

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE**



**EFFECT OF SELECTED HRM PRACTICES ON PERCEIVED
EMPLOYEE PERFORMANCE
IN CASE OF ETHIOPIAN ELECTRIC UTILITY HEAD
OFFICE**

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Management

By

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DECLARATION

I do hereby declare to the senate of Addis Ababa University School of Commerce that the work which is being presented in this thesis entitled “Effect of Selected HRM Practices on Perceived Employee Performance: In case of Ethiopian Electric Utility Head Office” is original work of my own, has not been presented for a degree of any other university and that all sources of material used for the thesis have been duly acknowledged.

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CERTIFICATE

This is to certify that Bereket Tesfaye Berhe has undertaken this research work entitled “Effect of Selected HRM Practices on Perceived Employee Performance: In case of Ethiopian Electric Utility Head Office”, submitted to Addis Ababa University in partial fulfillment of the requirements for the Degree of Master of Arts in Human Resource Management (MA) complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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LIST OF ABBREVIATION AND ACRIMONY

HRM	Human Resource Management
EEU	Ethiopian Electric Utility
HRADD	Human Resource Administration and Development Directorate
HRMP	Human resource Management Practice
EEPCo	Ethiopian Electric Power Corporation
EEP	Ethiopian Electric Power
IT	Information Technology

ABSTRACT

Management of human resource has improved drastically as organizations seek to gain competitive advantage through all means nowadays. The study sought to assess the effect of selected HRM practices on perceived employee performance in the case of Ethiopian electric utility at head office. The study attended 79.5 % of responses rate as 225 questionnaires were properly returned out of 283 self-administrated or distributed questionnaires. This study mainly used primary data and self-administrated questionnaire. A pilot study was undertaken with various experts to test the reliability and validity of the questionnaire. The stratification was based on the type of the employees' engagement (core and support services) that sampled employees were operating. Using correlation analysis, this study established the relationship between independent variables and perceived employee performance and tested the influence on employee performance in Ethiopian electric utility at head office. Then, the result of the regression analysis displays that promotion, training and development, compensation and reward and performance appraisal have a positive and significant effect on perceived employee performance; this assure that the hypothesis is accepted. Thus, the study concluded that there is a significant effect of promotion, training & development, compensation and reward and performance appraisal on perceived employee performance.

Key Words: Perceived Employee Performance, HRM Practices, Promotion, Training and development, Compensation and reward, Performance appraisal, Ethiopian Electric Utility

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The study focuses on the effect of selected HRM (Human Resource Management) practice on perceived employee performance in case of Ethiopian Electric Utility. It consists of background of the study, background of the study, statement of the problem, research objective, scope and delimitation of the study, significance of the study, definitions of term and organization of the study.

1.2 Background of the Study

In today's competitive Business Environment adopting HRM practice is a must to compete in the industry and to make success. Human resource management (HRM) is defined as a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations (Armstrong, 2009). It includes conducting job analysis, planning personnel needs, recruiting the right people for the right job, orient and train, managing wage and salaries, provide benefits and incentives evaluating performance resolving dispute and communicating with all employees at all (Denisi, 2005). These days HRM is widely accepted as management discipline. And it plays an important role in helping for organization's mission, vision, and strategy and goal achievement.

Human resource practices are the process of procuring, maintaining and developing competent workforce to achieve organization's goals in an effective and efficient manner. It is composed of the policies, practices, and systems that influence employees' behavior, attitude, and performance. It has an effect on employee performance and competitive advantage of an organization (Noel, 2007).

Employee Performance is one determinant for the success of any organization. Successful organizations are increasingly realizing that there are number of factors that contribute to performance but human resource is clearly the most critical (Mello, 2005). Whatever activities organizations undertake, wherever they operate and whatever the size and nature they have their success depends on its employees' decisions and their behavior.

According to Caliskan (2010), HR practices are one main source of competitive advantage. In the competitive environment of modern era organizations are persistently improving performance of their employees by improving HR practices. Many researchers have proven

that HR practices have a significant and positive relationship with employees' performance (Tessema and Soeters, 2006). The effect of human resource management practices on employee performance has been the concentrated research area in recent past and a lot of studies have been conducted in developed Country to validate this relationship.

According to Aguinis (2009), the definition of performance does not include the results of an employee's behavior, but only the behaviors themselves. Performance is about behavior or what employees do, not about what employees produce or the outcomes of their work". Perceived employee performance represents the general belief of the employee about his behavior and contributions in the success of organization.

1.3 Background of the Organization

A new legal framework was approved in 2013, which included unbundling the vertically integrated Ethiopian Electric Power Corporation (EEPCo) into the Ethiopian Electric Power (EEP), responsible for the upstream functions of generation and transmission and the Ethiopian Electric Utility (EEU), responsible for electric power distribution, sales, and customer service. Ethiopian Electric Utility is a public enterprise established under regulation no 303/2013 and 382/2016 (Later Amendment). It has been playing a significant role to deliver accessible, reliable and equitable electric power in all parts of Ethiopia; in addition to this; Its Scope Includes 45/66 sub-Transmission and Substations across the nation.

The company current vision is energizing Ethiopia's sustainable growth and enabling it to be power hub of Africa. And its mission is to be world-class, consistent and sustainable electric service to its customer at reasonable price by expanding and developing its service and applying modern technology. In order to achieve its mission and vision the company has its structured it's self-similar to the country's political structure i.e., 9 regional and two city administration utility offices. Under these regions there are 28 districts, 542 service centers and 5838 Satellites. The company customer gas reached to 3,155,386. These no of customer is served by 18,840 permanent and 4384 contract employees. Under the company CEO there are Thirteen Deputy CEO and twelve Directorate Director. Among the twelve Directorate HR administration and Development Directorate is one. HR Planning and Organization, HR Hiring and Staffing, HR Training and Development, HR Performance, Compensation and Benefit, Labor Relation, HR Administration and HIV prevention and control are the department which directly report to HRADD. The 11 Region and 28 Districts have their own HR Administration department, which handle every HR related execution task end to end.

1.4 Statements of the Problem

The concept of HRMPs and its relationship with employee and organization performance have been studied by many researchers. They found that organizational and employee performance is positively associated with HR practices (Kehoe and Wright, 2013; Marwat, 2010; Guest, 2002; Harley, 2002; Gould-Williams, 2003; Park et al., 2003; Wright et al., 2003; Tessema and Soeters, 2006). And many of these studies have been conducted in developed country. We can find only a few studies on the relationship of human resource management practices and employee performance in Ethiopia, specifically in the electric utility sector. So, related to this topic of research, there is a lot of capacity in this area to understand this relationship properly. From the foundations of positive relationship between organizational and employee performance with HR practices, the effect of HRMP cannot be generalized for the reason that it depends on culture and the time when the research is conducted.

Among so many factors that determine success for a company, competent HR is one factor which contributes for the success. These successes will be valued by satisfactions of the company's Customer. In order to have a competent HR, companies should have a Proper HR Policy and Practice which is vertically and horizontally aligned. Understanding employees' perception on HRM Practice is very critical on both employees' competency and motivation. Employee who perceives their companies HR practice as best will have better performance on their job. On the Contrary employees, who perceive their Company's HR Practice as not well enough, will not have better performance. Understanding the relationship between the company HR practice and its employee perception on these practice means, it is about to get note on which practice to focus so that both the employee competency and motivation is improved. And these improved employee competency and motivation will positively impact the organization Performance.

Based on the above facts, the researcher wants to study some selected HRM practice among other such as training and development practice, promotion practice, compensation and reward practice and performance appraisal that the EEU is exercising and identify the relationship between these practices with perceived employees' performance. The reason for selecting these three practices is its direct attachment with financial earning and its direct enhancing effect on employee performance. This study, therefore, aimed to contribute to the field of research by analyzing and creating understanding of the link between selected HRM practices and Perceived employee performance.

1.5 Research Questions

The main targets of this study were to answer the following basic questions:

- What is the status of Human Resource Management (HRM) practice in Ethiopian Electric Utility at Head office?
- What is the relationship between selected human resource practices and Perceived employee performance?
- To what extent do the selected HRM practices (Promotion, Training and Development, Compensation and Reward and performance appraisal) influence perceived employee performance?

1.6 Objective of the Study

1.6.1 General Objective

The general objective of this study was to find out the effect of Selected HRM practices on perceived employee's performance in the case of Ethiopian Electric Utility at Head office.

1.6.2 The Specific Objectives

- To assess the practice of Human Resource Management (HRM) in Ethiopian Electric utility at Head office.
- To examine the relationship between selected HRM practices (Promotion, Training and Development, Compensation and Reward and performance appraisal) and perceived employees' performance.
- To evaluate the extent to which HRM practices (Promotion, Training and Development, Compensation and Reward and performance appraisal) influence perceived employee performance.

1.7 Significance of the Study

HRM is the area of core importance for any kind of organization to make success. The relationship of HRM practices to the employee performance is very important for organizations because these are the employees who make organizations successful. This study will provide useable information and knowledge for EEU management about the importance of human resource management practices for getting more involved and productive employees with improved performances. The study will also contribute valuable information to the existing empirical knowledge about the link of human resource management practices to the employee performance.

1.8 Scope and Delimitation of the Study

1.8.1 Scope of the Study

The present study focused variables frequently used in research, and more and more studies are coming to validate the relationship among these variables. This study applied human resource practices that included the field of human capital management that encompasses the rules, regulations, policies and procedures that guides an organization. HRM practices include a lot of variables i.e., training, development, recruitment and selection, career progression, rewards and incentives, employee benefits, flexible timings, employee welfare, bonuses etc. Nonetheless due to time constraints and limited resources the study cannot cover the whole list of HRM practices, so the present study focused only four HRM practices which are promotion, training & development, compensation and reward and performance appraisal.

This study was carried out in Addis Ababa and the research obtained 225 sampled employees opinions and it interviewed some HR heads from the surveyed company. The research worked with both male and female employees from ages 18 years to 51 years. The study concentrated on head office permanent employee of EEU, so the generalizability of results was also is limited to this area only. The data were gathered using both questioners and interview. This study was conducted from March to June, 2021 in Ethiopia.

1.8.2 Limitations of the Study

This study was carried out successfully though several limitations were noted. Due to lack money and time the research focused on the effect of selected Human Resource Management practices on perceived employees' performance of EEU employees found in head office only. And for the same reason it was not possible to distribute the questionnaire to all population with this fact the questionnaire were distributed for the sampled one. Some of the respondent were unwilling or carelessly respond to the questions. The research is also limited to four independent factors ((Promotion, Training and Development, Compensation and Reward and performance appraisal practice) and perceived employee performance were the dependent. This is a case study based on one organization which is a government uniquely public enterprise. Its major decisions controlled by the government thus the findings may not be generalized or applied to autonomous or private organization.

1.9 Definition of Terms

- **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).
- **Training and Development** are processes that attempt to provide an employee with information, skills and understanding of the organizations and its goals (Noel, 2007).
- **Training** is defined as any attempt to improve employee's performance on a currently held job or one related to it.
- **Development** refers to learning opportunities designed to help employees grow (Cole, 2004)
- **Promotion** a continuous process which is based on the length of service and professional "competency" is adopted at the time of promotion to higher step in the job within a grade promotion (Hdiggui, 2006).
- **Performance Evaluation** is a process through which management monitor the employees productivity and basis on this data management take actions for improvement of productivity (Brown and Heywood, 2005).
- **Compensation** is all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship (Milkovitch & Newman, 2005).

1.10 Organization of the Study

This study is organized in to five chapters. The first chapter consists of introduction. This includes background of the study, background of the organization, statement of the problem, objective of the study, scope and delimitation of the study, significance of the study, definition of terms and organization of the study. The second chapter presents the theoretical frame work, empirical review of literatures and conceptual frame work. The third chapter consists of research methodology and design that are used in the study. It describes the type and design of the research; the population and sampling techniques of the study; data collection, instruments and procedures that are used to collect data and the methods of data analysis. Chapter four and five include data analysis, interpretation, hypothesis testing, and summary of major findings, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is divided to three major categories Theoretical, Empirical Literature Review and Conceptual Framework. The Theoretical Review briefs Concept, Theories and Models related to HRM practice and perceived employee performance. Research finding related to relationship between Selected HRM practice and perceived employee performance gets presented in the empirical literature review Part. In the last Part the conceptual framework showing selected HRM practices as independent and perceived Employee Performance as dependent variable is presented.

2.2 Theoretical Literature Review

2.2.1 Concepts and Definitions

2.2.1.1 HRM Concept

According to Armstrong (2014), Human resource management (HRM) is concerned with all aspects of how people are employed and managed in organizations. It covers the activities of strategic HRM, human capital management, knowledge management, corporate social responsibility, organization development, resourcing (workforce planning, recruitment and selection and talent management), learning and development, performance and reward management, employee relations, employee well-being and the provision of employee services.

Human resource management refer to a strategic and coherent approach to the management of an organization's most valued assets that includes the people working there, who individually and collectively contribute to the achievement of its objectives. HRM is related to the management of work and people towards desired ends (Noel, 2007).

2.2.1.2 HRM Practices

Human resource management practices are a process of attracting, motivating, and retaining employees to ensure the survival of the organization (Schuler and Jackson, 1987, cited in Saira, 2016).

According to Katou and Budhwar (2007) HRM practice grouped in two HRM system, one is the HRM system aiming at attracting and developing human resources, and the other is those aiming at retaining human resources. Recruitment and Selection and Training and

Development are among those HRM Practice aiming at attracting and developing employees. Similarly performance appraisals and reward and compensation systems are among those HRM Practices aiming retaining employees. Such activities have been linked to organizational competitiveness, increased productivity, higher quality of work life and greater profitability (Cascio, 1992).

When the above practice techniques properly implemented, they are expressive of the goals and operating practices of the overall enterprise (Delery & Doty, 1996).

Organizations must align with various HRM practices to achieve their strategic goal. The practices applies must also balance one another to accomplish the firm's business strategy. A firm's HRM practices must develop employee's knowledge, skills, and motivation to behave in ways that should be implemented (Dessler, 2013).

2.2.1.3 HRM-Performance

The distinctive feature of HRM is its assumption that improved performance is achieved through the people in the organization.' If, therefore, appropriate HR policies and practices are introduced, it can also be assumed that HRM will impact on firm performance (Storey, 2009). They perceived that the premise is that, in some shape or form, HR policies have an effect on HR practices and these in turn influence staff attitudes and behaviors which will, in turn again, impact on service offerings and customer perceptions of value. The assumption is that good HRM practices will enhance performance.

2.2.1.4 Employee Performance

Employee performance is well-defined as a set of values of employee behaviors that he used to put his contributions in achieving organizational objectives. It plays an important role for organizational performance. Employee performance is originally what an employee does or does not do. Performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work, cooperativeness (Güngör, 2011).

Perceived employee performance signifies the general belief of the employee about his behavior and contributions in the success of organization. Employee performance may be booked in the perspective of three factors which makes possible to perform better than others, determinants of performance may be such as declarative knowledge, procedural knowledge and motivation (Dessler, 2013).

2.2.1.5 Training and Development

According B.B Mahapatro (2010) Training and development is defined as educational activities within a company created to enhance the knowledge and skills of employees while providing information and instruction on how to better performs specific tasks. It is designed to help a person continue to make positive contribution in the form of good performance. It is also an organized attempt to find out training needs of the individuals to meet the knowledge and skill which is needed not only to perform current job but the future needs of the organization.

Training is defined as any attempt to improve employee's performance on a currently held job or one related to it. This usually means changes in specific knowledge, skills, attitudes or behavior. It is the method used to give new or present employees the skills they need to perform their job. It is a systematic process of altering the behavior of employees in a direction that will achieve organizational goals. Development refers to learning opportunities designed to help employees grow. Such opportunities do not have to be limited to improving employee's performance on their current job. The focus on development is on the long term to help employees prepare for future work demand while training often focuses on the immediate period to help fit any current deficit in employees' skills (Cole, 2004).

According to Thang and Buyens (2008), training and development lead to superior knowledge, skills, abilities, attitudes, and behavior of employees that ultimately enhance excellent financial and non-financial performance of the organizations. From practicing employee training and development companies' benefit are the following are improved quality and productivity, staff retention, reduce costs by decreasing wasted time and materials, maintenance costs of machinery and equipment, workplace accidents, leading to lower insurance premiums, recruitment costs through the internal promotion of skilled staff, absenteeism, creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organization, enhancing the company's ability to adopt and use advances in technology because of a sufficiently knowledgeable staff and building a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employee morale.

As per earlier research, interesting finding has been discovered on the relationship between training and employee performance. Training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively

influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior (Appiah 2010; Harrison 2000; Guest 1997).

2.2.16 Performance Appraisal

Different scholars have defined performance appraisal in different perspective. According to McCourt & Eldridge (2003), performance appraisal can be defined as the formal assessment and rating of individuals by their managers at usually an annual review meeting. It is a process that is carried out to enable both the individual and the organization to analyze, examine and evaluate the performance of specified objectives over a period of time. Its primary objective is objective to ensure the maximum utilization of every employee's skills, knowledge, and interests (Arthur, 2008).

Mahapatro (2010) defined as formal, structured system that compares employee performance to established standards. Assessment of job performance is shared with employees being appraised through one of several primary methods of performance appraisals. Elements in performance appraisal methods are tailored to the organization's employees, jobs, and structure. They include objective criteria for measuring employee performance and ratings that summarize how well the employee is doing. Successful appraisal methods have clearly defined and explicitly communicated standards or expectations of employee performance on the job.

The purposes of Performance appraisal have been classified into two groups that are the developmental and administrative purposes. The developmental purposes of performance appraisal include providing performance feedback, identifying individual strengths/weaknesses, recognizing individual performance, assisting in goal identification, evaluating goal achievement identifying individual training needs, determining organizational training needs, improving communication and allowing employees to discuss concerns. The administrative purposes of performance appraisal include but are not limited to documenting personal decisions, determining promotion candidates, determining transfers and assignments, identifying poor performance, deciding layoffs, validating selection criteria, meeting legal requirements to mention a few (Mahapatro, 2010).

2.2.1.7 Compensation and Reward

Compensation is the human resources management main function that deals with the every type of reward individuals receives in the exchange for performing organizational tasks. It is the main cost of doing the business for many organizations. It is the principal reason why some individuals seek employment. In this regard, financial compensation is either direct or indirect. The direct financial compensation consist of the person receives in the form of wages, salaries, bonuses or commissions etc. Indirect compensation consists of the like praise, self-esteem, recognitions, motivation, productivity (Arthur, 2008).

A firm's compensation policy also communicates a great deal about the firm's values and cultures. Employees are more likely to look at what a company pays rather than what it says. In many respects, people behave as they are rewarded. In so far as this is true, a compensation scheme communicates to the employees what the firm's expectations are of them. Therefore, for example, if quality is an important value, it should be reinforced through some element of the total compensation system. Clearly, managing a firm's compensation policy is a complex task as it involves providing systematically administered and equitable salaries, reconciling employees' career aspirations in terms of earnings, aligning employees' personal objectives with those of the organization, and keeping the firm's costs under control (Mahapatro, 2010).

2.2.1.8 Promotion

The employees are given the promotions to higher posts and positions as and when vacancies are available or when new posts are created at the higher levels. It is quite common in all types of organizations. It is the product of internal mobility of the employees due to change in organizational processes, structure etc. Promotion means higher position to an employee who carries higher status, more responsibilities and higher salary. The higher status and salary is the two most significant ingredient of any promotion. It is an advancement of employee to a higher post with greater responsibilities and higher salary, better service conditions and thus higher status (Mahapatro, 2010).

The chief Purpose of Promotion are to motivate employees to higher productivity, to attract and retain the services of qualified and competent people to recognize and reward the efficiency of an employee, to increase the effectiveness of the employee and the organization, to fill up higher vacancies from the within the organization, to build loyalty, morale and the sense of belongingness in the employee and to impress upon others that opportunities are available to them too in the organization, if they perform well. Promotion is a double edged

weapon. If handled carefully, it contributes to employee satisfaction and motivation. If it is mishandled, it leads to discontentment, frustration, skepticism, bickering among the employees and culminates in a high rate of employee turnover (Mahapatro, 2010).

2.2.2 Theories Related to the Study

2.2.2.1 The Guest's Model of SHRM

The central hypothesis of Guest's) framework is that managers should adopt a distinct set or 'bundle' of HR practices in a coherent fashion; the outcome will be superior individual and organizational performance. The assumption is that appropriate HRM practices tap the motivation and commitment of employees.' Specifically, it proposes that high performance, at the individual level, depends on high motivation plus possession of the necessary skills and abilities and an appropriate role and understanding of that role. It is a short step to specify the HRM practices that encourage high skills and abilities. According to this, managers are advised to consider the effects of a core set of integrated HR practices on individual and organizational performance. This model attempts to link HR practices to performance which is the major aim of this study.

2.2.2.2 The AMO Model

The AMO' formula as set out by Boxall and Purcell (2003) and it shapes that performance is a function of Ability + Motivation + Opportunity to Participate. AMO model, arguing that organizational performance is best served by employees who have the 'ability' to do the work possessing the necessary skills and knowledge, who are 'motivated' to work and who have the 'opportunity' to arrange their skills in doing their work. HRM practices therefore impact on individual performance if they encourage discretionary effort, develop skills and provide people with the opportunity to perform. The formula provides the basis for developing HR systems that attend to employees' interests, namely their skill requirements, motivations and the quality of their job.

2.2.2.3 Goal-Theory

Goal theory as developed by Latham and Locke (1979) following their research states that motivation and performance are higher when individuals are set specific goals, when goals are demanding but accepted, and when there is feedback on performance. Goals must be clearly defined. Participation in goal setting is important as a means of getting agreement to

the setting of demanding goals. Feedback is vital in maintaining motivation, particularly towards the achievement of even higher goals.

According to this theory, Locke (1968) argues that goal setting can be an effective method of influencing performance by directing attention, mobilizing effort, increasing persistence, and motivating strategy development. This theory is of huge relevance in this study because of its direct linkage to other HRM practices such as reward systems, training practices, employee participation as well as performance management practices.

2.3 Empirical Studies

This section contented the researched papers which are done by other researchers about human resource management practices effect on perceived employees' performance in different countries are discussed below.

2.3.1 Evidences from Asia Studies

Hamza (2014) examined the effect of HRM practices towards employee performance in Malaysian skill institute /MSI/. It investigated the factors that effect on recruitment and selection, compensation toward employee performance in MSI. The overall all analysis was made basing descriptive statistics and correlation analysis. The results indicated that compensation significantly correlated with the employee performance. The effect of Compensation was tested against employee performance by using Pearson correlation and regression analysis. The results indicate that there is a positive relationship between the two variables compensation ($r = .951$; $p < .05$) and recruitment and selection ($r = .946$; $p < .05$) indicating that the relationship between the variables is significant with moderate correlation. Also, the regression analysis results ($\beta = 0.525$, $p < .05$) indicates a positive statistically significant relationship between Compensation process and employee performance.

Mansoor, Abdul and Nisar et al (2020) analysed the effect of the most common practices of human resource management including performance evaluation, compensation, and promotion on perceived performance of teachers in private universities of Nangarhar province, Afghanistan. The above three predictors are taken as independent variable, and perceived performance is employed as dependent variable. The research finding indicated all the three independent variable have a significant positive relationship with perceived performance of teachers in private universities of Nangarhar province, Afghanistan.

Similarly Waqas, Yasir and Muhammad et al (2016) evaluates the effects of three human resource management practices namely; compensation, performance evaluation and promotion on employee performance in private telecom sector organization of Rawalpindi and Islamabad. Both of findings on Regression and correlation analysis indicate a significant and positive association of these three practices with employee performance. The research provides an insight to the management of the organizations to use these practices for superior and improved performance and contributes to the limited empirical knowledge in the context of Pakistan.

2.3.2 Evidences from Africa Studies

Michael and Joan-Ark et al (2012) examine the impact of three HR practices which are compensation practices, performance evaluation practices and promotion practices on perceived performance of psychiatry nurses in the mental hospitals in Ghana. All the three predictors' correlation result indicated a positive relationship between each and perceived employee performance at 0.05 level of significance. Multiple regression analysis showed that 12% ($R^2 = 0.122$) of the variance in perceived employees' performance was accounted for by the three HR practices. And it was recommended as the psychiatry section of the Ghana Health Service needs to pay special attention to these three HR practices in order to enhance the performance of nurses.

2.3.3 Findings from Ethiopian Studies

Yeshihareg (2019) examined the effect of the most common practice of human resource management including recruitment & selection, performance appraisal, reward management training and development on perceived employee performance of in the ministry of trade and industry. The study population, which consisted of employees in the MOTI, comprised 270 respondents. To achieve the study objectives, the researcher developed and distributed a questionnaire, and collected and analysed the data using SPSS. An overall analysis was performed based on the descriptive analysis and inferential statistics. The descriptive statistics result shows that the perceptions of employee of (recruitment and selection, and Reward management, Performance appraisal and training and development) were low. The Correlation results indicated that recruitment and selection, reward management, performance appraisal and training and development were significantly and positively correlated with the employee performance in MOTI. In regression analysis recruitment (29.3%) and selection and reward management (23.7%) have greater effect on employee performance in the

ministry. In general, the variation of 45.9% of employee performance due to the predictors of Human resource practices (recruitment and selection, and Reward management, Performance appraisal and training and development).

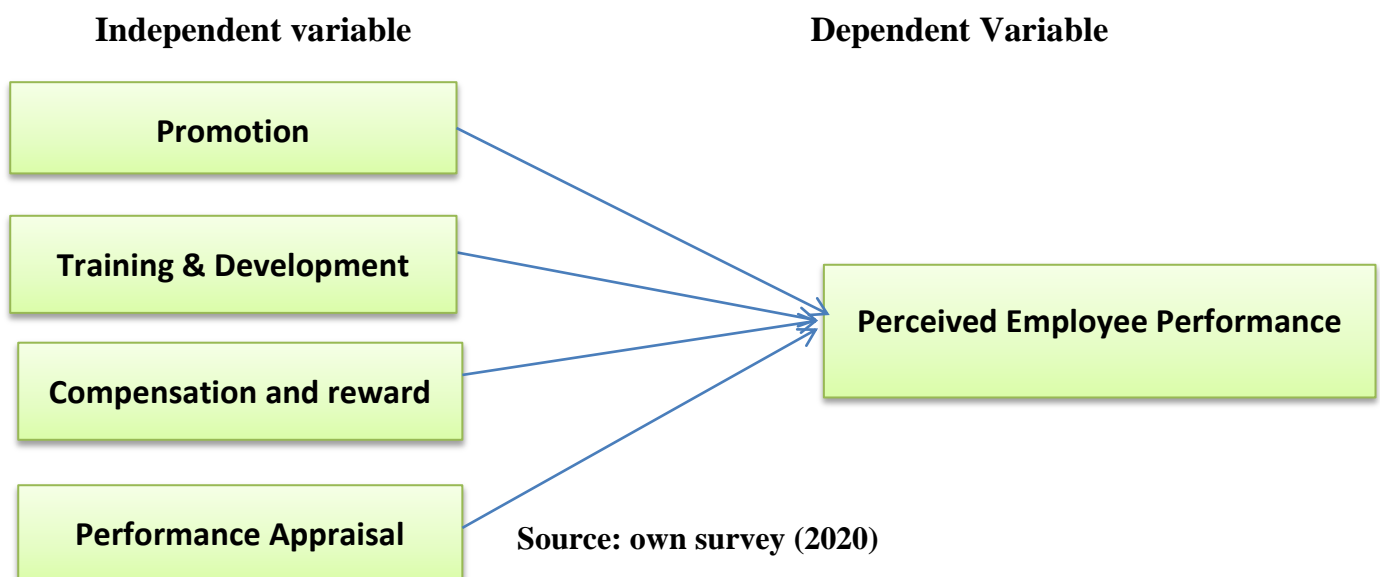
Similarly Gebreegziabeher (2019) examined the effect of the most common practice of human resource management including training and development, performance appraisal and compensation and reward on employee performance of in Addis Ababa education bureau. The study population, which consisted of employees in the AAEB, comprised 117 respondents. To achieve the study objectives, the researcher developed and distributed a questionnaire, and collected and analysed the data using SPSS version 25. An overall analysis was performed based on the descriptive statistics and regression analysis. The results indicated that, selected human resource management practice is positively associated with employee’s performance in the organization. Specifically, training and development, performance appraisal, compensation and reward have a positive correlation with employees’ performance. In addition to this multiple regression analysis also indicated that training and development, performance appraisal, compensation and reward have a significant effect on employees’ performance.

review the effect of human resource management practice on perceived employee’s performance in the surveyed organization.

2.4 Conceptual Frameworks

In this section, the Researcher developed the conceptual framework based on the review of literatures of the study that indicates the relationship between selected HRM practices, as independent variable, and perceived employee Performance (as dependent variable).

Fig.1 conceptual framework of the study



2.5 Research Hypothesis

From the Above Empirical studies and Theories the following hypothesis were constructed to demonstrate the Effect of Selected HRM Practice on Perceived Employee Performance.

2.5.1 Promotion Practice and Perceived Employee Performance

Promotion practice plays a significant role in individuals' work performance (Guest, 2002). Promotion constantly go with a remuneration increase, either it is made within a grade or to the superior grade. A continuous procedure, which totally relies on the span of service and professional “competency”, is accepted at the moment of promotion to higher step in the job within a grade promotion. Mansoor, Abdul and Nisar (2020) found a significant positive relationship between promotion practices and perceived performance of teachers in private universities of Nangarhar province. Similarly Tessema and Soeters (2006) found a positive relationship between promotion practices and perceived employee performance. On the basis of above mentioned literature and arguments it can be safely assumed that promotion practices are correlated with the performance of employees. However the relationship needs to be tested in EEU head office employee.

- **H₁**: There is a positive and significant relationship between promotion practice and perceived employee performance.

2.5.2 Training and Development and Perceived Employee Performance

Training refers to the teaching, learning activities carried on for the primary purpose of helping members of an organization to acquire and reply the knowledge, skills, and abilities and attitudes needed by that organization. Employee training equips the employees with adequate skills and knowledge to contribute to the organization’s efficiency and cope with the changes in the environment (Mahapatro, 2010). According to Grossman and Salas (2011), training is an organized task of information, skills, and attitudes lead to enhancing performance in a particular situation. The next step following recruitment and selection is training and development of employees. This is provided for both the new recruited and existed employees. However, careful selection of employees does not guarantee that the new staff will perform the tasks effectively, thus, firms should design and implement proper training programs for those employees in order to achieve the tasks assigned to them (Dessler, 2009). Training and development are designed to improve employee performance, competency level and ultimately leads to foster organizational performance (Goldstein and Ford, 2002). Same was same was seen in a study conducted by Sparker (2017) found that

Training and development is the most influential factors of HRM practice in order to strength of association with the employee performance. Hypothesis was supported, i.e. employee performance is significantly related to training and development. Saira (2016) found that HRM practices compensation, career planning, performance appraisal, training, and employee involvement have a positive impact on employee's performance. And it is proved that independent variables contribute positively towards change in the dependent variable. On the basis of above mentioned literature and arguments it can be safely assumed that training and development practices are correlated with the performance of employees. However the relationship needs to be tested in EEU head office employee.

- **H₂:** There is a positive and significant relationship between training and development practice and perceived employee performance.

2.5.3 Compensation and reward Practice and Perceived Employee Performance

Caruth & Handlogten (2001) states that employees are motivated when there are financial rewards directly tied to their performance. Financial rewards that are given based on performance contributes a lot in stimulating employee, to work harder because it is a well-known fact that money is everyone's priority and need. So, when the employee works tirelessly, his/her performance will be enhanced, and chances of compensation in the future also increased. Baloch *et al.* (2010), in their study on HR practices and employee performance in the banking sector, found a positive correlation between compensation practices and performance of bankers in Pakistan. They therefore, warned that the management of private and public sector banks should pay particular attention to compensation practice in order to increase the performance of their employees.

Again, Tessema and Soeters (2006) also reported a statistically significant relationship between compensation practices and perceived employee performance. Frye (2004) examined the relationship between equity based compensation and firm performance and found a positive relationship between the two. Employees may more keen and care full towards the organization if they are equally and fairly treated in all the matters, this will motivate and encourage them. Employees are also found comparing their rewards with other co-workers of same level (Bloom & Michel, 2002). On the basis of above mentioned literature and arguments it can be safely assumed that compensation and reward practices are correlated

with the performance of employees. However the relationship needs to be tested in EEU head office employee.

- **H₃:** There is a positive and significant relationship between Compensation and reward practice and perceived employee performance.

2.6.4 Performance Appraisal and Perceived Employee Performance

In organizations performance appraisal system is a process through which management monitor the employees productivity and basis on this data management take actions for improvement of productivity (Brown and Heywood, 2005). Productivity and commitment level can also be improved due to performance appraisal. Performance appraisal represents, in part, a formalized process of worker monitoring and is intended to be a management tool to improve the performance and productivity of workers' (Brown and Benson, 2003).

Possibility of performance appraisal is enhanced by complementary human resource management practices like formal training and incentive pay and performance appraisal leads to greater influence of productivity (Brown and Heywood, 2005). The study undertook at Addis Ababa education bureau showed the selected human resource management practice is positively associated with employee's performance in the organization. Specifically, performance appraisal has a positive correlation with employees' performance. In addition to this multiple regression analysis also indicated that performance appraisal has a significant effect on employees' performance. (G/Egziabeher, 2019). According to the study conducted in Pakistan by Saira (2016) showed that HRM practices compensation, career planning, performance appraisal, training, and employee involvement have a positive impact on employee's performance. And it is proved that independent variables contribute positively towards change in the dependent variable. On the basis of above mentioned literature and arguments it can be safely assumed that performance appraisal practices are correlated with the performance of employees. However the relationship needs to be tested in EEU head office employee.

- **H₄:** There is a positive and significant relationship between performance appraisal practice and perceived employee performance.

CHAPTER THREE- RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights on the research design, the source of data, sampling and sampling techniques, data collection methods and data analysis procedures that the researcher is going to apply to conduct this research.

3.2 Research Philosophy

Fundamentally, there are four research philosophies: Positivism (Post positivism), Constructivism (interpretivism), Advocacy (Participatory), and Pragmatism (Creswell, 2009) in research. These four research philosophies look the world in different view (Creswell, 2003). Based on those different world views, researchers create and expand knowledge in the past years. In this study the researcher tried to create knowledge based on pragmatic knowledge claim. Creswell, (2003) defined pragmatism as a worldview arises out of actions, situations, and consequences rather than antecedent conditions (as in post positivism). Pragmatism is not limited to one research method. This is due to the fact that pragmatists look the world in different direction and assumptions not in an absolute (Creswell, 2009). It comprises mixed methods both quantitative and qualitative. So it provides the best work as a result of understanding a research hypothesis in two aspects. It is also the same for data collection and analysis. Therefore, in this study, the researcher was free in selection of methods and procedures.

3.3 Research Approach

Research can be approached as qualitative and quantitative or mixed when approach to research has been considered as the criterion of classification. Qualitative research is more subjective in nature than quantitative research and involves examining and reflecting on the less tangible aspects of a research subject, e.g. values, attitudes, perceptions. Whereas, the emphasis of quantitative research is on collecting and analyzing numerical data; it concentrates on measuring the scale, range, frequency etc. of phenomena. In addition, mixed method integrates quantitative and qualitative data collection and analysis in a single study or a program of enquiry (Creswell, 2009).

This study composed and analyzed numerical data that concentrated on measuring the scale, range, frequency etc. of phenomena. The study was exceedingly detailed and structured and results can be easily collected and presented statistically. On other hand, this study depends

on careful definition of the meaning of HRM practices and processes and employee performance and it properly developed the concepts and variables of HRM practices, and the plotting of interrelationships between these. HRM concepts such as promotion, training and development, compensation and reward system and performance appraisal and others are real and detectable, even if they were difficult to record and measure. Overall, the study employed both methods and it can be said that it is a mixed research approach.

3.4 Research Design

The research design can be classified using a variety of ways, such as the methods of data collection, time dimension, researcher participation and the purpose of the study. On the other hand, the most widely-used classification is the one based on the purpose of the study. There are three types of research design based on the study's purpose: exploratory, descriptive and causal (Creswell, 2009). The exploratory study provides more insight and ideas to discover the real nature of the issue under investigation. Descriptive study stems from prior knowledge and is concerned with describing specific phenomena; it is a means to an end rather than an end, since it encourages future explanation. Causal or explanatory research explains causal relationships between variables. These three basic designs are interrelated, and the research can combine more than purpose.

This study attempted to investigate the effect of HRM practices on perceived employee performance in electric utility sector. To conduct such kind of research, the researcher used explanatory research designs. This research design is preferable to identify and explain the relationship among different variables. With this fact the researcher adopted this this research design for the intended study to explain the relationship between the selected human resource management practice and perceived employee performance in the company. Thus, this study appropriately employed descriptive study and explanatory research.

3.5 Type and Source of data

In this study, it took a primary and secondary data for analysis and described the problem raised in the statement of the problem. Primary data are originated by the researcher for the specific purpose of addressing the problem at hand. Thus, the primary data was originated by the researcher for the specific purpose of addressing the problem that was indicated in the first chapter. In this study, a primary data sources were collected from sampled employees. Even if obtaining can be expensive and time consuming, primary data for this study was gathered through structured questionnaires and interview. The secondary data was collected

from different data sources such as professional journals, books, company's collective agreement, company's communication directorate released fliers, the organizational HR data bank and the company's HR Policy and Procedures.

3.6 Data Collection Method

There were two types of data collection instrument that were used in this study.

3.6.1 Questionnaire

Questionnaires are suitable for collecting factual information, opinions and attitudes from a population and the data can be easily and quickly analyzed once completed. Open and close ended and likert scale Questionnaire was the main data collection instrument. A questionnaire was prepared that consist two parts which are respondents profile and main research questions. It consists of five dimensions, various statements with a five-point Likert scale ranging from 5 (strongly agree) to 1 (strongly disagree) questionnaires were introduced. The questionnaire were developed in English and translated into Amharic (the local language) and back translated into English to ensure its consistency.

3.6.2 Interview

Interviews are more suitable for questions that require probing to obtain adequate information. They are particularly useful when qualitative data are required. The researcher conducted a face to face interview with EEU HR Departments Head (Training and Development, hiring and staffing, compensation, benefit and HR performance and others). The reason for selecting these departments were based their closeness to HR policy Making and Implementation under study.

3.7 Target Population, Sample and Sampling Techniques

3.7.1 Target Population

'Populations' collective term used to describe the total quantity of cases of the type which are the subject of the study. It can consist of objects, people and even events (Walliman, 2011). The target population of the study consisted of 972 permanent employees of EEU Head office employee located in Addis Ababa.

3.7.2 Sample Size Determination and Sampling Techniques

By the time this research is conducted the total number of permanent in EEU head office is 972. The researcher used Yemane’s formula (1967), in order to determine the sample size of the population. This formula is reliable to 95% and has only 5% deviation factor. The researcher uses Yemane’s formula (1967), in order to determine the sample size of the population. This formula is reliable to 95% and has only 5% deviation factor.

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{972}{1 + 972(.05)^2}$$

$$= 283$$

Where:

n = the sample size, N = size of population and e = the level of accuracy (e = 0.05)

Accordingly, the number of sample items from the total population of 972 employees was 283.

Table 1 Sample Size Determination

Type of the strata	Total population size	Proportion (283/972)	Sample Size (29.11% of the population)
Core	322	0.291152	94
Support	650	0.291152	189
Total	972		283

Source: Ethiopian Electric Utility, 2021

Thus, in order to determine the number of sample items from each strata, the researcher used the following formula. Accordingly, 283 respondents were selected randomly from 972 employees of the surveyed organization. The 283 respondents were selected from each sector (stratum) on proportional basis based on Sample size = Number of staffs in each stratum/ Total Population * 283 (Total Sample Size).

The researcher used probability sampling techniques. From the probability sampling, stratified sampling was used for sampling members of the surveyed organization. First, this study used stratified random sampling technique and then it used simple random sampling. Simple random sampling is a sampling procedure that ensures that each element in the

population had an equal chance of being included in the sample. Stratified random sampling is a sampling procedure that sub samples are drawn within different strata; each stratum is more or less equal on some characteristic. The correct sample size in a study is dependent on the nature of the population and the purpose of the study. Although there are no general rules, the sample size usually depends on the population to be sampled (Walliman, 2011).

3.8 Data Collection Procedure

The data collection method that is applied in this research was structured and well organized questionnaire. The research instrument that was used to collect primary data was a five-point Likert Scale and open and close ended questionnaire which aims to collect the essential data from respondents.

The questionnaire has two parts. The first part contained 6 demographic variables which indicate profile of participants of the survey; such as gender, age category, marital status, highest qualification, length of service in EEU, and salary ranges. The second part was comprised of 39 close-ended question statements, so as to measure the variables of the study using a five-point Likert Scale being '5=Strongly Agree', '4=Agree', '3=Neutral', '2=Disagree' and '1=Strongly Disagree'. In the last third part two open ended question for the employee were included.

3.9 Instruments Validity and Reliability

3.9.1 Instrument Validity

Content validity of a measuring instrument was used to see if the extent to which it provides adequate coverage of the investigative questions guiding the study. In this study, content validity was determined by conducting discussion with colleague and other researcher. Accordingly, recommendations (to continue with the instrument with some correction) from the experts were taken into consideration in order to improve the instruments.

3.9.2 Pilot Testing

A pilot survey was conducted on minimum of 10 respondents prior to administrating the questionnaire to the selected sample size. The pilot survey was undertaken to check if the questionnaire is effortlessly understandable and straightforward to ensure that the respondents can answer the questions without difficulty.

3.9.3 Instrument Reliability

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials. The purpose of deriving a scale score by having multiple items is to obtain a more reliable measure of the construct than is possible from a single item. Therefore, Cronbach’s alpha gives the proportion of the total variation of the scale scores that is not attributable to random error.

Table 2 Reliability Statistics

	Reliability Statistics	
	Cronbach's Alpha	N of Items
Promotion	.850	6
Training and development	.805	7
Compensation and reward	.850	11
Performance Appraisal	.823	7
Employee Performance	.753	8
Overall	.932	39

: Survey Result, 2021

Chronbach’s alpha is a coefficient of reliability used to measure the internal consistency of the scale. Scales with coefficient alpha between 0.8 and 0.95 are considered to have very good quality, scales with coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability (Zikmund, 2010). A scale with coefficient alpha between 0.6 and 0.7 indicate fair reliability so for this study a Chronbach’s alpha score of >0.70 or higher is consider adequate to determine reliability. Thus, it was checked as the data collection tool was reliable.

3.10 Data Analysis

The demographic section of the questionnaires ‘result was presented in frequencies and percentage. The data was analyzed in descriptive statistics, then by regression analysis. After all the necessary data collected from the research subjects, it was entered and computed in SPSS software. Descriptive statistics helped the researcher to summarize and present the data in statistical arrangement. In view of that, statistical techniques such as mean, frequency and standard deviation was used to analyze and describe the data, and also to interpret the results. To understand the relationship between selected HRM practice and Perceived Employee Performance an interview was conducted to discuss it qualitatively. Besides the response of the questionnaires, observation and document review were considered in the interpretation part.

3.11 Data Analysis Method

The following model was used to predict the possible variation of dependent variable (Perceived employee Performance) due to the change on independent variables of the study.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: Y = the predicted value of the dependent variable (Perceived employee Performance)

- α = smoothing constant
- β = coefficient of independent variables
- X_1 - X_4 = independent variables (x_1 is Promotion, x_2 is training and development, x_3 is compensation and reward and x_4 is performance appraisal).
- ε = standard error

Cross-sectional quantitative data was used in this model, in which data was collected at one point in time through surveys preparing questionnaires and analyzed applying the following statistical methods. The data obtained from the respondents was analyzed by using statistical packages for social science (SPSS) version 25. The researcher utilized descriptive statistical analysis to illustrate frequencies, means, and standard deviation of every research construct, Pearson correlation to investigate the relationship independent variables with dependent variable and measuring validity and Regression analysis to analyze the contribution of independent variables by predicting the effects of selected HRM practices on perceived employees 'performance using Beta coefficient, t- test and sign test or p- values.

3.12 Ethical Consideration

The Research is being conducted considering of all the ethical issues of the research. The researcher explained the purpose of the study by emphasizing its importance and significance to the respondents and informs the respondents about the nature of the study. The respondents were assured that issues relating to personal privacy and confidentiality was strictly be observed, and any information or data that is going to get collected were used only for the educational research purpose.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION AND DISCUSSION

4.1 Introduction

This part of the study presents rate of response, demographics analysis, analysis of HRM practices and perceived employee performance, the relationship between HRM practices and perceived employee performance, to what extent HRM practices affects employee performance, the level of employee performance and discussions of the finding.

4.2 Response Rate

The study attended 79.5 % of responses rate as 225 questionnaires were properly returned out of 283 distributed questionnaires. According to Arogundade O. T & Arogundade (2015), a response rate of 50% is adequate for a study, 60% is good and 70% and above is excellent. As a result, a response rate of 79.5 % was appropriate and reliable for the study as shown below table. As a consequence, it can be supposed that the study attended good and well-intentioned reactions with respondents due to Covid 19 hit and its concern.

Table 3 Response by Group

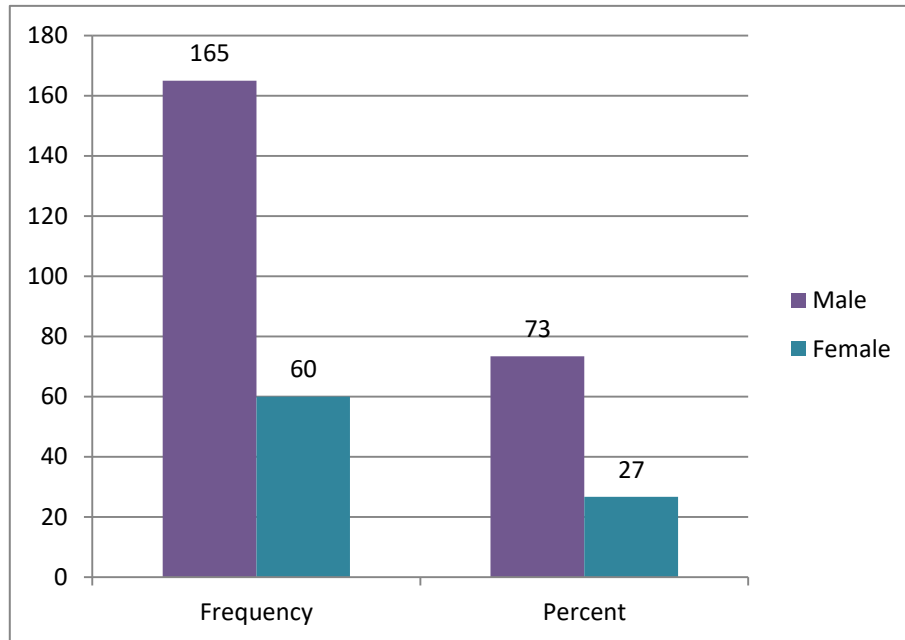
Type	Sample Size	Returned	Success rate
Core	94	70	74.7%
Support	189	155	81.9%
Total	283	225	79.5%

Survey result, 2021

As the above figure shows that most of the study participants were those employees working in support services area that accounts 81.9 % of the total participants. 74.7 % of them were from core services that including distribution system related activities.

4.3 Demographic Characteristics of Respondents Profile

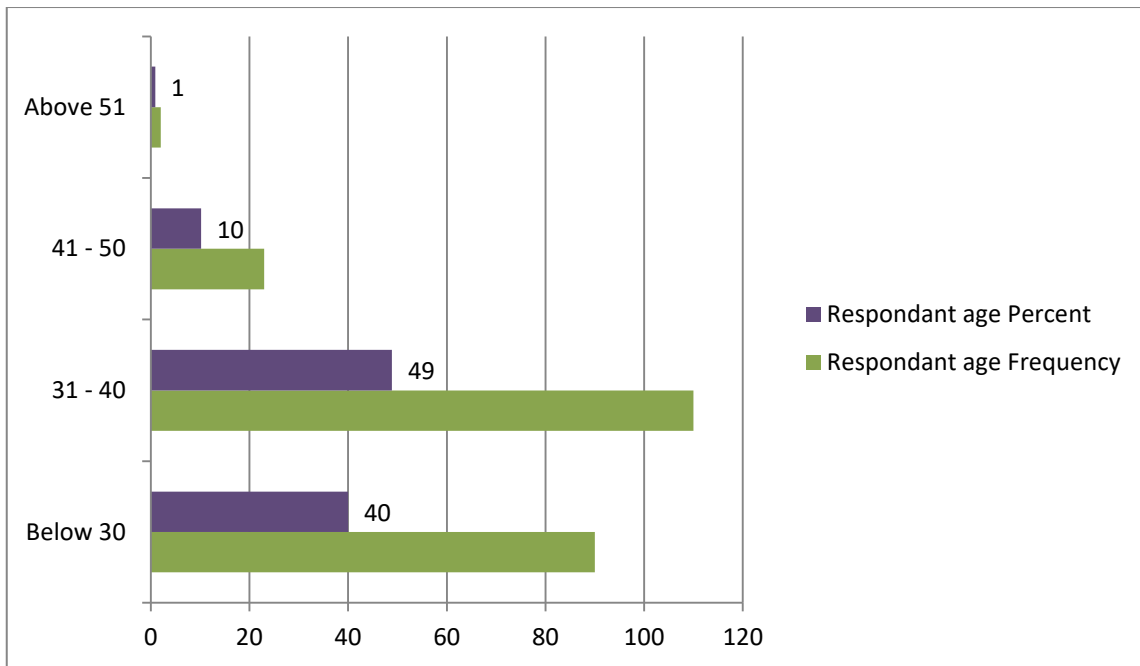
This part presents the respondents' profile about their education, gender, age, marital status, experience in the surveyed organization and other related issues that related to this study.



Survey result, 2021

Figure 2 Respondents' gender profile

The above figure displays that the sex characteristic of study participants was also considered. The female who participant in the surveyed organization and this study constituting 60 (27 percent) respondents whilst male consisted of (165) 73 percent respondents as shown in the above figure. The results indicate that the two genders were not adequately represented in the study. This statistics show that the male gender could be more in the surveyed organization in the study.



Survey result, 2021

Figure 3 Respondents’ age profile

The survey employees were asked to specify their age in the questionnaire and the results were summarized in the figure above. Out of 225 respondents of this study of the surveyed organization that was surveyed, 40 percent constituting 90 respondents were within the age of below 30. It shows that young aged individuals have been included in the organization. 49 percent (almost half of the respondents) for the age group of 31-40, 10 percent for 41- 50 age whilst few respondents were included in the study that fell more than that of aged 51. The findings show an increase in the number of adult and young people engaging in the surveyed organization.

Table 4 Education and working

Education Level * Working year Cross tabulation

Count		Working year					Total	%
		Less than a year	1-5 years	6 -10 years	11 -15 years	above 16 years		
Education Level	Diploma	0	3	1	1	15	20	9
	First Degree	1	55	25	39	43	163	72
	Masters Degree & above	0	3	7	18	14	42	19
Total		1	61	33	58	72	225	
%		.4	27.1	14.7	25.8	32		100

Survey result, 2021

The number of year in service vs. education background of the respondents at the surveyed organization by the respondents is presented here. The above table portrays only 9 % of the respondents completed college diploma and below and 72 % of them completed university first degree and 19 % of them completed master’s degree & above. Besides, 55 employees have been working less than five years who have first degree, and 43 % of them have been working for more than 16 years with first degree. The finding of this study showed that most of the employees graduated from universities and it may be associated to the study area, head quarter. This shows that most of the respondents were graduates hence were able to read and understand the questionnaire and to provide relevant information for the questions.

In addition the above Table shows those who had above 16 years’ experience is 72 (32%). 1-5 years’ experience is 61 (27.1%). Respondents with 6-10 and 11-15 years’ experience is 33 (14.7%) and 58 (25.8%) respectively. And only one (0.4%) respondent is below one years’ experience. This finding confirmed most of the respondents had been serving for long time in the company. This long time service creates great opportunities on awareness of EEU HRM practice and its effect on performance.

Table 5 Marital Status * Monthly Income**Marital Status * Monthly Income Cross tabulation**

Count

		Monthly Income					Total	%
		Below 5,000	5,001 - 10,000	10,001- 15,000	Above 15,001	Rejected		
Marital Status	Single	3	55	16	19	0	93	41.3
	Married	0	34	46	49	2	131	58.2
	Widowed	0	0	1	0	0	1	.4
Total		3	89	63	68	2	225	
		1.3	39.6	28	30.2	.9		100

Survey result, 2021

In the figure above, the finding in the above table shows that 1.3 % of the respondents indicated those respondents below Birr 5,000 income level; this shows that few low income respondents have been engaged in this study. While 39.6 % indicated respondents whose income level was Birr from 5001 to 10,000, 28 % of them indicated respondents whose income level was Birr between 10,001 to 15,000 Birr and 30.2 % of them indicated respondents whose income level was above 15,001 Birr. This depicts that's the majority respondents obtained more than 5,000 Birr monthly incomes participated in this study. However, their income difference could not influence the result of the study accordingly. Further, from the findings in the above table, majority 58.2 % of them are married and the others are single or not married. This depicts that majority of them have a family responsibility. Only 55 employees are single who earned monthly income between Birr 5,001 to 10,000 and 95 individuals are married who earned monthly income more than Birr 10,001. This shows that family based employees are more committed to upgrade their status to obtain good monthly salary.

4.4 Descriptive analysis

The response analysis was conducted using frequency, mean and standard deviation. They were used to present the various characteristics for data sets. In this study, descriptive statistics helps to enables us to present the data in a more meaningful way, which allows simpler interpretation of the data.

The researcher compared the —mean and —standard deviation score of each variable against settled standard by Creswell (2002) the mean scores from 4.5 and above very high, 3.51-4.51 high, 2.51-3.50 average or moderate, 1.51-2.50 low and below 1.50 is very low. To this end, the respondents were asked to rate on a five point scale, the extent of their agreement with the statement in this company.

Table 6 Perception on Human resource management practices and employee performance

Variables	N	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean /m/	Standard Deviation /SD/
Promotion	225	120	196	291	535	208	3.38	1.13
%age		8.8	14.51	21.5	39.62	15.4		
Training and Development	225	113	301	336	617	208	3.32	1.12
%age		7.17	19.11	21.33	39.17	13.2		
Compensation & Reward	225	223	600	683	795	174	3.04	1.076
%age		9.01	24.24	27.59	32.12	7.03		
Performance Appraisal	225	196	333	379	544	126	3.05	1.134
%age		12.44	21.14	23.87	34.53	8		
Employee Performance	225	79	198	328	837	358	3.67	1.001
%age		4.38	11	18.22	46.5	19.88		

Survey result, 2021

The above table showed that Promotion has the mean value scored of 3.38. If the mean value falls between 2.51 and 3.5 the respondent's response rate fall on moderate. The finding also supported by the frequency distribution percentage of 39.62 % and 15.4% from the total respondents was agreed with this practice. This implies that Promotion practice in EEU at head office is at moderate level.

The above table showed that Training and Development has the mean value scored of 3.32. If the mean value falls between 2.51 and 3.5 the respondent's response rate fall on moderate.

The finding also supported by the frequency distribution percentage of 39.17 % and 13.2% from the total respondents was agreed with this practice. This implies that Training and Development practice in EEU at head office at moderate level.

The above table showed that Compensation and Reward has the mean value scored of 3.04. If the mean value falls between 2.51 and 3.5 the respondent's response rate fall on moderate. The finding also supported by the frequency distribution percentage of 32.12 % and 7.03% from the total respondents was agreed with this practice. This implies that Compensation and Reward practice in EEU at head office at moderate level.

The above table showed that Performance Appraisal has the mean value scored of 3.05. If the mean value falls between 2.51 and 3.5 the respondent's response rate fall on moderate. The finding also supported by the frequency distribution percentage of 34.53 % and 5% from the total respondents was agreed with this practice. This implies that Training and Development in EEU at head office at moderate level.

The above showed that results of perceived employee performance have a mean value of 3.67 which indicates that perceived employee performance was rated as high.

4.5 Results of the Inferential Statistics

4.5.1 Correlation Analysis

To determine if any relationships existed between human resource management practice in terms of promotion, training and development, compensation and reward and performance appraisal and perceived employee performance a correlation analysis was conducted. Correlation analysis is concerned with measuring the degree of association between two variables, x and y.

Table 7 Correlation Analysis N= 225

		Correlations				
		Promotion	Training and Development	Compensation and Reward	Performance Appraisal	Employee Performance
Promotion	Pearson Correlation	1	.492**	.540**	.457**	.436**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	225	225	225	225	225
Training and Development	Pearson Correlation	.492**	1	.430**	.580**	.458**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	225	225	225	225	225
Compensation and Reward	Pearson Correlation	.540**	.430**	1	.470**	.445**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	225	225	225	225	225
Performance Appraisal	Pearson Correlation	.457**	.580**	.470**	1	.486**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	225	225	225	225	225
Employee Performance	Pearson Correlation	.436**	.458**	.445**	.486**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	225	225	225	225	225

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

Survey result, 2021

This study used Pearson's Correlation Coefficient. Correlation coefficient is quantifying the degree to which two random continuous variables are linearly associated in a sample. It measures the degree of linear correlation between two variables (HRMP and perceived employee performance). Sample correlation coefficient (r) measures the strength and direction of linear relationships between pairs of continuous variables. The possible values of r range from -1 to 1: Values near to +1: perfect positive linear relationship; value near to -1: perfect negative linear relationship Values near to 0: no linear relationship although there may be a non-linear relationship and r is a dimensionless quantity; that is, r it has no units of measurement of HRM Practice and perceived employee performance in surveyed organization (r is a pure number without any unit).

According to Cohen (1998 as cited Warokka, 2012) interpreted the coefficient of correlation between 0 and 1 as in the following manner. The correlation coefficient (r) ranging from 0.10 to 0.29 may be regarded as indicating a low degree of correlation, r ranging from 0.30 to 0.49 may be considered as a moderate degree of correlation, and r ranging from 0.50 to 1.00 may be regarded as a high degree of correlation.

Based on the above standard coefficient of correlation or association referring to the above table findings, there exists a moderate positive relationship between promotion practice and Employee performance, r (**0.436**); $P \leq 0.05$; thus, the relationship is statistically significant. Equally, the findings show that there exists a moderate positive relationship between training & development and employee performance, r (**0.458**); $P \leq 0.05$; thus, the relationship is significant statistically. There also exists a moderate positive relationship between compensation and reward and employee performance, r (**0.445**); $P \leq 0.05$; thus, the relationship is significant statistically. Finally, the findings indicate there is a moderate positive relationship between performance appraisal and employee performance, r (**0.486**); $P \leq 0.05$; thus, the relationship is significant statistically. The maximum correlation was found between performance appraisal and employee performance which accounts the improving the major overall performance. This is the most significant reason for an organization to have a performance appraisal system. A performance appraisal procedure allows the organization to communicate performance potentials to every member of the team and assess precisely how well each person is doing. When everyone is clear on the expectations and knows exactly how he is performing against them, this will result in an overall improvement in personal as well as organizational success.

4.5.2 Multiple Regression Analysis

In the course of investigating research objectives i.e. “what is the effect of HRM practices at the surveyed perceived employee performance?” or “To determine empirically the relationship between Human Resource Management (HRM) practices in terms of promotion, training and development, compensation and reward and performance appraisal and perceived employee performance” multiple regression was conducted. Multiple Regression analysis tells that how much each independent variable has an impact or relationship with the dependent variable. The following basic and common assumptions are taken in to account.

4.5.2.1 Multi-Collinearity Test

Multicollinearity refers to a situation in which there is exact (or nearly exact) linear relation among two or more of the input variables. The VIF (Variance Inflation Factor) for each term in the model measures the combined effect of dependence among the repressors on the variance of that term. One or more large VIF indicate multicollinearity. The assumption assumes that independent variables are not highly correlated with each other. The assumption is tested by Variance Inflation Factor (VIF) statics as follows:

Table 8 Variance Inflation Factor (VIF) statics result

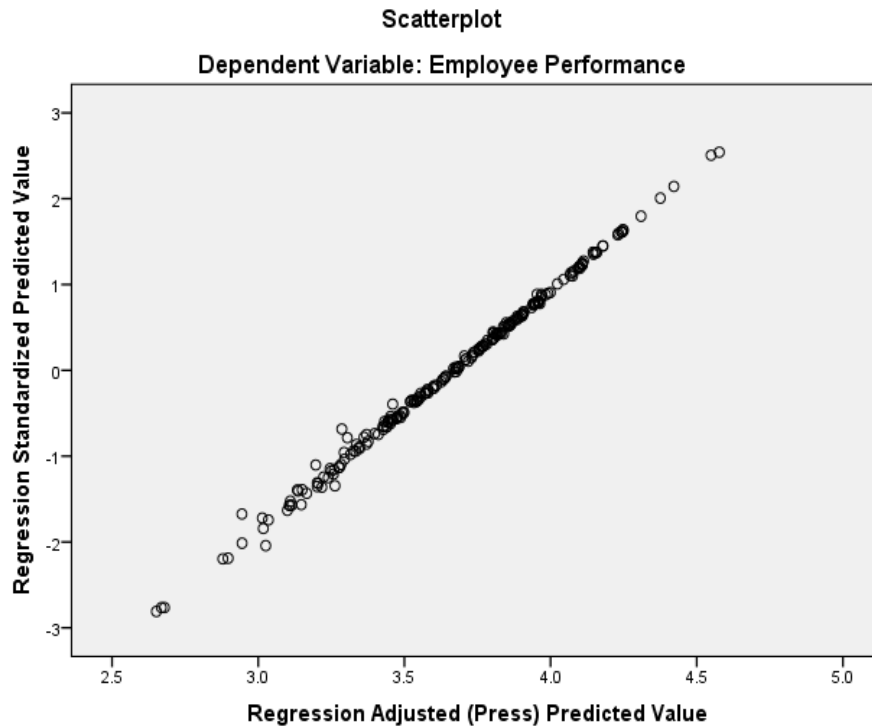
Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Promotion	.614	1.628
Training and Development	.593	1.688
Compensation and Reward	.638	1.567
Performance Appraisal	.593	1.686

Survey result, 2021

Tolerance and VIF value was used to check Multicollinearity. Based on the practical experience that indicates that if any of the VIF results exceeds 5 or 10, and tolerance value less than 0.2, it is an indication that the associated regression coefficients are poorly estimated because of multicollinearity. The above Table 8 shows that the VIF and tolerance value of promotion, training and development, compensation and reward and Performance appraisal are less than 5 and greater than 0.2 respectively and no collinearity is observed on this data and passed for further regressions analysis.

4.5.2.2 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to change in the independent variables.



Survey result, 2021

Figure 4 Linearity Test for Employee Performance

To determine whether the relationship between dependent variable (Perceived employee performance) and the independent variables (promotion, training and development, compensation and reward and performance appraisal) is linear, plots of regression residuals through SPSS had been applied. The scatterplot of residuals displays no big differences in the spread of the residual as we look from the left to the right in the above figure. This result advocates that the relationship that is being predicted is linear; consequently, the assumption is satisfied.

4.5.2.3 Normality Test

The figure below displays the frequency distribution of the standardized residual compared to normal distribution. As can be understood from the figure, the data points are close to the diagonal line confirming that there is normality.



Figure 5 Normal Q-Q Plot of Employee Performance

Survey result, 2021

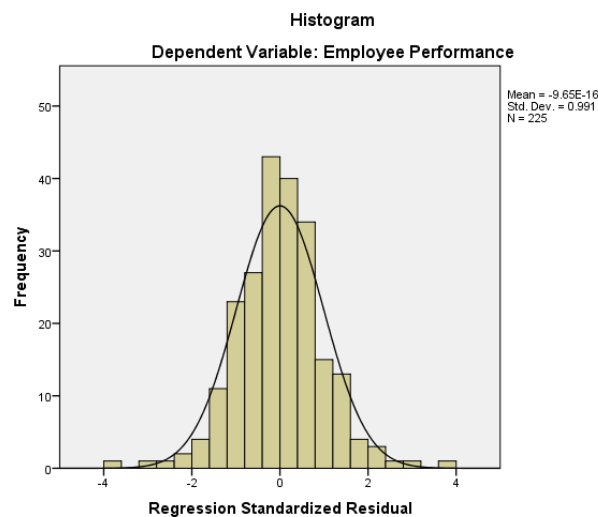


Figure 6 Histogram for testing normality

Survey result, 2021

The graphs above shows the histogram that is a plot of how often possible values occurred. It's one way to see if there is anything really strange in your data - any extreme values, or all the scores piled up on one side. Paramount, normality through histogram – the study used a histogram plot indicating normality of residuals. It produced a bell-shaped curve that shows the normal distribution of the series. In this study, the figure above shows a bell-shaped distribution of the residuals. The figure shows that X-axis shows the residuals, whereas Y-axis represents the density of the data set. As a consequence, this histogram plot confirms the normality test results from the two tests in this study.

4.5.3 Multiple Regression Test Results

To this, a regression analysis was carried out to determine the level of significance that existed in relationships, and when all the variables between human resource practices such as promotion, training, compensation and perceived employee performance are applied.

Table 9 Regression Test Results, N=225

Table 9.1 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.581 ^a	.337	.325	.505

a. Predictors: (Constant), Performance Appriasal , Promotion , Compensation and Reward, Training and Developmnet

b. Dependent Variable: Employee Performance
Survey result, 2021

This statistical measurement is clued-up by concluding the value of R^2 to explain the magnitude of the effect of the independent variable on the dependent variable. The above table 9.1 depicted and enlightened as the linear regression of four independent variables and dependent variable. As shown in the above table, the overall bundle of determinant factors of the four independent variables were 33.7 % ($R^2 = .337$) explained the dependent variable (perceived employee performance). This suggests that 33.7 % of perceived employee performance in the surveyed organization clearly depends on the independent variables while the remaining 66.3 % is determined by other unaccounted factors in this study.

Table 9.2 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	28.484	4	7.121	27.963	.000 ^b
Residual	56.026	220	.255		
Total	84.510	224			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Performance Appraisal , Promotion , Compensation and Reward, Training and Development

The above ANOVA table 9.2 shows the result $F= 27.963$, it can be established that the combination of determinant factor have positive effect on perceived employee performance which is statistically significant.

Table 9.3 Coefficient for Multiple Regressions

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.682	.196		8.602	.000
Promotion	.117	.056	.146	2.083	.038
1 Training and Development	.144	.060	.172	2.417	.016
Compensation and Reward	.160	.061	.182	2.648	.009
Performance Appraisal	.183	.056	.234	3.279	.001

Survey result, 2021

The above last Regression Coefficient table 9.3 results shows as there is a positive and significant effect of promotion practice (.038; $P < .05$) and perceived employee performance. The beta coefficient result shows $\beta=.146$. This implies that taking all the independent variable zero, a one unit increases in promotion practices will lead to an increase in employee performance by 14.6%.

This study also found similar results as there is a positive and significant effect of training and development (.016; $P < .05$) and employee performance. The beta coefficient result shows $\beta=.172$. This implies that taking all the independent variable zero, a one unit increases in Training and Development practices will lead to an increase in employee performance by 17.2%.

This study also found similar results as there is a positive and significant effect of compensation and reward (.009; $P < .05$) and employee performance. The beta coefficient result shows $\beta=.182$. This implies that taking all the independent variable zero, a one unit

increases in performance appraisal practices will lead to an increase in employee performance by 18.2%.

This study also found similar results as there is a positive and significant effect of performance appraisal (.001; $P < .05$) and employee performance. The beta coefficient result shows $\beta = .234$. This implies that taking all the independent variable zero, a one unit increases in performance appraisal practices will lead to an increase in employee performance by 23.4%. Among the four predictor performance appraisal have the higher effect on employee performance of EEU at head office.

In sum the model coefficient table 9.3 reported that all the four variables have positive and significant value to the employee performance in EEU at head office.

4.6 Hypothesis Testing

From the above empirical studies, thesis study tests the following hypothesis that were constructed to demonstrate the effect of Selected HRM practice on perceived employee performance.

4.6.1 Promotion

H₁: There is a significant and positive relationship between promotion practice and perceived employee performance.

Using correlation analysis, this study established the relationship between promotion and perceived employee performance ($r=.436$, .000), and tested the influence on perceived employee performance in EEU at head office (*Sig*, **0.038**) by applying multiple regression analysis. Then, the result of the regression analysis displays that it has a positive and significant effect on employee performance; this assure that the hypothesis is accepted.

4.6.2 Training and Development

H₂: There is a significant and positive relationship between training and development and perceived employee performance.

Using correlation analysis, this study established the relationship between training and development and perceived employee performance ($r=.458$, .000), and tested the influence on perceived employee performance in EEU at head office (*Sig*, **0.016**) by applying multiple regression analysis. Then, the result of the regression analysis displays that it has a positive and significant effect on employee performance; this assure that the hypothesis is accepted.

4.6.3 Compensation and Reward

H₃: There is a significant and positive relationship between compensation and reward practice and perceived employee performance.

This study applied correlation analysis and it established the relationship between compensation and reward practice and perceived employee performance ($r=.445$, .000), and tested the influence on perceived employee performance in EEU at head office (*Sig*, **0.009**) by applying multiple regression analysis. Then, the result of the regression analysis displays that it has a positive and significant effect on employee performance; this assure that the hypothesis is accepted.

4.6.4 Performance Appraisal

H₄: There is a significant and positive relationship between Performance Appraisal practice and perceived employee performance.

This study applied correlation analysis and it established the relationship between performance appraisal and e perceived employee performance ($r=.486, .000$), and tested the influence on perceived employee performance in EEU at head office (Sig, 0.001) by applying multiple regression analysis. Then, the result of the regression analysis displays that it has a positive and significant effect on employee performance; this assure that the hypothesis is accepted.

4.6.5 Summary of Hypotheses

Table 10 Summary of Hypotheses

Hypothesis	Predictors	Correlation				Regression		
		r	p	Degree of correlation	status	b	Sig. Value/p/	Hypothesis Status
H1	Promotion	.436	.000	Moderate & Positive	accepted	.146	.038	Supported
H2	Training & Development	.458	.000	Moderate & Positive	accepted	.172	.016	Supported
H3	Compensation and reward	.445	.000	Moderate & Positive	accepted	.184	.009	Supported
H4	Performance Appraisal	.486	.000	Moderate & Positive	accepted	.234	.001	Supported

Survey result, 2021

4.7 Interview and open ended Questions Response

4.7.1 Open ended question response from the employee side

- EEU sampled employees were asked to reflect on if there is an additional point on the company promotion practice and their comment on the relationship between the promotion practice and their perceived performance. Most of them recognize the presence of promotion practice and as promotion priority is given for internal employee. Staying in the organization is valued for promotion, performance appraisal result should also get considered in promotion. The promotion practice being implemented in the head office and in branches should be uniform.
- Regarding training and development the above two same questions were asked and most of the respondent recognize on the policy presentation. Most of the respondents agreed on the training provided were very relevant to them. As per the respondents reaction in parallel to provision of training the impact of provision on the trained employee performance is not clearly measured. In addition to the above the practice of knowledge sharing is very crucial to enhance their performance but in the company these practice is very low.
- Regarding compensation and reward the above two questions were asked and most of the respondent replies as there is compensation and few reward practice in the company. The numbers of allowance in financial package are not well enough that is to include house rent, medical service for family and other allowance to be included and as this is very important on employee performance. The salary the company provides should be attractive salary, with respect to reward only the practice of employee recognition were present in annual employee day ceremony, which is absent by now.
- Regarding performance appraisal the above two questions were asked and most of the respondent replied as there is performance evaluation practice. Most of the respondents have appreciated the link of performance appraisal result with bonus payment. And recommend the same action to be taken on promotion too. Regarding the way performance appraisal is filled, most respondent do not feel uniformity in its application.

4.7.2 Interview response from the HR heads side

EEU head office HR heads were interviewed related to the subject to triangulate the responses from employees side collected through questionnaires with that of the heads point of view.

- The first question were to tell the type of HRM practiced in the organization, and all responded promotion, training and development, compensation and reward and performance appraisal practice are in action in the company.
- The second questions were regarding the presence of written promotion policy in the organization? If there is to what extent does it influence employee performance? As per the hiring and staffing head of the company reaction there is written promotion policy in the company which gives priority for internal employee; this is also stated in the company collective agreement. Vacant position is filled in an open vacancy, giving priority for internal employee. The promotion activity end to end is handled in committee represented from the company and Labour union. As per the promotion policy of the company has included education status, relevant experience, training certificate, performance appraisal and interview/exam as selection criteria. By the time this research is conducted most of job positions which are not managerial, the company in practice use the experience and education as criteria for promotion. The priority given for internal employee in promotion is one motivating part for the internal employee to perform well.
- Similar reactions were observed from the employee and Head side regarding promotion practice presence and priority for internal employee. Same similarities were observed in response to selection criteria to promotion that is education and experience requirement.
- The third questions were regarding the presence of written training and development policy in the organization? If there is to what extent does it influence employee performance? As per the Training and Development head of the company reaction there is written training and development policy in the company. To enhance employee performance, the company provides relevant on the job and off the job training basing the need assessment taken at the beginning of every new budget year. In the recent structure the company has opened a department named knowledge management mainly to work on both explicit and implicit knowledge. Assessing the impact of training is the part that is not yet conducted.
- In presence of training and development practice and provision of relevant training for employee similar response were given from the head and for employee side. And same reactions were seen from the employee response on having remaining work on the part of training impact assessment and knowledge sharing.
- The forth questions were regarding the presence of written compensation and reward policy in the organization? If there is to what extent does it influence employee

performance? As per the Compensation, benefit and HR performance head of the company reaction there is written compensation and reward policy in the company. The company's compensation practice considers both financial and non-financial package. With regard to salary the company tries to cope up with the market. Beginning 2001 Ethiopian calendar to 2013, the company has revised its salary three times. Basing its performance the company provided salary increment yearly. And this provision is flat for all employees whose performance appraisal score is 60% and above. In relation to reward the like yearly salary increment, basing the company performance, the company provides bonus. The bonus payment is linked with employee performance evaluation result. The other is recognition part, the company celebrate employee day, and in this day employee who has score high in his performance evaluation are given a various kind of reward.

- In presence of compensation and reward policy similar response were given from the head and for employee side. Though the company tries to cope up with the market in salary provision and other financial payment, the respondent does not agree in these companies' action.
- The fifth questions were regarding the presence of performance appraisal policy in the organization? If there is to what extent does it influence employee performance? As per the Compensation, benefit and HR performance head of the company reaction there is written performance appraisal policy in the company. The company evaluate its employee twice a year. The evaluation 30% is related to behaviour and the rest 70% is measure in relation to the department planned vs. achieved activity. Employee performance evaluation score is linked to Bonus Payment. This linkage is created and becomes in to action two years ago. The alignment between performance appraisal and bonus payment has changed the culture of getting a flat payment to all employees and has tried to pass a message of the value of performance evaluation to employee. In presence of performance appraisal practice similar response were given from the head and for employee side.
- Regarding the contribution of each selected HRM Practice to the perceived employee performance; the company provides relevant training, give priority for its internal employee to promote, provide financial and non-financial package to its employee and appraise its employee two times in a year. These activities contribute to employee performance by having a various influence on the motivation and ability, skill and attitude of employee of the company.

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study sought to assess the effect of selected HRM practices on perceived employee performance in Electric Utility at head office in Addis Ababa. This chapter presents a brief summary of major findings, conclusion, and recommendations of the study findings. The conclusion narrates directly to the research objectives and the recommendations were derived from the discussion of the study findings and conclusion. The chapter also presents suggested studies that could be carried out in future to extend knowledge in this particular area.

5.2 Summary of the Major Research Findings

- The present study targeted surveyed organization in Ethiopian electric utility at head office in Addis Ababa, in Ethiopia. A total of 283 employees in the study area were sampled from this organisation. The summary of the study findings presented herein followed the research hypotheses formulated in chapter two of the study. The study attended 79.5 % of responses rate as 225 questionnaires were properly returned out of 283 self-administrated or distributed questionnaires. This study mainly used primary data and self-administrated questionnaire. A pilot study was undertaken with various HRM experts to test the reliability and validity of the questionnaire. The stratification was based on the type of the employees' engagement that sampled employees were operating. This comprised of core and support services of the company.
- In assessing the status of the practice of selected HRM practice the Mean and Standard Deviation in relation to Promotion, Training & Development, Compensation & Reward and Performance Appraisal practice were at moderate level. This implies that the four predictors practice in EEU at Head office in Moderate level.
- To examine the relationship between selected HRM practice (Promotion, Training & Development, Compensation & Reward and Performance Appraisal practice) and perceived employee performance a correlation analysis were conducted. The correlation analysis shows that selected HRM practices and perceived employee performance have positive and significant relationship. The first highest correlation is between performance appraisal and perceived employee performance, training and development is next to

performance appraisal. The third highest correlation is between compensation and reward and perceived employee performance and the fourth highest correlation is between promotion and perceived employee performance. From this the researcher can say that all the four selected HRM practices and perceived employee performance have positive and statistically significant relationship.

- To evaluate the extent to which the selected HRM practice (Promotion, Training & Development, Compensation & Reward and Performance Appraisal practice) influence perceived employee performance, a regression analysis were conducted. From the regression Model summary 33.7 % of employee performance in the surveyed organization clearly depends on the independent variables (Promotion, Training & Development, Compensation & Reward and Performance Appraisal practice) while the remaining 66.3 % is determined by other unaccounted factors in this study.
- In terms of rate of effect on perceived employee performance, performance appraisal has the greater effect, the next is compensation and reward, next to compensation and reward is training and development and the last in rate of effect on perceived employee performance is promotion practice.
- The regression model also represented the contribution of each independent variable to show effects on perceived employees' performance as follow: promotion ($P = .146$, $p = 0.038$), Training & Development ($T\&D = 0.172$, $p = 0.016$) and compensation and reward ($CR = 0.182$, $p = 0.009$) and Performance Appraisal ($PA = .234$, $p = .001$).
- from summary of hypothesis, the correlation and multiple regression analysis showed that all (Promotion, Training & Development, Compensation & Reward and Performance Appraisal practice) have positive and significant relationship with perceived employees performance at $p\text{-value} = 0.000$. Therefore, H1, H2, H3 and H4 are accepted.
- All the independent variable (Promotion, Training & Development, Compensation & Reward and Performance Appraisal practice) in EEU is practiced by having a responsible department for each. All the practices derive from the policy. The employee perceive the priority given for internal employee in promotion, the provision of relevant training, the link between performance appraisal and salary increment and bonus payment, the celebration of Employee company day as good and important to their performance. The value of performance evaluation to be linked with promotion, to widen the number of financial allowance, to improve salary, to conduct impact assessment on training, to work on knowledge sharing and the promotion and performance evaluation practice to be

uniform between head office and branch offices were the points raised from the employee for the company to work on to get a maximum performance from its employee.

- As per reaction from the HR Departments head's /Hiring and staffing, HR Performance, compensation and benefit and Training and Development/ the company HR department structure itself tells its consciousness and readiness on each selected independent variable. On each four practices the company has policy. Though not enough, each four practices try to understand the influence it has on employee motivation and ability.

5.3 Conclusions

Based on the study findings, conclusions were made in line with the objectives of the study. In this research the status of four selected HRM practice (Promotion, Training & Development, Compensation & Reward and Performance Appraisal practice), the relationship between the four selected HRM practice and perceived employee performance, the extent of the relationship and the level of employee performance were studied.

- The mean value score of each predictor variable is between 2.51-3.50. From this it can be concluded that the four selected HRM practice in EEU at head office is at moderate level.
- Basing correlation coefficient result it can be concluded that there is positive and significant relationship between the selected HRM practices and perceived employee performance. That is, it indicated that there were moderate associations between independent variables with dependent variable.
- Multiple regression analysis indicated that Promotion, Training & Development, Compensation & Reward and Performance Appraisal practice have a positive and significant effect on perceived employees' performance. The model of the regression explained 33.7% of the variance in perceived employees' performance by independent variables. Multiple regression analysis indicated that these four selected human resource practices have statistically significant and positive relation with perceived employees' performance.
- Basing on the standardized coefficients for multiple regressions result, the rate of effect of performance appraisal on perceived employee performance were the 1st in rank, the 2nd rank and 3rd goes to compensation and reward and training and development respectively and the last rank is assumed my promotion practice.

- The findings and results of the research generally supported the hypotheses being stated that selected HRM practices were positively associated with perceived employees' performance in EEU at head office context.
- The employee perceive the priority given for internal employee in promotion, the provision of relevant training, the link between performance appraisal and salary increment and bonus payment, the celebration of employee company day as good and important to their performance. From this it can be concluded there is an effort to link its practice with employee motivation and ability. But it does not mean it is well enough.
- Under EEU HR directorate HR planning and organization, hiring and staffing, training and development, compensation, benefit and HR performance, HR administration, Labor relation and HIV prevention and control are the departments which handle the company HR activity end to end. The respondent's response on the presence of each four selected activity derives from the department's presence. Structuring itself in the above manner tells as there is attention on HR practice in the company. It also has a message of how the company's HR activity is done.

5.4 Recommendations

From the study summary, finding, conclusion, theories and empirical evidences the following recommendation are given by the researcher.

- It is clear from the findings that Human Resource Management (HRM) practices (Promotion, Training and development, Compensation and reward, and Performance Appraisal) has a positive role in increasing the perceived employee's performance, so the organizations should implement these practices to achieve the desired goals.
- The employee job performance is measured in performance appraisal score. Those who perform better expect their value to be recognized. From the employee side valuing performance appraisal as one criterion for promotion means a lot to employee in their definition to performance appraisal. And from the company side valuing performance evaluation in promotion as one criterion will create a great opportunity in placing an employee whose performance is better. So the company should value performance appraisals score one criteria in its promotion like it did for bonus payment.
- To enhance employee performance provision of relevant training is one very basic activity, but this provision does not guarantee the success of the training unless impact

assessment is done. Conducting impact assessment on the provided training will create an opportunity to know the outcome of the training, to verify the relevancy of the training and its contribution on employee and company performance. For this fact the company should conduct impact assessment of training.

- Creating an environment which is conducive to get and transfer knowledge means a lot in enhancing employee performance. In this aspect the company is in a well position in opening a responsible knowledge management department. Having this department especially in monopoly's company means a lot in obtaining, sharing and retaining any knowledge founded in the company only. In this understanding, EEU as sole provider of Electric service to the country should strongly work on this department to have a pool of stored knowledge which can be accessed easily which in turn positively impact employee performance.
- Company's financial and non-financial compensation provision has a lot of message to its employee. Most of the time these packages are aligned with employee performance. Companies reward employees who perform high. With this it motivates those who perform high and it tries to pass to other employee as performing high is a great value to the company. In EEU the attachment of bonus payment with performance appraisal score is best practice to keep on and this is also recommended to be with annual salary increment too. In relation to recognition, EEU has to keep on its conduction of celebrating company Employee days which by itself taken as recognition by its employee. The employees feel inadequate on the current financial package provision which is a message for the company to look up where it is in this aspect.
- Low performance determined by conducting performance appraisal. This low performance should be supported by taking the necessary action. In this aspect the company should assess the reason for low performance and act accordingly.
- Under EEU HR directorate HR planning and organization, hiring and staffing, training and development, compensation, benefit and HR performance, HR administration, Labor relation and HIV prevention and control are the departments which handle the company HR activity end to end. This by itself tells how the organization has a given an attention to HR practices. The presence of policy for each activity is among others one guarantee for the application to be uniform. Having a policy and implementing in different way will create a question in the policy uniform

application. To be free from such kind of problem a making supervision on the practice one recommended action. With this fact the company has to make supervision on its promotion and performance evaluation practice to get assured in its application uniformity. By doing so the company assures the fairness and equity of the practice which in turn positively impact employee motivation.

5.5 Managerial Implications

This study has some implications for both, the managers and the decision makers. The important suggestions included it has been found that employee performance is obviously dependent on the HRM practices, but the performance appraisal is more critical for the employees of government power sector. So performance appraisal has a leading effect on employee performance. The appropriate implementation of the HRM practices will confidently develop the employee performance, which will ultimately increase the organizational performance.

5.6 Recommendation for Future Research

The findings of this study may be utilized by other researchers and academicians who wish to advance further research on the impact of human resource practices. Similarly, the findings of this study can be used to test hypothesis and also empirical studies in the area of human resource practices and perceived employee performance. This study did not deal conclusively with human resource practices since the field of human resources is huge. Therefore future research can consider other factors like recruitment, staffing, human resource planning and others not dealt with in this research.

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APPENDIX

Appendix I - Questionnaire in English

(Employee Survey)

Dear Respondent,

I, Bereket Tesfaye, a student of Addis Ababa University, School of Commerce pursuing Masters of Arts (MA). As part of my academic curriculum I am conducting a research to examine Effect of HRM Selected HRM Practices on Perceived Employee Performance: In case of Ethiopian Electric Utility Head Office. I hope to get relevant information from you as a stakeholder in matters that are important for this study. The study is exclusively for academic purposes and the information given will be treated with strict confidentiality.

I therefore, humbly request you to spare some time and answer the following questions. Thank you very much for your understanding. The questions intended to collect information on Effects of Human Resource Practices on perceived employee performance.

Directions -

- *The questionnaire consists of open ended, closed ended questions and five point Likert scale questions.*
- *You are supposed to answer questions according to its requirements.*
- *Please do not write your name.*
- *All information will be used only for academic purpose and treated confidentially.*
- *Your honest and unbiased response will greatly contribute for the research to achieve its objective.*

Thank you for your co-operation in advance

Best Regards,

Bereket Tesfaye

Tel – 09 11 03 96 02

beretes347591@gmail.com

PART I. Demographic Information

Direction - Please put (√) mark to select the response

1. Gender

Male Female

2. Age

Below 30 31-40 41-50
51 & above

3. Educational Level

Diploma First Degree Masters and above
and below

4. Marital status

Single Married Widowed
Divorced

5. Work experience

< 1 year 1-5 years 6-10 years
) 11-15 above 16
years years

6. Monthly income (in Eth. Birr)

Below 5,000 5,001-10,000 10,001-15,000
Above 15,001

PART II. Effects of Human Resource Practices on Perceived Employee performance

Direction - Please put (√) mark to select the response and please read each statement and, then circle one of the five numbers against it. The number you choose to circle should be the number that represents the extent to which you agree with what the statement is saying about you and your job, where: 1 = Strongly Disagree (SD); 2 = Disagree (D); 3 = Neutral (N); 4=Agree (A); and 5=Strongly Agree (SA).

Scale	1	2	3	4	5
	Strongly disagreed /SD/	Disagreed /D/	Not Sure /NS/	Agreed /A/	Strongly Agreed /SA/

(i) **Human Resources Practices**

Code	Scale	Measurement				
		SD	D	NS	A	SA
Promotion						
P1	There is written promotion policy in my organization.					
P2	Promotion Priority is given for internal Employee in my organization.					
P3	Promotion Criteria's are objective in my organization.					
P4	There is a provision of priority to seniority in promotion decision in my organization.					
P5	There is provision of priority to merit in promotion in my organization.					
P6	I have faith in the promotion practice system in my organization.					
Training & Development		SD	D	NS	A	SA
TD1	I find my job quite interesting and meaningful now.					
TD2	I am trained in order to increase my knowledge about my jobs.					
TD3	I often tell others that this company is a great place to work in					
TD4	Training is linked with the preparedness of staff.					
TD5	In my organization, there is an environment that stimulates learning.					
TD6	Training has improved my skills to work with others at work.					
TD7	Training and development policies are integrated to the objectives of my organization.					
Compensation & Reward		SD	D	NS	A	SA
CR1	In my organization, compensation for employees is done fairly.					
CR2	My organization pays good salaries and wages to its employees.					
CR3	My organization considers financial packages as					

	compensation to its employees.					
CR4	Compensation is linked with the preparedness of management.					
CR5	My organization considers non-financial packages as compensation to its employees.					
CR6	I receive positive recognition for what I perform better.					
CR7	Fairly promotion and transfer makes me feel recognized by my company.					
CR8	I feel that my job receives enough attention from my company.					
CR9	I get recognition/praise I deserve when I do a great job.					
CR10	The existing Compensation and reward plans motivate me for better performance					
CR 11	Recognition/praise makes me feel valued by my organisation.					
Performance appraisal		SD	D	NS	A	SA
PA1	There is a well- defined performance management strategy in my organization.					
PA2	There are corrective measures for under-performance in my organization.					
PA3	I am provided performance based feedback and counselling.					
PA4	There is written performance evaluation system in my organization.					
PA5	Performance of the employees is measured on the basis of objective quantifiable results.					
PA6	I feel performance appraisal is just a formality in this organization					
PA7	The objectives of the appraisal system are clear to all employees in my organization.					

(ii) Employee Performance

Code	Scale	SD	D	NS	A	SA
Employee Performance						
EP 1	I work overtime to complete my tasks.					

EP 2	My performance is measured against the productivity.					
EP 3	I attend to my work with speed and accuracy.					
EP 4	My performance has continually improved.					
EP 5	I usually take time to follow up with clients to ensure that they are satisfied with my services.					
EP 6	Employees report on duty early and leave very late.					
EP 7	My job is in line with my interests, skills and attitudes.					
EP 8	I am able to provide necessary information that would assist others to complete their tasks					

1. Any additional point to add on the company Promotion, Training & Development, Compensation & Reward and Performance Appraisal practice?

2. What is your comment on the relationship between the companies Promotion, Training & Development, Compensation & Reward and Performance Appraisal and perceived employee performance?

THANK YOU!

Appendix III - Interview questions for HR Head

I, Bereket Tesfaye, a student of Masters of Arts (MA) and I am conducting a research to assess the Effects of selected Human Resource management Practices on perceived Employee Performance.

- (i) What human resource management practices do you apply in your organization?

- (ii) Is there written promotion policy your organization? If yes, to what extent does it influence employee performance:

- (iii) Is there written training and development policy your organization? If yes, to what extent does it influence employee performance:

- (iv) Is there written Compensation and reward policy your organization? If yes, to what extent does it influence employee performance:

- (v) Is there written performance appraisal policy your organization? If yes, to what extent does it influence employee performance?

- (vi) What is the contribution of human resource management practice to perceived employee's performance in EEU?

Thank you again

Mean and standard deviation of Promotion Practice /Descriptive statistics/

Promotion Practice	N	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Std. Deviation
		Count	%	Count	%	Count	%	Count	%	Count	%		
There is written promotion policy in my organization.	225	15	6.7%	18	8.0%	35	15.6%	102	45.3%	55	24.4%	3.73	1.119
Promotion Priority is given for internal Employee in my organization.	225	10	4.4%	21	9.3%	28	12.4%	102	45.3%	64	28.4%	3.84	1.078
Promotion Criteria's are objective in my organization.	225	20	8.9%	39	17.3%	51	22.7%	80	35.6%	35	15.6%	3.32	1.189
There is a provision of priority to seniority in promotion decision in my organization.	225	30	13.3%	31	13.8%	60	26.7%	81	36.0%	23	10.2%	3.16	1.192
There is provision of priority to merit in promotion in my organization.	225	22	9.8%	40	17.8%	52	23.1%	94	41.8%	17	7.6%	3.20	1.121
I have faith in the promotion practice system in my organization.	225	23	10.2%	47	20.9%	65	28.9%	76	33.8%	14	6.2%	3.05	1.099
Over All Mean and SDV												3.38	1.113

Survey result, 2021

Mean and standard deviation of Training and Development Practice /Descriptive statistics/

Training and Development practice	N	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Std. Deviation
		Count	%	Count	%	Count	%	Count	%	Count	%		
I find my job quite interesting and meaningful now.	225	5	2.2%	32	14.2%	43	19.1%	103	45.8%	42	18.7%	3.64	1.012
I am trained in order to increase my knowledge about my jobs.	225	12	5.3%	53	23.6%	36	16.0%	86	38.2%	38	16.9%	3.38	1.170
I often tell others that this company is a great place to work in	225	19	8.4%	44	19.6%	60	26.7%	82	36.4%	20	8.9%	3.18	1.108
Training is linked with the preparedness of staff.	225	21	9.3%	49	21.8%	51	22.7%	86	38.2%	18	8.0%	3.14	1.131
In my organization, there is an environment that stimulates learning.	225	29	12.9%	60	26.7%	49	21.8%	79	35.1%	8	3.6%	2.90	1.127
Training has improved my skills to work with others at work.	225	10	4.4%	38	16.9%	30	13.3%	99	44.0%	48	21.3%	3.61	1.129
Training and development policies are integrated to the objectives of my organization.	225	17	7.6%	25	11.1%	67	29.8%	82	36.4%	34	15.1%	3.40	1.106
Over All Mean and SDV												3.32	1.112

Survey result, 2021

Mean and standard deviation of Compensation and Reward Practice /Descriptive statistics/

Compensation and reward practice	N	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Std. Deviation
		Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %		
In my organization, compensation for employees is done fairly.	225	27	12.0%	59	26.2%	56	24.9%	78	34.7%	5	2.2%	2.89	1.082
My organization pays good salaries and wages to its employees.	225	40	17.8%	73	32.4%	42	18.7%	63	28.0%	7	3.1%	2.66	1.154
My organization considers financial packages as compensation to its employees.	225	28	12.4%	61	27.1%	69	30.7%	66	29.3%	1	.4%	2.78	1.018
Compensation is linked with the preparedness of management.	225	11	4.9%	38	16.9%	77	34.2%	90	40.0%	9	4.0%	3.21	.940

My organization considers non-financial packages as compensation to its employees.	225	6	2.7%	56	24.9%	99	44.0%	60	26.7%	4	1.8%	3.00	.835
I receive positive recognition for what I perform better.	225	22	9.8%	33	14.7%	66	29.3%	80	35.6%	24	10.7%	3.23	1.129
Fairly promotion and transfer makes me feel recognized by my company.	225	22	9.8%	64	28.4%	48	21.3%	71	31.6%	20	8.9%	3.01	1.163
I feel that my job receives enough attention from my company.	225	9	4.0%	41	18.2%	54	24.0%	93	41.3%	28	12.4%	3.40	1.048
I get recognition/praise I deserve when I do a great job.	225	16	7.1%	55	24.4%	72	32.0%	62	27.6%	20	8.9%	3.07	1.077
The existing Compensation and reward plans motivate me for better performance	225	25	11.1%	60	26.7%	53	23.6%	61	27.1%	26	11.6%	3.01	1.204
Recognition/praise makes me feel valued by my organisation.	225	17	7.6%	60	26.7%	47	20.9%	71	31.6%	30	13.3%	3.16	1.182
Over All Mean and SDV												3.04	1.076

Survey result, 2021

Mean and standard deviation of performance appraisal Practice /Descriptive statistics/

Performance Appraisal Practice	N	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Std. Deviation
		Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %		
There is a well- defined performance management strategy in my organization.	225	40	17.8%	53	23.6%	58	25.8%	64	28.4%	10	4.4%	2.78	1.169
There are corrective measures for under-performance in my organization.	225	28	12.4%	49	21.8%	75	33.3%	63	28.0%	10	4.4%	2.90	1.081
I am provided performance based feedback and counselling.	225	20	8.9%	58	25.8%	56	24.9%	82	36.4%	9	4.0%	3.01	1.069
There is written performance evaluation system in my organization.	225	14	6.2%	31	13.8%	37	16.4%	115	51.1%	28	12.4%	3.50	1.074
Performance of the employees is measured on the basis of	225	37	16.4%	45	20.0%	36	16.0%	88	39.1%	19	8.4%	3.03	1.262

objective quantifiable results.													
I feel performance appraisal is just a formality in this organization	225	17	7.6%	34	15.1%	47	20.9%	86	38.2%	41	18.2%	3.44	1.172
The objectives of the appraisal system are clear to all employees in my organization.	225	40	17.8%	63	28.0%	67	29.8%	46	20.4%	9	4.0%	2.65	1.113
Over All Mean and SDV												3.05	1.134

Survey result, 2021

Mean and standard deviation of employee performance /Descriptive statistics/

Employee Performance	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Std. Deviation
	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %		
I work overtime to complete my tasks.	22	9.8%	40	17.8%	39	17.3%	79	35.1%	45	20.0%	3.38	1.259
My performance is measured against the productivity.	21	9.3%	38	16.9%	41	18.2%	85	37.8%	40	17.8%	3.38	1.223
I attend to my work with speed and accuracy.	4	1.8%	12	5.3%	27	12.0%	121	53.8%	61	27.1%	3.99	.876
My performance has continually improved.	3	1.3%	12	5.3%	36	16.0%	110	48.9%	64	28.4%	3.98	.884
I usually take time to follow up with clients to ensure that they are satisfied with my services.	3	1.3%	17	7.6%	51	22.7%	114	50.7%	40	17.8%	3.76	.879
Employees report on duty early and leave very late.	13	5.8%	33	14.7%	80	35.6%	82	36.4%	17	7.6%	3.25	.992
My job is in line with my interests, skills and attitudes.	9	4.0%	37	16.4%	30	13.3%	105	46.7%	44	19.6%	3.61	1.097
I am able to provide necessary information that would assist others to complete their tasks	4	1.8%	9	4.0%	24	10.7%	141	62.7%	47	20.9%	3.97	.798
Over All Mean and SDV											3.67	1.001

Survey result, 2021