.22345	.004	-1.2518	-.1987

>61	23-30	1.2241*	.37478	.011	.1950	2.2533
	31-40	.7448	.37639	.279	-.2888	1.7784
	41-50	.5310	.38770	.648	-.5337	1.5957
	51-60	.3981	.41480	.873	-.7409	1.5372
23-30	>61	-1.2241*	.37478	.011	-2.2533	-.1950
	31-40	-.4793*	.11321	<.001	-.7902	-.1685
	41-50	-.6931*	.14650	<.001	-1.0954	-.2908
	51-60	-.8260*	.20787	<.001	-1.3968	-.2552
31-40	>61	-.7448	.37639	.279	-1.7784	.2888
	23-30	.4793*	.11321	<.001	.1685	.7902
	41-50	-.2138	.15057	.615	-.6273	.1997
	51-60	-.3466	.21075	.470	-.9254	.2321
41-50	>61	-.5310	.38770	.648	-1.5957	.5337
	23-30	.6931*	.14650	<.001	.2908	1.0954
	31-40	.2138	.15057	.615	-.1997	.6273
	51-60	-.1329	.23035	.978	-.7654	.4997
51-60	>61	-.3981	.41480	.873	-1.5372	.7409
	23-30	.8260*	.20787	<.001	.2552	1.3968
	31-40	.3466	.21075	.470	-.2321	.9254
	41-50	.1329	.23035	.978	-.4997	.7654

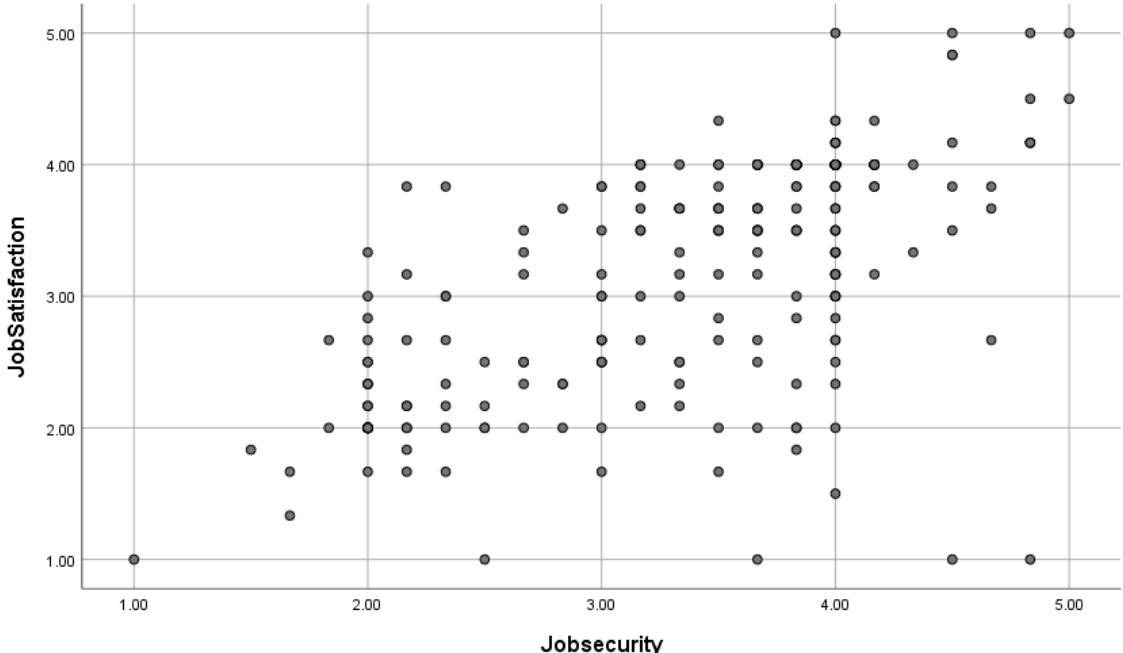
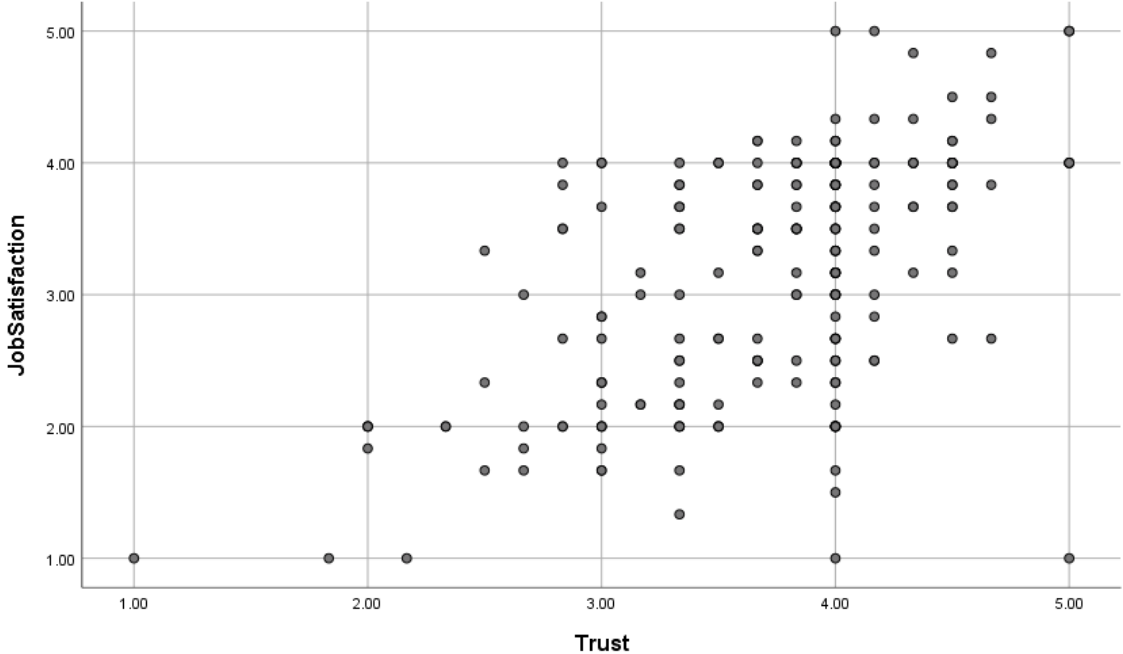
**APPENDIX C: Correlation matrix of all variables**

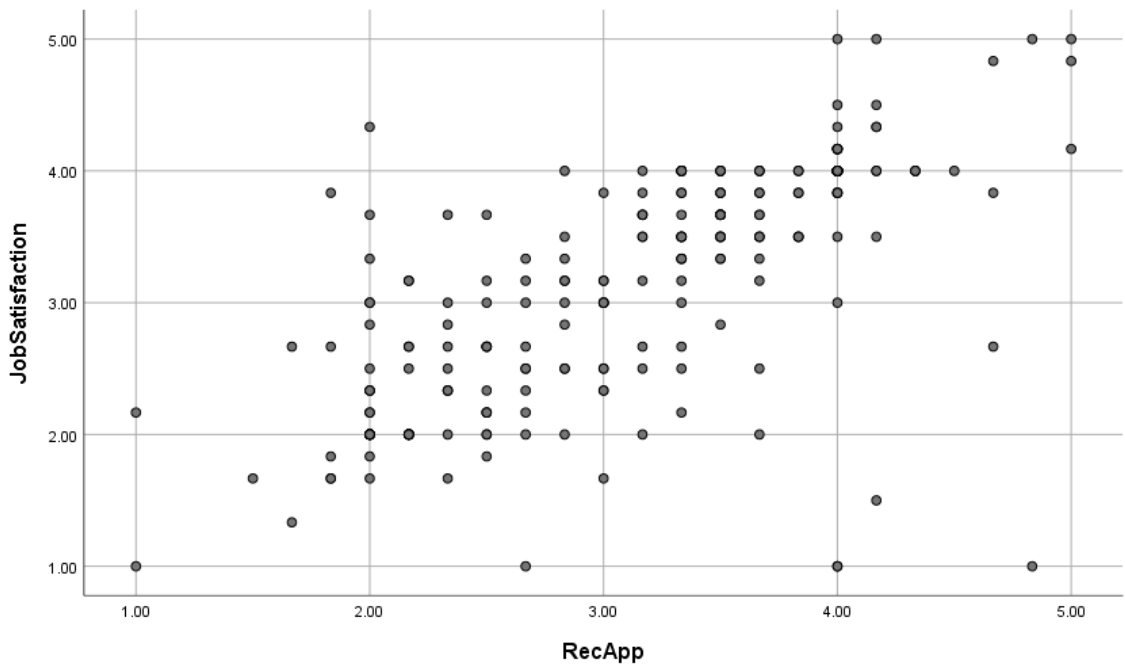
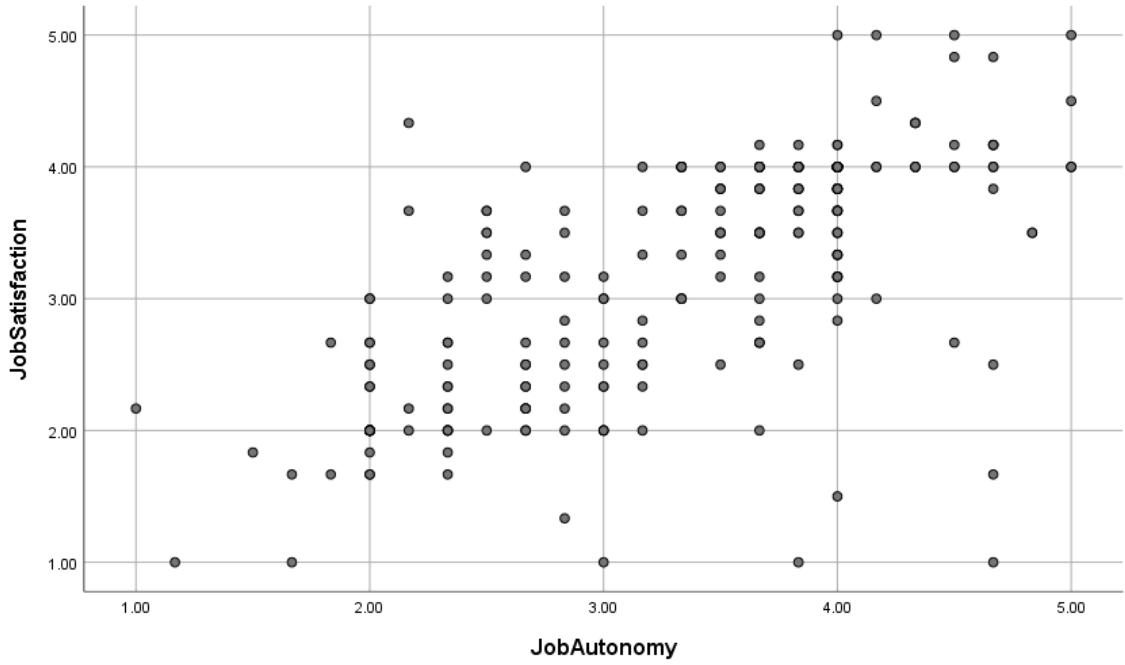
			Trust	Job security	Job Autonomy	Recognition and appreciation	Job satisfaction
Spearman's rho	Trust	Correlation Coefficient	1.000	.525**	.433**	.467**	.514**
		Sig. (2-tailed)	.	<.001	<.001	<.001	<.001
		N	278	278	278	278	278
	Job security	Correlation Coefficient	.525*	1.000	.670**	.626**	.666**
		Sig. (2-tailed)	<.001	.	<.001	<.001	<.001
		N	278	278	278	278	278
	Job autonomy	Correlation Coefficient	.433*	.670**	1.000	.735**	.715**
		Sig. (2-tailed)	<.001	<.001	.	<.001	<.001
		N	278	278	278	278	278
	Recognition and appreciation	Correlation Coefficient	.467*	.626**	.735**	1.000	.775**
		Sig. (2-tailed)	<.001	<.001	<.001	.	<.001
		N	278	278	278	278	278
	Job satisfaction	Correlation Coefficient	.514*	.666**	.715**	.775**	1.000
		Sig. (2-tailed)	<.001	<.001	<.001	<.001	.
		N	278	278	278	278	278
**. Correlation is significant at the 0.01 level (2-tailed).							

**APPENDIX D: Normality test table**

Descriptive Statistics					
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Trust	278	-.911	.146	2.103	.291
Job security	278	-.773	.146	-.262	.291
Job Autonomy	278	-.570	.146	-.546	.291
Rec & App	278	-.434	.146	-.763	.291
Job Satisfaction	278	-.630	.146	-.537	.291

**APPENDIX E: Linearity test figures**





### APPENDIX F: Independence of Residuals

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.804 <sup>a</sup>	.647	.642	.52433	1.939
a. Predictors: (Constant), RecApp, Trust, Jobsecurity, JobAutonomy					
b. Dependent Variable: JobSatisfaction					

### APPENDIX G: Homoscedasticity plot

