

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMIC
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THE EFFECT OF HUMAN RESOURCE MANAGEMENT
PRACTICE ON ORGANIZATIONAL PERFORMANCE: IN
THE CASE OF COMMERCIAL BANK OF ETHIOPIA

*A Thesis submitted to the Office of Graduate Studies as Partial
Fulfillment of the Requirement for Masters of Arts Degree in
Human Resource Management*

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Declaration

I, the undersigned, hereby declare that this thesis entitled “Effect of Human Resource Management Practice on Organizational Performance: In the Case of Commercial Bank of Ethiopia” is my original work and has not been presented for any other program or university. I also assure that all sources of materials used in undertaking this thesis have been duly acknowledged.

BISRAT MESFIN

Signature

Date

Statement of Certification

I certify that Bisrat Mesfin has carried out his own research work under my guidance on the topic of “Effect of Human Resource Management Practice on Organizational Performance: In the Case of Commercial Bank of Ethiopia”

This work is done for submission as a partial fulfillment requirement for the award of master’s degree in human resource management.

Advisor: Dr Abeba Beyene (PHD)

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Abstract

Human Resource Management Practice in a broader sense, it covers the practices applied by human resource management of any organization that directly influence the effort of everyone in the organization for the success of organization. The current business environment try to possess a unique resource which could bring competitive advantage to the organization through implementing effective human resource management practice. The main objective of this research was therefore, to study the effect of human resource management practice on organizational performance. With the main independent variables i.e. Human Resource Planning, Training and Development, Performance Management, Compensation Management, Promotional Practice. To collect the necessary data for the study, questionnaires were distributed, collected and analyzed from 213 respondents. The analysis was done using IBM SPSS statistical software 20 and the findings shows that there were a positive relationship between human resource management practice of Commercial Bank of Ethiopia and its organizational performance except promotional practice has no significant effect. The study result shows that the study organization currently has a weak human resource management practice that directly affect organizational performance. The study finally recommended that the bank should revise its human resource management practice for a competitive and advanced service and performance.

Key Words: *Human Resource Management(HRM), Human Resource Management practice(HRMP) , Human Resource Planning(HRP) , Organizational Performance, Commercial Bank of Ethiopia(CBE)*

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Acronyms

HRP - Human Resource Planning

TD- Training and Development

HR-Human Resource

HRMP- Human Resource Management Practicr

OP- Organizational Performance

CBE- Commercial Bank of Ethiopia

PM- Performance Management

CHAPTER ONE

INTRODUCTION

This chapter provides an overall introduction about the research study by discussing the background of the study, statement of the problem, research objectives, and research questions, scope of the study, limitation of the study, definition of terms and finally organization of the study.

The sub sections of the chapter are discussed in detail below.

1.1 Background of the Study

Organizations can develop sustained competitive advantage only by creating value in a way that is rare and difficult for competitors to copy. Other organizational sources of competitive advantage such as natural resources, technology, economies of scale, and so forth, they can create value but these sources are increasingly easy to imitate. If that is so, human resource strategies may be an especially important source of sustained competitive advantage (Armstrong, 2010).

In competitive and rapidly changing business world, organizations, especially in the service sector need to ensure maximum utilization of their resources to their own advantage is crucial for organizational survival. Studies have shown that organizations can create and sustain competitive position through management of non-substitutable, rare, valuable, and inimitable internal resources such as human capital (Jing et al. 2012). In addition to the above, present business environment which has a very tight competition, the frustration level of organization has increased day to day due to failure on human resource management practice that directly and indirectly affect their organizational performance and many organizations are also trying to implement the best human resource practice which help them to gain competitive advantage on their market share.

Before some years ago HR functions was the preserve of “Personnel Managers” whose responsibility were to recruit and select, appraise, promote and demote. These duties could be performed by any manager, therefore never seemed necessary to employ an expert in the form of a human resource manager let alone create a whole department dedicated to HRM. Little attention was paid to human resource management issues and its impact on organizational performance. The emphasis on traditions and socio-cultural issues injected an element of subjectivity in “personnel manager” functions such as recruitment and selection, performance appraisal, promotion, demotion, and compensation (Daud, 2006).

In Ethiopia, human resource management practices have not been issue for long time. It becomes concern in recent times compared to the other side of the world. Especialy, in the early 1990s’ after the derg regim down the economy policy changed in to free market and organizations start to organize their own personnel management department to perform human capital related processes.

Many researchers have been studied extensively to understand the effect of human resource management on firms performance but the ones that have a significant effect on firm performance are compensation & benefits management , training & development ,performance management, human resource planning and effective promotional practices . These are considered by organizations to be important human resource practices due to the following reasons. Compensation & benefits management are needed in organizations for financial income and well-being of their employees. Employees’ living status in society, satisfaction, loyalty, and productivity are influenced by compensation. Employees also need to be provided with training & development to develop their skills and perform to be better at what they are doing. Training and development can lead to superior knowledge, skills, abilities, attitudes, and behavior of employees, and enhancing excellent financial and non-financial performance of the organizations. The quality of performance management of organization also help to identify

how well the individuals in the organization are performing to contribute for the total organizational performance and also it could be sources for promotion and generally helps for retaining quality employees and improve organization performance.(Sorasak Tangthong et al 2014).

Human Resources are the significant asset of any organization to achieve organizational goals and many assets can be copied and maintained by others easily but the skill and competencies level held by employees can bring special advantage to any organization which gives unique competitive advantage. Human resource management is all about policies and practices of any organizations concerned with HR, i.e human resource planning, recruitment and selection, succession planning program , reward management, training and development, performance evaluation and promotional practices are some of HR practices(Dessler, 2007) . he also justified that companies now a day becoming more aware of that employees could be the greatest strength of all and aligning different HR practices with knowledgeable HR specialists could bring competitive advantage. (Dessler, 2007).

Therefore, by integrating and association HR practices and policies to the strategy of organization and by maintaining good practice organization can win the market easily.

The banking industry of Ethiopia has tougher competition now than ever before. There are almost 19 banks presently which 16 are private banks and 3 government owned banks. They are using different strategy to win the trust of the market. They are fighting for excellence in their service. To bring quality service, they should have a quality human resource applicability in their service. Customer is the main reason why the business is established and customer preference of banks determine by the quality of service they received. Quality service is determined by effective and efficient applicability of HRM practices. Human resource planning should be review and forecast the human resource need and fill the gap immediately before it affects the service. Recruitment and selection process should find out the right

candidate and select the best of them, when knowledge gap is there training and development program should take place so that the efficiency level of employee will increase and customer perception about quality service will meet and also other HRM practices directly and indirectly affect the level of service quality.

The intention of this study was to investigate the general HRM practice as well as their effect on CBE's performance with the aspect of quality service, employee satisfaction and innovation and how those variables affected by the human resource management practices.

1.1.1 Background of Commercial Bank of Ethiopia

The Commercial Bank of Ethiopia is an organization that engaged in the banking industry. The history of the Bank dates back to the establishment of the state bank of Ethiopia in 1942. CBE was legally established as a share company in 1963. In 1974 CBE merged with the privately owned Addis Abeba Bank. Since then it has been playing significant role in the development of the country.

Commercial Bank of Ethiopia is Pioneer to introduce modern banking to the country. It has more than 1250 branches stretched across the country. CBE plays a catalytic role in the economic progress and development of the country. It is also the first bank in Ethiopia to introduce ATM service for local users. It has strong correspondent relationship with more than 50 renowned foreign banks like Commerz bank A.G, royal bank of Canada, city bank, HSBC bank and others.

CBE combines a wide capital base with more than 32,000 employees. CBE strongly believes that winning the public confidence is the basis of success. It is the first to introduce Western Union money transfer service in Ethiopia early in 1990s and currently working with other 20 money transfer agents like Money Gram, Atlantic International, Xpress Money.

CBE has opened four branches in South Sudan and has been in the business since June 2009. It has also reliable and long standing relationships with many internationally acclaimed banks throughout the world.

CBE's envisions is to become a world class commercial bank by the year 2025, and its mission indicates its commitment to best realize stakeholders needs through enhanced financial intermediation globally and supporting national development priorities, by deploying highly motivated, skilled and disciplined employees as well as state of the art technology.

Its values include integrity, customer satisfaction, employees satisfaction, learning organization, teamwork and collaboration, public trust, value for money, decentralization, and corporate citizenship. Its organizational culture focuses on collaborative, accountable, cost-effective and innovative bank in Ethiopian banking industry.

To see its vision wear body and its mission to be achieve and to make sure the core values to be changed in to reality as well as to exercise the best organizational culture and perform well, developing an effective HRM practice is unnegotiable.

1.2 Statment of the Problem

Banks are profit seeker and to be profitable many researchers(Arthur:1994, MacDuffie:1995 ,Guest and Hoque:1994) implicated that organizations should be given proper consideration for the relationship between HRM practices they are using and the performance they aquire.Many previous researches on effect of human resource management on organizational performance shows that any organization who fails to perform HR practices by aligning to the organization strategy and to organize well all HR activities, has been suffering major bankrupcy and even they could not survive due to the reluctantenss to their human resource, therefore, any organization should give detail consideration to its HR.

According to Daud(2006), "the importance of having a competitive human resource is the same with the success of today's organizations. CBE is one of the largest bank in Ethiopia

with more than 33,000 employees. This large number of employee contributes significantly to the performance of organization.

The Bank has the system in place to integrate HR practices to the performance of organization according to the HR policy of the organization. However, there are many complaints of employee about the aplicablity of HR practices. This is because most of the time the company did not show care about employees, and even there is an observation that middle level managers interpret the HR policies as they wish. Due to dissatisfaction by HR practices many employee leave the company every year. According to annual report of Commercial Bank of Ethiopia,2015/2016,2016/2017,2017/2018 shows that in 2008E.C the turnover rate of CBE was only around 4.04% which 88% of this employees leave due to dissatisfaction of promotional practices and salary. According to Kimberlee Leonard(2019), the average turnover rate should not be greater than 3.5% but others agree up to 5% as a normal turnover rate but in CBE In 2009E.C the turnover rate increased to 6.36% and in 2010E.C the turnover rate was stabled at 6.21%. Turnover is a normal process for organizations but what makes here different is many employees leave because of their dissatisfaction. This level of dissatisfaction presents to the higher managers of the bank through employees satisfaction survey shows 56% of employees dissatisfaction level.(source:banks portal address). However, the management replied again and again for this mess by traditional saying” if one leaves, others comes, the market has bulk of unemployeed labour force”. This violates the HR policies and practice of the organization.

In the case of commercial bank of Ethiopia the current Human Resource planning team seems not working according to the plan of the bank which intended to meet being world class bank by 2025. There are many complaints from branch managers and assistant managers due to lack of human resources in branches. For instant branches like Bethel has a total 20 windows which are prepared to serve customer. However, only 11 are in function and even

most of the time this windows also are not in function because of lack of human capital. Last two years the request made by a branch has been found and reviewed, the request shows the branch needs 12 additional employees and requested, but still not assigned even a single one. Employees are forced to work extra time and burden which get them frustrated and being sick due to high job burden. Again the secondary data of three branches has been reviewed and it explain that at least 2 employees are sick with in a week and take a sick leave. There are many branches shares the same difficulties like Bethel including Tesfa Dirijit, Atena Tera, Weyra Sefer, Torhayloch are least of them. Due to this they can not satisfy customer needs and also many burdens has been transfered to single employee due to there is no other person to share their burden. It seems that the problem arises from the planning department which should fill the gap of human capital when they needed and forcast the need for future jobs.

The other problem which the bank suffering now is that most employees are not receiving enough training directly related to their work. CBE has training center which just give trainings for the sake of meeting it's training plan and due to employees are not taking trainings when in need, the knowledge gap leads to customer dissatisfaction and lose organization performance. Many trainings are given after employees thought him/her self on the job and it dose not present timely. For the sake of this paper random sample(pre-tested) of 60 employees has been asked to fill open end question about the training and 88.3% or 53 of them approves that one employee may take several kind of training while others are not taking even a single training. Senior staffs are taking an elementary trainings which has to be given for juniors. This comes from reluctantness of the HR in providing and coordinating the training(approved by result of this study) .

In addition, the current compensation system(reward management) of the Bank lags from the industry and become the most controversial situation for the bank. According to Addis Standard Economic Commentary by 2018, the avarage payments of private banks in

Ethiopia is 140\$ per month and the average salary of CBE is 106\$ per month. Many employees are leaving the bank due to unsatisfactory pay level of the bank and the turnover has been increased in significant way. Labour union and the management could not reach at understanding each other on this topic. Many employees become careless about their job and disappointed on the bank by expecting non sense promise of salary rises for last two years from the bank president.

The other problem which is revealed in CBE is that the performance evaluation system of the bank is very jugmental. According to HR policy of the Bank, the promotional process should follow the evaluation system to promote employees. When the evaluation gets personnaly merited, some employees are favored to promote and others are demerited due to jugemental evaluations. Many employees are dissatisfied with the evaluation system of the bank so it needs to be studied what causes this problem.

Lastly, the promotional practice of the bank since many years back to present, comes with many complaints of favorism due to religion, racism, gender and other reasons. Many employees presents to each district managers with their complaints about the HR department promotioanl practice(i.e in West Addis Ababa District City branches there were 541 complaints on promotional practice of the district in 2010 E.C by confirmed data collected from employee to re-assigning employeeyes with the new organizational structure which the company is trying to implement). However, still seems that nothing is changing and employees continues with their complaints, so it requires a proper considaration.

Such problems with the alignment of HRM practice with the strategic goal of the organization in the long run may affect meeting the core value of the organization. In addition, the competitive position of the Bank may be taken by competitors due to reluctantness to their human capital which is a source of competitive advantage.

1.3 Objectives of the Study

1.3.1 General Objective

General objectives of this research is to identify the effect of HRM practice on organizational performance. In the case of Commercial Bank of Ethiopia.

1.3.2 Specific Objective

The specific objectives of the study were:

- To find out the perceived effect of HRP on organizational performance of CBE.
- To find out the perceived effect of HRD on organizational performance of CBE.
- To find out the perceived effect of Performance Management on organizational performance of CBE.
- To find out the perceived effect of Compensation Management on organizational performance of CBE.
- To find out the perceived effect of Promotional Practices on organizational performance of CBE.

1.4 Research Questions

- What is the effect of Human Resource planning practice on organizational performance?
- What is the relationship between training and development with organizational performance?
- To what extent performance evaluation related to organizational performance?
- What is the relationship between Reward management and organizational performance?
- What is the promotional practices that have been take place and their influence over organizational performance?

1.5 Significance Of the Study

The findings of the study, if applied, are believed to benefit the Bank by identifying the gaps in the implementation of the human resource practices and their perceived effect on organizational performance. It will also have significance to employees by identifying the areas in which they will be dissatisfied and communicating it to the Bank authorities.

Lastly, this research may provide additional output for the reserach world and it will provide the way for further reserach.

1.6 Scope of the Study

1.6.1 Conceptual Scope

HRM practices covers all human resource management strategical roles that may bring effectiveness and efficiency to the organization. Trying to adress all in one is almost impossible. Therefore, conceptually this reserach focus only five HR practices that are believed to be most influencial on CBE's performance(HRP, training and development, Performance Management, Compensation, and Promotional practices).

1.6.2 Geographical Scope

Commercial Bank of Ethiopia is the largest bank in Ethiopia by having more than 1200 branches and it covers almost all over the country. And due to time and cost shortage the study had take place only on branches found in Addis Ababa, even Addis Ababa branches divided by four districts and this research focus had been branches found in West Addis Ababa District. The reason behind was that many branches and large number of employees are found in West Addis District than others. The study were take a sample of 15 branches geographically located in West Addis Ababa District namely, Alembank ,Atena Tera, Ayer Tena, Bethel, Coca Mazoriya, Eyesus Gedam ,Good Sheepeared, 18 Mazoriya, Reppi, Sefereselam, Tesfa Dirijit,Torhayloch,Tropical, Weyra, and Zenebwork.

1.6.3 Methodological Scope

The research design was follow quantitative and qualitative approach and used a descriptive way of statistical explanation using statistical data and used correlation to show relationships among dependent and independent variables as well used regression to show the significance level.

1.7 Limitation Of The Study

Because of conceptually limited to only five human resource management practices, we can not conclude that those five are the only determinants of organizational performance and we can not see the magnitude of other HRM practices effect on organizational performance.

Addition to the above, the study geographical scope is too limited and this limitation affected the real representativeness of the total population. Addis Ababa branches experience may not be shared what outlet branches experienced.

Finally, the methodology selected may require a proportionate consideration because of statistical data may be interpreted wrongly and totally changed the result.

However, the above problems are the case, the study tried to overcome by providing best representativeness of population by better sampling method. Also by working detail on the practice on hand, the study tried to make sure other HRM practices are also covered. Also by being effective user of time and cost, try to avoid miss interpretation of data and avoid collection of wrong data.

1.8 Definition of Terms

Human Resources Management - Human resource management (HRM) is concerned with all aspects of how people are employed and managed in organizations. It covers the activities of strategic HRM, human capital management, knowledge management, corporate social responsibility, organization development, resourcing (workforce planning, recruitment and selection and talent management), learning and development, performance and

reward management, employee relations, employee well-being and the provision of employee services. (Armstrong,2014).

Organization Performance-compromises the actual output or results of an organization as measured against its intended outputs(Armstrong, 2014).

HRP- is a core process of human resource management that is shaped by the organizational strategy and ensures the right number of people with the right skills, in the right place at the right time to deliver short- and long-term organizational objectives(CIPD,2010)

Training- is a process of learning a sequence of programmed behavior or give people an awareness of rules and procedure to guided their behavior and help them how to apply their knowledge on the the job. It tries to improve the existing level of skills, knowledge and attitudes of employee(Becker, B E and Huselid, M A,2006).

Development-is a process of providing employee with the abilities the organizations will need in the future(CIPD,2010).

Performance evaluation- Performance Appraisal is the specific and formal evaluation of an employee based on documented feedback conducted to determine the degree to which the employee is performing his or her job effectively(CIPD,2010).

Reward Management(compensation)- defined as the processes of deciding how people should be rewarded and of ensuring that reward policies and practices are implemented(Armstrong,2010).

Promotional practices- movement of employee from with in or external to higher position and the way how to do it(Armstrong,2010).

1.9 Organization of the Research

The reserach paper had been organized in five chapters.

Chapter one dealt with the introductory part which includes background of the study by trying to see previous studies and also the background of the company which this paper is

made. Then by stating the problem why intended to do this paper directly go to the objective of the study. The objective has been organized as a general objective and specific objectives. After set out the objective it tries to topout the quetsions this research rely on. after finishing quetsion then everything has some benefit of doing otherwise it is worthless, so it continues by identifying the significance of the study and set out what is the scope covered in this paper and what was expected to limit the strech is organized in limitation of the study. Finaly chapter one is ended by terms definition to give detail understand what opeational words mean.

Chapter two dealt with litratures reviewed from different authors and chapter three dealt with the methodology used through out the research and chapter four dealt with what findings were there after finishing the reserach(analyzing) and brifly discussed the outcome of the reserach and chapter five dealt with the summery of findings,conclusion and recommendation part of this final paper.

CHAPTER TWO

LITRATURE REVIEW

This chapter presents the theoretical and empirical literature review from reputable sources. It also presents the hypotheses and the conceptual framework of the study.

2.1 Theoretical Literature Review

2.1.1 The Concepts of Human Resource Management

Human Resource Management (HRM) is a process of bringing people and organizations together so that the goals of each are met. It is part of the management process which is concerned with the management of human resources in an organization. It tries to secure the best from people by winning their wholehearted cooperation. In short, it may be defined as the art of procuring, developing and maintaining competent workforce to achieve the goals of an organization in an effective and efficient manner (Mahapatro, 2010).

Human resource management (HRM) is a comprehensive and coherent approach to the employment and development of people. HRM can be regarded as a philosophy about how people should be managed, which is underpinned by a number of theories relating to the behavior of people and organizations. It is concerned with the contribution it can make to improving organizational effectiveness through people but it is, or should be, equally concerned with the ethical dimension – how people should be treated in accordance with a set of moral values. HRM involves the application of policies and practices in the fields of organization design and development, employee resourcing, learning and development, performance and reward and the provision of services that enhance the well-being of employees. These are based on human resource (HR) strategies that are integrated with one another and aligned to the business strategy (M. Armstrong, 2014).

Without having an efficient workforce organizations lose their ability to compete, both locally and internationally, eventually leading to poor organizational performance and thus ending up with striving for their survival or fading out of the market due to that(G. Dessler, 2000).

According to Becker, and Huselid (2006), human resource management is a process which perform interconnected activities,role processes and other aspects that are aimed to attracting, maintaining, and even developing the organizations HR activities such as planning,recruitment and selection,training,performance management, benefit and rewards, compensation, and career development.

According to Armstrong, (2014), the general goal of HRM is to support the organization in achieving its objectives by developing and implementing human resource (HR) strategies that are integrated with the business strategy(strategic HRM), contribute to the development of a high-performance culture, ensure that the organization has the talented, skilled and engaged people it needs, create a positive employment relationship between management and employees and a climate of mutual trust and encourage the application of an ethical approach to people management..

2.1.2 Concepts of Human Resource Management Practice

Human Resource Management Practices are the main source to make sure that utilization of employees skills and knowledge to achieve organization goals and a means of influencing employees attitude and behaviour towards intended vision. It is a way of creating motivation, commitment, maintaining quality employees and facilitating smooth run of the business(Stavrou-Costea, 2005)

Human Resource Management Practice is a modern way of improve organizations on core matters such as staff commitment, competency and flexibility, which in turn leads to improved performance (Chew and Chan, 2008).

Chao and Lee (2007) HRM practices on business performance such as training and development, teamwork, compensation, HR planning, performance appraisal, and employee security help improve firms' business performance including employee's productivity, product quality and firm's flexibility.

Therefore, this research would like to see the relationship between HRM practices namely human resource planning , training and development , performance management, compensation management, promotional practices on organizational performance.

2.1.2.1 Human Resource Planning

According to Mensah,(2012) cited in, Yewynshet Desalegn(2017), human resource planning is a very crucial element in organization which creates awareness about what course of action to be taken in recruiting and retaining employees. Organization can determine the right supply of talents at the right time with the right skill for better performance in global market.

Human resource planning plays a great role in forecasting and filling human capital needs when it is necessary and failing to perform a planning with the right skill and knowledge of employees at the right time will disrupt the business environment (Wright et.al, 2004). Specially, in banking industry the service depends on the availability of enough work force with the right skill and knowledge to serve customer. If fail to do so, the burden shared on individual will be high and that create burden on employees which may leads to customer dissatisfaction.

Therefore, HRP is a process of viewing the current HR and that estimate the need for the future through scientific forecasting and filling the skill gap. Maintaining accurate data about current employees and skills acquire by employees and making good judgment about what should be done to bring the right people that fits with the job, needs a careful planning and a better forecasting.

2.1.2.2 Training and Development

Training and development is defined as the process of ensuring that the organization has the knowledgeable, skilled and engaged workforce it needs. It involves facilitating the acquisition by individuals and teams of knowledge and skills through experience, learning events and programmes provided by the organization, guidance and coaching provided by line managers and others, and self-directed learning activities carried out by individuals (Mahapatro,2010).

Training, development and skills are key aspects at the levels of the firm and the national economy training offers the hope of increased competitiveness through raising skill levels, productivity and value added. The main thrust of Training and Development is to provide an environment in which people are encouraged to learn and develop. Although it is business-led, its strategies have to take into account the needs of individual employees. The importance of increasing employability outside as well as within the organization is also a concern (Armstrong, 2006).

Employee who posses the right skill for the job and develop it through training on different way affects organization performance. Researchers argues that a better training that fits to current job and making sure employees are also provided for future job will increase the confidence level of employee and due to that employees become motivated to exert their effort so that the organization become successful. Training and development practices have shown to increase employee motivation and to have a tremendous impact on performance (Jiang et al., 2012).

Training and development safeguards productivity of organization supporting it, by preparing employees for future jobs and insulating firms from skills shortages. When jobs can be filled internally, firms are less dependent on the outside labour market and do not risk appropriate recruits not being available (Tom Redman & Adrian Wikinson,2006).

Training

The fundamental aim of training is to help the organization to meet its organizational objectives by increasing the value of its major resource, namely, its employees (Stredwik, 2005). Formal training is just one of the possibilities for organizations to enhance the personnel performance level and also important roles covered by organizational socialization (Redman & Winkson, 2006).

Specialy in very volatile and dynamic economic nature, which gives many opportunities for customer to go somewhere who serve them better, it is unquetsionalbe that the skill and knowledge of employee helps organization to keep customer satisfied and keep the organization in good performance.

According to Sterdwick (2005), in time of limited human resource, they may deprive themselves for single individual employee and this can hinder the productivity on short term and destablize the organization. Therefore, organizations should focus at this time on cost reduction strategies and focus on in house or on the job training that other methods. He continune arguing that aim of training that are to develop the competences of employees and improve their performance, to help people grow within the organization in order that, as far as possible, its future needs for human resources can be met from within the organization, to reduce the learning time for employees starting in new jobs on appointment, transfer or promotion, and ensure that they become fully competent as quickly and economically as possible.

Developement

In the intense competetion of this century, many organizations realized that in order to stay competitive they should have to improve their employees and enhance their career development (Boudreaux, 2001)

According to Chartered Institute of Personnel and Development(2004), appreciates organization to set up regulatory system on employees development to encourage employees for continuous learning throughout their careers. This helps employees and organization to remain up to date, are aware of the power of development and contributes towards high standard of performance.

If organization does not try to give a chance for the employees to upgrade themselves for future positional vacant positions and if employees did not expect tomorrow will be a good day with current company, then they may fail to perform well and that may lead to loose the performance of the organization (Author,2018).

2.1.2.3 Performance Management

The main objective of businesses who used man power is to utilize the human resources in a most optimal manner so that the target can be achieved very effectively and efficiently .The benefit of performance measurement is that it could generate utmost efforts of its employee and by strategizing it also be a usefull measurement of organization performance as well as it can be used as a source for rewards and other HR practices.(Bondarouk and Ruel, 2008)

Armstrong (2006) defines it as “ A strategic and integrated approach to increasing the effectiveness of organization by improving the performance of the people who works in them and by developing the capabilities of teams and individual contributors”

The establishment of clear,targeted and aligned goals, which can be tracked and adjusted as the busienss evolves, is at the core of any successful performance management process.(iCoachingFirst,2019)

2.1.2.4 Compensation Management

Compensation management is concerned with the strategies, policies and processes required to ensure that the value of people and the contribution they make to achieving

organizational, departmental and team goals is recognized and rewarded. It is about the design, implementation and maintenance of reward systems (interrelated reward processes, practices and procedures) that aim to satisfy the needs of both the organization and its stakeholders and to operate fairly, equitably and consistently (Armstrong, 2010).

According to expectancy theory employees are expecting equal compensation with the effort they are giving and also expected to receive rewards for what they contribute. The concept of internal and external fairness of reward are highly valued by organizations and its employee, not only employee expect higher payment or better benefit, but also they seek autonomy, personal growth, work life balance and others as a package of reward.

According to Patel and Cardon (2010) compensation is vital for contemporary organization as it contributes to attract and retain high skilled workers with superior salaries and it encourages a desired stakeholder behavior regarding recognition and legitimat.

Addition to the above to Patel & Cardon(2010) said having the right compensation and reward system related to the market in same business will motivate employees and maintaining internal fairness is also the case. Not only finacial compensation has impact on the success of any organization but also the non-finacial part of total compensation has undeniable influence on the perception of employees about their organization and that directly affect the performance of organization.

2.1.2.5 Promotional practices

Accroding to Armstrong (2005), motivation at work place takes two facts, these are intrinsic and extrinsic and the extrinsic part includes reward such as promotions, pay raises ,recognitions...etc. therefore, promotion can be served as a motivational factors used by HR as a best practice to retain qualified employees and also it is the best way to attract employees because of it's better HR practice of the organization.

As Dessler(2008) people look forward to promotion basically because it brings about pay raises ,added responsibilities and at times job satisfaction. But from the view of the employers, it can be a way of rewarding exceptional performance, and also could be a way of filling vacant positions in the company with employees who are loyal and well tested.

Bohlander Snell(2004) said that promotions involves change of assignment to that of a higher level in the organization. The new position will provide employees with an increase in pay and status and demand more skills and carries more responsibilities.

Providing promotional practices to employees often serves as a major incentives for superior performance and promotion also be a significant way to recognize superior previous performances of employees, therefore it is extremely important that promotion be fair, based on merit and unattained by favoritism (Bohlander Snell2004). Sometimes promotional practices of some organizations are very bias in nature because of many reasons. One of this reasons are being favoritism based on relativness, racism, relegion and other many reasons, therefore organizations should work to avoid unfair HR promotional practices to retain qualified and very important employees which actualy the organization incures many costs to develop and train that employee and with carelessness of HR many employees leave the company to join the opponnet since they provide better position which may deserve them,so any organization should give enough consideration for their promotional practices in policies also in practice.

2.1.3 Organization Performance

There are many ways to measure organizational performance. The performance indicator of organization depends on the objectives which the company intended to achieve such as profitablity,Societal good(good reputation), Security of employment for the firm's personnel, Providing a satisfying return on investment , Innovativeness in processes and products, Customer satisfaction, Employee Satisfaction, Growth of market share,

Environmental contributions (positive, as well as negative), Technological leading edge and Commitment.

2.1.3.1 Employee Satisfaction

For an employee to perform effectively in organization , job satisfaction is one of the vital points. It is important for both the worker and the organization. Job satisfaction brings about a sense of fulfillment and security to the employee. Due to these facts, the commitment level of employee will be increased, absenteeism will reduce and the turnover rate will decrease (Yucel, (2012).

When employees are satisfied with their jobs, the workforce will be more committed and this will reduce the cost of recruitment and training. An individual's general attitude towards his or her job is known as job satisfaction (Syed and Yan, 2012).

2.1.3.2 Quality Service(Error Free)

Quality service as a performance indicator it refers to workload targets met on time,accuracy of work, effectiveness at processing enquiries, annotating records accurately, work planned effectively and customers kept well informed and well served(Stredwick,2005).

2.1.3.3 Innovation

Innovation is a process of introducing new processes and procedures that organizations believe will increase organizational effectiveness. It is a way of new Ideas,devices and methods.(Armstrong,2014).

2.2 Underpinning Theories of HRM

Human Resource Management originally had strong theoretical base. Theories that has relationship with this research presented as follow,

2.2.1 Organizational Commitment Theory

Shortly organizational commitment theory says that employees respond best and most creatively way not when they are tightly controlled by management, placed in narrowly defined jobs and treated as an unwelcome necessity, but, instead, when they are given broader responsibilities, encouraged to contribute and helped to take satisfaction in their work. It should come as no surprise that eliciting commitment and providing the environment in which it can flourish pays tangible dividends for the individual and for the company (Walton, 1985).

As Little and Little (2006), organizational commitment is an outcome of the attitudes of job satisfaction and organizational Citizenship (Socialization). A basic tenet of social exchange theory is that relationships evolve over time in to trusting, loyal and mutual commitments as long as the parties abide by certain 'rules' of exchange usually involve reciprocity or repayment rules such that the actions of one party lead to a response or actions by the other party. Addition to the above Little and Little(2006), delightfully explain Organizational Commitment as employee's sense of attachment and loyalty to the working organization with which the employee is associated and it defined in terms of an employee's attitudes and intentions. Employees are said to be committed to the organization when their goals are congruent with those of organizations, when they are willing to exert effort on behalf of the organization and when they desire to maintain their connection with the organization.

Therefore, a better human resource management can bring employee satisfaction and satisfied employees has organizational commitment according to this theory.

2.2.2 Motivation Theory

Motivation theory explains the factors that affect goal-directed behavior and therefore influences the approaches used in HRM to enhance engagement (the situation in which people are committed to their work and the organization and are motivated to achieve high levels of performance).

Motivation theories can be divided into three main groups: *Instrumentality*, *Needs* (sometimes known as Content) and *Cognitive* theories.

Instrumentality theories: emerged in the early 1900s and are based on the assumption that work has no outcomes other than economic ones. Employees, motivated only by money, need to be put in a situation where they have no choice but to work hard and efficiently. To achieve this in practice, work was grouped into large factory units, maximum specialization was achieved through the limitation of the number of tasks an employee had to do and work was deliberately made repetitive with as limited amount of training time as possible. Set out by Taylor in 1911 and the difficulties arising from this theory is that it does not take in to account the personal and social needs of employees or the rising level of intelligence and expectations.

Needs theories: emphasize that unsatisfied needs create tension and disequilibrium which leads to individuals striving to achieve a goal. Maslow (1954) developed a Hierarchy of Needs from lower order basic needs (food and shelter) to higher order needs (social needs, self-esteem and self actualization). The higher order needs become motivators when the lower order needs have been met.

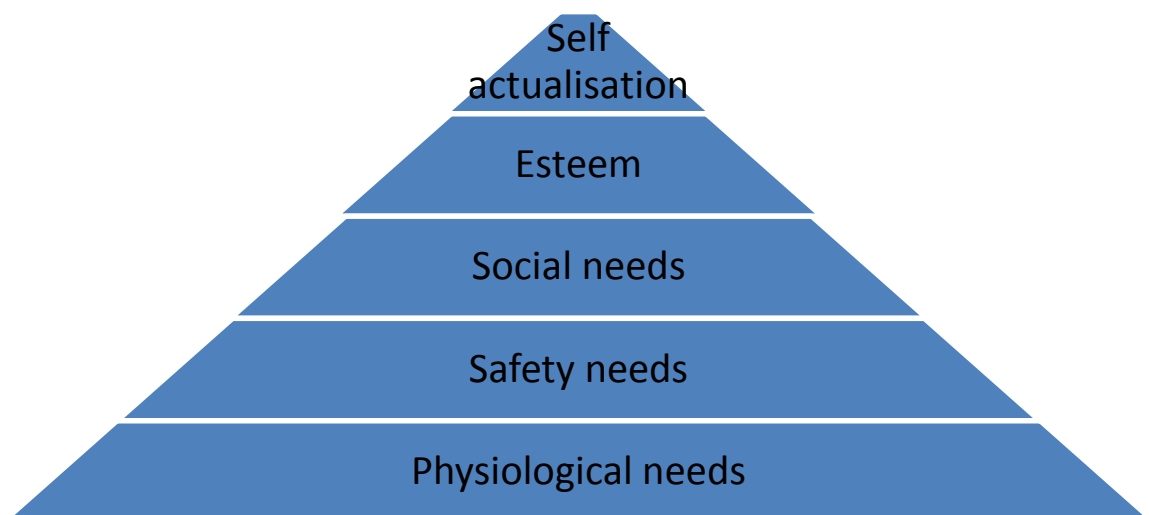


Figure 2.1 Maslow's Hierarchy of Needs ,1954

Cognitive theories: assumes that individuals think their way through the situation and work out how they can benefit from particular courses of action. The leading cognitive theory

is *Expectancy theory* expounded by Vroom (1964). Here, motivation is the product of three variables:

Instrumentality: which is the degree of an employee's self-belief in their ability to achieve a goal.

Expectancy: which is the degree to which they believe that, having achieved a goal; it will lead to a secondary action, namely a reward.

Valency: which is the value they put on that reward.

Generally, motivation theory suggested that there should be a pusher for employees to be satisfied, to deliver quality service. Whether it is economical, promotional or due attention, motivation can be a source of good performance and a better human resource management practice could enhance its employees motivation for good.

2.2.3 Human Capital Theory

Human capital theory is concerned with how people in an organization contribute their knowledge, skills and abilities to enhancing organizational capability and the significance of that contribution. It refers to the aggregate stock of competencies, knowledge, social, and personal attributes embodied in the ability to create intrinsic and measurable economic value. Human Capital Theory views humans and individuals as economic units acting as their own economy.

According to human capital theory (Becker, 1964) the more investment an individual makes in themselves, the greater their lifetime returns, through increased earnings, fewer (and shorter) periods of unemployment and access to more interesting work. Gary S. Becker and Jacob Mincer argues that, other things being equal, personal incomes vary according to the amount of investment in human capital. This means the education and training undertaken by individuals or groups of workers influence their income.

If employee believes the training and development they have been received changed them for good and that will bring additional income, then employees could be a source of good performance.

2.2.4 AMO Theory

The AMO formula as set out by Boxall and Purcell (2003) states that performance is a function of Ability + Motivation + Opportunity to Participate. HRM practices therefore impact on individual performance if they encourage discretionary effort, develop skills and provide people with the opportunity to perform. The formula provides the basis for developing HR systems that attend to employees' interests, namely their skill requirements, motivations and the quality of their job.

Therefore, giving a developmental chance and good training will change employee for a better ability and that ability will bring motivation for using the opportunity given to them. Having a good HRM practice will use employees for a better organizational performance.

2.2.5 Social Exchange Theory

It is developed by sociologist George Homans and explain it that employees will reciprocate their contribution to the organization if they perceive that the organization has treated them well. People weigh the potential benefits and risks of social relationships. When the risk outweigh the rewards, people intended to terminate their agreement and vis versa.

Therefore, employees are intended to work hard to give what they have when they receive equal amount of treatment, rewards, recognitions by a means of good HRM practices.

2.3 Empirical Literature Review

2.3.1 Human Resource Planning and Organizational Performance

Previous reseraches on effects of human resource planning on organizational performance varies in their level of magnitudes. However, most of them are concluded that there are a positive relationship.

According to Afzal et al.(2013) carried out a reserach on relationship between HRMP and OP connected empericaly and hypotesised the hypotesis as HRP has significant effect on organization performance using indicators such as commitment,control to HR practices. The result shows that those organizations committed to apply best HRP performs higher than those organizations with full of negligiencies on HRP and this had significant impact on organizational performance. In other word, if HRP increases human capital's discretionary effrot, then that effort will increase productivity.

Any organization who has suitable HRP enhances its organizational effectiveness and leads to incresead output by identifying, forecasting, and filling , solving and retaining man power with the required skill,knowledge, talent, and capabilities and helping them to behave in a manner that organizations' objectives can be acheived.(Luu et al,2008).

Luu et al(2008) argues that HR planning today is a very important task of any contemporary organization's HR department. HRP mainly involves the identification of skills and competencies within the organization, the filling of identified competencies gaps, and facilitation of movments of employees with in organization and it should be done with careful revision of HR policies and strategies to bring best man to the job to support organization success.

This study also expected that there will a postive relationship between human resource planning and organizational performance standing from those previous researchs.

H.O1 : Human Resource Planning has a positive effect on Organizational Performance.

2.3.2. T&D and Organizational Performance

Training and Development is a way which directed the skill and knowledge of employees towards organization obective. The findings of many study has shown that giving adequate training to employees is positively related to employee satisfaction, commitment, retention and organizational performance in general.Organizations with superior training

programs are likely to have lower staff turnover than organizations that neglect staff development. Employees will work for the benefit of the organization if they feel that the training and development embarked upon is also going to be of benefit to them (Gonchkar, 2012).

Other reseracher like(Conti G., 2005, Ballot et al 2006) examine the effect of training programs on organizational performance and the result were statstically significant and benefited both employees and organization.

To compete in today's business world the organizations need to invest in the development of their human resources to continuously update the skills, knowledge and work practice of employees. Researches give considerable amount of favor for investment in training programs of employees increase the firm performance. The training& development is basically refers to a process to improve the current and future skills, knowledge of workers. (Abdulkerim,2012).

On the other hand, some reserachers(E. Smith,2002, WJ wiehagan,2006, SW. Shimidt,2004) improves employee training has a positive effect on the output of any organization. Through efficient training programs would not only help to achieve the organization's goals by adding the satisfaction and better output of employees, it would also helps to equip employees with knowledge and expertise that are necessary to perform that specific job. (Barrett. & O'Connell, 2001).

Therefore, Training programs are useful for the success of any organizational strategy and help to compete with changes in the near future. The competitive advantage of companies is the good quality of their human resources in the highly competitive environment.

Training and Developmet is a way of aquring the required skills, knowledges , behavior and attitudes of employees that help employees to exert effort for error free service, to be

motivated and give their full commitment which directly affect the performance of organization.(Armstrong,2006).

H.O 2 : T&D has a positive effect on OP

2.3.3 Performance Management and Organizational Performance

Performance Management helps organization to make sure how well job is done and if variation is there, it helps to take corrective action. 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 (Danlami et al,2012).

Research done by Ugonna(2013), in the banks of North Cypres shows that performnace managment has impact on organizational performance by providing information about employees for decision makers. The formal way of performance provides vital informations and that information could be a source for decision making as well as communication with individuals and bases for reward management. Helps to escalate employees effort towards organizational effectiveness.

The study will expect to found a moderate level of relationship between performance management and HR practices.

H.O 3: Performance Management has a positive effect on organizational performance.

2.3.4 Compensation Management and Organizational Performance

Compensation refers to all forms of financial returns and tangible benefits that employee receives as part of the employment relationship (Bernadin, 2007).

According to S. Bhattacharya and P. Mukherjee, (2009) stuied on reward effects on employees engagment and the result were reward system plays a vital role in employee engagement, which depends on staff feeling that they are fairly rewarded for their skills, knowledge and contribution determine the willingness of employees to exert their effort towards organizational effectiveness.

Study also made by Sorasak Tangthong, Jirasek Trimetsoontorn, and Nutthawut Rojniruntikul(2014) shows that compensation system has a direct and indirect impact on employees retention which affects organizational performance. If employee feels they are compensated accordingly with the effort they exhibited then the satisfaction level increase and help to maintain increadible performance. Compensation also helps organization to attract and

retain qualified and specialists to the company and magnifying the success of organization by adopting and tapping out the unique source of competition.

Research done by (MMN, Kabir, 2011, Pantik, 2012) on compensation management, the effect on organization is depend on organization type but for all it can be a source of motivation. The significance is relative but has a positive effect on organizational performance.

Therefore, reward is about financial and non-financial compensation to employees, it influences the effort of employee towards their company success. However, the effect may be not only direct but it may also affect indirectly.

H.O 4: Compensation has a positive effect on Organizational Performance

2.3.5 Promotional Practices and Organizational Performance

Promotion is the motivated factor which affects the commitment and motivation of employees. Employees seeks a better place based on merits like seniority, experience, educational level and performance they have been shown. It would determine the expectation of employee for a better performance (Bohlander Snell, 2004).

R.Sayeed, (2013) Studies on effect of human resource management practices on organizational performance result shows that if employees feel that there is no a better tomorrow with the current company, the intention of leaving will increase and will creat unstable working environment. Specialy, in the service sector, employees seek position for a better social status as well as pay raises.

Base on the above studies and actual practices of many organization as well as practitioners concluded that organizations who applied best promotional practice with in organization will creat belonging to employee and increase the motivation and commitment. High motivation will leads to a good behavioral outcomes which determine the effectiveness of organizations.

H.O 5: Promotion has a negative effect Organizational Performance.

2.3.6 Relationship Between Human Resource Management Practice and Organizational performance

Previous researches on HRM shows that there are strong and positive relationship between the HR practices and organizational performances.(Seaman, Upton, and Carlson,2006). They were take a sample of 168 family-owned fast growth small and medium enterprises was used to empirically examine the consequences of human resource practices on their business performance. The result suggested that training and development, use of performance management and competitive compensation system were highly related with organizational performance.

Previous research conducted by Horgan & Mohalu,(2006) some HR practices are linked with good employee performance and resulting the increase in organizational performance. However,the HR practices will have influence on organizational performance when only employees contributing to organizational output.

Syed & Yan (2012) has done their own research on four HRM practices showed that training and development, team work, HR planning, and performance appraisal have positive and significant influence on business performance.

The body of research examining the relationship between HR practices and organization performance has grown exponentially over the past few years. Such links between HR practices and organizational performance has become one of the main areas, some would say the main area of study, in the field of human resource management (Guest 1997).

Studies of relationship between human resource management practices and performance of organization specially in banking industry has been taken place by many reseracher previously and most of them tries to implicate that the more HR practices effectively and efficiently implimented the probability of organization performance is more likely to be increased.(Rasheed et al ,2013).

According to Guest(1997), if the right people is in place at the right time with the right skill and knowledge and also if employee has the right motivation and commitment the success of organizations performance is high.

When appropriate HRM practices in place it taps the motivation and commitments of employees and it simply show the linkage between HRM practice and performance.

“Innovative human resource practices are likely to contribute to improved economic performance only when three conditions are met: when employees possess knowledge and skills that managers lack; when employees are motivated to apply this skill and knowledge through discretionary effort; and when the firm’s business or production strategy can only be achieved when employees contribute such discretionary effort. I will argue that all three conditions must be met for HR practices to contribute to performance.” (MacDuffe,1995) and this arguments shows us that the better training and development of organization and a motivational factors to apply this skill directly related to organizational performance and handling this through effective HR practices will benefit organizations.

According to expectancy theory which is more concerned about motivation tries to show the linkage between HRM practices and performance. Forexample, high investment in training will improve the skill of employee and it motivate employee and help employee to get performance related pay and which intiate employees to perform well and meet organizational expectancy.

According to Guest showed in his research HRM strategies such as innovation , focus of quality and cost reduction determine what kinds of HRM practices should be followed and the HRM practices which followed by organization has it’s own HRM outcomes likes commitment, quality and flexiblity which again leads to behavioural outcome of motivation,cooperation, involvement, and organizational citizenship which finaly becomes the outcomes for organizational performance of high productivity, quality and innovation or

absentism, labour turnover, conflict, customer complaints which directly affect organizations Return on Investment(ROI) and profit.According to Guest linking between HRMP and OP showed in the following table,

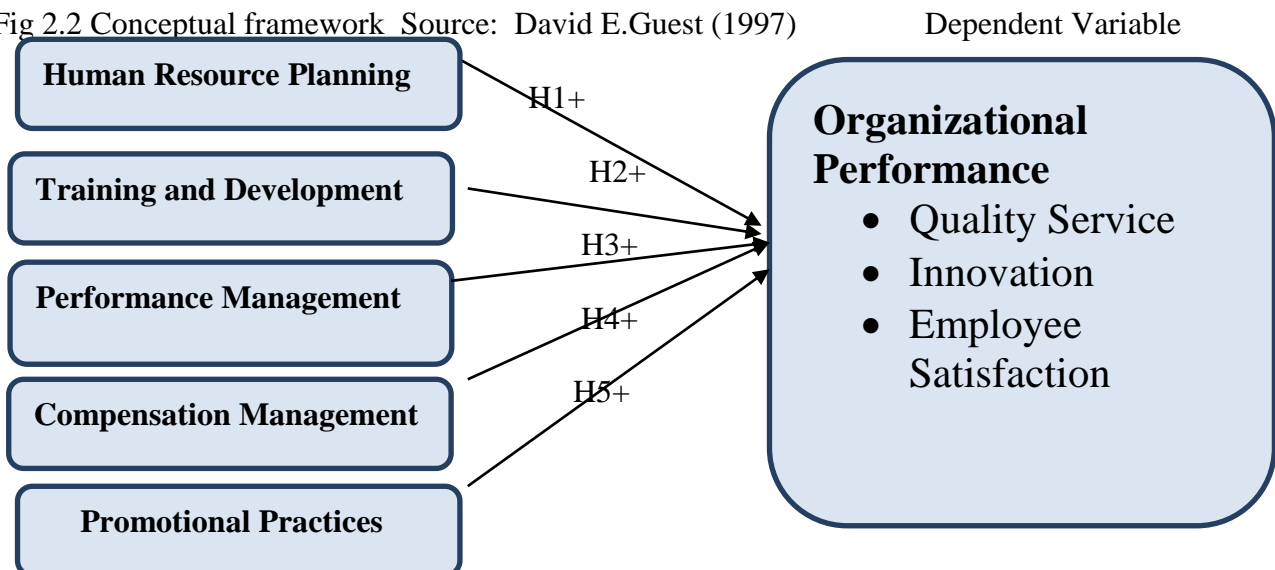
David E. Gust Model of HRM practice

HRM Strategy	HRM practices	HRM outcomes	Behaviour outcomes	Performance outcomes	Financial outcomes
Differentiation (Innovation)	Selection	Commitment	Effort/Motivation	High: Productivity Innovation Quality	Profit
Focus (Quality)	HRP	Quality	Cooperation	Low: Absence Employee-Disatisfaction Turnover	ROI
Cost-reduction	Training Appraisal Reward Job design Involvement Status and Security	Flexibility	Involvement Organizational Citizenship	Conflict	

Table 2.1 David E.Gust 1997,

From the above table we can understand that a good HRM practice leads to a good HRM outcomes which influence on behavior and the specific behaviour exhibited transfers to organizational performance. The conceptual frame work of the study will be driven from this Guest linkage of HRMP with OP as follow,

Fig 2.2 Conceptual framework Source: David E.Guest (1997)



CHAPTER THREE

RESEARCH METHODOLOGY

This chapter covered the methodologies which had been in use through out the research includes research design, target population, tools and techniques of data collection, and how discussed the data(data analysis).

3.1 Research Setting

This research has been take place at Commercial Bank of Ethiopia Branches found in West Addis Ababa Distrcit selected 15 branches namely, Alembank ,Atena Tera, Ayer Tena, Bethel, Coca Mazoriya, Eyesus Gedam ,Good Sheepeared, 18 Mazoriya, Reppi, Sefereslam, Tesfa Dirijit,Torhayloch,Tropical, Weyra, and Zenebwork.

3.2 Research Approach

There are two types of data collection techniques which are qualitative and quantitative. The qualitative one helps in illustrating open-ended, pre-determined or evolving questions which is not numeric data. The quantitative one helps in determining closed-ended, pre-determined questions, observational or instrumented numeric data and helps in statistical analysis/interpretation. The last one is mixed of both called mixed data collection technique.

Therefore, the reserach used the quantitative research approach to correlated the dependant and independant variables on statstical manner by using SPSS statistical methods .

3.3 Research Design

There are three types of research designs. The first one is Exploratory research design which helps to familiarize with basic facts, to develop new theories and generate new ideas. The second one is that Explanatory which helps to explain why things happen

by basing exploratory and descriptive researches to look for causal relations. According to Descriptive research design which describe situations based on presented data and helps to categorized or classify data. The major purpose of descriptive research is description of the state of affairs as it exists at present.

This research were followed the explanatory research style because it adds knowledge on the topics and explanatory research design identified the the cause and effect of data collected from employees in the form of questionnaire and simply help to present those data and clarify the situation on the ground. C.r. kotari (2004)

3.4 Population and Sample

3.4.1 Target Population

Currently CBE has more than 33,000 employees working allover the country in different branches and and giving consideration of participating those all employees are almost impossible and the research is focused only branches found in West Addis Ababa city branches.

In West Addis Ababa District City branches, there are 67 branches and they have employed 1631 employees and the total population of this study were those employees which in number 1631.

3.4.2 Sample Size Determination

The sample size of the study had to be a good representative of the total population of the research and it is done with a proper care. Considering the fact that time, cost and manageability of the study is need to be limited and also by considering representativeness of the population, the research were used a part of probability sampling which are stratified random sampling method had been employed. According to Kothari, 2004, stratified sampling results in more reliable and detailed information and enables to get more

representative samples and the sample size will be determined by statistical formula which is formulated by Taro Yamane's Statistical Formula and illustrated as follows:

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

Where n = sample size

N = population of the study

e = % level of significance or margin of tolerable error. The researcher will consider 5% level of significance or margin of tolerable error and the confidence level is 95%. By computing the sample size of the population using the above formula, the sample size to be included to the study will be employees

$$n = 1631 / (1 + 1631(0.05^2))$$

n = 321.22 that means the sample size were 321 employees and distributed all but returned 213 and also to reach all 67 branches was difficult. Therefore, based on their employee mix and easy access number of branches were minimized to 15.

3.4.3 Sampling Design

The sample design should represent the population of the study and the sample are designed using Taro Yamanes' statistical formula for sampling and those samples were distributed by equal chance for every respondent (randomly). It is because of that the study is intended to see the effect of HRM practices on organizational performance it concerns all employees equally. Therefore, the sample were distributed for 15 branches employee by probability means.

3.4.4 Sampling Techniques

The study was followed stratified random sampling techniques which categorized branches based on their number of employees and calculated the sample number from each branches accordingly. The sample presents as follow in the following table,

No.	Name of Sample Br Branches	CurrentEmployees Population	Sample Size
1	Alem Bank	36	$36/427*100=8.4%*321=27$
2	Atena Tera	32	$32/427*100=7.5%*321=25$
3	Ayer Tena	42	$42/427*100=9.8%*321=32$
4	Bethel	29	$29/427*100=6.7%*321=22$
5	Coca Mazoriya	23	$23/427*100=5.4%*321=17$
6	Eyesus Gedam	19	$19/427*100=4.4%*321=14$
7	Good Sheeheard	27	$27/427*100=6.3%*321=20$
8	18 Mazoriya	22	$22/427*100=5.1%*321=17$
9	Reppi	31	$31/427*100=7.3%*321=23$
10	Sefereselam	31	$31/427*100=7.3%*321=23$
11	Torhayloch	26	$26/427*100=6.1%*321=20$
12	Tropical	29	$29/427*100=6.8%*321=22$
13	Tesfa Dirijit	34	$34/427*100=7.9%*321=25$
14	Weyra	23	$23/427*100=5.4%*321=17$
15	Zenebework	23	$23/427*100=5.4%*321=17$
Total		427	321

Table 3.1 sample size of each branch Source: branches' employee file

3.5 Data Types and Sources

According to William, et al., (2010), there are two types of data, primary and secondary.

The primary data are those which are gathered for the first time and a fresh and thus collected for the case at hand (Kothari, 2004). Secondary data is defined as Data that have been previously collected for some purpose other than the one at hand. For the purpose of this study in order to obtain relevant information both primary and secondary data was used.

3.5.1 Primary Data

For the sake of finding the real effect of human resource management practice on CBE's performance, collection of quality primery data is unnegotiable and mandatory. Therefore, the primery data were collected through well structured quetsionnaires. Questionary is prepared in a way adressed all important points to measure the reserach questions and covered all parts as well as it was clear or use direct way which not initiate participants for hesitation.

3.5.2 Secondary Data

Commercial Bank of Ethiopia is the largest bank in the country, therefore, they used internal webs like cbe portal which simply provides internal information about the organization and also recent researches of the bank in different topics and it is available for ease accessibility.

Also the bank uses official websites and use television program and different magazines as well as annual reports and communication reports and those secondary ways of data collection have been implemented to make sure the fullness of the study.

3.6. Data Instrumentation

Data were collected from both primary and secondary sources. For primary source: Self administered questionnaires were prepared for the respondents. The questionnaire adapted from previous similar studies and modified based on the research questions. It incorporates both closed and open ended type of questions and comprises three parts: the first part includes demographic characteristics. The second part was questionnaires about HRM practices (HRP, T&D, Performance Management, Compensation Management and Promotional Practice). Under HRM practices, there were total of 31 questions with 5 subscales. All questions of HRMP are rated using a five-point Likert scale ranging from 1 to 5 with **5= Strongly Agree, 4 =Agree, 3= Neutral, 2= Disagree, 1=Strongly Disagree**. The third part contains organizational performance questions and there were 13 questions under organizational performance and rate samly to the above. Pre-tests of questionnaires were made one week before the actual data collection was proceed on 5% of the calculated sample size who was not included in the sample. Secondary data has been collected from the written documents found in the bank, available books, publications, research studies, articles and websites are checked.

3.7 Data Distribution and Collection Process

The questionnaires were distributed through the support of cooperative individuals from sampling branches and by researcher, my self. The distributed questionnaires also were collected by the support of those individuals.

3.8 Data Analysis Method

The research was used quantitative and qualitative method to analyse the data and also explanatory way of analysis also combined with the statistics. Likert scale has been applied for the questionnaire parts. The data was collected by using both primary and secondary data sources and has been summarized by using tables, frequency distributions implemented to describe the percentage of the respondents and percentages gave a condensed picture of the data. Accordingly, the summarization of the data was analyzed using Statistical package for social sciences (SPSS version 20) and the analysis report presented by model summary, ANOVA table, correlation table and Coefficient of the regression and the final report helps to arrive at a meaningful conclusion and come up with valuable recommendations.

3.9 Validity & Reliability Issue

Kotari (2004) the questionnaire's internal validity refers to its ability to measure what we intend it to measure. In other words what we find with our questionnaire actually represents the reality of what we are measuring. As stated the previously the study instrument was pre-tested before one week of actual distribution to ascertain that the questions made sense to respondents and to identify the problem with the questionnaire that might lead to biased answers. The reliability has been checked for the actual questionnaire and the Cronbach's Alpha was assured the material is reliable for internal consistency.

Table 3.2 Summary of Measures

No.	Study Variables	No. of Items	Chronbach's Alpha Results
1	Human Resource Planning	5	.914
2	Training and Development	9	.830
3	Performance Management	6	.828
4	Compensation	7	.868
5	Promotional Practice	4	.633
6	Organizational Performance	13	.886

3.10 Ethical Consideration

Participants in the research was fully informed of the nature and the purpose of the research and has been given proper assurance of their right to leave the questions which discomfort them and also they were informed all the information they provided is kept secretly and only be used for the purpose of this study.

CHAPTER FOUR

Data Analysis and Presentation

This chapter deals with the analysis and presentation of the quantitative data gathered from Commercial Bank of Ethiopia. Fifteen branches were selected for the purpose of this study. The questionnaires composed close ended questions which are summarized and presented quantitatively in tables using SPSS software (IBM SPSS statistics 20 Version). The study used some secondary data from published and unpublished documents of the bank. Questionnaires were distributed for 321 respondents, 97 of the questionnaires were not returned and 11 were invalid due to incompleteness of the questionnaires. The response rate was 66.4% or 213 in number.

4.1 Demographics Characteristics of the Respondent

Variable	Description	Frequency	Percent %
Sex	Male	114	53.5
	Female	99	46.5
	Total	213	100
Age	Under 25	34	16
	Age 25-35	114	53.5
	Age 36-45	35	16.4
	Age 46 and above	30	14.1
	Total	213	100
Educational Attainment	Diploma	11	5.2
	Degree	172	80.8
	Masters	30	14.1
	Others	0	0
	Total	213	100
Tenure (expreience)	1-5	48	22.5
	6-10	109	51.2
	11-15	43	20.2
	Above 15	13	6.1
	Total	213	100
Position	Clerical	168	78.9
	Professional	5	2.3
	Managerial	40	18.8
	Total	213	100

Table 4.1 Demographical Respondents Variable

Source: Study Demographic Result ,2019.

As we can see from table 4.1, the first demographical part of the study was sex. There were 114 male respondent which represent 53.5% of the respondents and 99 female which cover 46.5% of the respondent. The majority of this study respondents were represented by male and the composition was relatively balanced.

The second demographical part of the study was age and there were four groups of age. The first group of age was classified on under 25 parts and it covered 34 person and 16% of the total sample. The second age classification covers age between 25-35, represents by 114 (53.5%) of the respondents and the third age classification covers from 36-45 and there were 35 respondents on this age level which means 16.4% of the respondents. The last age classification was age above 46 and there were 30 peoples(14.1%). The majority of the respondents falls under age classification between 25-35 and it shows that the majority are young working force which seeks a better working human resource management practice.

Thirdly, the study had covered the educational attainment of the respondent and the majority of the respondent were a Bachelor Degree holder in number there were 172 (80.8%). There were 11(5.2%) Diploma holders and the remaining 30(14%) were MA holder. The majority respondent holds BA and the composition of the respondent shows that all respondents are educated.

The fourth part of the demographical variables were tenure or the experience held by employees. There were 48 (22.5%) employees who had experience of 1-5 year. Also, 109 (51.2%) respondents had an experience of 6-10 years. There were 43(20.2%) respondents had an experience between 11-15 years. 13(6.1%) of the respondents also had an experience of above 15 years. The majority has 6-10 years experience. Therefore, we can conclude that they are fairly understood their current human resource management practice and responded from past to present accumulated experience.

The last part of the demographical variables were a position which only expressed in three parts. Clerical which are maintaining and doing the routine work of the bank represented with 168(78.9%) of the respondents, 40(18.8%) managerial position and 5(2.3%) of IT professional workers. Since the majority of the respondents were clerical position employees, we can conclude that they simply can understand the daily human resource management practice that have been employed.

4.2 Descriptive Analysis of Variables of the Study

This study was made to see human resource management practice effect on organizational performance of Commercial Bank of Ethiopia and there were 213 participants responded using five point likert scale from the lowest strongly disagree to the highest strongly agree.

Note: 1, Strongly Disagree(SD), 2 Disagree(D), Neither Agree or Disagree(N), Agree(A), Strongly Agree(SA)

4.2.1 Human Resource Planning Variable Result

No	Items	SD		D		N		A		SA	
		No.	%	No.	%	No.	%	No.	%	No.	%
1	The need for human capital fills at the right time	60	28.2	91	42.7	9	4.2	47	22.1	6	2.8
2	Human resource department is palying good role to fill gaps	68	31.9	88	41.3	7	3.3	36	16.9	14	6.6
3	Human resource department of CBE forecasts the right human needs before human shortage becomes concern	56	26.3	91	42.7	7	3.3	48	22.5	11	5.2
4	Human Resource Department of CBE fills human need with right skill	63	29.6	83	39.0	5	2.3	48	22.5	14	6.6
5	Human Resource needs for each department(branch)revised periodicaly	68	31.9	76	35.7	10	4.7	42	19.7	17	8.0
	Standard Deviation of HRP	1.0840				Maximum		5			
	Mean of HRP	2.3296				Minimum		1			

Table 4.2 : Source: Own Survey, 2019.

As we can see from the above table, 151(70.9%) of respondent disagree about the needs for human capital fills at the right time, while 53(24.9%) agree that the need fills at the right time. The remaining 9(4.2%) were neutral. This indicate that the majority precieved needs for human capital is not filled at the right time.

On the same page, 156(73.2%) of employee beleives that CBE human resource planning department is not playing good role in facilitating multi dimensional support for effective job. On the contrary, 50(23.5%) beleived that human resource planning department is playing good role. 7(3.3%) of the respondent choose to stay neutral. From the above data we can conclude that human resource management practice of the bank is not playing good role in facilitating multi dimensional support for its employee and this negliency and lack of support affects organizational performance by reducing quality on the service, and affects the satisfaction of employees .

Respondants were also asked their perception on question “human resource department of CBE forcasts the right human needs before human capital shortage becomes concern” and 147(69%) of the respondent replied that they did not agree right forecasting has been tooke place before shortage become concern by the human resource planning department, while 59(27.7%) supports the idea which the department forcasts before human shortage become concern. Again here, the remaining 7(3.3%) stayed neutral. Not having the right forecasting disrupt the service with the shortage of resources and affects the service until the gap is filled. Therefore, based on the majority response human resource management practice of forecasting for human need should strengthen and avoid the gap.

Also, respondents were asked whether they think human resource planning department of CBE fills human needs with the right skill or not, 146(68.6%) were responded they are totaly disagree ,while 62(29.1%) agreed for the department fills human need with the right skill. 5(2.3%) still stayed neutral. According to above data, the bank

human resource department lacks filling the human need with the right skill at the right time with the right qualification.

The last question on human resource planning variable were intended to see about human resource needs for each departement or branch revised perodicaly or not. 144(67.6%) respondents thinks there are no a perodical review for each branches and 59 (27.7%) agrees that there is a periodic revision. 10(4.7%) were neither agree or disagree. The above data shows that departmental revision for human need is not adapted. Since CBE is large, perodical revision of workforce is needed.

The mean of human resource management practice were 2.32 and it is more close to disagree in five point Likret scale. It shows the disagreement level is very high in respect of human resource planning activity of the organization.

When we generalize the above data, 147(70%) of the respondents were disagree on five point likert scale and it implies that CBE human resource planning department lacks good forecasting, filling right skill with right time, perodic revision for need and palying no good role.

4.2.2 Training and Development Variable Result

No	Items	SD		D		N		A		SA	
		No.	%	No.	%	No.	%	No.	%	No.	%
	Training and Development										
1	CBE has a good training and development practices	66	33.1	67	31.5	9	4.2	53	24.9	18	8.5
2	Training is given to employees at the right time with the assesment of needs	61	28.6	71	33.3	3	1.4	53	24.9	25	11.7
3	There are a training manuals that are prepared to facilitate the training	64	30.0	62	29.1	5	2.3	59	27.7	23	10.8
4	Training is provided with specific objective to attain	60	28.2	61	28.6	5	2.3	67	31.5	20	9.4
5	The success of the training measured in comparision to the objectives	62	29.1	62	29.1	9	4.2	65	30.5	15	7.0
6	The training provided by HRM	7	3.3	118	55.4	11	5.2	48	22.5	29	13.6

	department is implemented only to meet their annual plan not to fill the skill and knowledge gap										
7	The training which is given to employee has the capacity to solve the employees skill and knowledge gap	53	24.9	82	38.5	12	5.6	57	26.8	9	4.2
8	The training given by CBE improves organizational Innovativeness	55	25.8	84	39.4	10	4.7	54	25.4	10	4.7
9	Employees are given a developmental opportunities which help them to prepare themselves for future positional vacants	71	33.3	74	34.7	9	4.2	43	20.2	16	7.5
Standard Deviation of T& D		.87096				Maximum		5			
Mean of T & D		2.5837				Minimum		1			

Table 4.3 Source (Researcher survey 2019)

The first question respondents were asked about training and development, CBE has a good training and development practices and the majority 121(56.8%) responded that they disagree and 71(33.4%) responded they agree with that CBE has a good training and development practice, while, the remaining 9(4.2%) responded neutrally. This indicate that the bank is not followed a good training and development practice which help to improve organizational performance.

Respondents also asked to respond for training is given to employees at the right time with the assesment of needs, 132(61.9%) responded they are disagree and 78(36.6%) were agreed with what proposed and the remaining 3(1.4%) were neutral. This data shows that the training is not timely presented to employee and the undelivered training results in bad performance.

Concerning about training manual availability to facilitate the training , 126(59.1%) were rating they are disagree about the availablity of well designed training manual . on the hand, 82(38.5%) agreed that there is a well design training manual that facilitate effective training. 5 (2.3%) of the respondant were stayed neutral. According to the above data, not having a well designed training manual disrupts a process of influencing employees effort

to targeted point. Therefore, there should be a well prepared guideline which shows where to start and where should be reached so that the performance is increased.

Training is provided with specific objective to attain, presents to respondent to reflect what they think and 121(56.8%) think most of the time the training given to employee is objectless and 87(40.9%) reflects their thinking by agree. The remaining 5(2.3%) remain neutral. Since the majority replied that the objective and the training are not match on the last response, 124(58.2%) of the respondents were responded disagree about the success of the training is measured with the comparison of its objective. 80(37.5%) of the respondent agree and 9(4.2%) remain neutral. It indicate that the training given to employee were not attain the right objective which suppose to achieve.

The training provided by HRM department is implemented only to meet their annual plan not to fill the skill and knowledge gap was the next issue raised and the code was reversed for the respondent ,since, the statement was negatively stated.. 125(58.7%) respondents replied that they agree that the training takes place only to meet annual plan and 77(36.1%) thinks they disagree it takes place to fill the skill gap. 11(5.2%) were neutral. The data shows training is tookplace to meet annual plan. This not support the vision and mission of the organization by providing employees with adequate skill and knowledge which is required on the job.

Respondant replied for statement about the capacity of the training in solving skill gap were disagreed by 135(63.4%) of the respondent who believes the training has no capacity to solve the skill and knowledge gap. Whereas, 66(31.0%) were agreed . 12(5.6%) were neutral and also the majority believes the training given to employee is not bring innovativeness to the organization,139(65.2%) were not agreed, while 64(30.1%) were agreed it brings innovativeness to the organization. 10(4.7%) were neutral. The last question addressed over training and development was the developmental opportunities for

employees is given or not which help them to improve themselves for future job and 145(68%) respondents were replied that they disagree there is no opportunity and 59(27.9%) agreed there are developmental opportunity. 9(4.2%) were neutral. The above data indicate that the training given to employee does not have a capacity to solve problem.

When we generalized, the majority respondents were precived there is no good training and development practice in CBE, almost an average of 130 respondents were disagreed with the statment proposed about CBE’s training and development practice.

4.2.3 Performance Management variable

No	Items	SD		D		N		A		SA		
		No	%	No.	%	No.	%	No.	%	No.	%	
	Performance Management											
1	Performance appraisal takes place consistently through out the organization	60	28.2	80	37.6	4	1.9	50	23.5	19	8.9	
2	Performance measurment mechanisims are clear	55	25.8	72	33.8	10	4.7	60	28.2	16	7.5	
3	The measurement process are free from bias	61	28.6	68	31.9	7	3.3	60	28.2	17	8.0	
4	All employees has job description and measured accordingly	61	28.6	77	36.2	9	4.2	52	24.4	14	6.6	
5	In CBE, Performance management conducted to make sure employees are going according to the expectation of the organization, not to judge hardly	41	19.2	91	42.7	8	3.8	61	28.6	12	5.6	
6	After performance is measured feedbacks are provided to employees of CBE	55	25.8	69	32.4	13	6.1	57	26.8	19	8.9	
Standard Deviation of PM		.97306				Maximum	5					
Mean of PM		2.5391				Minimum	1					

Table 4.4 Source: Researcher survey 2019

Repondents were asked about the consistency of performance appraisal through out the organization and 69(32.4%) respondent replied that they think performance appraisal

consistently take place through out the organization. Whereas, 140(65.8%) were replied that they are not agreed (disagree). The remaining 4 or 1.9% remain neutral. The result indicate that the majority thinks performance management is not consistently take place throught the organization.

The second statement proposed under performance management were performance measurment mechanisims are clear, and 76(35.7%) were agreed and 127(56.6%) disagreed. 10(4.7%) were neutral. We can say that the majority thinks there is no a clear measurement mechanisim. Again respondants were asked to fill what they think about the measurment process, is it free from bias or not 77(36.2%) responded they beleive that the measurment process is free from any biases and 129(60.5%) responded disagree which means they think the measurment process is open for bias. 7(3.3%) also were neutral.

From 213 respondants 66(31%) of them agree for the question all employees has job description and measured accordingly and 138(64.8%) responded disagree which indicate that the majority thinks there is no proper job description and 9(4.2%) were neither agree or disagree. 73(34.7%) thinks CBE conducts performance appraisal only to make sure employees are going according to organization expectation and 132(61.9%) were disagree or responded they think the bank conduct performance appraisal to judge them hardly. Lastly, 76(35.7%) agreed that they received a feedback after performance appraisal and 124(58.3%) disagreed,whereas, 13(6.1%) were neither agree or disagree. Generaly, the majority respondents were beleived that the performance management practice is poor.

4.2.4 Compensation Management Variable Result

No	Items	SD		D		N		A		SA	
		No.	%	No.	%	No.	%	No.	%	No.	%
1	The compensation system of CBE is perceived fair	63	29.6	71	33.3	4	1.9	62	29.1	13	6.1
2	Salary of the bank is fair related to the industry	66	31.0	71	33.3	5	2.3	58	27.2	13	6.1
3	The benefits given to employees is based on their performance	61	28.6	68	31.9	4	1.9	61	28.6	19	8.9
4	I am satisfied with the current salary	64	30.0	72	33.8	8	3.8	48	22.5	21	9.9
5	I am satisfied with the current benefit package	58	27.2	83	39.0	10	4.7	46	21.6	16	7.5
6	The compensation system currently implmented initiate employees to strive for the success of their organization and to achive great performance	51	23.9	75	35.2	10	4.7	60	28.2	17	8.0
7	The benefit package is dsitributed fairly	57	26.8	76	35.7	7	3.3	60	28.2	13	6.1
Standard Deviation of Compensation		1.00226				Maximum		5			
Mean of Compensation		2.5057				Minimum		1			

Table:4.5 Compensation Variable Source: Researcher Study,2019

The respondents leve of agreement for statement “The compensation system of CBE is perceived fair” were 75(35.2%) responded agreed that the compensation precived fair and 134(63.9%) were responded disagree. 4(1.9%) of the respondant were neutral.

For the statement “salary of the bank is fair related to the industry”, the agreement level were 71(33.3%). The majority respondents replied they disagree, in number 137(64.3%). 5 or 2.3% were neutral. The result indicate that the salary precived unfair related to the banking industry in the country. This indicate that significant amount of respondents preceived the compensation system is fair. This is may be due to the industry pays more than CBE’s current payment structure which has been revised lastly before six years.

“The benefit given to employee is based on their performance” statement responded agreed by 80(37.5%) and disagree respondents were 129(60.4%) and the neutral respondents were 4(1.9%). When the respondents analysis interpret, it gives a meaning of large amount of respondents disagree with the performance attached with benefit. The benefit package provided by the bank is not based on employees performance. If employees effort is not considered as a source for increasing performance by attaching fair level of acknowledgement(recognition) for their effort, the dissatisfaction is increased and affect organization performance. This happened may be due to unorganized performance management system which support the compensation system or failure in considering performance as a source document for compensation.

There were 69(29.1%) respondents who satisfied with the current salary and responded agreed , while 136(63.8%) of the respondent were unsatisfied with their current salary and replied disagree with the proposed statement. 8(3.8%) were neutral. This shows that the majority respondents are not satisfied with their current salary paid by the organization.

62(29.1%) of the respondents agreed for statement “I am satisfied with the current benefit package” and 141(66.2%) were disagree with the current benefit package. The remaining 10(4.7%) were neutral. The result indicates that the current benefit package also perceived unfair and the majority were unsatisfied. Employees personal satisfaction level would affect the working spirit of the masses. personally unsatisfied employee disturb the environment because the collection is a sum of individuals.

For the statement” The compensation system currently implemented initiate employees to strive for the success of their organization and to achieve great performance” 77(36.2%) respondents agreed it helps to strive for success and 126(59.1%) were disagreed about the statement. The remaining 10(4.7%) kept neutral. This indicate that the

compensation system currently implemented does not initiate employee to strive for the success of their organization. The above data indicate that employees are not initiated by the compensation system. Employees who lost their initiation will disrupt the working condition, deliver poor service, become carless and affect the performance.

Lastly, “The benefit package is distributed fairly” statement responded agreed by 73(34.3%) and disagree by 133(62.5%). 7(3.3%) were neutral. This indicate that the benefit package lacks fairness. Maintaining internal fairness is a core for employees satisfaction. Who has a feeling of less payment for equal level of job done, affects the effort of employees toward expected result.

The mean for compensation variable(2.5057) tells us that the majority shows their disagreement with the current compensation system while other keep themselves neutral.

Generally, the compensation variable indicate that the disagree part covers the majority and it shows employees are not satisfied with the current compensation system of the bank.

4.2.5 Promotional Practice Variable

No	Items	SD		D		N		A		SA	
		No.	%	No.	%	No.	%	No.	%	No.	%
	Promotion										
1	Human Resource Management of CBE has a procedure for promotion	67	31.5	70	32.9	5	2.3	56	26.3	15	7.0
2	The promotional practice process is free from any biases of religion, ethnics, and relatedness favor and fair only follow procedure	72	33.8	64	30.0	4	1.9	56	26.3	17	8.0
3	Promotional practices are attached with fair level of performance management and equal chance is given to equal level of employees	66	31.0	65	30.5	9	4.2	59	27.7	14	6.6
4	The complaint level of employee is high in promotion and affect employees commitment and organization performance	10	4.7	45	21.1	6	2.8	48	22.5	104	48.8
Standard Deviation of Promotion		.93686				Maximum		5			
Mean of Promotion		2.3697				Minimum		1			

Table 4.6 Source: Researcher Survey,2019.

As shown in the above table, 137(64.4%) respondents were disagree about availability of promotion procedure and 71(33.3%) agreed there is a procedure for promotion but 5(2.3%) remain neutral. This shows that there is no procedure to promote employee or if it is there, it is not implemented as expected. For the statement “The promotional practice process is free from any biases of religion, ethnics, and relatedness favor and fair only follow procedure” the majority 136(63.8%) disagree and 73(34.3%) agreed on the statment. 4(1.9%) were neutral. It indicate that the majority respondents think there is a biases of religion, ethnics or relatedness favor in promotion and it disatisfied employees.

Respondents also were asked about promotional practices are attached with fair level of performance management and equal chance is given to equal level of employees, 131(61.5%) were disagreed and 73(34.3%) were agreed. 9(4.2%) were neutral. The above analysis indicate that promotion is not attached with fair level of performance and employee’s think they are not given equal chance in promotion even when they have equal or more work exprience and educational level. Finaly, on promotion, raised statment was “the complaint level of employee is high in promotion and affect employees commitment and organization performance” here again since the statement negativley stated it has been recoded by reversing the code on SPSS and the 152(71.3%) thinks the level of complaint is high and responded agreed and 55(25.8%) thinks there is no complaint so they disagreed. The remaining 6(2.8%) kept them selves neutral.

Generaly, the table shows that the majority has negative perception on CBE’s promotional practice and they think it affects organizational commitment of employees and organizational success.

4.2.6 Descriptive Statistics of Organizational Performance Variables

No	Items	SD		D		N		A		SA	
		No.	%	No.	%	No.	%	No.	%	No.	%
	Quality Service										
1	you met the work target on time	60	28.2	81	38.0	4	1.9	55	25.8	13	6.1
2	The job done by employees maintain work accuracy	71	33.3	68	31.9	4	1.9	58	27.2	12	5.6
3	The working process provides support for quality service	61	28.6	78	36.6	3	1.4	62	29.1	9	4.2
4	The organization has right number of employees at the right time with the right skill to to deleiver quality service	60	28.2	65	30.5	3	1.4	74	34.7	11	5.2
5	All materials are available which helps to provide quality service	71	33.3	66	31.0	4	1.9	65	30.5	7	3.3
	Employee Satisfaction										
6	CBE values employees contribution as well being of the bank	62	29.1	73	34.3	3	1.4	67	31.5	8	3.8
7	CBE does not ignore complaints from employees	66	31.0	71	33.3	4	1.9	63	29.6	9	4.2
8	I am treated with genuine respect	64	30.0	70	32.9	2	0.9	62	29.1	15	7
9	The level of employees engagement is high in CBE	63	29.6	70	32.9	1	0.5	65	30.5	14	6.6
10	Employees of CBE are satisfied with their organizational environment	71	33.3	68	31.9	2	0.9	62	29.1	10	4.7
11	The total environment of CBE is supportive and cooperative which facilitate employees satisfaction	63	29.6	81	38.0	2	0.9	60	28.2	7	3.3
	Innovation										
12	CBE is a learning organization which nurturing individual and group learning to improve its internal and external change	46	21.6	78	36.6	4	1.9	77	36.2	8	3.8
13	CBE has a system which involves employees new ideas to improve working methods	49	23.0	67	31.5	3	1.4	79	37.1	15	7.0
Standard Deviation of Promotion		.87917				Maximum		5			
Mean of Promotion		2.5284				Minimum		1			

Table 4.7 Source: Researcher survey, 2019.

As per data presented on the above table, 141(66.2%) were disagree with you met the work target on time and 68(31.9%) agreed to the proposition. 4(1.9%) were neutral. This data indicate that employees are not met their work target on time. Employee are testified against themselves that they are not meeting expected working target. This is may be becasue of high work load imposed on individuals due to shortage of manpower or less satisfied employee regid his/her effort towards expected result.

The next statment proposed to respondent was the job done by employees maintain work accuracy, 139(65.2%) disagreed with work done by employee maintain accuracy. Whereas, 70(32.8%) were agreed and 4(1.9%) remain neutral. This indicate that the accuracy level of employees job is lesser that expected and lacks work accuracy. This also happen because of high work burden in serving customers. There is no one to share high burden in processing large number of daily transaction and this requires speed. In trying providing speedy service, many employees made many errors. This happens because of shortage of man power.

“The working process provides support for quality service” was the third quality service statement proposed to the respondents and 139(65.2%) were disagreed with the working process provides support to perform the daily job. 71(33.3%) believes that the system provides support to do daily business or for quality service and the remaining 3(1.4%) were neutral. It may be due to employees are not provided with adequate materials to perform their daily job such as counting matchin, printer etc. which is mandatory to serve customer.

In relation to wether the bank had the right number of employee with the right skill at the right place to deliver quality service is concemed and 125(58.7%)respondents replied disagree which indicate the majority thought there was no good HRP process that facilitate quality service and 85(39.9%) agreed. 3(1.4%) respondents were neutral. According to the

respondent for the statement all materials are available which helps to provide quality service, 137(64.3%) were disagreed which indicate they think there is a shortage of material availability to support service giving process and 72(33.8%) agreed and 4(1.9%) were neutral.

Employee satisfaction used as one of dependant value that can be measured by human resource management practice. As presented on the above table 135(63.4%) disagreed that CBE values employees contribution as a well being of the bank and 75(35.3%) were agreed, yes the bank values our contribution. The neutral respondents were 3(1.4%). From 213 respondents, 137(64.3%) responded disagree for CBE does not ignore complaints from employee and 72(33.8%) were agreed . the remaining 4(1.9%) were neutral. The other idea raised “I am treated with geniune respect” and 134(62.9%) beleives they were not treated well and 77(36.2) agreed yes I am treated well. This indicate the majority preceived that they are not treated well. This is may be because there is no one providing them with necessary developmental opportunity, or request for salary not considered at all by top management without revision for last six years or it may be due to lack of recognition which provides them with promotion or support employees to love their job.

According to the data collected from respondents on statement “the level of employees engagement is high in CBE”, 133(62.5%) were disagreed with the above statement and 79(37.1%) were agreed ,while 1(0.5%) were neutral. This shows the large amount of respondents thinks the engagement level is low due to employees low satisfaction level.

139(65.2%) were disagreed or not satisfied with the current CBE’s organizational environment and 72(33.8%) were satisfied and 2(0.9%) neutral. This indicate that the majority repondents are not satisfied with the current organizational environment. Similarly,

144(67.6%) were disagree about the supportivness and cooperativness of CBE’s current total environment and 67(31.5%) were agreed and 2(0.9%) were neutral.

CBE is learning organization which nurturing individual and group learning to improve its internal and external change or to adopt with the change was the statement proposed to reson dents on the final phase of the questionnaire and 124(58.2%) were disagreed and 85(40.0%) agreed and 4(1.9%) were neutral. This indicates that respondents beleive CBE is not a learning organization which improvise it self with the change.. When we see about CBE has a system which involves employees new ideas to improve working methods, there were 116(54.5%)) disagreement and 94(44.1%) agreement as well as there were 3 (1.4%) neutral. The variation here is not much significant but the majority still beleives CBE does not have the system to include its employees new idea to improve working methods.

Summery of Statstical descriptive of mean, standard deviation and interpretation

Descriptive Statistics

Items	Mean	Std. Deviation	N
HRP	2.3296	1.08407	213
Training and Development	2.5837	.87096	213
Performance Management	2.5391	.97306	213
Compensation	2.5057	1.00226	213
Promotion	2.3697	.93686	213
Organizational Performance	2.5284	.87917	213

Table 4.8 Source: own survey SPSS result

To describe the mean score of the participants, mean score measurement used by Pihie (2009) was applied where mean score of <3.39 considered as low, mean score of 3.4-3.79 as moderate and mean score of >3.8 as high.

The above data presents the relationship of dependent variables with the independent one by calculating mean and standard deviation. In a 5-point Likert scale the possible score ranges from 1-5 and 3 become the hypothetical average score. A calculated mean score less than 3, which is hypothetical average, can be considered as low mean score whereas greater than 3 can be considered as high mean score.

The above table shows that the mean for human resource planning is 2.32 and as presented on the likert 5 point scale 3 is the average value. Which is lower than the average shows the disagreement (lowest) value and above average shows the the agreement level of respondents. Also the maximum is 5 and minimum is 1. Even if the mean is low the deviation from respondent to respondent has very large dispersment. As seen on the table the standard deviation was 1.09 and it means there is a high dispersment between respondents. Here, the mean is 2.32 and it means the respondent thinks they believe human resource planning department is not working to bring quality service, employee satisfaction and innovation to the organization. Generally, human resource planning department is not working at satisfactory level of respondents to support organizational performance.

Regarding training and development, it can be seen from the above table that participants' total mean score was 2.58. It can be seen that the calculated mean score (2.58) is less than 3, therefore, in the current study participants' perceived training and development practice in CBE was low.

Regarding performance management, the calculated mean of the respondent's was 2.53 and It indicate that the mean is less than the average 3, so repondents think that CBE

has a bad performance management practice which also affects organizational performance of quality service, employee satisfaction and innovation.

About subject compensation, there were 2.50 mean score which indicate respondents are unsatisfied with the current compensation system of the bank. Also the above data presents that 2.36 of mean score were recorded for promotional practice and it indicate that respondent perceived there is a bad promotional practice in CBE.

4.3 Correlation Analysis

Correlation analysis was used to examine the extent the independent variables associates with the dependent variable. A correlation refers to a quantifiable relationship between two variables, and the statistic that provides an index of that relationship is a correlation coefficient r , which is a measure of relationship between two interval or ratio variables. The correlation coefficient is scaled so that it is always between -1 and +1. When r is close to 0 has a meaning of little relationship between the variables and the further away from 0 r is, in either the positive or negative direction, the greater the relationship between the two variables. If there is perfect linear relationship with positive slope between the two variables, we have a correlation coefficient of 1; if there is positive correlation, whenever one variable has a high (low) value, so does the other. If there is a perfect linear relationship with negative slope between the two variables, we have a correlation coefficient of -1; if there is negative correlation, whenever one variable has a high (low) value; the other has a low (high) value. A correlation coefficient of 0 means that there is no linear relationship between the variables (Valerie and McColl, 2005).

Correlations

		Human Resource Planning	TD	PM	Compensation	Promotion	Organizational_Performance
Human Resource Planning	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	213					
TD	Pearson Correlation	.621**	1				
	Sig. (2-tailed)	.000					
	N	213	213				
PM	Pearson Correlation	.560**	.678**	1			
	Sig. (2-tailed)	.000	.000				
	N	213	213	213			
Compensation	Pearson Correlation	.546**	.609**	.641**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	213	213	213	213		
Promotion	Pearson Correlation	.326**	.386**	.382**	.487**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	213	213	213	213	213	
Organizational_Performance	Pearson Correlation	.686**	.752**	.738**	.672**	.401**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	213	213	213	213	213	213

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

Table 4.9 Source: Own Study,2019

As we can see from the above correlation table, Human Resource Planning, Training and Development, Performance Management, Compensation and Promotional practice has a significant correlation with Organizational Performance. Organizational

Performance with human resource planning, Training and development, performance management, compensation, promotional practices were $r=.686$, $p<.001$, $r=.752$, $p<.001$, $r=.738$, $p<.001$, $r=.672$, $p<.001$, and $r=.401$, $p<.001$, respectively. Based on this data we can interpret that the dependent variable organizational performance has straight or strong positive correlation with HRP, TD, PM, Compensation and moderate correlation with promotion.

When increase the efficiency on human resource planning, there will be also an increase on organizational performance. Since the Pearson Correlation of HRP is close to 1 (.686), the relationship shows that there is a strong positive relationship which increase in one also contribute on the increase of the other and vice versa.

Also, training and development has a positive significant relationship (.752 close to 1) with organizational performance. An increase on the quality of the training and development also creates an increase on organizational performance.

The other independent variable performance management has a correlation of .738 which is very close to 1. It means that a good performance management practice significantly affect the performance of management. They are on the straight line of relationship. Increase on performance management also support increase on organizational performance.

Compensation management has a correlation coefficient of .672 which is close to 1. Therefore, the relationship is positive significant relationship and an increase on compensation there will be an increase on the performance of the organization.

Finally, promotion has a moderate positive relationship with organizational performance with the coefficient of .401 which closes to 0 than 1.

4.4 Regression Analysis

Regression helps to predict the value of a variable based on the value of another variable. It is a powerful statistical method that allows to examine the relationship between two or more variables of interest. Regression analysis is a statistical method to deal with the formulation of mathematical model depicting relationship amongst variables which can be used for the purpose of prediction of the values of dependent variable, given the values of the independent variable. (Kothari, 2004)

4.4.1 Regression Model Summary of Organizational Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.849 ^a	.721	.714	.46988

a. Predictors: (Constant), Promotion, Human Resource Planning, PM, Compensation, TD

Source: Own Study, 2019. Table : 4.10

As we can see from the above data table the R value represents the simple correlation and it is .849, which indicates a high degree of correlation. The R Square value indicate how much of the total variation in the dependent variables, in this case organizational performance, can be explained by the independent variables(HRP,TD,PM,Compensation and Promotional Practice). Therefore, organizational performance is explained by the independent variables at .721 or 72.1% and it mean organizational performance is explained 72.1% by those human resource managment practices and the remaining explained by other factors out of those independents.

4.4.2 ANOVA Table for Organizational Performance

ANOVA table reports how well the regression equation fits the data or predict the dependent variable.

The below Anova table indicate that the regression model predicts the dependent variable significantly. Here, $P < 0.0005$, which is less than 0.05, and indicates that, overall,

the regression model statistically significantly predicts the outcome variables and it is a good fit for the data.

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	118.160	5	23.632	107.035	.000 ^b
Residual	45.703	207	.221		
Total	163.863	212			

a. Dependent Variable: Organizational_Performance

b. Predictors: (Constant), Promotion, Human Resource Planning, PM, Compensation, TD

Table 4.14 Source: self Study

4.4.3 Coefficients Table for Organizational Performance

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.232	.114		2.038	.043
Human Resource Planning	.198	.040	.244	4.959	.000
TD	.303	.056	.301	5.374	.000
PM	.258	.050	.286	5.196	.000
Compensation	.145	.047	.165	3.074	.002
Promotion	.014	.040	.015	.362	.718

a. Dependent Variable: Organizational_Performance

Table 4.15

The above table shows the extent to which each independent variables influence the the other called dependent variable. The relative importance of independent variables in contributing to the dependent variable is explained by the standardized beta coefficient. The beta value is positive and it explains that a higher positive effect of human resource management practices with higher organizational performance. From the independent

variables, Training and Development is more significant and statistically meaningful. This can be interpreted as a certain improvement on training and development employee satisfaction will increase by 30.3%. Result from the above table shows that the value for Human Resource Planning is .198. This implies that a 1% increase in human resource planning will affect employee satisfaction by 19.8%. Performance Management has a value of .258 which implies that a 1% increase in performance management there will be .258% increase in quality service. Compensation has a value of .148 and it indicate that 1% increase in compensation system effectiveness the satisfaction of employee will increase by 14.8% and lastly, promotion has no significance on employee satisfaction.

4.5 Hypothesis Testing

Hypothesis testing is based on standardized coefficients beta and P-value to test whether the hypothesis is rejected or accepted

H.O 1: Human Resource Planning has a positive effect Organizational Performance

Ho: Human Resource Planning has no significant and positive effect on organizational performance

Ha: Human Resource Planning has significant and positive effect on organizational performance

H.O 2 : T&D has a positive effect on OP

Ho: Training and Development has no significant and positive effect on organizational profitability.

Ha: Training and Development has significant and positive effect on organizational profitability.

H.O 3: Performance Management has a positive effect on organizational performance.

Ho: Performance Management has no significant and positive effect on organizational profitability.

H_a: Performance Management has significant and positive effect on organizational profitability.

H.O 4: Compensation has a positive effect on Organizational Performance

H_o: Compensation has no significant and positive effect on organizational profitability.

H_a: Compensation has significant and positive effect on organizational profitability.

H.O 5: Promotion has a negatively effect on Organizational Performance.

H_o: Promotion has no significant and negative effect on organizational profitability.

H_a: Promotion has significant and negative effect on organizational profitability.

Result Summery Table

Hypothesis	Human Resource Management Practice	Organizational Performance
H1	HRP	$\beta=.198$ Sig=.000 Accepted
H2	Training and Development	$\beta=.303$ Sig=.000 Accepted
H3	Performance Management	$\beta=.258$ Sig=.000 Accepted
H4	Compensation	$\beta=.145$ Sig=.002 Accepted
H5	Promotion	$\beta=.014$ Sig=.718 Rejected

Table 4.21 Hypothesis Summerization

Soure: Researcher Survey

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

In Chapter four, data analysis and interpretation has been presented in professional manner. In this chapter, major findings of the study are going to be summarized and the subsequent conclusions are made. Based on the conclusion, recommendations are forwarded.

5.1 Summary of the Study

The study intended to see the effect of human resource management practice on organizational performance and it takes place at Commercial Bank of Ethiopia, selected fifteen branches and the study was planned and distributed 321 questionnaires. There were 108 questionnaires which is not returned .

- ✓ On the demographical part approximately closed number of female (99) and male (114) participated and the majority were under age group of 25-30 and experience of 6-10 years.
- ✓ Regarding Human Resource Planning the majority 147(70%) of the respondents were perceived that the organization does not have a good human resource planning practice, the statistical significance also shows there was a positive relationship with organizational performance. Since they have positive relation and the majority believes there is no good practice it affects organizational performance.
- ✓ Training and Development Practice were also another independent variable and the majority (130 or 61%) were responded there was a bad training practice which determines the quality of the service. The relationship on statistical method was positive and significant and affects organizational performance.
- ✓ Performance Management also has a positive relationship with organizational performance and the majority believes there is no continuous and free performance management practice

- ✓ Compensation were the fourth independent variable which also the majority of the respondents perceived that there is no good compensation system of human resource management practice
- ✓ Promotional Practices also perceived by the majority of the respondents as a bad practice on the organization. But insignificant to affect organizational performance according to the statistical results.

5.2 Conclusion

At the beginning, the study was made to see the real effect of human resource practice on organizational performance, in case of Commercial Bank of Ethiopia. The research was supported with previous evidences shows that there is a positive relationship between two of them. Knowing the result and which independent variable has strong significant effect on organizational performance was intended.

To identify the effect of human resource planning on organizational performance, the researcher used five factors namely, human resource planning, training and development, performance management, compensation and promotional practice which was expected to have positive effect on our case.

5.2.1 Conclusion on Human Resource Planning

Human Resource Planning plays a great role for the success of any organization by providing forecasts for human needs in advance and fill the vacant places with right number of employee with the right qualification. Base on the responded data we can conclude that CBE has a bad human resource planning practice which positively affect organization performance. In CBE we can conclude that the need for human capital is not fill at the right time, there is no good forecasting experience before human shortage is become concern, human need are not fill with right skill, there is no periodical revision for each branches

and generally we conclude that human resource planning department plays no good role. Employees burden are not shared because of lack of human resource. One employee required to do a bulky job by it self and it affects quality service and also affect employee satisfaction.

5.2.2 Conclusion on Training and Development

Training and development helps organization to improve the skill and knowledge of their employee. In CBE the training and development practice seems better but in reality(survey report) the practice is contrary. Training is not given to employee at the right time by assesing where it is necessary. Even if the manual is there, no one used it as a guideline . Training is provided only to meet annual plan given to the department not to fill the skill and knowledge gap. The success of the training is not measured with the objective. Employee takes training after they provide them selves with the required skill but not given when the gap is there. The training given by CBE has no capacity to solve problems and it does not add any value to the innovativeness of the organization. Employees are not given a developmental opportunity by the bank. Generally, the training and development practice of the bank directly affect organizational performance variables(quality service, employee satisfaction and innovation).

5.2.3 Conclusion on Performance Management

Based on the data collected from employee and hypothesis test, we can conclude that performance appraisal is not take place consistently through out the organization. The measurments are not even clear and the measurment process are not free from biases. Even if, all employees have a job discription which stated on the paper, measurment process dose not follow it. Performance measurment takes place to jugde employees and to find fault not just to make sure the organization is going on the right track. After performance is most of the time feedback is not forwarded to the employee.

Generally, performance management practice of the bank is bad according to the data collected from those samples and the dissatisfaction affects the quality of the service and employee satisfaction of performance indicators.

5.2.4 Conclusion on Compensation System

According to the data analysis, the majority were disagreed about good compensation practice have been experienced in CBE. The compensation system is not perceived fair by the majority and also does not accept fairness related to the industry. The benefit given to employees are also not enough. The majority thinks his/her self are not satisfied with the current salary and benefit of the bank. The compensation system is not based on the performance and it is not initiate employees to highly engage in their work for the success of their organization. Compensation affects employee satisfaction very significantly and also affect quality service, which unsatisfied employee can be a source of much discrepancy.

5.3 Recommendation

Based on the conclusion which is derived from the data human resource management has a positive effect on organizational performance and to improve human resource management practice the following recommendations has been forwarded;

- ✓ CBE should give a proper consideration and improve human resource planning department. When shortage of human resource is there, the burden shared by individuals will increase and dissatisfy employees. Even, it could be a source of complaints from customer due to waiting long time to be served. If all human resource gaps fill on the time the quality of the service also will increase. Therefore, it is recommended that a serious of consideration has to be given for human resource planning practice of the bank
- ✓ Even if CBE has a training center, the training given to employee should be presented timely which can fill the gap of skill and knowledge. Unless it is done for

increasing organizational performance, it should not be given. So, who facilitate trainings should take a proper assesment where did gaps shown, how it should be fill and related to the gap trainings should be prepared. Developmental opportunities also should be prepared to the employees. Helping employees to improve him/her self mean directly the organization help to improve.

✓ Performance Management is essential for any organization to see where we were and where we are now. A good designed performance management could be a source for continious improvement on performance. Since, CBE is big and employeed more than 33,000 employees, a proper performance management helps to facilitate a good competency level on the market. Therefore, CBE should followup the performance management process closely and avoid biases on the process. The measurment mechanisms also should be clear and mesasured accordingly.

✓ Compensation system of the bank preceived unfair related to the industry and the bank should make an review on the industry and should make adjustment if the variance is crucial. The benefit packages also should be revised and make a proper adjustment.

✓ Finaly, as we have discussed on promotional practice, it is a sensetive because everyone wants to see him/her self in a better position for many reseons. According to Maslow's heirarchy of needs theory people seeks what they do not have. They are always stretch to hold what they are unhold. Therefore, CBE should provide equal, fair, free from biase promotion practice so that it could maintain employees satisfaction and increase quality service.

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Annex A:



Addis Ababa University School of Commerce

Post Graduate Studies

Masters of Human Resource Management

Questionnaire to be filled by employees of Commercial Bank of Ethiopia, West Addis Ababa District selected 15 branches.

Dear Respondent,

I would like to thank you in advance for your willingness and cooperation in filling this Questionnaire devoting your valuable time.

I assure you that the information you provide will be kept confidential and will only be utilized

for the study purpose. If you have any question or enquiry, please do not hesitate to contact me at

any time through the following address: e-mail bisratlemma1981@gmail.com Tel: +251913846060

Part One: Demographic Question

Please put a check (√) mark just inside the given box in front of each alternative.

1. Gender

1. Male 2. Female

2. Age

1. Under 25 years old 3. 36-45 years old

2. 25-35 years old 4. 46 and above years old

3. Educational Attainment

1. Diploma 3. Master's Degree

2. Bachelor Degree 4. Other, please specify _____

4. For how long have you been employed in this company? (Tenure)

1. 1 -5 years 3. 11-15 years

2. 6 - 10 years 4. >15 years

5. Position in the Organization

1. Clerical 2. Professional 3. Managerial

Part Two: Human Resource Management Practices and organizational Performance Questionnaire

Please put (√) mark against each question that indicate your level of agreement for each question.

5= Strongly Agree, 4 =Agree, 3= Neutral, 2= Disagree, 1=Strongly Disagree

No.	Items	Strongly Disagree 1	Disagree 2	Neither Agree Nor Disagree 3	Agree 4	Strongly Agree 5
Human Resource Planning						
	The need for human capital fills at the right time					
	Human resource department is palying good role to fill gaps					
	Human resource department of CBE forecasts the right human needs before human shortage becomes concern					

	Human Resource Department of CBE fills human need with right skill					
	Human Resource needs for each department(branch) revised periodically					
Training and Development						
	CBE has a good training and development practices					
	Training is given to employees at the right time with the assesment of needs					
	There are a training manuals that are prepared to facilitate the training					
	Training is provided with specific objective to attain					
	The success of the training measured in comparision to the objectives					
	The training provided by HRM department is implemented only to meet their annual plan not to fill the skill and knowledge gap					
	The training which is given to employee has the capacity to solve the employees skill and knowledge gap					
	The training given by CBE improves organizational Innovativeness					
	Employees are given a developmental opportunities which help them to prepare themselves for future positional vacants					
Performance Management (appraisal)						
	Performance appraisal takes place consistently through out the organization					
	Performance measurment mechanisims are clear					
	The measurement process are free from bias					

	All employees has job description and measured accordingly					
	In CBE, Performance management conducted to make sure employees are going according to the expectation of the organization, not to judge hardly					
	After performance is measured feedbacks are provided to employees of CBE					
Compensation (Reward Management)						
	The compensation system of CBE is perceived fair					
	Salary of the bank is fair related to the industry					
	The benefits given to employees is based on their performance					
	I am satisfied with the current salary					
	I am satisfied with the current benefit package					
	The compensation system currently implmented initiate employees to strive for the success of their organization and to achive great performance					
	The benefit package is dsitributed fairly					
Promotional Practices						
	Human Resource Management of CBE has a procedure for promotion					
	The promotional practice process is free from any biases of religion, ethnics, and relatedness favor and fair only follow procedure					
	Promotional practices are attached with fair level of performance management and equal chance is given to equal level of employees					

	The complaint level of employee is high in promotion and affect employees commitment and organization performance					
Organizational performance Items						
	Quality Service					
	you met the work target on time					
	The job done by employees maintain work accuracy					
	The working process provides support for quality service					
	The organization has right number of employees at the right time with the right skill to to deleiver quality service					
	All materials are available which helps to provide quality service					
	Emplyee Satisfaction					
	CBE values employees contribution as well being of the bank					
	CBE does not ignore complaints from employees					
	I am treated with genuine respect					
	The level of employees engagement is high in CBE					
	Employees of CBE are satisfied with their organizational environment					
	The total environment of CBE is supportive and cooperative which facilitate employees satisfaction					
	Innovation					
	CBE is a learning organization which nurturing individual and group learning to improve its					

	internal and external change					
	CBE has a system which involves employees new ideas to improve working methods					

If you have any additional points to raise, please write here ,

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Thanks for your cooperation