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DEPARTMENT OF MASTER OF BUSINESS ADMINISTRATION

IMPACT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE PERFORMANCE: THE CASE OF AMHARA BANK HEAD OFFICE

THIS THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY IN PARTIAL FULFILLMENT FOR THE AWARD OF DEGREE IN MASTER OF BUSINESS ADMINISTRATION

DAGMAWIT MENGSTE

ID No: GSD/5796/15

ADVISOR: YARED ASRAT (PhD)

MAY, 2025

ADDIS ABABA, ETHIOPIA

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SCHOOL OF GRADUATE STUDIES MBA

Impact of Human Resource Management Practices on Employee Performance: The Case of Amhara Bank Head Office

BY

DAGMAWIT MENGSTE

Approved By the Board of Examiners

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SATATMEMNT OF CERTIFICATE

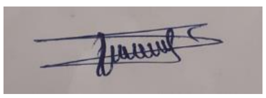
This is to certify that the thesis entitles "**Impact of Human Resource Management Practices on Employee Performance: The Case of Amhara Bank Head office**", submitted to Addis Ababa University for the award of the Degree of Master of Business Administration (MBA) and is a record of Bonafede research work carried out by my supervision. Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

Adviser's Name	**Date**	**Signature**
YARED ASRAT (PhD)	**May 29, 2025**	

DECLARATION

I, Dagmawit Mengste Woldeyes, declare that this proposed study entitled "**Impact of Human Resource Management Practices on Employee Performance: The Case of Amhara Bank Head office**" is the result of my own efforts, and all sources of materials used have been duly acknowledged. I have examined this research independently, with guidance and suggestions from my Research Advisor. This research has not been submitted for any degree at this or any other university. It is presented in partial fulfillment of the requirements for the degree of Master of Business Administration.

Dagmawit Mengste



Signature: ________________________________

Date: May, 29, 2025

ACKNOWLEDGEMENTS

First and foremost, I thank the almighty God for bringing me to this point in my studies as well as in my life. And I would like to strongly thank you my beloved 'Sisters' long live to my Family. Secondly, I would like to express my genuine gratitude to my advisor **Yared Asrat (PhD)** for the continuous support throughout my MBA program thesis. I appreciate his patience, motivation, enthusiasm, and immense encouragement. His guidance helped me in all the time of research and writing of this thesis. I could not have imagined having a better mentor for my MBA program. I also thank all the members of the Amhara bank staffs, for their help and support. I appreciate it.

Acrimony and Abbreviation

HRM…………….….Human Resource Management

EP………………..Employees' Performance

TD……………….Training and Development

PA……………….Performance Appraisal

CRM…………….Compensation and Reward Management

RS……………….Recruitment and Selection

JS………………..Job Security

HO………………Head Office

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ABSTRACT

This study examines the effect of Human Resource Management (HRM) practices on employee performance within the context of a newly established bank. Effective HRM practices are increasingly recognized as key drivers of organizational success, particularly through their influence on workforce productivity and motivation. The research adopts a quantitative approach, utilizing structured *questionnaires to collect data from employees across various departments. A simple random sampling method was used to select a representative sample. A total of 222 questionnaires were distributed, and 213 valid responses were obtained, resulting in a 96% response rate. The study assessed five key HRM dimensions: training and development, performance appraisal, compensation and reward, recruitment and selection, and job security. Data were analyzed using SPSS through descriptive statistics, correlation, and multiple linear regression. The regression analysis revealed that performance appraisal ($\beta = 0.364$), compensation and reward management ($\beta = 0.265$), training and development ($\beta = 0.197$), and job security ($\beta = 0.158$) had statistically significant positive effects on employee performance ($p < 0.05$), while recruitment and selection did not show a significant impact. The model explained 64.2% of the variance in employee performance (Adjusted $R^2 = 0.642$). These findings highlight the critical role of strategic HRM practices in enhancing employee performance and organizational efficiency. The study offers practical recommendations for HR policy improvements and provides a foundation for future research in the banking sector.*

Keywords: *Training and Development, Performance Appraisal, Compensation and Reward, Recruitment and Selection, Job Security, Employee Performance, Amhara Bank.*

CHAPTER ONE

1. INTRODUCTION

This chapter deals with the background of the study about ‘The impact of human resource management practices on employee performance’, statement of the problem, research question , general objectives of the study, specific objectives of the study, significance of the study, scope of the study, limitation of the study, definition terms and organization of the study.

1.1. Background of the study

Human Resource Management (HRM) is a concept that deals with managing people within organizations. It primarily involves policies, practices, and systems that influence employees’ behavior, attitudes, and performance (Dessler, 2015; Cole, 2015). Simply put, HRM is concerned with determining who works for an organization and how those employees carry out their duties. Huselid and Becker (as cited in Ahmed Mahrez, 2014) argue that competition among countries and organizations is no longer based on who possesses more natural or financial resources, but rather on who generates more innovative and creative ideas. Their view suggests that well-managed human resources can provide a significant competitive advantage by contributing to key organizational objectives such as quality, profitability, and customer satisfaction.

Mahapatro (2010) explains that HRM practices focus on managing human resource activities to enhance employee performance and improve the overall effectiveness of the HR department. In general, the human resource function involves the art of acquiring, developing, and retaining a competent workforce to achieve organizational goals effectively and efficiently. It emphasizes the strategic use of people to fulfill both individual and organizational objectives.

Saira (2016) conducted a study to determine the impact of HRM practices on employee performance in the textile industry of Pakistan. The research findings indicated that HRM practices such as compensation, career planning, performance appraisal, training, and employee involvement positively affect employee performance. This confirms that these independent variables contribute positively to changes in the dependent variable, employee performance. She concluded that implementing HRM practices at the appropriate level and scope directly impacts employee performance by equipping employees with the necessary skills, knowledge, and motivation.

Similarly, Amsalu (2017) emphasized the need for organizations to provide continuous training, noting that employee experience and skills may not always align with the frequent changes in work procedures and technology. HRM practices such as employee involvement, empowerment, and retention play a crucial role in enhancing performance. In a related study, Begashaw (2017) used regression analysis to examine the impact of financial compensation and rewards at the Commercial Bank of Ethiopia. The results showed that the benefit packages offered by the company significantly contributed to employee satisfaction.

The impact of Human Resource Management (HRM) practices on employee and organizational performance has been widely supported by various studies and theories. It has been demonstrated that an organization's success largely depends on the performance capacity of its employees. In the context of Ethiopia's banking industry, particularly at Amhara Bank, HRM practices play a critical role in addressing the unique challenges posed by a dynamic and competitive environment. As the banking sector continues to evolve with technological advancements and increasing competition, effective HRM strategies are essential for attracting, retaining, and developing talent. Therefore, this study investigates the impact of key HRM practices; including training and development, performance appraisal, compensation and reward management, recruitment and selection, and job security, on employee performance at Amhara Bank.

1.2. Company profile

Amhara Bank was founded by more than 163 thousand visionary shareholders and subscribers with initial capital of Birr 7.4 billion paid up and subscribed capital in June 2022. Upon securing license from the National Bank of Ethiopia, Amhara Bank opened its doors for service in June 18, 2022 with 70 fully fledged branches all over Ethiopia. The bank derived its name from 'Amhara,' one of Ethiopia's largest and most prominent ethnic groups, known for their rich culture, beautiful traditions, and unique value systems. Amhara Bank aims to redefine banking in Ethiopia by offering distinctive value propositions that cater to all Ethiopians.

Headquarters in Addis Ababa, the bank is among newly established, powerful and prominent private bank in Ethiopia. Nowadays it operates through a network of more than 312 branches, have more than 5000 employees, more than 125 ATMs and 2 million plus customers. It has established correspondent banking relationship with more than 10 banks covering different countries and cities across the world.

Since entering the Ethiopian banking industry, the bank has brought significant changes and positioned itself as a game-changer. Despite being relatively new to the market, it has quickly become one of the most reputable brands in the domestic banking sector. This strong reputation has been built through the consistent delivery of value and the fulfillment of its motto, ‘Beyond Financing,’ which creates opportunities for the community to maximize social and economic benefits.

1.3. Statement of the Problem

Human Resource Management (HRM) encompasses the policies and practices that influence employee behavior, attitudes, and performance. Key HRM functions; such as recruitment and selection, training and development, performance appraisal, compensation and reward, and job security, are essential in aligning employee outcomes with organizational goals (Noe, 2011; Armstrong, 2017). Effective HRM practices enhance motivation, skill development, and engagement, ultimately driving organizational performance.

Despite this, many organizations, including Amhara Bank, face challenges in implementing these practices effectively. Preliminary assessments at Amhara Bank revealed several concerns: employees lack awareness of HR functions, policies, and documentation processes; HR decisions are often influenced by non-professional factors such as politics or ad hoc responses to current events; and HR activities are not guided by transparent, data-driven policies. These issues have led to dissatisfaction, low motivation, and difficulty in retaining skilled staff. Amhara Bank. (2024). *Preliminary Internal HR Assessment Report* (Unpublished internal document).

In Ethiopia’s rapidly evolving banking sector, effective HRM is crucial to building a competitive and responsive workforce. However, empirical research on HRM practices and their impact on employee performance within Ethiopian banks remain limited. Specifically, there is a gap in understanding how HRM practices are perceived and implemented at Amhara Bank, and how these practices influence employee outcomes. Amhara Bank. (2024). *Preliminary Internal HR Assessment Report* (Unpublished internal document).

This study addresses these gaps by focusing on five critical HRM practices; training and development, performance appraisal, compensation and reward management, recruitment and selection, and job security, and examines their impact on employee performance at Amhara Bank. The aim is to identify existing weaknesses and provide practical recommendations for enhancing HRM effectiveness and organizational success.

1.4. Objectives of the study

1.4.1. General Objectives

The main purpose of the study investigated the impact of HRM practices on employee performance in the case of Amhara Bank Head Office.

1.4.2. Specific Objectives

- To examine the effect of training and development on employee performance.
- To assess the impact of performance appraisal on employee performance.
- To analyze the effect of compensation and reward management on employee performance.
- To evaluate the impact of recruitment and selection practices on employee performance.
- To investigate the effect of job security on employee performance.

1.5. Research Questions

In order to meet the research objective, the study will answer the following main research questions:

1 Does training and development affect employee performance?

2 Does performance appraisal have an impact on employee performance?

3 Does compensation and reward management affect employee performance?

4 Does recruitment and selection have an impact on employee performance?

5 Does job security affect employee performance?

1.6. Scope of the Study

This study is limited to the Head Office of Amhara Bank due to several factors, including time constraints, limited resources, and other social commitments. The research focuses on the impact of five selected HRM practices on employee performance, as employees have expressed significant concern about the implementation of these practices, which directly affect their workplace satisfaction. The study will investigate the relationship between the independent variables and the dependent variable using both descriptive and inferential analysis.

1.7. Significance of the Study

The study is relevant to the government, as its findings can support the development of policies aimed at addressing HRM challenges within various state-owned enterprises. This, in turn, can contribute to enhanced private sector performance and improved delivery of public services. The study is also relevant to scholars and researchers, as its findings serve as a valuable source of knowledge on the factors influencing the implementation of human resource management in Ethiopia's private sector. It contributes to equipping students with deeper insights and skills related to the nature and characteristics of key HRM challenges.

Future scholars may find this study valuable for their academic pursuits, as it provides a readily available source for literature review. It also serves as a foundation for gaining deeper insights into the role of human resource management practices in enhancing employee performance. In addition the study may serve as a preliminary reference for other researchers interested in exploring similar topics. Additionally, it can provide valuable insights for decision-makers, line managers, and process owners in developing effective strategies to address challenges associated with HRM practices.

1.8. Limitation of the study

As much as a lot of commitments and enthusiasm was employed in conducting an intensive and through study, certain challenges are encountered. The primary issue faced was the reluctance of respondents to complete the questionnaire during the data collection process. The heavy workload during banking hours made it difficult for employees to allocate time for the survey. Additionally, a lack of openness and transparency among some respondents also posed a limitation to the study.

1.9. Definition of Terms

Human resource management will to guarantee that the organization will able to achieve success through people. HRM practices included organization development, human resource planning, talent management, knowledge management, recruitment and selection, learning and development, reward management, employee relations, health and safety, welfare, HR administration, fulfillment of statutory requirements, equal opportunity and diversity issues, and any other matters related to the employment relationship.

Employees' Performance was defined in terms of a behavior that accomplishes results. Behaviors (mental and physical effort applied to tasks) emanate from the performer and transform performance from abstraction to action (outcomes in their own right / the product) (Armstrong, 2014).

In this study, training and development refers to the systematic process of enhancing employees' skills, knowledge, and abilities to perform current or future job roles**.** Performance appraisal is defined as the formal evaluation of an employee's job performance and contributions to organizational goals. Compensation and reward management involves providing fair and motivating pay, benefits, and incentives based on employee performance and responsibilities. Recruitment and selection refers to the process of attracting, identifying, and hiring individuals with the necessary qualifications to fill job vacancies. Job security represents the level of assurance employees have regarding the continuity and stability of their employment. Finally, employee performance denotes the effectiveness and efficiency with which employees carry out their assigned duties to achieve organizational objectives.

1.10. Organization of the study

This paper is organized into five chapters. The first chapter has the introductory chapter and it comprised; background to the study, statement of the problem, research question and research objectives. It also covered the significance of the study and limitation and scope of the study. Second chapter will literature review. It had three major parts which are theories, empirical studies and conceptual model. Third chapter has the methodology to the study. It provide for research design; procedure and method, population covered by the study, description of the study area, sampling techniques, instruments, data collection procedure and analysis. Chapter four includes demographic characteristics of the respondents, descriptive and inferential (correlation and regression), chapter five has summary, conclusion and recommendations.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Introduction

Human Resource Management (HRM) is a strategic process that aligns people with organizational objectives to ensure mutual success. It involves attracting, developing, motivating, and retaining a skilled workforce to achieve organizational goals effectively and efficiently. According to Armstrong and Taylor (2020), HRM encompasses the formal systems and practices used to manage people and performance in an organization. It is designed to maximize employee potential and contribute to long-term organizational success by fostering employee engagement and capability.

Modern HRM practices are recognized as critical drivers of sustainable competitive advantage. As noted by Boxall and Purcell (2016), well-designed HR strategies not only enhance employee performance but also strengthen organizational adaptability in a rapidly changing business environment. These practices; such as training and development, performance appraisal, compensation and reward, recruitment and selection, and job security; are essential in ensuring that employees remain competent, motivated, and aligned with the organization's vision.

This study applies contemporary HRM theories outlined by Armstrong and Taylor (2020), which emphasize the relationship between effective people management and organizational performance. These theories provide a framework for analyzing how specific HRM practices influence employee outcomes and contribute to overall organizational effectiveness.

Several studies have explored the relationship between human resource management (HRM) practices and employee performance, producing both consistent and contrasting results. For example, Saira (2016) and Armstrong and Taylor (2020) found that training, performance appraisal, compensation, and other HR practices significantly enhance employee performance. Amsalu (2017), in an Ethiopian context, highlighted the positive role of training in improving employee adaptability to technological and procedural changes. However, other studies such as Tabiu et al. (2016) and Yalew and Wondimu (2018) reported that the effectiveness of HRM practices largely depends on leadership quality, organizational culture, and consistent implementation. Similarly, Assefa (2020) observed that in some Ethiopian private banks, HRM practices lacked uniform application, leading to inconsistent outcomes. Moreover, studies by Mekonnen (2021) noted that despite the presence of formal HR structures, poor communication and limited employee engagement reduced their effectiveness. These contrasting findings reveal a gap in existing literature, particularly concerning newly established private banks like Amhara Bank. Therefore, this study aims to fill that gap by assessing the impact of selected HRM practices; training and development, performance appraisal, compensation and reward, recruitment and selection, and job security; on employee performance in the context of Amhara Bank.

2.2. Theories about HRM Practices Concept

According to (Armstrong, 2020) theories about HRM Practices Effect on organization performance can be categorized as follow.

A. Motivation

Motivation theory explains the factors that affect goal-directed behavior and therefore influences the approaches used in HRM to enhance engagement (the situation in which people are committed to their work and the organization and are motivated to achieve high levels of performance). High performance is achieved by well-motivated people who are prepared to exercise discretionary effort, i.e. independently do more than is expected of them. Effective implementation of HRM practices such as training and development, performance appraisal, and compensation serve to motivate employees, increasing their commitment and engagement, which ultimately drives improved performance.

B. AMO Theory

The ‘AMO’ formula as set out by Box all and Purcell (2003), it states that performance is a function of Ability + Motivation + Opportunity to participate. 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. This study investigates HRM practices that develop employee skills (training and development), enhance motivation (performance appraisal and compensation), and provide opportunities (recruitment and job security) within in the organization, thereby improving overall employee performance.

C. Social Exchange Theory

Employees will reciprocate their contribution to the organization if they perceive that the organization has treated them well. Employees are motivating when they are developing organizational citizenship. This owner ship is creating by the organization through treating its employees as asset so the company invests on its human capital substantially. This perspective aligns with the study's focus on how HRM practices such as compensation, reward, and job security foster a positive employee-organization relationship that can enhance employee performance at the organization.

Together, these theories provide a comprehensive framework for analyzing how HRM practices influence employee performance by addressing the critical aspects of motivation, ability, opportunity, and reciprocal organizational relationships.

According to Tyson (2014), In some organizations, HR departments perform a kind of low-level administration, dealing with routine requests from managers for recruitment, transfers and termination (the `transactional' work of HRM), where as in other organizations they are concerned with strategic planning, developing long-term personnel plans and industrial relations strategy. Then this study deals with training and development, performance appraisal, compensation and reward.

D. Training and Development

Employee training and development initiatives can transform organizations with providing extra skills to your employees to not only increase safety and productivity but training leads to higher job satisfaction, which shows up in better corporate performance. Valuable training also includes situational training that provides personnel the skill sets that allow them to make timely, knowledgeable decisions that benefit both the customer and the company. There are numerous reasons for supervisors to conduct training among employees. These reasons include: increased job satisfaction and morale among employees, increased employee motivation, increased efficiencies in processes, resulting in financial gain, increased capacity to adopt new technologies and methods, increased innovation in strategies and products, reduced employee turnover, enhanced company image, e.g., conducting ethics training (not a good reason for ethics training).

There are reasons for emphasizing the growth and development of personnel include: 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, building a more efficient, effective and highly motivated team, which enhances the company‘s competitive position and improves employee morale, ensuring adequate human resources for expansion into new programs. Employees frequently develop a greater sense of self-worth, dignity and well-being as they become more valuable to the firm and to society. Generally, they will receive a greater share of the material gains that result from their increased productivity. These factors give them a sense of satisfaction through the achievement of personal and company goals (Mahapatro, 2010).

E. Performance Appraisal

Evaluating employee performance is a key responsibility of managers. Performance appraisals is a powerful tool, provide to documented feedback on an employee‘s level of performance. They help determine continued employment, promotion, transfer, bonuses, and pay raises, and allow for improved communications between managers and employees. The actual performance appraisal documents become part of an employee‘s permanent record and can greatly influence lives and careers performance appraisals can achieve and contribute to when they are properly managed, for example: Performance measurement is transparent, short, medium and long-term, clarifying, defining, redefining priorities and objectives, motivation through agreeing helpful aims and targets, motivation through achievement and feedback, training needs and learning desires– assessment and agreement, identification of personal strengths and direction–including unused hidden strengths, career and succession planning–personal and organizational, team roles clarification and team building, organizational training needs assessment and analysis, appraised and manager mutual awareness, understanding and relationship, resolving confusions and misunderstandings, reinforcing and cascading organizational philosophies, values, aims, strategies, priorities etc.

Delegation, additional responsibilities, employee growth and development, counseling and feedback and manager improvement all good managers should be able to conduct appraisals well it is essential process (Mahapatro, 2010).

F. Compensation and Reward

Job candidates choose to work for particular companies for a number of reasons, including career development opportunities, training, the companies’ reputation for being a good place to work, location, and compensation. Companies try to spark job candidates’ interest by communicating the positive features of the core and fringe compensation program. The objective of the compensation is to create the system of rewards that is equitable to the employers and employees alike. The desired outcome of the employees is to attract the employees towards the tasks and motivated to do the good job for the employer. The compensation policy depends on certain criteria below: minimal governmental, union and managerial levels should be met, equitable: each person should be paid fairly, in the line with his or her effort, abilities and training, balanced: pay, benefits and other rewards should provide a reasonable total rewards package, cost-effective.

The pay should not be excessive, considering what the organization can afford to pay, secure: pay should be enough to help employees feel secure and aid him or her in satisfying basic needs, incentive providing: pay should motivate effective and productive work, acceptable to the employee. The employee should understand the pay system and feel it is a reasonable system for the enterprise and him or herself (Mahapatro, 2010).

How the work is conducted will depend on the particular organization, and there is no common standard applicable throughout the public sector, industry and commerce. The way the company is organized and its size whether, for example, it is broken down into divisions, profit centers or parts of a group will also influence the way specialist HR departments fit into the policy making and decision-making arrangements of the organization. The HR manager is often depicted as an adviser to senior line managers.

The amount of executive power he or she possesses to carry out decisions without referring them to others will be dependent on what the chief executive has delegated but, unlike some other managers, the amount of power HR staff possess to carry out policies is usually limited. If, for example, the HR manager wanted to introduce a new pension scheme, or to change the remuneration policy, it is extremely unlikely that this could be done unilaterally.

G. Promotions

Employee is given the promotion as one type of reward which enables 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. It is better to direct recruitment which satisfies many human resources problems of the organization and helps in achieving organizational objectives. 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 important 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. Promotion provides to motivate employees to higher productivity, attract and retain the services of qualified and competent people to recognize and reward the efficiency of an employee, increase the effectiveness of the employee and the organization, fill up higher vacancies from the within the organization, build loyalty, morale and the sense of belongingness in the employee and impress upon others that opportunities are available to them too in the organization, if they perform well (Mahapatro,2010).

2.3. Empirical Evidences

This section contented the researched papers which are done by other researchers about human resource management practices impact on employee and organization performance in different countries are discussed below.

According to Saira Hassan (2016), a study in Pakistan’s textile industry found that HRM practices; namely compensation, career planning, performance appraisal, training, and employee involvement; positively influence both employee and organizational performance. The research confirms that these independent variables significantly impact organizational outcomes by equipping employees with essential skills, knowledge, motivation, involvement, abilities, empowerment, and retention mechanisms. Similarly, Ilyas et al. (2016) evaluated the effects of compensation, performance evaluation, and promotion in the private telecom sector of Rawalpindi and Islamabad, finding a significant positive relationship between these HRM practices and organizational performance. Eventually, this research developed the association of these three HRM practices: compensation practices, performance evaluation and promotion practices (independent variables) have positive relationship with organization performance (dependent variables).

Khan and Rashid (2021) examined modern HRM interventions; such as digital training platforms and remote performance management; in Pakistan’s textile firms, and reported enhanced employee engagement and productivity. Furthermore, Ahmed and Malik (2022) revisited the roles of compensation, appraisal, and promotion in Pakistani telecom companies, confirming their strong positive impact on organizational performance through enhanced employee retention and overall efficiency.

Mohammad et al. (2014) examined the effects of HRM practices, specifically recruitment, selection, and compensation, on organizational performance in Malaysia's Skills Institute (MSI). Their study found that these HRM dimensions had significant positive correlations with performance outcomes. Similarly, Shaukat et al. (2015) investigated a broader range of practices, including selection, training, career planning, compensation, performance appraisal, job definition, and employee participation, and confirmed that each had a statistically significant relationship with organizational performance.

Wang and Lee (2021) explored modern talent acquisition and reward systems in Malaysian public sector institutions, finding that digital recruitment platforms and flexible compensation schemes significantly improved both employee engagement and institutional performance. In another study, Tan and Ahmad (2022) analyzed HRM practices in Malaysian vocational colleges and reported that integrated programs encompassing training, appraisal, and clear job roles led to stronger organizational outcomes through improved job clarity and employee participation.

2.4. Each HRM Practice and Employee Performance Relationship

Here, the researcher used theories and previous studies to argue the contribution of properly implementation of HRM practices to enhance employees' performance in their organization.

2.4.1. Training & Development and Employee Performance

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

The study conducted by Alemayehu (2017) found that employees of Ethiopian revenues custom and authority have an average performance level since they were not satisfied with the present design and delivery of the training program. Based on the result the correlation coefficient; there is a highly significant linear correlation between employee performance and training design and delivery through improving employee‗s skill, knowledge and ability.

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

2.4.2. Performance Appraisal and Employee Performance

Performance appraisals is a powerful tool to provide to documented feedback on an employee‘s level of performance. It helps to determine continued employment, promotion, transfer, bonuses, and pay raises, and allow for improved communications between managers and employees. The actual performance appraisal documents become part of an employee‘s permanent record and can greatly influence lives and careers.

Performance appraisals can achieve and contribute to when they are properly managed, for example: clarifying, defining, redefining priorities and objectives, motivation through agreeing helpful aims and targets, motivation through achievement and feedback, identification of personal strengths and direction including unused hidden strengths, career and succession planning–personal and organizational, team roles clarification and team building, delegation, additional responsibilities, employee growth and development, counseling and feedback to improve organization performance (Mahapatro, 2010).

Alene (2017) discovered that performance appraisal is enhancing employees' performance when it is directly linked the performance appraisal results to rewards such as recognition and appreciation career development, leading to promotion and bonus payments and also to salary levels. But employees are not encouraged to participate in the performance appraisal discussion in Commercial Bank of Ethiopia because employees are not involved in the performance appraisal discussion as a result it is difficult to improve their performance and also discourages the employee motivation. In turn it has its own impact on their employee motivation and performance.

Sophia (2017) established that there are significant elements which are including in employees' appraisal practices from setting common target goals up to implementation of performance appraisal outputs that are important on enhancing employees' motivation and performance.

2.4.3. Compensation/ Reward and Employee Performance

Employees choose to work for particular companies for a number of reasons, including career development opportunities, training, the companies' reputation for being a good place to work, location, and compensation. Companies also try to spark job candidates' interest by communicating the positive features of the core and fringe compensation programs. Compensations like promotion, providing incentives etc. have the following benefits for affecting employees‘ performance by motivating employees to higher productivity, attracting and retain the services of qualified and competent people to recognize and reward the efficiency of an employee, increasing the effectiveness of the employee and the organization, filling up higher vacancies from the within the organization, building loyalty, morale and the sense of belongingness in the employee and impressing upon others that opportunities are available to them too in the organization, if they perform well (Mahapatro, 2010). Asrat (2017) study stated that rewards in Deborah private school motivated teachers by the teaching job itself, recognition, autonomy, and by sense of achievement of their professional goal as teachers.

Surafel (2017) stated that generally the pay scale of the Zemen Bank & reward management policy does not consider market value and inflation rate respectively, cause of this reason the respondents are not motivated for better performance. Employees are not satisfied by rewards providing by Zemen Bank salary, bonus, benefits and buying shareholders and policy has no positive effect Finally regression and correlation results shows the dependent and independent variable have direct relationship. Begashaw (2017) study using regression analysis of financial compensation and reward of CBE offered by the company satisfying employees with the benefit packages. The employees of CBE love their work, committed to the mission and vision of the organization and contributed for the growth of the organization so that the employees of CBE‘s were a good performer. But employees dissatisfied with the salary scale of the organization, over time payment and housing allowance. Generally, performance of employees in commercial Bank of Ethiopia was high.

2.4.4. Recruitment & Selection, and Employee Performance

Recruitment and selection are vital HRM practices that ensure an organization secures qualified and capable personnel, which is essential for enhancing organizational effectiveness and performance. Girsang, Tarigan, and Sipayung (2023) found that effective recruitment and selection processes significantly improve employee performance, with a demonstrated positive impact on organizational outcomes. Ahmad Ali et al. (2023) reported similar findings in Pakistani higher-education institutions, showing that structured recruitment and selection had a direct, positive influence on institutional effectiveness. These contemporary studies align with foundational HRM theory (Armstrong & Taylor, 2020), which holds that strategic talent acquisition and selection are key drivers of employee engagement, competence, and organizational success.

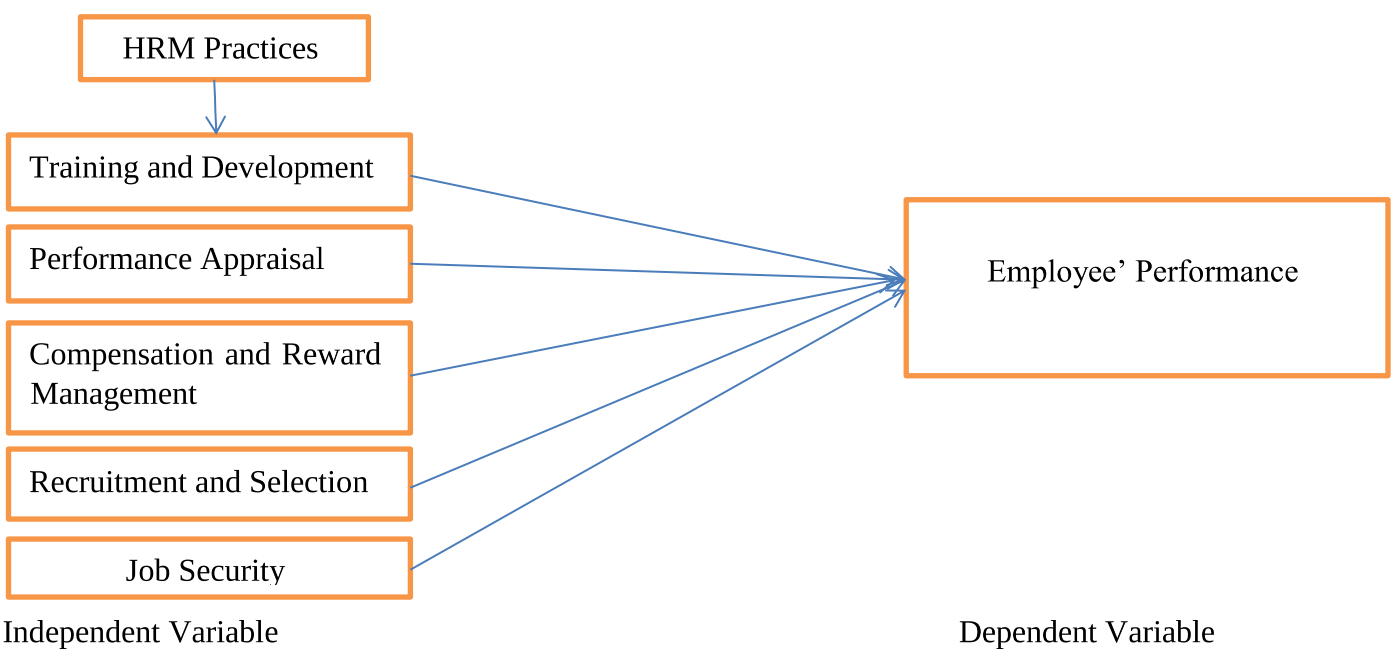
HRM outcomes have been utilized as mediating variables between HR practices and employee performance, with findings indicating a positive relationship between recruitment and selection practices and employee-level performance. Similarly, a study by Smith and Lynch highlighted that recruitment and selection represent the initial phase of the employee evaluation process, emphasizing the importance of identifying, attracting, and selecting the most suitable candidates to fulfill organizational job requirements.

2.4.5. Job Security and Employee Performance

Job security refers to an employee's perception of the stability and continuity of their employment without the risk of involuntary job loss. It remains a critical aspect of Human Resource Management practices as it strongly influences employee job satisfaction, organizational commitment, and overall productivity (Kurtessis et al., 2017). Recent research highlights that employees who perceive high job security are more likely to exhibit higher engagement and discretionary effort, thereby enhancing organizational performance (Sverke et al., 2021). Moreover, job security is closely linked to employee retention and reduced turnover intentions, which reduces recruitment and training costs for organizations (De Cuyper et al., 2020). Organizations that emphasize job security foster trust and positive psychological contracts, which strengthen the employer-employee relationship and promote a stable workforce. Thus, integrating job security within HRM strategies is vital for sustaining employee well-being and achieving long-term organizational success.

2.5. Conceptual framework

Figure 1 Conceptual Framework



Source; Adapted from Armstrong (2020) and Dessler (2019)

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Research Approach

This study monitored positivist approach that is to describe the current reality of HRM practices in Amhara Bank. The study also utilized a relational research design in an effort to examine the relationship between selected impact of human resource management (HRM) practices and employee performance in case of Amhara Bank HO. Correlation research method was used to determine relationships and patterns of relationships among variables.

Five selected HRM practices are included independent variables in this study to be conducted, these are; training and development, performance appraisal, compensation or reward, recruitment and selection, and job security, and employee performance will be considered as the dependent variable in this study. In addition to this, quantitative research approach was used in this research. Because quantitative research included surveys and questionnaires which could help to obtain data about the employees‘ performance and selected HRM practices how to improve the accomplishment of desired products and services using human resources knowledge, skill and experts for better employees‘ performance. Quantitative research were about asking people for their opinions, acts and beliefs in structured questionnaires so that research could produce hard facts and statistics to guide to put possible recommendations (Biniam, 2012).

3.2. Research Design

The study was adopted both descriptive and inferential research design since the study intended to gather quantitative data that describes the nature and effect of HRM practice on employee performance. According to Sekeran (2003), descriptive research design is type of design used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. Mugenda (1999) describes descriptive research as including surveys and fact-finding enquiries adding that the major purpose of descriptive research is description of the state of affairs as it exists at present. The study was considered this design appropriate since it facilitated towards gathering of reliable data describing the true characteristics of impact of HRM on employee performance in Amhara Bank HO. And this study took an explanatory research design since it seeks to establish the impact of HRM practices on employee performance. This is a case study research work that used a selected number of HRM practices to get empirical data on HRM practices and how they affect employee performance.

3.3. Target Population

The research target populations for this study are permanent employees who work at different department and level of positions, in head office there are more than 500 employees obtained from human resource department (Annual Report, 2024). The target populations for this study were 500 employees, with different departments which located on Amhara Bank Head Office. Population of interest is heterogeneous and population studies are more representative.

3.4. Sampling and Sampling Technique

3.4.1. Sample Design

Simple random sampling is a probability sampling method whereby each element in the population has an equal chance of being selected as a member of the study sample.

The Amhara Bank has approximately 5000 permanent employees, from this about 500 employees are worked in head office, in the time of field survey which are using as target population of the 222 study. A total of 222 questionnaires were distributed.

3.4.2. Sample Size Determination

Sample size determination was based on the formula of sample size determination formula that was developed by Bariddam (2001; 93). The sample size computed as follows:

Where; n= the required number of sample size

N= Number of total population,

e= Margin of error,

N=500, and e=5% or 0.05

The equation, $n=\frac{N}{1+Ne2}$

$n=\frac{500}{1+500(0.05)2}$

n=222

The determination of sample size will based on the nature of population (heterogeneity or homogeneity), nature of the study (qualitative or quantitative), and availability of finance and other resources. (Kothari, 2004). Hence, representative and adequate number of sample size was taken to perform a meaningful analysis.

3.4.3. Sampling Technique

Probability sampling - Probability sampling is also known as ‘random sampling’ or ‘chance sampling’. Under this sampling design, every item of the universe has an equal chance of inclusion in the sample. It is, so to say, a lottery method in which individual units are picked up from the whole group not deliberately but by some mechanical process. This sampling method will be used to select participants for the study. The simple random sampling method ensured that every employee had an equal chance of being selected, thereby minimizing selection bias and enhancing the representativeness of the sample.

3.4.4. Method of Data Collection

The study used questionnaires which are developed in the Likert scale format for measuring HRM practices focusing on the implementation of activities to describe level or extent and application of each HR functions in the organization. Similarly, Employees performance will measure using questionnaires which will be prepared in Likert scale format to apply graphic rating scale method. These questionnaires was focused on investigation of employees‘ opinions and beliefs on items which were focusing on employees‘ attributes and behaviors such as employees‘ satisfaction, motivation, organizational citizenship, promotion, salary, incentives, commitment, engagement, physical work environment, work definition etc. by rating at what extent or degree that these items were existing in the organization.

3.5. Source of data

Combinations of primary and secondary data sources could be applied to get sufficient information in the area of the study.

3.5.1. Primary Data Sources

The study will be used primary data collection methods by conducting survey questionnaire which is close ended questionnaire for employee and managers to obtain full information on the study.

3.5.2. Secondary Data Sources

Secondary data will be collected through reviewing different literature which is annual report, plan and human resource employee data catalog and other related to the research topic, by using different publications, unpublished organizational reports, journals, and articles and also use different websites on the internet.

3.6. Data collection instrument

The data collection process will be involving questioner method.

3.6.1. Questionnaire

Questionnaire will be used to collect relevant information to meet the objective of the study and can be used to gather responses from the Amhara Bank HO staffs, to identify the key impacts of employee's commitment on employee and organizational performance. The questions related to their experience with organizational performance, their perception of its impact on performance and their opinions on the key elements.

3.7. Data collection procedures

The questioner would be administered to employees. The questioner was designed to gather quantitative data on their perceptions of the independent variable, such as, training and development, performance appraisal, compensation and reward management, recruitment and selection and job security and its impact on employee performance. The questionnaires will be designed to cover the following areas: The questioner was administered using paper-based questionnaires. The survey was pre-tested with a small group of stakeholders to ensure that the questions are clear and easy to understand.

3.8. Reliability and Validity

3.8.1. Reliability Test

Reliability used to show an attribute in which data collection procedures could be repeated with the same results. The internal consistency of the variables in the research instrument was evaluated using Cronbach's alpha, a reliability coefficient that measures how closely related a set of items are within a scale. As highlighted by Zikmund et al. (2010), an alpha value between 0.6 and 0.7 reflects acceptable reliability. Therefore, in this study, a Cronbach's alpha of 0.70 or above was regarded as an appropriate threshold for confirming the reliability of the instrument.

Table 1 Reliability Test Result

Variables	Cronbach's Alpha	N of Items
Training and Development	0.821	7
Performance Appraisal	0.865	7
Compensation and Reward Management	0.715	6
Recruitment and Selection	0.762	6
Job Security	0.782	5
Employee Performance	0.839	8
Overall	0.939	43

Source: Own survey, (2025)

The table above presents the results of a reliability analysis conducted for each dimension, utilizing Cronbach's alpha to evaluate the internal consistency of the variables within the research instrument. The final result indicated a Cronbach's alpha value of 0.939, confirming that the items demonstrate reliable and acceptable internal consistency.

3.8.2. Validity Test

Validity referred to the extent to which the instrument measures what the researcher(s) actually wish to measure (Kothari, 2004). Validity was the most critical criterion and indicates the degree to which an instrument measures what it will supposed to measure. In order to ensure the quality of this research, content of the research questionnaires will verified by the advisor of this research, who looks into the appropriateness of questions and the scales of measurement. Peer discussion with previous colleagues and other researchers will done since it will another way of checking the appropriateness of questions. Previous developed standard questionnaires were used by both adopting and adapting.

Validity test of the instrument before dispatching the questionnaire to gather information its validity and reliability was checked. This close ended questionnaire will give to human resource expert to check the content validity.

3.9. Methods of Data Analysis

The socio-demographic section of the questionnaires result exists present in frequencies and percentage. The data were analyze in descriptive and person‘s correlation using numbers, percentiles, ratios and which existed also be describe this part by using mean, variance and standard deviation from the center value. After all the necessary data collect from the research subjects, it will enter and computed in SPSS software. In addition, the interpretation part is included the observation and document review besides the responses of the questionnaires.

3.9.1. Descriptive analysis

In this study, the HRM practices impact on employee performance would formulated mathematics model was used the cross-sectional quantitative data in which data was collected at one point in time through surveys preparing questionnaires and analyze applying the following statistical methods. The Data analyses could be made utilizing SPSS software version 20.00. The study utilized the following statistical tools for analysis and interpretation based on the SPSS outputs.

After validity test and the data collection, the collected data could be analyzed and the final report would produce through central tendency measurements total age and comparison of means SPSS will use to code quantitative data in numerical form. SPSS software could use to calculate and analyze data using a variety of functions including frequency estimates, descriptive statistics, and graph formation and tables.

3.9.2. Inferential Analysis

In inferential statistical analysis; ANOVA, correlation and multiple linear regression method would utilize using statistical package for social sciences (SPSS) software. These statistical tools usage and methods of presentation are described as follows.

Regression Analysis

The multiple linear regression models:

This model involves understanding how each independent variable (predictor) influences the dependent variables (outcomes) while holding other variables constant. The equation for a multi-linear regression model is:

$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \varepsilon$

Where Y is the response and the independent variables are those which explain the response ranges from X1 to X5

Where: employee performance is dependent variable= Y That is, increase performance (outcomes)

Y= Increase Performance

X1= Training & Development

X2= Performance Appraisal

X3= Compensation & Reward Management

X4= Recruitment & Selection

X5= Job Security

ε = Error Term

3.10. Ethical Consideration

The following ethical consideration are appreciates seriously. These are: First, explain briefly the purpose of the study as it was conduct for academic and partial fulfillment of the requirement for the degree of Masters of Arts in business administration.

It is explained that it has no other purpose. In addition to this, respect to their consent, responds keeping confidentially and analyzing the data without any manipulation as it will for the intended purpose.

CHAPTER FOUR

4. DATA ANALYSIS RESULT AND DISCUSSION

4.1. Introduction

This chapter presents the result and discussion of conducted study. It focuses on examining the impact of human resource management practices on employee performance within the context of data collected from Amhara Bank's Head Office Staffs. The results are organized according to the sequence of the questionnaire items. Key areas covered include the demographic characteristics of respondents and the presentation of data through tables, charts, and cross-tabulations to effectively address the study's objectives.

4.2. Response Rate

A total of 222 questionnaires were distributed to employees at the Head Office of Amhara Bank, as detailed in the table below. Out of these, 213 questionnaires were correctly completed and returned, representing a 96% response rate, and no questionnaires were excluded due to missing data. This indicates that over ninety-five percent of the targeted participants took part in the study.

Table 2 Response Rate

S. No.	Categories	No. of Employees	No. of Distributed Questioners	No. of Actual Respondents	Percentage (%)
1.	Questionnaire	500	222	213	96%

Source: Own Survey, (2025)

4.2.1. Background of Respondents By Sex

Table 3 Profile of Respondents by Sex

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	116	54.5	54.5	54.5
	Female	97	45.5	45.5	100.0
	Total	213	100.0	100.0	

Source: Own Survey, (2025)

Out of the total respondents, 116 were male while 97 were female, indicating a slight imbalance in gender representation. With female participants making up roughly 46% of the sample, this suggests that while both genders were represented, male respondents were somewhat more predominant in the study. This disparity may reflect broader gender trends within the organization.

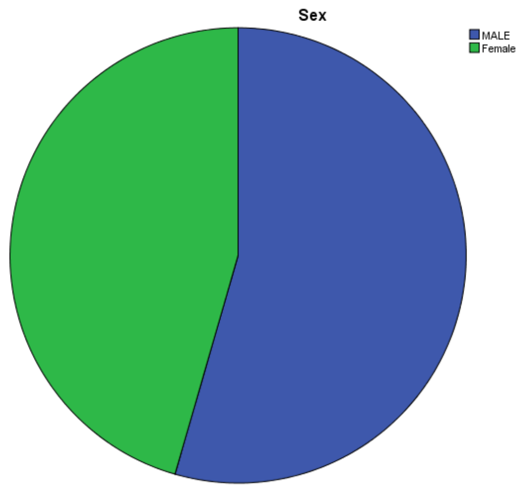


Figure 2 Chart for Respondents' Profile by Sex

4.2.2. Background of Respondents By Age

Table 4 Profile of Respondent by Age

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25	53	24.9	24.9	24.9
	26-35	108	50.7	50.7	75.6
	36-45	38	17.8	17.8	93.4
	46 & above	14	6.6	6.6	100.0
	Total	213	100.0	100.0	

Source: Own Survey (2025)

According to the responses, 53 participants were under the age of 25, 108 were aged up to 35, 38 were up to 45 years old, and 14 were above 46. The data indicates that the majority of respondents were middle-aged, accounting for over 70% of the sample. This suggests that the study largely involved young and early-career individuals, highlighting the need for continuous skill development and capacity-building to enhance organizational effectiveness.

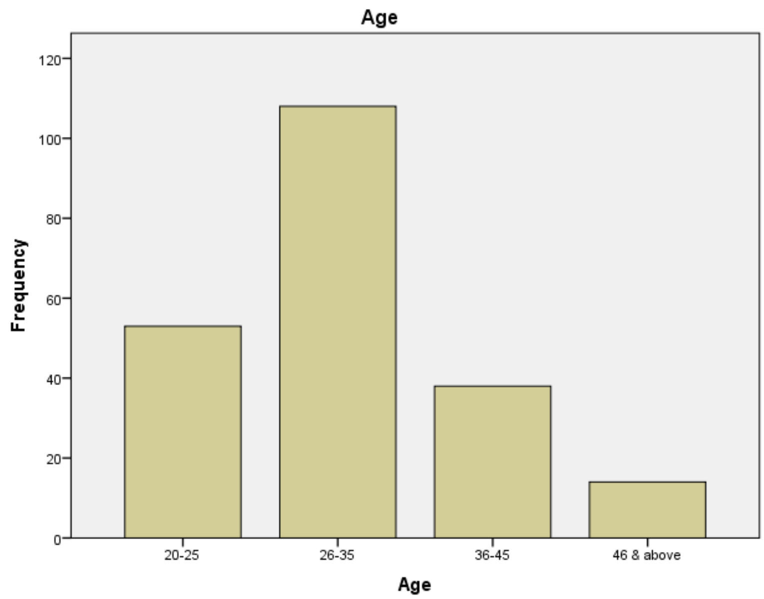


Figure 3 Chart for Respondents' Profile by Age

4.2.3. Background of Respondents By Education

Table 5 Profile of Respondent by Educational Background

Educational Background

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	2	.9	.9	.9
	Under Graduate	119	55.9	55.9	56.8
	Post Graduate	92	43.2	43.2	100.0
	Total	213	100.0	100.0	

Source: Own Survey, (2025)

The majority of participants in this study had completed undergraduate education, with 119 respondents, representing 74.8% falling into this category. Additionally, 91 respondents had attained postgraduate qualifications. All participants possessed some level of formal education, which implies that they were well-equipped to comprehend and accurately respond to the questionnaire. This high level of educational attainment among respondents enhances the reliability of the data collected, as it suggests a better understanding of the questions and more thoughtful, informed responses.

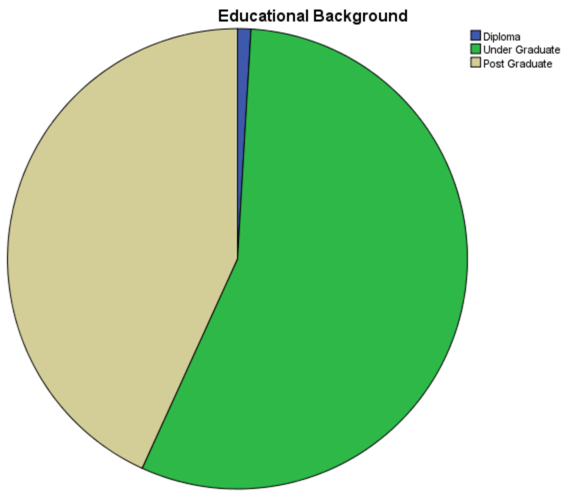


Figure 4 Chart for Respondents' Profile by Educational Background

4.2.4. Background of Respondents By Work Experience

Table 6 Profile of Respondent by Work Experience

Work Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5	81	38.0	38.0	38.0
	6-10	98	46.0	46.0	84.0
	Above 11	34	16.0	16.0	100.0
	Total	213	100.0	100.0	

Source: Own Survey, (2025)

In terms of work experience, 98 respondents, accounting for 46% of the total had between 6 and 10 years of professional experience. Meanwhile, 38% reported having less than 5 years of experience, and the remaining 16% had over 11 years, indicating a more matured workforce. Overall, the majority of participants possessed sufficient work experience, suggesting they were well-positioned to understand

and respond effectively to the questionnaire, and to provide valuable insights into the impact of HRM practices on employee performance.

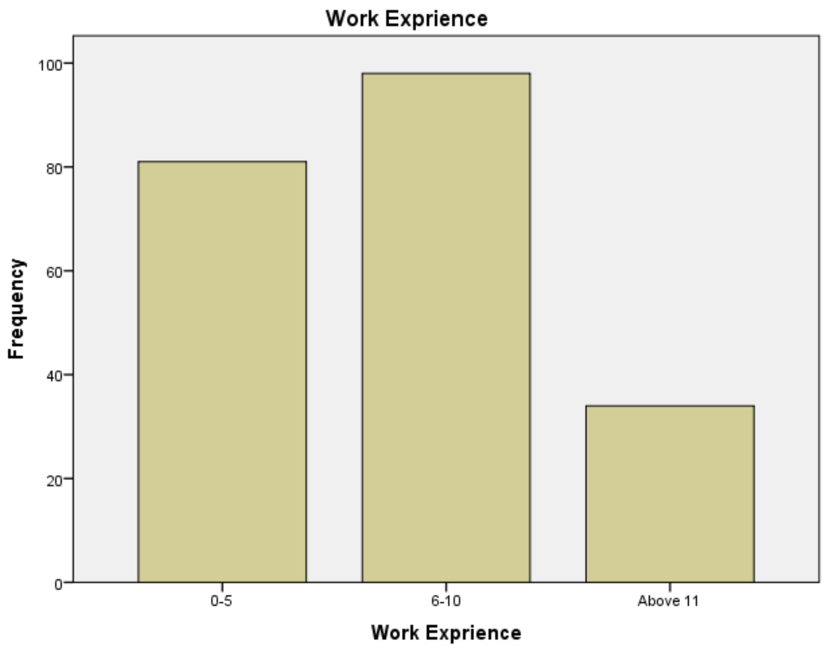


Figure 5 Chart for Respondents' Profile by Work Experience

4.3. Result of the Descriptive Statistics

Variables	Mean	Std. Deviation	N
Training and Development	3.912	3.85371	213
Performance Appraisal	3.791	4.50728	213
Compensation and Reward Management	3.038	3.87282	213
Recruitment and Selection	3.686	4.15846	213
Job Security	3.582	3.83707	213
Employee Performance	3.683	5.76791	213

Source: Own survey, (2025)

The descriptive analysis of the training and development dimension reveals that the majority of respondents expressed agreement across all items, with particularly strong support for the impact of training on motivation, performance, and organizational development. While some respondents remained neutral on specific aspects, the overall perception was positive. The overall mean score of **3.91** indicates that employees are generally satisfied with the bank's training and development practices.

The descriptive analysis shows that most respondents hold a favorable view of the bank's performance appraisal system, particularly regarding its role in motivation, personal development, and goal setting. While a portion of respondents remained neutral on certain aspects, the overall responses leaned toward agreement. The overall mean score of **3.79** indicates that employees generally perceive the performance appraisal practices as effective and supportive.

The descriptive analysis reveals a generally mixed perception regarding the bank's compensation and reward practices. While some respondents acknowledged the value of non-financial incentives and alignment between effort and reward, a considerable portion remained neutral or expressed dissatisfaction, especially in areas related to fairness and motivation. The overall mean score of **3.04** indicates a neutral to slightly positive view, suggesting that the current reward system may require improvements to better support employee motivation and retention.

The descriptive analysis indicates a generally positive perception of the bank's recruitment and selection practices. Most respondents acknowledged the existence of formal policies, diverse selection methods, and opportunities through both internal and external recruitment. While some neutrality was observed, particularly regarding fairness and inclusivity, the overall responses reflect satisfaction with the process. The overall mean score of **3.69** suggests that employees view the recruitment and selection system as effective and reasonably well-implemented.

The descriptive analysis shows that most respondents recognize the positive impact of job security on their focus, performance, and commitment. While some mixed perceptions emerged particularly regarding the bank's support for job security through development opportunities the majority expressed agreement with the core benefits of job stability. The overall mean score of **3.58** indicates a moderately positive perception, suggesting that enhancing job security measures could further improve employee satisfaction and performance.

The descriptive analysis reveals that the majority of respondents demonstrated strong agreement with statements related to employee performance, including task efficiency, motivation, teamwork, initiative, and adaptability. Employees also reported maintaining quality under pressure and staying updated with industry trends. The overall mean score of **3.68** reflects a generally high level of performance among employees. However, when viewed alongside other HRM dimensions, concerns were most evident in compensation and reward practices, which may undermine sustained performance if not addressed. Strengthening this area is essential to maintain and enhance overall employee effectiveness.

4.4. Determinant of Employee Performance

The data collected through the questionnaire were initially coded and entered into the Statistical Package for the Social Sciences (SPSS). Descriptive statistical techniques such as frequencies, percentages, means, and standard deviations were then applied to analyze the data.

4.4.1. Normality Test

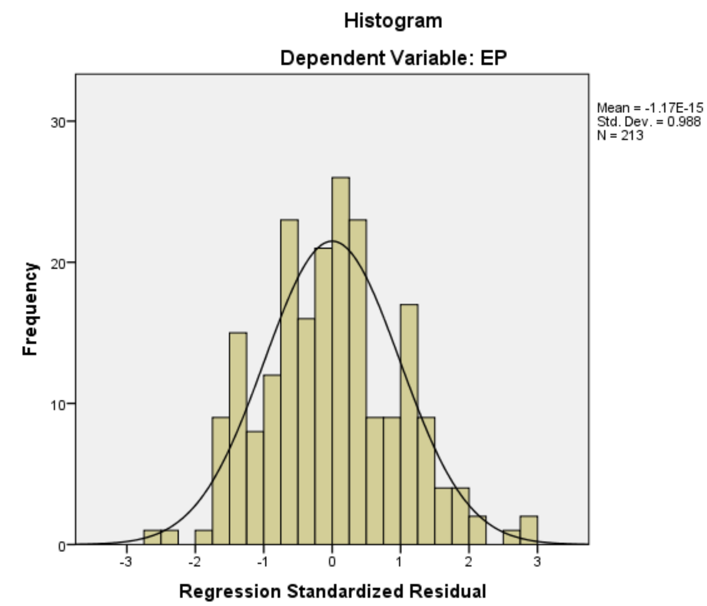


Figure 6 Histogram Result

To assess the normality assumption of the regression model, a histogram of the regression standardized residuals was examined on the above figure. The histogram displayed a roughly bell-shaped curve with the residuals symmetrically distributed around the mean of zero. The overlaid normal curve closely matched the shape of the histogram, indicating that the residuals are approximately normally distributed. This suggests that the assumption of normality is reasonably satisfied in this study.

Table 7 Normality Test

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
TD	213	-1.089	.167	.830	.332
PA	213	-.752	.167	-.554	.332
CRM	213	-.062	.167	-.626	.332
RS	213	-.389	.167	-.947	.332
JS	213	-.434	.167	-.920	.332
EP	213	-.760	.167	-.023	.332
Valid N (listwise)	213				

Source: Own Survey, (2025)

Based on the descriptive statistics presented in Table 4.4.1 the values for skewness and kurtosis fall within the acceptable range of -2 to +2. This indicates that the dataset follows a normal distribution, which suggests that the data is appropriate for further statistical analysis. According to John (2007), values within this range are considered indicative of a normally distributed dataset with no severe deviations, ensuring that the variance in the data is reasonable and suitable for conducting subsequent analyses.

Further explanation and discussion regarding the descriptive statistics of each variable are provided in the following sections. Once the overall performance of the model was assessed and confirmed to be satisfactory, hypothesis testing was conducted through correlation and regression analysis to examine the relationships between the variables under investigation.

4.4.2. Multi Collinearity Test using VIF (Variance Inflation Factor)

Table 8 Multi Collinearity Test using VIF

Model	N	Tolerance	VIF
TD	213	.552	1.811
PA	213	.421	2.374
CRM	213	.470	2.129
RS	213	.411	2.435
JS	213	.418	2.395
Valid N (listwise)	213		

Source: Own Survey, (2025)

Table 9 Test of Collinearity Diagnostics

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions					
				(Constant)	TD	PA	CRM	RS	JS
1	1	5.923	1.000	.00	.00	.00	.00	.00	.00
	2	.030	14.099	.18	.07	.01	.13	.04	.12
	3	.016	19.023	.01	.00	.00	.70	.01	.47
	4	.014	20.634	.33	.04	.35	.01	.25	.00
	5	.010	24.507	.30	.05	.05	.12	.68	.38
	6	.007	29.283	.18	.84	.59	.04	.02	.03

a. Dependent Variable: EP

Source: Own Survey, (2025)

Multi-collinearity occurs when there is an exact or near-exact linear relationship among two or more independent variables (Uma, 2003). The Variance Inflation Factor (VIF) is used to assess how much multi-collinearity affects the variance of a regression coefficient. A high VIF value suggests the presence of multi-collinearity. In general, VIF values exceeding 5 or 10 indicate that the corresponding regression coefficients may be unreliable due to multi-collinearity (Uma, 2003). In this study, the collinearity statistics show that the VIF values for training and development, performance appraisal, compensation and reward management, recruitment and selection, and job security are 1.811, 2.374, 2.129, 2.435, and 2.395, respectively. Since all values are below the commonly accepted thresholds of 5 or 10, it can be concluded that multi-collinearity is not a concern in this dataset.

4.4.3. Linearity, and Homoscedasticity Test

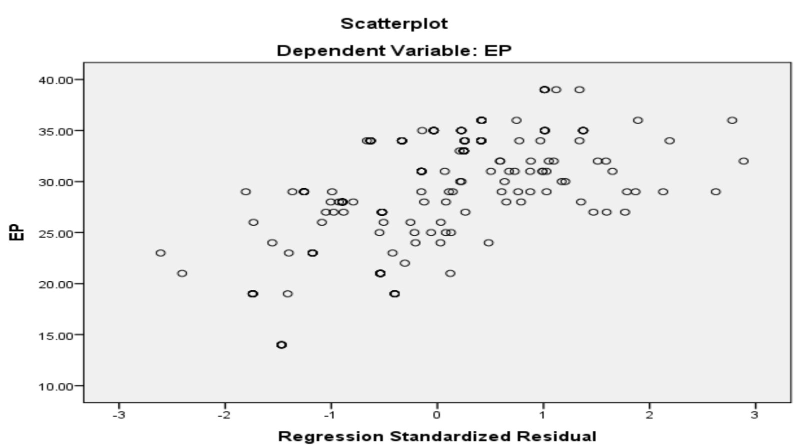


Figure 7 Scatterplot Result

Linearity: The assumption of linearity was evaluated using the scatterplot of standardized residuals versus standardized predicted values. The plot demonstrated a random distribution of residuals around the zero line, with no distinct curve or systematic pattern. This indicates a linear relationship between the independent variables and the dependent variable, confirming that the linearity assumption is satisfied.

Homoscedasticity: The same scatterplot was used to assess homoscedasticity. The residuals were evenly dispersed across the range of predicted values, with no visible funnel or cone-shaped pattern. This suggests that the variance of the residuals is constant, fulfilling the assumption of homoscedasticity.

Therefore, the regression analysis meets the assumptions of both linearity and homoscedasticity, supporting the reliability of the model estimates.

4.5. Data Analysis

Table 10 Summary of HRM Practice

Descriptive Statistics

	Mean	Std. Deviation	N
TD	27.3850	3.85371	213
PA	26.5399	4.50728	213
CRM	18.2300	3.87282	213
RS	22.1174	4.15846	213
JS	17.9108	3.83707	213
EP	29.4648	5.76791	213

Source: Own Survey, (2025)

The table above presents the descriptive statistics for the main variables of the study, based on responses from 213 participants. These statistics include the mean (average score) and standard deviation (a measure of variability or dispersion) for each variable.

Training and Development (TD) had a mean score of 27.39 with a standard deviation of 3.85, suggesting that respondents generally agreed with the presence and effectiveness of training initiatives within the organization. The relatively moderate standard deviation indicates consistent responses among employees regarding this HRM practice.

Performance Appraisal (PA) recorded a mean of 26.54 and a standard deviation of 4.51. This shows that employees perceived performance appraisal systems to be present and moderately effective. However, the slightly higher standard deviation compared to TD suggests a bit more variation in how employees experienced or evaluated performance appraisal practices.

Compensation and Reward Management (CRM) had a mean of 18.23 and a standard deviation of 3.87. This relatively lower mean, compared to TD and PA, could indicate that employees are less satisfied or find this aspect of HRM less emphasized or effective. The standard deviation shows moderate variability in perception.

Recruitment and Selection (RS) yielded a mean of 22.12 with a standard deviation of 4.16, suggesting moderate agreement among respondents about the effectiveness of recruitment practices, with some variability in responses.

Job Security (JS) showed a mean of 17.91 and a standard deviation of 3.84, indicating it was perceived as one of the lower-rated HRM practices. This may reflect concerns or inconsistencies in job stability among employees.

Employee Performance (EP) had the highest mean value at 29.46 and a standard deviation of 5.77, indicating that overall, employees rated their own performance relatively highly. However, the higher standard deviation compared to the other variables suggests more variation in self-reported performance levels, which may be influenced by individual or departmental differences.

These descriptive results provide an initial understanding of how employees perceive different HRM practices and their own performance, setting the stage for further inferential analysis such as correlation and regression.

Table 11 Relationship between HRM Practices and Employee Performance

Correlations

		TD	PA	CRM	RS	JS	EP
TD	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	213					
PA	Pearson Correlation	.659**	1				
	Sig. (2-tailed)	.000					
	N	213	213				
CRM	Pearson Correlation	.427**	.579**	1			
	Sig. (2-tailed)	.000	.000				
	N	213	213	213			
RS	Pearson Correlation	.453**	.541**	.668**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	213	213	213	213		
JS	Pearson Correlation	.462**	.603**	.626**	.705**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	213	213	213	213	213	
EP	Pearson Correlation	.620**	.682**	.664**	.569**	.670**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	213	213	213	213	213	213

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

Source: Own Survey, (2025)

A Pearson correlation and regression analysis were carried out to examine the relationship between Human Resource Management (HRM) practices; namely training and development, performance appraisal, compensation and reward management, recruitment and selection, and job security (independent variables), and employee performance (dependent variable). The correlation analysis was used to assess the strength and direction of the relationships among the HRM practices.

The Pearson correlation analysis revealed a significant positive relationship between training and development and employee performance ($r = 0.620$, $p < 0.05$), indicating that enhancing training efforts is likely to improve employee performance. Mathis and Jackson (2008) describe training and development as processes through which individuals gain the skills and competencies necessary to perform their jobs effectively. Similarly, Lee and Bruvold (2003) found that comprehensive training initiatives are positively linked to increased employee productivity.

The Pearson correlation analysis showed a significant positive relationship between performance appraisal and employee performance ($r = 0.682$, $p < 0.05$), indicating that effective appraisal systems are associated with improved employee outcomes. This result is consistent with previous research by Wan et al. (2002), who found that performance appraisal positively influences various aspects of employee performance, including effectiveness and outcomes. Similarly, Mansour (2010) concluded that well-implemented performance appraisal systems contribute positively to enhancing employee performance.

The Pearson correlation analysis revealed a significant positive relationship between compensation and reward management and employee performance ($r = 0.664$, $p < 0.05$), indicating that improvements in compensation and rewards are associated with better employee performance. This finding is in line with prior research by Kleberg and Moody (1994), who noted that rewards are positively linked to employee output, productivity, and customer satisfaction. Similarly, Khan (2010) found a significant association between compensation and employee performance. Overall, the results suggest that employee performance is positively correlated with HRM practices and that all variables are statistically significant at the 5% level ($p< 0.05$).

The Pearson correlation analysis indicated a significant positive relationship between recruitment and selection and employee performance ($r = 0.569$, $p < 0.05$), suggesting that effective recruitment and selection practices contribute to enhanced employee performance. This finding is supported by previous research, such as that of Collings and Clarke (2003), who concluded that selective hiring positively impacts employee performance. Similarly, Hand and Katu (2007) found a strong correlation between recruitment and selection practices and improvements in employee productivity.

The results of the Pearson correlation analysis revealed a significant positive relationship between job security and employee performance ($r = 0.670$, $p < 0.05$). This indicates that enhancing job security within the organization is likely to lead to improved employee performance**.** This finding aligns with prior research by Sverke et al. (2002), who concluded that employees who feel secure in their jobs demonstrate higher levels of commitment and productivity.

Table 12 Regression Analysis Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.807[a]	.651	.642	3.44988

The Adjusted R Square reflects how well the independent variables account for the variability in the dependent variable. In this study, the Adjusted R Square value is 0.642, meaning that the independent variables; Training and Development (TD), Performance Appraisal (PA), Compensation and Reward Management (CRM), Recruitment and Selection (RS), and Job Security (JS), collectively explain 64.2% of the variation in employee performance. The remaining 35.8% of the variance may be influenced by other unexamined factors such as leadership style, organizational culture, work-life balance, or employee engagement, which were not included in this study. This highlights the potential for further research to explore additional variables that may contribute to employee performance.

Table 13 Regression Analysis ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4589.343	5	917.869	77.121	.000[b]
	Residual	2463.643	207	11.902		
	Total	7052.986	212			

a. Dependent Variable: EP

b. Predictors: (Constant), JS, TD, CRM, PA, RS

The ANOVA table presents an F-statistic 77.121 with a significance level below 0.01, indicating that the model is statistically significant. This confirms that the overall regression model provides a meaningful explanation of the relationship between the independent and dependent variables. Based on the study's findings, the independent variables; training and development, performance appraisal, compensation and reward management, recruitment and selection, and job security, significantly contribute to explaining the variation in employee performance.

Table 14 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.822	1.802		-1.011	.313
	TD	.379	.083	.253	4.578	.000
	PA	.258	.081	.201	3.181	.002
	CRM	.442	.089	.297	4.951	.000
	RS	-.071	.089	-.051	-.796	.427
	JS	.423	.096	.282	4.431	.000

Source: Own Survey, (2025)

Multiple linear regressions are a statistical technique used to estimate or predict the value of a dependent variable based on the values of two or more independent variables. Similar to correlation analysis, regression assesses the strength and direction of the relationship between variables. According to Geottrey M. (2005), the main goal of regression analysis is to make predictions. The table above presents the parameter estimates derived from the multiple linear regression model.

The regression coefficient for Training and Development is 0.379, indicating that a one-unit increase in this HR practice is associated with a 0.379 unit improvement in employee performance, assuming other variables remain unchanged. This coefficient is statistically significant, as the p-value is 0.000, well below the 0.05 threshold, demonstrating a meaningful impact on the dependent variable.

The regression output shows a coefficient of 0.258 for Performance Appraisal, suggesting that a one-unit rise in performance appraisal practices leads to a predicted increase of 0.258 units in employee performance, assuming all other factors are held constant. This effect is statistically significant, as evidenced by a p-value of 0.002, which is below the conventional significance level of 0.05.

The coefficient for Compensation and Reward Management is 0.442, indicating that a one-unit improvement in these practices is expected to result in a 0.442 unit increase in employee performance, assuming other variables remain constant. This relationship is statistically significant, as the p-value is 0.000, which is well below the 0.05 significance level.

The coefficient for Job Security is 0.423, suggesting that a one-unit enhancement in job security practices is associated with a 0.423 unit rise in employee performance, assuming all other variables are held constant. This result is statistically significant, as the p-value of 0.000 is well below the 0.05 threshold.

The results of this study show that Training and Development, Performance Appraisal, Compensation and Reward Management, and Job Security all have statistically significant positive effects on employee performance. These findings align with existing literature. For instance, Khan (2014) and Oaya et al. (2017) found that training significantly enhances employee skills and performance. Similarly, Aguinis (2019) emphasized that effective performance appraisal systems boost motivation and output. Compensation's strong positive impact mirrors the conclusions of Sarwar and Abugre (2013), who linked fair rewards to higher employee engagement and performance. Lastly, the significance of job security supports the work of Amah (2010), which noted that perceived stability increases employee commitment and productivity. Thus, the results are consistent with the broader HRM literature, reinforcing the importance of these practices in driving performance outcomes.

The results of the multiple regression analysis revealed a negative coefficient (-0.071) for Recruitment and Selection, indicating a slight inverse relationship with employee performance. However, this effect was not statistically significant, as evidenced by a p-value of 0.427, which exceeds the commonly accepted threshold of 0.05. This suggests that, within the context of this study, recruitment and selection practices did not make a meaningful contribution to predicting employee performance. This finding may point to several potential issues.

Possible reasons for inversely relationship between recruitment and selection with employee performance in this study;

- The recruitment and selection procedures currently in place are not effectively aligned with performance outcomes. Ineffective or inconsistent hiring practices that do not select the most suitable candidates, it may result in hires that do not perform optimally.
- It may reflect a gap between recruitment efforts and subsequent onboarding or training practices, meaning that even well-selected candidates, employees are not adequately supported after hiring.

- The insignificant impact may also imply that other HRM practices such as training and development, performance appraisal, compensation and reward, and job security play a more central role in shaping employee performance in the studied context.
- This result suggests a need for a critical review of recruitment and selection policies. HR departments should assess whether the criteria used to select candidates are predictive of future performance and whether hiring processes are consistent and competency-based. Strengthening the connection between recruitment strategies and actual job performance; such as through behavioral interviews, skills assessments, or more structured onboarding, may help improve this outcome in future evaluations. In addition organizations may need to ensure that recruitment efforts are complemented by continuous development and motivation strategies to achieve meaningful performance improvements.
- The finding of this study revealed a negative but statistically insignificant relationship between recruitment and selection and employee performance, suggesting that R&S practices did not meaningfully contribute to performance within the bank. This contrasts with several studies, such as Armstrong (2020) and Ekwoaba et al. (2015), which highlight recruitment and selection as critical drivers of employee effectiveness when properly executed. However, the result aligns with some context-specific research, like Sanda and Kuye (2020), which found that recruitment alone may have limited impact if not supported by other HR practices such as training or motivation. The non-significance in this study may reflect implementation gaps, unclear role alignment, or the early-stage institutional development of the bank, rather than the ineffectiveness of recruitment itself.

Regression Model; the following equation explains the relationship between the independent variables and dependent variables.

$$\mathbf{Yi = \beta_0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + e}$$

Where;

Y = Dependent variable

$\boldsymbol{\beta_0}$ = Constant value

$\boldsymbol{\beta_1, \beta_2, \beta_3, \beta_4, \beta_5}$ = Standardized coefficients

X = Independent variable

e = Random variable

Thus, the regression equation is;

Y= -1.822 + 0.379TD + 0.258PA + 0.442CRM – 0.71RS + 0.423JS + e

Where;

Y= Employee Performance.

β_0=-1.822, $\beta1$= 0.379, $\beta2$= 0.258, $\beta3$= 0.442, $\beta4$= -0.71, and

$\beta5$= 0.423

TD = Training and Development

PA = Performance Appraisal

CRM = Compensation and Reward Management

RS = Recruitment and Selection

JS = Job Security

The multiple regression analysis examined the impact of various HRM practices on employee performance. The results revealed that Training and Development ($\beta = 0.379$, $p = 0.000$), Performance Appraisal ($\beta = 0.258$, $p = 0.002$), Compensation and Reward Management ($\beta = 0.442$, $p = 0.000$), and Job Security ($\beta = 0.423$, $p = 0.000$) each have a positive and statistically significant influence on employee performance. These findings suggest that enhancements in these HRM practices are associated with meaningful improvements in employee performance, highlighting their strategic importance within the organization.

The findings of this study align with previously conducted research. According to Mensah (2012), indirect compensation, such as benefits and non-monetary incentives, positively influences employee productivity, highlighting the broader role of compensation in shaping performance outcomes. Raja, Furqan, and Mohammed (2011) found that well-designed and effectively delivered training programs significantly improve employee performance by enhancing job-related skills and knowledge. Similarly, Binta et al. (2019) discovered that well-structured and objective performance appraisals significantly enhance employee productivity by providing clear feedback and identifying areas for improvement. Furthermore, Jimenez and Didona (2017) found that employees' perceptions of job security significantly influence their performance, with higher job security correlating with improved job effectiveness.

In contrast, Recruitment and Selection showed a negative but statistically insignificant relationship with employee performance (β = -0.071, p = 0.427). This indicates that, within the context of this study, recruitment and selection practices do not contribute significantly to predicting employee performance. The negative direction, though not significant, may point to potential misalignments between hiring processes and performance outcomes, gaps in post-hiring support, or the relatively greater influence of other HRM practices.

Overall, the analysis underscores the critical role of ongoing employee development, fair performance evaluation, effective reward systems, and job security in enhancing employee performance. It also signals a need to reassess recruitment and selection strategies to ensure they align with performance goals and are integrated with broader HRM efforts.

Table 15 Summary of Hypothesis Testing

Hypothesis	**Sig. Test Result**	**Independent Variable**	**Dependent Variable**	**H_0 Accepted or Rejected**
H1: There is positive relationship between training and development and employee performance.	.000	Training & Development	Employee Performance	Accepted
H2: There is positive relationship between performance appraisal and employee performance.	.002	Performance Appraisal		Accepted
H3: There is positive relationship between compensation and reward management with employee performance.	.000	Compensation and Reward Management		Accepted
H4: There is positive relationship between recruitment and selection with employee performance.	.427	Recruitment & Selection		Rejected
H5: There is positive relationship between job security and employee	.000	Job Security		Accepted

performance.				

Source: Own Survey, (2025)

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. Summary

A total of 222 questionnaires were administered to the respondents, accordingly, 213 questionnaires (96% of the targeted population) were properly filled and returned.

This study assessed the impact of Human Resource Management (HRM) practices on employee performance at Amhara Bank's Head Office. Using multiple regression analysis, the research found that HRM practices—specifically training and development, performance appraisal, compensation and reward management, and job security—have a statistically significant and positive influence on employee performance. Among these, compensation and rewards had the greatest impact, followed by job security. In contrast, recruitment and selection showed a negative and statistically insignificant relationship, indicating that current hiring processes may not effectively contribute to improved performance.

Overall, the model explained 64.2% of the variation in employee performance, emphasizing the critical role of HRM in organizational effectiveness. The study concludes that enhancing HRM practices can lead to better employee outcomes and recommends that Amhara Bank strengthen compensation systems, invest in staff development, ensure job security, improve performance appraisals, and review its recruitment strategies. Aligning HRM with the bank's strategic goals will be essential for sustained growth and performance.

5.2. Conclusion

This research aimed to evaluate how human resource management (HRM) practices influence employee performance at the Head Office of Amhara Bank.

The study revealed that HRM practices have a significant impact on employee performance. Specifically, performance improvements were linked to practices such as training and development, performance appraisal, compensation and rewards, and job security. These findings align with the perspective of Gary Dessler (2005), who emphasizes that HRM practices, like compensation, training, and performance appraisal, are critical for motivating employees and improving performance by aligning individual efforts with organizational goals. Similarly, Biju Varkkey (2010), notes that well-designed compensation and reward systems enhance employee motivation and productivity by promoting fairness and recognition.

The analysis indicated that approximately 64.2% of the variation in employee performance can be explained by HRM practices. This highlights the importance for organizations to recognize the strategic value of HRM and the necessity of integrating HR practices into overall organizational planning.

The regression analysis proves that Human Resource Management (HRM) practices have a significant and positive influence on employee performance at Amhara Bank's Head Office. Among the HRM components examined, compensation and reward management**,** job security**,** training and development**,** and performance appraisal were found to have strong, statistically significant positive effects on employee performance. Notably, compensation and reward had the highest impact, followed closely by job security, indicating that financial incentives and job stability are key drivers of employee productivity.

In contrast**,** recruitment and selection showed a negative and statistically insignificant relationship with employee performance, suggesting potential gaps or inefficiencies in the current hiring process. Overall, the regression analysis revealed that approximately 64.2% of the variation in employee performance could be explained by the HRM practices investigated. These results underscore the importance of strategically aligning HR practices with organizational goals to enhance employee outcomes and support sustained organizational growth.

5.3. Recommendation

Based on the results of this study, several actionable recommendations can be made for Amhara Bank to enhance employee performance through more effective Human Resource Management (HRM) practices implementation.

- Strengthen Compensation and Reward Systems – Given that compensation and rewards had the strongest positive impact on employee performance, the bank should prioritize enhancing both financial and non-financial incentives. This can include implementing a structured performance-based bonus scheme tied to measurable KPIs such as customer satisfaction scores, loan recovery rates, or service delivery time. Additionally, the bank should introduce regular employee recognition programs (e.g., "Employee of the Month") with both symbolic and financial rewards. Non-monetary benefits such as flexible working hours, career development opportunities, and wellness programs should also be expanded based on employee feedback to ensure relevance and engagement. These targeted improvements can boost motivation, reduce turnover, and enhance overall performance.

- Enhance Job Security Measures – Since job security demonstrated a significant positive influence on employee performance, the bank should take concrete steps to strengthen employees' sense of stability. This includes developing and clearly communicating structured career progression paths, such as defined promotion criteria and timelines for advancement. Management should also provide regular updates on organizational plans and reassure staff about job continuity during changes or restructuring. Additionally, implementing long-term employment contracts and formalizing probation-to-permanent transition policies can reinforce stability. HR should also establish grievance-handling mechanisms and employee support programs to create a secure and trusting work environment, fostering higher morale and performance.
- Invest in Training and Development – Given the substantial positive effect of training and development on employee performance, the bank should establish a structured learning and development program. This can include regular technical skills workshops tailored to banking operations, such as credit risk analysis, customer relationship management, and digital banking tools. To build leadership capacity, the bank should also implement tiered leadership development programs for junior, mid-level, and senior staff. Additionally, launching internal mentorship schemes where experienced employees coach newer staff can accelerate learning and strengthen institutional knowledge. Incorporating individualized learning plans and allocating a dedicated training budget will further reinforce continuous professional growth, employee motivation, and engagement.
- Improve Performance Appraisal Systems – Given the positive impact of performance appraisal on employee performance, the bank should enhance its appraisal process by making it fair, consistent, and transparent. This involves developing clear performance indicators aligned with job roles and organizational goals, such as customer service quality, task completion accuracy, or target

achievements. Appraisals should be conducted bi-annually using standardized evaluation tools and 360-degree feedback from supervisors, peers, and subordinates to ensure objectivity. Results should be communicated through one-on-one feedback sessions focused on both achievements and areas for improvement. Moreover, appraisal outcomes should directly inform training needs, promotions, and rewards to foster a performance-driven culture and support employee development.

- Review Recruitment and Selection Processes – Since recruitment and selection showed a negative and statistically insignificant effect on employee performance, it is essential for the bank to reassess and strengthen its hiring practices. This includes adopting a competency-based recruitment approach, where job postings and evaluations are aligned with the specific skills, behaviors, and qualifications required for each role. Implementing structured interviews with standardized scoring criteria and using assessment tools such as job simulations, aptitude tests, or case analyses can enhance objectivity and candidate-job fit. Furthermore, the bank should establish a formal onboarding program that includes orientation sessions, early-stage mentoring, and role-specific training to help new employees integrate effectively and perform well from the outset. Regularly evaluating the effectiveness of recruitment outcomes will ensure continuous improvement in hiring quality.
- Integrate HRM into Strategic Planning - Given that HRM practices account for a significant portion (64.2%) of employee performance variation, the bank should position HR as a strategic partner. Aligning HR goals with the bank's broader objectives can enhance organizational effectiveness and drive long-term success.

5.4. Direction for Future Research

Given the findings related to Recruitment and Selection, future research could investigate the factors influencing the recruitment process and how it might be improved to positively affect employee performance. Researchers could explore whether certain recruitment practices, such as competency-based selection or the use of advanced assessment tools, lead to better alignment between employees' skills and job expectations. Additionally, expanding the scope of the study to include a broader range of organizations or industries, as well as incorporating other HRM practices not covered in this study, could provide a more comprehensive understanding of how HRM practices influence employee performance across different contexts.

5.5. Limitation of Study

This study has limitations that should be considered when interpreting the findings. First, the study focused solely on Amhara Bank's Head Office, which may limit the generalizability of the results to other organizations or regions. Additionally, the negative and insignificant relationship found between Recruitment and Selection and employee performance raises concerns that need further exploration. It is possible that recruitment practices at the bank are not fully aligned with employee performance, or those other external factors, such as organizational culture or managerial support, are influencing the outcome.

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APPENDIXES

Addis Ababa University

College Of Business and Economics

MBA Program

Dear participants:

This survey questionnaire is intended to be filled by employee of Amhara Bank HO staffs and you are being asked to participate in a survey that intends to assess impact of human resource management practice on employee performance in Amhara Bank HO. My research project endeavors to generate knowledge to be utilized in understanding the impact of HRM practice on employee performance.

I respectfully request your kind cooperation in answering the questions that follow a clearly and frankly as possible and your response will be highly confidential.

Thank you in advance for your kind cooperation and contribution to my study.

Yours faithfully,
Dagmawit Mengste

Part 1 - Please put the check mark (√) to the appropriate answer in the space provided.

1. Sex Male ( ) Female ( )
2. Age 20-25 yrs. ( ) 26-35 yrs. ( ) 36-45 yrs. ( ) 46 yrs. & above ( )
3. Educational Background Diploma ( ) Under graduate ( ) Post graduate ( )
4. Work Experience 0-5 yrs. ( ) 6-10 yrs. ( ) 11 yrs. & above ( )

Part 2 – Please put the check mark (√) for your best selected choice that represent your appropriate level of agreement in the response side provided.

1= strongly dis-agree **2=** Dis-agree **3=** Neutral **4=** Agree **5=** strongly agree

Training and Development

No.		1	2	3	4	5
1	The bank has a training and development policy applicable to all employees.					
2	Training and development help create better corporate image which aids organizational development, organizational culture and improve performance.					
3	The training needs of the employees are assessed on the basis of their performance appraisal.					
4	The bank arranges trainings from external regulatory organizations in the banking sector.					
5	Supervisors support the use of techniques learned in training that employees bring back to their jobs.					
6	Training has helped improve my job performance and increased productivity.					
7	Training helps to the motivation level of employees and improving personal competency					

Performance Appraisal

No.		1	2	3	4	5

1	I clearly understand how my performance is evaluated in this organization.					
2	The performance evaluation criteria are directly related to the work I do.					
3	I receive regular and constructive feedback on my performance.					
4	The performance appraisal process helps me identify areas where I need to improve.					
5	Performance appraisals in this bank help me set better work goals.					
6	I believe that the appraisal process supports my personal and professional growth.					
7	The appraisal process motivates me to improve my job performance.					

Compensation and Reward Management

No.		**1**	**2**	**3**	**4**	**5**
1	The rewards I receive reflect the effort I put into my job.					
2	The compensation offered by the bank increases my productivity.					
3	I am less likely to leave the organization because of the rewards I receive.					
4	I feel that non-financial benefits (e.g., recognition, flexible hours) also help improve my performance.					
5	I believe that employee performance is fairly rewarded in this organization.					
6	The bank’s compensation practices encourage me to consistently perform at a high level.					

Recruitment and Selection

No.		**1**	**2**	**3**	**4**	**5**
1	There is a formal and standard recruitment and selection policy in the bank.					
2	The bank has effective recruitment and selection process and attracts qualified candidates.					
3	The bank uses various selection methods like written exams, interviews, and do background verification.					
4	The bank uses both internal and external recruitment process.					
5	The bank ensures a fair, unbiased and inclusive selection process.					
6	I am satisfied with the overall recruitment and selection process of the bank.					

Job Security

No.		**1**	**2**	**3**	**4**	**5**
1	I feel secure in my current job, which helps me stay focused and					

	productive.					
2	Knowing that my job is stable encourages me to put in greater effort.					
3	When I feel confident about my job future, I perform better.					
4	The bank supports job security by providing retraining or career development opportunities.					
5	A secure work environment helps me stay committed and perform well.					

Employee Performance

No.		**1**	**2**	**3**	**4**	**5**
1	I complete my tasks effectively within the organization's set time standards.					
2	I am assured of accuracy and attention to detail in the work.					
3	I actively contribute my efforts to achieving team success.					
4	I am very motivated to achieve organizational goals.					
5	I pursue opportunities to improve my skills and knowledge and apply to my work.					
6	I take initiative to go beyond my job description.					
7	I handle high workloads without compromising quality.					
8	I remain competitive and closely attuned to emerging trends in the banking sector.					

Thank You.