PERCEIVED EFFECT OF JOB EVALUATION ON EMPLOYEE JOB SATISFACTION AT POSTAL CORPORATION OF KENYA IN NAIROBI COUNTY

 $\mathbf{BY}$ 

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## **DECLARATION**

This Research Project is my original work, and has not been presented for any academic credit in

any other academic institution.	
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This Research Project has been submitted Supervisor.	ed for examination with my approval as the University
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### **DEDICATION**

I dedicate this project to my family and friends who have encouraged me to keep in good shape during the long hours of my studies towards successful completion. God gave you the patience to be peaceful and as you spurred me on, I knew the results would be there for all to see. As I clear my desk for the next academic assignments, I pray that you will join me in inspiring both the boy and girl child to go for higher education.

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#### **ABSTRACT**

This study investigated the perceived effects of job evaluation on employee job satisfaction at Postal Corporation of Kenya in Nairobi County. The general objective of the study was to determine the perceived effect of job evaluation on employee job satisfaction. The study adopted a descriptive design. The guiding theories were motivation theories including expectancy and equity theories of motivation. The expectancy theory was specifically a reflection of what most employees would be expected to produce as well as what the employees themselves would expect to get back from their employer. Similarly, the equity theory focused on the rightful remuneration across various cadres with respect to the jobs at the corporation. The population of study comprised all employees of Postal Corporation of Kenya in Nairobi County. A stratified sample involving 3 categories of employees was used and data was collected using primary method by use of structured questionnaire. The data analysis technique included descriptive statistics involving the percentages, mean and standard deviation. To enhance the descriptive results, inferential analysis through regression analysis was applied to stabling correlations as well as relationships between dependent and independent variables. In its findings, various aspects of job evaluation were found not to be in favour of employee job satisfaction. The study found out that the deployments systems was as result of job evaluation similarly variety of responsibilities as well as support for additional training and educational resulted from job evaluation exercise. Employees were satisfied with the location and offers of vacation as well as increase in salary.

#### **CHAPTER ONE: INTRODUCTION**

### 1.1 Background of the Study

Many organizations across the globe have found it necessary to have an evaluation of some sort during their long term plans to have productive employees using the limited resources that the organizations have. Not only have people got to link up more freely than in the previous past, but also they have the ability to influence the outcome of any corporation through demands for equitable pay. Some of the organizations that initially seemed ruthless in their maintenance of staff as far as sackings or retrenchment was concerned now have to seek proper methods of saving both the employee and the organization without resorting to forceful means. Organizations realize that job evaluation has become very important for such and the rest of the human resource management (Armstrong, 2011).

A study by Casad (2012) suggested that job evaluation holds some potential for solving problems of discrimination. The social orientation perspectives on job evaluation have pointed towards analysis of power relationships within an organization as a way of explaining, one of which is employee job satisfaction. Although not always true, a job evaluation is considered successful if an improvement in the production of the organization is realized (Parker, 2014). The challenge in job evaluation however has been that measures as well tools used in carrying out job evaluation exercise do not necessarily measure a worker's productivity. In other words, methods have been used in job evaluations in which the results cannot convert into direct employee job satisfaction. Based on the factors mentioned about job evaluation including age, gender, experience and academic qualifications, it becomes clear that such a study requires focusing on the equity theory.

Equity theory (Adams & Freedman, 1976) proposes that people may feel distress if they contribute either larger or smaller shares of their incomes to the public good than the average contribution of others, and that people will behave in a way to avoid this distress. People are motivated by both their pecuniary payoff and their relative payoff standing. Through application of equity theory, managers can examine why and how they should communicate with their employees the value of scientific management and why it is relevant (Blanco et al, 2011). Equity theory also directs managers how they should use communication to address employees' feelings of unfairness as well as confronting employees' feelings of inequity in a modern business environment. It can also be applicable when managers are training subordinates, who are not college graduates, to do their work. This is typical in common public institutions. In summary, equity theory therefore handles the perception of equitability and in-equitability focusing on two sides: the input and the outcome. This then means that an employee compares his or her job's inputs with an outcomes ratio and will act to correct the inequity if there is a perception of inequality. The employee may lower productivity or reduce the quality of their job. Many times inequities can lead to an increase in absenteeism and even resignation from an organization (Bell & Martin, 2012).

The study focused on the Postal Corporation of Kenya (PCK). In recent times since the introduction of competition on the telecommunications and couriers sector in the country, PCK has struggled to maintain a strong footing on the market. Following loss making periods and difficulty in achieving its strategic targets, PCK has been carrying out studies to determine the means of stemming that trend. Such studies established that there was overstaffing, poor working environment with most of its work being done manually with old use of technology also

lack of prioritization in terms of allocation of resources to the core function of the business .In some of their studies, the organization was able to pinpoint out the large number of staff with irrelevant duties, but even retrenchment exercise has not stepped the tide of poor performance and dissatisfied employees. This therefore presents an opportunity for the study to explore how job evaluation is affecting employee job satisfaction in the organization.

### **1.1.1 Concept of Perception**

Perception is the process by an employee or customer understands or is aware of sensory instructions in which selection, organization and interpretation of stimuli into meaningful or coherent picture of the world around is pictured. As observed by Gazolli, Hancer and Park (2010), perception selection depends on nature of stimuli, expectations and motives.

From the theory of perception, a consumer will seek pleasant and sympathetic messages for reassurance. However, the consumer in this case the employee, would go for selective attention in which their needs are the priority and which should be seen to catered-for. Eventually, the employee will have a perceptual defense in which screening enables elimination of any perceived threats (Goodwin, Piazza & Rozin, 2014). Employees rarely have the same perception as their employers in terms of employments opportunities. Whereas, an employer views employees as resources that require control to utilize organization processes so as to produce goods or services, most employees always perceive the employer to be an exploiter who does not give adequate compensation or adequate freedom. It is also hard to achieve total harmony between employee perceptions and employer and hence the need for careful approach when introducing any tool of human resource management performance appraisal in this case (Elma, 2013).

Perceptions require building of trust and developing a communication system in which there is good understanding of the management and employees. This would then generate positive perceptions that can be well-interpreted by both parties in terms of the employer and the subordinates at all levels. The sensitivity of the subject matter introduced by an organization also weighs on the perception of the employee. This implies that weighty matters like job evaluation might lead to strong perceptions whereas comparatively light matters like sports and recreation will have a moderately fair perception by employees (Schaufeli & Taris, 2014).

#### 1.1.2 Job Evaluation

Job evaluation is essentially a system that formally compares the dissimilar jobs and links these to pay (Armstrong, 2011). The main benefit of job evaluation should be a strategic and long term reward to both the organization and its employees, but more appropriately to the benefit of well-placed employees in terms of skills and qualifications. The common practice in most organizations has been that at least some form of evaluation especially through appraisal is carried out after some milestone period for example, a 5 year or 3 year strategic plan period in which an organization wishes to have a clear change in mode of operations to bring about long-term improvements.

Job evaluation attempts to rate jobs in an organization in order to have some form of ranking such that Job A can be compared to Job B in order to put monetary value to each job. This enables the human resource professional to have a hierarchy of the various jobs held leading to job groups to base the salary allocated to each group (Cole, 2002). What this means is that each job will be assigned value after a careful job evaluation exercise thus enabling the correct and unbiased placement of remuneration on each of the categorized jobs. To achieve this, the job

evaluation processes must take into account the various demands of that specific job in terms of the effort required as well as the abilities needed to carry out that job successfully. In the final analysis, the job evaluation exercise should be able to come out with the description of duties, relationships of authorities, skills required for each job and job-related relevancies that contribute towards achieving the organization objections (Levine & Ash, 2014).

Although a job evaluation exercise might bring about better job outcomes, there is always the danger of stress brought about by the recommendations that such an exercise might bring to the organization including duty mergers leading to job losses. Frontline employees are normally the ones most affected by recommendations that suggest they should be retrenched or simply made redundant after a job evaluation and hence risk sabotaging the organization if not well communicated-to especially by the top managers of the organization during and after the job evaluation (Thompson & Phua, 2012).

#### 1.1.3 Job Satisfaction

The term satisfaction carries meanings that include both emotions and opinions in that the person thought to be satisfied or dissatisfied could have specific beliefs that help him. Satisfaction per se could be less related to any performance both internally and externally. This is because by nature, it is a perception in which person A could be satisfied with particular goods and services that are completely similar to the goods or services dissatisfied by person B. It is also possible that the two persons could be in the same locality or environment yet reacting very different over the same goods and services (Thompson & Phua, 2012).

Employee job satisfaction has been a driving force on which management can boast about their organization's production. Employees could be satisfied but fail to have job satisfaction in cases

where they have the remuneration but their jobs are not satisfying (Cole, 2002). Determining employee job satisfaction requires adequate knowledge on the turnover of the organization which could be both appropriate turnover and unwanted turnover. Appropriate turnover could be for example normal attrition of retirements and deaths as well as employees seeking new challenges on the same or various fields of specialization (Dessler, 2008).

There are various determinants of employee job satisfaction but the most important ones should include relationship between what the employee is adding in terms of value to the organization and how contented that employee is at the present job performed. This would therefore require that motivation and engagement of the employee is put into place in order to gauge how satisfied the employee is in the job (Cole, 2008). Employee satisfaction in competitive organizations places employees as the major differentiating success factor. The challenge facing organizations appear to be the development of developing an effective base of employees that excel in performance through employee management. Rast and Tourani (2012) suggest that, organizations must motivate their employees to engage in activities that will benefit and help in attaining of organizational goals. In order to achieve this, it is imperative for managers to set in motion work conditions that will help employees to achieve satisfaction and this can be best done through the engagement of a job evaluation exercise.

#### 1.1.4 Job Evaluation and Job Satisfaction

Two of the most commonly talked of variables in human resource management involve job satisfaction as well as job evaluation. The two aspects have been regularly linked as indicated in many studies that focus on organizational development. In many cases one variable has always been associated with the other although by definition, they are separate aspects of human

resource management field (Armstrong, 2011). A thorough review of organizational changes often reveal that one of the consequences of failure to make an evaluation is that employees become suspicious of the operational structures at the place of work. This would in effect prompt a silent revolt among staff especially if pay issues play negatively on the ground.

Generally, a job evaluation exercise could be instigated by external sources closely related to the organization or as a matter of policy especially during times of economic hardships. However, the most effective kind of evaluation is that which occurs from internal recognition of the need to have it as well as that which employees feel they have a benefit to gain from its conclusion. Even though the main aim of a job evaluation is achievement of pay equity, it is normal for the exercise to have several other products for the organization. First it should be notable that without gaining acceptable, the job evaluation exercise would be a source of employee dissatisfaction as they would negatively react to the same leading to some form of sabotage. In other words, there should be a consensus and internal commitment by employees for the success of a job evaluation exercise. Second, the job satisfaction factors that encourage employees to behave in a particular manner should be well factored into the evaluation exercise to avoid a situation where the job evaluation exercise competes with employee quest for recognition by the organization (Zalkay & Feiltelson, 2014).

In an organization with various job categories and cadre, there is a need to have well defined job descriptions and their current as well as proposed salary levels. This according to Hamifidar (2015) ensures that not only are all employees covered in the exercise, but they can be easily identified as to what categories they belong. One result of job evaluation that affects employee satisfaction is the ranking of jobs and categorization of staff. This normally means that staff are

from the onset clearly aware of where they rightly belong in the organization and that their duties and functions are well catered for both presently and in the future. In this way, the employees will feel part and parcel of the job evaluation exercise thus creating a sense of job satisfaction even before the exercise is completed. The most recognized means of extracting best results in an evaluation exercise is to have subcommittees from all cadres and levels of staff so that no group feels ostracized and hence give full support to job evaluation from the top to the bottom level staff (Parker, 2014).

#### 1.1.5 Postal Corporation of Kenya

Created in 1998 following massive conversion of state run organizations into full business-orientated entities, Posta as the Postal Communication of Kenya is known was meant to capture the fast growing market in delivery of parcels both on land and air systems across the world. In fact, the corporation was set to compete globally with major private firms including DHL, UPS and FedEx among the very best. Like any other state corporation, Posta is guided by government policy through the Communications Act of 1998 (PCK, 2016).

The state-owned corporation faces normal competition from all types of competition but specifically, the fast growing multiple couriers that have flooded the Kenyan market present the toughest challenge to Posta's existence. With poor results over many years and failure to take advantage of the vibrant economic growth witnessed in the millennium years, Posta has had a turbulent period requiring thorough investigation. This has implied that many branches of Posta had to close and consolidation of some was inevitable leading to cut down in employee size as well as retarded pay increases (PCK, 2015).

Even though complaints by state observers have indicated that there was need to have drastic changes in the organization, continued replacement of top officers at the organization has not resulted into profitable returns for the organization over the last decade. This has led to the need to have changes that could reflect positively in the balance sheet of Posta prompting the organization to conduct job evaluation exercise. Posta grabbles with the problem of very large numbers of employees with the dilemma of either retaining the high numbers at low salary levels or reducing the numbers at a very costly compensation package. Both ways would increase the employee dissatisfaction and hence the need to have a careful consideration before embarking on any such strategic human resource management exercise. Posta therefore stands to gain by fully investing in job evaluation exercises that fully involve all staff in order to retain a job satisfaction level that would keep all employees motivated (PCK, 2016).

#### 1.2 Research Problem

Job evaluations are meant to determine what positions and job responsibilities are similar for purposes of pay, promotions, lateral moves, transfers, assignments and assigned work among others internal parity issues. There is however a problem when employees perceive the workplace as unfair, inequitable, and that the employer does not give equal opportunities for employees. Employees view job evaluation exercise for determining pay and promotional opportunities to be opaque for. This has left organizations with employees that are not sure about their future after such an exercise is concluded. Similarly, employers are left with no defensible pay structure when a job evaluation does not clearly indicate grading of the staff this has effect on employee job satisfaction. It also leads to suggestions that employee job satisfaction should be designed by the organization or be a motivational factor by employees themselves it also

means that there are more factors affecting employees job satisfaction than just good pay Armstrong (2011) recommended the need to have all employees understand their true performance and actual rewards if any so that each of them can do a self-assessment as to whether they were motivated to do well or not. In so doing, the organization and the employee could be almost on the same level of understanding what motivates the employee to work more effectively and efficiently. In this regard, the scholar advised that care has to be taken to guard against biased appraisals that would make an employee appear to be very productive and rightfully rewarded when the opposite might be the truth on the ground. Ahmed (2015) had the same conclusion in which the suggestion that employees can be happy without appropriate remunerations was rejected.

PCK conducted a job evaluation exercise in 2014 which led to restructuring of the Organization, some jobs were merged resulting to employees losing their jobs, PCK was overstaffed because of lack of clear job description, skills and qualification to perform their work effectively. PCK has continued to incur losses, losing to attract the targeted market and customers for their product and services employees were not satisfied with the poor remunerations and a high turnover within the Organization. There is a clear need to explore further how the exercise affected employee job satisfaction. Complaints of unfair distribution of pay and bias in award of promotions still persist at the PCK. Even though job evaluation provides a rational and consistent approach for determining the pay of employees within an organization, there is still lack of fair pay based on internal equity. The PCK job evaluation exercise that was carried out by a consultant firm could be used independently as part a compensation system designed to provide appropriate salary ranges for all positions. This has not taken place at PCK yet and hence leading

to the feeling by employees that an equitable and defensible compensation structure has not been put in place (PCK, 2015).

Levine and Ash (2014) carried out a study on various methods of job analysis and the impact they had on employee satisfaction. The scholars concluded that job evaluation if carried out properly would identify areas of motivation to help in productive human resource management as well as give guidance to areas of improvement in enabling an environment of satisfied employees. It can however be said that the western context in which such a study was carried out is not similar Kenya's organization and employee set-up. Regionally, job evaluation and its effect on employee job satisfaction has been on the increase as indicated in the studies by Asensio-Cuesta et al (2012) in their survey across Portuguese speaking African nations involving 24 corporations that led to a conclusion that without proper job evaluations, many employees would not even understand why they were not satisfied with their repetitive duties. Locally, studies have been carried out related to job evaluation and employee job satisfaction. Opiyo (2010) carried out a research on the effect of a balanced score card on employee job satisfaction at Cooperative Bank of Kenya concluding that the analysis was favourable with most employees but time consuming in terms of procedural implementation. Similarly, Kipkebut (2010) in studies on organizational commitment and job satisfaction in institutions of higher learning in Kenya has observed that employees from private institutions showed more satisfaction than those from the pubic ones and that human resource managers need to establish through job evaluations work-related practices that motivate employees. It therefore leads to the study gap that will be filled with the question, "how does job evaluation affect employee job satisfaction at the PCK?"

#### 1.3 Objective of the Study

To establish the perceived effect of job evaluation on employee job satisfaction at Posta Kenya in Nairobi County.

#### 1.4 Value of the Study

This study was intended to facilitate valuable information to different entities. First, the study would add to the understanding of job evaluation and how it relates to employee job satisfaction. This would be beneficial to both the private and public sector in terms of relating the two aspects of human resource management especially at the PCK. Results of the study would set examples on what practices are best suited to the organization in order to help motivate the employees without scaring them relating to job scale-down or reduction in their numbers.

Significantly, the study could also provide recommendations that may be used as a policy by the management board of PCK as well other stakeholder organizations in both public as well as private sector to improve on equitable remunerations. With the study results, other issues that require policy guidance will also be handled in order to reduce the instances of mismatched policies with the actual situation on the ground as uncovered through the job evaluation exercise.

Besides policy and practice as highlighted above, the information obtained from the study could be a rich source of critique and enhancement to the knowledge base of studies on job evaluation and employee job satisfaction. It would thus be contributing to the theory of equity both as an acknowledgement of the theory's application and its core concepts.

### **CHAPTER TWO: LITERATURE REVIEW**

### 2.1 Introduction

Chapter two of the study reviewed the theories forming a foundation for the study while delving into examples that showed both the importance and beneficial value of the study subject matter. The chapter also presented an overview of empirical studies which generated a gap leading to a study conceptual framework derived at .the end of the chapter.

### 2.2 Theoretical Foundation of the Study

The main theories for the study were equity theory and expectancy theory.

## 2.2.1 Equity Theory of Motivation

First propagated by Adams (1965), equity theory focuses on determining whether the distribution of resources is fair to both relational partners who are the employee and the employer. Equity theory is a process theory concerned with how to motivate people. It is based on the fact that people always want to see what is in what they are doing and seek for good compensation. In other words, no one wants to work for free or even be paid for not working. The theory proposes that individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress, and that this distress leads to efforts to restore equity within the relationship. Equity theory focuses on determining whether the distribution of resources is fair to both relational partners. Mawoli and Badandako (2011) point out that one way of measuring equity is through comparing the ratios of contributions and benefits of each person within the relationship. One of the most talked-of issues in equity theory is measurability in which organizations struggle

to put clear policies as to how every aspect of the organizational output can be measured. In other words, there is need to have several options on measurement of the organization employee output in a manner that would be acceptable from one employee to another and from one time to another. In terms reward, the equity theory tries to point to many factors that could contribute to acceptability of the kind of rewards given based on the method of measurement applied by the organization (Elma, 2013).

To achieve the level of satisfaction that would make an employee motivated to participate fully in the organization activities without supervision, there is always need to set the environment of the work place fittingly for each group of employees. Equity theory points out that the various groupings of employees would be more confident if they work in an environment that gives them the freedom to fully express their skills and work enthusiasm without the feeling of being spied upon by either employees of superior ranks or categories (Ahmed, 2015).

Greenberg and Cohen (2014) question the simplicity of equity theory since many psychological variables that can be attributed to people cannot be fully factored into any evaluation unless the rights of people are infringed upon. The scholar also adds that equity theory assumes so much mechanical thinking similar to a systems theory in which every input can be fully measured against an equivalent output. This implies that what one feels as equitable might be completely different from their neighour even in the same working environment. It is also possible that employees will not feel on the same wavelength as their employers.

The biggest question that scholars ask is how inputs can ever be related to the outputs uniformly across organization. Arifin (2015) observes that seeking a fair balance by management on the definition of inputs and outputs is the key to effective application of the equity theory. In

summary, the equity theory will seek to compare effort against reward in terms of the said input and output using relevant examples from the industry which have to be at least agreeable to the employees and employer alike.

### 2.2.2 Expectancy Theory of Motivation

Expectancy theory as proposed by Vroom (1964) has been extended by Lawler and Porter (1967: 1983) to state that satisfaction is as a result of good performance. In simple terms, the scholars are suggesting that the relationship between people's behavior at work and their goals was not simplistic as described by most social scientists. It also means that the theory can explain very many diverse human motivational actions. However, the assumption that an available reward can increase an employee satisfaction is not always true citing an example of a promotion with a salary that also means increased working hours might in fact lead to dissatisfaction as opposed to satisfaction. Expectancy theory in summarized form would therefore imply that motivation is at the back of every good performance since people will expect good returns every they themselves put in good effort (Vroom, 1964; Time *et al*, 2013).

The reasoning behind Vroom's theory is that every employee or worker aims to maximize pleasure and minimize pain. This means that management must discover what exactly an employee wants in terms of money, benefits, rewards and promotions. In order to discover, the position of employees on all the fronts, value must be attached to each of the needs or expectations of an employee. This therefore calls a for a job evaluation of some kind to find out some basis for justifying what to give to the employees. It is also expected that the employees would only get what they want if on their part, management supplies or provides adequate

training as well as assurance that the training would lead to a positive change in both working environment and hygienic factors like salary or wages (Asensio-Cuesta *et al*, 2012).

However, it has been observed that the perception of employee's matters a lot since any hint by the employees that their effort is not easily rewarded would lead to some form of dissatisfaction. This could happen if after an evaluation exercise to determine the job structures of the organization, employees are not rewarded with their expected promotions and pay rises. Management needs to ensure that promises are fulfilled and that employees are satisfied with what measures have taken place in improving the working conditions. The so-called Vroom formula derives from these three; valance, expectancy and instrumentality as explained above. Job satisfaction can thus be predicted from this formula and the likelihood that one can stay in a job can also be dependent upon expectancy theory (Beardwel *et al*, 2012).

#### 2.3 Benefits of Job Evaluation

Employee job satisfaction is influenced by very many factors which according Armstrong (2011) can be controlled or discussed amicably if the environment is set right at the working place. Key among the factors is monetary benefits in which no matter how much one loves their job, the monetary compensation is always there specifically if one is highly qualified or perceived to be appropriately qualified for the same. This is more evident in case of some other employee having a very fair monetary compensation with perhaps similar or even less qualifications and experience. It is also notable that appreciation at the work place is very critical to a job satisfaction since it boosts the morale of an employee and avoids any suspicions by the management team.

The complexity or decision-making aspects of the job positions play a very important role in job evaluation with grade levels remaining a very fundamental indicator of who can make what decision in an organization. Generally, tougher decisions are expected to be made by those in higher grades. It is also notable that education levels as well as skills level plays an important role in determining the full requirements for any given position. This implies that formal education is a near must for many highly placed positions. Current education levels and applicable skills in the current job environment cannot be overlooked meaning that employees not trained or without an updated knowledge on their professional levels stand a low change of surviving in a job evaluation exercise (Fu & Deschpande, 2014).

Knowledge management also comes into play when considering job evaluation as knowledge essential to a specific job cannot come in one day nor through cramming of procedures in a short period. That is to say that many days or years on a particular job before and during the present working times will play a key role towards the employee satisfactorily doing work and remaining satisfied about how the work was done. Also due to diverse users of a particular process, there is bound to be resulting errors that can be used in job evaluation as it can point on the level of responsibility.

Wilkin (2013) also observes that contacts at the place of work can show the level of responsibility that each employee can have through instructions, counseling and public appearances. This then points towards the supervision function in terms of the character as well as in terms of scope specifically, the line responsibilities. Both visual and mental attention required in the leadership will also play an important role in the consideration for a job evaluation. In conclusion there is a consideration for the working conditions in which a

successful work environment should consider all hazards inherent in the kind of job being considered for any job evaluation. All the four factors including working conditions, responsibility, effort and most importantly skill level should always be considered during any effective job evaluation (Wong & Laschinger, 2013).

Working condition or environment is very dynamic causing a challenge to the employee in general. To remain competitive and successful, employees require to have a very conducive working environment. This means that the working conditions should be designed to encourage employee commitment and willingness to work at all times in order to have a positive impact on the employee satisfaction. If the working conditions are set right then there is bound to a positive relationship between the work conditions and employee job satisfaction. This helps people contribute to their personal growth with a good working environment in which they can work hard to achieve organizational goals and objectives (Wilkin, 2013).

Supervisor approach at work place plays a crucial role in shaping the employee job satisfaction. It is imperative that employees get along with their boss in order to have a peace of mind and help generate an environment of no fear. It is clear that employees are more productive when they feel that the supervisor appreciates their work and that there is good feedback or communication between the supervisor and the employees. What the supervisor perceives to think about the employee and how the employee perceives the boss thinking about them goes a long way in employee job satisfaction. Specifically, the immediate supervisor plays a pivotal role in how the employee climbs the corporate ladder. The quality of the supervisor employee relationship must thus be high to help identify and solve problems at a very early stage. This is due to the fact that employees if satisfied will think of the supervisor as the primary

representative to the job and rely on the supervisor to get accurate updates of the job as the employee believes the supervisor is well qualified to be admired with knowledge of the job well recognized (Fu & Deschpande, 2014).

Work complexities according to Casad (2012) are yet another important factor that affects employee job satisfaction. The job quality and work-force composition play a role in the employee job satisfaction. Such issues as role conflict and incompetence play a very critical role in determining how complex a job is and this helps consistent observation of employees who are not satisfied thus encouraging management to help correct the situation to make them satisfied and more productive. High levels of stress can result from complex job situations that could lead to dissatisfaction and hence the needs to assess the complexity of a job in any work situation. There should be no role ambiguity, overload, incongruity and conflict as these could lead to much complexity of the job thus causing stress and dissatisfaction. There is need for lessening any stress in order to improve job satisfaction (Beardwell *et al*, 2012).

One important aspect of job evaluation is the performance of employees in an organization in which there is always a correlation between how the employees perform and how they were treated by the organization in the immediate past. What this aims at is the completion of duties and responsibilities by an employee in a manner to suggest that the organization would be willing to do all to retain the employee while improving all work conditions that increases both employee satisfaction and motivation.

### 2.4 Empirical Studies on Job Evaluation and Job Satisfaction

This section highlights that empirical studies carried out in the field of job evaluation and employee job satisfaction as they are related to the current study. Arifin (2015) studied Bangladesh non-governmental organizations in which out of 37 registered ones, only 12 had ever performed the job evaluation exercise citing many cultural hindrances that made it not possible to work on the results of the job evaluation exercise. It became clear in the scholar's study that means of recruiting staff in the Bangladesh NGOs presented the biggest obstacle on achieving equitable pay where relatives or clan members were heavily involved in the recruitment of staff. It meant that subjecting such staff to the rigorous exercise of job evaluation would actually lead to job dissatisfaction. Organizations thus tended to avoid job evaluation or gave it lip-service in case of donor requirements.

It was Figard (2008) who concluded that equal pay and social norm should be carefully handled to stop demotivating employees since there would never be an organization in which all employees earned the same remunerations. In his study of newly employed graduates at large firms, the scholar noted that people start thinking of the benefits the job provides right from the beginning and that it was in their minds to always project high figures while they put in all their effort. Similarly, Figard points to the methods of job evaluation as contributing to the reactions that normally follow after the exercise noting that unless there is full involvement of staff concerned, the exercise would be a source of much suspicion especially in the developing countries of the world.

Njeru (2012) in studying job satisfaction factors in prison employees at county level concluded that performance and reward played a very important role in the satisfaction of an employee and

hence the need for regular job evaluation exercises whenever a new job or new dimension on a job takes place. The scholar recommended a comparative analysis accompanying each job evaluation exercise to eliminate the chances of employees viewing the exercise as academic and instead link it to positive changes meant for the betterment of their working at the organization.

Wambugu (2015) on studies concerning strategies on the city council and their determination of employee satisfaction concluded that although the job evaluation was well intentioned, evidence suggested that the exercise was mainly too long in terms of what was required from each employee. The scholar also observed that most employees could not easily differentiate between the factors that truly affected their satisfaction in their working place. This implies that the calculation of the final pay or salary range remains difficult to agree-with even though many organizations still go ahead to use the numerous stages of job evaluation leading to dissatisfaction instead of the intended satisfaction levels.

### CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1 Introduction

Chapter three dealt with research methodology. The chapter is arranged to include the research design, population, sampling, data collection and data analysis procedures.

## 3.2 Research Design

The study in its nature was most suited for descriptive design in which the subject of study was observed or studied without any influence. This was most appropriate since according to Kothari (2008), descriptive designs are best suited to situations where the respondents require total freedom to participate. It was also appropriate since respondents would show the characteristics of the study objectives while still at their place of work from where they made those responses.

### 3.3 Population

The target population for the study comprised the employees of Postal Corporation of Kenya. Kothari (2008) explains that a target population is a set of subjects that have similar characteristics and can be used as true representative of the whole population. In this case, Postal Corporation of Kenya has 3355 employees as of June 2015 that formed the target population of the study (PCK Annual Report, 2014).

## 3.4 Sampling

The study used stratified sampling by selecting proportionately from various cadre comprising top management, middle management and Unionisable staff. Through proportionate selection as recommended by Cooper and Schindler (2009), a total of 5 percent of the population were selected for sampling as indicated in Table 1. This involved getting the proportionate sample of each category that would lead to the required 5 percent total sample.

**Table 1: Proportionate Samples of PCK Employees** 

Category	Numbers	Percentage	Proportionate 5% Sample
Unionisable Staff	2,800	83	145
Middle/Low level management	500	15	26
Top level management	55	2	4
Totals	3,355	100	175

### 3.5 Data Collection

Data was collected using a data collection instrument. The instrument applied was a structured questionnaire using Likert-type scale since this was a study based on perception. The method of collection was through drop-and-pick in which assistants left the respondents with questionnaires and collected them at a later date at their convenience.

## 3.6 Data Analysis and Presentation

Data from the questionnaires was analysed through descriptive statistics. Descriptive analysis involves frequencies, percentages, mean and standard deviation. This led to use of factor analysis to rank all factors in the questionnaire sections. The relationship between job evaluation and job satisfaction were established through a linear regression of the type

Y = a + bx + c, as shown in the next equation:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

#### Where:

Y was the dependent variable (Job Satisfaction)

 $\beta_0$  was the intercept or constant term

 $\beta_i$  was the beta coefficient that anchored independent variable

 $X_i$  was the independent variable

<sup>e</sup> Represented noise in the sector generally called the error term.

### **CHAPTER FOUR**

#### DATA ANALYSIS AND INTERPRETATION OF RESULTS

### 4.1 Introduction

The main objective of the study was to determine effect of perceived job evaluation on employee job satisfaction at Postal Corporation of Kenya . The study focused on Nairobi County staff. Officers from different sections of Posta were involved in responding to the questionnaire from which content analysis was carried out. Annual reports and strategic HR documents were also utilized to produce the project report. The instrument of data collection was tested for validity and reliability through assessment by university supervisors who ascertained and corrected its weaknesses.

### 4.2 Responses

The study focused on the employees of Postal Corporation of Kenya in Nairobi County targeting all departments stratified into three categories of unionisable, middle level and top level staff. The sections hold officers of various ranks and different professional background. A summary of their demographics is given in table 2. The highest response was from the unionisable staff with 63 percent followed by mid-level managers who had a 54 percent response rate. Top level staff had the lowest response rate of 50 percent and this was expected since it is normally to have access to their offices and in most cases, they normally delegate such duties to lower cadre staff. The overall response rate for the whole exercise was 108 respondents which was 62 percent of the total. The staff who did not respond could not be forced to return the questionnaire and hence the questionnaires were declared spoilt. The response rate is justifiable since according to

Kothari (2008), various studies can have different response rates and the more sensitive a sample or population is, the fewer the response numbers. This study was considered as sensitive since the researcher was party of the organization under study prompting some respondents not to participate.

**Table 2: Response Rate** 

Category by sections	Target	Actual	Percentage
Unionisable staff	145	92	63%
Mid-level managers	26	14	54%
Top level Managers	4	2	50%
Total	175	108	62%

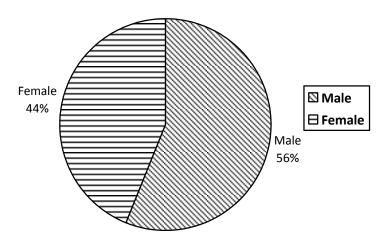
## 4.3 Demographic Characteristics of Respondents

This section sought to highlight the general demographic information of the respondents which is normally required since it proves that the respondents were active and could be characterized. The information sought included gender, department of operation and years of employment as well as levels of education.

#### **4.3.1** Gender

The employees were found to be almost equally distributed in terms of gender. Results in figure 1 show that there were 61 male respondents representing 56 percent of the total actual sample with 47 female respondents indicating a 44 percent representation. The figures are within normal limits of male-female balance in most organizations. This is corroborated by Ahmed

(2015) who estimated that there would be always a 10 percent difference in the number of employees per organization with respect to gender without any bias.



**Figure 1: Gender Distribution of Respondents** 

### **4.3.2** Working Departments

In this section, the study categorized employees according to their departments. Specifically, there were 5 main departments for Posta under which an employee could be placed namely executive division, finance, procurement, human resources and Information Technology. From the results in Table 3, majority of the respondents were from human resources followed by procurement while the lowest percent of 2 was from the executive division followed by finance with 6 percent response. This was thought to be common among many organizations since it was very hard to get responses from top executives and the finance personnel.

**Table 3: Response per Department** 

Department	No of Respondents	Percentage
Executive	2	2
Finance	6	6
Procurement	21	19
Human Resources	70	65
IT	9	8
Totals	108	100

## 4.3.3 Years of Working at Posta

In this section, the study sought to establish the length of stay at the Posta by the respondents. This information would be important since it could help in ascertaining when an employee is due for promotion or transfer as well as when to be involved in job restructuring. From the results in Table 3, the majority of the employees have worked for over 15 years at Posta. This represents 54 percent of the respondents with minority having worked for less than 5 years, an indication that Posta has not been employing fresh employees of late or in the past 5 years. It also points to the fact that some employees could have overstayed in the organization making it very difficult to be compensated in case of retirement or retrenchment which is normally an expensive exercise.

**Table 4: Period of Posta Working** 

Number of years at Posta	Frequency	Percentage
Below 5	10	9
6-10	21	20
11-15	18	17
Over 15	59	54
Totals	108	100

#### 4.4 Job Evaluation

This section of the study used SPSS to determine the means and standard deviations of each of the aspects of the job evaluation as indicated by respondents. This was based on the Likert scale of 1-5 where 1 was "least effect" while 5 was "greatest effect" using linear scores. The scores were listed in 3 sectors with 0-2.5representing the least (0≤S. E<2.4), while 2.5 to n3.4 represented medium effect (2.5≤M.E,3.4) and greatest effect was posted using linear scale of 3.5 to 5.0 (3.5≤L.E<5.0) The results are as shown in Table3.

Using the results, it was found that the highest mean that respondents indicated for agreement was "deployment according to requirements and skills". This had a high score (mean= 3.79) implying that employees strongly perceived that job evaluation ensured that staff are placed according to the requirements and skills possessed. Closely following the result was the perception that job evaluation ensured that titles corresponds to the functions and tasks of the job. This perception had a high score (mean= 3.66) which was also a sign of job evaluation perception. The third most agreeable factor was the perception that job evaluation constructed

grading of salary structures that corresponds to the task and functions of the jobs, which had a high score (mean=3.41).

On the lowest scores, the perception that job evaluation placed PCK to appoint or promote staff based on job requirement had low score (mean=1.78) closely followed by another low score for the perception that the distribution of staff at the PCK matches the workload (mean =1.78). Similar to this low score was the perception that job evaluation led to staff requiring skills and qualifications as per the job descriptions (mean = 1.93).

**Table 5: Job Evaluation** 

Employee Perception on Job Evaluation	Mean	Std.Deviation
Job evaluation ensured that Staff are placed / deployed according to the requirements and skills.	3.79	.002
Job evaluation ensured that the tittles corresponds to the functions and task of the job	3.66	.001
Job evaluation constructed grading of salary structures that corresponds to the task and functions of the jobs	3.41	.007
Job evaluation ensured Jobs at PCK are aligned to specific functions	2.05	.883
Job evaluation ensured that Job classification is done according to functions.	2.02	.222
Job evaluation placed Job descriptions to be in line with current job activities.	1.93	.807
Job evaluation found out that the distribution of staff in PCK matches with work load.	1.78	.032
Job evaluation placed PCK to Appoint / Promotes staff based on job requirement	1.32	.672

## 4.4 Job Satisfaction

The second specific objective of the study was to establish job satisfaction and how employees perceived it at the PCK. This was accomplished through the use of means and standard deviation. The results are tabulated in Table 6. In this question, the study aimed at evaluating the perceived Job satisfaction levels based on the indicated aspects of job satisfaction.

The highest ranked aspect were perceptions that job evaluation led to opening up of variety of job responsibilities with (mean =4.12) followed by increase in support for additional training and education (mean = 3.87). The third position was the perception that job evaluation raises degree of independence associated with employee work roles (mean =3.76).

The lowest ranked job satisfaction perception aspect was in the enhancement of opportunities for promotion with a low (mean =1.61) followed by improved salary levels at (mean =1.82). In the third least position was improved paid vacations/sick leave offered by the employer (mean = 2.62).

**Table 6: Job Satisfaction** 

Employee Perception on Job Satisfaction	Mean	Std.Deviation
1. Hours worked each week	2.78	.041
2.Flexibility in scheduling	2.90	.117
3. Location of work	3.03	.003
4. Amount of paid vacation time/sick leave offered	2.62	1.106
5. Salary levels	1.82	.280
6. Opportunities for Promotion	1.61	.005
7. Benefits (Health insurance, life insurance, etc.)	2.08	.071
8. Job Security	3.02	.008
9. Recognition for work accomplished	1.40	.090
6. Training is continuously provided to staff members	2.10	.004
10. Relationships with your co-workers	2.66	.016
11. Relationship(s) with your supervisor(s)	3.05	.008
12. Relationships with your subordinates (if applicable)	3.18	.407
13. Opportunity to utilize your skills and talents	3.21	.008
14. Opportunity to learn new skills	3.10	.035
15. Support for additional training and education	3.87	.012
16. Variety of job responsibilities	4.12	.405
17. Degree of independence associated with your work roles	3.76	.066
18. Adequate opportunity for periodic changes in duties	1.78	.039

# **4.5 Job Evaluation and Job Satisfaction Analysis**

In order to link the two variables of job evaluation and job satisfaction a linear regression model of the type Y = a + bx + c was applied on the data. The dependent variable was Job Satisfaction (JS) while the independent variable was Job Evaluation (JE). The model summary for the data

was as follows in Table 5. In simple terms, the variable JS can be predicted by 34.1 percent of the time by the variable JE with a standard error estimate of 0.242 which is within the statistical bounds of acceptance.

**Table 7: Model Summary of Variables** 

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.341(a)	.116	.112	0.242

a Predictors: (Constant), JE

The coefficients for this relationship are shown in Table 6 indicating that a small change occurred in the dependent variable (JS) due to the effect of independent variable or predictor (JE).

**Table 8: Coefficients (a)** 

Mode				Standardized		
1		Unstandar	edized Coefficients	Coefficients	Т	Sig.
		В	Std. Error	Beta		
1	(Constant)	0.114	0.242		0.312	.000
	JE	1.273	3.222	-1.411	-6.420	.000

Dependent Variable: JS

The regression equation was therefore solved as follows using coefficients in Table 6:

JS = 0.114 + 1.273JE

This indicated that for every effort of trying to have an effect on job satisfaction, an organization would be more than 0.114 times more successful without the effect of any action in place. However for every change in effort of trying to have a job evaluation exercise, there is an increase in positive perception of job satisfaction by 1.273 times. This implies employees would be satisfied through the various aspects 1.273 times after a job evaluation exercise.

#### 4.6 Discussion on the Findings

As per the findings of this study, it was also possible to link the results to what other scholars have studied in the field of job evaluation and job satisfaction. Similar variables were also found to be highly agreeable by employees of organizations. Scholars who have corroborated such findings include Parker (2014) and Reid (2016) who both noted that job evaluations appeared to increase the perception by employees that job evaluation increases the chances of staff being deployed according to the requirements and skills possessed. Similarly, Arifin (2015) concluded that job evaluations ensured that titles corresponded to the functions and tasks of the job. Previous studies carried out by Hajji (2012) and Elma (2013) argued that a very negative perception on job evaluation leading to staff being promoted based on job requirement. Greenberg and Cohen (2014) also found that staffs were skeptical on the perception that distribution of staff in an organization matches with the workload, concluding that there was a lot of bias in allocation of workloads even after a job evaluation exercise was successfully completed.

Similarly, Figart (2000) concluded that there was a positive link, other studies concur with this study findings. Elma (2013) and Wambugu (2015) concluded the perception that job evaluation led to staff requiring requisite skills and qualifications for particular jobs was not entirely conclusive.

In aspects of employee job satisfaction Bell and Smith (2012) concluded that increase in support of additional training and education was most likely to occur after a job evaluation exercise. However, Goodwin *et al.* (2014) found that additional training support as an aspect of job satisfaction did not directly result from job evaluations and instead suggested that only good leadership with goodwill to enhance staff performance would improve training support and additional training.

However Ahmed (2015) as well as Fu and Deshpande (2014) concluded that enhancement of promotion opportunities was very low with regard to job evaluations carried out in organizations. Kipkebut (2010), Njeru (2012) and Reid (2016) have also concluded that improved salaries as well as enhanced vocational pay rarely result from job evaluation exercises. The scholars recommended that organizations should seek means of improving employee job satisfaction in those two aspects specifically after a job evaluation exercise. Finally, Schaifeli and Taris (2014) as well as Thompson (2015 concluded that job evaluation had a near negative effect on job satisfaction if not well handled through good communication and focused leadership.

# CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

In the final chapter, the study makes a summary of findings that are immediately followed by conclusions and recommendations derived from those conclusions. In so doing, the study is able to identify the field limitations and hence suggest areas that future academicians could focus on in order to improve in issues concerning job evaluation as well as job employee satisfaction.

## **5.2 Summary of Findings**

The objective was to determine perceived effect of job evaluation on employee job satisfaction at Postal Corporation of Kenya in Nairobi County. Accordingly, the study viewed reports from Postal Corporation of Kenya and used the field data to derive findings. The initial analysis showed that there had been a similar exercise carried out at Posta in 2014, but whose effect appeared not positive on employee job satisfaction. The study also found out that many aspects of job evaluation were not agreeable to the staff of Posta.

Job satisfaction was found to have varied agreement levels with employees in which variety of responsibilities and as well as support for additional training and education resulted directly from job evaluation exercise.

Another major finding was that work location, offers of vacation, promotions and salary increases were not immediately achieved after a job evaluation exercise. It was found that some form of discontent existed in the employees with regard to job evaluation exercise as they rated

many aspects of job satisfaction lowly. The other major finding was that job classification was not carried out well as a result of job evaluation exercise. Similarly there was a concern from the findings that requisite skills and qualifications were not put in place properly after a job evaluation exercise.

## **5.3 Conclusions and Recommendations**

In conclusion, the study noted that job evaluation exercise had both positive and negative effects on the perceived job satisfaction of employees at Postal Corporation of Kenya. The positive aspects or those that were favourable according to the employees include titles corresponding to the functions and tasks of the job, aligning specific functions to particular jobs, construction of salary structures that correspond to the tasks and functions of the job as well as deployment according to the requirements and skills.

On the job satisfaction, it was concluded that most employees at Postal Corporation of Kenya were not satisfied since they rated most of the aspects of job satisfaction lowly. Such aspects were noted as salary, location of work, vacation or amount of sick leave, relationship with supervisor and opportunity to utilize one's skills. However, on the few positives to come out of the findings, it was concluded that job evaluation led to some positive effects of job satisfaction. These include additional training and education as well as opportunity to have variety of job responsibilities.

Finally, it was concluded that the relationship between job evaluation and job satisfaction is not positively strong as indicated from the regression results. The many aspects of job evaluation that would be expected to have a positive impact on the job satisfaction of the employees turned up to be very negative.

## 5.4 Limitations of the Study

This study by nature of its environment of data collection could not go without some limitations. Even though the scope of the study was wide enough, only a narrow scope could be covered focusing on the Nairobi City County. To mitigate against this, the study made a lot of secondary studies concerning job evaluation and employee job satisfaction. As would be expected of a study based on a single entity, there was bound to be some form of bias, but this was overcome through a series of meetings with key leaders at Posta over the exercise thus making every participant comfortable to give their perceptions of the subject matter.

#### 5.5 Areas of Further Research

From the foregoing sections, the study saw it fit to inculcate areas that would add value to the current study. Similarly, the periods in which such an exercise takes place should correspond to periods where there is no need for organizational restructuring that would involve extreme measures like retrenchment and redundancy. Another area of recommended study is the use of multiple stakeholders instead of using only one consultant to make recommendations on the job evaluation exercise while undertaking a job satisfaction in the organization.

# 5.5 Implication on Policy, Theory and Practice

The study findings and conclusions have led to several implications in terms of policy, theory and practice. Firstly, the government in their policy to serve the public with speed and quality tends to neglect the plight of employees who tirelessly work to implement the functions of Posta. The policy here should be to take care of the various aspects of job satisfaction in order to increase morale and motivation of the employees.

Secondly, the results of the study imply that the government should approach the issue of state employee satisfaction in order for the employees to appreciate that rewards and good structure are a reality in government set up. Finally, Postal Corporation of Kenya should in practice try to involve majority of their staff in establishing plans that build the morale of employees to improve job satisfaction perceptions as this would enable grievances of both the employees and employer to be synchronized for conducive working environment.

The scholarly studies done in the area of job evaluation and job satisfaction could use the results of this study to observe the issues concerning employees in organization through a thorough review of equity theory. This is necessitated by the field finding that showed job evaluation and job satisfaction to be pulling in different directions. Equity theory and other motivational theories are all silent on what the employee should do to get involved in the planning and implementation of all aspects that enhance job satisfaction.

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#### **APPENDICES**

# APPENDIX I: QUESTIONNAIRE

Dear Respondent,

I am a Masters student at the University of Nairobi undertaking an academic research on the perceived effect of job evaluation on employee job satisfaction. Kindly participate in this 15-minute exercise and be assured of your confidentiality. In case of any queries, contact the researcher or the School of Business, University of Nairobi

#### **Section A:**

General Information A job evaluation exercise was conducted by PCK in 2014. Please state the extent to which you agree with the following aspects as of J.E at PCK (Please fill in freely as this ascertains that the study was done)

Name	
Job Title	
Department	
Reports to (Supervisor)	
reports to (Super Ausor)	
Date of Employment	
Age group (Tick one)	18-25 [ ] 26-35 [ ] 36-45 [ ] 46-55 [ ] Over 55 [ ]

**SECTION B: JOB EVALUATION** (A job evaluation exercise was recently done by PCK. Please state the extent to which you agree with the following aspects as result of Job Evaluation at PCK)

	Strongly	Disagree	Neutral	Agree	Strongly
	Disagree				Agree
Job Evaluation					
1. Job evaluation ensured that the tittles corresponds to the functions and task of the job					
2. Job evaluation found out that the distribution of staff in PCK matches with work load.					
3. Job evaluation ensured that Staff Upward mobility in PCK follows career paths					
4. Job evaluation ensured Jobs at PCK are aligned to specific functions					
5. Job evaluation revealed that reporting system is in accordance with the grades and tasks performed					
6. Job evaluation constructed grading of salary structures that corresponds to the task and functions of the jobs					
7. Job evaluation placed PCK to Appoint / Promotes staff based on job requirement					
8. Job evaluation ensured that Job classification is done according to functions.					
9. Job evaluation ensured that Staff are placed / deployed according to the requirements and skills.					

Any other comments related to Job Evaluation?	

**Section C: JOB SATISFACTION** (Please rate the following satisfaction aspects with respect to the extent which you perceive to be satisfied)

	Not	Unsatisfied	Unsure	Satisfied	Very
	satisfied				Satisfied
GENERAL WORKING					
CONDITIONS					
1. Hours worked each week					
2.Flexibility in scheduling					
3. Location of work					
4. Amount of paid vacation time/sick leave offered					
PAY AND PROMOTION					
POTENTIAL					
5. Salary					
6. Opportunities for Promotion					
7. Benefits (Health insurance, life insurance, etc.)					
8. Job Security					
9. Recognition / rewards for work accomplished					
WORK RELATIONSHIPS		L			
10. Relationships with your coworkers					
11. Relationship(s) with your supervisor(s)					
12. Relationships with your subordinates (if applicable)					

	Not	Unsatisfied	Unsure	Satisfied	Very
	satisfied				Satisfied
USE OF SKILLS AND ABILITIES				I	
13. Opportunity to utilize your skills and talents					
14. Opportunity to learn new skills					
15. Support for additional training and education					
WORK ACTIVITIES					
16. Variety of job responsibilities					
17. Degree of independence associated with your work roles					
18. Adequate opportunity for periodic changes in duties					

28. Any other comments on job evaluation and its effects on job satisfaction?						
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