

ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

# AN ASSESSMENT OF THE EFFECTS OF JOB SATISFACTION ON EMPLOYEE PERFORMANCE: THE CASE OF MINAYE PLC IN ADDIS ABABA, ETHIOPIA

**BY MEAREGNESH KEFLE** 

ID NO: SGS/0511/2013A

**ADVISOR: DR. GETAHUN KEBEDE** 

ADDIS ABABA, ETHIOPIA

**DATE: JUNE, 2023** 

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

**ADDIS ABABA, ETHIOPIA** 

**DATE: JUNE, 2023** 

## **ST. MARY'S UNIVERSITY**

# SCHOOL OF GRADUATE STUDIES

# FACULTY OF BUSINESS

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# **DECLARATION I**

I Mearegnesh kefle declare that this thesis entitled the effect of job satisfaction on employee performance at MINAYE PLC is my original work, prepared under the guidance of Dr.Getahun Kebede (PHD).All sources of material used for the thesis have been duly acknowledged.

Maregenesh Kifle

St. Mary's University, Addis Ababa June, 2023

Signature

# **ENDORSEMENT**

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

Dr.Getahun kebede

Advisor

Signature

St. Mary's University, Addis Ababa

June 2023

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# LIST OF ABBREVIATIONS

AHARI- Armauer Hansen Research Institute

ANOVA- Analysis of Variance

**SIM-** Society of International Mission

**SPSS-** Statistical Package for the Social Science

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## ABSTRACT

This study attempted to assess the effect of job satisfaction on employee performance in MINAYE PLC. The purpose of the study is to investigate the significance of pay, promotion, supervision, coworkers and the work itself on job satisfaction. The study is conducted by collecting primary data from MINAYE PLC through close ended questionnaire using a quantitative method of data collection. The sampling method was designed based on random selection from different departments that ware available to respond. However, for the sack of mitigating language barrier and to meet the Taro Yamane (1973) formula the sample size is determined by considering the number of employees with minimum education level of diploma and work experience of seven years and above. SPSS version 20 was used to analyze and interpret the data. Further analysis was also made using descriptive statistics, correlation, regression and ANOVA. Cronbach's coefficient alpha was used to measure reliability of collected data and the result showed that Cronbach alpha coefficient of  $\alpha = 0.808$  confirming that the data collection is reliable. Generally, the finding of the study revealed that there is strong association between job satisfactions on employee performance. Nevertheless, further researches are needed to verify the consistency of the result using, similar or mixed approaches. It is expected that this study may give essential information to managers and supervisors on the importance of employee job satisfaction for the ultimate organizational success and productivity.

# **CHAPTER ONE**

## **INTRODUCTION**

#### 1.1 Back ground of the study

Job satisfaction represents a collection of attitudes that workers have about their jobs. There are a number of issues that affect job satisfaction such as salaries, benefits, allowance, pension fund, working hours and how they interact with other. In the literature of organizational behavior and psychological researches, job satisfaction is a popular subject and mostly studied. In recent years, much emphasis has been given to job satisfaction, its influences and outcomes.

It is believed that less satisfied workers have a tendency to leave the organization while the satisfied employees remain and grow in the job. (Saiyadain, 2004) Employees who are satisfied with their job perform better and are less likely to be late, absent than those who are dissatisfied. Employees, who are more productive and able to stay longer on job are said to have higher job satisfaction ratings. This shows that, assessing employee job satisfaction is very important.

Almost all companies face the problem of job satisfaction every day (Zhu1, 2014). Lack of job satisfaction brings negative consequences like, job stress, poor overall morals, lack of productivity, high employee turnover, tardiness and high absenteeism (Singh, and Pandey, 2013).

Many organizational behavior scholars, employees and managers agree that job satisfaction is important to an organization, "Job satisfaction has been linked to productivity, motivation, absenteeism and tardiness, accidents, mental health, physical health, and general life satisfaction"(Frank 1978, p.533).Employee job satisfaction assessment is one of the concerns of managements in Ethiopia too. Previous studies show that managers need to give due attention to the importance of giving proper recognition of their employees, developing proper reward system, increase ability of employee commitment, ensure safe, open and trusting work environment to motivate employees better focus on both intrinsic and extrinsic reward elements. For instance, a study conducted on "Assessment of job satisfaction among pharmacy professionals in south west Ethiopia" (Ahmed, Tolera and Angamo 2013) showed that" poor salary and poor management might be the major factors for dissatisfaction and consequently migration of health professionals in Ethiopia"

This paper discusses the effect of job satisfaction, on effectiveness and efficiency, as well as organizational asset and financial stability in the business sector employees. The success of an organization depends upon the performance of its employees. Employee motivation and performance is an important factor that determines collective productivity. When an employee feels a satisfaction about the job, he/she is motive to do grater effort to the job performance. Then it tends to increase the overall performance of the organization.

#### **1.2 Statement of the Problem**

This study is designed to examine the effect of job satisfaction on employee performance within Minaye plc. The main concern of the study is to assess the effects of pay, promotion, supervision, co-workers and work itself on job satisfaction on employee performance.

Different studies were conducted on employees of the business sectors in different area like nonperforming loan, employee motivation, project financing and organizational culture. The effect of job satisfaction on the employee performance is new and not yet researched subject in the Minaye plc.

#### 1.3 Objectives of the study

The general objective of the study is to determine the effect of Job satisfaction on employee performance at MINAYE PLC.

The specific objectives of the study are: -

- 1. To determine the effect of pay on employee performance.
- 2. To measure the effect of promotion on employee performance.
- 3. To evaluate the effect of supervision on employee performance.
- 4. To assesses the effect of co-worker on employee performance.
- 5. To measure the effect of work itself on employee performance.

#### **1.4 Research Questions**

Q.1. what is the effect of pay on employee performance?

Q.2. what is the effect of promotion on employee performance?

Q.3. what is the effect of supervision on employee performance?

Q.4. what is the effect of co-workers on employee performance?

Q.5. what is the effect of work itself on employee performance?

#### **1.5 Significance of the study**

This study has the following significances:

• It helps as an input for the organization (management and decision makers) to increase employee job satisfaction and boost productivity

• It contributes to Human Resource Management Process and executive management of the organization for planning and decision making by knowing the real effect of job satisfaction on employee performance

• It helps employees of the organization to understand the effect of satisfaction from their job on their job performance.

#### **1.6 Scope of the study**

This study is focused on the employees of the MINAYE PLC and assess the effect of job satisfaction on employee performance. The geographical area of the study is in Addis Ababa Ethiopia. The study will focus on the five factors that influence job satisfaction which are work itself, pay, promotion opportunities, supervision and co-workers.

#### **1.7 Limitation of the study**

The researcher recognized that the study is limited on the different points as indicated below; taking into consideration the scarce time and resources constraints, the study will only try to see the five factors that are selected by the researcher and which influence job satisfaction. In addition, the

researcher will not consider the whole size of the company. Only those employees who have the experience of seven years and above will be selected for the study.

## **1.8 Operational Definition of terms**

**Job:** -grouping of task and responsibility that consists the total work assignment for an employee (Stephen, 2005).

**Job Satisfaction:** -is a level of positive feelings related to the role of a work (Locke 1976; Kallerberg 1977).

Job Dissatisfaction: -is a level of negative feelings or being unsatisfied.

**Employees:** -a person who works for another in return for financial or other compensation (Harputlu, 2014).

**Motivation:** -is psychological processes that origin the stimulation, direction and persistence of behavior (Luthans, 2005).

**Turnover:** -the process in which employee leave an organization & have to be replace (Shajahan, & Shajahan, 2004).

# 1.9 Organization of the Study

This thesis will be organized into five chapters. The first chapter will be an introductory chapter. It includes background of the organization and background of the study which gives insight on job satisfaction and employee performance. Statement of the problem answers why this research will be conducted. General and specific objectives of the study are also included in this chapter based on the research questions given in the statement of the problem. Significance of the study which is about who will be benefited from the finding of this research is also part of this chapter, Scope and limitation of the study, definition of terms and organization of the study. Chapter Two will present a review of literature that will be gathered from both various source. Chapter Three will present research methodology. Chapter Four will present the results of the data analysis and discussions and Chapter Five will present the conclusions and recommendations of the research.

# **CHAPTER TWO**

# LITERATURE REVIEW

Different studies show that there are different factors that affect job satisfaction like job itself, company policies and practices, advancement, compensation, rewards, challenge, work group, work status, co-workers, creativity, moral values, flexibility in enrichment, style of leadership, marketing stand of the company, recognition, responsibility, job safety and security, social status, supervision, variety, working conditions and the extent of transparency in communication. Human resources are the assets of one company to achieve the goal and if they are not satisfied by their job due to pay, promotional opportunity, supervision, co-worker and the work itself the company couldn't also able to achieve its goal.

This chapter deals with review of related literature on job satisfaction and impact of job satisfaction on employee performance. This chapter contains a review of theoretical literature related to the study and empirical findings on the effect of job satisfaction on employee job performance.

#### 2.1 Theoretical literature review

#### 2.1.1 Job Satisfaction

Job satisfaction is defined in the literature with several theorists according to their own workable conditions. This part of the section purposes to provide a highlight of the main theories and to give a broad perspective of the main developments in job satisfaction over the last decades.

According to Beck (1983) theories on job satisfaction involve motivational, emotional and informational components, as do other attitude theories. Job satisfaction theories have a strong overlap with theories explaining human motivation.

Job Satisfaction is a general expression of worker's positive attitudes built up towards their jobs. Workers maintain an attitude towards their jobs as a result of diverse features of their job, social status that they have gained about their jobs and experiences in their job environment. This attitude can be also negative towards work. If the economic benefits, the social status, the job has own specific characteristics and the job expectation employees hoped, are appropriate for employee's desires, there is job satisfaction. Positive attitudes of employees towards the whole business environment as a result their experiences of work-environment are called job satisfaction.

"Job satisfaction is collection of feeling and beliefs that people have about their current jobs. People's levels or 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 attitude about various aspects of their jobs such as the kind of work they do, their coworkers, supervisors, subordinates, and their pay" (George and jones 2008, p.78). George and jones (2008) add belief and attitudes to various aspects or dimensions of job in addition to the emotional state definition by Locke (1976).

Job satisfaction is an important element from organizational perspective, as it leads to higher organizational commitment of employees and high commitment leads to overall organizational success and development (Feinstein, 2000) additional growth, effectiveness and efficiency of the organization and low employee's intentions to leave the organization (Mosadeghard, 2000).

Job satisfaction and dissatisfaction not only depends on the nature of the job, it also depends on the expectation what is the job; supply to an employee (Hoppock, Banteyerga and Tharanthey1935). Lower convenience costs, higher organizational and social and intrinsic reward will increase job satisfaction (Mullins, 1996). Job satisfaction is complex phenomenon with 7 multi facts. It is influenced by the factors like salary, working environment, autonomy, communication and organizational commitment (Locke and Latham, 1990).

#### 2.1.2 Job Performance

Cambell cited in jex (2002, p.89) job performance represents behaviors employees engage in while in work. However, such behaviors must contribute to organizational goals in order to be considered in the domain of job performance.

According to Jex p.88) asserted that job performance at the most general level can be defined simply as all of the behaviors employees engage in while at work. Jex (2002) stated continually that this is imprecise definition because employees often engage in behaviors at work that have little or nothing to do with job specific tasks. On the other hands if job performance confined only to behaviors associated with task performance, much productive behavior in the work place would be excluded.

According to Porter and Lawler cited in Pushpakumari (2008, p.91) performance is defined as a function of individual ability and skill and effort in a given situation. From Porter and Lawler

definition it can be derived that job performance as ability, skill and effort toward job. Pushpakumari (2008, p.91) states that in the short run employee's skill and abilities are relatively stable and defines performance in terms of effort extended to the job of an employee and increased effort results in better performances.

#### 2.1.3 Basic concepts of Job satisfaction on employee performance

Job satisfaction is defined as a "pleasurable or positive emotional state resulting from the appraisal of one's job or job experience'' (Locke, 1976 p.1304). This comprehensive definition is used widely to define job satisfaction but creates a question in mind that how one's job is appraised. "Job satisfaction is collection of feelings and beliefs that people have about their current jobs. People's levels or 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 attitude about various aspects of their jobs such as the kind of work they do, their coworkers, Supervisors, subordinates, and their pay" (George and Jones 2008, p.78).

George and Jones (2008) add belief and attitudes to various aspects or dimensions of job in addition to the emotional state definition by Locke (1976). According to Robbins (1998) the term job satisfaction refers to an individual's general attitude toward his or her job. A person with a high level of job satisfaction holds positive attitudes toward the job, while a person who is dissatisfied with his or her job holds negative Impact of Job satisfaction on employee Job performance at attitudes about the job. Robbins (1998) definition contains job satisfaction as the general view of attitude toward job. From this definitions job satisfaction can be summarized as the emotional, feeling, belief and behavioral segment of an attitude towards job and various aspects of job.

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#### 2.1.4 Factors affecting of Job satisfaction

Different literatures showed that there are different factors that affect job satisfaction. Some of the factors are personal and some of others are organizational factors.

George and jones (2008, p.85) stated four factors that affect the level of job satisfaction a person experience: personality, values, the work situation and social influence. In addition, George and jones (2008) stated that the work situation includes the work itself, co-workers, supervisors and subordinates, physical working condition, working hour, pay and job security. According to George and jones (2008) work itself is the most important factor and source of job satisfaction.

"An extensive review of the literature indicates that the more important factors conducive to job satisfaction are mentally challenging work, equitable rewards, supportive working condition and supportive colleagues" (Robbins, 2009, p.323). (Robbins, 2009) includes pay and promotion in equitable reward facet and did not state about supervisor as factor while George and Jones (2008), Luthans (2005) and Opkara (2004) states supervision as one factor.

According to Luthans (2005, p.212) "there are a number of factors that influence job satisfaction and through year five dimensions have been identified to represent the most important characteristics of job about which employees have affective responses. These factors are the work itself, pay, promotion opportunities, supervision and coworkers".

Opkara (2004, p.72) stated in the conceptual frame work study that personal factors such as gender, education, experience and management level are positively related to job satisfaction and job satisfaction is affected by work, pay, supervision, promotion, co-workers and overall.

Sowmya and Pancanatham (2001, p.78) also showed that pay and promotion, organizational, aspect, supervisor behavior, job and working condition and co-worker behavior and factors influencing job satisfaction of bank sector employees in Chennai, india.

For this study I give much emphasis to the work related factors that determine job satisfaction even tough other organizational and personal factors affect job satisfaction. Thus I took five factors that influence job satisfaction which are work itself, pay, promotion opportunities, supervision and co-workers.

#### 2.1.5 Dimension of Job performance

According to Milkovich and Widgor (1991, p.48) some researchers have concentrated their efforts on defining job performance in terms of outcomes; others have examined job behaviors; still others have studied personal traits such as conscientiousness or leadership orientation as correlates of successful performance. In addition, Milkovich and Widgor (1991) stated that job performance is made up of complex set of interacting factors, some of them attribute to the job, some to the worker and some to the environment. (Morrisey, 1997)

However, Motowildo (2003, p.40) tide performance only to behavior that can make a difference to organization goal accomplishment rather than to the result of that behavior there are situational constraints and opportunities which affects valued organizational results without necessarily affecting individuals' performance behaviors.

Campbell (1990) cited in motowildo (2003, p.43) defined eight behavioral dimensions of performance, which are job-specific proficiency non-job specific task proficiency, written and oral communications, demonstrating effort, maintaining personal discipline, facilitating peer and team performance, supervision and management/administration.

Borman and motowidlo (1993) cited in Motowildo (2003, p.45) described five types of contextual activities: volunteering to carry out task activities that are not formally a part of the job; persisting with extra enthusiasm or effort when necessary to complete own task activities successfully; helping and cooperating with other; following organizational rules and procedures even when personally inconvenient; and endorsing, supporting, and defending organizational objectives.

Job performance refers only to behaviors that can make a difference to organizational goal accomplishment rather than to the result of that behavior because there are situational constraints and opportunities which affects valued organizational results without necessarily affecting individuals' performance behaviors. Performance definitions should focus on behaviors rather than outcomes because a focus on outcomes could lead employee to find the easiest way to achieve the

desired result, which is likely to be detrimental to the organization because other important behaviors will not be performed.

#### 2.1.6 Determinants of Job performance

According to Campbell (1990) cited in Motowildo (2003, p.50) argued that there are three determinants of job performance: declarative knowledge, procedural knowledge and skill, and motivation. Declarative knowledge is knowledge of facts, principles and procedures; procedural knowledge and skill is skill in actually doing what should be done and is a combination of knowing what to do and actually being able to do it and includes skills such as cognitive skill, physical skill, self-management skill and interpersonal skill; motivation is the combination of choice to exert effort, choice of how much effort to exert, and choice of how long to continue to exert effort.

Motowildo (2003, p.50) also incorporate Campbell (1990) idea stating that cognitive ability is a better predicator of task performance, whereas personality variables such as extraversion, agreeableness, and conscientiousness are better predictor of contextual performance. Knowledge, skills, and work habits directly affect both task and contextual job performance.

In additional Motowildo (2003, p.52) states that empirical and theoretical reports in the performance literature are converging on an overall model of performance that identifies variables such as knowledge, skill, motivation, and habits as direct determinant of the expected value of an individual's behaviors over time or job performance

## 2.1.7 Benefit of job satisfaction

Job satisfaction is an inevitable concern and a challenge for modern organizations. The job satisfaction trend can affect the labor market: it can influence productivity of the job and working conditions can be influenced by it. Employee absenteeism and staff turnover also can be affected by the factors that related with job satisfaction. It is also used as a strong predictor of overall individual employee well-being (Divya, 2009). Employee satisfaction study has many benefits. It can help managers to get better information and know the health of their organization, increase patients' satisfaction, reduce turnover and related training costs, minimize nine absenteeism, improve communication, and enhance the reputation of an organization & attract employees (Powell, 2001).

The study of job satisfaction is very significant for managers. It will help to see a room for improvement, to identify the relatively more dissatisfied group, to know the contributing factors for employee satisfaction, and to identify effects of dissatisfied employee attitudes. Additional feedback can determine the sources of unforeseen productivity difficulties, such as absenteeism, turnover and poor quality of work, and help executive evaluate training needs. A job -satisfaction study is a pointer of the efficiency of organizational reward systems. The above mentioned reasons clarify how job satisfaction is very important for the organization itself as well as for the employees (Singh and Pandey, 2013).

Employee satisfaction or dissatisfaction is related with organizational development. If the employees are satisfied by working in the organization, it is better for the organization. Employees are the root element of an organization. That is why job satisfaction is a major considerable matter for an organization. Now we are going to discuss some of the importance of job satisfaction.

1) It provides better working environment: - job satisfaction provides better working environment in the organization. Employees can submit their problem to the authority. Then authority takes appropriate actions to solve the problem or discuss with the employee. So the environment is become calm in the organization.

2) It gladdens the manager: - high job satisfaction develops the quality of the employees. They get encourage to perform their own duty and responsibility with more dignity. As a result, managers get proper feedback from the workers and they do good attitude with the workers. So job satisfaction gladdens the managers.

3) Reduce the absenteeism: - job satisfaction makes positive intention to work of employees in the organization. They become satisfied and feel easy then before in the job. This matter brings eagerness and inspiration among the employees to perform their job. Employees attend in their working place regularly. So it reduces the absenteeism of the employees.

4) Reduce the labor turn over: - job satisfaction depends on the employee's mental satisfaction to his working condition. When employees do not get facilities and opportunity in their work place then they remove their place. But when employees get satisfaction in their work then they want to work as long as possible. So it reduces the labor turn over.

5) Reduce the industrial dispute: - in organization the disputes occurred between worker and supervisor, worker and worker or one factor with other factor. This occurrence is called industrial dispute. As a result, company faced losses and they cannot continue their productivity in the factories. Job satisfaction reduces the industrial disputes

6) Increase the productivity: - high satisfaction brings high productivity in the organization. When employees get satisfaction and assurance of their job then they do more work than before.

7) Increase the discipline: - the successes of the organization depend on the employee work discipline. Job satisfaction creates discipline among the employees in the organization. Source: (Tamirat, 2016)

#### 2.1.8 Impact of pay on job satisfaction and performance

According to Luthans (2005, p.213) "money not only helps people attain their basic needs but is also an instrumental in providing upper-level need satisfaction".

"Pay has significant impact on job satisfaction and performance especially when employees seek pay systems that are perceived as just, unambiguous, and in line with their expectations" (Funmilola, O., Sola, K., and Olusola, A., 2013, P. 518). Tesema and Soeters (2006, p.92) found that compensation has significant impact on job satisfaction and performance.

Robbins (2009, p.323) also stated that when pay is seen as fair based on job demands, individual skill level, and community pay standards, satisfaction is likely to result. Opkara (2004, p.82) stated that lower salaries translated into decreased satisfaction; low satisfaction translates into low morale, poor performance, and ultimately low productivity.

#### 2.1.9 Impact of promotion opportunities on job satisfaction and performance

According to Robbins (2009, p.324) promotions provide opportunities for personal growth, more responsibilities and increased social status. Individuals who perceive that promotion decisions are made in a fair and just manner are likely to experience satisfaction from their jobs.

"Employee's opportunities for promotion will exert an influence on job satisfaction and performance" (Funmilola, O., Sola, K., and Olusola, A., 2013, P.518).

#### 2.1.10 Impact of supervision on job satisfaction and performance

According to Luthans (2005, p.213) supervision is moderately important source of job satisfaction. Employee centeredness and participation or influences are two dimensions of supervisory style that affect job satisfaction. "Quality of supervisor-subordinate relationship has significant, positive influence on the employee's job satisfaction and performance" (Funmilola, O., Sola, K., and Olusola, A., 2013, P.518).

#### 2.1.11 Impact of Co-worker on job satisfaction and performance

According to Robbins (2009, p.325), friendly and supportive co-workers leads to increased job satisfaction. Luthans (2005, p.213) also stated that friendly, cooperative co-workers or team members are a modest source of job satisfaction to individual employees. Khan et al. (2012, p. 2703) showed that co-workers have impact on job satisfaction and performance.

### 2.1.12 Impact of work itself on job satisfaction and performance

Luthans (2005, p.212) stated that the content of the work itself is a major source of satisfaction.

According to Robbins (2009, p.325) employees tend to prefer jobs that give them opportunities to use their skills and abilities and offer a variety of tasks, freedom, and feedback on how well they are doing. "When opportunities are given to employees to advance in their field of work it will enhance job satisfaction and performance" (Funmilola, Sola and Olusola, 2013, p.518)

## 2.2 Theory of Job Satisfaction

The concept of job satisfaction underwent several changes and in course of time several theories were advanced. There are vital differences among experts about the concept of job satisfaction. In this section the researcher will examine the widely used theory and its division in contemporary job satisfaction research. This part of the section purpose is to provide a highlight of the main theories and to give a broad perspective of the main development in job satisfaction over the last decades.

## 2.2.1 Maslow's Needs hierarchy

(Maslow"s, 1954) theory is one of the recognized theories which enlighten that employees would be motivated and satisfied with their jobs only when certain desires are met. He further explains five major types of needs which are ordered hierarchically as indicated in figure 1 below. According to Maslow's hierarchy of needs, lower-level needs must be fulfilled first before an individual consider the next level of needs (Robbins, 1998). There are five hierarchical levels which are as follows,

1. Physiological needs: such as food, shelter, clothing and sexual satisfaction needs:

According to Maslow's theory, individuals are worried first and foremost with satisfying their basic needs such as food, shelter, water and clothing. An unemployed person who does not have a shelter will be content with any job as long as it offers for these basic needs (Maslow, 1954). This is a primary need and of importance to individuals as it restores the dignity and pride of human beings.

- 2. **Safety needs**: This refers to the need to feel safe within the environment; it also refers to physical safety. After physiological needs have been met, safety needs would follow as employees focus more on meeting their safety needs. This is a secondary need prior to the basic needs and is of importance to human beings as they should leave in a safe and secured environment. People should feel comfortable and relaxed in the areas where they stay and work. This means that employees will remain satisfied with their jobs only if they believe the working environment is safe (Maslow, 1954). This is also applied construction project site
- 3. Social needs; the need for love, friendship and belonging: Once the basic needs and safety needs have been met, employees will stay satisfied with their jobs only when their social needs have been addressed (Maslow, 1954). In a working environment it involves working with others and feeling needed in the organization when people get along with each other, it will boost their morale, lead to higher productivity and they will feel comfortable with each other and the organization. Organizations strive to fulfill their employees" social needs by procuring social activities for example cafeterias, organizing sport programs and family events (Maslow, 1954). If the employees of the construction project a sense belonging at their work place, then this will result in fulfilling their social needs.
- 4. Esteem needs: These needs comprise the need for self-respect, status, recognition and achievement (Maslow, 1954). When employee's social needs have been fulfilled, they start to pay attention on meeting their esteem needs. According to Maslow (1954), organizations can satisfy these needs through awards, promotions and salary increases. Managers need to 12 recognize the potential and effort made by employees at work in

order to create conducive work environment where employees would feel as if it is the best company to work for.

5. Self-actualization needs: The point of reaching one is full potential. Self-actualization needs as the desire for growth, achieving one has potential and self-fulfillment. An employee who strives for self-actualization desires to meet their full potential in everything they do. Therefore, employee is desire the same task for a substantial period might become bored which might result in job searching. Managers need to study the environment and develop strategies to retain and develop self-contentment of employees in their jobs. Employers need to provide the best training courses, performance appraisal systems, job rotation methods and other ways to retain and develop employees at work.

#### 2.2.2 Herzberg's Two Factor Theory

The debate on job satisfaction started when Herzberg published his book 'THE MOTIVATION TO WORK'' (1959), In 1959 Herzberg and his co-workers had performed an in depth analysis of sources of satisfaction and dissatisfaction among 200 engineers and accountant in the Pittsburgh area. A conventional approach to the problem would call for the experimenter to measure overall job satisfaction on a scale, and then relate these scores to various factors making up or surrounding the individuals' jobs. Herzberg chose a somewhat different ''semi structured'' interview approach, in which he and his co-workers asked a few general questions and then pursued items as they saw fit, without attempting to force the responses into any preconceived scalar format (Behling, Labovitz & Kosmo 1968, p.,99-108). According to those situations he divided work dimensions in two element Motivator and Hygiene factors. All those factors those caused exceptionally good feelings were motivators and satisfying factors; achievement, recognition, work itself, responsibility, advancement, and growth. While recalling about the exceptionally bad events, they responded following points, administration of the company and its policy, supervisory behavior, relationship with subordinates, personal life, and safety measures.

Herzberg described the above as Hygiene factors and related these events with context of the work, and the motivators are going to deal with internal mind state. He compared his theory with traditional approach in motivation that assumes that salary, supervision or company policy leads employees toward higher job satisfaction. According to Herzberg job satisfaction is not through improving these hygiene factors but by escalating the six motivators. Moreover, an absence of the motivator factors will not cause job satisfaction e.g. when employees were not offered recognition or achievement or any other motivator for their work this will not cause the dissatisfaction of job yet they are not going to be motivated. The concept parallel to job satisfaction is not job dissatisfaction but no job satisfaction, and similarly opposite of job dissatisfaction is not job satisfaction (Ibid)

According to Herzberg (1967) as quoted in Ukaegbu (2000), intrinsic elements of the job are related to the actual content of work, such as recognition, achievement and responsibility and these were referred to as 'motivational' factors and are significant elements in job satisfaction. By contrast, Herzberg described extrinsic factors as elements associated with the work environment, such as working conditions, salary, class size, staff assessment and supervisory practices, and benefits which these were referred to as 'Extrinsic' or 'hygiene' factors which are related to job dissatisfaction. Herzberg concluded that satisfaction and dissatisfaction are not on the same continuum. As a result, he argued that motivational factors can cause satisfaction or no satisfaction, while hygiene factors cause dissatisfaction when absent, and no dissatisfaction when present. (p. 299). Such theories are, of course, somewhat tenuously founded in Maslow's theory of a hierarchy of needs as applied to work situations, with lower order needs requiring satisfaction before higherlevel needs emerge and determine motivation. According to and Plunkett & Attner, (1986) hygiene factors are the primary causes of unhappiness on the job. They are extrinsic to the job- that is, they do not relate directly to a person's work, to its real nature. These are part of a job's environment it is context, not its content this means when an employer fails to provide these factors in sufficient quality to its employees, job dissatisfaction will be the result. When they are provided in sufficient quality, they will not necessarily act as motivators -stimuli for growth and greater effort. They will only lead to workers to experience no job dissatisfaction. The factors include: (p.315).

Salary- adequate wages, salaries and fringe benefits

Job security- company grievance procedures and seniority privileges

Working conditions - adequate heat, light, ventilation, and hours of work.

Status - privilege, job titles, and other symbols of rank and position.

Company policies – the policy of the organization and the fairness in administering those policies.

**Quality of technical supervision** – whether or not the employee is able to receive answers of job questions.

**Quality of interpersonal relationships among peers, supervisors, and subordinates-** social opportunities as well as the development of comfortable operating relationships.

Motivational (intrinsic) factors are the primary causes of job satisfaction. They are intrinsic to the job because they relate directly to the real nature (job content) of the work people perform. When an employer fails to provide these factors in sufficient quality to employees, they will experience no job satisfaction. When they are provided in sufficient quality, they affect and provide job satisfaction and high performance. People require different kinds and degree of motivation factors. What will be stimulating to one may not be to another. To individuals who desire them, motivation factors with the right amount of quality act as stimuli for psychological and personal growth. These factors include: (Herzberg, 1975, p.16-17)

Achievement – opportunity for accomplishment and for contributing something of value when presented with a challenge.

**Responsibility** – actuation of new duties and responsibilities, either through the expansion of work or by delegation

Advancement – opportunity to improve one's organizational position as a result of job performance.

The work itself – opportunity for self-expression, personal satisfaction, and challenge.

**Possibility of growth** – opportunity to increase knowledge and develop through job experience.

Herzberg theory's implication for managers is that, they can use it to focus their efforts on insuring the presence of and quality in hygiene and motivation factors as a foundation on which to build motivation. In the absence of quality, employees may face an unclean environment, which can lead to dissatisfaction for the workforce (Plunkett & Attner, 1986, p.316).

# 2.2.3 McGregor of Theory X and Theory Y

Douglas McGregor introduced Theory X and Theory Y, which contains two different assumption sets corresponding to relationships between managers and employees (Dc Cenzo& Robbins, 1994).

The main assumption of Theory X is that employees dislike work and have tendency to avoid it. This kind of people must be continuously controlled and threatened with punishment in order to succeed the desired aims. On the other hand, Theory Y is assumed that employees could have self-direction or self-control if he/she is committed to the jobs (Gerceker, 1998). According to McGregor, Theory Y is considered as more valid and greater job involvement, autonomy and responsibility; given employees, increase employee motivation (De Cenzo & Robbins, 1994).

According to McGregor suggests Theory X and Theory Y based on extreme assumptions about people and work. Theory X assumes that average employees dislike work, and that the only way to maintain or increase productivity is to simplify the operational process, supervise the employees closely, and motivate them in short term through financial incentive schemes. Theory Y assumes that average employee's desire self-direction and self-control seek and accept responsibility, enjoy physical and mental effort, and have the potential to be self-motivating, (p.304).

As a conclusion, McGregor Theory X is a theory towards human nature and behavior at work that assumes that most people are lazy, have inherited dislike of work and must be coerced, controlled and directed through a central system of organization and the exercise of authority, and that motivation occurs only at the lower level needs. And McGregor Theory Y is a theory towards human nature and behavior at work that assumes that most people enjoy work, are creative, can exercise self-direction and control and want to accept responsibility and motivation occurs at the higher as well as lower level needs (Mullins,2011 p.,491).

#### **2.2.4 Alderfer of the ERG Theory**

Clayton Alderfer (1969) proposed Existence-Relatedness-Growth Theory. The ERG theory is an extension of Maslow's hierarchy of human needs theory. Alderfer stated that needs could be classified into three categories, rather than five and these are; existence needs, psychological and safety needs; and relatedness needs. Existence needs are similar to Maslow's physiological and safety need categories. Relatedness needs involve interpersonal relationships, which are similar to Maslow's belongingness and esteem needs, Growth needs are related with the attainment of one's potential, which are associated with Maslow's esteem and self-actualization needs (Barnet & Simmering, 2006)

Alderfer and Maslow's theories are similar, but alderfer (1969) suggest that when an individual is continually unable to meet upper-level needs, the lower level needs become the major determinants

of their motivation. In other words, the ERG theory differs from the hierarchy of needs in which it suggests that lower-level needs must not be completely satisfied before upper-level needs become satisfied (Burnet & Simmering, 2006).

Alderfer also stated that individuals are motivated by moving forward and backward between these levels (Ramprasad, 2013). In detail, according to Alderfer (1972), in the case of relatedness satisfaction decreases, the existence desires tend to increase while growth desires decrease (backward movement). On the other hand, in the absence of relatedness satisfaction increases, growth desires tend to increase while existence desires decrease (forward movement).

#### 2.2.5 McClelland of Need for Achievement Theory

Need for Achievement Theory was development by McClelland (1951, 1961) and Atkinson (1964). Individuals' needs are divided into three psychological needs. These primary needs in this theory are the need for affiliation, for power, and for achievement. Firstly, the need for affiliation reflects a desire to establish social relationships with other. Secondly, the need for power is a desire to control one's environment and influence others. Thirdly, the need for achievement is a desire to take responsibility, set challenging goals, and obtain performance feedback (Garrin, 2014).

This theory has been a corner stone for many empirical and experimental researches. The main point of the theory is that when one of these needs is strong in a person, it has the potential to motivate behavior that leads to its satisfaction. Thus, especially managers should make effort to develop an understanding of whether and to what degree their employees have these needs, and the extent to which their jobs can be structured to satisfy them (Higgins,2011).

#### **2.2.6 Process Theories**

Process theories are more concerned with 'how the motivation takes place?' Similarly, the concept of 'expectancy' from 'cognitive theory' plays dominant role in the process theories of job-satisfaction (Luthans, 2005 p.246). Thus, these theories strive to explain how the needs and goals are fulfilled and accepted cognitively (Perry et al., 2006). Several process-based theories have been suggested. Some of such theories have been used by researchers as hypotheses, tested and found them thought-provoking. The well-known theoretical models for process motivation are:

#### 2.2.7 Goal-Setting Theory

Goal-Setting Theory is developed by Locke and Latham, and according to the theory, goal setting is one of the most significant components of job satisfaction. Goal-setting theory emphasizes the importance of specific goals in obtaining motivation and satisfaction. In goal setting process, people want to achieve goals in order to get satisfied on emotions and desires (Luthans, 1995). One of the findings of goal setting theory, specific and difficult goals necessitates the higher performance. Another is that goal setting would be most effective if effective feedback process exists. Therefore, manager should assess the reasons why objectives are reached or not, rather than giving punishment (Luthans, 1995).

The theory is suggesting that employees' goals help to explain motivation, job satisfaction and performance. The Theory assumes that behavior is a result of the individuals' conscious goals and intentions. According to Locke, when employees perceive that the goals they set for themselves or are set by the managers, are fulfilling and attainable, their commitment and productivity will increase. This could to job satisfaction.

Successful attainment of the intended goal creates a pleasurable emotional state (called job satisfaction) on the part of the individual. Exceeding the set goals increases satisfaction. The more goal-success an employee has attained, the higher his/her job satisfaction.

#### 2.2.8 Expectancy Theory

Expectancy can be defined as a belief, which concerns a particular action following by a particular outcome (Lunenburg, 2011). An American psychologist, Edward C. Tolman, introduced 'Expectancy Theory' in the 1930s. This theory indicates that human behavior is motivated by the expectations. According to the theory, an individual decides to behave in a certain way to achieve the desired reward, motivates himself/herself to select a specific behavior concerning what they expect the result of that behavior (Ugah and Arua, 2011). For instance, if workers need more money to satisfy their needs, they are assured that if they work harder; they will receive more money.

Victor Vroom (1960) applied the concept of behavioral research in the following years, which was introduced by Tolman. Expectancy Theory is a process theory of job satisfaction and motivation. This theory describes expectations in which an individual's effort is determined by the expected

outcomes and the values of outcomes in a person's mind (Liao, et al., 2011.). In other words, the concept of expectancy is based on individual perception and personal behavior. In addition, Locke (1976) states that needs are regardless of what the person wants, while values are subjective depending on the standard in the person's mind. It means that while people have the same basic needs, value of the needs differs according to people's standards.

According to Expectancy Theory, there is strong relationship between the efforts, the performance, and rewards they get from their effort and performance. They become motivated when they believe that strong effort will lead to a good performance, and good performance will lead to a desired reward (Lunenburg, 2011).

Vroom presented three basic variables in his theory: expectancies, instrumentalities, and valances:

- **Expectancy:** is the degree to how much people believe that putting forth effort leads to a given level of performance.
- **Instrumentality:** is the degree to how much people believe that given level of performance results in certain outcomes or rewards;
- Valance: is the extent to what the expected outcomes are attractive or unattractive.

#### 2.2.9 Equity Theory

Equity Theory is a motivation theory but there are important points about satisfaction and dissatisfaction in it. According to Adams satisfaction is determined by the perceived input outcome balance. He states that, employees aim to reach a balance between their 'inputs' and their 'outcomes''. Inputs are factors such as educational level, experience, ability, skill, effort, responsibility, age and effort, while outcomes are the things like performance, salary, good working conditions, work insurance, promotion, recognition, status, and opportunity (Holtum, 2007).

J. Stacy Adams opined that employees tend to judge fairness by comparing their relevant inputs to the outcome they received and also by comparing the ratio to those of other people. Inequity occurs when a person perceives that the ratio of his or her outcome to input and the ratio of a relevant other outcome to input are unequal. Equity Theory shows how a person views fairness in regard to social relationship such as with an employer. A person identifies the amount of input (things gained) from a relationship compared to the output (things given) to produce an input/output ratio.

They then compare this ratio to the ratio of other people in deciding whether or not they have an equitable relationship. Equity Theory suggests that if an individual think there is an inequality between two social groups or individuals, the person is likely to be distressed because the ratio between the input and the output are not equal.

Focuses on people's feeling of how fairly they have been treated in comparison with the treatment received by others. It is based on exchange theory. Social relationship involves an exchange process (Mullins, 2011).

#### 2.2.10 the Range of Affect Theory

The "Range of Affect" theory or Affect theory introduce by Edwin A. Locke. It is the most widely-known among the theories which are related to the job satisfaction. This theory maintains that there are two factors which job satisfaction is depend on them. First one is the expectations which he has from his job; second one is the thing that he will get from the job. The smaller gap between each these two, the more satisfaction with job. According to this theory the aspect which can more affect the level of job satisfaction is person prioritizes. For instance, an employee prioritizes salary, when his salary is high enough; he may be having a greater job satisfaction.

#### 2.2.11 Dispositional theory

Judge and colleagues introduced the "Dispositional theory" is also noticeable theory in employee satisfaction sector, and in compare to the other theories regarding job satisfaction, it is probably the only one that focuses solely on the natural disposition of a person. This theory says that an important factor to determine the level of satisfaction which person has is one's personality. For example, an employee who turned inward and cannot show his talent may have lower level of job satisfaction in compare to an employee who has self-confidence and more independent.

This dispositional approach suggests that job satisfaction is closely related to personality. It postulates that an individual has a strong predisposition toward a certain level of satisfaction, and that these remain fairly constant and stable across time. The evidence for this approach can be divided into indirect studies and direct studies.

#### 2.2.12 Job Characteristics Models

One of the job satisfaction theories is the Job Characteristics Model. This theory is one of the most job-focused theories of job satisfaction used and also it explains that job satisfaction occurs when the work environment encourages intrinsically motivating characteristics. This model lists five elements of job which have more influence on a person.

- a) Skill variety
- b) Task identity
- c) Task significance
- d) Autonomy: The more independent employee, the more responsible employee.
- e) Feedback or evaluation

#### 2.3 Empirical literature Review

This section reviews the relevant studies on job satisfaction carried out to find out the research gap. So that It can be easy to differentiate areas of more research have been done. Reviewing the previous literature not only highlights the historical works in the area, but also helps to identify the niche in the area. Further, reviewing helps to study the methodology and techniques used in these studies so that the present study can be set up in a new dimension of methods.

Abel Alemnew (2014) examined the impact of job satisfaction on employee job performance at Development bank of Ethiopia. The study examined a total sample population of 230 employees of the bank. The data for the study was collected from primary and secondary sources and primary data was collected using structured questionnaires from the samples. A stratified sampling and simple random sampling techniques of probability sampling were used to select the samples. Descriptive statistics, correlation and regression analysis were used to analyze the study. Pay, promotional opportunities, co-workers, supervisor and work itself are considered as variables that affect job satisfaction of employees. There were different views on the relationship between job satisfaction and job performance. The researcher uses A 4-point level scale as follows: 1=strongly disagree, 2=Disagree, 3=Agree and 4=Strongly Agree. To check the reliability and consistency of the questionnaire, Cronbach's coefficient alpha was used and the result show that Cronbach alpha coefficient of  $\alpha = 0.813$  confirming the reliability of the data collecting instrument. The study finding conclude that job satisfaction has a strong positive impact on job performance.

Moges Addisu (2018) conducted the study by verifying the determinants of job satisfaction among employees of Gondar collages of teacher's education and Medda Walabu University. His study used to variable factors demographic variable and environmental variable. The researcher finds out inadequate salary, problem with promotion and uncomfortable situation made employees dissatisfied. The main objective of the study is to assess the determinants of job satisfaction that influence the satisfaction level of the workforce. The researcher use both quantitative and descriptive methodology. The researcher uses descriptive study to describe the characteristics of demographic variables such as sex, age, marital status, experience, occupational group and job level. Census sampling method is used to gather the data. From the target populations which are all employees who work at Gondar collage teaching education is 186. To check the reliability and validity the researcher uses alpha coefficients which are ranged from 0.736 to 0.835. The findings are there is no significant deference on gender, marital status, occupational group, and experience and job level regarding overall job satisfaction. And also among the five environmental predictors only two of them (the work itself and relationship with co-workers) found to have significant relationship with general job satisfaction.

Funmilola, Sola, and Olusola (2013) in their paper examined the impact of job satisfaction dimensions on job performance of Small and Medium Enterprises' employees in Ibadan metropolis, south western Nigeria and their objective of the study was to provide empirical evidence on how job satisfaction dimensions affect job performance in Small and Medium Enterprises. The research hypothesis of the study had a null hypothesis stating that job satisfaction dimensions have no significant effect on job performance. In this study self-designed close ended questionnaire with sample size of 105 employees and simple random sampling technique was used. Both Pearson Product Moment Correlation Coefficient and Multiple Regression Analysis were used to analysis the data. The result of the study to know the relationship between job satisfaction and job performance using Spearman rank order correlation test indicate that, there is no significant relationship between job satisfaction and job performance.

Getamesay Birhane (2016) in this paper examined to determine the factors affecting employees' job performance at Addis Ababa city branches Wegagen Bank S.C. The research is quantitative research approach using Cross sectional survey method and the researcher have used sample size determination table and stratified sampling method was employed to select the sample from each stratum to make the sample more representative of the population. Descriptive and inferential

statistics of correlation and regression analysis were used to analyze the empirical data. Primary data were collected using questionnaires 191 responses were properly filled and returned. SPSS was used to analyze empirical data collected through the close ended questionnaire. The independent variables are training, motivation, leadership, organizational culture and working environment whereas the dependent variable is employees' job performance. The mean, frequency and percentile of the dependent and independent variables were computed and interpreted. Pearson correlation Coefficient (r) was used to determine the relationship between each independent variable with the dependent variable. The correlation result indicated that there was positive relationship between all of independent variables and the dependent variable, rejecting all null hypotheses. This implies that any increase or decrease on the independent variable will bring corresponding change on employees' job performance.

### 2.4 Conceptual frame work

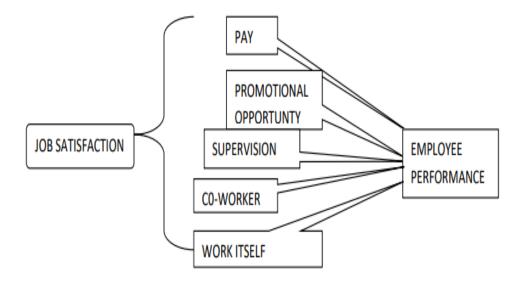


Figure 2:1 Conceptual framework Source: Abel Almnew (2014)

This conceptual frame work was taken from the reviewed literatures about job satisfaction. The conceptual frame work states that pay, promotional opportunities, supervision, coworker and work itself are factors that affect job satisfaction which are the independent variables and job satisfaction has impact on employee performance which is the dependent one.

# **CHAPTER THREE**

# **RESEARCH METHODOLOGY**

### 3.1 Description of the Study Area

MINAYE PLC is a private limited company engaged in general business activities in Addis Ababa, Ethiopia. Minaye Plc was established as a PLC in 1992 with a capital of ETB 23,000,000.00. Before 1992 Minaye Plc has been operating for over 20 years as a sole proprietorship. Currently Minaye Plc is involved in different businesses such as Construction, House and apartment rental, Supply of office and household furniture, Horti flora (Flower farm), Production of Packaging Products, Photo copy service as well as import and retail trades. The company has close to 2000 employees and it is well known for its customer care.

### 3.2 Research design

The researcher used descriptive study to collect facts and dealt with respondents to answer the pre-planned specific research objectives by using questionnaires. The design is best suited to studies aimed at finding out the prevalence of a phenomenon, situation, problem, attitude or issue, by taking a cross-section of the population.

This study also follows a quantitative approach because the researcher wants to identify factors which may have effect on employees' performance. A quantitative research design sets out to collect data to test the relationships between variables (independent and dependent). This approach provides relevant data about the research topic and supports the analysis of numerical data applying statistical tests. Quantitative research work connects independent and dependent variables. Thus, the study was conducted using Quantitative type whereby it appeared to be more appropriate to find out the effect of determinant factors on job performance.

The study also used explanatory research design as the research problem requires measuring the variables of job satisfaction and assessing the effect of these variables on employee job performance. In addition, Cross-sectional survey research technique was employed, as it is believed to be the most appropriate way to collect the needed information from employees in MINAYE PLC. Survey was used in order to generalize from a sample to population. This method also preferred because of its high -speed in data collection and its being economical.

#### **3.3 Research Population and Sampling Techniques**

Including contract base employees there are a total of 2,000 population members at MINAYE PLC. However, the population of the study focused on permanent and non-permanent employees who are working in the organization with minimum work experience of seven years; which is assumed as senior level for the given job position. In addition to that, this research focused on the permanent and contract base employees of the organization who have diploma, first degree and above with work experience 17 periods of seven years and above. Both Female and male permanent employees with minimum age of 21 years old are participated to respond. A total of 1800 employees fulfill these criteria.

Adopting proportional allocation, then the sample sizes as under for the different strata was identified by the using Taro Yamane (1973) formula. The formula for estimating the sample size based on 95% confidence level needed from a given population was provided by Taro Yamane (1973).

Sampling formula:  $n = N \div 1 + N$  (e) 2

n = Sample Size N = Total Population

e = acceptable error (i.e. with 95 confidence level, 5% margin of error)

 $n = N \div 1 + N$  (e) 2;  $1800 \div 1 + 1800(0.05)2 = 327$ 

Sampling design followed some basic process. Type of universe was defined, decision on sampling unit was done, and source of list (sampling frame work) was arranged. Size of sampling or selected frames from universe was identified with appropriate sample size. Parameters of interest, budget constraint, sampling procedures were decided to select type of sampling. (Tamirat, 2016) Stratified sampling is used for heterogeneous population characteristics and better applicable to give equal chances for the population that found under different stratum. It gives more reliable and detailed information (Tamirat, 2016). Tracing the difference in parameters of the subgroups within a population would not have been possible without the stratified sampling procedure. Stratification is an effective research method strategy; that is, it delivers further information with an agreed scope (Sekaran, 2003). After the strata identification completed simple random sampling selection was followed. Similarly

stratified statistical method used in other study methods. The researcher undertook a crosssectional survey.

### 3.4 Source of data

The sources of data for this study is primary and secondary. Primary data, the original data or information is collected by the researcher for the study on hand. The primary data was collected from MINAYE PLC employees. In addition to the secondary data were collected from books, journals and other related materials was used to make the research complete.

#### **3.5 Data gathering instruments**

The researcher gathered data by using questionnaire. The researcher used close ended type and the questionnaire were prepared in English language and translated into Amharic for easier administration. The questionnaire is contained close ended questions with 5 Likert Scale from Strongly Disagree =1, Disagree =2, Neutral =3 Agree =4, Strongly Agree =5. Closed ended questions are created on factors of employee performance towards their job satisfaction like; supervision, work itself, pay, promotional opportunities and co-workers. The questionnaire method as instrument of data collection was used because it provides wider coverage to the sample and also facilitates collection of a large amount of data.

### 3.6 Procedures of data collection

Respondents were selected by stratified random sampling method from the directors, team leaders, human resource department, production department, wood work technician, finance department and supportive staff's service giver employee after stratified sampling. Questionnaires were distributed by the researcher and other voluntary participant data collectors to the respondents as per the sampling process and collected back by insuring questionnaire completeness and also orientation given for voluntary participant data collectors.

## 3.7 Method of data analysis

In order to make the responses simple and understandable the data analysis was based on the respondent's answers. Data were processed by editing and coding. The data also presented in percentages. The primary data questionnaire summaries combine and used as a source of information in this research.

The Statistical Package for Social Science (SPSS) version 20.0 application software was employed to analyze data in order to address the research questions and objectives. Finally, the analysis part was presented in the form of tables with percentages, mean; standard deviation as well as examined in narrative form to ensure easily understanding of the analysis.

## **3.8 Reliability of the Instrument**

According to Kothari (2004), a measuring of data collection instrument is reliable if it provides consistent results. Cranach's alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. For testing the reliability of the data instrument, Cronbach's Alpha was calculated to test the reliability of the research instrument.

#### **3.9 Validity of the Instrument**

The validity types that found in quantitative research are face and content validity; concurrent and predictive validity and construct validity (Kumar. 2011 and Greener, 2008). Face and content validity: Keeping the logical link between objective and each question is referred to face validity. Measurement tools content should be agreed with research questions (Kumar. 2011 and Greener, 2008). The research tool was developed by keeping logical link between objective and each question. Tools was checked for their validity and coverage of dimensions of concept (content validity) by advisor, subject specialist and others before used. Sample questionnaires was administered before distributing draft questionnaire to 15 respondents and adjustments will be made to the questionnaire items based on the comments of the respondents. Additionally, several measures will be taken to ensure that the results are free from material errors from the design of the questionnaire. Such measures are clarity of instructions, clarity of the questions, the layout of the questionnaire and other comments.

#### 3.10 Ethical considerations

The study protocol will be reviewed, approved official letter well be written to MINAYE PLC. The data collection will be done after permission obtained by official letter from the organization. Letters were attached in the appendixes part. Prior to questionnaire administration, the objective of the study will be explained to the study participants. Anticipated benefit and risk of the study will be attached to each questionnaire. It well be explained for the respondents that participation in the study will be voluntary and private information would be protected. The process will not identify respondents by their name rather by sex, gender, age and position. The process will be done by keeping the privacy of the respondents. The collected data well be used for the partial fulfillment of thesis purpose only. Seeking respondents and the organization consent, maintain confidential and avoiding bias is expected from the researcher.

# **CHAPTER FOUR**

# DATA PRESENTATION AND ANALYSIS

### **4.1 Introduction**

In this chapter, the data that are collected through the structured questionnaire are summarized and analyzed in order to realize the ultimate objective of the study. This chapter contains the data presentation, analysis and discussion of the sample population based on the primary data collected. The demographic facts obtained from the respondents are summarized using frequency distribution. Scale type questionnaires were analyzed by using descriptive statistics, correlation, regression, and ANOVA and particularly regression is used to answer the research questions. The data are analyzed using SPSS version 20. A total of 327 questionnaires were distributed. Out of the 327 questionnaires 326 were returned, which is more than 99.7% of the total distributed.

## **4.2 Descriptive Statistics**

Descriptive statistics are brief descriptive coefficients that summarize a given data set, which can be either a representation of the entire or a sample of a population. Descriptive statistics are broken down into measures of central tendency and measures of variability (spread). This section presents the descriptive statistics of the data.

### **4.2.1 Gender Distribution Frequency**

Valid	Frequency	Percent
Male	210	64.4
Female	112	35.5
Not mentioned	4	0.1
Total	326	100

### **Table 1. Gender Distribution of Respondents**

The table above shows the proportions regarding gender aren't evenly distributed. The male respondents constituted the largest share of the gender composition representing 210 while 112

were females, 4 people did not indicate their gender, as shown on Table 3 This shows the largest number of respondents is male with 64.4%, while females constituted 35.5% of the total respondent.

#### 4.2.2 Age Group and Demographics of Respondents

The age descriptive frequency is presented in table 2.

Table 2. Respondent by Number, Ratio and Age Group

Valid	Frequency	Percent
21-30	84	25.8
31-40	118	36.2
41-50	59	18.1
>=50	65	19.9
Total	326	100

Regarding age distributions, respondents in the age range of 23-29 were 25.8% of the respondents, while 30-39 accounted for 36.2% of the total respondents. Respondents in 40-49 years of age consisted of the least percentage of the total sample with 18% of contribution.

This implies most of the responders are below the age of 39, and they constitute 62% of the total respondent. This shows that most of the task force constitutes younger staff.

#### **4.2.3 Marital Status Distribution Frequency**

 Table 3. Marital Status Distribution of Respondents

Valid	Frequency	Percent
Single	199	61.04
Married	127	38.96
Total	326	100

The table above shows the proportions regarding marital status distributed. The single respondents constituted the largest share of the Married composition representing 199 while 127 were married,

their single, as shown on Table 3 This shows the largest number of respondents is single with 61.04%, while married constituted 38.96 % of the total respondent.

# **4.2.4 Education Level of the Respondents**

Summary of educational level distributions frequency is presented in table 4.

	Frequency	Percent
Diploma	42	12.8
Degree	157	48.3
Masters	127	38.9
Total	326	100.0

**Table 4. Education Level of the Respondents** 

Regarding educational level distributions, respondents in the first degree level filled the largest number of respondents with 48.3%. Other people responded their level of education as master's holder, which encompasses 38.9% and the least number of the respondents which is 12.8% are diploma holder. From this information, the researcher learns that most of the respondents are with 1st degree level and above, and this equally senses that the staffs are running to equip themselves further education in order to be successful.

## 4.2.5 Respondents total number of working years

	Frequency	Percent
7-9	88	26.9
10-12	112	34.3
13-15	67	20.5
>15	59	18.3
Total	326	100

The above table 5 shows the number of experience (working years) of the respondents in the organization. It reveals that 26.9% of the respondents are with work experience of 7 to 9 years, while, 34.3% of the respondents have work experience between 10-12 years, 20.5% of the respondents have 13-15 years of experience and the rest 18.3% of the employees are with work experience more than 15 years, this shows that majority of the respondents have between 10 and 12 years experience at MINAYE PLC. The research believes that the majority of the respondents, whose experience lie in 10 to 12 years of experience is, may significantly affect overall performance of the organization's task.

#### **4.2.6 Respondents Position**

The detailed data of the respondents' position is presented below

	Frequency	Percent
Wood work technician	67	20.6
Support Staffs	82	25.2
Finance department	27	8.3
Production department	69	21.2
Human resource	62	19.0
Team Leader	9	2.8
Director	10	3.1
Total	326	100.0

 Table 6. Position of Respondents

Regarding the position of respondents, 25.2% of the total respondents are support staffs, 20.6% Wood work technician, 21.2% Production department, 19% Human Resource, 8.3% Finance department, 3.1% Director and 2.8% were Team Leaders. This implies that most of the sample respondents are supportive staffs, while team leaders are only 9 constituting the least number of shares in the respondents' value. The benefit here may be the data gathered among those respondents have significant validity and reliability for the study, because they can be considered as more concerned staff members.

#### **4.2.7 Respondents Monthly Income**

	Frequency	Percent
<3000	33	10.12
3001-5000	62	19.02
5001-7000	77	23.62
7001-9000	57	17.48
9001-11000	48	14.73
>11000	49	15.03
Total	326	100

## **Table 7. Monthly Income Distribution**

The above table 7 shows the number of monthly income (Salary) of the respondents in the organization. It reveals that 10.1% of the respondents are with monthly income of less than 3000 while, 19.02% of the respondents have monthly income between 3001-5000 birr, 23.6% of the respondents have 5001-7001 birr of income and the 17.48% of the employees are with monthly income 7001-9000 birr of income and the 14.73 of the employees are with monthly income 9001-11000 and 15.03 more than 11000 birr, this shows that majority of the respondents have between 5001 to 7000 monthly income at MINAYE PLC. The research believes that the majority of the respondents, whose income lie in 5001 to 7000 birr of income is, may significantly affect overall performance of the organization's task.

### 4.3 Descriptive Analysis of Variables

The following results are focused on displaying the descriptive statistics of the independent variables (pay, promotional opportunity, supervision, relation with coworkers, and the work itself) and the dependent variable, employee performance as well, to the queries in the questionnaire.

# **4.3.1 Descriptive Analysis of Payment**

	Minimum	Maximum	Mean	Std.Deviation
Deviation I feel that I am well paid	1.00	5.00	3.40	1.49
in comparison with my experience,				
responsibilities and qualification that				
is equal to the required job				
I feel satisfied with my chance for	1.00	5.00	2.32	1.27
salary increase				
I am not satisfied with the benefits I	1.00	5.00	2.63	1.29
receive.				
All necessary fringe benefits are	1.00	5.00	2.56	1.32
provided in my organization				
		Mean	2.73	

The above table presents the response regarding payment. According to table 8 the mean of the result is 2.73 for the questions asked. Above average respondents almost agreed that they feel that they are well paid in comparison with their experience, responsibilities and qualification that is equal to the required job (Mean = 3.40), On the contrary, about half of respondents are not satisfied with their chance for salary increase. The following statements summarize the payment related response from the data collected by the researcher's according to the SPSS output.

\* The respondents tend to agree that the payment mechanism is in accordance with the level of experience,

\* Somehow the majority of the respondents, indicated that they are not satisfied with their chance for salary increase

\* The benefits provided by MINAYE PLC are neither satisfactory nor unsatisfactory

Arguably, all necessary fringes aren't provided by the company.

Respondents gave their response to the following payment related statements on the questions of agreement or disagreement, the mean of the respondent are shown. The detailed data is in the table above.

# 4.3.2 Descriptive Analysis of Promotion Opportunity

## Table 9 Descriptive Analysis of Promotion

	Minimum	Maximum	Mean	Std.Devi ation
				ation
I am satisfied with opportunities of being	1.00	5.00	2.63	1.41
promoted to a better position and advancement.				
Promotion in the organization is fair and within	1.00	5.00	3.17	1.42
performance.				
My job has good promotion and I have the	1.00	5.00	3.19	1.41
ability				
My qualification and experience are considered	1.00	5.00	2.43	1.31
for promotion				
		Mean	2.85	

Table 9 shows participants' response regarding promotion. The mean of the result (Mean = 2.85) depicts that, most of the respondents are neutral to questions referring to promotional opportunity. Some respondents (Mean= 2, 43) disagree that their "Qualification and experience are considered for promotion." The following statements summarize the promotional opportunity related data collected by the researcher.

Ambiguity exists between disagreement and neutrality to the statement rose to set level of agreement for the satisfaction employees of MINAYE with regard to opportunities of being promoted to a better position and advancement.

\* The respondents are neutral or agreed that their job has a good promotional opportunity.

\* The respondent, disagree that qualification and experience are considered or promotional opportunity.

• Neutrality is observed in the fairness for promotion with accordance to performance.

Respondents gave their response to the following promotion related statements on the questions for agreement or disagreement, the mean of the respondent are shown. The detailed data is in the table above.

## 4.3.3 Descriptive Analysis Supervision

	Minimum	Maximum	Mean	Std.Deviation
My supervisor supports me enough at work.	1.00	5.00	2.42	1.25
My supervisor polite and cares for me.	1.00	5.00	3.10	1.38
My supervisor makes me to feel I am an important part of the team and belongingness of the organization	1.00	5.00	3.10	1.44
My department provides all the equipment supplies and resources necessary for me to perform my duties	1.00	5.00	3.02	1.52
		Mean	2.78	

### Table 10 Descriptive Analysis of Supervision

The above table 10 presents the questionnaire requests regarding payment. As the mean of the result shows (Mean = 2.78), the majority the respondents are neutral to supervision related questions asked. Although almost all statements are responded neutral, the statement "My supervisor supports me enough at work" is disagreed by got respondents with a mean of 2.42. Relatively, better agreement observed by respondents that their supervisors are polite and caring as well as makes them feel as an important part of the team. The following statements summarize the supervision related data collected by the researcher.

Above average respondents, disagree that supervisors support with enough supervision at work,

Another scenario raised was the case that supervisors are polite and caring for employees, and makes them feel as an important part of the team. The respondents tend to be neutral or have slight agreement.

\* Respondents neither agreed nor disagreed for the reflections on the provision of all the equipment supplies and resources necessary to perform duties. Respondents gave their response to the supervision related statements on the questions of agreement or disagreement, the mean response of the respondent are shown. The detail data is in the table above.

## 4.3.4 Descriptive Analysis Relations with Coworkers

	Minimum	Maximum	Mean	Std.Deviation
People with whom I work or meet in	1.00	5.00	2.37	1.27
connection with my work are good				
My co-workers at work are friendly and	1.00	5.00	2.88	1.34
supportive				
There is a good team work sprit in my	1.00	5.00	2.34	1.25
department.				
I get the opportunity to work with my	1.00	5.00	2.92	1.35
colleagues and to communicate on				
aspects of our job				
		Mean	2.63	

#### **Table 11 Descriptive Analysis of Coworkers Relationship**

Table 11 shows, the data collected by questionnaire requests regarding coworkers' relation. The mean of the result (Mean = 2.63) shows, that the majority of the respondents were neutral on the statements stated in relation to the relationships with coworkers. All statements were responded in accumulation with below neutrality. The statement "I get the opportunity to work with my colleagues and to communicate on aspects of our job" got respondents to neutrality than the rest of the queries, with a mean of 2.92.

The following statements summarize coworkers' related data collected through questionnaire by the researcher.

Ambiguity between disagreement and neutrality to the statement, "My co-workers at work are friendly and supportive",

\* The respondents, disagree that there is a good team work sprit in their department and people they meet for work are good, and

\* Neutrality is observed for the statement "I get the opportunity to work with my colleagues and to communicate on aspects of our job". Respondents gave their response to the co-workers related statements on the questions for agreement or disagreement, the mean value of the respondents are shown above.

## 4.3.5 Descriptive Analysis of the Work Itself

	Minimum	Maximum	Mean	Std.Deviation
My job is mentally challenging with	1.00	5.00	2.91	1.37
variety of job responsibilities.				
The job I am doing is interesting	1.00	5.00	2.44	1.32
The amount of work I am expected to finish each week is reasonable	1.00	5.00	3.18	1.42
My work assignment is always clearly explained to me.	1.00	5.00	2.92	1.52
		Mean	2.87	

### Table 12 Descriptive Analysis of Work Related Things

The above table 12 presents the questionnaire requests regarding the work itself. As the mean of the result (Mean = 2.87) shows, the majority the respondents are neutral to work related questions asked by the researcher through questionnaire. Almost all statements are responded neutral, while the statement "The job I am doing is interesting" got least positive response with the cumulative mean of 2.44. Relatively, respondents also are in some agreement that the amount of work they expected to finish each week is reasonable.

The following statements summarize the work itself related data collected by the researcher.

\* The respondents, disagree that their job is interesting, rather they got it bad and boring,

\* The respondents were neutral that their job is mentally challenging with variety of job responsibilities and assignment is always clearly explained to them.

Respondents gave their response to the work itself related statements on the questions of agreement or disagreement, the mean of the respondent are shown. The detailed data is in the table above.

## 4.3.6 Descriptive Analysis of Employees Performance

	Minimum	Maximum	Mean	Std.Deviation
Deviation I believe there is a fairness in	1.00	5.00	2.98	1.37
the way my performance is assessed				
I have the necessary procedural	1.00	5.00	2.52	1.29
knowledge and skills in actually				
knowing what should be performed				
I have the motivation to exert more	1.00	5.00	3.27	1.41
effort into the job I am doing				
The organization arranges continuous	1.00	5.00	2.90	1.49
training and development programs to				
enables my professional growth which				
helps me for my job performance.				
		Mean	2.92	

## **Table 13 Descriptive Analysis of Employees Performance**

The dependent variable of the study which all the independent variables are attempting to explain is Employees performance. Table 13 shows the range of the respondent's answer is from strongly disagree (1) to strongly agree (5). As the mean of the result shows (X=2.92), the majority are strongly aligned to be neutral that employee's performance is influenced by job satisfaction measurement variables.

The following statements interpret the performance related data collected by the researcher.

Ambiguity exists between disagreement and neutrality to the statement, "I have the necessary procedural knowledge and skills in actually knowing what should be performed ",

• Neutrality is observed for two of the statements provided to measure employee's performance and responded by the employees of MINAYE. These statements are; " I believe there is a fairness in the way my performance is assessed ", and "The organization arranges continuous training and development programs to enables my professional growth which helps me for my job performance"

Neutrality and some agreement observed for the response to the statement "I have the motivation to exert more effort into the job I am doing".

Respondents gave their response to the following employees performance related statements on the questions of agreement or disagreements, the mean of the respondent are also shown. The detailed data can be observed on the table below.

## 4.4 Scale Reliability Analysis

### **Table 14 Reliability Statistics**

Cronbach's	Alpha N of Items
.808	24

Cronbach's Alpha N of Items .808 24 Reliability test was conducted to ensure internal consistency of the research instrument and Cronbach's alpha is used to measure the internal consistency of the measurement items. For this study the researcher used 24 items in measurement of five variables and come to know that the items in this study are reliable. The reliability coefficient which is more than or equal to 0.60 34 should be considered adequate to develop a questionnaire. Therefore, a low coefficient alpha indicates the sample of items perform poorly in capturing the construct motivating the measure. Conversely, a large coefficient alpha implies that the items test correlates with the true scores closely.

As indicated on the above table, Table 14, the Cronbach's alpha for reliability statistics of the data collected is 0.808. It is seen as adequate and permitted, for the scale variables.

## **4.5 Correlation Analysis**

# Table 15 Correlation between Independent Variables and Dependent Variable

	Payment	Promotion	Supervision	Coworker	Work	Employees
						Performance
P Pearson Correlation	1	.240**	.290**	.249**	.244**	.238**
Sig. (2-tailed)		.000	.000	.000	.000	.000
Ν	326	326	325	326	325	325
PR Pearson Correlation	240**	1	.493**	.543**	.522**	.511**
Sig. (2-tailed)	.000		.000	.000	.000	.000
Ν	326	326	325	326	325	325
S Pearson Correlation	.290**	.493**	1	.455**	.532**	.534**
Sig. (2-tailed)	.000	.000		.000	.000	.000
Ν	325	325	325	325	324	324
CO Pearson	.249**	.543**	.455**	1	.501**	.530**
Correlation	.000	.000	.000		.000	.000
Sig. (2-tailed)	326	326	325	326	325	325
Ν						
WI Pearson Correlation	.244**	.522**	.532**	.501**	1	.803**
Sig. (2-tailed)	.000	.000	.000	.000		.000
Ν	325	325	324	325	325	325
EP Pearson Correlation	.238**	.511**	.534**	.530**	.803**	1
Sig. (2-tailed)	.000	.000	.000	.000	.000	
Ν	325	325	324	325	325	325

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

Correlation analysis is a statistical method used to evaluate the strength of relationship between two quantitative variables. A high correlation means that two or more variables have a strong relationship with each other, while a weak correlation means that the variables are hardly related. In other words, it is the process of studying the strength of that relationship with available statistical data. This technique is strictly connected to the linear regression analysis that is a statistical approach for modeling the association between a dependent variable, called response, and one or more explanatory or independent variables.

Like the demographic factors, the scale typed questionnaire entered to the SPSS software version 20 to process correlation analysis. Based on the questionnaire which was filled, the following correlation analysis was made.

Pearson correlation test was conducted to know the degree of relationship between the independent variables and the dependent variable i.e. Employee's performance the results of the correlation between these variables are shown in table 15.

A correlation coefficient is a numerical measure of some type of correlation, meaning a statistical relationship between two variables. As it is indicated in the table there is positive relation between independent variables and employee's performance with p value of less than 0.01 It can be also seen that all the correlations are positive. In other words:

- Payment has weak relationship with employee's performance in case of MINAYE(r=0.238),
- Promotion Opportunity, unlike payment, has a moderate positive relationship with employee's performance in case of MINAYE (r=0.511),

• Again, supervision has a moderate relationship with employee's performance in case of MINAYE (r=0.534),

• Also, relation with coworkers has a moderate positive relationship with employee's performance in case of MINAYE (r=0.530), and

• Above all the independent variables, it is observed that the work itself has a very strong positive relationship with employee's performance in case of MINAYE (r=0.803).

## 4.6 Regression Analysis

## Table 16 Model Summary

Γ	Model	R	R square	Adjusted R	Std. Error of
				Square	Estimate
Ī	1	.822 <sup>a</sup>	.676	.670	.49857

## a. Predictors: (Constant), WI, P, CO, S, PR

Regression is a model for the relationship between a dependent variable and a collection of independent variables. It also used to model the value of a dependent scale variable based on its linear relationship or "straight line" relationship to one or more predictors. The researcher determines the relationship between a dependent variable and multiple independent variables using multiple regression analysis.

The model summary, in the above table, reports the strength of relationship between the independent variables and the dependent variable. In that table, the R is a Pearson correlation between predicted values and actual values of dependent variable, with a value of 0.822, is very high. While, R<sup>2</sup> is multiple correlation coefficients, that represent the amount of variance of dependent variable, explained by the combination of four independent variables. According to the different scholars, the R square above 0.6 is accepted, conventionally. In this study, the R square resulted is 0.676, which implies it is accepted.

Model	Sum of	d f	Mean square	F	Sig
	Square				
Regression	164.592	5	32.918	132.431	.000b
Residual	79.045	318	.249		
Total	243.636	323			

### **Table 17 ANOVA**

a. Dependent Variable: Employees Performance

b. Predictors: (Constant), Payment, Promotion Opportunity, Supervision

Relation with Coworkers, Work it-self

The ANOVA tells us whether the model, overall, results is a significantly good degree of prediction of the outcome variable. F-ratio is the test statistic used to decide whether the model as a whole has statistically significant predictive capability, considering the number of variables needed to achieve it. Since, the significance result on the ANOVA table is 0.000 which is p < 0.05 and the regression mean square is greater than residual mean square with F value 132.43, the regression model fit to a very good degree of prediction

## **Table 18 Coefficients**

Model	Unstand	ardized	Standardized	Т	Sig.
	Coefficients		Coefficients		
	В	Std.	Beta		
		Error			
(constant)	.229	.143		1.598	.111
Payment	.006	.039	.005	.150	.881
Promotion	.054	.047	.048	1.154	.249
opportunity					
Supervision	.120	.048	.101	2.484	.013
Relation with	.140	.045	.126	3.102	.002
workers					
Work it self	.633	.040	.660	15.907	.000

#### Dependent Variable: Employees Performance

From the table we can say that  $\alpha$  is 0.229, and this can be interpreted as meaning that if all the independent variables were to be zero, the model predicts that there can only be 22.9% of Employees Performance. It can also read off the value of  $\beta$  from the table and this value represents the slope of the regression line. It is 0.006 for payment and although this value is slope of the regression associated with a unit change in the outcome associated with a unit change in the predictor. Therefore, if payment variable is increased by one unit, then the model predicts that 0.6% extra Employees Performance will be experienced. The same are true for promotion opportunity (5.4%), Supervision (12%), Relation with coworkers (14%) and the work it-self (63.3%) for which an increase in one unit of these respective variables can result in

an increase in Employees Performance by the percentage shown. This implies that the effect of the variables differs as their percentage of influence.

## 4.7 Significant Test

On the other hand, the significant test in the table shows the significance level of the independent variable. Where ever the p value is above 0.05, the variable is considered to have insignificant effect on the dependent variable. From the regression analysis table of the study, it is observable that:

**Payment:** has a p value 0.881 which is greater than 0.05, this implies that payment doesn't have a significant effect on employee's performance.

**Promotional Opportunity**: with p value of 0.249, it can be easily observed that it is greater than 0.05. This implies that, again promotional opportunity doesn't have a significant effect on employee's performance.

**Supervision:** has a p value 0.013 which is less than 0.05, this implies that supervision has a significant effect on employee's performance.

**Relations with Coworkers**: with p value of 0.02, it can be easily observed that it is less than 0.05. This implies that, again, relations with coworkers have a significant effect on employee's performance.

**Work it-self:** It is significant with p value of 0.00, it can be easily observed that it is less than 0.05. This implies that, again, it is significant effect on employee's performance.

# **CHAPTER FIVE**

# SUMMARY, CONCLUSION AND RECOMMEDDATION

This research aimed at investigating the effect of selected factors which were pay, promotional opportunities, supervision, Co-workers and work itself on employees' performance. This was done by investigating the relationship between each determinant factors and employees' performance using correlation analysis and regression analysis to determine the extent of change in employees' performance. In addition, the research examined how well the selected five factors were being exercised and how well employees were performing their job in the organization by looking at their mean scores of the response of the participants which is summarized under the descriptive statistical analysis.

This chapter briefly presents summary of the objectives, research methodology, key findings of the model, conclusion and suggests useful recommendations.

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

Descriptive and inferential statistics of correlation and regression analysis were used to analyze the empirical data. Out of the 327 questionnaires 326 were returned back, which is about 99.7% of the total distributed. From the respondents 64.4% are males which have greater number of respondents than females, while 4 people haven't responded their gender. Respondents in the first degree level education filled the largest number of respondents with 48.3%. From the total respondents the highest number of working experience which is 34.3% is between 10-12 years. The majority of the respondents are support staffs (25.2%) compared to the others.

The following statements summarize the payment related response from the data collected by the researcher's.

 $\Box$  there is a well respondents tend to agree that the payment mechanism is in accordance with the level of experience,

□ Somehow the significant number the majority of the respondents, disagree indicated that they are not satisfied with their chance for salary increase salary,

□ The benefits provided by MINAYEPLC are neither satisfactory nor unsatisfactory

□ Arguably, all necessary fringes aren't provided by the company.

The following statements summarize the promotional opportunity related data collected by the researcher.

□ Ambiguity exists between disagreement and neutrality to the statement rose to set level of agreement for the satisfaction employees of MINAYE with regard to opportunities of being promoted to a better position and advancement.

 $\Box$  it is a well payment mechanism in accordance with the level of experience, most respondents are neutral or agreed that their job has a good promotional opportunity.

□ Most of the respondents, disagree that qualification and experience are considered or promotional opportunity,

□ Neutrality is observed in the fairness for promotion with accordance to performance

The following statements summarize the supervision related data collected by the researcher.

 $\Box$  Above average respondents, disagree that supervisors support with enough supervision at work,

 $\Box$  Another scenario raised was the case that supervisors are polite and caring for employees, and makes them feel as an important part of the team. The respondents tend to be neutral or have slight agreement.

□ Respondents neither agreed nor disagreed for the reflections on supervisors makes them to feel they are an important part of the team and the organization, and

□ The respondents were also neutral about the provision of all the equipment supplies and resources necessary to perform duties

The following statements summarize coworkers' related data collected through questionnaire by the researcher.

□ Ambiguity between disagreement and neutrality to the statement, "My co-workers at work are friendly and supportive",

 $\Box$  Most of the respondents, disagree that there is a good team work sprit in their department and people they meet for work are good, and

□ Neutrality is observed for the statement "I get the opportunity to work with my colleagues and to communicate on aspects of our job".

The following statements summarize the work itself related data collected by the researcher.

 $\Box$  Most of the respondents, disagree that their job is interesting, rather they got it bad and boring,

□ The respondents were neutral that their job is mentally challenging with variety of job responsibilities and assignment is always clearly explained to them.

Pearson correlation test was conducted to know the degree of relationship between the independent variables and the dependent variable. The results of the correlation showed that Payment had a very low relationship with employee's performance, Promotion Opportunity, unlike payment, has a moderate positive relationship with employee's performance. Again supervision and relation with coworkers has a moderate relationship with employee's performance, while only the work itself has a very strong positive relationship with employee's performance.

Using the regression analysis, it can be seen that all the independent variables such as work itself, relation with coworkers, and supervision have a significant effect on the dependent variable. On the other hand, payment and promotional opportunity have insignificant effect on employee's performance.

#### **5.2 Conclusion**

The purpose of the research was to find out the effect of job satisfaction on employee performance at MINAYE plc. The study attempted to address five basic research questions which data was collected, analysis was made and the conclusions were drawn.

Regarding, the payment and related deals respondents reflected that they are well satisfied with the practice of MINAYE, as compared to the other factors. Considering benefit payments, benefits provided by MINAYE are neither satisfactory nor unsatisfactory. The respondents gave feedback that all necessary fringes aren't provided by MINAYE. Even though, payment seems to have some effect on relation with employee's performance, the correlation analysis shows that there is weak relationship between payment and the dependent variable, job satisfaction.

On Promotional Opportunity related deals respondents reflected that still are not that much satisfied with the practice of MINAYE. Ambiguity between disagreement and neutrality to the statement raised to set level of agreement for the satisfaction employees of MINAYE in regard to opportunities of being promoted to a better position and advancement, there is also a gap in considering qualification and experience for promotional opportunity and fairness for promotion with accordance to performance and that the job has a good promotional opportunity. Though, promotion has a better effect on employee's performance as compared to payment, the significant test of the regression analysis illustrates the effect is insignificant.

Considering supervision, most of the respondents disagree that supervisors support with enough supervision at work. Another scenario, in the case of supervisors, the supervisors are polite and caring for employees. However, it is also interpreted as in the mid of neutrality and disagreement Supervision has moderate effect on and relation with employee's performance the correlation analysis shows that there is a moderate relationship between supervision and employees performance. Thus, its effect is also found to be significant.

On coworkers related deals it is reflected that the practices are neutral. It is found that coworkers at work aren't friendly and supportive, while getting the opportunity to work with colleagues and to communicate on aspects of job is shown as fair in MINAYE. It is also observed that there is a weak team work sprit in their department and people they meet for work are good. Coworkers related issues have moderate effect on the relation with employee's performance. The regression analysis shows that there is a moderate relationship between supervision and employees performance. Therefore, the effect is found to be significant.

On work related deals respondents reflected that their job is less interesting and rather they got it bad and boring and their job is mentally challenging with variety of job responsibilities and assignment is always clearly explained to them. Work related deals have a magnificent effect on employee's performance as compared to all the independent variables. The regression analysis shows that there is a very strong relationship between work it-self and employee's performance. And the significant test of the regression analysis illustrates the effect is strongly significant.

Generally, as the study implies job satisfaction has a moderate positive significant effect on employee's performance. In dealing with dimensions of job satisfaction, payment and promotion opportunity has insignificant effect on employee's performance. While supervision and coworker's related deals have moderate significant effect, the work itself has a very strong and significant effect on employee's performance.

## **5.3 Recommendations**

A manufacturing organization like MINAYE with a high level of employee's performance in demand the study's findings are very crucial. On the basis of the above findings and conclusions the following recommendations are forwarded:

- 1. Payment, (salary), promotional opportunities, co-workers, supervisor, work itself variably affect employee performance. Thus, management of the company need to take into account these variables to attract retains and motivates their employees, so that employees will have good performance.
- 2. Management of organization and planners should focus on work itself, co-workers and supervisors as an important factor while designing the job, setting promotional policies and developing pay and compensation system.
- 3. The organization has to make effort to strengthen the mechanisms of achieving highest job satisfactions raised in communication and coworker's relationship in the organization. Because working with synergy with all staff members while problem happen and communicating freely and quickly solving problems in team spirit, this experience is good habit so the researcher also recommends to the organization to support and make it stronger.
- 4. Management of organization should consider and encourage good employee's relation with supervisor to increase job performance by giving different management and leadership training to supervisors and by encouraging discussions.
- 5. Management of organization should develop organization culture of having strong and good relationship among employees which in turn helps to increase job performance by creating good communication, by showing appreciation, giving positive and critical

feedback to employees and by making employees feel good about what they do and where they work.

- 6. The organizational needs to work more to transform employees to higher level in order to achieve the vision, mission, and objective of organization.
- 7. The organization should create a performance evaluation system which is well defined, well communicated and which appropriately measures individual work performance.
- 8. Business job is competitive and it is essential to made steady progress to succeed in the working environment. This largely depends upon the performance of its employees. For ensuring good job performance, the organization should be more sensible and cautious to the employees.

#### **5.4 Suggestion for Further Research**

The study was limited due to its cross-sectional study design. However, future researches should examine this relationship over a longer period of time. The researcher was limited to five factors or practices which affect job performance of an employee but the future researchers may focus on different variables or combination of those variables included in this study. The study was conducted in the trading sector with limited scope. Other researches may examine the determinant factors on employees' job performance on different sectors and may compare different sectors as well. Finally, the researcher recommends consideration of other potential variables based on the company operation or industry standards to get more precise and accurate outcome.

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# St Mary University

# SCHOOL OF GRADUATE STUDIES

# **Research Questionnaire**

# Dear survey respondents,

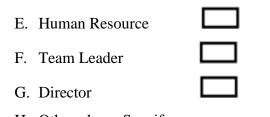
This study is conducted in partial fulfillment for a Master's degree in Business Administration (MBA) in St Mary's University. The study is entitled "An Assessment of job satisfaction on employee performance: The case of MINAYE PLC, Addis Ababa, Ethiopia." This questionnaire is distributed to gather pertinent data for the study. Your genuine response to the questions is vital for this study. All your responses are strictly confidential and data from this research will be reported only in the aggregate. Hence, you are not required to write your name, contact address and other personal information. The survey will take 25 minutes to complete. Your participation in this study is completely voluntary. Do you agree to participate in the study?

If yes, continue the data collection. If no, thank the person and go to the next respondent.

# Part I - General Background of Respondents (Demographic Information)

Please encircle on the appropriate choice of your interest from the given alternatives. If the instruction is to encircle one of the letter, delete the boxes.

- 1. Could you please specify your gender?
- A. Male
- B. Female
- 2. Could you please specify your age?
- A. 21-30 years' old
  B. 31-40 years' old
  C. 41-50 years' old
  D. 50 and above
  3. Could you please specify your marital status?
  A. Single
  B. Married
  C. Widowed
  4. Please choose your level of education from the given alternatives.
- A. College Diploma
- B. Bachelor Degree
- C. Master's Degree
- D. Other please specify\_\_\_\_\_
- 5. length of service years in Minaye Plc Company
- A. 7-9 years
- B. 10-12 years
- C. 13-15 years
- D. More than 15 years
- 6. What is your current position in this company?
  - A. Wood work technician
  - B. Support Staffs
  - C. Finance department
  - D. Production department



- H. Other please Specify\_\_\_\_\_
- 7. Could you please indicate your monthly income from the given options?
- A. < 3000 birr
- B. 3000 5000 birr
- C. 5001 7000 birr
- D. 7001 9000 birr
- E. 9001–11,000 birr
- F. > 11,000 birr
- 8. Could you please mention your working department in this company?

Part II - Question related to Employees Job satisfaction and Employees Performance

Directions: Please look at the following statements carefully and show the extent of your agreement by circling the scale given alongside of the question below. 1=strongly disagree, 2=disagree, 3=neutral, 4=Agree, 5=strongly agree

S.No	ITEM		S	SCALE		
		Strongly	Disagree	Neutral	Agree	Strongly
		disagree				agree
1	I feel that I am well paid in comparison with my experience, responsibilities and qualification that is equal to the required job					
2	I feel satisfied with my chance for salary increase.					
3	I am not satisfied with the benefits I receive					

4	All necessary fringe benefits are				
	provided in my organization (eg. Health				
	insurance, transport allowance,				
	provident fund/pension and different				
	types of loans)				
	Promotional opportunity				
5	I am satisfied with opportunities of				
	being promoted to a better position and				
	advancement.				
6	Promotion in the organization is fair and				
	within performance.				
7	My job has good promotion and I have				
	the ability to grow in my job				
8	My qualification and experience are				
	considered for promotion.				
	Super Vision				
9	My supervisor supports me enough at				
	work.				
10	My supervisor polite and cares for me				
11	My supervisor makes me to feel I am an				
	important part of the team and				
	belongingness of the organization.				
12	My department provides all the				
	equipment supplies and resources				
	necessary for me to perform my duties.				
	Co-workers				
13	People with whom I work or meet in				
	connection with my work are good				
14	My co-workers at work are friendly and				
	supportive.				
15	There is a good team work sprit in my				
L		1	1	1	1

	department.			
16	I get the opportunity to work with my			
	colleagues and to communicate on			
	aspects of our job			
	Worker itself			
17	My job is mentally challenging with			
	variety of job responsibilities.			
18	The job I am doing is interesting			
19	The amount of work I am expected to			
	finish each week is reasonable			
20	My work assignment is always clearly			
	explained to me.			
	<b>Employees Performance</b>			
21	I believe there is a fairness In the way			
	my performance is assessed			
22	I have the necessary procedural			
	knowledge and skills in actually			
	knowledge and skills in actually knowing what should be performed			
23				
23	knowing what should be performed			
23 24	knowing what should be performed I have the motivation to exert more			
	knowing what should be performed I have the motivation to exert more effort into the job I am doing			
	knowing what should be performedI have the motivation to exert moreeffort into the job I am doingThe organization arranges continuous			

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