



## Employees' Satisfaction on the Job Performance: A Case Study of National Bank of Ethiopia

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**Abstract:** *The Objectives of the study is to assess and identify the influence of job satisfaction on the employee performance. This study is a quantitative research, since the researcher used questionnaires collection tools, and test of hypothesis by analyzing the data through correlation analysis, among others. The correlation between job satisfaction and employee performance is analyzed in different contexts. About 573 employees are working in the National bank of Ethiopia. Of which he researcher has taken 172 sample employee of the Bank. The study found that there is a positive association between job satisfaction and job performance. Job satisfaction has positive influence on employee job performance. Highly satisfied employees are highly perform and to achieve this condition high level of good promotion system, reasonable pay system, appropriate work itself and high working condition needed.*

**Key words:** NBE as a Central Bank of Ethiopia, Performance, Ability vs Motivation, Job Satisfaction, Employee performance, Employee Response etc.



## 1. Introduction

Job satisfaction has been defined in several different ways but the most general way is to define it as an attitudinal variable. It is simply how people feel about their jobs and different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (S Schwab). Job satisfaction is widely used in the domain of human resources development. It is the degree to that a person reports satisfaction with intrinsic and extrinsic features of job. In other words Job satisfaction is pleasurable emotional state resulting from appraisal of one's job or job experience (Locke, 1976).

Satisfied employees develop job involvement and devote much of the time and give great focus to work for better achievement of his/her objective and organizational goals. Motivation is setting a person into motion or action to achieve needs or goals. Motivation and performance have a strong tie.

Every organization tries to achieve its objectives. In this connection they must concentrate in

many aspects. As human resource of an organization is considered as an important resource, organizations wish to keep well trained and effective work force. Employees, who satisfy with their job, may exert high effort to organization wish to satisfy their employees for getting effective more work done. To make the best use of people as a valuable resource of the organization attention must be given to the relationship between staff and the nature and content of their jobs. The organization and the design of jobs can have a significant effect on staff. Attention needs to be given to the quality of working life. The manager needs to understand how best to make work more satisfying for staff and to overcome obstacles to effective performance. Nowadays competition is very high. Therefore every organization has to compete with other organization. In this connection in order to achieve competitive advantage the organization has to retain work force for longer period. An organization expects that satisfying employees are more performing. Therefore, there is a need for the organization to satisfy their employees to achieve their objectives. For the employee's point



of view, job satisfaction leads to several benefits such as, reducing moral stress, create new thinking and innovation which lead them to high level, fresh mind, and good relationship with co-workers, supervisor and employees etc. It is highly important to study the current practices of employee performance and job satisfaction and their degree of correlation and recommend best principles & practices for better commitment, innovation and flexibility for sustainable development in the bank. Recently the institution starts to implement business process reengineering (BPR) concepts to improve the quality and speed of the services in the sector.

National bank of Ethiopia is also under process to implement BPR in the organization to satisfy their customer by improving the satisfaction of employee. However, the level of employee performance practiced and employee's job satisfaction is subject to study. Moreover the degree of correlation is unknown. Therefore, the research should be conducted to investigate these issues. It is also paramount importance to study which factors

satisfy and which dissatisfy in the organization.

## **2. Significance of the study**

The researcher strongly believes that result of this study is primarily benefit the NBE to take an important way of improving employee job satisfaction in order to improve their working performance. The results of this study could also be used by other banking institutions to improve their employee job satisfaction level. Moreover, the findings of this study would also help as a base to other researchers who have intention to study the topic further. The study provides important information to policy makers, managers, employees and communities at large about comprehensive elements and practices of performance and job satisfaction methods to improve economy and social life of the employee through the bank.

## **3. Objectives of the study**

The general objective is to assess and identify the influence of job satisfaction on the employee performance. Further,



- To identify the factors of job dissatisfaction for employees at the NBE.
- To assess the level of employee job satisfaction in the bank
- To investigate the degree of relationship between job satisfaction and employee performance.
- To identify work performance of the employees; and
- To suggest some measures in order to improve employees' work performance through job satisfaction in the National Bank of Ethiopia.

#### 4. Methodology

**Research type:** This study is a quantitative research used questionnaires collection tools, and test of hypothesis by analyzing the data through correlation analysis, among others. The correlation between job satisfaction and employee performance is analyzed in different contexts. The sample size of The sample size is calculated using

the study determined through statistical formula and then takes them through none –probability and simple random sample techniques.

#### Sampling techniques

The sampling techniques that are employee in this study both non-probability and simple random sampling techniques to take the sample from the total population. There are 573 employees in National bank of Ethiopia. The researcher takes 172 sample employee of the Bank.

#### Research setting and Sample

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the following formula of sample size

$$n = \frac{z^2 \times p(1-p) \times N}{e^2}$$

Where, n –desired sample size



Z-value of standard variation at 95% confidence interval ( $Z=1.96$ )  
P- Estimated proportion of employee. As the exact proportion is not known, so 0.5 used. As P value to obtain the maximum number of the sample size, but since the exact population is known the stated formula will be changed as under.

$$n = \frac{z^2 \times p(1-p) \times N}{e^2 \times (N-1) + z^2 \times P(1-P)}$$

$$n = \frac{1.96^2 \times 0.2(1-0.2) \times 573}{0.05^2 \times (573-1) + 1.96^2 \times 0.2(1-0.2)} = 172 \text{ sample size}$$

### Data Analysis Tools

The present study used a simple correlation analysis. Correlation coefficient analysis was being used to find out the relationship between variables i.e., job satisfaction and employees' performance with using SPSS version 19.

### 5. Theoretical Analysis Factors Determining Job Satisfaction

Factors affecting jobs are the main factors of job satisfaction, which may be challenging work, reward systems, working condition, Colleagues, learning, personality, equitable rewards, equal pay for equal work and promotion avenues.

These satisfying factors are important for proving satisfaction. Many employees prefer to challenging job as they acquire mental satisfaction. For examples, skill variety, autonomy and significance are challenging tasks which provide maximum satisfaction to employees. Besides, farness in promotion, unbiased attitude of the management, responsibility and social status are factors for providing satisfaction to employees.

Job satisfaction has a positive impact on productivity, presence and performance. Satisfied workers like to perform more willingly and



happily, which increases the productivity. Therefore, job satisfaction induces employees to remain with the organization. The behavior of an employee is improved when he/she works with satisfaction.

### **How to Increasing Employee Satisfaction**

There are six agreed-upon instructions for support employee satisfaction in business:

1. Guarantee that each employee knows the company's aims, missions, and goals
2. Provide opportunities
3. Empower employees
4. Reward Employees
5. Team-Building Activities
6. Reasonable Compensation

### **Job Performance**

An evaluation of employee performance is necessary for several reasons such as compensation, promotion and employee training and feedback and personnel research. There are two main criteria used in performance appraisal, namely objective and subjective criteria.

Objective criteria include the assessment of quantity of work, quality of work, attendance and safety. On the other hand, subjective criteria include supervisor evaluations by which employees are evaluated individually, employee comparison methods by which employees are compared with one another, peer ratings, self appraisal and customer and subordinate ratings.

### **7. Results and Discussions Profile Analysis of the Respondent**

As the table 1 shows that, large number of the respondent are male which are (70.5%), the remaining percent of the respondent were female, which are (24.7% ) of the respondents. In the context of participant age (0.7%) of the respondents are under 20 age, (76.7%) are between 20-40 age and (19.9%) of the respondent are above 40. It shows that most of the respondents are male and between 20-40 years old and it indicate that most number of employees of the organization are younger, who have potential to do their job well.



Table 1. Employee gender and age category

Item		Frequency	Percent	Cumulative Percent
<b>participants gender</b>	Female	36	24.7	4.8
	Male	103	70.5	29.5
	Total	146	100	100
<b>participant age category</b>	Under 20	1	0.7	3.4
	20-40	112	76.7	80.1
	Above 40	29	19.9	100
	Total	146	100	

(Source, survey data)

Table 2. Employee Educational level and their working experience in the NBE

Item		Frequency	Percent	Cumulative p.
<b>Educational level</b>	10 complete	2	1.4	6.8
	Certificate	5	3.4	10.3
	diploma	21	14.4	24.7
	bachelor	104	71.2	95.9
	masters	6	4.1	100
	Total	146	100	
<b>Experience of employees</b>	1-5 years	71	48.6	57.5
	5-10 years	25	17.1	74.7
	above 10	37	25.3	100
	Total	146	100	

Source (survey data)

The tables 2 shows that, the largest numbers of the respondents are bachelor degree holders, which is (71.2%) of the respondent. The next numbers of the respondents are diploma holders. The least number of

the respondents are masters degree holders, the remaining are certificate holders. It shows that, most of the respondents are in good shape with higher educational qualification. Item 2 of the same table show that, most of



the respondents have 1-5 years experience, which is (48.6%) of the respondents, the next number of the respondents (25.3%) above 10 year experience. It seen that most of the respondents were hired in the past 5 years and have few years of experience in the organization.

**Working conditions** Working conditions refers to the working environment and to the non-pay aspects of an employee's terms and conditions of employment. It covers such matters as the organization of work and work activities; training, skills and employability; health, safety and well-being; and working

time and work-life balance and it give satisfaction to employees.

As the table 3, employees' level of job satisfaction on working conditions by nine statements. The percentage of SDA between these nine elements is ranged from 9.6 percent (statement seven) to 17.1 per cent each by statement one and statement four. But about 21.1 percent were strongly agreed that there is open communication throughout the workplace. However, the percentage of acceptance level of the statement is more than the rejection/disagreed.

Table 3 .Employee response on working condition in the NBE

No	Item	Response						
		S.D.A	D.A	NE	A	S A.	Total	
		%	%	%	%	%	NO	%
1	I am satisfied with the way that that this institutions managed	17.1	20.5	25.3	30.8	5.5	146	100
2	I believe that my supervisors care deeply for me and for our clients	13.0	8.2	23.3	43.2	12.3	146	100
3	I receive adequate support from my supervisors	11.0	8.9	19.2	43.8	15.8	146	100
4	Problems in the workplace are addressed quickly and adequately	17.1	20.5	25.3	30.8	5.5	146	100
5	There is open communication throughout	11.0	16.4	21.9	29.5	21.2	146	100



	the workplace							
6	I work in a team environment	12.3	18.5	21.9	37.7	8.9	146	100
7	I work in a safe and comfortable environment	9.6	21.9	28.8	27.4	12.3	146	100
8	I receive adequate training to do my job well.	16.4	26.0	25.3	24.7	7.5	146	100
9	Overall this organization is a good place to work	11.6	15.8	33.6	32.2	6.8	146	100

Source (survey data) Note: - S.D.A-strongly disagree, D.A- disagree, N-neutral, A –agree, S.A –strongly agree

**Payment:** Payment, which is important to ensure that employee encourages workers or groups by satisfaction, in determining the pay rewarding them according to their structure of their organization has performance; personal or special the power to attract, retain, and allowances, or with long service; and motivate individuals towards higher fringe benefits such as holidays with performance.( Banjoko 1996) pay, pensions, and so on. It is also

Table 4. Employee response on the institution payment

N O	Item	Response						
		SD A	D.A	NE.	A.	S.A	Total	
		%	%	%	%	%	NO	%
1	Satisfying with my income	19.9	25.3	24.7	24.7	5.5	146	100
2	Work pay is good	3.4	39.7	32.9	15.8	8.2	146	100
3	satisfying with the benefits	17.1	20.5	25.3	30.8	5.5	146	100
4	satisfying with allowance	19.9	26.0	26.0	23.3	4.8	146	100

As can see from the above table, employee were somewhat satisfied by their income. In general, the above table shows that the number of not satisfied respondents is greater than the number of



satisfied respondents of the institution's payment.

**Promotion**

Promotion is an appointment to a position requiring higher qualifications such as greater skill or longer experience and involving a higher level of responsibility, a higher rate of pay, and a title change is

considered a promotion and will be classified as such in all personnel documents. A number of researchers are of the opinion that job satisfaction is strongly related to opportunities for promotion (Pergamit & Veum, 1999; Peterson et al., 2003; Sclafane, 1999). So based on this see employee's satisfaction on promotion

Table 5. Employee response on promotion system of NBE

N O	Item	Response(%)						
		S.D. A	D.A	NE.	A.	S. A	Total	
1	Work assignments are delegated fairly	3.4	39.7	32.9	15.8	8.2	146	100
2	I have the opportunity to do a variety of tasks	10.3	6.2	24.0	39.0	20.5	146	100
3	I feel there is fair promotion system in the organization	3.4	23.3	33.6	26.0	13.7	146	100
4	I feel comfortable talking to my supervisor about promotion	16.4	19.9	33.6	24.0	5.5	146	100

Source (survey data)

As the above table shows that, the largest numbers of the respondents said that work assignments are not delegated fairly in the organization, in contrast to this of the respondent said that work assignments are delegated fairly. But more of them were

expressed that they have an opportunity to do a variety of tasks next by fair promotion system in the organization

**Quality of work:** It addresses how well knowledge is applied to generate finished products,



and to what degree quality of performance contributes to obtaining expected results.

The above table shows that, more than half of the employees agreed that, they produce the volume work that the position is required, employees (35%) states that they can not do volume of work that the position is required. Item 2 of the same table can show that , almost the agreed and disagreed percent of the respondents are approximately the same result ,it indicate that employees do not give that much an

attractive service for their large number of customer within working hours per day. Regarding employees do the variety of tasks on working time per day seen that, employees (34.9%) said that they can not do the variety of tasks, in contrast to this (30.8%) of the respondent states that they do the variety of tasks. Item 4 of the same table show that, employees (35.6%) states that they do not goes beyond the requirement of their job,(32%) of the respondent said that they goes beyond the requirement of their job.

Table 6. Employee response on quantity of their work performance

NO	Item	Response(%)						
		SDA	D.A	NE	A.	S.A	Total	
		%	%	%	%	%	NO	%
1	I Produce volume of work that the position requires	1.4	33.6	33.6	25.3	10.3	146	100
2	I give service for the number of customer	5.5	29.5	29.5	26.7	8.9	146	100
3	I do a variety of tasks on working time per day	3.4	31.5	34.2	23.3	7.5	146	100
4	I goes beyond the requirements of the job	7.5	28.1	31.5	21.2	11.6	146	100

Source (survey data)



Table 8. Employee's response on their work knowledge

NO	Item	Response(%)						Total	Total
		SDA	D.A	NE.	A.	S A	Total		
1	Conveys information and ideas clearly and courteously	2.7	24.0	32.9	31.5	8.9	146	100	
2	I try to do the work with the minimum cost	2.1	27.4	30.1	22.6	17.8	146	100	
3	I easily adjust my self for the change	2.1	36.3	24.7	20.5	15.8	146	100	
4	I have a good understanding of the mission and the goals of this organization	3.4	39.7	32.9	15.8	8.2	146	100	

Source (survey data)

The above tables clearly demonstrate that, employees majority of them convey information and idea clearly and courteously, respondents (26.7%) said that they do not convey information and idea clearly and courteously. It clearly show that more employee of the bank convey information and idea clearly and courteously. Most of the respondents agreed on they try to do their work with the minimum cost.

### Conclusion

The aim of this study is to assess the level of job satisfaction in National Bank of Ethiopia and the relationship between job satisfaction

and job performance. The study found that there is a positive association between job satisfaction and job performance. In other words, good working condition; reasonable pay system, faire promotion and appropriate work itself affect employee performance that is employee quality of work, quantity of work, time effectiveness and cost effectiveness of employee. Job satisfaction has positive influence on employee job performance.

### Recommendations

- The results obtained from study shows that there is a positive relationship between promotion



- and job performance. For an organization to be successful, its managers must ensure that there is a fair promotion system in an organization in order to mutually have a high level of job performance. That is, promotion should be provided based on the qualification and experience.
- The study shows that working condition has a positive influence on the performance of employees; organization should develop good working conditions. This facilitates employees to do their work effectively.
  - The study indicates that work itself and employee job performance have a positive relationship, that means work itself influences employees' work performance, so to ensure this the organization should improve appropriate working conditions.
  - Payment and job performance have a positive relationship, even though the National Bank of Ethiopia paid an attractive salary compared to other civil service institutions, but employees need different allowances to motivate them such as housing and transportation allowance. That means the organization should provide adequate payment for their employees.
  - Organization should implement business process reengineering to satisfy employees with the way that the institution is managed. That is, the organization should change its management system.
  - Organization should provide adequate training facilities to the employees, which enable them to accomplish their tasks effectively and efficiently.
  - Organization should address the problems that arise in the workplace quickly and adequately to minimize employees' work stress.
  - The manager of the organization should assign work assignments fairly in an organization and talk with employees freely and brotherly and sisterly to motivate them.
  - Organization should develop good relationships among employees. Through which, job satisfaction of employees is enhanced. As a result of research, employees' work performance will be at a high level.



- Organization should evaluate employees' performance.
- The feedback about the quality & Organization should design good grievance procedure, disciplinary procedure and separation procedure etc. quantity of performance will be provided to improve their performance.

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