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Factors Affecting Job Satisfaction of Ethiopian Revenue and Customs Authority Employees at Head Office

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Abstract

Job satisfaction is vital to maintain and retain employees within the organization and reduce the expense of hiring new employees; Even with the authority hiring new graduates from different universities, turnover is increasing from year to year. The challenge is indeed severe, instigated by poor motivation and resulting in job dissatisfaction (ERCA, 2016). The research design was descriptive, and the research was conducted by using both primary and secondary data. The sampling technique used was stratified sampling. Simple random sampling method was employed after the employees were stratified by educational level. The sample size was 271 selected from the total employee population. The study found that employees of ERCA are not satisfied with their jobs due to the absence of growth and development opportunities, job insecurity, poor working conditions, and lack of recognition programs. Moreover, the promotional policies are not known by the employees, and staff members are not promoted on merit or based on their experience and/or performance. Finally, the study recommends that compensation and incentive packages be developed and implemented properly. Well organized career structure opportunities should be put in place. Supervisors should empower officers and even require them to make decisions independently. Managers/Supervisors/Team Leaders should evaluate based on performance and develop recognition programs to encourage best performance.

Keywords: Job Satisfaction, Working Condition, Job Security, Supervision, Recognition Program.

1. Introduction

Job satisfaction is the level of contentment a person feels regarding his or her job. This feeling can be differentiated based on individual perception towards satisfaction. Job satisfaction can be affected by a person's ability to complete required tasks, circumstance of communication in an organization, and the way mangers treat their employees (Finkelstein, 1984). In Ethiopia, government employees move from one public institution to another for many reasons. One common reason is job dissatisfaction. Similar conditions are observed at Ethiopian Revenue and Customs Authority (ERCA, 2016). If an organization is interested in maximizing productivity, it

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must effectively use all its resources (including labor), and address factors that compromise job satisfaction.

Public Service Delivery is the primary duty and responsibility of government and public institutions. Government formulates different policies and strategies to be implemented by the executive body. To implement the designed policies and strategies, skilled and motivated human resource is very important.

Many employers do not realize the extent to which their employees are not satisfied with their jobs, or the extent to which that impacts the performances of employees. Contemporary research suggests that job satisfaction has been on the decline since 1995, at which time overall job satisfaction approached 59%. Yet in a July 2003 Conference Board survey conducted by NFO World group, where some 5,000 representative households were surveyed, only 48.9% said they were satisfied with their current jobs (Dolliver, 2003).

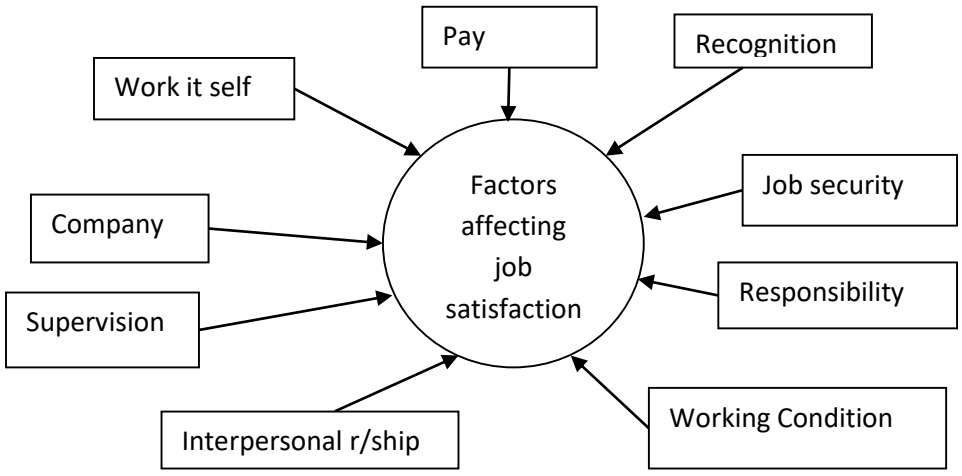
In order to carryout tax and customs related services; skilled, qualified, and well experienced manpower is vital. It is also necessary to retain experienced employees and attract new experts from the market. Even though the Authority is hiring new graduates from different universities, turnover is increasing from year to year. The challenge is indeed severe instigated by poor motivation and resulting in job dissatisfaction (ERCA, 2016). Therefore, the study aims to assess the main factors that affect job satisfaction of Ethiopian Revenue and Customs Authority's employees. This study seeks to answer the following research questions.

1. What is the level of employee satisfaction at ERCA?
2. What are the intrinsic and extrinsic factors that affect job satisfaction at ERCA?

2. Review of Related Literature

The conceptual framework shows that the independent variables (work itself, salary, working conditions, recognition, supervision, advancement, responsibility, company policy, interpersonal relationship and job security) affect the dependent variable (job satisfaction) in ERCA.

Figure 3.1 Factors affecting job satisfaction



Source: Herzberg, F. (1987), modified by researcher

2.1 Job Satisfaction

According to Mullins (2002), job satisfaction is an attitude that is related with feeling of achievement, quantitatively or qualitatively. Barron and Greenburg (2003) define job satisfaction as an attitude towards work itself and the satisfaction level is different from individual to individual.

Cook (2008) describes job satisfaction as the degree of happiness in achieving the need at working environment. Job satisfaction is not tangible, so it is expressed at emotional level. For example, if the satisfaction level of an employee is high, it means the job provides the expected need of the individual. However, if the satisfaction level of an employee is low, it means the job does not meet the expected need of the individual (Cook, 2008).

Hoppock (1935) defined job satisfaction as any combination of psychological, physiological, and environmental circumstances that cause a person truthfully to say I am satisfied with my job (Hoppock, 1935). According to this approach, although job satisfaction is under the influence of many external factors, it remains something internal that has to do with how the employee feels. That is, job satisfaction presents a set of factors that cause a feeling of satisfaction.

2.2 Theories of Job Satisfaction

After understanding various definitions of job satisfaction, it is important to understand different theories of job satisfaction that are posited by different authors. The theories aim to provide a framework for understanding factors that influence job satisfaction.

2.2.1 Herzberg Two Factor Theory

Frederic Herzberg's motivation–hygiene theory proposes that intrinsic factors are related to job satisfaction and motivation, while extrinsic factors are associated with job dissatisfaction. Believing that an individual's relation to his/her work is basic and that his/her attitude toward work determines success or failure. Herzberg investigated the question, "what do people want from their job?''. He asked people for detailed descriptions of situations in which they felt exceptionally good or bad about their jobs (Charles W. and Steven, 2008).

Herzberg concluded from his analysis that the replies people gave when they felt good about their jobs were significantly different from the replies they gave when they felt badly. Certain characteristics were consistently related to job satisfaction and others to job dissatisfaction. Those factors associated with job satisfaction were intrinsic and included things such as achievement, recognition, work itself, responsibility, advancement and growth. When people felt good about their work, they tended to attribute these characteristics to themselves. On the other hand, when they were dissatisfied, they tended to extrinsic factors such as company policy, administration, supervision, working conditions, interpersonal relationships, salary, job security, relation with supervisor, etc. (Charles W. and Steven, 2008).

2.2.2 Equity Theory

This theory is based on the assumption that major factors in job motivation are the individuals' evaluation of the equity or fairness of the reward received. Equity can be defined as a ratio between the individual's job inputs (such as efforts or skills) and job rewards (such as payer promotion). According to Equity Theory, individuals are motivated when they experience satisfaction with what they receive from an effort in proportion to the effort they apply. Equity Theory is a process of job satisfaction that focuses on person's perception of how fairly they are

treated compared to other persons. Workers give value to their efforts in relation to their outcome and evaluate the ratio with other colleagues in other institutions (James A. F., R. Edward, and Daniel, 1995).

2.2.3 Expectancy Theory

According to Lunenburg Vroom (2011), Expectancy Theory contains various significant issues in motivating employees. Several aspects are identified by Vroom that motivates employees by changing their expectation to perform, their anticipation of reward for performance and view of reward. Expectancy, instrumentality, and valence are the key concepts of the theory.

2.3 Factors Affecting Job Satisfaction

Job satisfaction is an individual's general attitude about their job. The five major components of job satisfaction are, attitude towards work group, general working conditions, and attitude towards supervision. Other major components that should be added to these five are, the individual's health, age, level of aspiration, social status, and political and social activities.

Implementation of job satisfaction conditions in an organization is a difficult concept to identify because of individual differences and organizational situations. What satisfies one employee may not satisfy the other. For example, one employee may be satisfied by his salary, but the other may be satisfied by recognition or working situations. So, organizations need to identify which factors affect the satisfaction of employees (Marsland and Ulmer, 1999).

There are many internal and external factors that affect job satisfaction in employees. According to Brevis, et al. (2011), managing human resource is fundamental to organizational success. Motivated employees can make a difference in an organization.

3. The Methods

3.1 Research Design

According to Burns and Bush (2002), research design is defined as a set of advance decisions that make up the master plan specifying the methods and procedures for collecting and analyzing the needed information. This helps the researcher to formulate the sort of data to collect for the study. These are some of the main types of research design, namely: exploratory, explanatory, and descriptive.

To collect relevant information yielding maximal evidence with minimal expenditure, a research design plays an important role (Kothari, 1985). Perhaps the most basic and easily understood goal of research is description. In short, description refers to the process of defining, classifying, or categorizing phenomena of interest. Descriptive research is useful because it can provide important information regarding the average member of a group. Specifically, by gathering data on a large enough group of people, our conclusion may be more reliable. In this study, the type of research design was descriptive because it describes about factors that affect job satisfaction.

3.2 Type and Sources of Data

This research was conducted by using both primary and secondary data. The primary data collected for conducting this study is raw data that is gathered through questionnaires. The researcher used secondary data that are organized by other bodies for their purposes. Secondary

data employed by researcher come from published and unpublished documents such as, books, journals, and websites.

3.3 Population and Sample Size

A sample design is a definite plan for obtaining sample from a given population. Under this sub section, the number or size of population; sample size and sampling technique are discussed.

3.3.1 Population

The first step in developing any sample is to clearly and define the set of objects or the universe to be studied. The universe can be finite or infinite (Kothari, 1985). In the case of this study, the population is finite or certain. The population size was 843 employees from Ethiopian Revenue and Customs Authority at Head Office.

3.3.2 Sample Size

Collecting data and analyzing from the gathered data needs time and financial resources to manage the 843 population size. So, the researcher decided to use the Yamane (1967) approach which provides a simplified formula to calculate sample sizes of finite population. A 95% confidence level was assumed for this formula to determine the sample size, at e=0.05. The sample size is determined by the following formula.

$$n = N/1+N(e)2$$

Where n is the required sample size, N is the population size and e is the level of precision.
Applying the above formula, $n = 843/1+843(0.05)2 = 271.2 = 271$. Therefore, 271 employees were selected from the total population.

3.3.3 Sampling Technique

The sampling technique used to select the employees of Ethiopian Revenue and Customs Authority was stratified sampling. This method was selected since the objective of this research is to assess the satisfaction level of employees based on their educational level and simple random sampling method employed after the employees were stratified by their educational level because random sampling ensures the rules of Statistical Regulatory which state that if on an average the sample chosen is random, the sample will have the same composition and characteristic as the universe. This is the reason why random sampling was considered the best technique for selecting a representative sample (Kothari, 1985).

4. Results and Discussions

4.1The Data

Data analysis was performed on both primary and secondary data collected from the field. Secondary data was collected from Ethiopian Revenue and Customs Authority, Head Office and other journals. Similarly, primary data was collected through questionnaires based on the schedules of the employees.

4.2 Socio Demographic Characteristics of Respondents

The socio demographic characteristics of the respondents was also surveyed and the desired information obtained is presented as follows.

Table 4.1 List of Socio-demographic Characteristic of Respondents

No	Socio-demographics	Employees	
		Frequency	%
1	Gender		
	Female	108	40%
	Male	163	60%
	Total	271	100
2	Age		
	20-25	37	13.7
	26-35	175	64.8
	36-45	47	17.4
	>45	11	4.1
3	Educational Level		
	Diploma	14	5.2
	1st Degree	225	83
	2nd Degree	32	11.9
	PhD	-	-
	Total	271	100
4	Job title /Position		
	Junior Officer	66	24.4
	Senior officer	170	63
	Team leader	33	11.9
	Director	2	0.7
	Total	271	100
5	Experience at ERCA		
	<1 Year	16	5.9
	1-5 Year	120	44.1
	5-10 Year	93	34.4
	>10 Year	42	15.6
	Total	271	100

Source: Filed Survey, 2016.

As Table 4.1 shows, most respondents (60%) are male. The data indicated that 64.8% of employees are under the age of 26-35. So, this shows that most of the employees are composed of the younger generation. This resulted because ERCA hires young graduates with better performances from different universities, annually. The educational level of respondents indicated that most of them are first degree holders and in positions of senior officer. When we look at their experience, most have below 5-year work experience. This indicates that well-experienced staff leave their job. Consequently, ERCA should develop a strategy to retain its employees.

4.3. Intrinsic and Extrinsic Factors That Affect Job Satisfaction

The data indicated that most respondents agreed that their job is challenging, the amount of work they are expected to perform is reasonable, and they are clear and aware of their job description. Jobs that involve certain kinds of challenging mental tasks can boost memory and thinking, years down the road.

However, they feel that the nature of the work may expose them to risks. The Data obtained from secondary sources indicated that the job by itself is full of high risks (ERCA, 2016). So, ERCA should create a mechanism on how to reduce risks.

4.3.1 Work Itself

Table 4.2 The work Itself

Work Itself	Strongly Disagree	Disagree	Impartial	Agree	Strongly Agree
My job is challenging	4.1%	10.7%	24.1%	41.5%	19.6%
The amount of work I am expected to do is reasonable	5.9%	11.9%	29.6%	39.6%	13%
I am clear and aware of my job description	5.6%	11.5%	22.6%	43.3%	16.7%
The nature of the work may expose me to risks	5.2%	10.4%	22.2%	35.2%	27%

Source: *Filed Survey, 2016.*

4.3.2 Working Conditions

Forty-four point eight percent (44.8%) of the respondents agreed that ERCA does not provide them adequate material and equipment to perform their job, 73% of them agreed that there is no internet access to perform their job, most of them believed that the office layout is not suitable to do their job, 44% agreed that adequate transport is not available in the authority, and a majority of them responded that there is no well-organized lounge service.

Table 4.3 Working Conditions

Working Conditions	Strongly Disagree	Disagree	Impartial	Agree	Strongly Agree
ERCA has provided me with adequate material and equipment to perform my job	15.9%	28.9%	35.2%	16.7%	3.3%
I have access to Internet	37.4%	35.6%	14.1%	8.9%	4.1%
The office layout is suitable to do my job	23.7%	42.2%	19.6%	11.5%	3.0%
Adequate transport is available to do my job	27.8%	26.3%	23%	19.6%	3.3%
There is well organized lounge service	23.7%	35.2%	30%	8.9%	2.2%

Source: Filed Survey, 2016.

From the data, we see that there is shortage of necessary material and equipment to carryout duties and responsibilities and the office lay out is not suitable to work productively. Additionally, transportation is not available as required and the lounge service is not organized despite the need and expectation of employees.

The data gathered from secondary source shows that the work assignment that the Authority provided to its employees is not related to their educational background. Due to this, employees are unable to their expertise. The organizational structure is not suitable to provide services as required, there is lack of clear rules and regulations, nor coordination between the Authority and stakeholders (ERCA, 2016).

Jobs with difficult working conditions may result with performance of only those employees who meet specific requirements in terms of age, sex, qualifications, health, physical and mental conditions and psycho-physiological and psychological capabilities. Difficult working conditions

influence employees' performances. It is therefore necessary to take measures to eliminate uncomfortable working conditions.

Difficult working environments can affect employees' performance, and job satisfaction. As a result, it is vital to take proper measures to eliminate the above listed problems in relation to working conditions.

4.3.3 Job Security

Seventy-one point-one percent (71.1%) of respondents agreed that they do not feel secured on their job. Sixty-one point-two percent (61.2%) believed that they do not feel as part of the Authority and most of them agreed that they are unable to express their idea freely. Additionally, the main factor causing job dissatisfaction was the sense of job insecurity. For example, Article 37 stipulates that if the Director suspected (without tangible evidence) that the Officer is involved in corruption or illegal acts, he/she has the right to fire the Officer. Respondents expressed that this Article causes the most concern and job insecure (ERCA, 2016).

The data show that there is a problem of job insecurity in ERCA. Employees who perceive they are insecure may become less motivated to perform their duties and responsibilities, or decide to leave their jobs.

Job security is directly linked with commitment and work performance. This finding was supported by research findings of Abdullah and Ramay (2012) who reported a significant positive relationship between job security and organizational commitment of employees. This certifies that job security induces employee commitment in any work situation.

An employee who feels insecure in his/her job cannot perform properly nor achieve the mission and vision of the organization. The Authority is expected to work intensively to create an environment where employees feel secured.

4.3.4 Responsibility

Most respondents clearly know about their duties and responsibilities. Regarding exercising their responsibility freely, they responded that 11.9%, 19.3%, 32.2%, 29.6% and 7%, strongly disagree, disagree, are impartial, agree, and strongly agree, respectively. However, most of them agreed that they are not making job related decisions by themselves and couldn't work independently and creatively.

This result implies that employees of ERCA know their duties and responsibilities but are unable to make decisions by themselves. ERCA (2016) indicated that the decision-making process at the Authority is not participatory because employees are required to perform their duties and responsibilities whether they like it or not. This certainly affects employee satisfaction. Given that being a decision-maker or empowered employee increases job satisfaction and improves performance, the Authority should empower employees, as is expected.

4.3.5 Recognitions

Recognition can be described as the process of providing an employee a status or level within an organization or it can be understood as the process awarding or rewarding an individual based on his/her performance. Recognition can play a great role in motivating employees (Spector, 1985). Recognition awards should not be too easy or difficult to obtain. If they are too easy, employees may lose interest; and if they are too difficult, employees may feel disinterested since they may believe it is beyond their reach.

Recognition programs could be organized in different ways; for example, Certificates of Appreciation, Bonuses, Scholarships, Employee of the Month designations are common in successful organizations. Recognition awards must be presented to employees who exceed expectations, there by encouraging others to do the same.

Table 4.4 Recognition

Recognitions	Strongly Disagree	Disagree	Impartial	Agree	Strongly Agree
I receive recognitions for the work I do	11.5%	49.6%	24.4%	18.1	7.4%
The amount of praise I receive for my outstanding performance is fair.	30.4%	44.4%	18.1%	6.3%	0.7 %

Source: Filed Survey, 2016.

A question rose on whether employees receive recognitions for the work they do? The respondents indicated that, 11.5 % strongly disagree, 49.6% disagree, 24.4% are impartial, 18.1% agree and 7.4 strongly agree. Most of respondents believed that the amount of praise they received for being an outstanding performer was not fair. The results indicated that the culture of recognizing best performers is poor at the Authority. However, whether it is large or small, recognition programs can bring morale, innovation and job satisfaction to employees.

Both financial and non-financial rewards improve the job satisfaction and motivate employees. Employees are likely to be motivated to improve their performance with nonmonetary rewards such as employee recognitions. The Authority should design and implement proper recognition programs.

4.3.6 Advancement

Advancement is an official transfer from one position to another position with a increased salary, job title and new responsibilities. How employees consider the opportunity for advancement is important for how satisfied the employees become. Vroom (1982) explains that promotion or advancement is vital to employees' job satisfaction.

The data revealed that most respondents were not aware of advancement opportunities that existed within the organization; they also stated that the opportunity to be promoted from one level to another is low. Regarding on-the-job training to build the capacity of staff, 21.6%, 49.1%, 16.4%, 10%, and 3% of respondents strongly disagreed, disagreed, were impartial, agreed, and strongly agreed, respectively. Additionally, on access to education, 11.5%, 18.1%, 39.6%, 23%, and 7.8% strongly disagreed, disagreed, impartial, agreed, and strongly agreed, respectively.

The findings shows that the promotional polices of ERCA are not known by its employees and staff members are not promoted properly, in spite of their experience and performance. On job training program is poor, but access to education is slightly better at the Authority.

4.3.7 Company Policies, Rules and Regulations

On whether ERCA has clear rules and regulations on different issues, 11.5%, 18.1%, 39.6%, 23%, and 7.8% of respondents strongly disagree, disagree, were impartial, agree and strongly agree, respectively. In relation to promotion rules/regulations, most respondents are not satisfied and believe that the nature of some rules and regulations may result in job dissatisfaction, especially Article 37 (an Article that gives the power to Directors to fire an employee they may

suspect). In a similar situation, majority of the respondents revealed that they are not satisfied with the training policies of the Authority.

Since the policies, rules and regulations of an organization is among the main factors for job satisfaction and key in realizing organizational goals, the Authority needs to improve its policies, especially regarding promotions, training, and Article 37.

4.3.8 Working Relationships

Since employees spend most of their time at work interpersonal relationship and friendship among them at work are formed. Establishing relationship at work and involving in social activities help to build healthy relationship and strengthen bond. On the other side if the working relationship is negative or an employee feels emotionally alone or detached at work and cannot fit to organization culture value dissatisfaction at job may occur and forced him/her to resign. Due to this it is easy to understand that working relationship has an impact on an employee satisfaction and retention.

Table 4.5 Working Relationships

Working relationship	Strongly Disagree	Disagree	Impartial	Agree	Strongly Agree
I have strong and positive relationship with my colloquies	2.6%	14.1%	28.5%	40%	14.8%
I have strong and positive relationship with my boss	4.1%	21.9%	36.3%	27.8%	9.6%
I am aware of what is going on in ERCA	19.3%	23.7%	31.5%	17.4%	8.1%

Source: Filed Survey, 2016

The data summarizes what the working relationship in ERCA looks like. Based on this, respondents were asked if they have positive and strong relationship with their colleagues. The result was that 2.6% strongly disagreed, 14.1 disagreed, 28.5% were impartial, 28% agreed and 14.8 strongly agreed, respectively.

Working relationship also includes the relationship employees have with their boss. 4.1% of respondents strongly disagreed, 21.9% disagreed, 36.3% were impartial, 27.8% agreed, and 9.6% strongly agreed confirming that they have positive relationship with their immediate boss, respectively.

Generally, the result indicated that the working relationship among employees and between employees and management are in better state. Healthy relationships among employees motivate employees to do their job and they increase morale. It also promotes teamwork, helps to understand one another, work together effectively, and creates satisfying environment.

4.3.9 Supervision

Supervisor is an individual who has frequent contact with subordinates for the purpose of supporting, monitoring, and leading employees; and solving problems as it occurs. Supervision is an interactive process that is designed to support staff as they work to achieve the mission and vision of the organization; and to increase personal and professional development. The relationship between workers and supervisor is among the main factors that affects job satisfaction. Both job satisfaction and job performance are highly dependent on the behavior and skill of supervisors.

Desirable characteristics of supervisor support include: showing tolerance for employees who have difficulties with tasks, giving credit for jobs well done, and providing incentives for employees to perform better, and providing needed training to employees. Even listening to employees' complaints about workplace conditions is an important step for supervisors to mitigate employees' stress; if nothing else, it will help them feel better.

Table 4.6 Supervision

Supervision	Strongly Disagree	Disagree	Impartial	Agree	Strongly Agree
My supervisor gives me feedback to improve my performance	8.5%	31.5%	34.4%	20.4%	5.2%
My supervisor promotes teamwork	8.9%	25.6%	41.1%	18.1%	6.3%
My supervisor evaluates my performance regularly	7.4%	23%	45.6%	19%	4.7%
My supervisor is a good listener	10.4%	28.9%	33.3%	18.5%	8.9%

Source: Filed Survey, 2016.

Based on Table 4.6, 8.5%, 31.5%, 34.4%, 20.4%, and 5.2% strongly disagree, disagree, were impartial, agree and strongly agree that supervisors give them feedback to improve their performance. The majority of respondents were impartial on the issue of supervisors promoting teamwork, evaluating performance regularly, and on being good listeners.

This finding is supported by documents at ERCA (2016) that indicate that some managers' attitude towards employees is negative affecting employees from doing their jobs freely. This in turn causes turnover. Supervisors' non-response and/or delayed actions, poor performance evaluations that lack evidence, and supervisors' unfair treatments, all negatively affect employee motivation.

The results indicate that the role of supervisors needs to be improved. The organizational culture must change to better treat employees. Supervisors' primary duty is to support employees so they can perform better.

4.3.10 Salary/Incentive

Employees work hard to earn their pay. Salary/compensation is defined as the amount of reward that a worker expects from his/her employer. The compensation system, the level of salary or incentive are key determinants for job satisfaction.

Table 4.7 Salary

Salary	Strongly Disagree	Disagree	Impartial	Agree	Strongly Agree
I am satisfied with my salary	46.3%	36.7%	10%	5.2%	1.9%
My salary is fair compared to my educational level and experience	50%	32.6%	10%	5.9%	1.5%
I am satisfied with the existing salary structure at ERCA	54.1%	31.5%	8.1%	5.2%	1.1%

Source: Filed Survey, 2016

Table 4.7 depicts that most respondents (83%) agree that they are not satisfied with their salary and 82.6 % agree that their salary is not fair compared to their educational level and experience. Furthermore, most respondents strongly disagree or disagree with the existing salary structure (85.6%).

To the question, "is there an incentive package at ERCA, 85.2% of respondents said no; and 14.8% said yes. Accordingly, we see that the incentive package at the Authority is very low. Respondents shared the effects of poor incentive mechanism as follows:

- Many experienced staff leave their positions with irreplaceable knowledge, experience and values forcing the Authority to start afresh every time,
- Exerts a negative impact on efforts to achieve the Authority's goals and objectives.
- Gives bad reputation to the Authority, and
- It costs more to the authority to hire new employees.

ERCA (2016) findings indicated that the main causes for employees' job dissatisfaction and turnover are: lack of staff benefit scheme (housing allowance, health insurance, etc.), unequitable pay level, lack of salary increases, and low salary scale at the Authority.

Studies have demonstrated that pay level affects job satisfaction. Employees expect and need a certain level of monetary rewards for their organizational contribution; and pay constitutes a quantitative measure of an employee's worth. In order to compete for the most talented workers, companies need to provide attractive and equitable pay scale. It has been argued that pay is a motivator for many employees initially, but it is not a powerful motivator over the long term. The role of pay level in attracting and retaining people at work has been recognized for many decades and is increasingly important in today's competitive economic environment where strategic compensation planning is needed (Jackson & Schuler, 2006). Consequently, the Authority must develop and implement new salary structure that is competitive with the current market to retain employees and to attract well skilled manpower.

4.3.7 For which factor you need to leave your employment at ERCA?

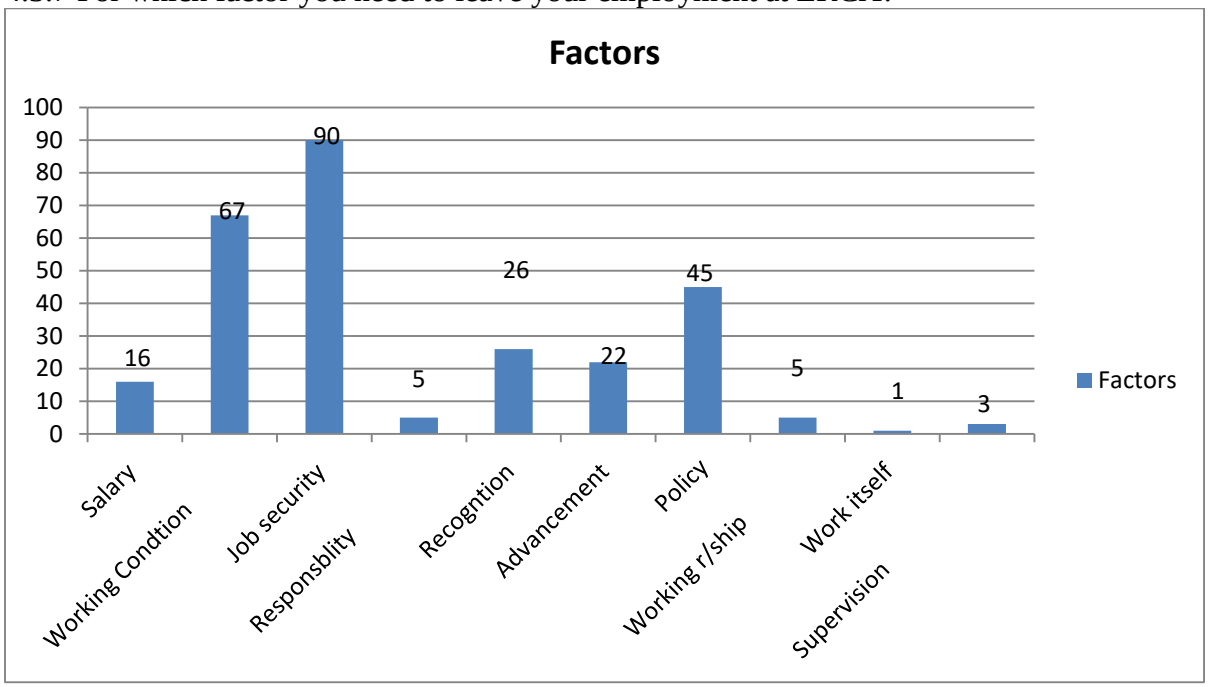


Figure 4.1 Determinant factors
Source Filed Survey, 2016

Respondents were ranked from 1-10 indicating the factors for which employees will be willing to terminate their employment at ERCA. Based on Figure 4.1, 90 (33%) respondents stated that job security was the primary factor that will force them to leave the Authority. Working conditions ranked second (24%); policy, rules, and regulations ranked third at 16 %; recognition ranked fourth at (9%); and advancement came in fifth with 8%.

From 6-10 salary, responsibility, working relationships, supervision and work itself ranked from highest to least by 5%, and the remaining by 1%, respectively. The result indicated that most employees plan to leave the Authority due to job insecurity. Ultimately, this trend will negatively impact job satisfaction and then causing unceasing turnover.

The data from secondary sources show that employee's turnover is increasing from year to year as could be expected from the findings.

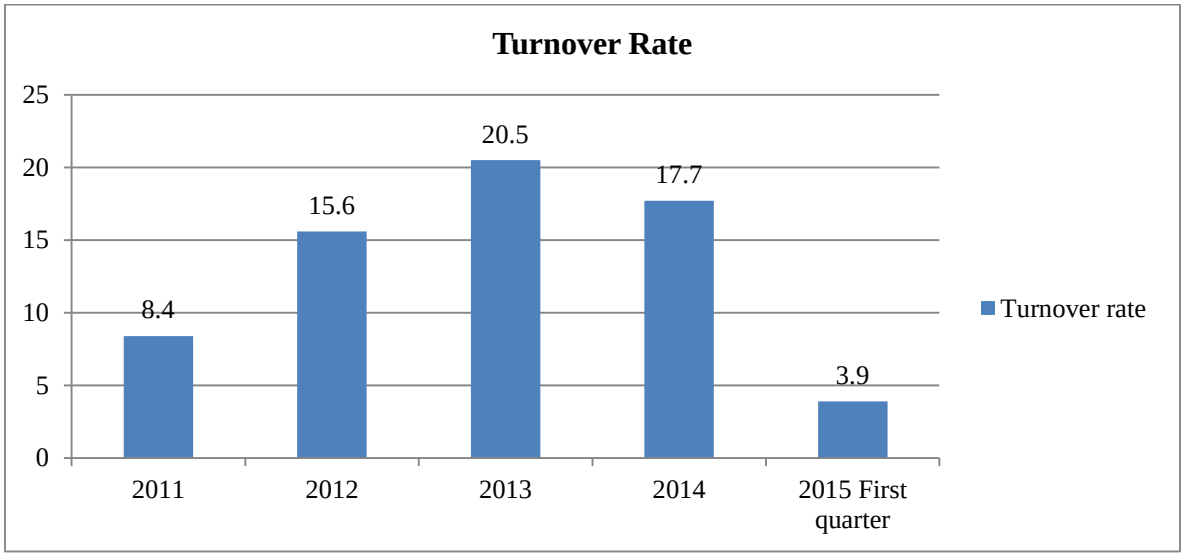


Figure 4.2 Turnover Rate
Source: ERCA, 2016.

The turnover rate in 2011 was 8.4%, in 2012, 15.6%, in 2013, 20.5 %, in 2014, 17.7%, in the first quarter of 2015, 3.6%. Figure 4.2 indicates that employee turnover is increasing from 2011-2013, and slightly decreasing in 2014.

Among those who left the Authority in the past five years, 17% were diploma holder and majority of them or 66% were first degree holders. Since the Authority is hiring first degree holders from different universities, the rate of turnover on first degree holders is high. Clearly, the Authority is incurring additional training cost for new employees (ERCA, 2016).

Employee turnover negatively impacts organizations creating financial crisis and upsetting the social set up organizations. In light of this, the Authority must reduce turnover by designing a strategy to motivate and retain its employees.

Respondents were asked, "how long they plan to stay with ERCA before they leave?" Forty-nine point six percent (49.6%) of the respondents stated that they are currently looking for another job; 20.4% of respondents said they are happy working at ERCA for now but they don't plan to work at ERCA forever. One point nine percent (1.9%) said they do not have the plan to leave the Authority; the remaining said they don't know for how many years they plan to work there.

This data depicts that most of employees are searching for other jobs. Given that skilled manpower is vital in meeting organizational goals, the Authority should motivate its employees by using different mechanisms to retain them.

4.3.8 The satisfaction level of employees

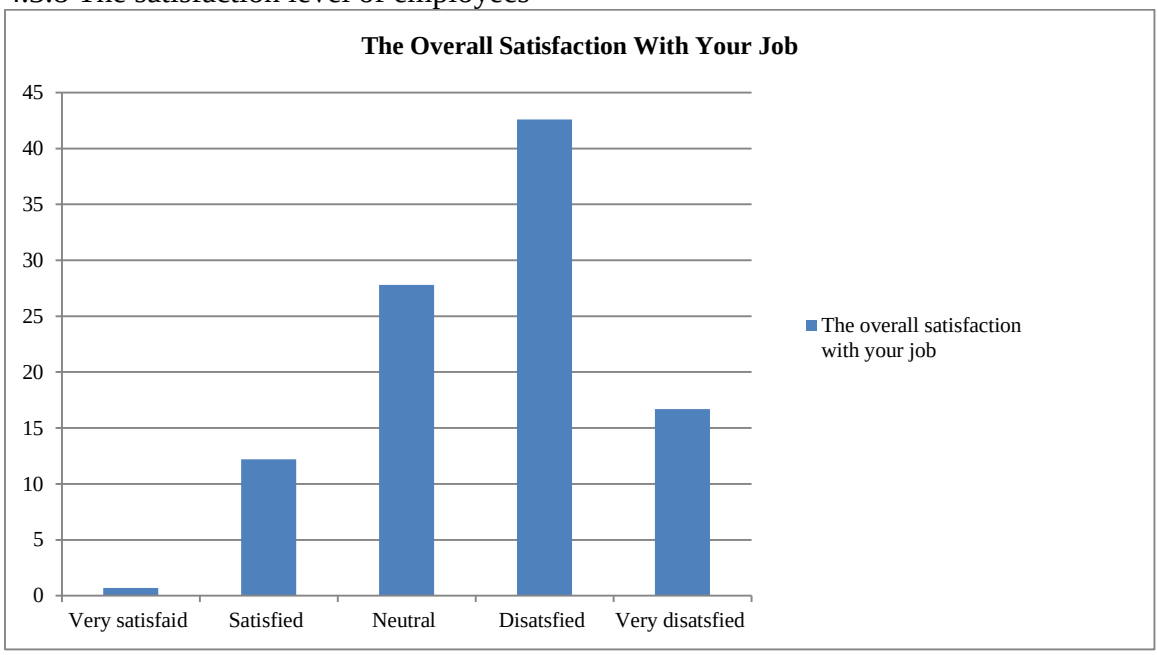


Figure 4.3 Satisfaction Level
Source: Filed Survey, 2016.

A question was asked about the job satisfaction level of employees at ERCA. Respondents indicated that 0.7%, 12.2%, 27.8, 42.6%, and 16.7% were very satisfied, satisfied, were average, dissatisfied, and very dissatisfied, respectively. The calculated mean was 3.66, the median 4.00, the mode 4.00, and standard deviation 0.92762.

The results indicated that the job satisfaction level of employees is low and that the main causes includes, absence of incentive package, poor accommodation, and absence of recognition programs, job insecurity, and lack of good governance.

5. Conclusion and Recommendations

5.1 Conclusion

One of the main duties of human resource management is motivating employees by using different mechanisms. Different factors affect job satisfaction in organizations. The study assessed and identified 10 factors that affect job satisfaction at the Authority. Based on the findings, the researcher concluded as follows:

The nature of the job ERCA by itself is challenging. The amount of work they are expected to perform is reasonable. The employees are clear and aware of their job description, but the nature of the work puts them at risk. There is a shortage of necessary material and equipment to carryout duties and responsibilities. The office design and layout are not conducive to work properly. Furthermore, transportation services are not available as required, and the lounge service is not organized despite the need and expectation of employees. There is the unresolved issue of job security at ERCA.

Employees of ERC know their duties and responsibilities well, but they are unable to make work-related decisions by themselves – they feel unempowered. Some policies, such as Article 37 make even good employees insecure. The current salary structure is not attractive nor competitive. Since the marketplace is more appealing, ERCA employees are looking for other jobs.

Generally, ERCA employees are not satisfied with their jobs due to bad working conditions, job insecurity, poor recognition programs, low salary, poor growth and development opportunity, lack of good governance, unavailability of part-time employment, poor focus and treatment of employees and customers by managers, and poor access to transport services.

5.2 Recommendations

Employee's attitude may reflect the status and the situation of the organization where they work. Satisfied employees are important for the organization and themselves in different ways. For example, it will enhance employee retention, reduce turnover and training costs, satisfy its customers, promote teamwork, and increase the quality of products and services. From the study conducted, employers need to take the following actions to increase employees' job satisfaction and retention rate.

- The literature shows that job security affects organizational commitment in workers. Davy, Kinicki and Scheck (1997) discovered that job security has direct relationship with employee commitment. Lambert (1991) views job security as an extrinsic comfort that has a positive relation with workers' commitment and performance. ERCA must consider job security of its employees seriously. Rules and regulations that may lead to threats to job security should be amended by the Authority.
- The salary structure should be revised from time to time based on the prevailing market price and must be balanced with their workload. Compensation and incentive packages need to be designed and implemented properly by top management and human resource management department. Well organized career structure opportunities should be put in place. Such measures would encourage employees to stay at their jobs and commit to their professional responsibilities. This is a proven formula to reduce staff turnover.
- Employees act as empowered only to the extent their employers make them feel. When employees don't feel empowered at work, they're unlikely to take initiatives or aim to be top performers. So, managers/supervisors should empower the officers as much as required to make decisions on their own. This will help employees become creative, develop confidence and perform well.
- Motivation of employees and their productivity can be enhanced through effective recognition which ultimately results in improved performance. Employees not only want good salaries and benefit packages, they also desire to be valued and appreciated for their work. Employees believe in fair treatment, and they respect those who give fair treatment.
- Managers/Supervisor/Team leaders should evaluate the performance of employees and develop a recognition program so those who are best performers get recognized accordingly. This would help employers to meet their organizational goals by attracting and retaining high-performing employees. The top management of the Authority should establish partnerships with internal and external stakeholders to create conducive working environment.

- The studies show that employees prefer working conditions that are not dangerous and unpleasant (Robbins, 1998). Employees need tools and facility to provide the very best performances to their organization. ERCA must improve the working conditions or work environment by constructing new offices, fulfilling necessary materials and inputs, increasing access to transportation services, providing quality lounge services, and installing Internet services to improve the quality service.
- The top management of the authority should give attention to and provide quick solutions when questions are raised by employees and should be concerned equally with external customers. Prompt responses testify to management's commitment to success.
- Promotional opportunities are desired, and are positive personal goals for all employees. Hard working employees anticipate recognition, and corresponding rewards. Denial of recognition can serve as a demoralizer. It is therefore critical that the human resource department design and implement career development structure for all employees.

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