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**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES**

**DETERMINANTS OF EMPLOYEES COMMITMENT IN THE CASE OF  
BANK OF ABYSSINIA**

**BY ADONAWIT WALELEGN**

**June, 2023**

**ADDIS ABABA, ETHIOPIA**

**ST.MARY’S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES**

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**A THESIS SUBMITTED TO ST. MARY’S UNIVERSITY, SCHOOL OF  
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## **DECLARATION**

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Asst. Professor Shoa Jemal. All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in partial or in full to any other higher learning institutions for the purpose of earning any degree.

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June, 2023

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## **ENDORSEMENT**

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

**Advisor**

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Shoa Jemal (Asst. Prof.)

June, 2023

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I believe that the findings will be of benefit to you and Bank of Abyssinia

Thank you!!

## **LIST OF ACRONYMS/ABBREVIATION**

ANOVA: Analysis of Variance

BOA: Bank of Abyssinia

CB: Compensation and Benefit

CD: Career Development

EC: Employee Commitment

HR: Human Resource

HRM: Human Resources Management

RM: Relationship with Management

SPSS: Statistical Package for Social Science

VIF: Variance inflation factor

WE: Work Environment

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## ***Abstract***

*The purpose of this study was to investigate the effect Job satisfaction on employee's performance in the case of Bank of Abyssinia. A primary data was collected from 157 employees and analysis was made on 135 respondents, this study applied a mixed research approach; that is, descriptive and explanatory research design and Quantitative data were processed through SPSS and analyzed via descriptive and inferential statistics. The results showed that there is a positive relationship between job satisfaction and employee commitment. Employees who were more satisfied with their jobs were more likely to be committed to their organizations. The results of correlation analysis confirmed that the independent variables, namely, career development, compensation and benefit, work environment & Relationship with management have a strong relationship with the dependent variable (employee Commitment). The research also revealed there is a statistically positive relationship between each of the aforementioned independent variables (separately) with employee commitment though the degree varies. The study recommends the bank to have regular Career advancement opportunities, have comparable pay to that of others, and make sure that there is Positive work environment in the bank and starts giving simple Recognition.*

***Keywords:*** *job satisfaction, employee commitment, Bank of Abyssinia, career development, compensation and benefit. Work environment, relationship with management.*

# **CHAPTER ONE**

## **INTRODUCTION**

This chapter deal about background of the study, statement of the problem, research questions, objective of the study, significance study, scope of the study and organization of the study are presented.

### **1.1 Background of the study**

In developing countries, large segments of the population are deprived of getting a good job to satisfy their needs. Satisfaction can be classified as a "person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations" cranny et al. study (cited in Tanjeen, 2012)

Job satisfaction is a measure of how content employees are with their jobs. It is often measured by asking employees to rate their satisfaction with various aspects of their work, such as their pay, their benefits, their work environment, and their opportunities for advancement. Employee commitment is a measure of how loyal employees are to their organization. It is often measured by asking employees to rate their intention to stay with the organization, their willingness to go the extra mile for the organization, and their belief in the organization's goals and values.

The banking sector has undergone a huge transformation over the years, which has put additional challenges and responsibilities for the bank employees. Bank officers have perhaps felt the maximum pressure. Bank officers form a delicate link between the management and the clerical staff. The success of the bank largely depends upon the coordination and cooperation of the bank officers with these two very groups of employees. The term job satisfaction therefore refers to the favorableness with which employees view their work and the term 'job dissatisfaction' to the favorableness with which they take their work. According to kreintker & kinicki, (1992) at the individual level satisfaction and productivity are slightly related. However, stated that when satisfaction and productivity data are gathered for the organization at whole, rather than at the individual level, it is found that organization with more satisfied



workers tend to be more effective than organizations with fewer satisfied employees. They concluded that happy organizations are more productive. Many researchers have studied the importance of enhancing job satisfaction and it is discussed in different literatures.

Job satisfaction may lead to cost reduction by reducing absences, task errors, conflicts at work and turnover. As work is an important aspect of people's lives and most people spend a large part of their working lives at work, understanding the factors involved in job satisfaction is crucial to improving employees' performance and productivity. It is essential to provide employees with a work environment that is conducive to their overall development. They need an environment which is healthy and safe and which caters to both personal comforts and facilitates doing a good job. If the working conditions are good (clean, attractive surroundings), the personnel will find it easier to carry out their jobs.

On the other hand, if the working conditions are poor (hot, noisy surroundings), personnel will find it more difficult to get things done. Individuals who perceive that promotion decisions are made in a fair and just manner are likely to experience satisfaction from their jobs. Very often employees are demotivated and dissatisfied with their jobs because unfair policies and practices prevail at their place of work. It is therefore of utmost importance for an organization to have a fair and equal system regarding practices and policies so that there is no discrimination and frustration. Care can be shown in various ways, but it takes into consideration career development, adult treatment, being taken seriously and being appreciated for a job well done.

Factors leading to satisfaction, describes as motivators, are promotional and personal growth opportunities, responsibility, achievement and recognition. These are factors that are intrinsically rewarding to the individual. Extrinsic factors, described as "hygiene" factors, leading to job dissatisfaction include pay, physical working conditions, job security, company policies, quality of supervision and relationship with others (Robins, 2003). Satisfied employees tend to be more productive and committed to their jobs (Alhussami, 2008).

When people feel that the organization; for which they are working, cares for them and takes actions to improve their work and lives, they are happy, and this creates higher satisfaction. Appreciation, Pay, Age, promotion Feel of Belonging, Initiation and Leadership, Feel of Being

Loved, Safety and Security, Challenges, Responsibilities Creativity in Job, Personal Interest and Hobbies, Respect from Co-Workers, Relationship with Supervisors, Feedback Flexibility Nature of Work most challenges of satisfaction.

Employee commitment is a crucial aspect of employee performance and organizational success. It refers to the level of dedication and loyalty an employee has towards their job and the organization they work for. Employee commitment is essential for achieving organizational goals, as it drives employees to work harder, be more productive, and stay with the company for longer periods. Several factors contribute to job commitment, including job satisfaction, organizational culture, leadership style, and employee engagement. (Meyer JP & Allen NJ (1997)

When employees are satisfied with their jobs, they are more likely to be committed to their work and the organization. Similarly, a positive organizational culture that values employees' contributions can foster a sense of loyalty among workers. Leadership style also plays a significant role in job commitment. Leaders who are supportive, communicative, and provide opportunities for growth and development tend to have more committed employees

The study has examined the relationship between job satisfaction and employee commitment among employees of Bank of Abyssinia. The study used a survey to collect data from employees. The survey asked employees to rate their satisfaction with various aspects of their work and their commitment to the organization. The data from the survey was used to test the hypothesis that job satisfaction is positively related to employee commitment

The study contributes to the literature on job satisfaction and employee commitment by providing empirical evidence of the relationship between these two variables in the context of commercial banks in Ethiopia. The study also provides insights into how BOA can improve employee satisfaction and commitment in order to improve organizational performance

The study is expected to have the following benefit first it will help BOA to better understand the factors that contribute to employee satisfaction and commitment and it will also help BOA to develop strategies to improve employee's job satisfaction and commitment and lastly it will most importantly help BOA to improve its organizational performance.

## 1.2 Statement of the Problem

Job satisfaction is often studied subject in work and organizational literature. This is mainly due to the fact that many experts believe that job satisfaction tendencies can affect labour market behaviour and influence work productivity, work effort, employee absenteeism and staff turnover. Moreover, job satisfaction is thought a strong predictor of overall individual well-being, as well as a good predictor of intentions or decisions of employees to leave a job.

Job satisfaction is also important in everyday life. Organizations have significant effects on the people who work for them and some of those effects are reflected in how people feel about their work. This makes job satisfaction an issue of strong importance for both employers and employees.

The importance of “employee commitment” is well captured by different authors. Yilmaz and Çokluk-Bökeoğlu (2008) expound that employees with high organizational commitment feelings affect organizational performance in positive ways because they lessen the frequency of performing negative behavior and increase quality of service. A committed employee is a more and productive individual who has higher levels of satisfaction, loyalty and responsibility. They continue to recognize that organizational commitment not only increases the success in a certain role, but also initiates the individual to achieve number of voluntary tasks necessary for organizational life and high standard system success of the organization.

Banks in Ethiopia have been experiencing magnificent growth in recent years, with the number of banks increasing from 15 in 2005 to 28 in 2023 (NBE.GOV.ET). The banking sector has also been playing a crucial role in the country's economic development by providing financial services to individuals and businesses. However, job satisfaction among bank employees in Ethiopia has been a concern for many years. According to a study conducted by Alemu and Kassahun (2018), factors such as low salaries, lack of recognition, poor working conditions, and limited opportunities for career advancement have contributed to low levels of job satisfaction

among bank employees. The study also found that job satisfaction was positively correlated with employee motivation and performance.

Job satisfaction and employee commitment are two important factors that can affect the success of an organization. Job satisfaction is a measure of how happy employees are with their work, while employee commitment is a measure of how loyal and dedicated employees are to their organization. BOA is a large private commercial bank in Ethiopia that employed over 11,000 people all over Ethiopia. Due to increasing number of competitors the bank might face stiff competition from other banks in the country since there are more than 28 existing and new private commercial banks, and it is important for the bank to ensure that its employees are satisfied with their jobs and committed to the organization.

There is a lack of sufficient studies made on of how job satisfaction affects employee commitment in the bank sector in Ethiopia. This lack of Sufficient Information may lead to low levels of employee commitment, which can negatively impact the bank's overall performance and profitability. Therefore, it is important to investigate the relationship between job satisfaction and employee commitment in Bank of Abyssinia to identify potential areas for improvement and enhance employee engagement and retention.

This study investigated the relationship between job satisfaction and employee commitment among employees of BOA. The findings of this study will help the bank to identify factors that can be improved to increase job satisfaction and employee commitment, which will ultimately lead to improved organizational performance

In conclusion, while the banking sector in Ethiopia has been growing rapidly, there is still room for improvement regarding employee job satisfaction. By addressing the factors that contribute to low job satisfaction levels, banks can create a more motivated and productive workforce that will ultimately benefit both the employees and the organization as a whole

Therefore, it is essential for banks in Ethiopia to address these issues and improve employee satisfaction to enhance their overall performance.

### **1.3 Research Questions**

To address the issues under the statement of the problem, the following research questions are developed

- How does career development affect employee commitment at Bank of Abyssinia?
- How does compensation and benefits affect employee commitment?
- To what magnitude work environment affect employee commitment at the Bank of Abyssinia?
- How does Relationship with Management affect employee commitment?

### **1.4 Objective of the Study**

#### **1.4.1 General Objective of the Study**

The general objective of this study is to examine the major effect of job satisfaction on employee commitment in Bank of Abyssinia.

#### **1.4.2 Specific Objectives of the Study**

- To identify effects of career development on job satisfaction in Bank of Abyssinia.
- To identify the effect of compensation and benefits on job satisfaction in Bank of Abyssinia.
- To examine whether Work Environment has real effect on job satisfaction in Bank of Abyssinia.
- To identify if Relationship with Management has significant effect on job satisfaction in Bank of Abyssinia.

### **1.5 Significance of the Study**

The purpose of this study under the title “Effects of Job Satisfaction on Employees Commitment - The Case of Bank of Abyssinia” is to examine factors that affect employee’s job satisfaction and employees Commitment in Bank of Abyssinia. This research has tried to provide new insights in the effects of job satisfaction on employee’s commitment. The data that were collected in this research can be a potential source to management of Bank of Abyssinia with valuable information about factors that affect employee job satisfaction, their commitment and related issues. The finding of the study is beneficial for BOA, for the banking

industry and for other organizations interested in the topic. It can also be a potential source to different academicians interested in the area and for those who want to pursue further study in the area.

### **1.6 Scope of the Study**

In this study the researcher relayed on Bank of Abyssinia's employee. The researcher's primary sources of data were employees of the bank under branches in East Addis Ababa District of the bank only due to lack of finance, time and for better convenience. Primary data were collected from questioners that were distributed to targeted staffs under randomly selected branches in East Addis Ababa District. Secondary data were collected from different official publications of the bank and other published and unpublished papers related with the study. The research was conducted from December 2022 to June 2023 as per St. Mary's university official schedule.

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

In conducting this study, some constraints in administering the data collection process and also doing the analysis were faced by the researcher. Some of the hold backs include time constraint which makes the researcher hold back to do more best, all the distributed survey questionnaires are not returned; some of the respondents did not give a genuine response. However, the researcher has at most effort tried to overcome this challenge by explaining the purpose of the research to the respondents and also by assuring the confidentiality of the response.

### **1.8 Operational Definition of Variables**

To explore the answer for the above research questions the researcher will base the following variables as operationally defined below.

**Job Satisfaction:** is defined as the level of contentment and fulfillment an individual experience in their job role. Spector, P. E. (1997).

**Employee commitment:** is defined as the level of dedication, loyalty, and engagement an employee has towards their organization and its goals Meyer and Allen's (1991)

**Career Development:** career development is defined as an organized, planned effort comprised of structured activities or processes that result in a mutual career plotting effort between employees and organization.

**Compensation and benefits:** refer to the rewards and remuneration that an employee receives in exchange for their work. SHRM. (2021).

**Work environment:** refers to the physical, social, and psychological conditions in which an individual works. OSHA. (2019)

**Relationship with Management:** refers to the level of communication, collaboration, and trust between employees and their superiors. SHRM. (2021).

## **1.9 Organization of the Study**

This study contains five chapters: chapter one is an introductory part containing discussions on background of the study, statement of the problem, questions, hypothesis, objectives of the study, and significance of the study, scope of the study and organization or layout of the study. Chapter Two presents literature review, empirical literature review, and conceptual framework. Chapter three discusses about research methodology and chapter four presents' research findings and discussions and chapter five comprehends research conclusions, recommendations and areas for future study.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

The chapter provides an insight to readers about theoretical view of the topics under study. This chapter covers the topics related to the theories and concepts of job satisfaction and employee commitment. Besides, it includes empirical studies of the topic. Furthermore, conceptual framework of the study is presented at the end of this chapter.

#### **2.1 Theoretical Literature**

##### **2.1.1 Job Satisfaction**

Locke (1976), defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Schneider and Snyder (1975) on the other hand defined job satisfaction as a personal evaluation of conditions present in the job, or outcomes that arise as a result of having a job. Job satisfaction thus, has to do with an individual's perception and evaluation of his job, and this perception is influenced by the person's unique circumstances like needs, values and expectations. People will therefore evaluate their jobs on the basis. Locke (1976) explains that for researchers to understand the job attitudes, they need to understand job dimensions, which are complex and interrelated in nature. He mentioned the common dimensions of job satisfaction as "work, pay, promotions, recognition, benefits, working conditions, supervision, co-workers, company and management".

Kerego and Mthupha (1997) on the other hand viewed working conditions like, clear staffing policy, clear channels of communication, staff participation in decision making, security and good governance as having adverse effects on job satisfaction. Since Job satisfaction involves employees' affective or emotional feelings, it has major consequences on their lives. Locke (1976) described the most common consequences of job satisfaction on employees as, the effects on the physical health and longevity; mental health and an impact on the employees' social life in general. He further maintains that there is an interaction between the employees' feelings about his job and his social life. Coster (1992) also supports the fact that work can have



an important effect on the total quality of life of the employee. Job satisfaction may also impact on employee behavior like absenteeism, complaints and grievances, frequent labor unrest and termination of employment.

### **2.1.2 Job Satisfaction Theories**

There are numerous theories attempting to explain job satisfaction, but three conceptual frameworks seem to be more prominent.

The first is content theory, which suggests that job satisfaction occurs when one's need for growth and self-actualization are met by the individual's job. The second conceptual framework is often referred to as process theory, which attempts to explain job satisfaction by looking at how well the job meets one's expectations and values. The third conceptual group includes situational theories, which proposes that job satisfaction is a product of how well an individual's personal characteristics interact or mesh with the organizational characteristics.

### **2.1.3 Content Theories**

The earliest content theory was Abraham Maslow's "hierarchy of needs". Maslow's (1954) traditionalist views of job satisfaction were based on his five-tier model of human needs. At the lowest tier, basic life sustaining needs such as water, food, and shelter were identified. The next level consisted of physical and financial security, while the third tier included needs of social acceptance, belonging, and love.

The fourth tier incorporated self-esteem needs and recognition by one's peers and at the top of the pyramid was reserved for self-actualization needs such as personal autonomy and self-direction. According to Maslow, the needs of an individual exist in a logical order and that the basic lower level needs must be satisfied before those at higher levels. Then, once the basic needs are fulfilled, they no longer serve as motivators for the individual.

The more a job allows for growth and acquisition of higher level needs, the more likely the individual is to report satisfaction with his or her job. Furthermore, the success of

motivating people depends on recognizing the needs that are unsatisfied and helping the individual to meet those needs.

Building on the theories of Maslow, Frederick Herzberg (1974) suggested that the work itself could serve as a principal source of job satisfaction. His approach led to the two-continuum model of job satisfaction where job satisfaction was placed on one continuum and job dissatisfaction was placed on a second. Herzberg's theory recognized that work characteristics generated by dissatisfaction were quite different from those created by satisfaction.

He identified the factors that contribute to each dimension as "motivators" and "hygiene". The motivators are intrinsic factors that influence satisfaction based on fulfilment of higher level needs such as achievement, recognition, and opportunity for growth. The hygiene factors are extrinsic variables that such as work conditions, pay, and interpersonal relationships that must be met to prevent dissatisfaction. When hygiene factors are poor, work will be dissatisfying.

However, simply removing the poor hygiene does not equate to satisfaction. Similarly, when people are satisfied with their job, motivators are present, but removing the motivators does not automatically lead to dissatisfaction. Essentially, job satisfaction depends on the extrinsic characteristics of the job, in relation to the job's ability to fulfil ones higher level needs of self-actualization. Hence the two continuum model of Herzberg's Motivator-Hygiene theory

#### **2.1.4 Process Theories**

Process theories attempt to explain job satisfaction by looking at expectancies and values. This theory of job satisfaction suggests that workers' select their behaviours in order to meet their needs. Within this framework, Adams' (1963) and Vroom (1982) have become the most prominent theorists. J. Stacy Adams' suggested that people perceive their job as a series of inputs and outcomes.

Inputs are factors such as experience, ability, and effort, while outcomes include things like salary, recognition, and opportunity. The theory is based on the premise that job satisfaction is a direct result of individuals' perceptions of how fairly they are treated in comparison to others. This "equity theory" proposes that people seek social equity in the rewards they expect for performance. In other words, people feel satisfied at work when the input or contribution to a job and the resulting outcome are commensurate to that of their co-workers.

According to Milkovich and Newman (1990), this social equity is not limited to others within the same workplace, and the equity comparisons often reach into other organizations that are viewed as similar places of employment.

Vroom's (1964) theory of job satisfaction was similar in that it looked at the interaction between personal and workplace variables; however, he also incorporated the element of workers' expectations into his theory. The essence of this theory is that if workers put forth more effort and perform better at work, then they will be compensated accordingly. Discrepancies that occur between expected compensation and actual outcome lead to dissatisfaction.

If employees receive less than they expect or otherwise feel as if they have been treated unfairly, then dissatisfaction may occur. Conversely, overcompensation may also lead to dissatisfaction and the employee may experience feelings of guilt. The compensation does not have to be monetary, but pay is typically the most visible and most easily modified element of outcome. Salary also has significance beyond monetary value and the potential to acquire material items, and Gruenberg (1979) notes that it is also an indication of personal achievement, organizational status, and recognition.

Vroom's theory also goes one step further to incorporate an individual's personal decision making within the work-place. Vroom (1982) explained that employees would choose to do or not do job tasks based on their perceived ability to carry out the task and earn fair compensation. To illustrate and clarify his ideas, Vroom generated a three- variable equation for scientifically determining job satisfaction.

Expectancy is the first variable, and this is the individual's perception of how well he or she can carry out the given task. Instrumentality is the second variable of the equation, and this refers to the individual's confidence that he or she will be compensated fairly for performing the task. Valence is the third variable, which considers the value of the expected reward to the employee.

In Vroom's formula each variable is given a probability value, and when all three factors are high, workers will be more satisfied and have more motivation. If any of the factors are low, work performance and employee motivation will decline.

### **2.1.5 Situational Theories**

The situational occurrences theory emerged in 1992, when Quarstein, McAfee, and Glassman stated that job satisfaction is determined by two factors: situational characteristics and situational occurrences. Situational characteristics are things such as pay, supervision, working conditions, promotional opportunities, and company policies that typically are considered by the employee before accepting the job.

The situational occurrences are things that occur after taking a job that may be tangible or intangible, positive or negative. Positive occurrences might include extra vacation time, while negative occurrences might entail faulty equipment or strained co-worker relationships. Within this theoretical framework, job satisfaction is a product of both situational factors and situational occurrences.

### **2.1.6 Consequences of Job Satisfaction**

This has significant managerial implications. Thousands of studies have examined the relationship between job satisfaction and other organizational variables since it is impossible to examine them all we will consider and subset if the more important variable. According to Robbins (1998), they include

**2.1.6.1 Absenteeism:** - absenteeism is costly and managers are constantly on the lookout for ways to reduce it. One recommendation has been to increase job satisfaction. If this is valid recommendation, there should be a strong negative relationship (or negative correlation) between

satisfaction and absenteeism. In other words, as satisfaction increases, absenteeism should decrease.

**2.1.6.2 Turnover:** - turnover is important to managers because it both disrupts organizational continuity and is very costly. There is a negative relationship between satisfaction and turnover. Given the strength of this relationship, managers would be well advised to try to reduce turnover by increasing employee job satisfaction.

**2.1.6.3 Organizational Citizenship Behavior:** - It consists of employee behaviors that, men are beyond the call of duty. Examples includes “such gestures as constructive statements about the department, expression of personal interest in the work of others, suggestions for improvement, training new people, respect for the spirit as well as the letter of housekeeping rules, care for organizational property, and punctuality and attendance well beyond standard or enforceable levels”. Managers certainly would like employees to exhibit these behaviors because organizational citizenship behaviors are moderately related to job satisfaction, managers can increase the frequency of such behaviors by increasing employee job satisfaction.

**2.1.6.4 Organizational Commitment:** - reflects the extent to which an individual identifies with and organization and is committed to its goals. Both job satisfaction and performance are significantly correlated with organizational commitment. Managers are advised to increase job satisfaction in order to elicit higher level of commitment in turn higher commitment can facilitate higher productivity.

**2.1.6.5 Pro-Union Voting:** - there is a negative correlation between job satisfaction and pro-union voting. In other words, people tend to vote for unions when they are dissatisfied with their jobs this suggests organizations may want to monitor employee-satisfaction if they desire to maintain a nonunionized status.

**2.1.6.6 Broader Implication:** - in a general sense, job satisfaction has important implications because it affects an individual's quality of work life. The term quality of work life refers to the overall quality an individual's experiences at work. Job dissatisfaction is associated with increased heart disease, increase stress, and poor mental health. It is hoped enlightened managers will develop an interest in reducing these negative work related outcomes by improving job satisfaction (Ibid).

### 2.1.7 Communication

Communication has been defined as a process of information exchange through the individual through symbols such as signs, behavior, exercise, and so on. Communication in the workplace can occur in various forms of verbal and nonverbal communication. Verbal communication is defined as communication face by using the mouth (oral) in the delivery of information when talking to colleagues such as face-to-face, meetings, and conversations over the phone. Nonverbal communication is the message conveyed without the use of words such as motion and how to stand or sit, face and eye movements, voice signals and, use numerous body or distance. A positive culture that brought in the organization in the establishment of effective communication can create a win-win when employees get feedback on their work performance as soon as possible. Chitrao (2014) explained that the positive and good communication can increase job satisfaction and reduce complaints to the employee worked. Communication is a tool used by any organization to identify appropriate function to obtain profit organization and progress of the organization is created.

Communication can lead to misunderstandings, lack of information, laziness, and more job rotation. Ineffectiveness of managers in communicating with its employees would cause an employee being unsatisfied. Thus, this situation may cause workers' job satisfaction to be affected. Similarly, if employees do not trust the manager, then the flow of information submitted does not occur and decreased job satisfaction. The leader can lead, build trust and understanding of continuous learning and inspire workers through effective communication (Barrett, 2006). Therefore, managers and employees must work together to understand the principles of effective communication and communication barriers in the workplace to achieve the desired goals of the organization. Managers require extensive knowledge of communication to be efficient and effective toward their workers. Moreover, effective communication is considered as the capability of motivating and knowing how to exchange information in a group or individual and knowing the right time to communicate. Relationship between Communication and Job Satisfaction Communication and job satisfaction has a significant relationship in an organization. Communication and job satisfaction has a significant relationship in which it gave satisfaction to the workers. Moreover, it can be used with good communication between workers and employers, and between employers and workers.

The communication between supervisors and employees through force, credibility, and content would affect the morale of job satisfaction in an organization. Past research also found that workers concentrate fully on the work done in the dissemination of information on important matters such as company policy, performance feedback, command tasks, and roles responsible (Pincus, 1986). He suggested that if communication is used effectively and well, works as above can be implemented successfully the impact of job satisfaction. Pincus (1986) used a sample of nurses, there is some support found that the differential sensitivity to the realization of job satisfaction compared to the dimensions of information communication, although both have to do with job satisfaction.

Job satisfaction is important because it provides a better working environment for employers in the United States (Nemiroff& Ford, 1976; Pettit et al., 1997). Thus, communications have a strong relationship with job satisfaction based on earlier researches (Ehlers, 2003, Pettit et al., 1997; Miles et al., 1996; Clampitt& Downs, 1993; Muchinsky, 1977; Falcione, 1974a & 1974b, Nicholson, 1980; Duke, 1981). This can be concluded that communication has a significant relationship and impact on job satisfaction.

### **2.1.8Career**

According to Grubić-Nešić (2005) career can be described as a set of job roles of individuals, or move up and progress in work roles. Career is individually perceived order of the attitudes and behaviors associated with the experience and activities related to the operation during a person's life and career are changes in values, attitudes, and motivation that occur as a person becomes older. Career can be defined wider as the development of individual in learning and work throughout their lives.

If we look at the career development in an international context, it is important to pay attention to the role of international tasks to staff development. The international engagements have been known as an important mechanism for the development of international expertise. The expected outputs of the engagement include:

- Development of management, since individuals acquire international expertise that helps in the advancement of his/her career, while multinationals gain available

international executives with experiences, from which some of them will be extracted for the international engagements.

- Organizational development, since international assignments provide accumulated knowledge, skills and abilities for multinational companies. Global mindset is an important advantage because it expands the horizons of individuals. Furthermore, foreign managers are agents of direct control and socialization that help to transfer the knowledge and skills (Dowling et al., 2008)

#### **2.1.8.1 Career growth opportunities**

Career Growth Opportunities refer to the extent to which employees have opportunities for career growth and promotion or have a clearly defined career path (Hughes & Rog, 2008, p. 749). In keeping with this definition, Mone and London (2009) also found that a director predictor of employee engagement is the extent to which employees are satisfied with their opportunities for career progression and promotion suggesting that employees will feel more engaged if managers provide challenging and meaningful work with opportunities for career advancement. Their research also found that when managers provide sufficient opportunities for training and support regarding career development efforts, they help foster employee development and drive employee engagement.

#### **2.1.8.2 Job satisfaction and career development**

Companies must also consider career development as a new key to retain their employees especially that in the next 10 years, millennial would be representing the bulk of the workforce. Career development is the ongoing process of learning, developing, and moving towards one's goals. Moreover, career development has its own advantages, one of which is the fact that it reduces turnover and increases employee motivation. Career development is in the interest of all generations, yet it is mostly sought after by the millennial, and thus, it plays a major factor in their job satisfaction. Career development includes extensive training, in specific, with respect to the areas the employee wants to develop. Having mentioned job satisfaction and career



development and the importance of the effect of one on the other, it is time to discuss the relationship between these two variables.

Career development contains structured, dignified, and deliberate exertion of effort, in order to accomplish a state of evenness between the organization's objectives and strategies and the employee's career goals as well as the progress that he/she seeks [8]. The proper career preparation and career supervision will lead to the best results of career development. McDaniels and Gysbers mention that career development is the collection of mental, sociological, informative, corporal, financial, and unplanned factors that are shared to form the career of any targeted employee.

Career development depends on the organization's decision to transfer employees from their traditional work, and the tasks that are common to them, to more challenging work that is enriched with initiatives for self-development and organizational effectiveness. An effective career development plan helps the organization to benefit from its internal talent by corresponding the experience and skills gained by the employees and linking them to the organization's needs, while also motivating and engaging the employees to give more effort by the compensation and succession plans given for the sake career development.

Leementions that companies who participate in career management are going to enhance their employees' job satisfaction. Gregson mentions that job satisfaction is the state of emotion that the employee feels fulfillment in after his performance management review and experience in the organization. Chay and Bruvold state that job satisfaction is the positive reaction of the employee to different phases of the job. Job satisfaction happens after the employee experiences emotions of self-actualization in his/her career.

Career development programs were found to have a positive inspiration on job satisfaction, professional development, and productivity in a research conducted by Chen, Chang, and Yeh]. Moreover, in a research study conducted by Schein, it was found that career development plays a major role in employee effectiveness and creativity over the long term. Moreover, a well-organized career development will allow employees to pursue improvements in their career that will actually lead to the employees' job satisfaction. Moreover, Schein adds that employees will have different career developments according to their preferences, goals, and, most importantly, the external factors such as global business changes. Schein elaborates more to state that employees have different work needs at each stage of their career path and organizations should

take into consideration the career needs of their employees in each stage to satisfy their career development and increase the organizational effectiveness and cope with its needs as well. Each specific stage of career development has different goals and different mission from the next one.

#### **2.1.9 Relationship between compensation and benefits on job satisfaction:**

Munap *et al.* also found that all organisational rewards examined have contributed to employee's satisfaction while salary is the predictor that significantly contributes to job satisfaction, among employees. Organisational rewards have a positive relationship with job satisfaction. Employees believe that their attachment to the organisation will provide meaningful rewards that satisfy their needs. Therefore, most of the employees trust that each of their job accomplishment will be rewarded and effort will be kept continued for better rewards. Rehman *et al* also reported that there is a positive relationship between rewards and job satisfaction. The study was conducted in the service industry; it found the rewards are stronger determinant of job satisfaction.

Ghafoor study's findings are consistent with the literature and suggested that there is a moderate, positive correlation between pay and job satisfaction. Pay is treated as an intrinsic hygiene factor of job satisfaction in Herzberg's model. As far as designations of academic staff were concerned, professors were more satisfied than lecturers with pay, due to receiving pecuniary and non-pecuniary benefits. Hamman-Fisher revealed that there are statistically significant relationships between pay and job satisfaction, benefits and job satisfaction, contingent rewards and job satisfaction, nature of work and job satisfaction and for promotion and job satisfaction. The moderate to high correlations between these dimensions and job satisfaction suggest that the higher their relationship with job satisfaction, the more satisfied employees would be.

Several studies have reported a positive relationship between compensation and job satisfaction. Sharp found that despite the high proportion of participants who reported that they were very dissatisfied with their compensation, a low correlation was found between compensation and job satisfaction. A follow-up research examining this finding should be carried out was suggested. Letele-Mataboee revealed that to receive a competitive remuneration is more likely to provide job satisfaction.

## **2.2 Empirical Review**

Employee commitment is relative to the worker which tell us the level of involvement and loyalty to the Organization in which they are working. A considerable test is done to find out the linkage between job satisfaction with organizational commitment, job attitude and performance which is also depend upon the other work related problems. Researcher also found a complex relation between job satisfaction and performance. It is not clear in the past literature that whether job satisfactions depend on performance or performance depends on the job satisfaction (Bagozzi et al 1980, Linz et al).

Organizational Commitment is very important because it determines that whether employees are likely to leave their job or improve their performance. Organizational Commitment theories were given by the Mayer & Allen. According to these theories the organization commitment has three multi-dimensional Components:

Park, Christie and Sype (2014) advance that committed employees may be more likely to engage in organizational citizenship behaviors (OCBs), that is, extra-role behaviors, such as creativity or innovation which are often what keep organizations competitive. Creativity according to Bosiok and Sad (2013) is the ability to think in ways and forms that are new, different and not seen in other individuals other author (e.g. Lambert & Hogan, 2009) propose that employee commitment reduces employee turnover. Lambert and Hogan define employee turnover as the situation by which employees either voluntarily quit or are involuntarily terminated from their jobs. Allen, Bryant and Vardaman (2010) explain that with voluntary turnover, the employee initiates the quitting of the job; for example, quitting and taking another job while involuntary turnover is initiated by the organization; for instance, when a company dismisses an employee due to poor performance or when there is organizational restructuring. Lambert and Hogan (2009) state that committed employees are loyal to the organization, share its values, and identify with the goals of the organization. Thus, they have little reason to want to leave.

Theodossiou and Vasileiou reported that positive relationships between employees who feel secure in their jobs and their level of job satisfaction. In addition, evidence exists suggesting that lower levels of compensation lead to lower levels of satisfaction among employees. Similar results have been reported in the present study by Letele-Matabooue that job security and

compensation has been found to have a significant influence on Job satisfaction. Mutjaba and Shuaib asserted that for academic institutions to attract, retain and satisfy their talented employees, these institutions need to have appropriate pay systems that encourage and reward employees to remain longer with their institutions. The literature reviewed in the previous, assumed the existence of relations between rewards and job satisfaction factors amongst academics. Moreover, these assumptions suggested significant positive relationships between rewards and job satisfaction factors. Therefore, the following hypotheses within the present study have been formulated

A positive work environment is crucial for job satisfaction. A study by Spector (2008) found that employees who perceived their work environment as positive reported higher levels of job satisfaction. Factors such as physical comfort, safety, and cleanliness of the workplace were found to be important in creating a positive work environment.

Career development opportunities are also important for job satisfaction. A study by Tett et al. (2007) found that employees who perceived their organization as providing opportunities for career development reported higher levels of job satisfaction. This includes opportunities for training, promotion, and skill development.

The relationship between employees and their managers is also an important factor in job satisfaction. A study by Judge et al. (2001) found that employees who had a positive relationship with their managers reported higher levels of job satisfaction. This includes factors such as communication, feedback, and support from managers.

Compensation and benefits are also important factors in job satisfaction. A study by Heneman et al. (2012) found that employees who perceived their compensation and benefits as fair reported higher levels of job satisfaction. This includes factors such as salary, bonuses, health insurance, retirement plans, and other benefits.

In conclusion, the empirical literature suggests that work environment, career development opportunities, relationship with management, and compensation and benefits are all important factors in determining employee job satisfaction. Employers should focus on creating a positive work environment, providing opportunities for career development, fostering positive

relationships between employees and managers, and offering fair compensation and benefits to improve employee job satisfaction

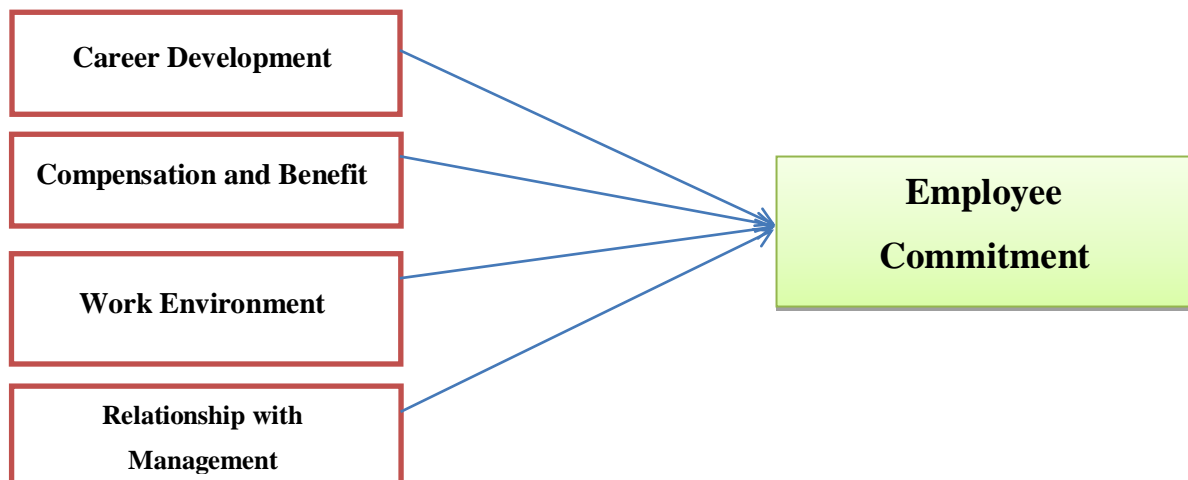
## Conceptual Framework

This particular inquiry aims to configure the effect of Job Satisfaction on Employee Engagement. The four variables indicated below are regarded as indicators of the main independent variable Job Satisfaction, whereas Employee Commitment is regarded as the main dependent variable as indicated in the diagram below.

### Independent Variables

Job Satisfaction Indicators

### Dependent Variable



Source: (Proposed Model, 2023)

**Figure 2. 1 Conceptual model of job satisfaction and employee engagement**

## 2.4 Research Hypothesis

In this research, the researcher identified variables that best explain employee job satisfaction based on previous literature and research findings, which are Career development, Compensation and benefit, Work environment, and Relationship with Management. Based on the above empirical result mentioned in the statement of the problem, the researcher formulated the following hypothesis.

**H1:** Career development has significant and positive effect on Employee Commitment.

**H2:** Compensation and benefit has significant and positive effect on Employee Commitment.

**H3:** Work environment has significant and positive effect on Employee Commitment.

**H4:** Management has significant and positive effect on Employee Commitment.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

This section of study deal with the methodology being used in the study, which includes the research design and approach, target population, sample size, sampling technique, data source, data collection instrument, methods of data analysis and validity and reliability.

#### **3.1 Research Design and Approaches**

Research design is the framework of research methods and techniques chosen by a researcher. The design allows researchers to hone in on research methods that are suitable for the subject matter under the study and set up their studies up for success. The underlying objective of this research study is to examine the effect of job satisfaction on Employee commitment. To achieve this objective, the use of appropriate methodology that helps to approach the research scientifically is given a paramount emphasis. This study applies a combination of descriptive and explanatory research designs.

This research took a form of descriptive and explanatory research design. Descriptive research are designed to obtain data that describe the characteristics of the topic of interest in the research (Hair et al., 2011). Hence descriptive research design has been used to describe or portray the reality of the situations which enables to express level of employee Commitment. Moreover, an explanatory research design was used to achieve the objectives of the study. Because explanatory research helps to connect ideas, to understand cause and effect, meaning researchers want to explain and know what is going on.

Quantitative approaches address the ‘what’ of the issue under concern using systemic standardized approaches such as a survey. Since it is understood that all types of data gathering techniques have their own limitations, this study used quantitative method. Using this approach to gather and evaluate data assisted to increase the validity and reliability of the study

(Arthur, 1999). Quantitative approaches have been used for the data that was collected from respondents through a questionnaire.

### **3.3 Data Type and Source**

#### **3.3.1 Data Type**

Both primary and secondary data were used to develop the research. The primary data was collected through questionnaire from the randomly selected sample employees of the bank.

#### **3.3.2 Data source**

Bank of Abyssinia employees work in different location across the country under it's more than 814 branches, head office and districts. Due to lack of finance and since most of the employee with variety of department and work specifications can be found in one District the study will collect data from employees in East Addis Ababa District only due to conveniences and limited representativeness of the whole employees. The target population and samples were selected from these employees only.

##### **3.3.2.1 Primary Data Sources**

The method of data collection was carried out through questionnaire, which is a Likert scale questioner.

### **3.4 Sampling Technique**

While collecting data from respondents a non-probability sampling which is convenience sampling technique has been used in selecting the respondents to whom the questionnaire was given as it was believed that anybody that have been available at work who is employee of BOA Could provide the required information.

### **3.5 Sampling Method**

The target populations of the study were permanent employees of BOA East Addis Ababa District staffs only due to convenience, accessibility and representativeness of the total number



of BOA employees. BOA currently has more than 814 branches all over Ethiopia and more than 11,000 permanent employees. From 814 branches 131 branches are found in East Addis Ababa districts and in average there are 10 employees in each of these branches. (BOA Official Website, 2023) The total populations of this study are 1310 employees.

The sample size of this study is determined by using the formula developed by Taro Yamane (1967).

$$n = N / (1 + Ne^2)$$

Where, n= corrected sample size, N = population size, and e = Margin of error

(MoE), e = 0.075 with 92.5% of accuracy level. N =1310

$$n = 1310 / (1 + 1310 * 0.005625)$$

$$n = \underline{157}$$

### **3.4 Data Collection Method and Instruments**

In order to gather the required data to answer the research questions, primary data was collected from sample respondents through questionnaire that was adopted from Minnesota survey Questionnaire. The questionnaire is designed to consist four sections and it was developed in line with the research objectives and questions that are stated in chapter one. The questionnaire is Self-administered as the main data collection method in the study; each respondent were asked to respond to the same set of questions. The questionnaire is composed of questions in Likert-style rating with a five-point rating scale and each respondent were asked how strongly he or she agreed or disagreed with a statement or series of statements. In this case, 1 represents 'strongly disagree' and 5 represents 'strongly agree'.

### **3.7 Data Processing and Presentation**

The researcher has used SPSS version 25 for the analysis of collected data. As the study focused on the effect of independent variables (career development, Compensation and Benefits Work Environment and relationship with management) on dependent variable

(Employee Commitment) different statistical analysis that could show the effect between the two have been used. Data is analyzed quantitatively by statistical techniques i.e. descriptive and inferential statistics. Descriptive analysis; mean, frequencies and standard deviation are used to describe the profile of respondents, employee commitment levels and level of job satisfaction. Pearson correlation test was used to determine the nature, direction and significance of the relationship between employee commitment parameters and job satisfaction. Regression analysis is used to explore the relationship between the independent and dependent variables while for testing mediation the (Saks, 2006) model used as a guiding framework. The five assumptions of simple linear relationships were carefully computed and proved to be met.

### **3.7.1 Correlation Analysis**

The purpose of this analysis is to explore the strength as well as the direction of the relationship among the independent variables (career development, compensation and Benefit, Work environment and relationship with management) and the dependent variable (employee commitment). The researcher used Pearson correlation analysis to explore such relationship.

### **3.7.2 Regression Analysis**

A regression analysis is used to explore the relationship between the independent and dependent variables. The five assumptions of simple linear relationships were carefully computed and proved to be met.

## **3.6. Pilot Testing**

### **3.6.1 Reliability**

It refers to the consistency of a measure of a concept. This quality criteria deals with the question whether the results of a study are repeatable (Bryman and Bell, 2011). Cornbach's alpha is used in this study to assess the internal consistencies and reliability of the instrument. For a research to be valid the Cornbach's alpha result is expected to be at least

0.7. Therefore, while the questionnaire is distributed for 10% of the total population which are 16 first respondents in advance after 11 questionnaires were given back.

Table 3.1 Reliability test

Variables	Cornbach's Alpha	No of Items
Career Development	0.743	5
Compensation of Benefit	0.848	5
Work Environment	0.758	5
Relationship with Management	0.809	5
Employee Commitment	0.795	5

Source: Survey data (2023)

### 3.6.2 Instrument Validity

According to Joppe (2000), Validity refers to the degree to which results obtained from the analysis of the data actually represents the phenomena under study. It is a matter of degree and not a specific value. The questionnaire used to collect the data for this survey is adopted from previously used survey by scholars that are also validated. Besides, proper detection and approval of the research advisor was helpful to ensure validity of the instruments. Finally, the improved version of the questionnaires was printed, duplicated and dispatched accordingly. .

### 3.8 Ethical considerations

According to Creswell (2014), ethical concerns in research deal with voluntary participation, no harm to respondents, anonymity and confidentiality, identifying purpose and sponsor, and analysis and reporting. To help eliminate or control any ethical concerns the researcher made sure that participation was completely voluntary. However, this can sometimes lead to low response rate which can in turn introduce response bias (Creswell, 2014).

A study is anonymous when a respondent cannot be identified on the basis of a response (Creswell, 2014). Participant identification was kept confidential and was only used in determining who had not responded for follow-up purposes.

All prospective respondents knew the purpose of the study and the university that the thesis was being submitted to which is St Mary's University. A cover letter was also used on the front page of the Questionnaire to explain that the results of the study would be used in a dissertation as partial fulfillment for Masters of Business Administration (MBA) at St. Mary's University College of graduate studies. Because advancements in academic fields come through honesty and openness, the researcher assumed the responsibility to report problems and weaknesses experienced as well as the positive results of the study. Accordingly, the researcher accurately reported both the methods and the results of the study to professional colleagues in the educational community.

Furthermore, it was clearly explained to the managers of the bank under the study that the results of the study will be shared with the Bank in order to facilitate knowledge sharing and assist the management's efforts to enhance their system.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND INTERPRETATION**

The purpose of this paper is to investigate the satisfaction level of employees in Bank of Abyssinia and its effect on their Commitment. To achieve this purpose, relevant literature was reviewed and methodology was set in chapter two and three respectively. This chapter outlines the result of data analysis obtained from data collected from respondents. The information gathered is analyzed, and the results are presented in the following sections.

#### **4.1 Response Rate of Respondents**

**Table 4. 2 Response Rate**

<b>Rating</b>	<b>N</b>	<b>%</b>
Responded	135	86
Not-responded	22	14
<b>Total</b>	<b>157</b>	<b>100</b>

A total number of 157 participants were invited to fill the questionnaire prepared for this study, out of which 135 (86%) were returned on time and hence used for further analysis process.

#### **4.2 Demographic Profile of Respondents**

This section summarizes the demographic characteristics of the sample, which includes age group, gender, education status, and job position of respondents. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the proportion of males and females in the sample, range of age, education status, and job position, so that the analysis could be more meaningful for readers.

**Table 4.3 Gender Profile of Respondents**

Variable		Frequency	Percent
Gender	Male	79	58.5
	Female	56	41.5
	Total	135	100.0

Source: Own Survey data (2023)

The data shows that there were more males in the sample than females. The male population is 58.5% of the sample, while the female population is 41.5%.

- The gender with the highest frequency is Male, with 79 people (58.5%).
- The gender with the second highest frequency is Female, with 56 people (41.5%).

This shows that there were more men available to participate in the survey than women.

The total number of people in the sample is 135.

**Table 4.4 Age Profile of Respondents**

Variable		Frequency	Percent
Age group	20-25 and below	59	43.7
	26 to 30	42	31.1
	31 to 40	27	20.0
	41-50	7	5.2
	Total	135	100.0

Source: Own Survey data (2023)

The table above shows that the majority of people in the sample are between the ages of 20 and 25, followed by those between the ages of 26 and 30. There are fewer people in the sample who are between the ages of 31 and 40, and the fewest people are between the ages of 41 and 50.

- The age group with the highest frequency is 20-25 and below, with 59 people (43.7%).
- The age group with the second highest frequency is 26 to 30, with 42 people (31.1%).
- The age group with the third highest frequency is 31 to 40, with 27 people (20.0%).
- The age group with the lowest frequency is 41-50, with 7 people (5.2%).

The total number of people in the sample is 135

**Table 4.5 Education Profile of Respondents**

Variable		Frequency	Percent
Educational status	Diploma	9	6.7
	First Degree	75	55.6
	Second Degree and Above	51	37.8
	Total	135	100.0

Source: Own Survey data (2023)

The data shows that the majority of people in the sample have a first degree, followed by those with second degree or above. There are fewer people in the sample who have a diploma, Therefore, the organization under study has a large proportion of employees of productive age, which in turn helps the organization enhance organizational performance if they are well retained

Here is a more detailed analysis of the data:

- The educational status with the highest frequency is First Degree, with 75 people (55.6%).
- The educational status with the second highest frequency is Second Degree and above with 51 people (37.8%).
- The educational status with the third highest frequency is Diploma, with 9 people (6.7%).

The total number of people in the sample is 135. the majority of employees of the case organization are well educated, and accordingly, they will have a higher degree of tendency to look for a new job unless there has been a good retention mechanism.

**Table 4.6 Job Profile of Respondents**

<b>Variable</b>		<b>Frequency</b>	<b>Percent</b>
<b>Job position</b>	Managerial	30	22.2
	Senior	27	20.0
	Junior	78	57.8
	Total	135	100.0

Source: Own Survey data (2023)

The data shows that the majority of people in the sample are in junior positions, followed by those in senior positions. There are fewer people in the sample who are in managerial positions.

Here is a more detailed analysis of the data:

- The job position with the highest frequency is Junior, with 78 people (57.8%).
- The job position with the second highest frequency is Managerial, with 30 people (22.2%).
- The job position with the third highest frequency is, Senior with 27 people (20.0%).

The total number of people in the sample is 135. These imply that a significant proportion of the employees of the case organizations are experienced enough and have higher demand in the labor market.



### 4.3 Descriptive Analysis of factors that affect Employees Commitment

To measure the level of employees job satisfaction and employee commitment the researcher has prepared a likert scale questions based on the four factors affecting employee job satisfaction and employee commitment. The questionnaire contains 25 items based on which the perception of employees of the bank across each attribute is measured by disregarding the expectation parameter. To do so a five point likert scale questionnaire has been used to measure their level of agreement or disagreement on each questions ranging from “Strongly Disagree” to “Strongly Agree”. To determine the minimum and the maximum length of the likert scale the researcher has used a range designed by(Hom,1977). The translation of level ranking is analyzed based on the following criteria

- 1 to 1.80 represents mean lowest satisfaction level (Lowest)
- 1.81 to 2.60 represents mean low satisfaction level (Low)
- 2.61 to 3.40 represents mean average satisfaction level (Average)
- 3.41 to 4.20 represents agree mean good satisfaction level (High)
- 4.21 to 5 represents strongly agree mean very good satisfaction level (Highest)

Hence the mean score for Career development, Compensation and Benefit, relationship with management and work environment is computed by the SPSS and presented and interpreted below.

**Table 4.7Mean Score of Career Development**

Career Development		
	Mean	Std. Deviation
I am satisfied with The opportunities for advancement on this job	3.8593	0.93172
I am pleased with the career advancement opportunities available to me	3.8000	1.19576
I am happy with the way my job provides for a secure future	4.0296	0.77209
I am satisfied with the way my job provides for steady employment	4.1778	0.81832

I am satisfied with the way promotions are given out on this job	3.8519	1.16874
Grand Mean	<b>3.94</b>	

Source: Own Survey data (2023)

Overall, respondents are satisfied with their jobs. The average mean for all five variables is 3.94, which is slightly above the midpoint of the scale. This suggests that, on average, respondents are satisfied with the opportunities for advancement, career advancement opportunities, job security, steady employment, and the way promotions are given out.

However, there is a relatively wide range of responses, with some respondents being very satisfied and others being very dissatisfied. The standard deviation for all five variables is 1.0. This suggests that there is a significant amount of variation in how satisfied respondents are with their jobs.

The highest mean is for the variable "I am satisfied with the way my job provides for steady employment." This suggests that respondents are most satisfied with the security of their jobs. The lowest mean is for the variable "I am pleased with the career advancement opportunities available to me." This suggests that respondents are least satisfied with the way promotions are handled at their jobs.

These findings suggest that there are some areas where employers can improve job satisfaction. For example, employers could provide more opportunities for advancement and make the promotion process more transparent. By doing so, employers can help to improve employee satisfaction and commitment.

**Table 4.8 Mean Score of Compensation and Benefit**

<b>Compensation and Benefit</b>		
	Mean	Std. Deviation
I get fair pay for the work I do	3.8074	0.97350
my pay is comparable with that for similar jobs in other companies	3.8000	1.19576

The way company policies are put into practice is steady	4.0296	0.77209
The bank policies related to salary increments and benefits are satisfying	4.1185	0.88984
The Bank Maintains Competitive Benefit packages	3.8889	0.87815
Grand Mean	<b>3.93</b>	

Source: Own Survey data (2023)

In general, the above descriptive statistics suggest that respondents are generally satisfied with their pay and benefits. However, there is some room for improvement in the area of pay.

The average mean for all five variables is 3.93, which is slightly above the midpoint of the scale which suggests high satisfaction. This suggests that, on average, respondents are satisfied with their pay, the way company policies are put into practice, the bank policies related to salary increments and benefits, the bank's competitive benefit packages, and the overall pay and benefits they receive.

However, there is a relatively wide range of responses, with some respondents being very satisfied and others being very dissatisfied. The standard deviation for all five variables is 1.0. This suggests that there is a significant amount of variation in how satisfied respondents are with their pay and benefits.

The highest mean is for the variable "The bank policies related to salary increments and benefits are satisfying." This suggests that respondents are most satisfied with the bank's policies on salary and benefits. The lowest mean is for the variable "my pay is comparable with that for similar jobs in other companies" This suggests that respondents are least satisfied with their pay.

These findings suggest that there are some areas where the bank can improve pay and benefits. For example, the bank could conduct a salary survey to ensure that its pay is competitive with

other banks in the industry. The bank could also offer more competitive benefits, by doing so; the bank can help to improve employee satisfaction and commitment.

**Table 4.9 Mean Score of Work Environment**

<b>Work Environment</b>		
<b>Descriptive Statistics</b>	<b>Mean</b>	<b>Std. Deviation</b>
The working conditions (heating, lighting, ventilation etc. ) on this job are comfortable	3.7852	0.97265
The physical surroundings where I work is suitable	3.7778	0.93575
The routine in my work is pleasant	4.0593	0.78951
I'm am happy with the working conditions	4.0830	0.90666
The way my co-workers get along with each other is satisfying	3.7817	1.12601
<b>Grand Mean</b>	<b>3.90</b>	

Source: Own Survey data (2023)

Overall, the descriptive statistics suggest that respondents are generally satisfied with their working conditions. However, there is some room for improvement in the areas of co-worker relationships and the way co-workers get along with each other.

The average mean for all five variables is 3.90, which is slightly above the midpoint of the scale. This suggests that, on average, respondents are satisfied with the working conditions, physical surroundings, routine, and overall working conditions on their jobs.

However, there is a relatively wide range of responses, with some respondents being very satisfied and others being very dissatisfied. The standard deviation for all five variables is 1.0. This suggests that there is a significant amount of variation in how satisfied respondents are with their working conditions.

The highest mean is for the variable "I'm happy with the working conditions." This suggests that respondents are most satisfied with their working conditions. The lowest mean is for the variable "The way my co-workers get along with each other is satisfying." This suggests that respondents are least satisfied with the way their co-workers get along with each other.

These findings suggest that there are some areas where employers can improve working conditions. For example, employers could provide more opportunities for co-workers to interact and get to know each other. Employers could also create a more positive and supportive work environment. By doing so, employers can help to improve employee morale and retention.

**Table 4. 10Mean Score of Relationship with Management**

<b>Relationship with Management</b>		
	Mean	Std. Deviation
I get enough recognition for the work I do	3.8054	1.11321
My boss takes good care of the complaints of his/her employees.	3.9095	1.00497
The way my boss provides help on hard problems makes me feel comfortable	3.948	0.8040
There is healthy personal relationship between my boss and his/ her employees.	4.1259	0.90956
My boss trains his/her employees well	3.9111	0.90987
Grand Mean	<b>3.94</b>	

Source: Own Survey data (2023)

Overall, the descriptive statistics suggest that respondents are generally satisfied with their relationship with their boss and the training they receive. However, there is some room for improvement in the area of recognition.

The average mean for all five variables is 3.94, which is slightly above the midpoint of the scale. This suggests that, on average, respondents are satisfied with the recognition they receive for

their work, the way their boss handles complaints, the way their boss provides help on hard problems, the personal relationship between their boss and their employees, and the training they receive from their boss.

However, there is a relatively wide range of responses, with some respondents being very satisfied and others being very dissatisfied. The standard deviation for all five variables is 1.0. This suggests that there is a significant amount of variation in how satisfied respondents are with their relationship with their boss, training, and recognition.

The highest mean is for the variable "There is healthy personal relationship between my boss and his/ her employees." This suggests that respondents are most satisfied with the personal relationship they have with their boss. The lowest mean is for the variable "I get enough recognition for the work I do." This suggests that respondents are least satisfied with the recognition they receive for their work.

These findings suggest that there are some areas where employers can improve the relationship between employees and their bosses, and the training they receive. For example, employers could provide more opportunities for employees to give and receive feedback from their bosses. Employers could also create a more open and transparent environment where employees feel comfortable sharing their ideas and concerns. By doing so, employers can help to improve employee morale and retention.

#### 4.4 Descriptive Analysis of Employee Commitment

**Table 4.11**Mean Score of Employee Commitment

Employee Commitment		
	Mean	Std. Deviation
I do believe that a person Must always be loyal to his/her organization	3.9704	0.82806
I think people these days move from a company	4.1333	0.91260

to company too often		
I'm proud to tell other that I'm part of BOA	3.9778	0.81467
I was taught to believe in the value of remaining loyal to one organization	3.7852	1.25416
I See myself working for BOA for Next 5 years as well	3.8000	1.19576
Grand Mean	<b>3.93</b>	

Source: Own Survey data (2023)

Overall, the descriptive statistics suggest that respondents are generally loyal and committed to their organization and believe that people these days move from company to company too often. However, there is some room for improvement in the area of teaching people the value of remaining loyal or committed to one organization.

The mean for all five variables is 3.93, which is slightly above the midpoint of the scale. This suggests that, on average, respondents agree with the statements that a person must always be loyal to their organization, that people these days move from company to company too often, that they are proud to tell others that they are part of BOA, that they were taught to believe in the value of remaining loyal to one organization, and that they see themselves working for BOA for the next 5 years.

However, there is a relatively wide range of responses, with some respondents strongly agreeing with the statements and others strongly disagreeing. The standard deviation for all five variables is 1.0. This suggests that there is a significant amount of variation in how respondents feel about loyalty and commitment to their organization.

The highest mean is for the variable "I think people these days move from a company to company too often." This suggests that respondents are most likely to agree with the statement that people these days move from company to company too often. The lowest mean is for the variable "I was taught to believe in the value of remaining loyal to one organization." This

suggests that respondents are least likely to agree with the statement that they were taught to believe in the value of remaining loyal to one organization.

These findings suggest that there are some areas where employers can improve employee loyalty and commitment. For example, employers could provide more opportunities for employees to learn about the company's history and values. Employers could also create a more positive and supportive work environment where employees feel valued and appreciated. By doing so, employers can help to improve employee morale and retention.

## **4.5 Correlation Analysis**

Correlation is primarily concerned with finding out whether a relationship exists and with determining its magnitude and direction (Samithamby, 2019). When two variables vary together they are said to be correlated. Accordingly, correlation studies are attempts to find the extent to which two or more variables are related.

Positive correlation means that as one variable increases, the other variable also increases. Negative correlation means that as one variable increases, the other variable decreases and Zero correlation means that there is no relationship between the two variables.

The strength of a correlation is measured by a number called the correlation coefficient. The correlation coefficient can range from -1 to +1. A correlation coefficient of +1 indicates a perfect positive correlation, a correlation coefficient of -1 indicates a perfect negative correlation, and a correlation coefficient of 0 indicates no correlation.

### **4.5.1 Pearson Correlation Analysis**

The Pearson Product moment correlation coefficient (commonly called Pearson Correlation Coefficient) measures the strength and direction of relationship between variables. According to Field (2005), a coefficient( $r$ ) of +1 indicates a perfect positive relationship while -1 indicates a negative relationship. Breaking down the strength of the relationship, values of  $r=\pm 0.1$  to  $\pm$



.29 represent a weak relationship while  $r=\pm 0.3$  to  $\pm .49$  represent a medium relationship while  $r=\pm 0.5$  to  $\pm 1.0$  indicate a strong relationship

**Table 4.12 Correlations**

Correlations						
		Career Development	Compensation and Benefit	Work Environment	Relationship with Management	Employee Commitment
Career Development	Pearson Correlation	1	.769**	.498**	.636**	.791**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	135	135	135	135	135
Compensation and Benefit	Pearson Correlation	.769**	1	.862**	.780**	.653**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
	N	135	135	135	135	135
Work Environment	Pearson Correlation	.498**	.862**	1	.630**	.308**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
	N	135	135	135	135	135
Relationship with Management	Pearson Correlation	.636**	.780**	.630**	1	.642**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	135	135	135	135	135
Employee Commitment	Pearson Correlation	.791**	.653**	.308**	.642**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	135	135	135	135	135

Source: Own Survey data (2023)

Career Development has a strong positive correlation with Employee Commitment ( $r = .791, p < .001$ ). This means that as career development opportunities increase, employee commitment also increases. Compensation and Benefits has a strong positive correlation with Employee Commitment ( $r = .653, p < .001$ ). This means that as compensation and benefits increase, employee commitment also increases.

Work Environment has a moderate positive correlation with Employee Commitment ( $r = .308, p < .001$ ). This means that as the work environment improves, employee commitment also increases. Relationship with Management has a moderate positive correlation with Employee Commitment ( $r = .642, p < .001$ ). This means that as the relationship with management improves, employee commitment also increases.

Overall, the correlation table suggests that there is a positive relationship between employee commitment and all factors, which are career development opportunities, compensation and benefits, work environment, and relationship with management. This means that organizations can improve employee commitment by focusing on these factors.

## **4.6 Regression**

Regression is a statistical tool that enables to know how strongly the dependent variable is linked with a series of other independent variable(s). It just tells us how independent variable is numerically related to the dependent variable. It would enable us to see the effect that the change in independent variable(s) would bring on the dependent variable. For this particular thesis it enables us to know the effect of identified employee engagement indicators on the dependent variable which is job satisfaction by holding other independent variables constant. Therefore, by using regression analysis we can be able to predict the value of the dependent variable based on the known value of the independent variable as it describes how an independent variable is numerically related to the dependent variable. This means the influence that unit change of the independent variable on the dependent variable could be expressed. This could be expressed by beta (B) and the explanatory power in the variation of the dependent variable by the independent ones is known by referring the coefficient of determination (R

Square). The coefficient of determination (R Square) as it becomes larger implies that the more the variation in the response variable (job Satisfaction) is explained by either of the independent variables (Internal communication, career development, a culture of diversity and inspirational leadership).

#### 4.6.1 Autocorrelation Test

According to Durbin-Watson test for independence (Durbin & Watson, 1951) the required statistics should be 1.5 to 2.5 to be considered non-autocorrelation. Accordingly looking at the model summary below (1.935), the assumption of autocorrelation is not viola

**Table 4.13**Model summary

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.866 <sup>a</sup>	0.750	0.742	1.48789	1.913
a. Predictors: (Constant), RM, CB, CD, WE					
b. Dependent Variable: EC					

Source: Own Survey data (2023)

R-squared is 0.750, which means that 75% of the variation in employee commitment can be explained by the four independent variables: relationship with management (RM), compensation and benefits (CB), career development (CD), and work environment (WE).

Adjusted R-squared is 0.742, which means that 74.2% of the variation in employee commitment can be explained by the four independent variables after taking into account the number of variables in the model.

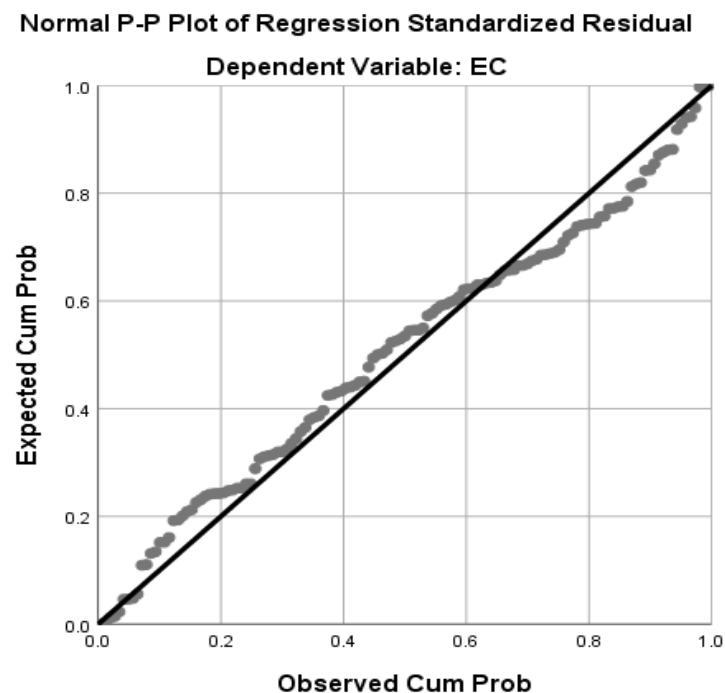
Standard error of the estimate is 1.48789, which is the average distance between the predicted values and the actual values.

Durbin-Watson is 1.913, which suggests that there is no autocorrelation in the residuals.

The table above which shows the model summary suggests that the model is a good fit for the data and that the four independent variables are significant predictors of employee commitment. This means that organizations can improve employee commitment by focusing on these factors.

#### 4.6.2 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine whether the relationship between the dependent variables and the independent variables is linear; scatter plots of the regression residuals for each model through SPSS software had been used. The scatter plot of residuals (see figure below) showed in that the points lie in a reasonably straight line from bottom left to top right. This is, therefore, showed that the assumption of linearity was not violated

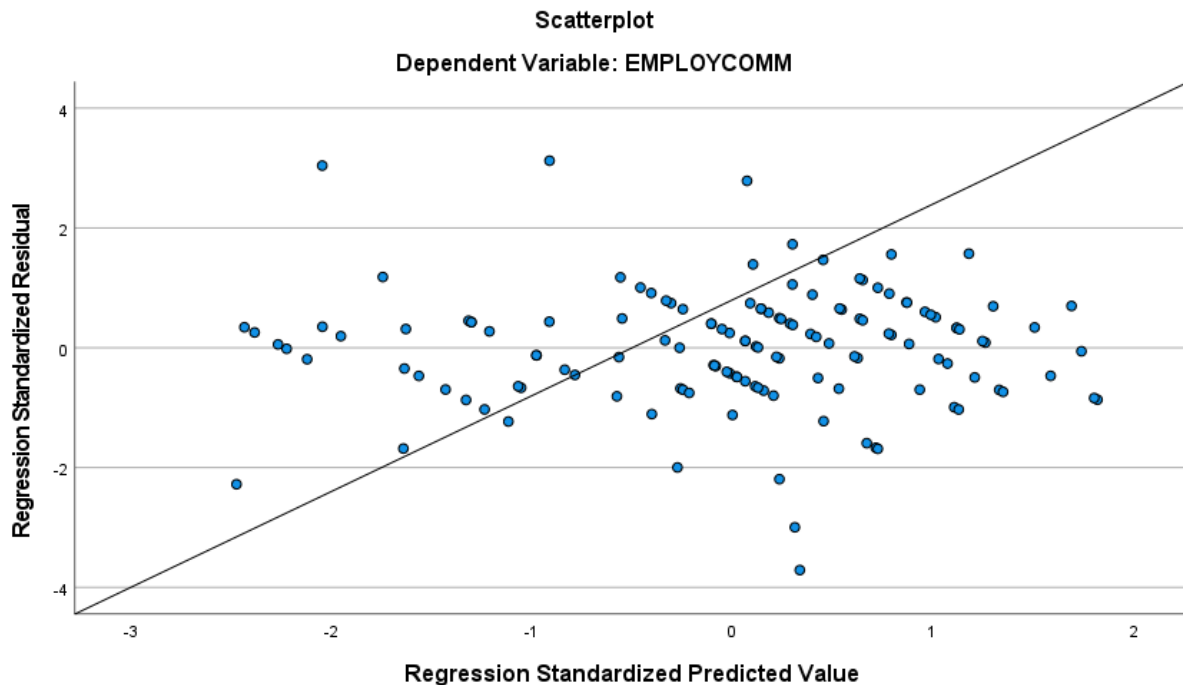


Source: Own Survey data (2023)

Figure 4. 2Normality test of regression

### 4.6.3 Test of Homoscedasticity

Homoscedasticity test was conducted to see a situation in which the error term is the same across all values of the independent variables. One of the assumptions of ordinary least squares estimation; homoscedasticity tests if the errors in linear regression model have a common variance or equally distributed. If residuals have constant variance, it is said homoscedastic. In a linear regression the data is homoscedastic if it looks somewhat like short-gun blast of randomly distributed data. Accordingly, the assumption of Homoscedasticity is not violated as seen in below figure.



Source: Survey data (2023)

Figure 4.3 P-P plot of regression for standardized equal distribution of residual

#### 4.6.4 Multicollinearity

**Table 4.14 Collinearity Statistics**

Coefficients <sup>a</sup>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	CD	0.303	3.303
	CB	0.386	3.679
	WE	0.189	5.289
	RM	0.384	2.605
a. Dependent Variable: EC			

Source: Survey data (2023)

The tolerance for Career Development is 0.303, which means that 30.3% of the variance in Career Development is not explained by the other independent variables. This suggests that there is a moderate amount of collinearity between Career Development and the other independent variables.

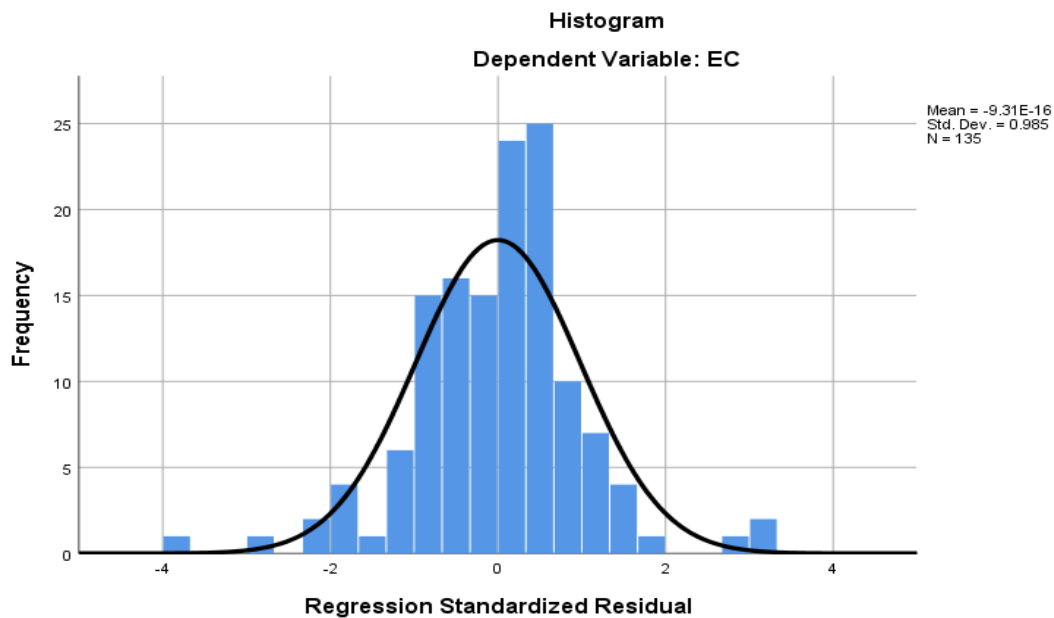
The tolerance for Compensation and Benefit is 0.386, which means that 38.6% of the variance in Compensation and Benefit is not explained by the other independent variables. This suggests that there is a moderate amount of collinearity between Compensation and Benefit and the other independent variables.

The tolerance for Work Environment is 0.189, which means that 18.9% of the variance in Work Environment is not explained by the other independent variables. This suggests that there is a moderate amount of collinearity between Work Environment and the other independent variables.

The tolerance for Relationship with Management is 0.384, which means that 38.4% of the variance in Relationship with Management is not explained by the other independent variables. This suggests that there is a moderate amount of collinearity between relationship with management and the other independent variables.

#### 4.6.5 Normality Test

Below figures shows the frequency distribution of the standardized residuals compared to a normal distribution. As you can see, although there are some residuals (e.g., those occurring around 0) that are relatively far away from the curve, many of the residuals are fairly close. Moreover, the histograms are bell shaped which lead to infer that the residual (disturbance or errors) are normally distributed for all models. Thus, no violations of the assumption normally distributed error term.



Source: own Survey data (2023)

Figure 4.4 Normality Graph

#### 4.7 Multiple Regression Analysis

Multiple regression analyses were conducted to measure the impacts between the independent variables and the dependent variable.



**Table 4.15 Model Summary**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.866 <sup>a</sup>	0.75	0.742	1.48789
a. Predictors: (Constant), RM, CB, CD, WE				
b. Dependent Variable: EC				

sSource: Own Survey data (2023)

As stated above the R Square shows that more 86.6% of the total variance in the 5ZFRCDependent variable has been explained by the model which indicates that the model provides relatively adequate information about the subject matter.

#### 4.7.1 ANOVA Test

**Table 4.16 ANOVA**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	864.206	4	216.051	97.593	.000 <sup>b</sup>
	Residual	287.794	130	2.214		
	Total	1152.000	134			
a. Dependent Variable: employee commitment						
b. Predictors: (Constant), relationship with management, compensation and benefit, career development, work environment.						

Source: Own Survey data (2023)

The ANOVA table above shows the results of a one-way ANOVA test that was conducted to determine if there is a significant difference between the means of the four groups on the dependent variable, employee commitment. The F-statistic is 97.593, which is significant at the  $p < .001$  level. This means that there is a statistically significant difference between the means of the five groups on the dependent variable.

The table also shows that the sum of squares for the regression model is 864.206, which is significantly greater than the sum of squares for the residual. This means that the regression model is able to explain a significant amount of the variation in the dependent variable.

The coefficient of determination,  $R^2$ , is 0.734. This means that 73.4% of the variation in the dependent variable can be explained by the regression model.

The ANOVA table provides strong evidence that there is a significant difference between the means of the five groups on the dependent variable. The regression model is able to explain a significant amount of the variation in the dependent variable, and the coefficient of determination is high. This suggests that the independent variables are able to predict the dependent variable with a high degree of accuracy.

**Table 4.17 Regression of coefficients**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.306	1.035		3.195	0.002
	CD	0.431	0.084	0.407	5.114	0.000
	CB	0.759	0.149	0.761	5.079	0.000
	WE	0.593	0.086	0.692	6.862	0.000
	RM	0.229	0.072	0.225	3.174	0.002
a. Dependent Variable: EC						

Source: Own Survey data (2023)

The coefficients table you provided shows the results of a multiple regression analysis that was conducted to determine the relationship between the independent variables, relationship with management, compensation and benefit, career development, and work environment, and the dependent variable, employee commitment.

The table shows that the coefficient of determination,  $R^2$ , is 0.734. This means that 73.4% of the variation in the dependent variable can be explained by the regression model.

The table also shows that the p-value for each of the independent variables is less than 0.001. This means that each of the independent variables is statistically significant at the  $p < .001$  level.

The table shows that the unstandardized coefficient for career development is 0.431, the unstandardized coefficient for compensation and benefit is 0.759, the unstandardized coefficient for work environment is 0.593, and the unstandardized coefficient for relationship with management is 0.229. The standardized coefficients for career development, compensation and benefit, and work environment are 0.407, 0.761, and 0.692, respectively.

The unstandardized coefficients can be interpreted as the change in the dependent variable for a one-unit change in the independent variable, holding all other variables constant. For example, a one-unit increase in career development is associated with a 0.431 unit increase in employee commitment, holding all other variables constant.

The standardized coefficients can be interpreted as the change in the dependent variable for a one-standard-deviation change in the independent variable, holding all other variables constant. For example, a one-standard-deviation increase in career development is associated with a 0.407 unit increase in employee commitment, holding all other variables constant.

The results of the multiple regression analysis suggest that all of the independent variables are statistically significant predictors of the dependent variable. The standardized coefficients

suggest that career development is the strongest predictor of the dependent variable, followed by compensation and benefit, work environment, and relationship with management.

The above results showed consistency with previously revealed studies, the Relationship between Career Development and Employee Commitment a Case Study of Masinde Muliro University of Science and Technology"by Simiyu and Mbithi (2019) found that there was a statistically significant relationship between career development and employee commitment. The study found that employees who had more opportunities for career development were more likely to be committed to their jobs.

The relationship between compensation and employee commitment a meta-analysis by timothy a. judge, amy m. hurst, and benjamin j. parker (2012). This study also found that compensation is positively related to employee commitment, with a meta-analytic correlation of .26. This means that for every one-unit increase in compensation, employee commitment increases by .26 units.

A study by the Society for Human Resource Management found that a positive work environment is the single most important factor in employee retention. The study found that employees who are satisfied with their work environment are more likely to stay with their company, even when offered a higher salary elsewhere

## **4.8 Hypothesis Testing**

### **4.8.1 The Results of Hypothesis Testing**

According to Gujarati (2004), if the p-value of the group of independent variable is less than 5 percent ( $p < 0.05$ ), they would reliably predict the dependent variable, whereas if the p value is more than 5 percent ( $p > 0.05$ ), it can be concluded that the groups of independent variables do not reliably predict the dependent variable. The main purpose of regression is prediction, unlike correlations (Tuli, 2010). In any regression model, the +ve or -ve sign of beta ( $\beta$ ) shows the effect (increase or decrease) of the independent variables coefficients over the dependent variable. Each of the variables used in this research are treated to see their effectiveness with regard to employees job satisfaction, which is of a dependent variable. Based on the result, the hypothesis assumed is checked if it is accepted or rejected.

**Table 4.18Hypothesis summary**

Item	Hypothesis	Result
H1	Career development has significant and positive effect on Employee Commitment	Accepted
H2	Compensation and Benefit has significant and positive effect on job satisfaction.	Accepted
H3	Work Environment has significant and but negative effect on job satisfaction	Accepted
H4	Relationship with Management has insignificant and negative effect on job satisfaction	Accepted

Source: Own Survey data (2023)

## **CHAPTER FIVE**

### **FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

The previous chapter presented the analysis of the findings. This chapter presents summary of the findings, conclusions and the recommendation that the researcher provided. The first section presents summary of the findings, the second section presents conclusion of the research and the last section presents recommendation of the researcher.

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

The study was conducted to identify the effect of employee commitment; because of the foundation of any business are its employees. The human resource is considered as the most important asset of an organization in today's developing business structures, they also contribute to organizational human capital. The researcher conclusions have the purpose to assist Bank of Abyssinia.

- To conduct this research existing literatures and researches have been reviewed by the researcher and identified that the independent variables in the study have effect on the dependent variable employee commitment in Bank of Abyssinia.
- The researcher has taken employee commitment as a dependent variable that is measured by job satisfaction which is dependent variable and the independent variable has four explanatory variables in this study which are Career Development, compensation and benefit, work environment and relationship with management.
- To meet the purpose of this study, the researcher has collected primary data from self-administered questionnaires which contains a total of 25 items were distributed and collected from employee of Bank of Abyssinia who works at East Addis Ababa district and their response has been analyzed by using SPSS software versions 25. Both descriptive (percent, frequency, mean and standard deviation) and inferential statistics (correlation and regression) has been used while analyzing and interpreting the data.

- Demographic result of the study shows that the male population is 58.5% of the sample, the age group with the highest frequency is 20-25 and below which consists 43.7% of the sample and the data shows that the majority of people in the sample have a first degree and from the 135 sample respondents 57.8% of them are at Junior level.
- The descriptive statistics of all independent and dependent variable suggest that respondents are generally satisfied with their career development, compensation and benefit, work environment and relationship with management in BOA.
- The result of correlation test suggested that there is a positive relationship between employee commitment and all factors, which are career development opportunities, compensation and benefits, work environment, and relationship with management.
- In general, the findings of the research confirmed the existence of significant effect of job satisfaction on employee commitment in Bank of Abyssinia. This research proved that variables such as career development, compensation and benefits, work environment and relationship with management influences the level of employee commitment to the bank and The dependent variable (Employee commitment) is better explained by the above four factors as can be seen from the regression analysis result.

## 5.2 Conclusion

The objective of this study is to examine the effect of an employee commitment.

The findings of the study has produced a result that the job satisfaction dimensions have a positive relation with employee commitment .From the Pearson's correlation result it is evidenced that there is a positive and significant relationship between job satisfaction predictors (Career development, compensation and benefit, work environment and relationship with management )and employee commitment.

Compensation and Benefit is the dominant job satisfaction parameter that establishes the positive and significant effect on employee commitment and is the one which has the highest B value (0.7595) and (0.000) significance among the employee job satisfaction measuring parameters and hence has the highest influence. This implies that having fair and comparabl

arable pay which is competitive with other businesses in the industry affects employee job satisfaction and their commitment to the employer.

This led us to accept the hypothesis that states Compensation and Benefit has significant and positive effect on job satisfaction.

The second variable which has a significant and positive effect on employee commitment was found to be work environment with a B value of (0.0593) and (0.000) significance

### **5.3 Recommendations**

Employee satisfaction is a key factor in organizational success. Happy employees are more likely to be productive, stay with the company, and go above and beyond for their work. Employee commitment is another important factor, as it reflects the employee's willingness to invest their time, energy, and loyalty into the organization.

There is a strong relationship between job satisfaction and employee commitment. Studies have shown that employees who are satisfied with their jobs are more likely to be committed to their organizations. This is because job satisfaction leads to a number of positive outcomes, such as increased productivity, reduced turnover, and improved morale.

Based on the findings and conclusion of the study, the researcher forwards the following recommendations.

- Career development have positive and significant relationship with employee commitment so Giving regular Career advancement opportunities are an important factor for many employees, as it shows that their hard work and dedication are being appreciated. This helps employees to grow and develop their skills, which can lead to increased job satisfaction and commitment. Having regular career development program at each hierarchy of the bank will help BOA have satisfied and committed employees According to Sánchez (2014), if a company actively promotes employability by regularly providing improved job possibilities, employee happiness and satisfaction will rise, and employee commitment will also rise.



- The bank should have comparable pay to that of others in the industry. This is important of number of reasons. First, it helps to attract and retain top talent. If BOA is not paying its employees competitively, they are more likely to leave for a job that offers better pay. This can lead to a loss of productivity and morale. Second, comparable pay helps to ensure that all employees are treated fairly. It is not fair for some employees to be paid more than others for doing the same job. Third, comparable pay can help to improve the bank's reputation. Customers are more likely to have business with a bank that they believe is fair to its employees.
- If the bank's pay is not comparable to that of other companies in the industry, employee may want to consider negotiating for a raise or looking for a new job, In order to make the bank more competitive and, ultimately, reduce the feeling of dissatisfaction with the pay and benefits and minimize the intention to be committed, a new reform of the pay package, compensation structures, and other benefits may be required. According to Gyensare (2016), managers need to take care to avoid setting compensation rates that make employees feel underpaid in comparison to those within or outside the company but having Competitive pay and benefit helps to keep BOA workers committed and loyal.
- The way co-workers get along with each other can have a big impact on employee's job satisfaction. If employees are surrounded by positive and supportive people, they are more likely to be happy at work. Top management of the company has to ensure that there is Positive work environment in the bank. This includes providing a safe and comfortable workplace, as well as a positive and supportive work culture
- Employees want to feel like their contributions are valued. There are a number of ways to show employees that you appreciate their work, such as giving them public recognition, providing them with opportunities for advancement, or by simply saying thank you the bank could be beneficiary.
- If BOA starts giving simple Recognition for work it can manage satisfaction and commitment of its employees and it shows employees that their work is valued and appreciated, and it can help to boost their morale and motivation .Because it shows

employees that their contributions and opinions matter and it can also help to identify areas where the organization can improve.

- There are a number of things BOA can do to improve job satisfaction and commitment of its employee and the recommendations above are only limited to the variables under the study. By taking the above recommendation to ground, Bank of Abyssinia can reap the benefits of a more committed and productive workforce.

## **5.4 Limitation and Implication for future research**

The researcher suggests this study may be replicated in all districts of BOA, including other dimensions of Job Satisfaction. This will allow BOA to measure the effect of Job Satisfaction on Employee commitment, as well as identify which variables are most likely to predict the effect of job satisfaction on employee commitment in BOA.

Even though there is a contribution from this study, it has its own limitation and Implication. The main limitation of the study is financial and time Constraints limit the study only to achieve the academic purpose and the other Future researches should concentrate on a bigger sample size of Bank of Abyssinia or other financial institution.

In addition, more decision making variables could also be considered in the research.

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## Appendix I



### ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES RESEARCH QUESTIONNAIRE

.....  
...

***Dear valued Respondents:-***The aim of this questionnaire is to gather data in order to assess “Effects of Job Satisfaction on Employees Commitment in the Case of Bank of Abyssinia” For academic purpose. Therefore I kindly request you to fill this questionnaire genuinely and freely assuring you that the data you give will be used only for the aforementioned academic purpose (for partial fulfillment of MBA).

Please follow the instructions and answer all questions accordingly.

***Your answers will be treated confidential. You don't need to reveal your identity.***

➤ For any inquiries you can contact the researcher with this number **+251965590065** or with Email address **adonawitwalelegn@gmail.com**.

Thank you!!!

# Questionnaire

## PART I - PROFILE OF RESPONDENTS

1. Branch: .....
2. Gender: Male ☐ Female ☐
3. Age group  
A) 20-25 and below   B) 26 to 30   C) 31 to 40   D) 41 to 50  
E) 51 and above ☐
4. Educational status: Diploma   First Degree   Second Degree and Above
5. Job position: Managerial   Senior ☐ Junior ☐

## Part II Employee Job Satisfaction Indicators

Please give your level agreement or disagreement in five levels Likert scale as shown below

### 1.1 Career Development

S.N	Statement	Rate/Scale				
		1	2	3	4	5
1	I am satisfied with The opportunities for advancement on this job					
2	I am pleased with the career advancement opportunities available to me					
3	I am happy with the way my job provides for a secure future					
4	I am satisfied with the way my job provides for steady employment					
5	I am satisfied with the way promotions are given out on this job					

## 1.2 compensation and Benefit

S.N	Statement	Rate/Scale				
		1	2	3	4	5
1	I get fair pay for the work I do					
2	my pay is comparable with that for similar jobs in other companies					
3	The way company policies are put into practice is steady					
4	The bank policies related to salary increments and benefits are satisfying					
5	The Bank Maintains Competitive Benefit packages					

## 1.3 Work Environment

S. N	Statement	Rate/Scale				
		1	2	3	4	5
1	The working conditions (heating, lighting, ventilation etc. ) on this job are comfortable					
2	The physical surroundings where I work is suitable					
3	The routine in my work is pleasant					
4	I'm am happy with the working conditions					
5	The way my co-workers get along with each other is satisfying					

### 1.4 Relationship with Management

S.N	Statement	1	2	3	4	5
2	My boss takes good care of the complaints of his/her employees.					
3	The way my boss provides help on hard problems makes me feel comfortable					
4	There is health personal relationship between my boss and his/her employees.					
5	My boss trains his/her employees well					

### 1.5 Employee Commitment

S. N	Statement	Rate/Scale				
		1	2	3	4	5
1	I do believe that a person Must always be loyal to his/her organization					
2	I think people these days move from a company to company too often					
3	I'm proud to tell other that I'm part of BOA					
4	I was taught to believe in the value of remaining loyal to one organization					
5	I See myself working for BOA for Next 5 years as well					

## Appendix II

### SPSS Result

#### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
career_development_1	135	1.00	5.00	3.8593	0.93172
career_development_2	135	1.00	5.00	3.8000	1.19576
career_development_3	135	2.00	5.00	4.0296	0.77209
career_development_4	135	1.00	5.00	4.1778	0.81832
career_development_5	135	1.00	5.00	3.8519	1.16874
Valid N (listwise)	135				

#### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Compensation_Benefit_1	135	1.00	5.00	3.8074	0.97350
Compensation_Benefit_2	135	1.00	5.00	3.8000	1.19576
Compensation_Benefit_3	135	2.00	5.00	4.0296	0.77209
Compensation_Benefit_4	135	1.00	5.00	4.1185	0.88984
Compensation_Benefit_5	135	1.00	5.00	3.8889	0.87815
Valid N (listwise)	135				

#### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Work_Environment_1	135	1.00	5.00	3.7852	0.97265
Work_Environment_2	135	1.00	5.00	3.7778	0.93575
Work_Environment_3	135	2.00	5.00	4.0593	0.78951
Work_Environment_4	229	1.00	5.00	4.0830	0.90666
Work_Environment_5	229	1.00	5.00	3.7817	1.12601
Valid N (listwise)	135				

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Relationship_with_Managment_1	221	1.00	5.00	3.8054	1.11321
Relationship_with_Managment_2	221	1.00	5.00	3.9095	1.00497
Relationship_with_Managment_3	229	2.0	5.0	3.948	0.8040
Relationship_with_Managment_4	135	1.00	5.00	4.1259	0.90956
Relationship_with_Managment_5	135	1.00	5.00	3.9111	0.90987
Valid N (listwise)	135				

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Employee_commitment_1	135	1.00	5.00	3.9704	0.82806
Employee_commitment_2	135	1.00	5.00	4.1333	0.91260
Employee_commitment_3	135	1.00	5.00	3.9778	0.81467
Employee_commitment_4	135	1.00	5.00	3.7852	1.25416
Employee_commitment_5	135	1.00	5.00	3.8000	1.19576
Valid N (listwise)	135				