



**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE**

**EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICE
ON ORGANIZATIONAL PERFORMANCE;
*THE CASE OF MINISTRY OF HEALTH-ETHIOPIA***

BY

RUKIYA MOHAMMED

**A Research Thesis Submitted to Addis Ababa University, School of Commerce,
in Partial Fulfillment of the Requirements for award of Master of Arts Degree
in Human Resource Management**

ADVISOR: SEIFU M (PhD)

MARCH 2023

ADDIS ABABA, ETHIOPIA

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DECLARATION

I hereby declare that the thesis entitled "*Effect of Human Resource Management Practice on Organizational Performance in the Ministry of Health*" is my own work. Furthermore, this study contains neither material previously published by another person nor material which has been accepted for the award of any other degree from the university, except where due acknowledgment has been made in the text.

Rukiya Mohammed

CERTIFICATION

This is to certify that Rukiya Mohammed has carried out her research work '*Effect of Human Resource Management Practice on Organizational Performance in the Ministry of Health*' for the partial fulfilment of her Master of Arts in Human Resource Management at Addis Ababa University, School of Commerce. This work is original and it is suitable for submission as a Master of Arts in Human Resource Management.

—

Seifu Mamo (PhD)
Advisor

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LIST OF ACRONYM ABBREVIATION

HR	Human Resource
HRM	Human Resource Management
HRMP	Human Resource Management Practices
MRA	Multiple Regression Analysis
OLS	Ordinary Least Squares
OP	Organizational Performance
RBV	Resource Based View of the firm (RBV)
T and D	Training and Development

ABSTRACT

This study aimed to investigate the effects of human resource practices in public organizations in Ethiopia; the case of the Ministry of Health. The study utilized both an explanatory and a descriptive research design. The study population was comprised of all the 570 employees of the surveyed organization, and 235 self-administered questionnaires were returned properly, which was used to collect primary data. Descriptive statistics were computed to describe the characteristics of the variables in the study, while correlation and multiple regression analysis were used to establish the nature of the relationships between the independent and dependent variables. The findings indicate that there is a significant positive effect between recruitment and selection, training and development, compensation and performance appraisal, and organizational performance. The results support the theory of resource-based view that says competitive advantage comes from the resources that are possessed by an organization. This study concluded that the HRM practices have been adopted by the companies in order to achieve positive performance. This study suggests that executives should offer competitive compensation to their staff, effective performance appraisal, and sufficient training and recruitment.

Keywords: Human Resource Management, Practices, Organizational Performance

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Human Resource Management (HRM) is a discipline and a body of professional knowledge that has been established in recent years as a broad spectrum of management, incorporating and synthesizing certain elements of personnel management, organizational behavior, industrial and labor relations, and so on (Miranda and Fernando, 2020). This is the introduction part of the study that provides readers with the background information for the research reported in the study.

1.2 The Study's Background

The world has witnessed an increase in globalization where the economies of numerous countries are interweaving to promote foreign trade through technological advances and connectivity in recent years (Hatak and Carnevale, 2020). This advancement has also fueled increased intense competition in domestic and international markets, which has prompted organizations to hire and retain highly talented employees. Numerous organizations are relying on their employees to gain an advantage in the competitive market. Consequently, they are strongly associated with the efficiency of their human resources and their human resources management (Collins, 2021).

Human resource management (HRM) includes tasks like HR preparation, human resources management, strategic recruiting, employee training, growth compensation management, efficiency, worker relations, health care, employee satisfaction, as well as provision of employee services (Miranda and Fernando, 2020). Previous studies like Govand and Nabaz (2021) found and explained that there is an association between human resource management practices and organizational performance. Govand and Nabaz (2021) concluded that HRM has a positive association with organizational performance. Gopal (2019) found that there is a positive association between HRM practices and productivity. Sang (2015) found a positive influence of human resource management practices (human resource planning, staffing, incentives, appraisal, training, team work, employee participation, status difference, and employment security) on organization performance. Pamella (2018) indicated that there is a significant positive relationship between compensation and companies' performance; training has a significant positive relationship with the performance of firms, while recruitment has a

significant positive relationship with firms' performance; and sharing also had a significant relationship with organizational performance. HRM activities are progressively more interrelated to the success of a company and an impartial degree of performance. HRM systems are the same in all enterprises (Abdullah & Abdul Rahman, 2015).

When all of these practices are well managed, an organization achieves its best, and employees and customers are more content, and companies are more innovative, have higher productivity, and develop a more favorable reputation in the community (Ozcelik & Ferman, 2016). Organizational performance (OP) is an indicator that measures how well an enterprise achieves its objectives and is reflected by product quality, customer satisfaction, innovation, employee attraction, employee retention, management/employee relations, and employee relations. This is due to the fact that employees are one of the most significant assets of an organization as they contribute to its growth and success (Collins, 2021).

Daniel and Mekonen (2020) argued that there are challenges related to government bodies at each level. It was also found that challenges such as insufficient training and development, a problem of promotion, a lack of sufficient financial resources for HRM practices, and the lack of feedback practices for good performers were the problems for better HRM practices. Since the public sector will play an important role in the country's economic, social, and political developments, this study, however, understands that HRM practices have not been properly practiced and studied in terms of their performance, training, compensation, and other practices. The HRM environment can be an even more significant determinant of productivity in the service sector than in government-owned public sectors, given the much larger share of the productivity accounted for by employment and the much more extensive direct contact between employees and customers in services (Amanuel, 2020). Factors like training and development of well-qualified human resources will depend on the performance of the organizations subjected to effective implementation of different bundles of HRM practices such as selection, compensation, information sharing, participative decision making, job definition, training, career planning, and performance management, among others (Ozcelik & Ferman, 2016). To efficiently examine if human resources are able to competitive advantage, it is practical to examine the impact of HRM practices in public organizations, mainly in the Ministry of Health, in as many settings as possible.

1.3 Background of the Organization

The Ministry of Health (MoH) is a federal government ministry of Ethiopia, responsible for public health concerns. Its head office is on Sudan Street in Addis Ababa. This organization is a cabinet-level organization with authority over the Institute for Public Health. Its vision is to see healthy, productive, and prosperous Ethiopians, and it has a mission: "To promote the health and well-being of the society through providing and regulating a comprehensive package of health services of the highest possible quality in an equitable manner." The overall goal of HSTPII is to improve the health of the population by encouraging exercise.

g progress toward universal health coverage, protection from health emergencies, Woreda transformation, and improved health system responsiveness. Its powers and duties according to proclamation no. 1097/2018 include: formulating the country's health sector development program; following up and evaluating the implementation of same; preparing the country's health facility coverage map; providing support for the development of health infrastructure; supporting the growth of health service coverage; following up and coordinating the implementation of health programs and taking preventive measures against events that threaten public health; in the event of an emergency situation, coordinating measures of other stakeholders to expeditiously and effectively tackle the problem.

In 2013 EFY, the total population of Ethiopia is projected to be 102.9 million. By 2024, the population is projected to reach 109.5 million (Central Statistics Agency, July 2013). For the past two decades, Ethiopia has achieved notable results in improving the health of women and children. The maternal mortality ratio has decreased from 871 maternal deaths per 100,000 live births in 2000 to 401/100,000 in 2017. Currently, the second health sector Transformation Plan (HSTP-II), a five-year strategic plan that spans from 2020/21 to 2024/25, is being developed and implementation is currently underway. Human resources are one of the components of the health system. In recent years, efforts have been made to improve the number and composition of healthcare workers. As of the end of the 2012 EFY, 273,601 health workers were working in public health facilities, of which 181,872 (66.5%) were health workers and the remaining 91,723 (33.5%) were administrative support staff. In terms of the ratio of medical professionals to the population, one doctor served 9,979 residents, one nurse served 1,705, and one midwife served 5,491. More than 40,000 health advisors also provide community health services at more than 17,000 health centers (MoH, 2021).

1.4 Statement of the Problem

Despite plenty of empirical studies on human resource management, the effects of human resource management on organizational performance are still one of the biggest challenges facing many organizations. Clearly, it seems evident that current human resource management practices in most organizations today don't meet expectations, and organizations in Ethiopia are no exception.

Organizations are facing a challenging, rapidly changing, and competitive environment in this era due to globalization, advanced technology, rapidly changing customer demands, diverse workforces, and so on. Organizations need to attract and retain talented employees in order to succeed in the global market. Huselid (1995) argued that organizations can use HRM practices to shape the attitude and behavior of employees.

The frequent alleged lopsided recruitments, promotions, appointments, and retirements in the organization have always raised public concern. Furthermore, the lack of a human resource management mechanism has led to a decline in professionalism and a lack of passion in the personnel. Organizations need to pay much more attention to HR practices in order to be competitive in this global market. A good HRM policy benefits all departments of the organization. Thus, the management of this resource requires special attention, since the success of the company also depends on it (Simo et al., 2020). Persuading the employee to go beyond the function of a “mere producer” to become a full member of the organization requires a certain amount of conduct on the part of management. It is therefore up to managers to encourage them to become truly committed to the organization.

Moreover, when the organization implements good management practices, staff will not quit, and the organization will have good performance. The managers and supervisors in ministry of health concentrate their efforts toward ensuring that goals and objectives of the organization are met by delivering services effectively and efficiently. Consequently, HRM practices such as communication, empowerment, motivation, participative management, reward and recognition, supervisory leadership, and training and development may be absent from line operations.

This has motivated us to research and study the impact of human resources management practices among ministry of health staff and establish whether it is related to organizational performance or not. And, this study will be useful for administrators with information to make

better decisions about the role of and inclusion of supervisors and managers in the HRM system.

Therefore, the purpose of the study was to assess the effect of human resource management practice on organizational performance the case of Ministry of Health-Ethiopia. Consequently, the study attempted to test the following hypotheses:

- Hypothesis 1 (H1):
Employee recruitment and selection practice has significant effect on the performance of public service organization.
- Hypothesis 2 (H2):
Employee incentive practice(compensation) has significant effect on the performance of public service organization.
- Hypothesis 3 (H3):
Employee training and development practice has significant effect on the performance of public service organization.
- Hypothesis 4 (H4):
Employee performance appraisal practice has significant effect on the performance of public service organization.

1.5 Objectives of the Study

1.5.1 General Objective of the Study

- To examine the effect of HR practices on organizational performance of public organization namely Ministry of Health in Ethiopia.

1.5.2 Specific Objectives

- To find out the level of effect, recruitment and selection has on organizational performance in of public organization namely Ministry of Health in Ethiopia.
- To examine the effect of training and development on organizational performance in of public organization namely Ministry of Health in Ethiopia.
- To investigate the effect of employee compensation on organizational performance in of public organization namely Ministry of Health in Ethiopia.
- To find out the level of effect, performance appraisal has on organizational

1.6 Significance of the Study

This study examines Human Resource Management practices of Ministry of Health in Ethiopia; assess its shortcomings and solutions to mitigate the problems. In addition to fulfilling the academic requirement of the researcher, the results of the study will have the following benefits. Primarily, the research helps the management in this company in general and the HRM Division Head to take corrective measures to improve and revise the HRM system. The study also helps as a secondary source for further study on the area. In addition, it gives the researcher an opportunity to gain knowledge in practices of HRM and develop research experience.

1.7 Scope of the Study

The scope of this study is delimited in terms of subject (concept), area (geography) and methodology. The conceptual scope of this study was on some selected HRM practices. In view of that, the study comprises four major HRM practices: as the independent variables that included the role of recruitment and selection, training and development, performance appraisal, and compensation and as dependent variable the organization performance. Regarding the geographical area coverage, the study was limited to employees of Ministry of Health in Addis Ababa-Ethiopia. Methodologically this study used cross-sectional survey of employee on top management, middle level management and lower-level management from the target department in providing the needed information. Hence, data was collected from the sample respondents selected through simple random sampling technique at the same time at one point in time.

1.8 Organization of the study

The study structured into five different sections starting with the introduction. Similarly, the general background of study, statement of the problem, objectives of the study, the research hypotheses, significance of study, and also the limitations and delimitations of the study included in chapter one . Chapter two reviews both the theoretical and empirical part of the materials and work related to the research. It explains the definition of human resources management and organizational performance. The next chapter (Chapter three) explains area description of the study, Research design, sampling techniques and method of data analysis and concludes with explaining the references used. And then again, Chapter four and five includes

data analysis, presentation, and discussion, summary of major findings, conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURES

2.1 Introduction

This chapter offers a description, summary, and critical evaluation of these works in relation to the research problem under study. Therefore, the literature review is considered to provide the structure of this chapter in line with objectives, knowledge gaps, and demonstrate evidence of the current research on HRM practices and organizational performance through relevant and logical discussion. It reviews the literature related to human resource management practices, both theoretical and empirical, by describing the relationship between HRM practices and organizational performance. In general, this chapter focuses on a literature review from surveyed books, scholarly articles, and any other sources relevant to HRM practices and organizational performance issues and theories.

2.2 Theoretical Literature Review

2.2.1 Concept and Definitions

2.2.1.1 Human Resource Management (HRM)

HRM is the policies, procedures and systems that influence employees' behavior, attitudes, abilities and performance. HRM is defined as a series of integrated decisions on the employment relationship in an organization that influenced the effectiveness of employees as well as the organizations (Miranda and Fernando, 2020). Human Resource (HR) management deals with the design of formal systems in an organization to ensure the effective and efficient use of human talent to accomplish organizational goals. In an organization, the management of human resources means that they must be recruited, compensated, trained, and developed. Human Resource (HR) management deals with the design of formal systems in an organization to ensure the effective and efficient use of human talent to accomplish the organizational goals (Dissanayake, Wasantha, & Jinadasa, 2016).

Human resources which are considered as the greatest asset of an organization refer to people whose knowledge skills and abilities are well managed and used in an effective way. As a result of the changes in the global economic environment business strategy, the field of human resource management is rapidly changing more than ever today. Additionally, among all the

organization factors which contribute to organizational performance, the human resource are now regarded as the most fundamental factor (Anwar, 2017).

Human resource management is well defined as a strategic and coherent approach to the management of organizations most valued assets the people working there whom individually and collectively contribute to the achievement of its objectives (Hatak and Carnevale, 2020). This definition has clue to understand the management of work and people towards desired ends and he believes that HRM can be regarded as a ‘set of interrelated policies with an ideological and philosophical underpinning’. It is advocated four aspects that constitute the meaningful version of HRM includes a particular constellation of beliefs and assumptions, a strategic thrust informing decisions about people management, the central involvement of line managers and reliance upon a set of levers’ to shape the employment relationship (Collins, 2021).

HRM is considered as an exceptional approach to employment management which desires to achieve competitive advantage through the strategic deployment of capable, committed and entrusted workforce using an integrated disposition of structural, cultural and personnel techniques. On other hand, the strategic human resource management (SHRM) involves the making and carrying out of HR policies and practices which will bring about employee competences and the required behaviors needed by the company to meet its strategic aims. At what time the HR component is not made a vital part of a strategic planning process then to implement a strategic business plan is going to be a challenge to the organization. Accordingly, the major concept of HRM system is the pulling together a bundle of some complementary HRM activities which in turn bring about an economic turnabout in an organization (Alewell and Hansen, 2012).

In general, HRM is a system of practices and sub-practices that seeks employees’ performance improvement in a way that individual, organizational and social goals achieved. Consequently, human resources have been identified as the most important asset of an organization. It forms a greater and reasonable portion of organization’s resources and directly connects to the success of an organization (Hatak and Carnevale, 2020).

2.2.1.2 HRM Practices (HRMP)

HRM practices (HRMP) are the activities pursued to fulfill the core tasks of HRM. HRMP have a direct effect on performance, its impacts positively on organizational outcomes and promote

competitive capacity of organization. HRMP create procedures that institutionalize the building of employees' knowledge, skills, and abilities throughout the organization to promote valued, unique, and difficult to imitate organizational competencies which support competitive advantage (Govand and Nabaz, 2021).

Organizations must align with various Human Resource Management practices to achieve their strategic goal. The practices apply must also balance one another to accomplish the firm's business strategy. HRM systems and practices have replaced personnel in the majority of organizations. A firm's Human Resource Management practices must develop employee's knowledge, skills, and motivation to behave in ways that should be implemented (Mousa and Othman, 2020). HRM operates through the use of the HR system that integrates that included HR philosophy, HR practices, HR strategies, HR policies, HR processes, and HR programme. The application of HR best practices, having the right 'mix' which comes in between the business strategy and HR practices, and specifying the use of bundles of practices which are in accordance with the organizational context (Anwar, 2017).

2.2.1.3 Organizational Performance

The concept of organizational performance has been a topic of much discussion in the modern workplace. Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Lebans & Euske 2006 after Kaplan & Norton, 1992). Organizational performance is generally indicated by effectiveness (whether an organization can achieve its objectives), efficiency (whether an organization uses resource properly), satisfaction of employees and customers, innovation quality of products and services and ability to maintain a unique human pool (Delaney and Huselid, 1996; Dyer & Reeves, 1995; Guest 2001; Katou & Budhwar 2007). The ultimate goal of a business organization is higher financial performance or maximization of wealth for stake holders (Becker & Huselid, 1998; Horngren, Foster, & Datar, 2000). Nonetheless, attaining the organization's goals depends upon the extent to which its organizational performance is reached (Katou & Budhwar, 2007).

The first factor to consider when introducing an organizational performance strategy is the need for clear goals and objectives. These need to take into account the desired results, as well as the resources, time and budget available. Additionally, it is important to create measurable milestones to chart progress and document any challenges or setbacks. The next step is to

establish an appropriate team structure to ensure that all tasks and responsibilities are accounted for and to ensure that all team members are properly aligned with the organization's goals.

A key element of any successful organizational performance strategy is effective communication. This could involve creating a shared vision, where key stakeholders and employees are aware of the organization's overall objectives and goals. Communication should also involve providing feedback and allowing team members to self-assess their performance. It is also important to use appropriate methods of communication, such as meetings, email, Slack and other digital media, to ensure that all relevant stakeholders are kept up to date on progress. Moreover, employee engagement is an important factor in organizational performance. It is important to ensure that employees feel that their roles are valued, and that their work is being recognized and rewarded. Organizations should ensure that their teams feel connected and motivated, and that reward systems are in place to motivate employees to perform at the highest level.

Hence, organizational performance can be defined as a complex and multi-faceted process. It is crucial that organizations set clear goals and objectives, create an effective team structure, communicate effectively and foster an environment of employee engagement. By doing so, organizations can create an effective organizational performance strategy that will help propel them towards greater success

2.2.1.4 Theoretical Analysis

According to Maslow, human beings have needs that are organized into a hierarchy like a pyramid. Maslow's Hierarchy of Needs theory postulates that humans have specific needs that must be met. His proposition about motivation is that people want beings, they always want more, and what they want depends on what they already have. It is assumed that human needs are arranged in a hierarchy of importance in five steps. Those basic needs at the bottom of the pyramid, such as food and shelter, must be met first (Felix, 2018). This theory need to understand the basic needs that are accomplished, employees seek to feel safe (such as job security), be loved (friendships and relationships), have a sense of accomplishment (such as through recognition or a job well done) and finally, for self-actualization (work that is personally fulfilling). Needs must be met at each level before employees can move higher along the triangle. Therefore, an employee who fears for his job can't focus on high-performance goals.

2.2.1.5 Models of HRM

Anwar & Qadir (2017) cited Armstrong (2006) who stated that HRM is further defined by the two models of HRM developed by what might be described as its founding fathers. One of the first explicit statements of the HRM concept was made by the Michigan School. HR systems and the organization structure should be managed in a way that is congruent with organizational strategy (henceforth the term called ‘matching model’). They further elucidated that there is a human resource cycle, which consists of four generic processes or functions that are performed in all organizations. These are selection including matching available human resources to jobs; appraisal – performance management; rewards and ‘the reward system is one of the most under-utilized and mishandled managerial tools for driving organizational performance’; it must reward short- as well as long-term achievements, bearing in mind that ‘business must perform in the present to succeed in the future’; development including developing high-quality employees.

The Harvard school proposed that HRM had two characteristic features line managers accept more responsibility for ensuring the alignment of competitive strategy and personnel policies; personnel has the mission of setting policies that govern how personnel activities are developed and implemented in ways that make them more mutually reinforcing. The benefits of this model are that it incorporates recognition of a range of stakeholder interests; recognizes the importance of ‘trade-offs’, either explicitly or implicitly, between the interests of owners and those of employees as well as between various interest groups; widens the context of HRM to include ‘employee influence’, the organization of work and the associated question of supervisory style; acknowledges a broad range of contextual influences on management’s choice of strategy, suggesting a meshing of both product-market and socio-cultural logics; emphasizes strategic choice – it is not driven by situational or environmental determinism. The Harvard model has exerted considerable influence over the theory and practice of HRM, particularly in its emphasis on the fact that HRM is the concern of management in general rather than the HR function in particular (Felix, 2018).

This framework is based on their belief that the problems of historical personnel management can only be solved when general managers develop a viewpoint of how they wish to see employees involved in and developed by the enterprise, and of what HRM. The conceptual framework of strategic HRM policies and practices may achieve those goals. Without either a central philosophy or a strategic vision – which can be provided only by general managers –

HRM is likely to remain a set of independent activities, each guided by its own practice tradition (Anwar & Qadir, 2017).

The distinction that both hard and soft versions of HRM depend on different set of believes goals and practices. In hard version of HRM, worker is viewed as commodity in HRM themes. People are resources that must be developed, developed and manage in “rational” way as any other economic resource that will benefit the organization. Soft version of HRM on the other hand is people-oriented and treats employees as valued assets. Competitive advantage is gained through commitment, advanced organizational culture, adaptability and high-trust organization. In this approach, it highlighted the need to develop the potential of employee. Hard HRM is quantitative and the focus is placed on performance goals (Armstrong, 2016). Different models of HRM have been proposed to enlighten the relationship between two variables including HRM practices and organizational performance in different ways and argue that if some company design HR practices in a way, then performance will improve.

2.2.1.6 Theories Related to HRM Practices and Organizational Performance

The possible link between HRM and Performance has been assumed and clarified through several theories. In theoretical work review, it is delineated some of the predominant perspectives as follows, although this is not an exhaustive review concerning the theories; it included the most important theories that signify to this study. There is a universalistic link between HRM and performance and HR practices or systems of HR practices give way for increased organizational performance across the population of organizations and under all circumstances. Basically, scientists holding this view believe that it is not necessary to adapt the HR practices in accordance with any strategy or to any specific organizational context (Guest, Sanders, Rodrigues and Oliveira, 2020). Consequently, this theory signifies this study as it associates HRM and performance and HR practices or systems of HR practices give way for increased organizational performance across the population of organizations and under all circumstances.

On other hand, Resource Based View (RBV) is a general way of theorizing about how competitive advantage can be achieved through the possession of valuable and rare resources that are hard to imitate by other competitors. When applied to the HRM-performance link, one is to consider the employees as a resource like other organizational resources, where the main

goal for the HR practices is to build up the human capital and stimulate the kind of behaviour that creates advantages for the organization (Pamella, 2018). The Resource Based View of the firm (RBV) has also been applied to the HRM-performance relationship. RBV signifies this study as one perspective that provided a rationale for how a firm's human resources could provide a potential source of sustainable competitive advantage.

Specifically, this assumes that a certain business strategy demands a unique set of behaviours and attitudes from employees and certain human resource policies produce a unique set of responses from employees. Additional theory that has gained much support lately is AMO theory. The idea is that HR practices influencing the employees Abilities, Motivation and Opportunity to participate are the practices that will have an impact on organizational performance. This is very similar to what some researchers call KSA theory. It is advocated that the use of HR practices that increase the employees' knowledge, skills, and abilities (KSAs), motivate employees to leverage their KSAs, and, empowering the employees to do so, will consistently create growth and prosper for its organizations (Guest, et al., 2020). As specified above, these theories help for this study as they focused on HR practices that influencing the employee's abilities, motivation and opportunity and enhance the employees' knowledge, skills, and abilities.

2.2.1.7 Relationship Between HRM Practices and Firm Performance

The effect of HRMP on OP has been a broadly researched area. Either developed countries or developing countries the result of studies, have been showing that HRMPs have significant effect on OP. The key HRM activities included in this regard are recruitment, selection, performance measurement, training and development, administration of compensation and rewards (Miranda and Fernando, 2020). In addition to performing these HRM activities HR managers have to create value for the organizations in which they work. However today's HRM focuses heavily on the organizations successful outcomes through the integration of the various HR functions. Strongly suggests that human resources determine an organizations success in overcoming major challenges facing managers today (Daniel and Mekonnen, 2020). They also found that there is a positive relationship between recruitment and selection, training and development, performance appraisal and reward system, and organizational performance.

Human resources have characteristically been reflected the most vital role in many kinds of business entities. Although the HRM is responsible for altering the look of the company, it also

manages to function as an innovator in terms of organization redesign. The influence of the HR department on the growth of these organizations has been pronounced in relation to efficiency, a company's practice of maintaining and training its employees are some of the benefits that employers give their people to serve as managers and production workers (Othman & Abdullah, 2016).

Study by Pamella (2018) showed that HR has a positive relationship with organizational performance by analyzing the literature over the last years on the HRM-performance relationship, reported wide disparities in the treatment of the components emphasizing the “black box” stage between HRM and performance. This study displayed it has an effect on organizational performance and has a positive relationship between HRM and an organizational performance. This study indicated that the theoretical frameworks which dominated the field were the contingent framework (i.e., HRM influences performance in relation to contingent factors such as business strategies), the resource-based view (i.e., HRM influences performance according to the human and social capital held by the organization) and the AMO theory (i.e., HRM influences performance in relation to employees’ ability, motivation and opportunity to participate). Klein (2014) found that there is a positive relationship between human resource management practices and organizational performance. This study suggested that in order to stimulate organizational performance, management is required to develop skilled and talented employees who are capable of performing their jobs successfully (attaining better organizational performance requires successful, effective and efficient exploit of organization resources and competencies in order to create and sustain competitive position locally and globally).

HRM has positive effect on business performance as it can help an organization to allocate its human resources more effectively, promote operating efficiency, and encourage creativity and innovation; it enables the firm cope more effectively with the challenges of environmental change; encourages a more proactive management style, transmits organizational goals clearly and motivates greater involvement by line managers in HRM concerns; enhances organizational morale, financial performance, and overall organizational performance; brings about commitment, customer satisfaction and innovation; enhances market value per employee; creates value for customers and stakeholders; and brings about return on equity (Miranda and Fernando, 2020).

It was seen that strategic human resource as contributing to the creation of firm-specific knowledge and skill when it is aligned with the strategic goals of the organization. Increased productivity has also been noted in small enterprises that align or integrate their formal and informal HR practices and strategies with the business strategies of the organization. Organizations are becoming aware that successful human resource policies and practices may increase performance in different areas such as productivity, quality and financial performance. In order to create and sustain competitive advantage in this type of environment, organizations must continually improve their business performance. Increasingly, organizations are recognising the potential of their human resources as a source of sustained competitive advantage. Linked to this, more and more organisations are relying on measurement approaches, such as workforce scorecards, in order to gain insight into how the human resources in their organization add value (Pamella, 2018).

2.2.1.7.1 Recruitment and Selection

Anwar and Qadir (2017) stated that that a highly selective recruiting is advantageous for finding the correct candidate who is able to deal with a diverse set of job requirements, with necessary abilities and experience, which fit well into the context, whereas confirming they have the needed abilities and necessary qualities have been selected to face dynamic culture and surroundings. It's a simple fact that a company should hire the right people to employees, who would then have the least desire to leave for other employment.

Govand and Nabaz (2021) stated that recruitment and selection is the initial process to evaluate staff. This is concerned with identification, attraction and selection of the suitable person meeting the job requirements of the organization. It is an important process to carry out otherwise the outcomes inappropriate recruitment and selection is extensive. HR practices are positively correlated with employee's performance whereas selection and training is more affecting the performance rather than other practices. Effective recruitment and selection practices identify job applicants with the appropriate level of skills, knowledge, abilities and other requirements needed for fruitful performance in a job or an organization.

Damniel and Menonen (2020) demonstrated that recruitment and selection, part of HRM system is strongly correlated with the profitability and suggests that management of the organization must focus on these HRM practices (recruitment and selection) resulting in an improved organizational profit. The involvement of HR department in hiring process helps to

enhance knowledge of the workforce and required skills. It is also obliged for the identification of upgrading skill requirement of the employees. By such involvement, good communication seems to have synergy effect and helps to unify the workforce. Because of this communication, negotiations happen in more positive atmosphere which has an ultimate effect on the quality within the workforce.

2.2.1.7.2 Training and Development

Formal training in comparison with informal training is more effective and significantly associated with performance. Training is a continuous process, one that is constantly recruitment and selection, training, performance appraisal, employee, performance refreshed and renewed according to the needs and requirements of the individuals along with encouragement to revisit the contents after the training. Training needs varies from industry to industry so one cannot be sure that the industry or the organization should conduct training every year, semiannually or quarterly (Wood and Bischoff, 2020). They found that employee training has a positive effect on organizational performance, as well as person well as they concluded that a major impact on the execution of an activity, or enhancement in performance.

Due to training and employee development form the core components in most formation of HRM, a lot of companies now try to take a general look at accepting the initiative of learning at both individual and organizational levels as a major source of competitive advantage. Training is well-defined as organizations' planned and systematic efforts to shape or develop the knowledge, skills, and attitudes of employees through their learning experiences. Training and development effort can further be considered to increase an individual's level of self-awareness, proficiency, skills and motivation to perform his or her job well. In addition, training and development are mostly reflected as a systematic Endeavour by the organization to facilitate the learning of job-related behavior on the part of the employees (Othman & Abdullah, 2016).

2.1.1.2.1 Compensation

Compensation is one of the leading HR practices that firms use to evaluate and reward employee's effort. Evidently, compensation has a positive effect up on employee and organizational performance. Compensation is the main element to influence organization's staff. As soon as workers are properly and fairly compensated, the more they will perform better at the same time, organizational performance will increase (Amanuel, 2020). Incentives

are playing a major role in the organization's success with the exception of incentives, and protections, and protection is critical for all, have produced an effect. Moreover, the numerous business strategies, performance-oriented rewards, employee planning, and performance assessment, and management security, have increased the company's performance in relation to others.

Mousa and Othman (2020) identified compensation as the single strongest predictor of firm performance. It is now obvious that compensation both financial and otherwise is of importance to both the employees and employers. Both performance-based compensation and merit-based promotion can be views as ingredients in the organizational incentive systems that encourage individual and corporate performance. Compensation is a core motivational tool for employees and this motivation is boldly going to reflect on the organizational performance.

2.1.1.2.2 Performance Evaluation

Organizations can use from maximizing the performance of their employees and observe the development of the desired employees attitude and behavior through the use of appraisal mechanism, it is a systematic and periodic process that asses an individual employees job performance and productivity in relation to certain pre-established and organizational objectives (Amanuel, 2020).

Companies could assume information which they have got from the appraisal of employees to change the selection and training practices, also behaviors and attitudes of the employees which are desired by the organization can be developed. Quite the reverse, the usefulness of skilled employees will not be put to optimal use if not encouraged to do their jobs. They also said that it is going to be impossible to manage an organization without having adequate information on how well its employees are performing. Decisions will still be carried out on performance whether an organization has a formal way of doing that or not and many of this outcomes will be full of errors (Wood and Bischoff, 2020). Subsequently, improving performance appraisal for everyone will directly affect the overall organizational performance.

2.3 Empirical Studies

2.3.1 Global Empirical Studies

Govand and Nabaz (2021) examined the impact of human resource management on the performance of government institutions. In a quickly altering economic environment,

characterized by trends such as, globalization, rising demands of investors and customers, along with increasing products in the market competition, the Government institutions continuously try to progress their performance by minimizing expenses, renewing products and procedures, and improving quality in order to compete and continue in the environment. A quantitative research method utilized to analyze the current study. The Sample Size selected for this study is 240 respondents. The findings revealed that all hypotheses were rejected except fifth hypothesis which stated that decentralization is positively associated with organizational performance. Thus, it was concluded that human resource management have a positive association with the organizational performance.

Gopal (2019) examined the impact of human resource management practices on organizational performance. It assessed the human resource practices in the manufacturing and service sector institutions in Nepal. This study attempted to find out the relationship between the adoptions of such practices in their performance. Using correlation analysis, this study suggested that there is negative association between HRM practices and employee turnover whereas there is positive association between HRM practices and productivity. The regression result suggested that there is a negative association between HRM practices and employee turnover whereas there is positive association between HRM practices and productivity. At present many Nepalese business organizations are found using team based job design that fosters the specialization as well as the synergy in the team assignment.

Klein (2014) contended that there is a positive relationship between human resource management practices and organizational performance. This study recommended that in order to stimulate organizational performance, management is required to develop skilled and talented employees who are capable of performing their jobs successfully(Achieving better organizational performance requires successful, effective and efficient exploit of organization resources and competencies in order to create and sustain competitive position locally and globally.

Sang (2015), in his study conducted in Japan found a positive influence of human resource management practices (namely, human resource planning, staffing, incentives, appraisal, training, team work, employee participation, status difference, and employment security) on organisation performance. He recommended that in order the organization to perform better, HRM should be given its rightful place of relevance in any organization and not left in the

hands of line managers who neither have the expertise nor the time and space to carry out the enormous functions of a human resource manager.

2.3.2 African Studies

Pamella (2018) examined the effects of human resource practices on the performance of companies in Nairobi city county, Kenya. The study utilized descriptive research design. The study population comprised of all the 95 firms in Nairobi City county, Kenya. The findings indicate that there is significant positive relationship between compensation and companies performance in Nairobi City, training has a significant positive relationship with performance of firms while recruitment had a significant positive relationship with firms performance in Nairobi City County information sharing also had significant relationship with organizational performance. The findings support the theory of resource based view that competitive advantage comes from the resources that are possessed by an organization.

Chand and Katou (2015) examined the effects of human resource practices on organizational performance in Accra Ghana. They used a sample of 200 employees working at health educational institutions in Accra. They analysed several human resource management practices, measured by organizational output of financial variables (sales growth, goal achievement, good services, productivity) and non-financial variables (management quality, long-term orientation, continuous improvement, workforce quality) and also other outcomes as commitment, quality and flexibility. They established to a positive relationship between HRM practices and organizational performance. They suggested that once a business entity has analysed its mission, identified all its stakeholders, and defined its goals; it needs a way to measure progress toward those goals.

In addition, Husna (2013) assessed the impact of human resource planning on organization performance in Mbeya Tanzania. She realized that Human Resource Planning is one of the key elements that have to be considered, if National Institute of Transportation (NIT) has to get the best out the employees, the Planning for them should be top priority in enabling the institution to realize its set goals and objectives. Essentially, planning for human resources involves setting the required objectives, analysing the environment, carrying out an audit of Human Resources, making a forecast, reconciling the demand and supply of Human Resources and evaluating the implementation.

Employees dedicated to their organizations will usually have good attendance records, demonstrate a willing adherence to company policies, and have lower turnover rates which are directly related to increase the organizational parlance.

2.3.3 Ethiopian Studies

Daniel and Mekonen (2020) found that HRM practices (recruitment and selection, training and development, reward review practices, and performance appraisal) all the variables were significantly positive correlated among each other. Basically, this study investigated human resource management practices vis-a-vis organization performance in the case of public organizations. The finding of the study indicated there is a positive relationship between recruitment and selection, training and development, performance appraisal and reward system, and organizational performance.

Amanuel (2020) examined the effect of training and development on the performance of public employees at the local level. This study employed a mixed research approach and estimated the impact by using simple regression model. This study found that despite poor achievements in the areas of training need assessment, administration, and evaluation, training and development has a significant positive impact on the performance of employees. The findings show that T&D is positively related with employee performance. More explicitly, the article finds that T&D has a significant positive impact on the performance of employees. It can be thus concluded that T&D has profound positive impact on the performance of public employees even in the situations public organizations are poorly implementing T&D activities

Tsilat (2019) examined the influence of human resource management that is compensation, employee's development and organizational the performance. It investigated the impact of HRM practices on the performance using causal research design. Using regression analysis, this study found that there is a significant effect of organizational citizenship, employee development and compensation management on the perceived organizational performance. Therefore, the result shows that there is a positive relationship between HR practices (organizational citizenship, employee development and compensation management including training and rewards) and organizational performance in the context of developing economy. The company may continue improving educational level of its employees and also provide trainings to them in order to enhance their performance.

Asrat (2016) assessed the human resource management practices with particular reference to administrative staff. It covered employee performance appraisal, training and promotion practices of the university. The study adopted a mixed research approach and made use of both primary and secondary data. The findings of the study showed that there is no sound performance appraisal system for administrative staff in the university, the process of employee training was found to be unsystematic and employee promotion process of the university was also not adequately fair and objective. Therefore, it has been mentioned that the university should improve its human resource management system and practices (i.e. performance appraisal, training and promotion) in order to ensure the availability of efficient and effective administrative staff in all colleges and institutes.

2.4 Research Gap

The supposition supporting the practice of HRM is that people are the organization's important resource and organizational performance mainly depends on them. It shows that an appropriate range of HR policies and processes is developed and implemented effectively. In addition, HR will make an extensive influence on firm performance. Much of the research over the last two decades has attempted to answer two basic questions: 'how the HR practices impact organizational performance?'. For several researchers including Daniel and Mekonen (2020) and Asrat (2018), the question 'Do HR practices make a positive impact on organizational performance?' is the more important one. Besides, researchers like Tsilat (2019) examined considered a single variable as compensation that influence organizational performance. In addition, Asrat (2016) assessed the human resource management practices with particular reference to administrative issues. HRM practices such as recruitment, selection, training, competency and performance appraisal may enhance the competence of employees for higher performance. This is because developing a performance culture that encourages high performance in such areas as productivity, quality, levels of customer service, growth, and profits and, ultimately, the delivery of increased shareholder value. It helps to empower employees to demonstrate the flexible behaviours most thoroughly related with higher business performance such as risk taking, innovation, knowledge sharing and establishing trust between managers and subordinates.

2.5. Conceptual Framework

A conceptual framework can be defined as a set of broad ideas and principles taken from different relevant fields of enquiry and used to structure subsequent presentation. This framework is constructed to direct and organize data collection. This study focuses on different

studies, which attempt to explain the relationship and impact of human resource practices on organizational performance.

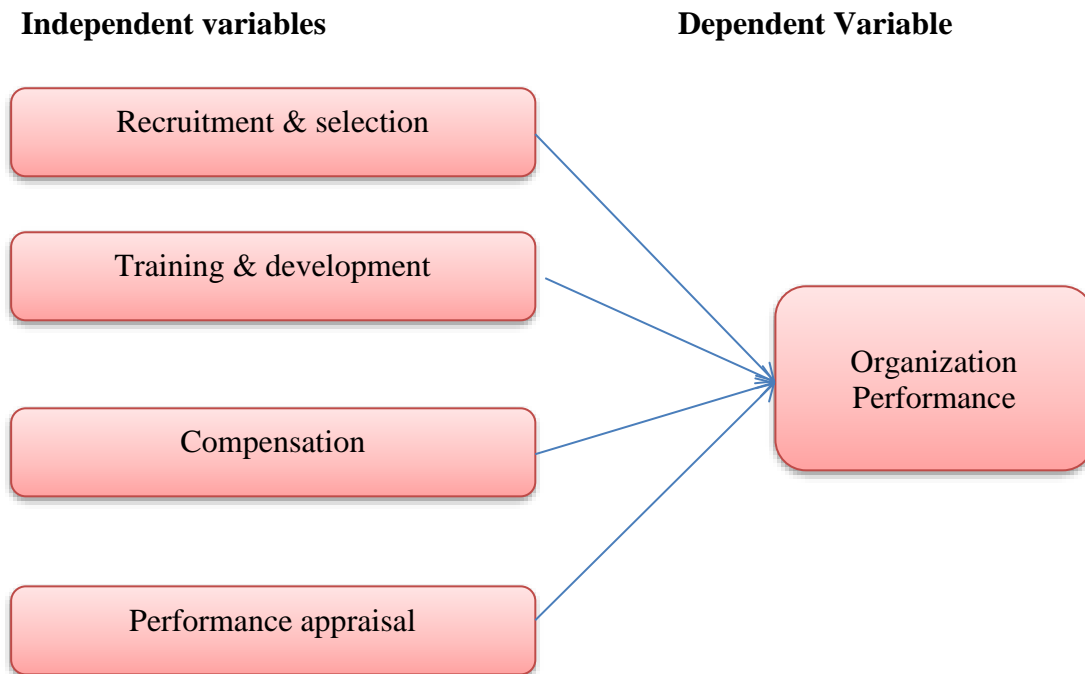


Figure 1 Conceptual Framework

Source and Adapted from Felix (2018) and Amanuel (2020)

It can be said that human resource practices are a critical area, with human resource managers keen to differentiate their strategies by enhancing voice performance, training, and teamwork. In summary, it may be argued that while there is a growing body of theory and empirical research demonstrating relationships between HRM policies, Furthermore, although it is accepted that HRM is positively related to organizational performance, there is a great need for additional evidence to support the HRM-performance relationship from different contexts. Previous studies like Pamella (2018), Felix (2018), and Amanuel (2020) noted that within the framework of the resource-founded view, this conceptual framework is viewed by the strong chain that requires the resource to display each of the four characteristics to be a possible source of a sustainable competitive advantage. There has to be a distinction between capabilities and resources by defining capabilities as a special type of resource, specifically an organizationally embedded non-transferable firm-specific resource whose purpose is to improve the productivity of the other resources possessed by the firm. This is because resources are the stocks of available factors that are owned or controlled by the firm, and capabilities are an

organization's capacity to deploy resources. Essentially, it is the bundling of the resources that builds capabilities.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research approach, research design, the population of the study, sampling techniques, sampling procedures, sample size, data collection methods, data collection procedures, data analysis, reliability and validity.

3.2 Research Approach

Together, both qualitative and quantitative research approaches were engaged in this study to get a better understanding of the research issue. This study enables us to understand a problem more comprehensively with HRM practices and organizational performance in the public health sector. The study's applied qualitative method gives an opportunity to build knowledge on pragmatic grounds and bases the research on the techniques that can best address the problems and questionnaires at hand. It also applied a quantitative approach for explanatory research that enables us to investigate the effect of HRM practices on organizational performance in Ethiopian public organizations. The study applied mixed methods, giving an opportunity to build knowledge on pragmatic grounds and basing the research on the techniques that can best address the problems and questionnaires at hand. While conducting this research, a deductive approach was used. The deductive approach indicates that a conclusion is drawn from true statements through the observation of factual statements. The deductive approach was chosen because the study starts from a literature overview, which is again compared with empirical findings, and also because the purpose of this study was not to produce any new theories but to give efficient solutions for HRM practices and organizational performance in the health sector.

3.3 Research Design

Overall, this study employed both descriptive and explanatory research design. This research was also considered descriptive to provide factual, accurate, and systematic data descriptions and characterize the population or phenomenon. The research population was examined and, after careful analysis, the employees who are working in various positions in the Ministry of Health in Addis Ababa were used as a sample size. Primary data was collected from the surveyed organization through a well-designed questionnaire. In addition, this study described

and interpreted the practices of HRM and the effects of HRM on organizational performance in the public health sector in Ethiopia. It considered its respondents to describe, compare, contrast, classify, analyze, and interpret their opinions about the practices of HRM and organizational performance in Ethiopian public organizations. In general, it aimed to describe the state of affairs as it exists. In addition, this study establishes the cause and effect relationship between HRM practices and organizational performance in the Federal Ministry of Health. The researcher applied data from respondents' questionnaires to analyse and make a critical evaluation of the data or information.

3.4 Data type and Source

The study used both primary and secondary source of data for its successful accomplishment of the study. Primary data refers information collected by the researcher himself and is collected for the first time. These Includes the actual information received from individuals directly concerning the problem of the study. Hence the primary data was collected from sample respondents by using self-administered questionnaire and quantitatively measured on five point Likert scale. Moreover, the study has also used semi-structured interview to collected relevant information to answer the first two research questions and analysed qualitatively. The secondary data source of the study was published and unpublished, personal and public documents. In this study, secondary sources of data involved the use of published and unpublished documents obtained from libraries, offices and the Internet. Such documentary materials include published books, reports, theses and dissertations.

3.5 Population and Sampling

3.5.1 Target Population

A population is any group of units that share one or more characteristics that are of interest to the researcher. The population of a survey is the entire set of units from which inferences are drawn from survey data (Wood and Bischoff, 2020). The population for this study was comprised of all employees who are currently working in the Ministry of Health in its head office in Addis Ababa. Currently, the enterprise has 570 permanent employees in its head office in Addis Ababa. Therefore, the total number of target populations contained 570 permanent staff of the Ministry of Health.

3.5.2 Sample Frame

A sample frame is a list that constitutes the population. All permanent employees that are currently employed in the Ministry of Health in the head office in Addis Ababa were captured

in the sampling frame. The sample frame of the study was found from payroll or the monthly salary list of the employees for March, 2022. This list was obtained from the Human Resources Department of the company.

3.5.3 Sample Size

Having known the target population, the next step was to determine the sample size. Sampling is done due to constraints of time, money and accessibility of data to the entire population. The basic idea of sampling was that by picking some of the elements in the population, one can make conclusions about the entire population. Sample size refers to a number of items to be selected from the universe to constitute a sample. Sampling is referred to as the process of selecting units from a population of interest so that by studying the sample a researcher may fairly generalize his results back to the population from which they are chosen (Kothari, 2019).

Therefore, a sample is a representation of the elements of the target population that consisted of all the elements of that population. To determine sample size of the study, the study used a method developed by Yamane (1973). Since the population under study is considered to be finite, sample size was determined using a simplified formula developed by Yamane (1967) as cited by several researchers (Othman & Abdullah, 2016; Pamella, 2018) and indicated in the equation below.

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

$$n = \frac{570}{1 + 570 (0.05)^2}$$

$$= 235$$

The calculation is presented as below. Sample size for $\pm 5\%$ precision levels Where Confidence Level is 95% and $P=.5$. For 570 size of population, the sample Size (n) for precision (e) of 5% was 235. The formula is presented adobe where n = number of sample size and N = Total number of study population e= level of confidence to have in the data or degree of freedom which is 95% apply for this study with 5% error. Therefore, sample size of the study was 235 respondents in Addis Ababa.

Table 1 Sample Size Determination

Public Organizations	Target population	Proportion	Sample size
Ministry of Health	570	0.412	235
Professional Staffs	385	0.412	159
Supporting Staffs	185	0.412	76
Total	570		235

Source: Survey result, 2022

3.5.4 Sampling Techniques

The study is based on both probability and non-probability sampling techniques.

Sampling for Questionnaire Survey

On other hand, this study applied probability sampling that involved stratified, proportional and random sampling by first stratified in the surveyed organization, then proportional sampling and finally this study used simple random sampling. A stratified sample, representative of employees' job levels, was drawn from the surveyed organization, and included professional and supporting staffs. Results from this stratified, professional staffs, representative sample of 159 employees out of 385 targeted employees. It also took 76 employees subjects from targeted 185 supporting staffs of the surveyed organization. Simple random sampling was used to select employees from their job level as professional and supporting staffs in the surveyed organization. The aim of using simple random sampling was made to sure that each staff has equal chance of been chosen.

For Interview

Furthermore the researcher employed purposive sampling. Purposive sampling was used to select essential employees, ten top management officers and executives of the surveyed organization who are among the top management for the aim of getting reliable information about effects of human recourse practices. These respondents was selected purposively because they hold specific positions in the organization and as such could have reliable information on effects of HR practices. Purposive sampling technique as a non-probability sampling was used to select interviewees.

3.6 Methods of Data Collection

Data collection refers to systematic focused and orderly collection of data for the purpose of obtaining information to solve research problems. Primary data collection methods were used in this study in order to counterbalance shortcomings from each technique. Although a variety of methods for administering surveys are available, the most popular are face-to-face, telephone, and mail. In general, each of these methods has its own advantages and disadvantages. The major thought for the researcher in deciding on the form of survey administration is response rate versus cost. As indicated by Geoffrey, David and David (2005) using a rule of thumb, if high rate of return is the main goal, then face-to-face or telephone surveys are the optimal choices, while mail surveys are the obvious choice when cost is an issue.

The study comprised of both in depth interview discussions and self-administrated anonymous questionnaires. The benefit of self-administrated questionnaire is that it avoids interviewer bias and increase confidentiality. The decision to use multiple methods in collecting data (triangulation) ensured validity of data as one method complement each other. This is the original source of data, in which the researcher collects the data for the first time, and as such, the data collected are known as primary data. The prearranged interview sessions were conducted in person at a place of mutual convenience (Ministry of Health in Addis Ababa) to both the interviewer and interviewee.

3.7 Research Instruments

3.7.1 Interview

According to Kothari (2019), an interview is a set of questions administered through oral or verbal communication between the researcher and the interviewee. In this study, semi structured interview was employed to collect data from ten HR experts, specialists and top management executives. Interview schedule was prepared and questions were asked to each participant. This is because interviews are a very common way to collect qualitative data. Interviews are a great way to learn about the motivations of selected interviewees or the study actors the researcher was interested in, gain subjective understandings of the success this study. This is why this study conducted ten interview sessions using snowball sampling. A snowball

sample is one where the researcher identified five questions based on the research specific questions and then asked them to introduce more additional subjects.

3.7.2 Questionnaire

Questionnaire is a set of questions, which are usually sent to selected respondents to answer at their own convenient time and return back the filled questionnaire to the researcher (Kothari, 2019). Questionnaires were distributed to respondents including principals, head of departments and subordinates who filled them under the administration of the researcher. This study employed questionnaire that adapted from Felix (2018) for organizational performance and Daniel and Mekonen (2020) for HRM practices. It encompassed open ended questions, close ended questions and five point Likert scale questions. As this study applied structured questionnaires, this study adapted a questionnaire after conducting an extensive review of HRM practices in prompting organizational performance literature and it is containing both open and closed-ended question items.

3.8 Validity and Reliability of Research Instruments

3.9.1 Validity of the Instruments

Validity aimed at whether the tools are truly measuring what they intended to measure. Pilot study was done to test whether the tools truly measure what they intended to measure (Kothari 2019). Validity of the tool was made by distributing ten questionnaires before a comprehensive exercise of data collection to see if the tool can measure what it is supposed to measure from different respondents such as experts in HR and organization performance, academicians and public health leadership experts.

3.9.2 Reliability of the Instruments

Reliability is the extent to which a test or procedure of data collection yields similar results under constant conditions on all occasions (Kothari, 2019). That is, if we repeated to assess the effects of HRs practices on the organizational performance normally a person gets the same answer each time.

Table 2 Reliability Statistics Test Result

Variables	Cronbach's Alpha	N of Items
Recruitment	.806	4
Training	.866	6
Compensation	.854	5
Performance appraisal	.791	5
Organizational Performance	.806	4

Source: Survey result, 2022

The reliability of this study's instruments was determined by using Cronbach's Alpha test. The purpose of deriving a scale score by having multiple items is to obtain a more reliable measure of the construct than is possible from a single item. According to Crobach (1951) there are several devices for checking reliability in scales and tests such as Test and re- test, alternative forms methods or split half method. Therefore, Cronbach's alpha gives the proportion of the total variation of the scale scores that is not attributable to random error. This study used more than .70 test results as considered as excellent.

3.9 Data Management and Quality

Data was checked for consistency and completeness by supervisors, double-checked by the principal investigator. The accuracy of data entry was checked by running frequency analysis and making range checks every time. Errors of data entry were corrected by cross-checking with the filled questionnaires. Data was entered by the principal investigator using SPSS V.23 for cleaning and analysis. Data was sorted, coded and entered into the SPSS software.

3.10 Methods of Data Analysis

After data entry, the researcher could able to present that in descriptive statistics including frequencies, mean, and percentages and making cross tabulations of variables to check the relationships. Further, it also used inferential statistics such as correlation and multiple regression analysis.

3.10.1 Descriptive Analysis

Descriptive statistics included the mean and standard deviation used to capture the characteristics of the variables under study. Frequency distribution, graphs and tables, were

employed to organize and give a summary of the data. They were displayed in a meaningful and understandable manner to assist in describing and interpreting the results of the research. Descriptive statistics were computed to describe the socio-demographic characteristics of participants and to summarize the respondents' perception of HRM practices and organizational performance.

3.10.2 Analysis Using Inferential Statistics

Besides, inferential statistics like Pearson correlation and regression were applied to see the effect of the independent variable (HRM Practices) on the dependent variable. Moreover, the data that was collected qualitatively have been first transcribed into text, next organized based on the objective of the study and then analyzed by coding, giving meaning, categorization, editing and through thematic organization and descriptive narration.

Inferential statistics included bivariate correlation, which was used to analyze the relationship of the independent variable. Besides, correlation and regression to test for relationships while a multiple regression model was used to determine the combined effect on the relationship between the outcomes and performance. The summary statistic was used and the output presented using tables. All the data aimed at providing answers to the research questions. This type of data analysis was based on the use of numeric data in the form of numbers, levels and categories.

Multiple regression analysis method also consents determine the overall fit (variance explained) of the model and the relative contribution of each of the predictors to the total variance explained. When one selects to analyze of this study's data using multiple regression, part of the process involves checking to make sure that the data he or she want to analyze can actually be analyzed using multiple regression.

- Assumption #1: dependent variable should be measured on a continuous scale (i.e., it is either an interval or ratio variable).
- Assumption #2: have two or more independent variables, which can be either continuous (i.e., an interval or ratio variable) or categorical (i.e., an ordinal or nominal variable).
- Assumption #3: should have independence of observations (i.e., independence of residuals), which you can easily check using the Durbin-Watson statistic, which is a simple test to run using SPSS.

- Assumption #4: There needs to be a linear relationship between (a) the dependent variable and each of the independent variables, and (b) the dependent variable and the independent variables collectively.
- Assumption #5: data needs to show homoscedasticity, which is where the variances along the line of best fit remain similar as move along the line.
- Assumption #6: data must not show multicollinearity, which occurs when we have two or more independent variables that are highly correlated with each other.
- Assumption #8: Finally, need to check that the residuals (errors) are approximately normally distributed (explain these terms in our enhanced multiple regression guide). Two common methods to check this assumption include using: (a) a histogram (with a superimposed normal curve) and a Normal P-P Plot; or (b) a Normal Q-Q Plot of the studentized residuals.

Model specification

The multiple linear regression model of the study is based on the theoretical regression model as indicated follows

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Where:

Y= Organizational Performance

a= the y intercept.

X₁ – recruitment and selection

b₁= the regression coefficient recruitment and selection

X₂ - training and development

B₂= the regression coefficient of training and development

X₃ – compensation

B₃= the regression coefficient of compensation

X₄ –performance appraisal

B₄= the regression coefficient of performance appraisal

e= error term.

3.11 Ethical Issues Considered

Research is the collection of information and material that is provided to the researcher on the basis of trust and confidentiality, and it is vital that the participant's feelings, interests, and

rights are protected at all times. The study maintained the organizations' policy in relation to any intellectual property rights the organization may have. Regarding the privacy of the respondents, their responses are strictly confidential and only used for academic purposes. There was no bias, leaking, exaggeration, or understatement of information from the respondents. The information regarding the purpose and procedure of the study is provided through both verbal means when personally meeting each of the participants as well as through a written form that is included with the questionnaires. Information obtained was held in strict confidentiality by the researcher. It would not be ethical to access some confidential documents of the organization. So, the organizations' code of ethics was taken into account without significantly compromising the findings of the study. Concerning references, all the materials and sources are properly acknowledged.

The researcher consulted his advisor on ethical issues in the university. The researcher abided by confidentiality from the people who needed information; there was exposing or leaking of information without consent of the person who provided information. Also, it was humbled by the culture and beliefs of the respondents. All assistance and collaboration was acknowledged properly and ethically. In addition, all the collected data through the questionnaires and interviews was employed only for this particular research project and will not be used in any other contexts or for other research purposes.

3.12 Operational Definitions and Measurement Procedures

In the course of the study, the researcher collected quantitative data, supported partly by qualitative data using both secondary and primary sources of data.

Table 3 Variables and Expected Sign

	Operational Definitions	Measurement Scale	Data Analysis	Expected Sign
1	Recruitment and Selection - considered as one construct for 'acquisition of employees' including hiring employee with specialized skills, recruitment and selection process fit the candidates with the jobs', and 'organization prefers promotion from within when filling vacant position' (Pamella, 2018).	Correlation and Multiple Regression	Likert Scale	Positive

2	Training and Development - new employees familiarize with organizational norms and values, continuous training for updating employee skills and knowledge, and 'all training programmes are of high quality (Daniel and Mekonen, 2020)	Correlation and Multiple Regression	Likert Scale	Positive
3	Compensation - relates to compensation system with the level of knowledge and skill acquired by employees' knowledge and skill', 'compensation is directly linked to employees performance and there is an attractive compensation system' (Flex, 2018).	Correlation and Multiple Regression	Likert Scale	Positive
4	Performance Appraisal – items including result oriented', 'feedback is provided on a regular basis by the management', 'employees satisfied with performance appraisal result', and 'employees (Gopal, 2019).	Correlation and Multiple Regression	Likert Scale	Positive
5	Performance – including effective organizational performance is the organization's ability to attain its goals by using resources in an effective and efficient manner (Gopal, 2019).	Correlation and Multiple Regression	Likert Scale	Negative

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This sub section of the study presents the study's data presentation, analysis, and discussion part, which contains research analysis techniques and demographic characteristics of the sampled respondents in the study area. From the literature review and past studies, the practices of human resource management, the magnitude of organizational performance and its effects are discussed. Based on this, a questionnaire was developed to collect data from sampled employees who have sufficient experience of possible HRM practices by their organization. In this chapter, explanations of the issues related to the distribution of the questionnaire, collection of responses, subsequent analysis, and discussion of the data acquired through the responses from professionals are presented.

4.2 Response Rate

This study collated primary data from sampled respondents in the study area or public organizations in Addis Ababa.

Table 4 Response Rate

Public Organization	Question distributed	Questionnaires returned	%
Professional Staffs	159	91%	145
Supporting Staff	76	79%	60
Total	235	87%	205

Survey result, 2022

As shown in the table above, regarding response rate, 235 questionnaires were distributed to the sampled respondents. This study found that 205 were returned filled properly at a rate of 87.5%. Based on this response rate, the next analysis is carried out. As per Yosef (2018), a response rate of 50% is adequate for a study, 60% is good, and 70% and above is excellent. Subsequently, a response rate of 87.6% was appropriate and consistent for the study as shown in the above table.

4.3 Respondents Characteristics

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

Table 5 Respondents Demographic Characteristics

Variables (Categories)		N	%
Gender of Respondent	Male	115	56.1%
	Female	90	43.9%
Respondents' age	Less than 30	57	27.8%
	31-46	110	53.7%
	47-65	38	18.5%
	66 & above	0	0.0%
Education Level	Diploma	32	15.6%
	First Degree	114	55.6%
	Master's Degree & above	59	28.8%
Marital Status	Single	75	36.6%
	Married	101	49.3%
	Divorced	18	8.8%
	Refused or Others	11	5.4%
Working year	Less than a year	49	23.9%
	About two or three years	74	36.1%
	4 - 6 years	43	21.0%
	Above 7 years	39	19.0%
Income	Less than 2000	3	1.5%
	2001 -4000	51	24.9%
	4001 - 6000	97	47.3%
	Above 6000	54	26.3%
Experience in working with other organization	Less than a year	71	34.6%
	About two or three years	101	49.3%
	4 - 6 years	28	13.7%
	Above 7 years	5	2.4%

Survey result, 2022

Before analyzing the data, the background information on the surveyed respondents at different levels has been shown throughout the above table. It was imagined it would be helpful to understand the range of areas the study has tried to cover with this research. The study found that, among the 205 employees of the surveyed organization, 43.9 percent, i.e., 90 individual employees, were female and 56.1%, i.e., 115 individuals were male (Table 4). The results indicate that the two genders were acceptably represented in the study since there was none that was more than two-thirds. However, the statistics show that the male gender could be dominating in the use of public servant employees in the health sector in the study.

Table 4 also shows that the lowestmost age of the respondents was 18 years, and the highest was 65 years. Out of 205 sampled employees, only 27.8 percent of the respondents were under the age of 30. Of the total respondents, 53.7 percent (110 employees' respondents) were for the age group of 31 to 46 years of age, and only 18.5 percent of the respondents were between 47 and 65 years of age at the same time, as no respondents were involved in the study that fell more than that of aged 65.

The above table shows that 101 sampled respondents were married, giving a 49.3 % representation; it also found that out of the total respondents, 75 (36.6 %) public servant employee respondents were single, whereas 18 (8.8 %) were divorced and widowed. This implies that the study diversely accommodated all status groups. In addition, the above table shows that 15.6 % of the respondents completed and graduated with a diploma, 55.6 % of them completed a university or college first degree, and 28.8 % of them completed a master's degree and above. This implies that most of the respondents were well educated and had been proficient at responding appropriately to the provided questions and information.

In this study, respondents' income was analyzed as follows: less than 2000, 3 respondents (1.5%); 2001 to 4000 monthly income level, 51 respondents (24.9%); 4001-6000, 97 respondents (47.3%); and above 6000 monthly income level, 54 respondents (26.3%). This implies that the majority of the employees obtained enough monthly income. From the total valid respondents of the research, 71 (34.6 %) employees were working less than one year and 101 (49.3 %) worked about two or three years out of the surveyed organization. This implies that these employees had little experience working outside of the surveyed organization or that they knew this organization very well. In general, their demographic characteristics showed that all respondents in this research were well educated; they had good working experience to handle the study questionnaire and to inform the effect of HR practices and organizational

performance in the surveyed organization. It shows that they were proficient and talented at responding to the questionnaire and providing pertinent data for this study. This demonstrates that the respondents are able to respond to the provided information to accomplish this study objective.

4.4 The Level of HR Practices

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

4.4.1 Recruitment and Selection

Respondents were asked to rate their opinion about merit appointment, the qualification required to perform the job before being hired and designed to help new recruits understand the organization. The findings from the analysis were as presented in the Table 6.

Table 6 Responses on Recruitment and Selection

Items	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Std. Deviation
	N	%	N	%	N	%	N	%	N	%		
Appointment in my organization is based on merit	15	7.3%	15	7.3%	33	16.1%	92	44.9%	50	24.4%	3.72	1.132
Applicants are fully informed about the qualification	9	4.4%	18	8.8%	25	12.2%	95	46.3%	58	28.3%	3.85	1.066
There is formal induction, orientation and familiarization processes designed	18	8.8%	36	17.6%	49	23.9%	70	34.1%	32	15.6%	3.30	1.187
Line managers and HR Managers participate in the selection processes	27	13.2%	29	14.1%	55	26.8%	74	36.1%	20	9.8%	3.15	1.185
Grand Mean											3.51	

Survey result, 2022

Results in the above table show that all the mean score values were greater than 3.15 and less than 3.85. This is a sign of the respondents' agreement on the various statements on recruitment and selection practices of the surveyed organization. In the same way, the standard deviation values were less than two which is a small standard deviation. Specifically, the mean score 3.51

was rated as agree or very good; the respondents were in agreement that this organization somewhat properly searches for obtaining applications of job from among the right people who can be selected.

The above table displays that 44.9 % of the respondents agreed that appointment in their organization is based on merit; 24.4 % of them strongly agreed but only 7.3 % of the total respondents disagreed on this fact. The highest mean (3.85) was scored representing that job applicants are completely informed about the qualification required to perform the job before being hired; 46.3 % of the total respondents that agreed that applicants are entirely informed to perform the job before being hired. Human resource planning or human capital requirements are prepared or initiated by the departments based on the government police, plan and funded projects need. New paper advertisement, board notices, and others have been the major instruments that help to announce or find out applications from various means. Then, job application are collected and transferred to departments for further screening the applicants based on the requirements. Interviews, examination and other screen criteria will be based on mostly by the departments and partially by HR requirements like salary, benefits, working place and others.

The lowest mean (3.15) showed that line managers and HR Managers participate at low level in the selection processes in this organization. Only 36.1 % of the total respondents also strongly agreed that line managers and HR Managers participate in the selection processes in this organization. As its practices, recruitment team members somewhat attempted coordinate their activities and focus, and efforts; efforts need to engage in collaborative decision-making and actively participate in all initiatives. Supposedly, Chand and Katou (2015) stated that recruitment is a process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications, and encouraging them to apply for jobs with an organization.

The next lowest mean score was 3.30 that shows there is slightly formal induction, orientation and familiarization processes designed to help new recruits understand the organization. The surveyed organization is placed as compared to other HRM practices. It implies that the origination seems to slightly believe that formal education as main target for its selection process as it is associated to health related institutions. Collins (2021) identified that recruitment and selection are thoughtful constituents of an organization that determines how an organization performs. In addition, it is noted that organizations that had recruited competent employees' had a higher rate of organizational performance compared to those that did not.

This implies that there exists a relationship between organizational recruitment and performance. Subsequently, to enhance employee performance, organizations have to ensure that their recruitment processes are up to the labour market standards.

4.4.2 Training and Development

Daniel and Mekonen (2020) observe that improved HRM helps facilitate the acquisition, training and retention of esteemed employees thus serving to improve organizational cost-effectiveness and creates a performance-driven culture via the adoption of a more strategic HR function. Accordingly, respondents were asked to rate their opinion about an annual plan for the training and development of the human resources that are set according to their needs, having training to increase their knowledge about their jobs and others. The findings from the analysis were as presented in the Table.

Table 7 Responses on Recruitment and Selection

Items	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Std. Deviation
	N	%	N	%	N	%	N	%	N	%		
Annual plan for the training and development	15	7%	33	16%	39	19%	75	37%	43	21%	3.48	1.199
Trains the human resources in order to increase their job knowledge	15	7%	40	20%	50	24%	59	29%	41	20%	3.35	1.209
Trains the human resources to develop their professional Skills	3	1%	30	15%	28	14%	80	39%	64	31%	3.84	1.070
Training is linked with the preparedness of staff.	9	4%	39	19%	32	16%	64	31%	61	30%	3.63	1.216
Environment that stimulates learning.	17	8%	32	16%	42	20%	65	32%	49	24%	3.47	1.243
To develop appropriate plans to train all workers	17	8%	40	20%	41	20%	61	30%	46	22%	3.39	1.257
Grand Mean											3.53	

Survey result, 2022

Results in the above table show that all the mean score values were greater than 3.35 and less than 3.84. This is a sign of the respondents' agreement on the various statements on training and development practices of the surveyed organization. By the same token, the standard deviation values were less than two which is a small standard deviation and therefore suggests that respondents had similar opinions. In detail, the mean score 3.53 was rated as agree or very good; the respondents were in agreement that this organization use modern HRM that involves

the use of strategies that will ensure the optimal utilization of people in an organization through capacity building through training and development. This combines the traditional training and development responsibilities of HRM with the new responsibilities of human capital steward: using all of the organization's resources to create strategic capability.

The above table designated that almost 37 % of the respondents agreed that there is an annual plan for the training and development of the human resources that are set according to their needs in their organization. This composes of a mean of 3.48 which seems near to the grand mean. This helps to know that HRM also creates the ultimate employee experience in this organization. The highest mean score (3.84) stated that this organization trains the human resources to develop their professional skills. In addition, the mean score 3.63 states that training is linked with the preparedness of staff. But the lowest mean (3.35) indicated that this organization trains slightly the human resources in order to increase their knowledge about their jobs. This implies that there is an effective knowledge management in this organization that trend to be overturned and requires those with information to become teachers and mentors who ensure that others in the firm know what they know. It also entails that this organization needs cultural shift to take place, its HRM requires overhaul selection, appraisal, and compensation practices. Human resource management has the capabilities for creating, measuring, and reinforcing a knowledge-sharing expectation. Asrat (2016) certified that employees have the capability to handle any pressures and challenges they may encounter in the course of their work. This is to ensure that every employee has a change to enhance their performance through training in every given evaluation period. The organization supposed that effective organizations have attempted employee training and development to employee performance evaluations. This is to certify that every employee has a change to increase their performance through training in every given evaluation period.

4.4.3 Compensation

Abdullah and Othman (2016) stated that employee receive compensation in the form of rewards, pay, benefit it is basically the output that management uses to increase the performance of organization. The table below depicted statistics of compensation practices carried out by the surveyed organization and the perceived outcome of these practices from the viewpoint of employees. The grand mean and each item mean value has been computed as indicated below.

Table 8 Responses on Compensation

Items	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Compensation for employees is done fairly.	23	11%	49	24%	37	18%	66	32%	30	15%	3.15	1.257
Considers non-financial packages as compensation to its employees.	8	4%	30	15%	26	13%	77	38%	64	31%	3.78	1.154
Considers financial packages as compensation to its employees.	13	6%	18	9%	58	28%	67	33%	49	24%	3.59	1.132
Compensation is linked with the preparedness of management.	21	10%	49	24%	46	22%	61	30%	28	14%	3.13	1.218
Pays good salaries and wages to its employees	33	16%	58	28%	31	15%	55	27%	28	14%	2.94	1.321
Grand Mean											3.32	

Survey result, 2022

The above table show that all the mean score values were greater than 2.94 and less than 3.78. This is a sign of the respondents' agreement on the various statements on compensation practices of the surveyed organization. Likewise, the standard deviation values were less than two which is a small standard deviation and therefore suggests that respondents had similar opinions. Specially, the mean score 3.32 was rated as good; the respondents were in agreement that this organization very few forms of multiple pay plans and that can be in the form of group rather than individuals, merit pay to performance short incentives, bonus, and merit pay in the form of rewards. These are the different less qualities and components of compensation that are in the form of individual performance and weak multiple pay plan performance in this organization. Amanuel (2020) stated that compensation is the one factor that shows up as both a source of satisfaction and a source of dissatisfaction. Employees are discontented with their pay when they feel it isn't proportionate with their efforts, is dispersed unevenly, doesn't reflect the responsibilities of the job, or is out of touch with market realities.

In this study, the highest mean score (3.78) stated that this company considers non-financial packages as compensation to its employees and mean score (3.59) states that this organization considers financial packages as compensation to its employees. It implies that it indicates

compensation for employees is done fairly in their organization and it considers non-financial packages as compensation to its employees.

The lowest mean (2.94) was found on item is related to salaries and wages to paying to employees. The next lowest mean (3.15) states that compensation is to some extent linked with the preparedness of management in their organization. However, only few of them strongly agreed that their organization pays good salaries and wages to its employees and their organization considers financial packages as compensation to its employees. All over again, all respondent agrees on the fact whether employees are compensated based on non-financial packages instead of financial compensation packages offered by the surveyed organization that encourage employees to achieve its objectives. As a general rule, this shows that the surveyed organization has been augmented for non-financial packages but it was named as having lower financial related packages. Dissanayake et al., (2016) stated that employees want to get more remuneration for their work as where employers want to pay as minimum as they can. It is the remuneration an employee receives for his or her contribution to the organization. It occupies an important place in the life of employee. His or her standard of living, status in the society, motivation, loyalty and productivity depend upon the remuneration he or she receives..

4.4.4 Performance Appraisal

The table below depicted statistics of performance appraisal practices carried out by the surveyed organization and the perceived outcome of these practices from the viewpoint of employees. The grand mean and each item mean value has been computed as indicated below.

Table 9 Responses on Performance Appraisal

Items	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
Appraisal system is growth and development oriented	15	7%	42	20%	43	21%	57	28%	48	23%	3.40	1.250
There is a well- defined performance management strategy	6	3%	25	12%	49	24%	71	35%	54	26%	3.69	1.079
There are corrective measures for under-performance	3	1%	38	19%	59	29%	53	26%	52	25%	3.55	1.104
The appraisal data is used for decision making	13	6%	21	10%	43	21%	66	32%	62	30%	3.70	1.187
Employees are provided performance-based feedback and counselling.	13	6%	45	22%	31	15%	53	26%	63	31%	3.53	1.301
Grand Mean											3.57	

Survey result, 2022

Regarding the assessment of performance appraisal practices, results in the above table show that all the mean score values were greater than 3.40 and less than 3.70. This is a sign of the respondents' agreement on the various statements on performance appraisal practices of the surveyed organization. Similarly, the standard deviation values were less than two which is a small standard deviation and therefore suggests that respondents had similar opinions. Specially, the mean score 3.57 was rated as very good; the respondents were in agreement that this performance evaluation is reasonably notable in helping this organization achieve its objectives. The HRM practices of this organization displays that too often, performance appraisal is understood just as a once-a-year or biannual organizational tool authorized by the personnel department. This shows that this organization moderately take performance appraisal seriously and use the system well, it is used as an on-going process and not merely as an annual event.

The highest mean (3.70) shows that the appraisal data is used for decision making like promotion, job rotation, training, compensation, transfer and discharge in this organization. In

addition, the next highest mean (3.69) shows that there is a somewhat defined performance management strategy in this organization.

The lowest mean (3.40) shows that there appraisal system is not properly growth and development oriented but the lowest mean shows performance-based feedback and counselling relatively negligible practices in this organization. The majority of them agreed that this organization slightly designed performance evaluations to identify accomplishments, and constraints in implementation of its objectives project which enables decision making on which activities can continue, be modified or be enhanced. They indicated that performance issues like organizational culture and system have been typically neglected. Felix (2018) stated that human resource called attention to the various distinctions between performance appraisal and performance evaluation, but in practice, these two are used interchangeably because both refer to a process by which an employer reviews how well an employee performs and determines the rewards.

The other mean score (3.55) shows that there are better corrective measures for under-performance in this organization. Another less mean score (3.53) shows that employees are slightly provided performance-based feedback and counselling in this organization. As the time for the formal performance appraisal approaches, the manager reflects on how well the subordinate has performed over the course of the year, used the prepared various forms and paperwork that the organization provides to make this assessment, and fills them out. The employee or boss or both fill the appraisal form that as per the direction and talk about how well the person performed over the past twelve months.

4.5 The Magnitude of the Organizational Performance

Another assessment was focused on able to meet the goals it sets, minimizing internal conflict, satisfy the owners/ shareholders, customers' expectations and customer feedback to improve the quality and efficiency. This study requested sampled respondents about their organization's ability to meet the goals it sets. Amanuel (2020) stated about strategic HRM as the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goals. Implied in this meaning is that the crucial goal of strategic HRM is to contribute to organizational performance (i.e., the achievement of the firm's goals).

Table 10 Responses Organizational Performance

Items	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	SD
	N	%	N	%	N	%	N	%	N	%		
My organization is able to meet the goals it sets	10	5%	34	17%	40	20%	101	49%	20	10%	3.42	1.034
The organization functions smoothly with a minimum of internal conflict	11	5%	43	21%	52	25%	76	37%	23	11%	3.28	1.083
My organization can satisfy the owners/ shareholders	11	5%	62	30%	36	18%	71	35%	25	12%	3.18	1.151
Customers' expectations are met in my organization.	10	5%	51	25%	36	18%	71	35%	37	18%	3.36	1.178
Grand Mean											3.31	

Survey result, 2022

Results in the above table show that all the mean score values were greater than 3.18 and less than 3.42. Congruently, the standard deviation values were less than two which is a small standard deviation and therefore suggests that respondents had similar opinions. Specially, the mean score 3.31 was rated as good; the respondents were in difficult situation to agree on its organizational performance. This can be a challenging because of their various standards including sustainability, profitability, pleasing the group, and willingness to deal with environmental changes. One way or another, however, organizational performance can be calculated using financial metrics have generally been thought of as conceptualized on paper rather than in practice. On the results obtained is seen as in this study employees agreed that their organization is able to meet the goals it sets. This implies that this company has built a HR practices that help to shape job infrastructure that can provide maximum amount of information to employee, decentralize decision making, and motivate employees to attain organizational goals.

The lowest mean (3.18) shows that this organization can not satisfy the owners/ shareholders.. The emerging global competition, focus on customers, speed and flexibility have created challenges in all types of organizations in modern market economy. Although development in

the way of identifying precisely which HR practices are linked with better organizational performance has been unacceptable, it is documented that there are best areas in which human resources strategies may be developed. This implies that this organization may further enhance its recruitment, training, compensation, and performance management mechanisms, strategies and policies.

The second mean score (3.36) also shows that customers' expectations are met in this organization. Another mean score (3.28) shows that the organization functions smoothly with a minimum of internal conflict given the employee both a greater understanding of the job and proficiency in doing the task. This shows that this organization lack a proper conflict administration mechanism. The effort to achieve such excellence is through the fundamental elements of the human resource management that is focusing on learning, quality, team work and reengineering which are driven by the way organization get things done and how they treat their people.

4.6 Qualitative Analysis

The majority of the interview responses stated that this company transforms tacit knowledge into explicit knowledge through education and this organization has been building employee skills, competencies, and careers, creating bench strength.

Employee compensation is significant because of its contribution to the cost of production for the employer too. In this organization, the majority of the interviewees indicated that grade and pay structures provide a logically designed framework within which an organization's pay policies can be implemented. So as that, it inadequately able to determine where jobs should be placed in a hierarchy, define pay levels and the scope for pay progression and provide the basis upon which relativities can be managed, equal pay achieved. This organization is understood as an organization that could not completely use a grade and pay structure to serve as a medium through which the organization communicates the career and pay opportunities available to employees.

It is seen as a formal determination of an individual's job related actions and their outcomes within a particular position. According to the majority of the interviewees, this organization often applied slightly organized and formal interaction between a subordinate and supervisor

that usually take the form of a periodic interview, in which the work performance of the subordinate is examined and discussed for improvement and skills development.

In the Ministry of Health in Ethiopia, performance evaluation of employees mainly focuses on outcome measurement but there is also behavioral measurement. Interview employees complained about cultivating employee's talent, competence, skill level and ability, personal life and compensation. But they strongly claimed that this organization maintain employee's moral and ideological behavior, , work attitude, work performance and achievement, and so forth. According to them, employees' lower performance could be linked to the employees' job motivation. Job motivation factors such as payment/reward, working-condition, talent development and job promotion opportunities were assessed and the results show a clear linkage between work employees' job motivation and their performance.

4.7 Results of the Inferential Statistics

4.7.1 Correlation Analysis

This study determined the relationships that existed between human resources in terms of recruitment, training, compensation and performance appraisal and organizational performance using a correlation analysis. Correlation analysis is concerned with measuring the degree of association between two variables, x and y . This study applied Pearson's Correlation Coefficient (Gopa, 2019). The correlation coefficient measures the degree to which two random continuous variables are linearly associated in a sample. It measures the degree of linear correlation between two variables (HRM practices and organizational performance). A sample correlation coefficient (r) measures the strength and direction of linear relationships between pairs of continuous variables. From 0.01 to 0.09, there is a negligible association, 0.10 to 0.29, a low association, 0.30 to 0.49, a moderate association, 0.50 to 0.69, a substantial association, and 0.70 and above, a very strong association (Flex, 2018). The findings are presented in Table 12.

Table 11 Correlation Analysis N= 205

Variables		1	2	3	4	5
Recruitment & Selection 1	Pearson Correlation	1	.415**	.337**	.424**	.443**
	Sig. (2-tailed)		.000	.000	.000	.000
Training & Development 2	Pearson Correlation		1	.307**	.442**	.432**
	Sig. (2-tailed)			.000	.000	.000
Compensation 3	Pearson Correlation			1	.387**	.586**
	Sig. (2-tailed)				.000	.000
Performance appraisal 4	Pearson Correlation				1	.501**
	Sig. (2-tailed)					.000
	Sig. (2-tailed)					.000
Organizational performance 6	Pearson Correlation					1
	Sig. (2-tailed)					

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

* . Correlation is significant at the 0.05 level (2-tailed).

Survey result, 2022

A Pearson’s Product Moment Correlation was conducted to establish the strength of the relationship between the variables. Using correlational analysis, this study attempted to test the relationship between recruitment and selection and organizational performance. As a result, it found that there exists a positive relationship between recruitment & selection and organizational performance (**0.443; .000; P 0.05**). In line with this study, Yosef (2018)’s perception of recruitment and selection has a positive relationship with organizational performance.

This study engaged in correlational analysis to test the association between training and development and organizational performance. Therefore, it found that there is an association or relationship between training and development (**r =.432; .000**) and organizational performance in public service organizations. In this study, Gopa (2019) found that it has a positive relationship with organizational performance.

This study employed correlational analysis to test the relationship between compensation relationships and organizational performance. The result indicated that there is also a moderate positive relationship between compensation and organizational performance; r (**0.586; .000**); P 0.05; thus, the relationship is significant statistically. In proportion to this study, Felix (2018) found that it has a positive relationship with organizational performance.

Similarly, this study employed correlational analysis to test the relationship between performance appraisal and organizational performance. Other related findings indicated there is a relation between performance appraisal and organizational performance, $r(0.501; .000; P 0.05)$. In line with this study, Yosef (2018)'s perceived performance appraisal has a positive relationship with organizational performance.

4.7.2 Multiple Regression Analysis

Multiple regression is a flexible method of data analysis that may be appropriate whenever a quantitative variable (the dependent or criterion variable) is to be examined in relationship to any other factors (expressed as independent or predictor variables). Relationships may be nonlinear, independent variables may be quantitative or qualitative, and one can examine the effects of a single variable or multiple variables with or without the effects of other variables taken into account (Felix, 2018).

4.7.2.1 Assumptions and Diagnostic Test

Attempts have been conducted to test normality, multicollinearity, autocorrelation and test for average value of the error term are found in appendices part; next to the data collection instrument in this study. The assumption test was done based on theoretical and empirical multiple regression concepts. The test results show that the normality, Multicollinearity, autocorrelation and test for average value of the error term were met the assumptions of regression analysis. Problem may arise when two or more predictor variables are correlated. The VIF detects multi collinearity by measuring the degree to which the variance has been inflated. A VIF greater than 10 is thought to signal harmful multi collinearity as suggested.

Table 12 Summary of Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Recruitment & Selection	.731	1.367
	Training & Development	.728	1.373
	Compensation	.753	1.327
	Performance appraisal	.687	1.455

Source: Survey result, 2022

The Variance inflation factor (VIF) was checked in all the analysis which is not a cause of concern that indicated that a VIF greater than 10 is a cause of concern. The basic assumption is that the error terms for different observations are uncorrelated (nonexistence of autocorrelation).

Normality Test

This study used the descriptive statistic of Kurtosis and Skewness statics calculation and demonstrates that the distribution is normal because Kurtosis and Skewness are in between -2 and +2, thus data is normally distributed and had a reasonable variance to use subsequent analysis (See Appendix III). From the finding on the histogram test on normality, the study found that significance in both test were less than 0.05 which is leads to the rejection of the null hypothesis that that data on the all variables were not normally distributed this is an indication that data on the variables were normally distributed.

Test for Autocorrelation

If the observations have a natural sequence in time or space, the lack of independence is called autocorrelation. Assumption that is made of the multiple linear regressions disturbance terms is that the covariance between the error terms over time (or cross-sectional, for that type of data) is zero. To test the presence of autocorrelation, the popular Durbin-Watson Test was employed in this study. The Durbin-Watson statistic is 1.696, representing that the residuals are uncorrelated; therefore, the independence assumption is met for this analysis.

Table 13 Result of Durbin-Watson (N= 205)

Model Summary ^b	
Model	Durbin-Watson
1	1.696

a. Predictors: (Constant), Recruitment & Selection, Compensation, Training & Development, Performance appraisal

b. Dependent Variable: Organizational performance

Linearity

The mean value of response variable (Y) is a straight line function of the independent variables, X' A violation of this assumption may indicate that there is a non-linear relationship between the response and explanatory variables. In consequence, the linear regression model may not

be applicable or fitted to the data under consideration. Therefore, the graph below shows that the regression can run (See Appendix III).

When the homoscedasticity assumption has been met, the residuals will present as being randomly scattered around the horizontal line depicting $\epsilon_i=0$. The above figure portrays the test result of a residual plot demonstrating a relative equal clustering of residuals along the horizontal line in a rectangular shape, therefore, the homoscedasticity assumption seems to have been met. It refers to homogeneity of variances that is, all of the treatment groups have the same variance. The homoscedasticity assumption can be tested through the visual examination of the same residual plots of the standardized residuals and predicted values depicted in the assumption of linearity. When the homoscedasticity assumption has been met, the residuals will present as being randomly scattered around the horizontal line depicting $\epsilon_i=0$. The study found the test result of a residual plot demonstrating a relative equal clustering of residuals along the horizontal line in a rectangular shape, therefore, the homoscedasticity assumption seems to have been met.

Error Term

Test for average value of the error term is zero ($E(u_t) = 0$); the first assumption required is that the average value of the errors is zero. Therefore, since the constant term (i.e. α) was included in the regression equation, the average value of the error term in this study is expected to be zero.

4.7.2.2 Multiple Regression Test Results

Table 14 Regression Test Results Model Summary (N=205)

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.725 ^a	.526	.514	.389	1.696

a. Predictors: (Constant), Recruitment & Selection, Compensation, Training & Development, Performance appraisal

b. Dependent Variable: Organizational performance

Source: Survey result, 2022

The above table portrays the result of multiple regression test and its measurement is made by inferring the value of R^2 to explain the magnitude of the effect of the independent variable on

the dependent variable. Here below illustrated are the linear regression of five independent variables and dependent variable. As shown in Table 15, the overall bundle of determinant factors of the five independent variables were 52.6 % ($R^2 = .526$) explained the dependent variable (organizational performance). This suggests that 52.6 % of organizational performance in the study organization clearly depends on the independent variables while the remaining 47.4 % is determined by other unaccounted factors in this study. Adjusted R-squared (adj. R^2) is 0.514. It means that 51.4 percent of the total variability of the dependent variable (organizational performance) is explained by the stated five independent variables and 48.6 percent of it is explained by other variables.

Table 15 ANNOVA (N=216)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.477	5	6.695	44.152	.000 ^b
	Residual	30.177	199	.152		
	Total	63.654	204			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Recruitment & Selection, Compensation, Training & Development, Performance appraisal

Source: Survey result, 2022

Based on Table 16, the ANOVA test shows that the regression model has a significant effect on organizational performance since F-statistic was 44.152 with a P-value of 0.000 is less than 0.05 ($0.000 < 0.05$). This shows that, the regression model is statistically significant in explaining the relationship that happens between study variables. Hence, implying good fit for the model since it shows significant effect of HRM impacts and organizational performance.

Table 16 Coefficients (N=205)

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	1.982	.214		9.247	.000
	Recruitment & Selection	.127	.043	.169	2.963	.003
	Training & Development	.097	.043	.131	2.287	.023
	Compensation	.265	.043	.343	6.108	.000
	Performance appraisal	.121	.038	.190	3.235	.001

Source: Survey result, 2022

Multiple linear regression was carried out to investigate the relationship between recruitment and selection and organizational performance. Recruitment and selection had a significant impact on organizational performance ($p = .003$). For recruitment and selection, there was a .127 increase in organizational performance for each extra determination on best recruitment and selection practices.

Table 17 contains the Sig column that displays the p-values for each of the independent variables. A p-value of 0.05 indicates that the coefficient is not equal to zero. Organizational performance is significantly predicted by training and development ($p = .023$). If the independent value is significant, explain the relationship between the independent and dependent variables using the Unstandardized Coefficient B.

Multiple linear regressions were carried out to investigate the effect of compensation on organizational performance. Compensation had a significant effect on organizational performance ($p = .0001$). For each extra effort of well-managed employee compensation, there was a .265 increase in organizational performance. Yosef (2018) also found that compensation has a positive relationship with organizational performance.

This study employed multiple linear regression to investigate the relationship between performance appraisal and organizational performance. Performance appraisal had a significant effect on organizational performance ($p = .001$). For compensation, there was a .121 increase in organizational performance for each additional determination on the performance appraisal. On the basis of this statistic, the study concludes that there is a significant positive relationship between performance appraisal and the organizational performance of public organization. According to Amanuel (2020), the most essential employee performance factor is performance appraisal.

4.8 Discussion and Hypothesis Testing

4.8.1 Recruitment & Selection

H1: Recruitment & selection has positive influence on organizational performance.

This study applied a Pearson correlation analysis. The results demonstrated that the relationship between recruitment and selection and organizational performance exists ($r = .443, .000$), and an attempt was made to test the level of effect recruitment and selection have on organizational

performance in a health service organization by applying multiple regression analysis. Therefore, the finding of the regression analysis displays that recruitment and selection (*Sig, 0.003*) has a positive and significant effect on organizational performance; this assures that the hypothesis is accepted. Similarly, Anwar and Qadir (2017) claimed that highly selective recruiting is beneficial for finding the correct candidate who is able to deal with a diverse set of job requirements, with the necessary abilities and experience, which fit well into the context, while ensuring they have the needed abilities and necessary qualities, they have been selected to face a dynamic culture and surroundings. Since recruitment and selection will be a focal point in the determination, since HRM is interested in the development of a mixed package of policies in order to manage people, Yosef (2018) found it has a positive and significant effect on organizational performance. Recruitment and selection practice as a component of human resource management has been found to have a positive influence on organizational performance, thus empowering the organization to have a competitive edge (Daniel and Mekonen, 2020). Yosef (2018) also stated that a better company performance is the result of excellent recruiting and selection processes. Govand and Nabaz (2021) also specified that when the best personnel are hired and retained, the quality of products and services improves. When the best people are identified, employed, trained, and retained, financial success improves. Recruitment and selection is part of a multifaceted human resource process. It basically includes vigorously and actively seeking out and publicizing to potential applicants and gaining their interest in the needed position while selection is highly related to the process of determining the best candidate from the pool of applicants. However, Gopal (2019) stated that selection in human resource management is the same as recruitment. This is the method by which the human resources (HR) section of an organization searches for and recruits employees to fill identified open positions within the company.

4.8.2 Training and Development on Organizational Performance

H2: Training and development have significant impact on organizational performance

This study employed person correlation analysis, this study established the relationship between training and development and organizational performance ($r=.432, .000$), and this study attempted to test the level effect of training and development has on organizational performance in the studied organization by applying multiple regression analysis. As result, the result of the regression analysis shows that training and development (*Sig, 0.023*) has a positive and significant effect on organizational performance; this promises that the hypothesis is

accepted. In line with study, Miranda and Fernando (2020) stated that the employees who have much on experience of job have better performance because there is an increase in both the competencies and skills because of much on experience in job. They also involved in a main significant element of human resource management. Anwar and Qadir (2017) found it has a positive and significant effect on organizational performance. They stated that it increases the firm specificity of employee skills, which, in turn, increases employee productivity and reduces job dissatisfaction that results in employee turnover. Training and developing internal personnel reduces the cost and risk of selecting, hiring, and internalising people from external labour markets, which again increases employee productivity and reduces turnover (Daniel and Mekonen, 2020). Training like job security requires a certain degree of reciprocity: Training and development can be observed as the major factor in the creation of employee human capital, which determines the long-term productivity of the employees' behaviour Training and development is supposed to have significant impact on employees' performance as well as organizational performance (Pamella, 2018).

4.8.3 Compensation on Organizational Performance

H3: Compensation positively influence organizational performance in service organization

This study established the relationship between employee compensation and organizational performance ($r=.586, .000$) using correlation analysis. This study also attempted to investigate the effect of employee compensation on organizational performance in health service organization by using multiple regression analysis. As a consequence, the result of the regression analysis displays that compensation (**Sig, 0.0001**) has a positive and significant effect on organizational performance; this assure that the hypothesis is accepted. Performance-founded compensation is the dominant HR practice that firms use in order to evaluate and reward employees 'performances (Mousa and Othman, 2020). There is consensus that Performance-founded compensation has a positive effect upon employee and organizational Performance. Employee motivation, founded on perceived expectations, can provide link between compensation and Performance. Expectancy theory posits that pay level will influence employee Performance when employees perceive that a relationship exists between their efforts and Performance and employees gain specific benefits if they perform well (Anwar, 2017). At this time, compensation and benefit plays a significant role for the organization that aim to accomplish their objectives and goals. Poor remuneration and benefits will result in low

performance, which will lead to low satisfaction, which will increase employee absenteeism, lowering the outcome (Mousa and Othman, 2020). Compensation shows an important role in influencing job satisfaction. It stimulates employees to work harder, thus increasing productivity and enhancing job performance. Its effective management is vigorous and essential for employee motivation. Employees who are acknowledged for the value they bring are more likely to be motivated, loyal and higher performing than those who're not. There are different ways that management and HR department can provide appreciation (Gopal, 2019). Besides, productivity concerning compensation starts with employees feeling esteemed which escalates their inspiration and loyalty. Not only are employees more inspired to do a good job, but also, the longer people are with the firm, the more they know and the more efficient they become (Miranda and Fernando, 2020)

4.8.4 Performance Appraisal

H4: Performance appraisal positively influences organizational performance

Using correlation analysis, this study established the relationship between performance appraisal and organizational performance ($r=.501, .000$). This study struggled to verify the effect of performance appraisal on organizational performance in health service organization by applying multiple regression analysis. Then, the result of the regression analysis displays that performance appraisal (*Sig, 0.001*) has a positive and significant effect on organizational performance; this assures that the hypothesis is accepted. In line with study, Daniel and Mekonen (2020) indicated that the likelihood of organization performance increases as Performance appraisal (PA) increases. The coefficient indicates that, increasing the Performance appraisal (PA) by one unit increases the probability of organization performance by nearly (.218) times other predictor variables being held constant in the model. Performance appraisal (PA) was positively related with organization performance and significant at (.011) probability level. Mousa and Othman (2020) revealed that it has a positive and significant effect on organizational performance. This is due to the fact that it is a significant management tool to assess employees' efficiency in the workplace, and it is structured formal interaction between a subordinate and supervisor that usually takes the form of a periodic interview to evaluate the work performance. Thus, it can be concluded that performance appraisal positively influences organizational performance. Performance reviews assist the employee in keen-sighted how her role in the organization contributes to the business's all inclusive success, thus growing employee morale. All of these lead to higher efficiency among employees, which advances

organizational productivity. Employees are motivated to work towards organizational goals when employees are respected for their contribution. During the appraisal process, incentives such as promotions, salary hike, employee development programs, rewards, etc. act as great motivators (Pamella, 2018).

4.8.5 Summary of Hypotheses

Table 17 Summary of Hypotheses

Variables	Hypothesis	r	Sig.	Decision
Recruitment & Selection	Recruitment & selection have positive and significant effect on organizational performance.	.443* *	.003	Supported
Training & Development	Training and development have positive and significant effect on organizational performance	.432* *	.023	Supported
Compensation	Compensation has positive and significant effect on organizational performance in service organization	.586* *	.000	Supported
Performance appraisal	Performance appraisal positive and significant effect on organizational performance	.501* *	.001	Supported

Survey result, 2022

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary of the findings, conclusions, and policy recommendations penned after analyzing the data in Chapter Four. From the research and recommendations derived with respect to the influence of human resource management practices and the performance of public organization in Ethiopia, This part of the study presents the concluding chapter of the study, which includes a summary of findings, a conclusion, and appropriate recommendations regarding the study findings.

5.2A Summary of Key Findings

This study examined the effect of HR practices on the organizational performance of the Ministry of Health in Ethiopia. Using a descriptive and explanatory research design, this study found that

- There exists a strong positive relationship between recruitment and selection and organizational performance and it has a significant effect on organizational performance.
- The findings show that there exists a positive relationship between training and development and organizational performance and that it has a significant effect on organizational performance.
- There also exists a positive relationship between compensation relationships and organizational performance, and it has a significant effect on organizational performance.

5.3 Conclusions

According to the study, recruitment and selection, training and development, compensation, and performance appraisal all have a positive impact on the performance of Ethiopian public organizations. HRM practices have been adopted by public organizations in order to achieve positive performance. Based on the research study results, the overall effects of HRM practices

(recruitment, compensation, training, and performance appraisal) towards positive performance in public organizations are significant. Since HRMP practices have become one of the most popular ways to improve performance in organizations in recent years, based on empirical evidence, the research results provided evidence for this assertion and support future research studies related to this study.

5.4 Recommendations

- The study recommends that public organizations should ensure there is sufficient compensation as this is likely to positively influence performance, as revealed by the research study.
- Enhance capacity building by exploiting both qualified internal staff as well as external experts to train staff based on training needs assessment. Public organizations should give due consideration to training and development undertakings, create a constructive environment for planning and implementation of training and development programs, and consider training and development as a legitimate and valued workplace activity.
- Research findings also exhibited that performance appraisal relates positively to organizational performance; hence, public organizations should increase training of their employees so as to reap the benefits of a well trained staff.
- The research study commends that recruitment should be enhanced as it is shown to influence performance.
- HR planning goes hand in hand with a public organization's strategic planning that may include organizational decisions about what it wants to accomplish (its mission) and how it wants to go about accomplishing it.
- HR policies and practices should be interconnected with the Ethiopian public organization's overall strategy (strategic human resource management (SHRM) as human resource policies will have direct effects on an organization's profitability. This study suggests that HR must "fit" strategically with the mission of the organization.
- Because they have different preferences in candidates, public organizations should implement an appropriate selection process. Applicants need to be nominated based on requisite abilities, talents, knowledge, attitude, and qualifications using appropriate selection methods.

- The appraisal system ought to be openly pronounced as the specific purpose of the appraisal. Public organizations that obviously state the purpose of the appraisal reduce the confusion and ambiguity of the process. These organizations need impartial and accurate evaluation and feedback, which requires strong goals to be established. Performance-related reward systems are significant in enhancing organizational performance; therefore, the organization should implement them to motivate employees who achieve the set targets.

5.5 The Findings' Implications

The findings have practical implications for various groups. For instance, the results of this study suggest that organizational performance is dependent on the resourceful integration of human resource management practices and how these practices are shared together in government institutions that have diverse HR characteristics and organizational features. When practices of human resource management are combined in different forms, their impacts on the performance of an organization are much larger than when practices are pronounced individually. It is important to note that the strategic link between varied human resource management practices and performance does not embrace individual activities as much as internally consistent and interrelated practices known as bundles.

5.6 Directions for Future Research

More studies ought to be done to examine other HRMP factors that may influence performance. Additionally, upcoming scholars should find a large population of private as well as public firms to determine whether the results can be generalized. The study proposes that a similar study be done in all public and private services as well as manufacturing companies in Ethiopia for the purposes of benchmarking and further research attainment. This would allow for the generalization of study findings. Further, this study suggests that a cross-sectional study should be conducted in other organizations in various sectors of the economy.

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Annex

Appendix I - Questionnaire in English



(Employee Survey)

Dear Respondent,

I, Rukya Mohammed, a student of School of Commerce, AAU, pursuing Masters of Business Administration (MBA). As part of my academic curriculum I am conducting a research to assess the ‘*Effects of Human Resource Practices on Organizational Performance in public organization-Ministry of Health*’. I hope to get relevant information from you as a stakeholder in matters that are important for this study. The study is solely for academic purposes and the information given will be treated with strict confidentiality. I therefore, humbly request you to spare some time and answer the following questions. Thank you very much for your understanding. The questions intended to collect information on Effects of Human Resource Practices on Organizational Performance.

Directions -

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

Thank you for your co-operation in advance

Best Regards,

Rukya Mohammed

PART II. Human Resource Practices and Organizational performance

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

Code	Scale	1	2	3	4	5
Recruitment and Selection						
RS1	Appointment in my organization is based on merit					
RS2	Applicants are fully informed about the qualification required to perform the job before being hired					
RS3	There is formal induction, orientation and familiarization processes designed to help new recruits understand the organization					
RS4	In this organization line managers and HR Managers participate in the selection processes					
Training and Development						
TD1	In your organization, there is an annual plan for the training and development of the human resources that are set according to their needs					
TD2	Your organization trains the human resources in order to increase their knowledge about their jobs.					
TD3	Your organization trains the human resources to develop their professional Skills					
TD4	Training is linked with the preparedness of staff.					
TD5	In your organization, there is an environment that stimulates learning.					
TD6	The ministry is working to develop appropriate plans to train all workers according to prepared studies and plans.					
Compensation						

Co1	In your organization, compensation for employees is done fairly.					
Co2	Your organization pays good salaries and wages to its employees.					
Co3	Your organization considers financial packages as compensation to its employees.					
Co4	Compensation is linked with the preparedness of management.					
Co5	Your organization considers non-financial packages as compensation to its employees.					
Performance appraisal						
PA1	Appraisal system is growth and development oriented in my organization.					
PA2	There is a well- defined performance management strategy in my organization.					
PA3	There are corrective measures for under-performance in my organization.					
PA4	The appraisal data is used for decision making like promotion, job rotation, training, compensation, transfer and discharge in my organization.					
PA5	In my organization, employees are provided performance-based feedback and counselling.					
Organizational Performance						
OP1	My organization is able to meet the goals it sets					
OP2	The organization functions smoothly with a minimum of internal conflict					
OP3	My organization can satisfy the owners/ shareholders					
OP4	Customers' expectations are met in my organization.					

(i) Other Questions

(i) What human resource management practices do you apply in a leading public health organization?

(ii) Please indicate any other Human Resource Management (HRM) issues in public organization namely Ministry of Health in Ethiopia.

(iii) Suggest at least ways to improve HR management practices and enhancing organizational performance of of public organization namely Ministry of Health in Ethiopia.

Thank you again!

Appendix II - Interview guide

I, Rukya Mohammed, from AAU, pursuing my MBA. As part of my academic curriculum I am conducting a research to assess the 'Effects of Human Resource Practices on Organizational Performance in public organization-Ministry of Health'. I have five basic questions to obtain related data from you. Can I proceed? Thank you!

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

- (ii) Do you conduct recruitment and selection in public organization: If yes, to what extent does it influence organizational performance:

- (iii) Do you conduct training and development in your organization: If yes, to what extent does it influence organizational performance:

- (iv) Do you conduct compensation management in public organization: If yes, to what extent does it influence organizational performance?

- (v) Do you conduct performance appraisal in your organization: If yes, to what extent does it influence organizational performance?

Thank you again!

Appendix III

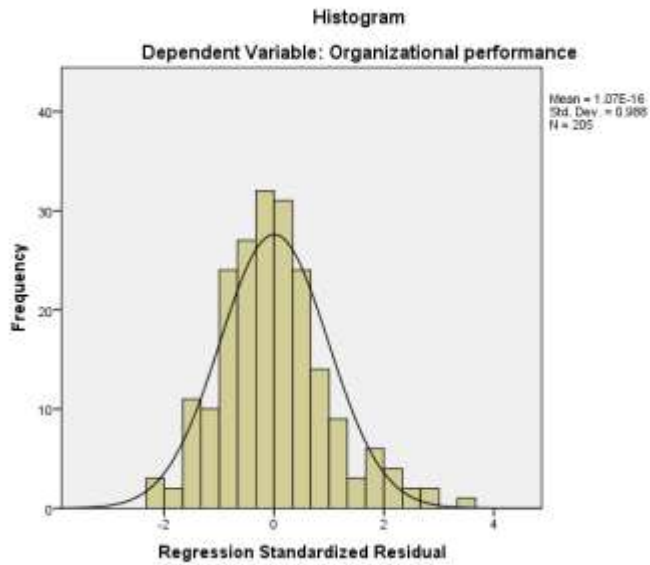
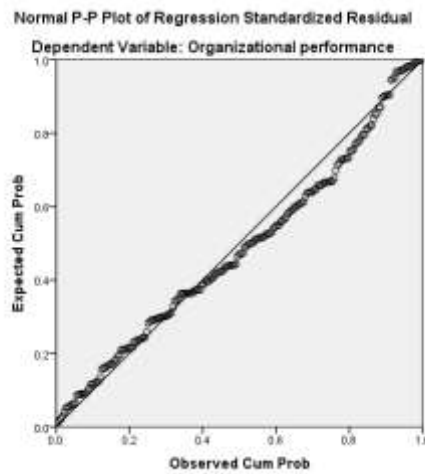


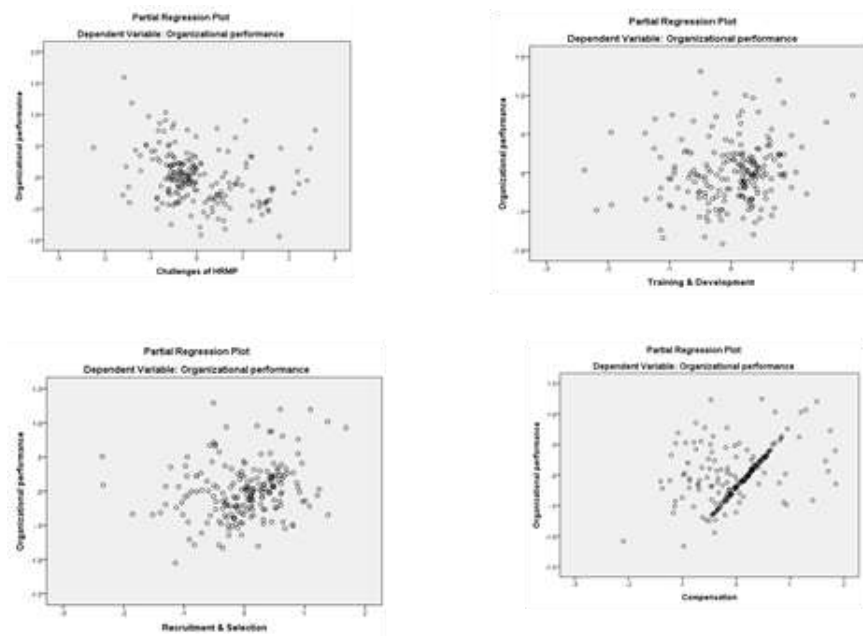
Figure 2 Histogram
Source: Survey result, 2022

Linearity Test



Source: Survey result, 2022

Figure 3 Normal P-P Plot



Source: Survey result, 2022
Figure 4 Scatter Plots