

# ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

# ASSESSMENT OF JOB SATISFACTION: THE CASE OF ADDIS PHARMACEUTICAL FACTORY PLC

BY

## MEWAEL TESHALE AREFAYNE

**ADVISOR: SHOA JEMAL (ASST PROF)** 

JANUARY, 2016

ADDIS ABABA, ETHIOPIA

### **ASSESSMENT OF JOB SATISFACTION:**

### THE CASE OF ADDIS PHARMACEUTICAL FACTORY PLC

BY

#### MEWAEL TESHALE AREFAYNE

## A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

**JANUARY, 2016** 

ADDIS ABABA, ETHIOPIA

# ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES FACULTY OF BUSINESS

#### ASSESSMENT OF JOB SATISFACTION AND EMPLOYEE PERFORMANCE: THE CASE OF ADDIS PHARMACEUTICAL FACTORY PLC

BY

#### MEWAEL TESHALE AREFAYNE

#### **APPROVED BY BOARD OF EXAMINERS**

Dean, Graduate Studies

Advisor

External Examiner

Internal Examiner

Signature & Date

Signature & Date

Signature & Date

Signature & Date

## ACKNOWLEDGEMENTS

I am greatly indebted to my advisor Shoa Jemal (Ass. Prof) for his guidance, continuous support and contribution to enrich the content of this paper.

I would like to thank all the study participants and my special thanks goes to Ato Kebede Berhane, Marketing and Sales Manager at Addis Pharmaceutical Factory PLC

Finally I would like to thank family members and friends in one way or another supported me to finish the paper.

## ABSTRACT

This study is about the assessment of job satisfaction and employee performance at Addis Pharmaceutical Factory. It is a survey research. The target population of the study was employees working at different departments/branches of the company. A sample size of 156 out of 780 employees was taken. The relevant data was collected through survey questionnaire with stratified random sampling technique for distributing the survey questionnaires. The main purpose was to collect data on motivational factors' influence on job satisfaction and hence employee performance. The response rate for the study was 87% from the distributed questionnaires. The data was analyzed mainly by using descriptive statistics and correlation analysis and the proposed hypotheses were tested and most of them were accepted. Major findings of the study revealed that the impact of motivational factors on job satisfaction was positive and significant. Based on this the researcher concluded that motivational factors significantly predict the job satisfaction of employees. In addition some recommendations that might enable the company stay competitive in this volatile and dynamic environment are presented based on the results of the study.

Key words: Job satisfaction, Addis Pharmaceutical Factory, Motivational Factors

## **ACRONYM/ABBREVIATION**

APF= Addis Pharmaceutical Factory

SPSS= Statistical Package for Social Science

# **TABLE OF CONTENTS**

ACK	XNOWLEDGEMENTS	iii
ABS'	TRACT	iv
ACR	RONYM/ABBREVIATION	v
	BLE OF CONTENTS	
LIST	Γ OF TABLES	viii
СНА	APTER ONE: INTRODUCTION	1
1.1.	Background of the Study	1
1.2.	Definitions of Key Terms	3
1.3.	Statement of the Problem	3
1.4.	Research Questions	4
1.5.	Research Objectives	
1	.5.1. General Objective	
1	.5.2. Specific Objectives	5
1.6.	Significance of the Study	5
1.7.	Scope of the Study	6
1.8.	Limitation of the Study	6
1.9.	Organization of the Paper	6
СНА	APTER TWO: REVIEW OF RELATED LITERATURE	
2.1.	Concepts and Definitions	
2.2.	Employee Performance In Relation To Job Satisfaction Models	9
2.3.	Dimensions of Job Satisfaction	11
2.4.	Employee Performance	
2.5.	Empirical Literature Review	13
2.6.	Conceptual Framework	14
2.7.	Research Hypothesis	15

CHAP	TER THREE: RESEARCH DESIGN AND METHODOLOGY	16
3.1.	The Research Design	_16
3.2.	Population and Sampling Techniques	16
3.3.	Source of Data	_17
3.4.	Instrument of Data Collection	_17
3.5.	Procedures of Data Collection	17
3.6.	Pilot Testing	_18
3.7.	Methods of Data Analysis	_19
3.8.	Ethical Considerations	.19

СНА	PTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERP	<b>RETATION</b> 20
4.1.	Demographic Characteristics of the Respondents	20
4.2.	Data Analysis and Interpretations pertaining to the Study	
2	4.2.1. Response Rate	23
2	4.2.2. Descriptive statistics for each Job satisfying factor	23
2	4.2.3. Testing of Research Hypotheses	31
	4.2.3.1. Correlation Analysis	

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.	38
---	----

5.1.	Summary of Major Findings	_38
5.2.	Conclusions	_39
5.3.	Recommendations	41
Refere	ences	_43
Annex	1: Questionnaire	ix
Annex	2: Organogram of APF	xv
Annex 3: Support Letter		xvi

## LIST OF TABLES

Table 4.1 Demographic Information of the Respondents (A)	21
Table 4.2 Demographic Information of the Respondents (B)	22
Table 4.3 Reward as a factor of Job satisfaction	
Table 4.4 Autonomy as a factor of Job satisfaction	
Table 4.5 Training opportunities as a factor of Job satisfaction	
Table 4.6 Performance appraisal/company policy as a factor of Job satisfaction	
Table 4.7 Working environment as a factor of Job satisfaction	28
Table 4.8 Supervision as a factor of Job satisfaction	
Table 4.9 Job Satisfaction Responses	30
Table 4.10 Correlation of Reward vs Satisfaction	
Table 4.11 Correlation of Autonomy vs Satisfaction	
Table 4.12 Correlation of Training vs Satisfaction	33
Table 4.13 Correlation of Company Policy vs Satisfaction	33
Table 4.14 Correlation of Working Environment vs Satisfaction	
Table 4.15 Correlation of Supervision vs Satisfaction	
Table 4.16 Over all Correlation summary	
Table 5. 1 Summary of Hypothesis testing Results	40

## **CHAPTER ONE**

## **INTRODUCTION**

This chapter deals with background of the study, definition of key terms, statement of the problem, research questions, research hypothesis, research objectives, significance of the study, scope of the study, limitation of the study and organization of the study.

#### 1.1 Background of the Study

Job satisfaction can be defined as psychological state of how an individual feels towards work, in other words, it is people's feelings and attitudes about variety of intrinsic and extrinsic elements toward s jobs and the organizations they perform their jobs in. The elements of job satisfaction are related to pay, promotion, benefits, work nature, supervision, and relationship with colleagues (Mosadeghard, 2003). Employees' satisfaction is considered as all -around module of an organization's human resource strategies. According to Simatwa (2011) Job satisfaction means a function which is positively related to the degree to which one's personal needs are fulfilled in the job situation. Job satisfaction means pleasurable emotional state of feeling that results from performance of work (Simatwa, 2011).

It commences with the recruiting of right people and continues with practicing programs to keep them engaged and committed to the organization (Freyermuth, 2004). Sutherland (2004) contends that companies with high quality human capital perform better in marketplace, and deliver higher and more consistent returns to shareholders, than companies with mediocre workers. Sustainable competitive advantage requires satisfaction of employees for retention to the knowledge base of an organization. This knowledge is often tacit and hard to transmit between employees.

Competitive companies worldwide rely on their employees to provide innovative, advantageous and original solutions to problems the company may have. Employees are deemed to be part of

the intangible assets of an organization. They are a precious commodity that forms a significant part of an organization's value. Employee job satisfaction is supremely important in an organization because it is what productivity depends on. If your employees are satisfied they would produce superior quality performance in optimal time and lead to growing profits. Satisfied employees are also more likely to be creative and innovative and come up with breakthroughs that allow a company to grow and change positively with time and changing market conditions. Employee satisfaction is becoming more challenging for companies including those in the pharmaceutical industry due to a number of factors such as availability of the right talent in some fields, manager-employee relations, competition, differences in the level of employer- employee expectations, the high cost associated with hiring new talents, among others. Employers' need for strategic effort directed at satisfying current employees is now urgent than ever to improve retention rates and decrease the associated costs of high turnover. Voluntary turnover is a huge problem for many organizations (Mitchell et al., 2001).

The labor market today is growing and changing fast. It is the responsibility of the leader in the organization to adapt to these changes to be able to make the organization profitable. To be able to do this, it is crucial to satisfy the key employees in the organization since they are the ones that drive the company forward. According to Young (2006), companies are faced with people leaving to join other companies. The average worker is changing jobs ten times between ages of 18 and 37 continuously. Young asserts that one answer to this issue is to believe that you can purchase knowledge to replace what you are losing. McCrea (2001) suggests that employees today change jobs frequently and do not have the company loyalty that existed 30 years ago when your valued employees were hired. The article, "The battle for brainpower" (2006), also states that loyalty to employers is fading therefore companies need to raise productivity by managing talent better. The hunt for talent has gone global as the globalization creates demands and opportunities for most employees.

Job performance is found to be positively correlated with job satisfaction, whereas effort is assumed to be a disutility in the theory. Economic incentives are not found to be the main motivations of job performance; in some cases, indeed, they are even counterproductive. Interest in the job is found to account better for job satisfaction.

Addis Pharmaceutical Factory, its head office, is located at Adigrat, Tigray Regional State. It has also additional factory located at Akaki Kality Subcity in Addis Ababa, by the name Life Line. The Marketing and Sales Department is also located at Addis Ababa and has branches distribution offices at Mekelle, Bahir Dar and Hawassa.

This paper attempts to investigate the job satisfaction and employee performance at Addis Pharmaceutical Factory (APF) and investigates to learn the reason behind the high turnover rate at the organization.

#### **1.2Definitions of Key Terms**

*Job Satisfaction:* It is any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job (Hoppock, 1935).

*Motivation:* refers to the forces within a person that affect his/her direction (toward beneficial goal), intensity (How hard a person tries) and persistence (How long a person tries) of effort toward attaining a goal or to accomplish tasks assigned and accompanied with the willingness to work or to produce and this consists of key elements such as energy, direction and persistence.

*Motivational Factors:* The factors considered for the study are Hertzberg's two factor theory components only. The two factor theory states that there are certain factors in the work place that cause job satisfaction, while a separate set of factors cause dissatisfaction.

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

Employee satisfaction is increasing in importance, as the competition for talent is high and still growing. It is not hard for a competitor to compete with individual elements of employment such as salaries and benefits. Boyens (2007), focuses on the reasons of involuntary turnover, voluntary turnover, and promotion for employees to leave a particular company. Furthermore, he says that the two types of turnover are the most devastating for organizations. The effect of voluntary turnover includes loss of performance, knowledge, expertise, relationship, and loss of the time and resources that it took to train the employee. This leads to a feeling of insecurity and affects the performance of the employees who are left because of the constant disruption of services and too much change which as a result affects the general performance of the company.

Employees' attitudes towards their jobs either positively or negatively affect performance. Specifically, other major job satisfaction factors which influence performance include: the quality of the work itself, the capability to work well, the opportunity to be trained, the recognition, empowerment/ autonomy, supportive work environment, personal growth rewards, performance linkage and other intrinsic and extrinsic factors. As a result of some or all of the above factors mentioned above, employee turnover rates have, within the last decade become a nation wide epidemic.

Employees in Addis Pharmaceutical Factory seem no longer to feel the sense of company loyalty that once existed. This has led the employees to focus more on job hunting rather than performance there by hurting the general performance of the company.

With the problem of increasing employee turn over in the pharmaceutical industry, one wonders if the goal of the Ethiopian government concerning the growth and expansion of the sector is going to be realized. It therefore calls for a greater action to be taken to find out how to retain the organization's valuable employees and the factors likely to affect them to remain in the industry to help achieve company objectives and that of the Government of Ethiopia. This research study seeks to investigate the factors that may influence employee satisfaction and how these factors affect retention of employees of APF.

#### **1.4 Research Questions**

The study attempts to answer the following research questions.

- (i) How does reward influence job satisfaction at APF?
- (ii) How does autonomy influence job satisfaction at APF?
- (iii) To what extent does training opportunities influence job satisfaction at APF?
- (iv) How does company policy influence job satisfaction at APF?
- (v) How does working environment influence job satisfaction at APF?
- (vi) How does supervision influence job satisfaction at APF?

#### **1.5 Research Objectives**

The study has the following general and specific objectives.

#### 1.5.1. General Objective

The general objective of the research is to examine the relationship between motivational factors effect on job satisfaction at APF.

#### 1.5.2. Specific Objectives

- 1. To investigate the effect of reward on job satisfaction.
- 2. To investigate the effect of autonomy on job satisfaction.
- 3. To probe the extent to which training opportunities influence job satisfaction.
- 4. To describe the effect of working environment on job satisfaction.
- 5. To assess the influence of company policy on job satisfaction.
- 6. To examine the influence of supervision on job satisfaction.

#### 1.7. Significance of the Study

To the pharmaceutical industry as a whole, the findings and results of the study will provide a more reliable in-depth understanding of the factors that affect employee satisfaction and to help shape the future policy formulation of the industry, thus facilitating immensely the achievements of the objectives of the Ethiopian Government in enhancing the accessibility and affordability of medications and finally import substitution thereby saving the huge amount of hard currency.

Specifically the study has the following significance to the different stake holders.

To the management of APF, the findings are expected to provide answers to the fundamental question of why employees stay and what would cause them to leave and to help the company formulate appropriate retention policies and strategies to enhance employee satisfaction and company performance and productivity. The turnover rate for the past six months is 2.97% according to the ex Marketing and Sales Manager of APF. To researchers, the result of the study will serve as literature to throw more light on the factors that may affect employee satisfaction. The outcome will further serve as secondary data for future research on the topic.

#### **1.8 Scope of the Study**

Scope of the study refers to the parameters in which the study is operating. Though APF has several branches, the study is limited to some branches. The time frame of the data collection was from Nov  $17^{\text{th}}$  – Dec  $16^{\text{th}}$ , 2015 and hence the study results do not reflect before and after the specified time frame. The researcher only assessed descriptive and correlation analysis. The factors considered were also based from Hertzberg's two factor theory only.

#### **1.9 Limitation of the Study**

The sample size is limited, as the study will target only 20% of the total employees .A sample size between 5-20% is ideal to represent the entire population according to Amedeho(2002). The research findings would also be limited to factors and conditions existing at the company, as at the time of the study. Moreover, the conclusion of this research study would be limited and constrained to unique factors associated with this company.Consequently, the conclusion may not be the same as other companies. In addition the topic is more or less subjective and requires employees' cooperative and honest response. In addition out of the total sample size distributed, 20 questionnaires are not returned due to respondents' lack of cooperativeness. This may have impacted or influenced the application or interpretation of the results of the study to support fully the major findings and recommendations.

#### **1.10 Organization of the Paper**

The research report has five chapters. The first chapter consists of background, definition of terms, statement of the problem, research questions, objectives; significance; scope and limitation of the study. The second chapter is devoted to review of related literatures. The third chapter is concerned with research design, population and sampling techniques, sources of data, instrument and procedures of data collection,

pilot testing, methods of data analysis and ethical considerations. The fourth chapter focuses on demographic variables of the respondents, data analysis and interpretation. The final fifth chapter consists of summary of the major findings, conclusions and recommendations.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

Literature review is just written information that could have a relation or relevance to the specific topic of the study. This will support and inform the subject the study is covering. Therefore, this chapter presents the concepts about job satisfaction and employee performance.

#### **2.1 Concepts and Definitions**

Job satisfaction is one of the most researched areas of organizational behavior. Researchers have argued that job satisfaction is the most significant factor in understanding worker motivation, effectiveness, retention and performance (Bashayreh,2009).Job satisfaction has been linked with enhanced job performance, positive work values, high levels of employee motivation, and lower rates of absenteeism, turnover and burnout (Ngo, 2009). Therefore, it is essential that managers be concerned with the level of satisfaction in their organization. Dissatisfied employees may cause undesirable job outcomes by stealing, moonlighting and demonstrating high rates of absenteeism. As a result, these employees may withdraw from the position psychologically, and display disruptive behaviors, such as, not being punctual, not attending meetings or wandering about trying to look busy. Dissatisfaction produces a series of withdrawal cognitions in which employees examine the costs and benefits associated with leaving their jobs, hence this type of thinking causes them to slip on productivity.

An individual's choice of employment helps shape their view of themselves, broaden their daily life, and help to give meaning to their existence. Therefore, if there is poor satisfaction with work, the individual questions him/herself in more aspects than just work factors (Van Der Zee, 2009:11). Also, it has been demonstrated that satisfied employees have better health and live longer, and satisfaction on the job carries over to the employees life outside the job. From a management point of view, a satisfied workforce translates into higher productivity due to fewer interruptions caused by absenteeism, or good employees quitting (Van Der Zee, 2009).

Job satisfaction emphasizes the specific task environment of the employee. It is also the individual's affective attitude or orientations for work (Bashayreh, 2009: 7). According to Bashayreh (2009), job satisfaction is a pleasurable positive state resulting from one's job and job experience. Individuals show pleasurable positive attitudes when they are satisfied with their job.

Job satisfaction is a general attitude which is the result of many specific attitudes. Many factors affect employees' job satisfaction. Bashayreh (2009) divides the factors into the intrinsic satisfactory factors related to work and the extrinsic satisfactory factors not directly related to work it-self. Researchers consider that personal attributes and environment play major role in influencing job satisfaction (Bashayreh, 2009: 7).

As mentioned, satisfied employees are more likely to work harder and provide better services via organizational citizenship behaviors. Employees who are satisfied with their jobs tend to be more involved in their employing organizations, and more dedicated to delivering services with a high level of quality. Previous research has also suggested that loyal employees are more eager to and more capable of delivering a higher level of service quality. Researchers have argued that service quality is influenced by job satisfaction of employees. The argument that employee satisfaction improves service quality is grounded on the theory of equity in social exchanges (Zafirovski, 2005: 1-2).

## 2.2. EMPLOYEE PERFORMANCE IN RELATION TO JOB SATISFACTION MODELS

According to Skibba (2002), in the field of Organizational psychology, one of the most researched areas is the relationship between job satisfaction and job performance. Research linking job performance with satisfaction and other attitudes has been studied since at least 1939, with the Hawthorne studies, mentioned earlier. According to Skibba (2002) the underlying theory of this reciprocal model is that if the satisfaction is extrinsic, then satisfaction leads to performance, but if the satisfaction is intrinsic, then the performance leads to satisfaction. Other models suggest there is either an outside factor that causes a seemingly relationship between the

factors or that there is no relationship at all, however, neither of these models have much research.

Although this is the case, in recent studies, correlations between the two variables have been found. There are also stronger relationships between the variables depending on specific circumstances, such as mood and employee level within the company. Skibba (2002) states that job performance and job satisfaction relationship follows the social exchange theory; employees' performance is giving back to the organization from which they get their satisfaction (Skibba, 2002: 2). According to Skibba (2002) there are seven different models that can be used to describe the job satisfaction and job performance relationship found. There are also stronger relationships between the variables depending on specific circumstances, such as mood and employee level within the company. Skibba (2002) states that job performance and job satisfaction relationship follows the social exchange theory; employees' performance is giving back to the organize theory is the social exchange theory is the satisfaction relationship follows the social exchange theory is performance is giving back to the organize the social exchange theory is that job performance is giving back to the organization from which they get their satisfaction (Skibba, 2002: 2). According to Skibba (2002) there are seven different models that can be used to describe the job satisfaction from which they get their satisfaction (Skibba, 2002: 2). According to Skibba (2002) there are seven different models that can be used to describe the job satisfaction and job performance relationship.

Some of these models view the relationship between job satisfaction and job performance to be unidirectional, that either job satisfaction causes job performance or vice versa. Another model states that the relationship is a reciprocal one; this has been supported by the research (Skibba, 2002: 2). The final model is "Alternative Conceptualizations of Job Satisfaction and/or Job Performance." This model discusses how positive attitudes toward one's job can predict a high degree of job performance. Industrial psychologists do not justify any relationship between job satisfaction and job performance; although it has been found that a positive mood is related to higher levels of job performance and job satisfaction (Skibba, 2002).

These models are valuable to the study as it explores the alternative views on the subject. If one looks at the social exchange theory mentioned earlier and compare it with these models, they seem very similar. It all boils down to the fact that a reciprocal relationship at work between employer and employee can only lead to a mutual beneficial relationship for both parties.

#### 2.3 DIMENSIONS OF JOB SATISFACTION

The idea of job satisfaction is very complicated and argumentative. Over the years researchers have identified the following dimensions of job satisfaction: work, benefits and reward systems, promotions, working conditions, supervision and co-workers.

Employees don't work for free; most businesses are not volunteer services, so employers have to compensate them in some way for their time and effort. What used to be called "pay" and then became "remuneration" is today often termed "reward". It refers to all of the monetary, nonmonetary, and psychological payments that an organization provides for its employees (Anonymous 1, 2008).There are extrinsic rewards, which cover the basic needs of income to survive (to pay bills), a feeling of stability and consistency (the job is secure), and recognition (my workplace values my skills). In Maslow's *Hierarchy of Needs*, these are at the lower end. One could also call these the financial rewards.

On the other hand, there are intrinsic rewards, the most important of which is probably job satisfaction, a feeling of completing challenges competently, enjoyment, and even perhaps the social interactions which arise from the workplace. These are at the upper, self-efficacy end of the need hierarchy. One could also call these psychological rewards.

Reward systems have three main objectives: to attract new employees to the organization, to elicit good work performance, and to maintain commitment to the organization. A reward system is intended to attract and retain suitable employees. An employer who develops a reputation as "cheap" is unlikely to be desirable in the job market, because potential employees will think it does not reward effort. Such an organization is likely to end up with the people that nobody else wants. Rewards are also intended to maintain and improve performance.

According to Anonymous 1(2008) nobody can truly motivate: employee motivation can only come from within. But the promise of a bonus or a pay rise is intended to encourage employees to motivate themselves to reap the rewards. Performance-related pay is very popular in today's organizations. In Canada, over 70 per cent of companies offer it in some form. Some companies

have three different kinds of performance-related pay: individual, team, and organization. The main problem with individual performance-related pay (IPRP) is that it assumes that pay alone satisfies workers, but this is not correct.

Consider the intrinsic rewards or psychological rewards mentioned earlier. A worker with high pay but who receives no intrinsic rewards will probably go elsewhere. The reward system also serves to maintain and strengthen the psychological contract. It indicates what behavior the organization values, i.e. what is paid for. For example, if your company values teamwork, then there will probably be a team bonus of some kind. The psychological contract will partly determine what employees perceive to be "fair" in terms of reward for the work they do.

Disruptive behavior such as theft in the workplace is often an attempt to restore "fairness" to remuneration. Violation of the psychological contract is far more likely to cause problems with employees more than any other single factor (Anonymous 1, 2008).

#### **2.4 EMPLOYEE PERFORMANCE**

According to Yee et al (2007), research on employee attributes and performance has traditionally resided in the domain of organizational psychology, not operational management. However, as operations managers are increasingly involved in service management, they find employee attributes potentially a vital factor for operational efficiency. On the other hand, the relationship between employee attributes and performance has long been of interest to behavior researchers.

In spite of decades of research, the findings have remained elusive. Most researchers believe that employee satisfaction has little direct influence on business performance in most instances.

Although much research has been successfully conducted to correlate employee satisfaction with individual work behaviors such as turnover, absenteeism, lateness, drug use, and sabotage, the relationship between employee satisfaction and operational performance is less explicit as little rigorous empirical research has been conducted. Although much research in operational management has been conducted to investigate the relationships between quality, customer satisfaction and business performance, research on the impact of employee satisfaction on operational performance is relatively scarce.

In the last few decades, the importance of human resources to operational performance has been noted by a few researchers. This is a strange concept as organizational knowledge residing in employees is the primary determinant of superior service quality, influencing market performance. A dedicated workforce may serve as a valuable, scarce, non-imitable resource to enhance profitability from a strategic perspective (Yee et al, 2007: 4-7).

#### 2.5 EMPIRICAL LITERATURE REVIEW

Despite its wide usage in scientific research, as well as in every day life, there is still no general agreement regarding what job satisfaction is. In fact there is no final definition on what job represents. Therefore before a definition on job satisfaction can be given, the nature and importance of work as a universal human activity must be considered.

Job satisfaction represents a combination of positive or negative feelings that workers have towards their work. Meanwhile, when a worker employed in a business organization, brings with the needs, desires and experiences which determinates expectations that he has dismissed. Job satisfaction represents the extent to which expectations are and match the real awards. Job satisfaction is closely linked to that individual's behavior in the work place (Davis et al, 1985).

Here below are some as empirical literature reviews.

According to Aziri, 2011 suggested that there is no strong linkage between satisfaction and productivity. He found out that satisfied workers will not necessarily be the highest producers.

Again the relationship between job satisfaction and job performance according to Vroom (1964) suggested that it is extensive. He also noted that those associated with human relations movement believed job satisfaction and job performance were positively correlated. He cited twenty studies that explored the relationship between the two and the results were somewhat contradictory. The results of the twenty studies ranged from r=.86 to r=-.31.

Platis et al (2014) argues that there is job satisfaction and performance in nursing sector as such in other professional categories and this phenomenon is observed worldwide. of course, performance at task, is a complex feature which depends on many other conditions other than job satisfaction, which are not readily determinable. The conditions are either operational or psychological such as organizational commitment, work values etc.

Finally Larry et al (2014) suggested that from meta analysis the following. Given the fact that significant and practically important relationships exist between aggregated employee attitudes and organizational performance, it is important to question what factors contribute to satisfaction. The predominant view has focused on the situational context ( e.g, supervisory support) as a cause of satisfaction and has argued that high performance work practices and thus a positive working climate foster employee satisfaction. This rationale is consistent with recent research on the impact of financial and non financial incentives (training) on business unit outcomes.

#### 2.6 CONCEPTUAL FRAMEWORK



Source: Adapted from literature

### 2.7. Research Hypothesis

Hypothesis is alternative assumption to be verified during the study. Following are the hypothesis the researcher developed for this study.

H 1: There is positive relationship between reward and job satisfaction.

H 2: There is positive relationship between autonomy and job satisfaction.

H 3: There is positive relationship between training opportunity and job satisfaction.

H 4: There is positive relationship between company policy and job satisfaction.

H 5: There is positive relationship between working environment and job satisfaction.

H 6: There is positive relationship between supervision and job satisfaction.

## **CHAPTER THREE**

## **RESEARCH DESIGN AND METHODOLOGY**

This chapter mainly deals with the research design and methodology. It tries to explain why the research design was chosen, how the population and sampling technique was done, the source of data and instrument used, how data was entered and analyzed and the ethical considerations observed during the study.

#### **3.1 The Research Design**

The research design is a descriptive research design as it helps the researcher to gather, summarize, present and interpret information for the purpose of clarification. It is also an explanatory research in order to determine the relationship of independent and dependent variables and to establish any association amongst them if any. The instrument used is a questionnaire and will be analyzed using statistical tool for any inference.

#### **3.2 Population and Sampling Techniques**

The target population comprises all 779 employees of APF. From these, 21 are managers (top level), 28 are division heads (middle level) and the rest 730 are lower level employees. As per the percentage, managers constitute around 2.7%, division heads around 3.6 % and the rest 93.7% are lower level employees.

Stratified random sampling will be used since the population consists of top management, middle and non management level. Then simple random sampling will be employed to ensure that all employees stand equal chance of being selected to avoid sample bias and ensure that the results are reliable enough to be generalized.

A total of 156 will be taken as a sample (20% of the total employees). According to the number of employees on managerial level, 4 will be taken to the study from managers, 6 will be division heads and the rest 146 will be lower level employees.

#### **3.3 Source of Data**

Data collection was done through primary resources. On the other hand primary data is a direct report from someone who is actively involved in whatever under research or investigation. The merit of primary data is that it is direct information, uncontaminated by being transmitted through another source. The demerits of primary data are that sometimes the person who is on the field sees only part of the action.

#### **3.4 Instrument of Data Collection**

Questionnaire has been developed based on the objectives of the study. The questionnaire was administered by four research assistants well trained for this purpose. The questions have been designed to consist of six sections. Section A consists of bio-data to obtain personal information from respondents. The other five Sections deal with questions to help test the research hypothesis. Some of the questions require respondents to indicate their level of agreement to the items in the research model. Items in the questionnaire will be measured using a five-point Likert Scale, with 1 representing "strongly disagree" and 5 representing "strongly agree".

#### **3.5 Procedures of Data Collection**

The researcher has obtained support letter from St. Mary's University to enable him for smooth way of communication when approaching respondents to provide answers. Questionnaire was distributed to eligible staff through the heads of the various departments. A cover letter was attached to the questionnaires to introduce the respondents to the research topic to avoid any suspicion or mistrust respondents might have about the study. The cover letter is also expected to help motivate respondents to participate in the study and answer the questionnaires. The questionnaire was distributed among the employees through their departments. The survey period for data collection was two weeks. The advantage of selecting this method is that, it will ensure confidentiality and keep track on those who may not return the questionnaire on time and

need to be reminded. After collecting data from the representative sample through the questionnaire, data will be edited the same day to check for completeness, consistency and reliability of data. The next step will involve coding the responses in the coding sheets by transcribing the data from questionnaire by assigning characters symbols (numerical symbols). This will be followed by screening and cleaning of data to make sure there are no errors. After this the data will be transferred to SPSS for analysis.

### **3.6 Pilot Testing**

It is vital to pilot test the instrument to ensure that the questions are understood by the respondents and there are no problems with the wording or measurement. The main purpose of pilot testing is to identify potential problems with the questionnaire. Pilot testing was done on ten respondents and necessary modification was done. Those ten respondents were not included during the actual data collection.

The Cronbach's Alpha during pilot test was as below indicated.

#### **Reliability Statistics**

Cronbach's	
Alpha	N of Items
.801	31

The Cronbach's Alpha from the overall data was as below.

#### **Reliability Statistics**

Cronbach's	
Alpha	N of Items
.875	31

According to the rule of thumb, it lies in Good internal consistency.

#### **3.7 Methods of Data Analysis**

The analysis of data allows the researcher to organize data collected during the study in order to assess and evaluate the findings and to arrive at some valid, reasonable and relevant conclusion. The study will employ descriptive statistics method for presenting and summarizing bio-data. Statistical instrument to be used for the research analysis will mainly be inferential statistics, specifically correlation matrix. The method also allows a researcher to digest and understand large quantities of data and effectively communicate their importance aspects in a research study. Data will be analyzed using SPSS which is a software tool for data analysis.

#### **3.8 Ethical Considerations**

In this research study, issues relating to the ethical conduct of research such as informed consent, confidentiality, privacy and anonymity will be upheld. Ethics is the norms or standards of behavior that guide moral choices about our behavior and our relationships with others. Participants and respondents will be given full information on the purpose and objectives of the study in order for them to make informed decisions as to whether to participate or not. Moreover, all information concerning the identity and personality of respondents will be treated with utmost confidentiality. Additionally, all information gathered will be used for the sole purpose of this research study.

## **CHAPTER FOUR**

# DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Demographic characteristics of the respondents, analysis and interpretation based on the data collected from the employees of the case company are presented in this chapter. Moreover, summarized results of the demographic profile of respondents and the response towards the items included in the questionnaire as well as descriptive statistics and correlation analysis are presented under following sections.

#### 4.1 Demographic Characteristics of the Respondents

Demographic characteristics including: gender, age, marital status ,experience, level of education, position, salary and the branch of the company the respondents work and all response towards all variables are summarized using frequencies and percentages; in addition, the research hypotheses were tested using correlation by SPSS software.

Demographic variables listed above enables the researcher to absorb the composition in terms of each variable. The first part of the questionnaire consists of the demographic information of the participants. Accordingly, the following variables about the respondents were summarized and described in the subsequent table (see table 4.1 below).

Information on the composition of the respondents might give the researcher a clue about employees' composition and comparison. Michal Kirstein(2010), suggest that employees' choices may differ according to respondents' culture, occupation, gender, position in the organization. This means that organizations which want to focus on motivating a particular group of employees need to be aware of the fact that some factors that satisfied one group could not work well with the other group.

Gender	F	Р
Male	95	69.9
Female	41	30.1
Total	136	100
Age		
Below 30 years	77	56.6
30-39 years	40	29.4
40-50 years	16	11.8
51-60 years	3	2.2
Total	136	100
Marital Status		
Married	56	41.2
Single	76	55.9
Widowed	1	0.7
Divorced	3	2.2
Total	136	100
Experience		_
Below 5 years	83	61
6-10 years	32	23.5
11-15 years	7	5.1
16-20 years	13	9.6
Above 20 years	1	0.7
Total	136	100

 Table 4.1 Demographic Information of the Respondents (A)

Source: Own Survey,2015

Level of Education		
Secondary	15	11
Diploma	56	41.2
Degree	59	43.4
Masters	6	4.4
Total	136	100
Position		
Upper Managerial	7	5.1
Division Head	15	11
Non Managerial	114	83.8
Total	136	100
Branch		
Adigrat	92	67.6
Addis Ababa( Marketing and Sales)	25	18.4
Hawassa	5	3.7
Akaki	12	8.8
Procurement	2	1.5
Total	136	100

#### Table 4.2 Demographic Information of the Respondents (B)

#### Source: Own Survey,2015

The above table shows 95(69.9%) were male while the remaining 41(30.1%) were female. Seventy seven(56.6%) of the respondents were in the age group below 30, while 40(29.4%), 16(11.8%) and 3 ( 2.2%) of the respondents were in the age group 30-39 years, 40-50 years and 51-60 years old respectively. Seventy six(41.2%) were single, 56(41.2%) were married, 3(2.2%) were divorced and the rest one(0.7%) was widowed. Regarding experience in the company, 83(61%) worked below 5 years, 32(23.5%) worked for 6-10 years, 13(9.6%) for 16-20 years, 7(5.1%) for 11-15 years and the rest one(0.7%) worked for above 20 years. With aspect to their level of education, 59(43.4%) were Degree holders, 56(41.2%) were Diploma graduates, 15(11%) were Secondary and the rest 6(4.4%) were Masters Holders. Regarding their position, 114(83.8%) were non managerial employees, 15(11%) were division heads and the rest 7(5.1%) were upper level managers. In aspect to the branch they were working, 92(67.6%) were from Adigrat, 25(18.4%) from Addis Ababa Marketing and Sales department, 12(8.8%) were from Akaki branch, 5(3.7%) were from Hawassa branch and the remaining 2(1.5%) from Procurement department.

#### **4.2 Data Analysis and Interpretations pertaining to the Study**

#### 4.2.1 Response Rate

Response Rate is the percentage of the number of returned questionnaire from the distributed ones. The number of distributed questionnaire was 156 and the returned ones were 136. Accordingly, the response rate was calculated and it was found to be 87.17%.

#### 4.2.2. Descriptive Statistics for each Job satisfying factor

The second part of the questionnaire consists of the items on motivational factors to measure job satisfaction and hence employee performance with regard to reward, autonomy, training opportunities, company policy/ performance appraisal, working environment & supervision. Below is a summary of each question under all motivator items with regards to the frequency and percentage.

#### Reward as a factor of Job satisfaction

Table 4.3 Descriptive Statistics Responses towards Reward Statements				
My salary level motivates me to stay	Response	F	Р	
with my current organization.	Not sure	6	4.4	
	Agree	94	69.1	
	Strongly agree	36	26.5	
Total		136	100	
I perceive my salary to be equitable	Agree	43	31.6	
with my colleagues on the same	Strongly agree	93	68.4	
scale in my organization.				
Total		136	100	
My organization recognizes and	not sure	3	2.2	
awards employees through annual	agree	61	44.9	
awards celebrations.	strongly agree	72	52.9	
Total	1	136	100	
My organization recognizes my	not sure	4	2.9	

agree

Total

strongly agree

#### Table 1.3 Descriptive Statistics Responses towards Reward Statements

Source: Own Survey, 2015

contributions in the form of paying

annual bonuses and other benefits

According to the above table 4.3, the mean for the above statements was 4.22, 4.68, 4.50, and 4.36 respectively. While the overall mean for reward was 4.44. This also shows that the mean score for all the above statements of reward as a motivational factor falls on a high motivational level. This could be due to that the employees at APF were getting an equitable salary along with recognition with celebration and annual bonus scheme.

79

53

136

58.1

39.0

100

#### Autonomy as a factor of Job satisfaction

I think my organization structure to	Response	F	Р
be friendly that enables me to	Neutral	28	20.6
perform on my job alone.	Quite often	47	34.6
	Very often	61	44.9
Total		136	100
I work alone in the absence of my	Quite often	57	41.9
supervisor when needed.	Very often	79	58.1
Total		136	100
I have freedom to use my own	Neutral	2	1.5
judgment.	Quite often	42	30.9
	Very often	92	67.6
Total		136	100

#### Table 4.4. Descriptive Statistics Responses towards Autonomy Statements

Source: Own Survey, 2015

According to the above table 4.4, the mean for the above statements was 4.24, 4.58 and 4.66 respectively. While the overall mean for reward was 4.49. This also shows that the mean score for all the above statements of autonomy as a motivational factor falls on a high motivational level. This could be due to that the employees at APF were able to exercise their autonomy without interference from the management.

#### Training opportunities as a factor of Job satisfaction

My organization runs on-the-job training	Response	F	Р
programs for employees	Not sure	4	2.9
	Agree	75	55.1
	Strongly agree	57	41.9
Total	I	136	100
My organization has a sponsorship programs	Not sure	11	8.1
that assist employees to pursue academic and	Agree	78	57.4
professional education programs.	Strongly agree	47	34.6
Total		136	100
<i>I will not leave my current organization for other</i>	Not sure	17	12.5
organizations where I can get promotional and	Agree	91	66.9
learning opportunities.	Strongly agree	28	20.6
Total	I	136	100
I would need more training.	Not sure	6	4.4
	Agree	73	53.7
	Strongly agree	57	41.9
Total	1	136	100

#### Table 4.5 Descriptive Statistics Responses towards Training opportunities Statements

Source: Own Survey, 2015

According to the above table 4.5, the mean for the above statements was 4.38, 4.26, 4.08, and 4.37 respectively. While the overall mean for reward was 4.27. This also shows that the mean score for all the above statements of training opportunity as a motivational factor falls on a high motivational level. This could be due to that the employees at APF were getting on the job training and were provided with scholarships to develop them for their career.

#### Performance appraisal/company policy as a factor of Job satisfaction

My organization undertakes performance	Response	F	Р
appraisal exercise.	Not sure	19	14.0
	Agree	24	17.6
	Strongly agree	93	68.4
Total	Total		100
I get feedback on my performance standards .	Not sure	13	9.6
	Agree	37	27.2
	Strongly agree	86	63.2
Total		136	100
I get the opportunity to be involved in the	Not sure	10	7.4
appraisal exercise.	Agree	25	18.4
	Strongly agree	101	74.3
Total		136	100
My organization has a system of promotion that	Not sure	6	4.4
is followed for promoting employees.	Agree	13	9.6
	Strongly agree	117	86.0
Total		136	100
There are training policies in my organization and they are followed	Disagree	1	0.7
	Not sure	21	15.4
	Agree	73	53.7
	Strongly agree	41	30.1
	Total	136	100
	1		1

#### Table 4.6 Descriptive Statistics Responses towards Performance appraisal Statements

Source: Own Survey, 2015

Based on the above table 4.6, the mean for the above statements was 4.54, 4.53, 4.66, 4.81 and 4.13 respectively. While the overall mean for reward was 4.53. This also shows that the mean score for all the above statements of company policy as a motivational factor falls on a high motivational level. This could be due to that the employees at APF were getting involved in performance appraisal with its feedback and promotion policies were followed.
## Working environment as a factor of Job satisfaction

## Table 4.7 Descriptive Statistics Responses towards Working environment Statements

My organization has a safe work environment.	Response	F	Р
	Disagree	1	0.7
	Not sure	15	11.0
	Agree	97	71.3
	Strongly agree	23	16.9
Total		136	100
I am satisfied with my overall job security.	Disagree	3	2.2
	Not sure	30	22.1
	Agree	70	51.5
	Strongly agree	33	24.3
Total		136	100
My organization operates in a socially responsible	Disagree	1	0.7
manner.	Not sure	26	19.1
	Agree	79	58.1
	Strongly agree	30	22.1
Total		136	100
My organization's work positively impacts	Not sure	45	33.1
people's lives.	Agree	47	34.6
	Strongly agree	44	32.4
Total		136	100
<i>I will not leave my current organization even if I</i>	Disagree	1	0.7
get a more promising job with better work environment.	Not sure	25	18.4
	Agree	59	43.4
	Strongly agree	51	37.5
	Total	136	100

Based on the above table 4.7, the mean for the above statements was 4.04, 3.97, 4.01, 3.99 and 4.17 respectively. While the overall mean for reward was 4.03. This also shows that the mean score for all the above statements of working environment as a motivational factor falls on a high motivational level, just more than average. This could be due to that the employees at APF feel secure and safe working at the company.

#### Supervision as a factor of Job satisfaction

#### Table 4.8 Descriptive Statistics Responses towards Supervision Statements

My immediate supervisor is not impartial.	Response	F	Р
	Not sure	39	28.7
	Agree	56	41.2
	Strongly agree	41	30.1
Total		136	100
I receive coaching and training from my	Not sure	38	27.9
immediate supervisor.	Agree	81	59.6
	Strongly agree	17	12.5
Total		136	100
I receive credit from my immediate supervisor	Disagree	1	0.7
for a job well done.	Not sure	32	23.5
	Agree	55	40.4
	Strongly agree	48	35.3
Total		136	100
My immediate supervisor gives me feedback	Disagree	2	1.5
that helps me improve my performance.	Not sure	27	19.9
	Agree	51	37.5
	Strongly agree	56	41.2
Total		136	100
My immediate supervisor is competent enough	Disagree	5	3.7
to make decisions at work.	Not sure	29	21.3
	Agree	71	52.2
	Strongly agree	31	22.8
	Total	136	100

Based on the above table 4.8, the mean for the above statements was 4.01, 3.84, 4.10, 4.18 and 3.94 respectively. While the overall mean for reward was 4.01. This also shows that the mean score for all the above statements of supervision as a motivational factor falls on a high motivational level, just more than average. This could be due to that the employees at APF might have impartial and competent supervisor, which gave them coaching/training and feedback.

#### Job satisfaction

#### **Table 4.9 Descriptive Statistics Responses towards Job satisfaction Statements**

I feel very positive and favorable about my job.	Response	F	Р
	Rarely	3	2.2
	Some times	15	11.0
	Often	77	56.6
	Always	41	30.1
Total		136	100
I have a sense to work at my company till I	Some times	35	25.7
retire.	Often	55	40.4
	Always	46	33.8
Total		136	100
I have sense of my job makes use of my skills	Rarely	4	2.9
and abilities.	Some times	19	14.0
	Often	78	57.4
	Always	35	25.7
Total		136	100
I get feeling of accomplishment from my Job.	Rarely	1	0.7
	Some times	26	19.1
	Often	62	45.6
	Always	47	34.6
Total	1	136	100

Based on the above table 4.9, the mean for the above statements was 4.14, 4.08, 4.05, and 4.13 respectively. While the overall mean for reward was 4.10. This also shows that the mean score for all the above statements of job satisfaction, just more than average. This could be due to that the employees at APF feel positive towards their work and might think to work till they retire.

## 4.2.3. Testing of Research Hypotheses

The researcher proposed six research hypotheses in Chapter One. The statistical results of correlation analysis were used to test all the hypotheses.

#### 4.2.3.1. Correlation Analysis

According to (Cohen, 1988), the following guidelines are used to interpret the strength of the relationships:

Low: r= 0.10 to 0.29

Moderate: r = 0.30 to 0.49

High: r = 0.50 to 1.0

Following is the relationship between factors which lead to job satisfaction.

## Table 4.10 Correlation of reward vs satisfactionCorrelations

		satisfaction mean	reward mean
satisfaction mean Pearson Correlation		1	.542**
	Sig. (2-tailed)		.000
	Ν	136	136
reward mean	Pearson Correlation	.542**	1
	Sig. (2-tailed)	.000	
	Ν	136	136

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

Source: Own Survey, 2015

Based on the above table, the correlation between reward and job satisfaction was 0.542(high) which was statistically significant.

Table 4.11 Correlation of autonomy vs satisfactionCorrelations

		satisfaction mean	autonomy mean
satisfaction mean	Pearson Correlation	1	.456**
	Sig. (2-tailed)		.000
	Ν	136	136
autonomy mean	Pearson Correlation	.456**	1
	Sig. (2-tailed)	.000	
	Ν	136	136

Source: Own Survey, 2015

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

According to the above table, the correlation between autonomy and job satisfaction was 0.456(moderate) and statistically significant.

# Table 4.12 Correlation of Training vs satisfactionCorrelations

		satisfaction mean	training mean
satisfaction mear	Pearson Correlation	1	.453**
	Sig. (2-tailed)		.000
	Ν	136	136
training mean	Pearson Correlation	.453**	1
	Sig. (2-tailed)	.000	
	Ν	136	136

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

Source: Own Survey, 2015

According to the above table, the correlation between training opportunity and job satisfaction was 0.453(moderate) and statistically significant.

## Table 4.13 Correlation of Company Policy vs satisfaction

#### Correlations

		satisfaction mean	company policy mean
satisfaction mean	Pearson Correlation	1	.469**
	Sig. (2-tailed)		.000
	Ν	136	136
company policy mean	Pearson Correlation	.469**	1
	Sig. (2-tailed)	.000	
	Ν	136	136

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

Based on the above table, the correlation between company policy and job satisfaction was 0.469(moderate) and statistically significant.

		satisfaction mean	working environment mean
satisfaction mean	Pearson Correlation	1	.393**
	Sig. (2-tailed)		.000
	Ν	136	136
working environme mean	ent Pearson Correlation	.393**	1
	Sig. (2-tailed)	.000	
	Ν	136	136

# Table 4.14 Correlation of Working Environment vs satisfactionCorrelations

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

Source: Own Survey, 2015

According to the above table, the correlation between working environment and job satisfaction was 0.393(moderate) and statistically significant.

Table 4.15 Correlation of Supervision vs satisfactionCorrelations

		satisfaction mean	supervision mean
satisfaction mean	Pearson Correlation	1	.055
	Sig. (2-tailed)		.523
	Ν	136	136
supervision mean	Pearson Correlation	.055	1
	Sig. (2-tailed)	.523	
	Ν	136	136

In reference to the above table, the correlation between supervision and job satisfaction was 0.055(low) and not statistically significant.

The following table summarizes the correlation coefficient.

 Table 4.16 Over all Correlation summary

N=136 Constructs	Job satisfaction
Reward	r= 0.542**
	p=0.000
Autonomy	r=0.456**
	p=0.000
Training opportunities	r=0.453**
	p=0.000
Performance appraisal/company policy	r=0.469**
	p=0.000
Working Environment	r=0.393**
	p=0.000
Supervision	r=0.055
	p=0.523

Source: Own Survey, 2015

H 1 can be stated as:

Null: There is no positive relationship between reward and job satisfaction in the company.

Alternative: There is positive relationship between reward and job satisfaction in the company.

As shown in Table 4.16, because the coefficient r is positive, the researcher knows that the relationship between reward and job satisfaction in the company is positive. Hence H 1 is supported by the result of the study, with a statistical significance of (p=0.000). The strength of

the relationship is high (0.542). The result shows that the higher the reward, the higher the job satisfaction will be.

**H 2** can be stated as:

Null: There is no positive relationship between autonomy and job satisfaction in the company.

Alternative: There is positive relationship between autonomy and job satisfaction in the company.

As shown in Table 4.16, H 2 is also supported by the result of the study, because the coefficient r is positive with a statistical significance (p=0.000). The strength of the relationship for autonomy is moderate (0.456).

**H 3** can be stated as:

Null: There is no positive relationship between training opportunities and job satisfaction in the company.

Alternative: There is positive relationship between training opportunities and job satisfaction in the company.

As shown in Table 4.16, H 3 is also supported by the result of the study, because the coefficient r is positive with a statistical significance (p=0.000). The strength of the relationship for training opportunities is moderate (0.453).

H 4 can be stated as:

Null: There is no positive relationship between performance appraisal/company policy and job satisfaction in the company.

Alternative: There is positive relationship between performance appraisal/company policy and job satisfaction in the company.

As shown in Table 4.16, H 4 is also supported by the result of the study, because the coefficient r is positive with a statistical significance (p=0.000). The strength of the relationship for company policy is moderate (0.469).

36

**H 5** can be stated as:

Null: There is no positive relationship between working environment and job satisfaction in the company.

Alternative: There is positive relationship between working environment and job satisfaction in the company.

As shown in Table 4.16, H 5 is also supported by the result of the study, because the coefficient r is positive with a statistical significance (p=0.000). The strength of the relationship for working environment is moderate (0.393).

**H** 6 can be stated as:

Null: There is no positive relationship between supervision and job satisfaction in the company.

Alternative: There is positive relationship between supervision and job satisfaction in the company.

As shown in Table 4.16, H 6 is rejected by the result of the study, even though the coefficient r is positive but no statistical significance (p=0.523).

## **CHAPTER FIVE**

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Based on the results obtained from the study, major findings and conclusions as well as recommendations to the study company with regard to improving employee satisfaction and performance focused on the result of this study are also presented in this chapter.

#### **5.1 Summary of Major Findings**

From the analyses, the researcher has tried to present the major findings. From the descriptive analysis, the responses to the questionnaire items when analyzed in terms of individual questions were ranging from disagree to strongly agree, neutral to very often and rarely to always based on the likert scale used.

Based on the descriptive analyses results of the study, the company has young and qualified work force since most of them are diploma holders and above and falling in the age range below 30 years and have experience below five years. This may give them the capacity to have a good knowledge about the company and to give quality services provided that they are satisfied on their job.

Regarding to the testing of research hypotheses, the results indicate that the relationship between motivators and job satisfaction was positive (one item as strong and four other items as moderate) and statistically significant except for supervision. The relationship between job satisfaction and employee performance was also positive (very weak) and not statistically significant.

## **5.2 Conclusions**

The conclusions related to this study are presented in this section. The purpose of this study was to answer and test the proposed objectives and hypotheses. Accordingly, data was collected, analyzed and interpreted using correlation method. Seven hypotheses were proposed to be tested in this study.

The result of the hypothesis suggested that there was a strong correlation between reward and job satisfaction. In addition, the correlation among autonomy, training opportunities, performance appraisal/company policy and working environment in relation to job satisfaction was moderate.

But the relationship between supervision and job satisfaction was found to be weak and not statistically significant.

From this, it can be concluded that it is reward which has the strongest correlation with jib satisfaction among all the motivators tested against job satisfaction.

Hypothesis	Description	Method	Result
H1	There is positive relationship between Reward and job satisfaction	Correlation	Supported
H 2	There is positive relationship between Autonomy and job satisfaction	Correlation	Supported
Н 3	There is positive relationship between Training opportunities and job satisfaction	Correlation	Supported
H 4	There is positive relationship between Company Policy and job satisfaction	Correlation	Supported
H 5	There is positive relationship between Working Environment and job satisfaction	Correlation	Supported
H 6	There is positive relationship between Supervision and job satisfaction	Correlation	Rejected

## Table 5. 1 Summary of Hypothesis testing Results

#### **5.3 Recommendations**

The paper tried to come up with lessons for understanding what the factors are that influence job satisfaction and hence employee performance at APF. Depending on the finding of the research, the researcher recommends the following points. The company will be more productive, effective and more competitive based on the following recommendations.

- ✓ To sustain and even if possible to increase reward for its employees, as the study indicated that reward has a strong correlation with job satisfaction and hence the greater the reward, the greater the job satisfaction and hence greater employee performance.
- ✓ The company should also work on other motivating factors (autonomy, training opportunities, company policy and working environment) so that the employees will be more satisfied and perform better. As scholars suggest, a satisfied need will be no more a motivating factor, at APF after some time. The study indicated that the relationship between between the following stated factors (autonomy, training opportunities, company policy and working environment) and job satisfaction is moderate. The company should find mechanism to increase the value of the factors in the mindset of employees so that they will have strong correlation with job satisfaction and hence employee performance.
- ✓ The company should develop, attract and retain experts in the company. Most of the employees at the company are young and have qualified skill. Development of research and development- based pharmaceutical manufacturing is not possible without highly skilled scientists, technologists, engineers and technicians working together with administrators and managers. Ethiopia has suffered from a "brain drain" of qualified people. The company needs to provide strong incentives and put in place schemes to retain talent.
- ✓ The company should also set and carry out a survey on employee satisfaction periodically. This helps the company to have updated information on what has to be done to fulfill job satisfaction and hence greater quality service.

Finally, the study covered only limited branches/departments( Adigrat Factory, Akaki Kaliti Factory, Procurement department, Marketing and Sales department and Hawassa branch) of the company. The researcher suggests a more comprehensive study to be carried out to understand more what are the factors that influence job satisfaction and employee performance to stay competitive in this dynamic and volatile environment.

#### References

Amedeho (2002). <u>The elusive relationship between perceived employment opportunity and</u> <u>turnover behavior: A methodological or conceptual artifact</u>. Journal of Applied Psychology, 74(6): pp 846-854.

Aziri B. (2011). Job satisfaction: a literature review. Management research and practice vol.3 issue 4. pp: 77-86.

Bashayreh, A. M. K (2009). <u>Organizational culture and job satisfaction</u>. Available from: <u>http://ep3.uum.edu.my/1632/1/Anas\_Mahmoud\_Khaled\_Bashayreh.pdf</u> (Date accessed on 10/05/2015)

Boyens, M. (2007). <u>Organizational socialization, career aspirations and turnover intentions</u> <u>among design engineers.</u> Leadership and Organization Development Journal, Emerald Group Publishing Limited, Vol.26 (6) pp 424-441.

Cohen, J.(1988). <u>Statistical power analysis for the behavioral sciences</u>(2<sup>nd</sup> ed.). Hillsdale,NJ: Lawrence Erlbaum Associates.

Davis, K. and Nestrom, J.W.(1985). <u>Human Behavior at work:</u> Organizational Behavior,7 th edition, McGrawn Hill, New York, p.109

Freyermuth, B. (2004). <u>Performance Appraisal Satisfaction and Employee Outcome:</u> <u>Mediating and Moderating roles of work motivation.</u> International Journal of Human Resource Management, Vol. 17 (3).

Hoppock, R.(1935). Job satisfaction. Harper and Brothers, New York, p.47 http://www.findarticles.com/p/articles/mi\_m3190/is\_30\_40/ai\_n16598328/?tag=rbxcra.2.a.4 4 (date accessed on 10/16/2015) Laeey E. C and Michael S. C(2014). Employee <u>satisfaction and organizational performance</u>: <u>a summary of key findings from applied psychology</u>. Department of management Texas Christian university.

McCrea, B. (2001). <u>When good employees retire.</u> Industrial Distribution, March 2001, pp. 63-66.

Michal, K. (2010). <u>The role of motivation in Human Resource Management: Importance of</u> <u>motivation factors among future business persons.</u> MASTERS THESIS M.Sc. in Strategy,Organization and Leadership,Aarhus School of Business, Aarhus University.

Mitchell, R., Holtom, C., & Lee, W. (2001). <u>How to Keep Your Best Employees: Developing an</u> <u>Effective Retention Policy</u>. Academy of Management Executive, 15 (4) pp 96-107.

Mosadeghard, 2003 Ongori, H. (2008). <u>A review of the Literature on Employee Turnover</u>. African Journal of Business Management, Vol. 1 (3) pp 1-54.

Ngo, D.(2009). <u>Importance of employee satisfaction(online)</u>. Available from: <u>http://www.humanresources.hrvinet.com/importance-of-employee-satisfaction</u>. (Date accessed on 10/05/2015)

Platis Ch., Reklitis P. and Zimeras S.(2014). <u>Relation between job satisfaction and job</u> <u>performance in healthcare services.</u> International conference on strategic innovative marketing, Madrid, Spain.

Simatwa EMW (2011). Job Satisfaction and Dissatisfaction among Teachers in Kenya. Kenya Journal of Education Planning Economics and Management. Vol.3 (3) 114-123 (ISSN; 2074 5400).

Skibba, JS(2002). <u>Personality and job satisfaction</u>. Menomenie. Applied Psychology; University of Wisconsin-Stout.

Sutherland, M. (2004). <u>Factors affecting the retention of Knowledge Workers</u>. PhD Dissertation, Faculty of Economics and Management Sciences, University of Johannesburg.

Van Der Zee, D. J.(2009). <u>Organizational commitment and job satisfaction: a quantitative</u> <u>study at the Durban office of the department of labour. Durban, South Africa</u>. Masters in Psychology. University of KwaZulu-Natal.

Vroom, V.H.(1964). Work and motivation. New York: John Wiley & Sons.

Yee. R.Yeung,T. Cheng.(2007). <u>The impact of employee satisfaction on quality and</u> <u>profitability in high contact service industries.</u> Available from : <u>Http://repository.lib.polyu.edu.hk/jspui/bitstream/10397/627/1/JOM%20%28Accepted%29.p</u> <u>df</u> ( date accessed ; 12/12/2015).

Young, T. (2006). <u>Implementing a knowledge retention strategy</u>. Knowledge Management Review, Vol 9, issue 5, pp. 28-33, November/December 2006.

Zafirovski, M.(2005). <u>Social exchange theory under scrutiny: A positive critique of its</u> <u>economic-behaviorist formulations.</u> Electronic Journal of Sociology. Available from: <u>http://www.sociology.org/content/2005/tier2/SETheory.pdf Date accessed on 12/11/2015</u>.

#### **Annex 1: Questionnaire**

#### **General Information**

My name is Mewael Teshale and I am writing research thesis as a partial fulfillment for MBA program from School of Graduate studies, St Mary's University.

The purpose of this research is to assessment of employee performance and job satisfaction at Addis Pharmaceutical Factory P.L.C.

Your responses will be confidential. Do NOT write your name on this questionnaire, so your responses will never be linked to you personally.

Your participation in this study is voluntary. If you do not want to participate, please return the questionnaire to the researcher. You also do not have to answer any question that makes you uncomfortable. Thank you for your cooperation and participation in the study.

For any queries, you can call me at 0911 659280.

#### Questionnaire

The questions have been divided into sections based on the objectives of the study. Section A asks questions on general information about the employees. Section B – Section H asks questions on the research objectives.

Instruction: Please tick the appropriate box that corresponds to your answer.

SECTION A-Personal Information

1. What is your gender?

Male [] Female []

2. How old are you?

Below 30 yrs [] 30- 39 yrs [] 40- 50 yrs [] 51-60 yrs []

3. What is your marital status?

Married [] Single [] Widowed [] Divorced []

4. How long have you worked with your current organization?

Below 5yrs [] 6-10 yrs [] 11-15yrs [] 16-20yrs [] Above 20yrs []

5. What is your level of education?

Secondary [] Diploma [] Degree [] Masters [] PhD [] Others (please specify)

.....

6. What is your job role?

Upper Managerial [] Division Head [] non managerial employee []

7. Which branch of the company do you work?

Adigrat Factory [] Addis Ababa Branch(Marketing and Sales department) [] Mekelle Branch []

Hawassa Branch[] Akaki Kality Factory [] Procurement department []

#### **SECTION B-REWARD**

B.1 My salary level motivates me to stay with my current organization.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree
B.2 I perceive m	y salary to be eq	uitable with my c	olleagues on the s	ame scale in my
organization.				

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree
<b>B</b> 3 My organization recognizes and awards employees through annual awards celebrations				

B.3 My organization recognizes and awards employees through annual awards celebrations.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree

B.4 My organization recognizes my contributions in the form of paying annual bonuses and other benefits.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree
-------------------	----------	----------	-------	----------------

## **SECTION C – AUTONOMY**

C.1 I think my organization structure to be friendly that enables me to perform on my job alone.

Not at all	Not very often	Neutral	Quite often	Very often
C.2 I work alone in the absence of my supervisor when needed.				

Not at all	Not very often	Neutral	Quite often	Very often
------------	----------------	---------	-------------	------------

C.3 I have freedom to use my own judgment.

Not at all Not very often	Neutral	Quite often	Very often	
---------------------------	---------	-------------	------------	--

#### SECTION D – TRAINING OPPORTUNITIES

D.1 My organization runs on-the-job training programs for employees.

Strongly disagree Disagree	Not Sure	Agree	Strongly agree
----------------------------	----------	-------	----------------

D.2 My organization has a sponsorship programs that assist employees to pursue academic and professional education programs.

Strongly disagree Di	isagree	Not Sure	Agree	Strongly agree
----------------------	---------	----------	-------	----------------

D.3 I will not leave my current organization for other organizations where I can get promotional and learning opportunities.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree
D.4 I would need more training.				

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree
-------------------	----------	----------	-------	----------------

#### **SECTION E – JOB SATISFACTION**

E.1. I feel very positive and favorable about my job.

	Never	Rarely	Sometimes	Often	Always
E.2. I have a sense to work at my company till I retire.					

Never	Rarely	Sometimes	Often	Always
E 0 I 1	c · 1 1	0 1 111 1 1 1	1•.•	

E.3. I have sense of my job makes use of my skills and abilities.

Never	Rarely	Sometimes	Often	Always
	c 11.1 . C	<b>T</b> 1		

E.4. I get feeling of accomplishment from my Job.

Never Rarely	Sometimes	Often	Always
--------------	-----------	-------	--------

## SECTION F – PERFORMANCE APPRAISAL/COMPANY POLICY

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree	
F.2 I get feedback on my performance standards.					
Strongly disagree	Disagree	Not Sure	Agree	Strongly agree	
F.3 I get the opportunity to be involved in the appraisal exercise.					
Strongly disagree	Disagree	Not Sure	Agree	Strongly agree	
F.4My organization has a system of promotion that is followed for promoting employees.					
Strongly disagree	Disagree	Not Sure	Agree	Strongly agree	
F.5 There are training policies in my organization and they are followed.					
Strongly disagree	Disagree	Not Sure	Agree	Strongly agree	

F.1My organization undertakes performance appraisal exercise.

#### SECTION G- WORKING ENVIRONMENT

G.1 My organization has a safe work environment.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree	
G 2 Lam satisfied with my overall job security					

G.2 I am satisfied with my overall job security.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree	
C 2 My anomination anomatos in a socially managerials manager					

G.3 My organization operates in a socially responsible manner.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree	
G.4 My organization's work positively impacts people's lives.					

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree

G.5 I will not leave my current organization even if I get a more promising job with better work environment.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree
-------------------	----------	----------	-------	----------------

## **SECTION H- SUPERVISION**

H.1 My immediate supervisor is not impartial.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree	
II. 2. I managing anothing and training from my immediate synamics.					

H.2 I receive coaching and training from my immediate supervisor.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree

H.3 I receive credit from my immediate supervisor for a job well done.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree	
H.4 My immediate supervisor gives me feedback that helps me improve my performance.					

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree

H.5 My immediate supervisor is competent enough to make decisions at work.

Strongly disagree	Disagree	Not Sure	Agree	Strongly agree
-------------------	----------	----------	-------	----------------

Thank you very much for your time.

#### ADDIS PHARMACEUTICAL FACTORY PLC ORGANIZATIONAL STRUCTURE



ቅድስት ማርያም ዩኒቨርስቲ

ድኅሬ-ምሬቃ ት/ቤት



St. Mary's University School of Graduate Studies

2+251-11-552-45 37/66 21211, 18490 Fax 552 83 49 e-mails: sgs@smuc.edu.et, Addis Ababa, Ethiopia

ቁጥር <u>SMUC/SGS/D/2427/08</u> Ref. No. 43 17/11/2015 Date

To: Addis Pharmaceutical Factory PLC Head Office (Adigrat) & Branch Offices Addis Ababa

Subject: Request for Cooperation

Mewael Teshale is currently enrolled in Masters programme in Business Administration (MBA). His research work is titled 'Assessment of Job Satisfaction and Employee Performance: The Case of Addis Pharmaceutical Factory PLC'. He wants to collect data from your institution.

Any assistance rendered in this respect would be highly appreciated.

+0.24 "11:59 \$5 ACA4 Sincerely Damene Bizuneh Graduate Program Coordin

XVC

## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Shoa Jemal (Assistant Professor). All sources of materials used for the thesis have been fully acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree. It is offered for the partial fulfillment of the degree of MA in Business Administration (MBA).

Name

Signature and Date

St. Mary's University, Addis Ababa

January, 2016

## **ENDORSEMENT**

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

Shoa Jemal (Asst Prof)

Advisor

Signature

St. Mary's University, Addis Ababa

January, 2016