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St. Mary's University, Ethiopia

ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES MBA
THE EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEES'
PERFORMANCE: THE CASE OF ADDIS ABABA CITY ADMINISTRATIVE MAYOR'S
OFFICE

BY:

SELENAT ATAEL TEREFE

JUNE ,2023

ADDIS ABABA

THE EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON
EMPLOYEES' PERFORMANCE: THE CASE OF ADDIS ABABA CITY ADMINISTRATIVE
MAYOR'S OFFICE

A THESIS SUBMITTED TO ST. MARY 'S UNIVERSITY, SCHOOL OF GRADUAT
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BY: SELENAT ATAEL TEREF

Adviser: YIRGALEM TADELE (PHD)

JUNE ,20

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Approved by the Board of Examiners:

Dean, Graduate Studies	Signature	Date
Advisor	Signature	Date
External Examiner	Signature	Date
Internal Examiner	Signature	Date

DECLARATION

I, the undersigned, declare that this research titled the effect of human resource management practice on employee performance in Addis Ababa city Administration mayor's office my original work. Prepared under the guidance of my Advisor Yirgalem Tadele (PhD). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Selenat Atalel

Signature _____ **Date** _____

CERTIFICATE

Here with I state that Selenat Atalel carried out this research work on the topic entitled the effect of human resource management practice on employee performance in Addis Ababa city Administration mayor's office under my supervision. It is sufficient for submission for the partial fulfillment for the award of MBA.

Yirgalem Tadele (PHD) _____

Advisor Signature

St. Mary's University Date _____

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Acronyms

HRM- Human resource management

TD- Training and Development

PA- Performance Appraisal

CR- Compensation and Reward

EP- Employees 'Performance

HR- Human Resource

SPSS- Statistical Package for the Social Sciences

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Abstract

Human resource management practices are concerning with the management of human resource activities to maximize employee's performance. Human resource management decision making for action usually based on subjective and personal opinion rather than acting according to rules and policies, facts, plan action another one the past two years the mayor's office is loosing qualified employees' for better compensation and employee opportunity, since human resource department of the office has not played key roles and functions to improve employees' performance. So, the purpose of this study was to assess the effect of human resource management practice on employee performance in Addis Ababa city Administration mayor office, to explain the correlation between selected human resource practices and employees' performance. The study obtained information from 129 respondents from staff of Addis Ababa city Administration mayor office through the use of questionnaire and Using quantitative data, Data was analyzed through Statistical Package for the Social Sciences version 27 by applying descriptive statistic and regression analysis. The results indicated that, selected human resource management practice (performance appraisal, training and development, selection and recruitment, compensation and reward) are least practise the office and the correlation and regression analysis showed that performance appraisal, compensation/reward and Training & development have positive and significant relationship with employees. Among the recommendations made were that Pay should be enough to help employees feel secure and aid for Satisfying basic needs of organization 's employees and performance appraisal is resulting a powerful tool. It provides to documented feedback on an employee 's level of performance. Compensation policy might be developing clear criteria to make the compensation packages paid fairly. This is a mechanism of minimizing compliance about compensation by organization employees.

KEY WORDS; *Employees 'performance, training and development, performance appraisal and compensation and reward.*

CHAPTER ONE

Introduction

This chapter explains the nature of the proposed research and the overall planned approach to deal with the stated research problem. It consists of the background of the study, statement of the problem, research questions, objectives of the study, Significance of the study, Scope of the study, Definition of Terms (Operational Definitions of Terms), Organization of the study and limitation of study.

1.1. Background of the study

According to Mahapatro (2010), it states that the human resource practices as it is concerning with the management of human resource activities to maximize employees 'performance through enhancing human resource department performance. Generally, human resource department is the art of procuring, developing and maintaining competent workforce to achieve the goals of an organization in an effective and efficient manner through effective use of people to achieve organizational and individual goals by managing people at work.

(Mathis and Jackson 2007), Human resource management HRM is the process of recruiting, selecting, inducting employees, providing orientation, imparting and development, appraising the performance of employees deciding compensation providing benefit, motivating employees, ensure the effective and efficient use of human talents to accomplish the organizational goals without sacrificing the needs of the organizational human element.

Human resource management involves all management decisions and action that affect the nature of the relationship between the organization and its human resources (Armstrong, 2008, PP. 3).

As Raymond(2011) argued, there are several important HRM practices that should support the organization's business strategy: analyzing work and designing jobs, determining how many employees with specific knowledge and skills are needed (human resource planning), attracting potential employees (recruiting), choosing employees (selection), teaching employees how to perform their jobs and preparing them for the future (training and development), evaluating their performance (performance management), rewarding employees (compensation), and creating a positive work environment.

According to Saira (2016) was conducted to determine the impact of HRM practices on employee 's performance in the Textile industry of Pakistan. The research findings indicated that HRM practices Compensation, Career Planning, Performance Appraisal, Training, and Employee Involvement have a positive impact on employee 's performance. Hence, it is proved that independent variables contribute positively towards change in the dependent variable or employees 'performance. She concluded that the appropriate level and extent of HRM practices implementation in work place that have direct impact on the achievement employees 'performance by equipped employees with skill, knowledge, motivation, involvement, abilities, empowerment and retention etc.

As Hamzah et al. (2014) argued, Employee performance is one of the most important factors that affect performance of the organization. The successful organization understands the importance of HRM as a critical factor that directly affects and contributes on both organization and employee performance.

The human resource of the organizations is the key to get better performance of the employees and it can be enhanced by implementing the HRM in the organizations So human resource management have effect on employee's performance (Karpiak & Jermisittiparsert, 2019, 2020). The researcher focuses on human resource practise (Recruitment and Selection, training and development, performance appraisal and reward management) on the employee performance in Ababa city Administration mayor's office.

1.2. Background of organization

Addis Ababa Municipality was established in 1909. The very basic cause was the city's population growth, economic activity and rising land area and also the need to properly handle various people coming from different parts of Ethiopia. During Emperor Menelik's reign, Addis Ababa went through a transition into modernization and sustainable development activities in 1920 EC, Behiruyi Wolde-Selassie gave the name "Mazegaja Bet". At that time due to the reason of city's population growth and security, in 1926 EC it started working in 16 major categories with more than 250 employees. These are the major parts of the department and had branches in each sub-section. The city council had to establish and improve its services and build a new building due to growing problem associated with the growth of the city to improve and provide better services to the residents, and the current building was built and is in service up to date. Now a day Addis Ababa city Administration mayor office has 342 permanent employee and 23 contract employees total 365. Some of the services performed by mayor office are Liaison with diasporas and embassies, Establishing relationships with new sister cities, Follow up and implement cabinet decisions, Handles unresolved land-related issues and Monitoring the implementation of approved project.

1.3. Statement of the problem

Employees are the most competitive advantages of the success and sustainability of organization. It is one of the core competencies of an organization, as examined by (Huskisson, 2007).

HRM practices significantly impact employee performance. According to Purcell and Kinnie (2020), HRM practices have a direct relationship with employee performance and Performance of organization. Therefore, human resource management practice is the most crucial element to create effective and efficient employees.

There have been many studies from different part of the world under the Effect of HRM practices on employee performance in different sectors. However, the researcher could only access few studies undertaken related to this topic in Ethiopia, for instance, Andargachew (2017) tries to assess employees job performance in relation to training in his study of effect of training

on employee performance at united bank of share. getamsay (2016) also tries to identify employees job performance factor as training, organizational culture, leadership, motivation and working environment in organization.

No study carried out on the effect of HRM practices on employee performance in the In Addis Ababa city administration mayor office. Additionally, the aforementioned studies were carried out in a different organization, culture and time which make it difficult to show and conclude the effect of HRM practices on Employee Performance based on these studies. Hence, this research is essential to know the current status of the HR practice in In Addis Ababa city administration mayor's office and its effects on employees' performance.

During the past two years the mayor office is loosing qualified employer for better compensation and employee opportunity .The employee think the organization has lower compensation package ,especially in regards to salary ,when it is compared with similar organization in the country .in addition to that the organization's has no periodic cost of living adjustment even though they have policy to make market assessment every year . As a result of this they created some level of dissatisfaction among employee which has effect on employee's performance and sought to look for other better opportunities that could satisfy their needs. This is obviously affecting the organization performance by not only losing competent employees but also lacks the capacity to attract new ones from the market. It also creates dissatisfaction which hinders employees to use their maximum effort and decrease their performance. Therefor the research will try to see the effect of the organization compensation system on employee's performance.

Another one is Addis Ababa city administration mayor's office human resource activities and decision making for action usually based on subjective and personal opinion rather than acting according to rules and policies, facts, plan action It means HRM practices were applied inappropriately; thus, it resulted in creating employee's performance reduce.

Therefore, this research dwelled on locating the existing gaps in the organization and indicated direction for better system of implementation of these HRM practices

Although, it was accepted that HRM is positively related to Employee performance. There is a great need for additional evidence to support the HRM-performance relationship from different contexts

1.4. Research objective

1.4.1. The General Objectives

The general objective of this study is to find out the effect of HRM practices on employee's performance in the case of mayor's office.

1.4.2 The specific objective:

- ❖ To assess the practice of Human Resource Management (HRM) in Addis Ababa city Administration mayor's office.
- ❖ To examine the relationship between HRM practices (Recruitment and Selection, training and development, performance appraisal and reward management) and employees' performance.
- ❖ To evaluate the extent to which HRM practices (Recruitment and Selection, training and development, performance appraisal and reward management) influence employee performance.

1.5. Significance of the Study

First, this study was used highly significant for Addis Ababa city Administration mayor's office and other governmental institution to get better understanding practical significance to understanding the effect of HRM practises on employee performance, and developing best engaged human resources.

Secondly, the study will be of a great significance to policy makers because the study assists them during making policies. The result of this study gives a chance for the Addis Ababa city administration mayor's to change and manage their human resource policies and practices in appropriate style.

Thirdly the finding and conclusion resulting from study will contribute to the body of knowledge on the human resource management practices and employee performance, this will also help future researcher and academicians may use the study finding to further their research and important to the existing body of knowledge in Ethiopian context.

1.6. Scope of the study

The geographical scope of this study was delimited to Addis Ababa city administration mayor's office head Office only. The logic behind is it's difficult to cover all mayor office in Ethiopia.

Among the possible variable that were affect employee performance the study covered only on the following human resource management practices (Recruitment and Selection, training and development, performance appraisal and reward management). The study committed the time, energy, and other resources to the best capacity to make the study worthwhile experience and the researcher believe that these variables have strong effect on employee's performance.

Concerning methodology scope, the researcher used quantitative research approach and primary data collected through questionnaires by using random sampling technique. the reason behind using quantitative approach is the nature of the research questions and the most appropriate method to address the researcher question.

1.7. Organization of the study

This study is organized in to five chapters. The first chapter consists of introduction. This includes background of the study, statement of the problem, Research question, objective of the study, significance of the study, scope of the study, and definition of terms. The second chapter presents the theoretical frame work, empirical review of literatures and conceptual frame work and hypothesis of study. The third chapter consists of research methodology and design. It describes the type and design of the research, four chapter presented Data analysis interpretation and discussion, Fiftths chapter presented Finding Summary, Conclusion and Recommendation.

1.8. Definition of Terms

1.8.1 Operationalized definition of term

HRM practice is composed of the policies, practices, and systems that influence employees' behavior, attitude, and performance. HRM practices have an effect on employee performance and competitive advantage of an organization (Noel, 2007).

Employees Performance;

Employees Performance is the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and speed in line with organizational goal (Anne&Jeery,2009).

Recruitment and Selection:

According to Beard well (2004), the process of recruitment and selection of staff concerned with identifying, attracting and choosing suitable people to meet an organizations human resource requirement.

Training and development:

Training is a planned effort to enable employees to learn job related knowledge, skills, and behavior.

Development involves acquiring knowledge, skills, and behavior that improve employee's ability (Noel, 2011).

Performance Appraisal;

Performance Appraisal can be defined as a system that involves setting employee standards, looking at employees' actual job performance, assessing that performance against the standards, giving feedback to the employee on the performance (Dressler, 2008).

Compensation and reward:

Compensation and reward are the remuneration received by the employees in accordance with the achievement and service given to organizations both financial and non-financial shape (Dessler, 2005).

1.8.2 Conceptualized meaning of Terms:

HRM practice: refer to composed policies, practices and systems which influence employee's behaviour, attitudes and performance.

Employees Performance;

Refer to member of staff fulfils the duties of their role, complete required tasks in effectively, efficiently and in their input.

Recruitment and Selection:

Selection refer to the process of determining the best candidate from the pool of applicant
recruitment refer to the process Where potential applicant is searched for and encouraged to apply for an actual vacancy.

Training and development:

Training the action of teaching a person or group a particular skill or type of behaviour
Development refer to a specified state of advancement or growth.

Compensation and reward:

Compensation refers to monetary payment given to an individual in exchange their service.
Reward refer to something that is given in return for good or offered for some service or attainment.

Performance appraisal;

Refer to an annual review of an employee's over all contribution to the company by the manager
also called annual review evaluate an employee's skill, achievement and growth.

1.9 Limitation of study

Few respondents were not dedicated enough to respond to all the questions, rather they leave some questions not answered and even return the given questionnaires. The researcher also limited scope at head office of it is because of time limitation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical literature

This chapter should be divided into four major categories Theoretical Literature Review; the study clarifies concepts and theories of human resource management practises and employee performance and Empirical Literature Review; the study presents the research findings of several researchers in relation to human resource management, conceptual framework that indicates Human Resource management as independent variable and employee performance as dependent variable

2.1.1 The Concept of Human Resource Management (HRM)

Human resource management is referring to policies and practices involved in carrying out the human resource (HR) aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labor relations (Dessler, 2007). HRM is composed of the policies, practices, and systems that influence employees' behavior, attitude, and performance (Noel, Hollenbeck, Gerhart & Wright, 2007). According to Mahapatro (2010), Human Resource Management (HRM) is a process of bringing people and organizations together so that the goals of each are met.

HRM practices have an effect on employee performance and competitive advantage of an organization (Guest, 2002; Balochi et al., 2010). The employees of every organization are a basis of competitive advantage. For gaining the competitive edge in the organizations, many organizations are focused on human resource management practices and how these practices overcome the issues of global world. By implementing human resource management practices, the organizations can performance the employees of every organization are a basis of

competitive advantage. There has been an increase in the experimental studies that examines the influence of some practices of (HRM) on performance of employees (Becker & Huselid, 2006; Bowen & Ostroff, 2004).

According to Armstrong (2016) the goals of HRM are supporting the organization in achieving its objectives by developing and implementing human resource (HR) strategies that are integrated with the business strategy (strategic HRM) to contributing the development of a high performance culture ensuring the organization has the talented, skilled and engaged people it needs, creating a positive employment relationship between management and employees and a climate of mutual trust and encouraging the application of an ethical approach to people management.

The human resource management practices are having a in organizations. The employees of the pharmaceutical companies are performing better after getting proper human resource management system in organizations. Previously studies done on human resource practices and employees' performance and shows that there is positive relation among the human resource practices and employee performance (Tabiu & Nura, 2013). Moreover, the human resource management practices consider as best practices of the organization to achieve the goals of the organizations and create a competitive edge for the organizations (Hassan, 2016). Therefore, in current scenario HRM practices play a key role to improve the performance Initially, the human resource management practices are tested in organizations, traditionally four practices are mostly considered under the human resource management head like recruitment and selection, training and development, performance appraisal and reward and compensation.

2.1.2. Recruitment and Selection

Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation. Selection may be defined as the process by which the organisation chooses from among the applicants, those people whom they feel would best meet the job requirement, considering current environmental condition (Karthiga, Karth, & Balaishwaya, 2015).

selection is the process by which specific instruments are employed to choose from a pool of applicant's persons most suitable for the job taking into consideration management goals and

legal requirements (Bratton & Gold, 2003). It is the process of finding and engaging the people the organization needs.

(Tizhe-Oaya, Ogbu, & Remilekun, 2017) According to Beardwell (2004), the recruitment and selection process is concerned with identifying, attracting and choosing suitable people to meet an organizations human resource requirement. According to Itika (2011), Managers responsible for recruitment and selection should be clear on the type of employees they are looking for. Lack of clarity may lead to poor selection criteria and may result in the wrong person being recruited for the job.

According to Banjoko (2003), employee recruitment is the process of reaching out, searching for and attracting a large supply of people or a large pool of interested applicants from which the organization can choose those it considers competent or most qualified for the job. Gbirevbie (2010) opined that the research findings by earlier scholars of (Adebayo, 2001; Ejiofor and Mbachu, 2001; Olowu and Adamolekun, 2005) on the human resource been the most valuable asset in any organization is right.

Ivancevich (2001), Accordingly, he stated that Human Resources Manager must figure out how to attract qualified employees from shrinking pool of entry-level candidates, how to trained less-educated, poorly skilled employees, how to keep experienced employees when they have few opportunities for advancement; and how to lay off employees equitably when downsizing is necessary.

Recruitment and selection involve two interrelated processes, recruitment is the process of generating a pool of capable people to apply for employment to an organization. Selection is that part of the recruitment process concerned with deciding which applicants or candidates should be appointed to jobs (Armstrong, 2008 & 2016).

Mahapatro (2010, PP.64), the objectives of recruitment to attract people with multi-dimensional skills and experiences that suit the present and future organizational strategies.

Source of recruitment

The possible sources of recruiting employees, it is easy to assume that these are inevitably external, even when it is possible and feasible to fill job vacancies from within the

organization. Nevertheless, the possibility of filling vacancies internally should always be given very careful consideration. To decide the source is appropriate in the circumstances, read through the job description and employee specifications. There are two main sources of recruitment.

Internal Sources of Recruitment

Internal source of recruitment means looking for suitable candidates from among the current employee, in an organization. Armstrong (2006), proposed that when vacancies exist in the organization, first consideration should be given to employees (internal candidates) who are already working in the organization. These include:

Promotion, transfer, job posting, job bidding and skill inventory.

External Sources of Recruitment.

This means that the organization attracts applicants from without the organization to send application for posts within the organization. There are many ways of encouraging suitable external candidates to come forward for final selection. However, before resorting to external recruitment, it is wise to ensure that all possible internal candidates have been given consideration. According to Galanaki (2002), this can be done through nomination by existing employees, where some companies rely on recommendations from their existing staff and occasionally offer incentive schemes for successful introductions.

The Effect of Recruitment and Selection on Employee Performance

Recruitment and selection are integrated factors that affect the performance of the employee. Recruit and select appropriate employee for suitable position of work have close relationships and connections with the organization's development. Many studies have found positive relationship between recruitment and selection and employee performance. Huselid (1995) stressed that by adopting best practices in recruitment and selection, it allows the good quality of skill in the organization. He also stressed on importance of training as complement of selection practices through which the organizational culture and employee behavior can be aligned to produce positive results. Tessema and Soeters (2006) the extent of HR practices affect performance at the employee level in Eritrea. Since performance is a multi-faceted and complicated concept, HRM outcomes were used as mediating factors between HR practices and employee performance and the result was positively with the relationship between recruitment and selection and performance at the employee level.

2.1.3 Compensation & Rewards

Compensation is all income in the form of money; goods directly or indirectly received by the employee in exchange for services rendered to organization” (Jaleta et al., 2019, p.33).

Compensation has positive impact on employee performance as it energizes employees and give a sense of organisational belonging. Hameed et al., (2014) found that variables such as salary, rewards and indirect compensation should be given high priority because they play import role on employees’ performance.

Components of compensation

Usman et al. (2019) refer and state that. Compensations classify in to2; Direct financial compensation Wages ;(Salaries, Bonus). non financial compensation; educational allowance holiday allowance medical allowance.

Non-financial compensation, is also further divided into two sides connected to work environment are good work facilities connected to work for instance, appropriate work in terms of challenging and interesting, the opportunity to a promotion, and have a status symbol at work. conducive working environment. The outcome of using different components in compensation is that employees get motivated and satisfied when they obtain desired compensation, including both financial and non-financial components (Jaleta et al., 2019).

Compensation Policy

The compensation policy depends on certain criteria below: minimal governmental, union and managerial levels should be met, equitable: each person should be paid fairly, in the line with his or her effort, abilities and training, balanced: pay, benefits and other rewards should provide a reasonable total rewards package, cost-effective. The pay should not be excessive, considering what the organization can afford to pay, secure: pay should be enough to help employees feel secure and aid him or her in satisfying basic needs, incentive providing: pay should motivate effective and productive work, acceptable to the employee. The employee should understand the pay system and feel it is a reasonable system for the enterprise and him or herself (Mahapatro, 2010).

Components of Reward

Rewards can also be divided into extrinsic and intrinsic rewards. The intrinsic rewards are related to the satisfaction while doing the work. These benefits of intrinsic rewards are foremost non-monetary and, therefore, more challenging to measure. On the contrary, extrinsic rewards are commonly associated with monetary rewards such as money and job security and easier to measure (Linz& Semykina, 2012).

If employees are rewarded on their duties then they are more productive. By job description, the organization is familiar with what to suppose from the workers and how to rewarded workers who determine good performance; and in return, the employees know what the organization assumes from them and the variety of compensation and reward they obtain (Hailemariam et al., 2019).

Rewards in employees' compensation systems in order to boost the employees' willingness to put more effort and work harder (Markova & Ford 2011). Schultz (2007),stated that "Rewards are objects, events, situations or activities that attain positive motivational properties from internal brain processes" According to Armstrong (2014) ,Reward management deals with the strategies, policies and processes required to ensure that the contribution of people to the organization is recognized by financial, material reward and Psychological rewards. Reward management deals with the strategies, policies and processes required to ensure that the value of people and the contribution they make to achieving organizational, departmental and team goals is recognized and rewarded.

Compensation plays a useful role in the relationship between an employer and employee. While the employees have knowledge, skills, attitude, experience and qualification at their disposal, the employers on the other hand have at their disposal pay, benefits and incentives" (Ax et al, 2006). reward system is that it must cause employees to give their best to the organization.

2.1.4 Training and Development

Training and development are an important function of human resource management in organization that ensures the organizations have adequate human resources with capabilities needed for achieving goals effectively.

Training is considered as the process of improving the existing skills, knowledge, exposure, and abilities in an individual. According to Saleem, Shahid, and Naseem (2011), training is an

organized increase from the know-how skills and sensations needed for staff members to execute efficiently in the offered process, as well as, to operate in underlining situation. Moreover, it also enhances the capabilities of panel of employees in very effective way by motivating them and transforming them into well organized and well-mannered workers that ultimately affects the performance of organization. Khanfar (2011) argued that training is an active means to enable individual to make use of his capability and his potential.

Benefits OF Training

The human resource management department of a company is conducting training and development aimed at achieving the following benefits. Such as increasing job satisfaction and morale among employees, increased employee motivation, increased efficiencies in processes, increased capacity to adopt new technologies and methods, increased innovation in strategies and products. It creates knowledgeable staff, building a more efficient, effective and highly motivated team, which improves employee morale and performance (Mahapatro, 2010).

A research study conducted by Alamri & AlDuhaim, (2017) found that when employee training is increased from 10% to 15% the employees' performance increased at least 3% in the production sector of the United Kingdom. Employee training will lead to a better quality of work which in turn increases the self-confidence and job performance of the employee at the workplace, which ultimately leads to improve performance and job satisfaction of employees Sarker and M. H. Rashid (2015). knowledge, and attributes needed by the workers to better fulfill their job tasks.

Amsalu (2017) stated the organization should provide more training to improve its employees' performance since employees 'experience and skills might not fit for the frequent changes of work procedures and technology

Training is necessary to ensure an adequate supply of staff that is technically and socially competent and capable of career development geared towards helping organizations realize their vision. In the contemporary dynamic corporate world, employees are increasingly required to keep up to the upcoming changes. Training is important for employees' development as it enables them achieve self-fulfilling skills and abilities; reduce operational costs, limits organizational liabilities (Donald, 2009).

Properly trained employees are highly motivated and have more sense of responsibility hence requiring less supervision which in-turn increases the organization's ability in attaining its mission. The study will principally focus on the effect of training and development on employee performance and productivity (Mohamud, 2014).

Development

Development involves acquiring knowledge, skills, and behavior that improve employees' ability to meet the challenges of a variety of new or existing jobs, including the client and customer demands of those jobs. Development programs often focus on preparing employees for management responsibility. Likewise, if a company plans to set up teams to manufacture products, it might offer a development program to help employees learn the ins and outs of effective teamwork (Noël, 2011).

The relationship between Training and development with employee's performance

According to Guest (1997) mentioned in his study that training and development programs, as one of the vital human resource management practice, positively affects the quality of the workers knowledge, skills and capability and thus results in higher employee performance on job.

Training is the only ways of identifying the deprived need of employees and then building their required competence level so that they may perform well to achieve organizational goals.

However, implementing training programs as a solution to covering performance issues such as filling the gap between the standard and the actual performance is an effective way of improving employee performance (Swart et al., 2005).

According to Swart et al., (2005), bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular skills and abilities of the workers and enhancing employee performance. He further elaborates the concept by stating that training facilitate organization to recognize that its workers are not performing well and a thus their knowledge, skills and attitudes need to be molded according to the firm needs.

Ahmed (2016) mention regarding the training and development in his article that the efficiency of employee is enhanced by training and development.

2.1.5. Performance Appraisal

Different scholars have defined Performance Appraisal from different perspectives. Encouraging risk taking, demanding innovation, generating or adopting new tasks, peer evaluation, frequent evaluations, and auditing innovation processes This strategy appraises individual and team performance so that there is a link between individual innovativeness and company profitability. Which tasks should be appraised and who should assess employees' performance is also taken into account? (Mahapatro, 2010, PP.13 & 101).

As per Grote (2002), Performance Appraisal is a formal management system that provides for the evaluation of the quality of an individual's performance in an organization. It is the process of evaluating how well employees perform their jobs when compared to a set of standards, and then communicating that information to those employees (Mathis and Jackson, 2000).

According to Armstrong (2009), Performance management is a systematic process of improving the organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards, and competency requirements.

Wayne (2013) and Shelley (2015) collectively establish performance appraisal as a clear and concise, regular and unbiased system of rating an employee's performance in her current position, which can also be used to determine how far the employee can go in career development.

Objectives of Performance Appraisal

According to Wayne (2013) and Shelley (2015) collectively establishes Performance appraisals as showing employees how to improve their performance, setting goals for employees, and helping managers to assess subordinates' effectiveness and take actions related to hiring, promotions, demotions, training, compensation, job design, transfers, and terminations.

Bailey and Fletcher (2008) has described these objectives thus: providing feedback, facilitating promotion decisions, facilitating layoff or downsizing decisions, encouraging performance improvement, motivating superior performance, setting and measuring goals counselling

performers, determining compensation changes, encouraging coaching and mentoring, supporting manpower planning, determining individual training and development needs, determining organizational training and development needs, validating hiring decisions, providing legal defensibility for personnel decisions and improving overall organizational performance. Obeidat et al., (2014) Performance appraisal plays a role that is valuable in employee training and development and can be used to identify and initiate the process of providing relevant training and development in their study.

Performance appraisal methods

There are several means of reviewing performance of employees and the scope and methods vary from one organization to another (Beardwell & Claydon, 2010). Appraisal methods have their strengths and weaknesses and depending on the organizational context, the choice and use of one particular method may be appropriate than the other (Dressler, 2012).

The methods are the ranking method, 360 degrees feedback, essay method, critical incident method, behaviourally anchored rating scale and management by objectives.

Performance appraisal process

Performance appraisal system may vary from one organization to another. For a performance appraisal scheme to be workable, it should follow a process. Meenakshi (2012) has identified six steps process that needs to be followed when using an appraisal system.

These steps are: establishing performance standards with employees, communicating performance expectation, measure actual performance, compare actual performance with standards, discuss result with employee, and if necessary, initiate corrective action.

Ramous Agyare, Mensah, Aidoo, and Ansah (2016), stated that when employees receive appraisal on the performance enhances their motivation for better performance and achieving the organizations goals. The employees not receiving the appraisal on the performance they are not motivated and not satisfied. Due to poor performance appraisal employee's productivity is very low. On the other hand, if employees receive performance appraisal on particular goals and objectives, they are more satisfied and perform well and retain in the organizations for longer time period. enhances the satisfaction of the workers, if the appraisal not accordance with the

performance the employees are demotivated. Good performance appraisal motivates the employees to perform well boost good behavior in such as organizations citizenship behavior for environment, reduce absence, retain in the organizations for longer time period. In this way organization is effective and efficient in its working (Kampkötter, 2017).

2.2 Empirical Evidences

There are many researchers conducted around the world that showed the relationship between human resource practices and perceived employee performance. Eventually, this research developed the association of these four HRM practices: performance appraisal, reward and compensation practices, recruitment and selection, training and development (independent variables) have significant and positive relationship with employees 'performance (dependent variables).

Under this topic the researcher considers only few studies to show the gap relationship between HRM practices and employee performance and helps by providing insight for other researcher

2.2.1.HRM Practice and Employees' Performance Relationship

Tigest (2022) This study examines the impact of training, performance appraisal, and compensation as HRM practices on employees' performances at Bule Hora University, Ethiopia. The objectives of the study are to identify factors affecting the selected HRM practices and employees' performances in the university, the instruments used to collect data are questionnaires and individual interviews. The quantitative data collected through questionnaires are tallied and tabulated in the analysis. Thus, there are significant relations between training, performance appraisal, and commitment.

According to Saira Hassan (2016) was conducted to determine the impact of HRM practices on employee 's performance in the Textile industry of Pakistan. The research findings indicated that HRM practices Compensation, Career Planning, Performance Appraisal, Training, and Employee Involvement have a positive impact on employee 's performance. Hence, it is proved that independent variables contribute positively towards change in the dependent variable or employees 'performance.

Mohammad et al (2014), in their paper examined the effect of HRM practices towards employee performance in Malaysian Skills Institute (MSI). It investigated the factors recruitment, selection and compensation that affected employee performance in MSI. This research study found out the effect of HRM practices on employee performance. The results of the testing hypotheses indicated that the independent variables significantly correlated with the dependent variable. The correlation results confirmed a significant association between independent variables and the dependent variable.

Shaukat et al (2015) explored the effect of Human Resource Management on employees 'performance. This study dealt with HRM practices including selection, training, career planning, compensation, performance appraisal, job definition and employee participation on perceived employee performance. The major findings of this study that all variables were statistically significant relationship with the dependent variable employees 'performance.

2.2.2. Recruitment and Selection and employee Performance;

Many studies have found positive relationship between recruitment and selection and employee performance Recruitment and selection is one of the human resource management practices. The object of recruitment is to find suitable candidates to meet organizational needs, in as cost effective a way as possible (Tyson, 2006). Tanveer (2011), on the study revealed that recruitment and selection found significantly related and impact with performance of employees.

(Fatema.N, 2018, PP.11), under the study of Stimulation of Efficient Employee Performance through Human Resource Management Practices, A Study on the Healthcare Sector of Bangladesh the study revealed that Recruitment and selection constructive relationships with employee performance.

(Ahamd and Jemal,2016) undertaken study on HRM Practices as Predictor of Employee Performance and Job Satisfaction in Nespak, Pakistan, found that staff selection was positive and shows positive change in dependent variable, so it shows staff selection and employee performance are positively related.

Huselid, M. A. (1995) under the impact of human resource management practices on turnover, productivity and corporate financial, stressed that by adopting best practices in recruitment and selection, it allows the good quality of skill in the organization.

Hamzah Alquda (2019) under the effect of human resources management practises on employee performance in Malaysia skill institution (MIS) the researcher developed and distributed a questionnaire and the over all analysis was performed based on the descriptive statics and correlation analysis the result show that recruitment and Selection significantly correlated with the employee performance.

Tigest (2022) This study examines the impact of training, performance appraisal, and compensation as HRM practices on employees' performances at Bule Hora University, Ethiopia. The objectives of the study are to identify factors affecting the selected HRM practices and employees' performances in the university, the instruments used to collect data are questionnaires and individual interviews, there are significant relations between training, performance appraisal. staff selection was positive and shows positive change in dependent variable, so it shows staff selection and employee performance are positively related (Ahamd and Jemal,2016).

2.2.3. Compensation/ Reward and Employees' Performance

HamzahAlquda (2019) under the effect of human resources management practises on employee performance in Malaysia skill institution (MIS) the researcher developed and distributed a questionnaire and the over all analysis was performed based on the descriptive statics and correlation analysis the result show that compensation significantly correlated with the employee performance.

Surafel (2017) stated that generally the pay scale of the Zemen bank & reward management policy does not consider market value and inflation rate respectively, cause of this reason the respondents are not motivated for better performance. Employees are not satisfied by rewards providing by Zemen bank salary, bonus, benefits and buying shareholders and policy has no positive effect Finally regression and correlation results shows the dependent and independent variable have positive relationship.

AS Jouda (2016), undertaken a study in Gaza University, ,the primary data has been collected via standard questionnaires' from a randomly selected sample of 115 employees of university of Gaza .the multiple regression model was used to analyze , he found that an increase employee's performance, the university management should implement the human resource management practice includes compensation and rewards, in order to increase their efficiency on the university performance Study by Shahzad, Bashir and Ramay (2015) showed that the existence

of positive relationship between Compensation and the performance of the university 's lecturer is directly clear.

Muhammad Riaz (2014) studied the impact of compensation of employee performance on organization commitment on the performance of employee, by using SPSS as a statically tool and concluded that "Compensation in the form of incentives, salaries will perform an important part to enhance motivation of employee in Local Revenue Management".

2.2.4. Training /development and Employees 'performance

According to Sarker.S (2017) study found that Training and development is the most influential factors of HRM practice in order to strength of association with the employee performance.

Dickson (2020) on the study that an evaluation of the impact of training and development on organization performance in case of the Gauteng provincial department of economics development. the researcher used descriptive quantitative research design. the study revealed that training and development found significantly related and impact with performance of employees. Abebe ,mesele ,lemessa (2015)on their study the impact of training and development on employee performance and effectiveness ;a case study of district five Administration office Bole sub city Addis Ababa ,Ethiopia in this study based on quantitative research method and using random sampling technique's the funding was training and development had positively correlated with employee performance .

Mohammed, Fatimah, Ibrahim (2019) In spite of the effectiveness of Training and Development in insuring good performance's the objective of this paper is to assess the effect of training and development on the employees' performance in Nigerian commercial banks. The study used descriptive approach and inferential statistics. The study discovered that training has positive effect on employee performance and productivity.

Tigest (2022) The study examines Bule Hora University, Ethiopia. to identify factors affecting the selected HRM practices and employees' performances in the university using questionnaires and individual interviews. the study found that, there are significant relations between training, performance appraisal employee performance.

The study conducted by Yaoundé (2017), training practice and employee performance were correlated. This indicated that an improvement in training practices; it is most likely to cause a slight improvement in employee performance.

Eliphas et al., (2017) did a study on the influence of performance appraisal practices on employee productivity. The study focused on three aspects; recognition, feedback, and training and development. The findings of the study revealed that productivity in organizations is mainly influenced by recognition and feedback while training and development does not play a critical role.

2.2.5. Performance Appraisal and Employees' Performance

Tigest (2022) The study examines Bule Hora University, Ethiopia. to identify factors affecting the selected HRM practices and employees' performances in the university using questionnaires and individual interviews. the study found that, there are significant relations between training, performance appraisal employee performance.

A positive relationship is present between performance evaluation and employee performance (Tesema and Soeters, 2019).

Hee and Jing (2018) using questionnaire to collect data from 161 employees carried out a study on the influence of human resource management practices on employee performance in the manufacturing sector in Malaysia. The study focused on the following human resource management practices; compensation and benefits, work-life policies, performance appraisal and training and development to examine their relationship on employee performance. According to the multiple regression analysis, performance appraisal and training and development were significantly related to employee performance.

Additional study conducted by Meklit in (2017) Justice for All-Prison Fellowship in Ethiopia, the result of here study reveals that there is a significant relationship between employee's performance with reward system, performance planning and performance feedback.

The study conducted on Amhara National Region State Office of Auditor General (ANRSOAG) (The Effect of Employees 'Perception of Performance Appraisal on Their Work Outcomes). The Effect of Employees 'Perception of Performance Appraisal on Their Work Outcomes) conducted by (Abraham Zewdie, Assegid Demissie, Assefa Tsegay 2014). The descriptive finding of the

study shows that in ANRS office of auditor general employees had low level of satisfaction (well perception Mohmad (2014), stated on his study the impact of human resource management in case of Telekom Malaysia, the study was found that Performance appraisal has moderate influence on the performance and employee participation in decision making has least influence on the performance.

2.3. Research Hypothesis

H1: There is a significant and positive effect of performance Appraisal on employee performance.

H2: There is a significant and positive and positive effect of Training & Development on employee performance.

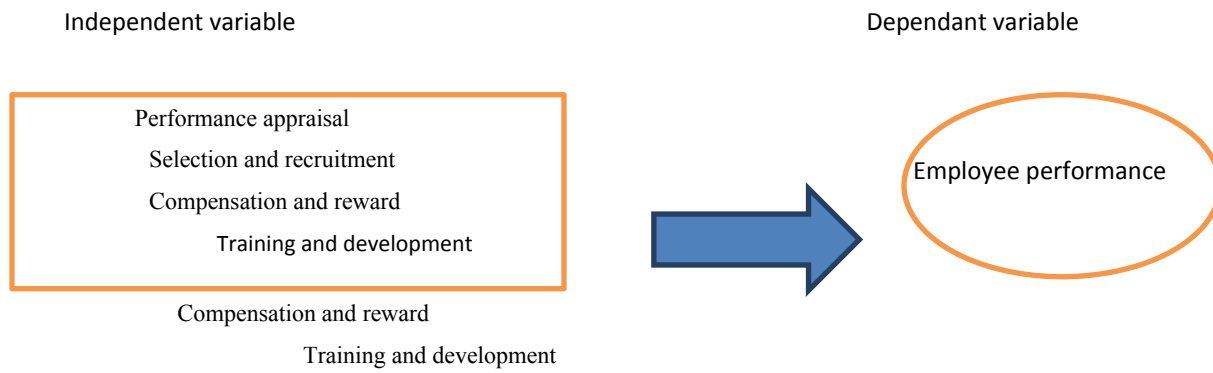
H3: There is a significant and positive effect of Recruitment & Selection on employee performance

H4: There is a significant and positive effect of Reward Compensation on employee performance. Hence the entire hypotheses are taken from the work of others scholars.

2.4. Conceptual Model

This research was applied four selected independent HRM variables which were training and development, Performance appraisal, reward and compensation, Recruitment and Selection and the dependent variable was employees 'performance. There could be a lot of factors that can affect employees' performance but the researcher desired to focus on four selected human resource management practices in this research due to different reasons which were explained so far. Based on the above theoretical literatures and empirical evidences, it is clearly indicated that the relationship of the independent variables (HRM practices) and dependent variable (employees 'performance) have positive relationship. Therefore, the researcher adapted model to show that if human resource department implement proper human resource management practices, it had been for improving employees 'performance.

following Figure-1 illustrates the conceptual framework of this research.



Source: own survey (2023)

CHAPTER THREE

METHDOLOGY OF THE STUDY

3.1 Research Design

The purpose of the research is to investigate the effects of HRM Practice on Employee Performance in Addis Ababa city Administration Mayor's Office. To conduct such kind of research, the researcher adopted explanatory and descriptive research design and, to explain the relationship between variables, these were performance appraisal, training and development, compensation or reward and recruitment and selection considered as the independent variable and employee performance was the dependent variable in this study.

These research designs are preferable to identify and explain the relationship among different variables and to explain causes and effect between variables.

3.2 Research Approach

The research used quantitative research approach, because quantitative research included surveys and questionnaires which could help to obtain data about the employees' performance and selected HRM practices. Quantitative research was about asking people for their opinions, acts and beliefs in structured questionnaires so that research could produce hard facts and statistics to guide to put possible recommendations (Biniam, 2016).

3.3 Population and Sample Design

Population is the complete set of units of analysis that is under investigation, while element is the unit from which the necessary data is collected (Davis, 2000).

3.3.1 Target population of the study

The research target population for this study was permanent employees who work at different department and level of positions in Addis Ababa city Administration mayor's office. There are 342 target populations for this study / three hundred forty-two employees based on information obtained from human resource department.

3.3.2 Sampling size determination

The study determined sample size by considering Yamane (1967:886) Statistical Formula:

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

Researcher choose to take sample of 54% of research population to be surveyed. The samples were 184 permanent employees of being surveyed.

performances in Addis Ababa city Administration mayor's office has approximately 342 permanent employees. A total of 184 questionnaires will distributed in Addis Ababa city administration mayor's office according to sampling plan.

representative and adequate number of sample size was taken to perform a meaningful analysis.

The sample size (n) was determined by using the formula as below.

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

Where

n=Sample size required

N=the study population

e=Level of precision/allowable error /sampling error (0.05) at 0.95(95%) confidence level (t) of 0.5(0.05%) unit variance (p).

To calculate the sample size at 95% confidence level and 5% margin error; $n = N / (1 + N (e)^2)$

where $e = 5\% = 0.05$

$$n = 342 / (1 + 342 (0.05)^2)$$

$$n = 342 / (1 + 342(0.0025))$$

$$n = 342 / (1 + 0.855)$$

$$n = 342 / 1.855$$

$$n \sim 184$$

3.3.3 Sampling Technique

A simple random sample technique was one of probability sampling method. The study used A simple random sampling method in which each element in the population had an to give equal chance of being selected in the sample in order to be member of the study.

3.3.3 Table of Target Population and Sample Size

Strat	Total # of	Sample
-------	------------	--------

a	employees	size 54%
Peace and security bureau	21	12
Finance bureau	39	21
Job creation and enterprise development bureau	41	22
Trade bureau	45	24
Educational bureau	38	20
Youth-social affair bureau	37	20
Transport	28	15
Land development management bureau	29	16
Public service and HRM development bureau	43	23
Health bureau	20	11
		184

3.4. Data source and Data Collection Method

The study used both primary and secondary data sources. The primary data collected through questionnaires from the employees who are working for mayor's office. The secondary data collected from different data sources such as professional journals, books, and the organizational HR data.

In this study, the researcher used questionnaires which were developed in the Likert scale format for measuring HRM practices, the researcher used Likert scale questionnaires.

The survey instrument was questionnaires. The questionnaires had two sections in this study.

The first section of the questionnaire was gathering information on the profile of respondents.

The second section of the questionnaire used to measure the extent to which human resource practices (training and development, performance appraisal and compensation or reward, recruitment and selection) were being practiced in Addis Ababa city Administration mayor office and how the employees were performing their works.

In the second section, researcher requested the respondents to rate the four selected HRM practices and their employees' performance in the organization based on a five-point Likert scale ranging from Strongly Disagree/SDA= 1, Disagree/DA = 2, Neutral/N = 3, Agree/ A = 4 and Strongly Agree/ SA = 5

3.5. Reliability

To establish how closely related the variables in the study, a Cronbach's alpha test was done. According to Andrew, Pedersen, and McEvoy (2011), Cronbach's values range from 0 to 1. However, values at or above 0.7 are desirable. Based on this assumption the data was considered acceptable with an overall reliability coefficient of **.987**. The findings are presented in the table below the researcher confirmed questionnaire instrument which was understood by the

respondent using reliability test. A total of 184 questionnaires were distributed to the respondents the participant was selected from organization randomly. Then returned the 129 data instruments were coded and a Cronbach's Coefficient Alpha test was employed by SPSS version 27.00. Thus, the SPSS output is summarized in table below

Table 3.5.1 Cronbach's Coefficient Alpha test

Items	Cronbach's Alpha	No of Items
Performance Appraisal	.951	9
Training and development	.982	11
Recruitment and selection	.861	9
Reward/compensation	.949	10

Employee Performance	.943	8
Overall Cronbach's Alpha	.987	47

Source: own survey (2023)

It can be observed from the reliability statistics test table above that the Cronbach's Alpha varies between the range 0.861 and 0.982 This shows high consistency among the items of the constructed. Since all items were considered useful and reliable for computing scales, no items were being deleted.

3.6. Data Analysis Methods

1. Descriptive statistical analysis was used to illustrate frequencies, means, and standard deviation of every research construct.
2. Pearson correlation was used to investigate the relationship independent variables with dependent variable and measuring validity.
3. Regression analysis was used to analyze the contribution of independent variables by predicting the effects of selected HRM practices on employee performance using Beta coefficient, t- test and sign test or p- values.

The Data analyses was made utilizing SPSS software version 27.00. The researcher utilized the following statistical tools for analysis and interpretation based on the SPSS outputs:

3.7. Ethical consideration

Ethical conduct states that it is the responsibility of the researcher to assess carefully the possibility of harm to research participants, and to the extent that it is possible, the possibility of harm should be minimized.

Every questionnaire that was sent out be attached to a cover letter which clearly be explained the purpose of the survey. The questionnaire didn't require the names of the respondents; this was protected their identity and remain anonymous. As a result, the employees were aware from the

beginning what the researcher was doing, why and where the information was going and why it was being gathered.

CHAPTER FOUR

DISCUSSION AND RESULTS

ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 Introduction

This section dealt with the findings and discussions of data analysis results from the study about the effect of selected human resource management practices on employees 'performance.

In this research, the researcher used close ended questions based on the objectives of the study to measure the effects of human resource management practise on employees 'performance by requesting organization employees 'feelings, opinions about selected HRM practices

implementation with their organization and work area context. One hundred eighty-four questionnaire were distributed to the research participants and 129/ one hundred twenty-nine respondents returned questionnaires which was 70% or 0.72 compared to distributed questionnaires.

This chapter was organized and analyzed in four subsections as follow.

4.2 Demographic characteristics of respondents

4.3 Descriptive Statistics

4.4 Correlation Analysis

4.5 Regression Analysis

4.2 Demographic Characteristics of Respondents

The demographic variables of the respondents had the following variables such as gender/ sex, age, education level, and seniority. These demographic variables of the research participants were analyzed in the form of percentage and cross variables analysis as below.

4.2 Table of Demographic Characteristics of Respondents

Variable s	Demographic variables	Frequenc y	Valid percentage	Cumulativ e Percentage
Gender of the respondents	Female	75	58.1	58.1
	Male	54	49.1	100
Age of the respondents	Under 35 age	48	38	38
	35-45	51	41.9	79.9
	46-55	21	13.2	92.9
	Above 55	9	7	100
Education qualification of respondent	Diploma or less	11	8.5	8.5
	First degree	102	79.1	87.6

	Master	15	11.6	99.2
	Ph.D.	1	.8	100
	TOTAL	129		
Experience	Less than 5 years	80	62	62
	5-10	46	36	98
	11 above	3	2	100
	Total	129		

Own source 2023

Gender of the respondents

In order to determine the gender distribution in the organization, respondents were asked to indicate their gender by checking either male or female in the questionnaire. The findings showed that Female respondents dominate gender category with 58.1% (n=75) of the respondents were female the remaining 49.1% (n=54) were male.

Age of the respondents

The study also looked to establish the age bracket of the respondents by asking them to check the boxes with their age. The first major group of respondents found in the age category of 35-45 years which are 41.9% of the respondents and the age category of under 35 years which are 38% of the respondents. In the second level and the third age category, a majority of the respondents that in the age group of 46-55 years which is 13.2% of the respondents. Finally, the remaining small proportion shows that they were in the age category of and above 55.

Educational Qualification of Respondents

Result from the above table shows about educational background of the respondents. It revealed that the majority 102(79%) of the respondents had first degree level.

The rests 15(11.6%), 11(8.5%) and 1(.8%) had MA degree and diploma holders and PhD. respectively. This implies that the majority of employees under this study area are first degree graduates.

Work Experience of Respondents

The study finds out how long the respondents have worked in the Addis Ababa City Administration Mayor's office. Most of the participants here is under table 4.3, which is 80

respondents (62%) has been working for the company 5 years and less ,46 respondent or 36 % of all participants have been employed for 5-10 years and the others which are 11 years and above are 2%.This indicates that most of the employees have few experiences in the Mayor’s office so that they may not know well about the human resource practice and how that HRM can affect their performance in the Mayor’s office

4.3 Descriptive analysis of HRM Practices

This section describes the responses of the respondents to the four selected HRM practices which affects employee performance level.

Descriptive analysis was summarized responses of the respondent for distributed questionnaires and investigated the extent of employees ‘opinions and feelings about the effects of selected HRM practices on employees ‘performance based on the responses of research participants for distributed data collection questionnaires.

The researcher compared the —mean and —standard deviation score of each variable against settled standard by According to Zaidaton & Bagheri (2009) the mean score below 3.39 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.80 was considers as high as illustrated below

Table 4.3. Comparison bases of mean score of five-point Likert scale instrument

Description	Mean score
Low	< 3.39
Moderate	3.40—3.79
High	>3.80

Zaidatol & Bagheri (2009)

Table 4.3. Summary of response about selected human resource practice

The study was intended to investigate from the respondents the effect of selected human resource practice process on employee performance using descriptive statistics. There were nine statements which deal with how the respondent feels about Selection and Recruitment Process, ten statements which deal with how the respondent feels about Compensation and Reward process, nine statements which deal with how the respondent feels about Training and Development process and there were nine statements which deal with how the respondent feels about performance appraisal process. This help to identify whether the employees benefit from each variable

Descriptive Statistics

	N	Mean	Std. Deviation
SR	129	3.0060	.67662
TD	129	3.0070	.85179
CR	129	2.7969	.80970
PA	129	3.0498	.81708
EP	129	2.8992	.81536
Valid N (listwise)	129		

Source: Own Survey (2023)

From table, mean score of Likert five scale instrument of each items focusing recruitment and selection, training and development, compensation and rewards, performance and appraisal, employee performance all have the mean value scored less than 3.40 which is low when compared with standard mean score as Zaidatol & Bagheri (2009).

4.4 Correlation Analysis

Correlation was used to show the strength of the association between the variables involved. The relationship among research variables using calculated Pearson correlation coefficient test

Identifying the relationship between two or more variables is the most important in research activity. According to (Wong and Hiew, 2005) the correlation coefficient value(r) range from; 0.10—0.29, is considered to be weak,

0.30-0.49, considered to be moderate,

0.5-1.0. Considered to be as strong relationship between dependent and independent variables the correlation coefficient symbolized by r. When we come to this study, the research would identify relationship between human resource practice and employee performance. Based on the questionnaires that were filled by the employees of the Addis Ababa city Administration Mayor's office on HRM practice and employee performance, the result of the correlation analysis between those variables is listed in the table below.

Table 4.4.1 Pearson correlation test

correlation

correlation						
		SR	CR	TD	PA	EP
SR	Pearson Correlation	1				
	Sig. (2-tailed)		.000			
	N	129	129			
CR	Pearson Correlation	.782**	1			
	Sig. (2-tailed)	.000				
	N	129	129	129		
TD	Pearson Correlation	.878**	.934**	1		
	Sig. (2-tailed)	.000	.000			
	N	129	129	129	129	
PA	Pearson Correlation	.781**	.951**	.934**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	129	129	129	129	
EP	Pearson Correlation	.809**	.956**	.940**	.947**	1

Sig. (2-tailed)	.000	.000	.000	.000	
N	129	129	129	129	129

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

Keys: TD- Training and Development

PA- Performance Appraisal

CR- Compensation and reward

SR-, selection and selection

EP- Employees 'Performance

Pearson correlation test was conducted as depicted in table 4.4.1 to know the degree of relationship between the independent variables, which are performance appraisal, training and development, compensation and reward, recruitment and selection and the dependent variable employee performance.

From the above Table, coefficients of correlation indicated that employees 'performance has strong association with performance appraisal ($r \sim 0.947$, $p = .000$) It has also strong association with training/ development ($r \sim .940$, $p = .000$) and compensation/ reward ($r \sim .956$, $p = .000$), recruitment and selection ($r \sim 0.809$, $p = .000$) . as it was seen above table, one independent variable had correlation between other independent variable from strong association up to substantial association at $p = .000$. generally, in this model, there was positive and significant correlation among variables.

4.5 Regression Analysis

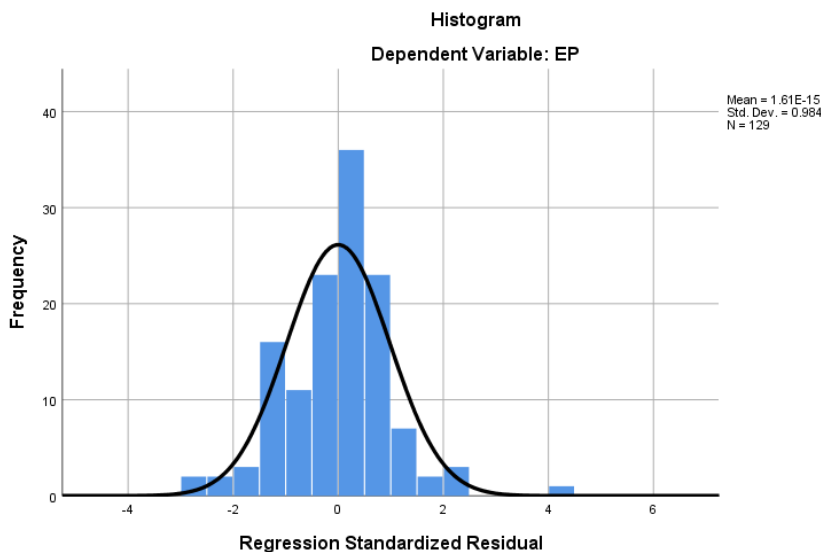
4.5.1 Assumption of regression analysis

Meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represented the sample and that researcher has obtained the best results. Three assumptions for regression analysis used in this study discussed for the individual variables: normality, linearity and multi-collinearity. In the following paragraphs, each assumption is explained.

Normality test

A histogram is essentially a graph that depicts a variable's frequency distribution of data. The values of the variable are depicted on the X-axis, while the frequency is represented on the Y-axis. Histograms are a valuable apparatus for deciding whether your information is routinely disseminated. In case the information is clustered around the cruel in an ordinary dispersion at that point the factos are ordinarily conveyed Kurtosis is a measure of the level of peak in a histogram. Positive kurtosis can be seen in the high peak, whereas negative kurtosis can be seen in the flatter distribution (Rani Das, 2016).

Figure 4.5.1.1 Normality test



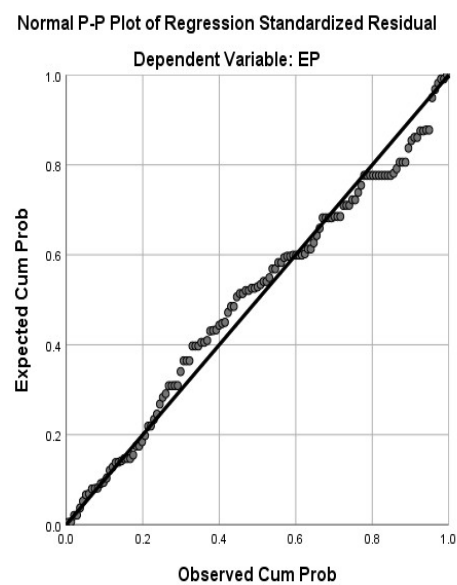
Source own data (2023)

As per Garson (2012), the normal distribution of histogram graphs resembles a bell-shaped distribution. The variables' kurtosis and skewness should be between negative three and three. As a result, as shown in the graph above, the normal distribution of the variables in this study scores between -3 and 3, and the graph has peaked and is bell-shaped. As a result, the variables are normal.

Linearity Test

In regression analysis, the relationship between the variables is assumed to be linear. That means the points in the diagonal line plot need create a pattern that can be approximated by a straight line.

Figure 4.5.1.2. Linearity Test



Source own data (2023)relationship between the independent and dependent variables (Bluman, 2009). In our case the graph shows most likely linear relationship between human resource practices and perceived employee performance. As shown above in figure the researcher conclude that the data appears to be normally distributed as it follows the diagonal line closely and does not have a non-linear pattern

Multi-collinearity tests.

Table 4.5. 2 Multi-collinearity tests

Model		Tolerance	VIF
1	(Constant)		
	PA	.213	5.452
	TD	.212	5.726
	CR	.378	3.231
	SR	.215	4.646

Dependant variable; employee performance

Source own data (2023)

As in the regression here, for this study the researcher was checked this assumption with tolerance and VIF statistics. Andy (2006) suggests that a tolerance value less than 0.2 almost certainly indicates a serious collinearity problem. Liu, (2010) also suggests that a VIF value greater than 10 is cause for concern and in these research data the values are below 10 for all predictors. It seems from these values that there is no an issue of collinearity between the predictor variables. The derived model is likely to be unchanged by small changes in the measured variables. In another word, these values give us some idea as to how accurate our regression model is. Thus, there was no concern with biased effect of collinearity.

4.5.2 Multi regression analysis

Table 4.5.2 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.968 ^a	.938	.936	.20679
a. Predictors: (Constant), CR, SR, PA, TD				

Source: own survey (2023)

In the above table the model summary the multiple regression correlation efficient $R = .968^a$. represent the correlation between employee performance and independent variables which are (performance Appraisal, training and development, recruitment and selection, compensation and Reward). R square represents the proportion of variance in the dependent variable which explained by independent variables (.938). Adjusted square($R = .936$) this means 93.6% the variation of employee performance is due to the predictors (, performance appraisal, training and development and recruitment and selection and compensation and reward,). The remaining 6.4% of variations on employee performance are explained by other variables out of this model or variables which are not incorporated in this study A. Predictors: (Constant), PA, TD, RS, CR,

Table 4.5.2 .2ANOVA of Selected HRM Practices Effect on Employees ‘Performance

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	79.794	4	19.948	466.505	.000 ^b
	Residual	5.302	124	.043		
	Total	85.096	128			
a. Dependent Variable: EP						
b. Predictors: (Constant), CR, SR, PA, TD						

Source: Survey data (2023)

A. Dependent Variable: EP

B. Predictors: (Constant), PA, TD, CR, RS, From the above ANOVA table F value is significant (significant value is less than 0.05) it means dependent variable is significantly affected by the respective independent variable

Table 4.5.2.3 Coefficients for Multiple Regression

Coefficients ^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.264	.091		1.643	.792
	PA	.277	.080	.277	3.461	.001
	TD	.196	.087	.205	2.259	.026
	SR	.067	.058	.055	1.145	.255
	CR	.461	.081	.457	5.695	.000

a. Dependent Variable: EP

Source: own survey (2023)

In the above regression analysis model table points out that the relationship between independent and dependent variable. The model coefficient table reported that the performance appraisal, training and development, compensation and reward have positive and all practices have a significant value of P value which is less than 0.05. Whereas, recruitment and selection have positive coefficients value but have the p values = 0.255. Therefore, the variable was insignificant to the employee performance in the Addis Ababa city Administration mayor office.

The beta coefficient result also shows that compensation and reward have $\beta=0.457$, this implies that a one unit of compensation and reward increased will lead to an increase in employee performance by 45.7 % have the greater effects on employee performance in the mayor office.

The result of the regression analysis between the independent variables affects (consensus) which predict the employee's performance

A multiple regression correlation R can also be computed to determine if a significant relationship exists between the independent variables and the dependent variable. Multiple regression analysis is used when a statistician thinks there are several independent variables contributing to the variation of the dependent variable. This analysis then can be used to increase the accuracy of predictions for the dependent variable over one independent variable.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section dealt with finding of the research the following summary, conclusion, recommendation based on the research results, research limitation and areas of future research were presented.

5.2 Summary

This study aimed to investigate the effects of selected human resource management on employees 'performance. In its thorough investigative process, it used four independent variables: performance appraisal and training and development, compensation /reward and, selection and recruitment against dependent variable employees 'performance. Moreover, quantitative method of analysis; notably, descriptive and regressive, was used to describe the extent of relationships between the independent and dependent variables.

The First Objective to assess the practice of Human Resource Management (HRM) in Addis Ababa city Administration mayor's office.

descriptive analysis was used to interpret data as each item mean score and all items overall mean scores for research variables were low compared to standard mean score Zaidatol & Bagheri (2009). category. This analysis indicated that employees were dissatisfied with the human resource department practise to the employees of the particular organization are practise

The Second Object to examine the relationship between HRM practices (Recruitment and Selection, training and development, performance appraisal and reward management) and employees' performance

To see the relationship between of the independent variables on dependent variables and result obtained the performance appraisal, training and development, recruitment and selection compensation and reward all have positive and all practices have a significant value of Value which is 0.00 on the employee performance in the Addis Ababa city Administration mayor office.

The Third objective to evaluate the extent to which HRM practices (Recruitment and Selection, training and development, performance appraisal and reward management) influence perceived employee performance

The results showed that the performance appraisal, training and development and recruitment and selection and compensation and reward,) have a strongly positive correlation with employees 'performance. Multiple regression analysis indicated that training and development, performance appraisal, compensation and reward have a significant effect on employees 'performance where as Recruitment and Selection has insignificant effect. The model of the regression explained 93.6% of the variance in employees 'performance by independent variables.

5.3 Conclusion

The research that applied both descriptive and regressive methods of analyses to investigate the effect of selected human resource practices on employees 'performance found out that effect of the inquiry was statistically significant.

From analysis, it was clearly explained that the human resource department of Addis Ababa city Administration mayor office. and had limitation in appropriately implementing human resource practices and duties which consequently would impede enhancement of employees 'performance.

Correlation analysis of this research indicated positively and statistically significant, that is, it indicated that there were strong association between independent variables with dependent variable

The findings and results of the research generally supported the hypotheses being stated that selected HRM practices were positively associated with employees 'performance in Addis Ababa city Administration mayor's office.

Multiple regression analysis indicated that, performance appraisal, training and development, compensation and reward have a significant effect on employees 'performance. The model of the regression explained 93.6% % of the variance in employees 'performance by independent variables. Multiple regression analysis indicated that these four selected human resource practices have statistically significant and positive relation with employees 'performance.

5.4 Recommendation

Human resource is the most valuable assets and a competitive advantage of any organization. The performance of the employees and overall performance of the organization will be enhanced when human resource management practices well managed. Addis Ababa city administration mayor's office human resource activities and decisions must be free from political affiliation, situational changing and Human resource management decision making for action usually must be free from subjective and personal opinion because Human resource management decision acting according to rules and policies, facts, plan action It means HRM practices. Based on the findings of the study, the following recommendations are given by the researcher.

From Training and Development Point of View

It might be important that human resource department would arrange training and development to increase efficiencies in processes, increase capacity to adopt new technologies and methods, increase innovation in strategies and products, reduce employee turnover which is resulted in improving employees 'performance.

This department should also apply development and growth of employees applying long training and education to excel employees 'performance which enabled the organization to have:

Generally, training and development should design in a way to enhance employees 'performance by improving the accomplishing capacity of organization employees which is also reflected lastly on organizational performance.

From Performance Appraisal Point of View

Since performance appraisal result a powerful tool. It provides to documented feedback on an employee 's level of performance. It helps to determine continued employment, promotion, transfer, bonuses, and pay raises, and allow for improved communications between managers and employees.

It is advisable to use the actual performance appraisal documents become part of an employee 's permanent record and can greatly influence lives and careers so this result could be used to motivate employees for excel their task and duty.

When human resource department formulated performance appraisal criteria, it should be Clarifying, defining, redefining priorities and objectives since it is one mechanism to develop motivation and accepting the agreeing aims and targets which is resulted in enhancing employees 'performance.

Finally, HRM department is good to make appraised and manager having mutual awareness, common understanding and relationship about performance appraisal system against to agreeing critical targets in the organization. Performance appraisal results and reports should be used to give feedback and taking correction action.

From Compensation and Reward Point of View

The reward and compensations which are made transparent and known by all employees. It is one way of employees is to attract the employees towards the tasks and motivated to do their tasks and duty well for acquiring compensation based on their performance.

Reward management is obviously one of the major factors to attract and engage employees for a better performance; the researcher recommends the mayor to study and propose a competitive salary scale and introduce other allowable benefit packages. By doing so the employees will be motivated and their performance will increase

Compensation policy might be developing clear criteria to make the compensation packages paid fairly. This is a mechanism of minimizing compliance about compensation by organization employees.

Furthermore, if the organization has potential and other income means, Pay should be enough to help employees feel secure and aid for Satisfying basic needs of organization 's employees.

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APPENDIX A

Research Questionnaire

My name is Selenat Atalel; I am student of Master 's degree in Business Administration at ST Marry university. The purpose of this questionnaire is to collect data in order to study the effects of selected human resource management on employees 'performance. I request kindly to be participant in this research since your help is crucial to conduct this research successfully.

Instruction

1. Please read all the questionnaire and respond to every item. There is no right 'or wrong 'answer: It is your own personal opinions about current HRM activities 'contribution to enhance employees 'performance in your organization.

2. The data collected using this questionnaire is purely for academic requirement and I assure you that your response is strictly confidential and the information will be used for scientific research purposes only.

Note:

→ No need of writing your name.

→ Please fill the answer by putting tick mark —√/.

→ Genuinely provide your response attentively and return the completed questionnaire as soon as possible.

→ If you need further explanation, you can contact me through the address indicated below:

Selenat Atalel; phone no 0911833368

Thank you very much for your cooperation in advance.

Good Time for You!!

Section 1: Personal Information

1. Sex:

a. Male

☐

b. Female

☐

2. Age:

a. Less than 30 years

☐

b. 30 years to 40 years

☐

c. 41 years to 50 years

☐

d. More than 50 years

☐

3. Education level:

a. Diploma or less

☐

b. Bachelor

☐

c. Master

☐

d. Ph.D.

☐

4. Seniority:

a. Less than 5 years

☐

c. 11 years to 15 years

☐

b. 5 years to 10 years

☐

d. More than 15 years

☐

Section 2: Human Resource Management Practices (HRM Practices)

N.B If the item strongly matches with your response choose Strongly Agree, if you moderately agree on the idea choose Agree, if you don't have any idea or information on the point choose Neutral, if you moderately disagree with the point choose Disagree

and if you completely disagree with the point choose Strongly Disagree. In each statement please indicate your personal choose by a tick mark [√] in the appropriate box.

A. Performance Appraisal

N O	Selection related questions	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	In your organization, HR has bilateral agreement between organization and employees based on expected results to be achieved					
2	There is a formal and written, a professional performance appraisal system					
3	Your firm uses clear criteria in performance appraisal					
4	Your firm informs the employees of performance criteria required from them.					
5	Performance appraisal process depends on the employees 'actual performance.					
6	The performance appraisal process is used for promotions and incentives purposes.					
7	In your organization, there is feedback practices which is given to employees after Performance appraisal					
8	Appraisal system has a strong impact on individual and team performance					
9	The performance appraisal process is a fair process					

B. Training and Development

NO	Selection related questions	Strongl y Disagre e (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Your organization conducts training based					

	on plans					
2	In your organization, training is improving employees' skills, knowledge, attitude and creativity					
3	In your organization, trainings are aligning with employees 'jobs and tasks					
4	I think there are sufficient opportunities for career development in my organization					
5	Trainings are important in improving the employee's performance to give quality service.					
6	The organization gives both on-job and off-job training					
7	The contents of training that you have taken are relevant with your current work					
8	The training objectives are Compatible with organizational strategic objectives					
9	Employees are developing a strong belief in and acceptance of the values and goals of the organization after taking training					
10	Your firm provides need-based Training program					
11	Training plan is developed in the light of the present and expected problem solving in the organization					

C. Compensation and Reward

NO	Compensation and reward related questions	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Your firm has favorable incentive practices to encourage employees to achieve the organization goals					
2	Your organization has different compensation or					

	reward packages					
3	Employees are promoting based on actual performance outputs					
4	Your organization has appreciating employees 'achievement					
5	Compensation and reward systems is clearly defined.					
6	Employees know reward packages in their organization					
7	Your firm has favorable compensation to encourage employee to pursue the company objectives and goals					
8	The compensation package offered by your firm commensurate with the relative importance of the work you do.					
9	Rewards in our organization are strictly linked to employee performance.					
10	In comparison with people doing similar jobs in other organizations, I feel my salary is reasonable.					
11	The existing reward and incentive plans motivate us for better performance					

D. Selection and Recruitment

NO	Selection and Recruitment Related question	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	The recruitment and selection process in your organization is fair and transparent					
2	Applicants are fully informed about the qualifications required to perform the job before being hired					
3	Measurable selection criteria are developed and used while filling up jobs					

4	The human resource department have pre-requisite knowledge while recruiting and selecting new applicant					
5	Valid and standardized tests are used when required in the section process					
6	Selection system selects those having the desired knowledge, skills and attitude					
7	Internal source of recruitment affects to get qualified employee from outside					
8	I am highly productive employee in the organization					
9	I understand my role that I play in achieving my role					

E. Employees Performance

NO	Employees performance related questions	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Employees are interesting by their organization					
2	Employees are motivating to accomplishing their works					
3	Employees are committing to their jobs and tasks					
4	Employees are engaging by their work					
5	Employees are applying the acquired skill, knowledge and ideas in their work place					
6	Employees have understood their organization goals and objective clearly					
7	End of service compensation helps you to progress and advancement in the agency					
8	Employees have intention to stay with their organization					
9	Trainings motivate employees to enhance their job performance.					
10	Employees have prospects for future growth within their organization					