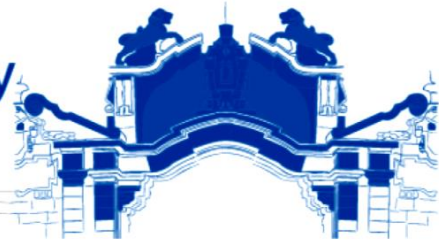




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**College of Business and Economics
Masters of Business Administration
(MBA)
Graduate Program**

**The Impact of Human Resource Management Practice on Organizational
Commitment and Organizational Performance in the Public Sector, Ethiopia**

**By:
Ayanaw Yeneneh (GSR/3969/12)**

*A thesis submitted in accordance with the requirements for the degree of Masters
of Business Administration (MBA) at the College of Business and Economics,
Addis Ababa University*

**Advisor
Tsegabrhan Mekonen (Ph.D.)**

**Examiners
1. Mesfin Fikre (Ph.D.)
2. Mesfin Workineh (Ph.D.)**

**AAU
Addis Ababa, Ethiopia.
July, 2021
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July, 2021**

Declaration

I, the undersigned, declare that this thesis is my original work, has not been presented for degree in any other university and that all sources of materials used for the thesis have been duly acknowledged.

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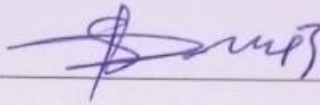
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Certification

This is to certify that Ayanaw Yeneneh has carried out his research work on the topic entitled *“the impact of Human Resource Management Practices on Organizational Commitment and Perceived Organizational Performance in the public sector, Ethiopia”*. The work is original in nature and is suitable for the submission for the reward of MBA Degree in Masters of Business Administration.

Advisor: Tsegabrhan Mekonen (Ph.D.):



Addis Ababa University
College of Business and Economics

Department of Masters of Business Administration
(MBA)

Graduate Program

**The Impact of Human Resource Management Practice on Organizational
Commitment and Organizational Performance in the Public Sector, Ethiopia**

By

Ayanaw Yeneneh

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Abstract

The aim of this study was to investigate the impact of human resource management practice on organizational commitment and perceived organizational performance. The nature of this study was a cross sectional survey design with a quantitative approach. The population of this study was employees working in public sector organizations in Ethiopia. A total of 375 questionnaires with a 95% response rate were collected from public sector employees working in 24 Federal and Addis Ababa City Administration offices in Ethiopia using convenient sampling technique. A standardized five-point Likert scale questionnaire was used to gather the necessary data. The Pearson correlation and multiple linear regression as well as a partial least square methods were used in the data analysis process. The Pearson correlation analysis result at the 0.01 level (2-tailed) levels, clearly shows that there is a moderate level association between four HRM practices (training and development, performance appraisal, promotion, recruitment and selection) and organizational commitment. But the least link is obtained between employee compensation management practice and organizational commitment. Moreover, the regression analysis result shows that all the five HRM practices namely recruitment and selection, performance evaluation, training and development, compensation management and promotion have the ability to influence organizational commitment. The result also revealed that a positive and moderate link between the four HRM practices (training, recruitment and selection, promotion, and performance evaluation practices) and organizational performance, while there is a weak link between compensation management practices and organizational performance. Similarly, the multiple regression analysis result revealed that, all the five HRM practices namely recruitment and selection, performance evaluation, training and development, compensation management and promotion practices have the ability to influence organizational performance. The result shows that there is a moderate and positive correlation between all organizational commitment elements (normative, continuance and affective) and organizational performance. The Partial least square and Sobolev calculation result shows that organizational commitment significantly mediates the relationship between HRM practices and organizational performance. It can be concluded that there is a positively linear relationship between HRM practice, organizational commitment and organizational performance. Bearing in mind the positive link between HRM practices on the organizational commitment and organizational performance schemes, public sector organizations should give greater emphasis on establishing effective HRM practices in their organizations.

Key words: HRM Practices, Organizational Commitment, Organizational performance

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Acronyms

AACCSP: Addis Ababa City Administration Civil Service Proclamation

EPSHRDM: Ethiopian Public Service and Human Resource Development Minister

FCSP: Federal Civil Service Proclamation

HRM: Human Resource Management

SPSS: Statistical Packages for Social Science

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CHAPTER ONE

1. INTRODUCTION

1.1. Background to the Study

The global dynamic of a hyper competitive work environment has created needs for more effective management of human resources, as service requirements increase and as economic factors decreases the size of the workforce. The appropriate management of people in the organization is credited to play a crucial role in the public sector organization, as these organizations' operations usually involve service delivery and interpersonal contact, requiring positive employee engagement as prerequisite for performance (Steyn, 2017).

The field of human resource management is relatively a new discipline focused on managing people resources in any organization and the people dimensions of the organization are considered the key assets in the HRM field of study. According to Armstrong (2014), HRM is concerned with management of the most valued assets i.e., people towards the achievement of organizational objectives. Similarly, Burke & Cooper (2006) defined that HRM is the management of the relationships between employee to employee and employee to management.

The practices of HRM encompasses all activities used to manage employees in an organization such that HR planning; recruitment and selection; orientation, induction and placement; performance appraisal; training and development; compensation management; morale and motivation; employee discipline administration; organizational safety; industrial relations; collective bargaining; as well as grievances handling. HRM practices are a set of organizational policies and activities required to perform the routines of human resources in an organization, e.g., recruitment and selection, training and development, performance appraisal and management, compensation management, career management as well as employee relations management in an organization (Armstrong, 2014).

HRM practices are a set of activities, policies and procedures comprehended with the HR management function towards management of people resources in an organization. HRM practice consists of all managerial activities and decisions about people, such as HRP, staffing, performance management, employee training & development, compensation management, employment relations, and maintaining health and well-being (Armstrong and Taylor, 2020 and

Collings, 2018). HRM practice includes all those managerial decisions and activities about the employment affairs of organizations (Boxall and Purcell, 2016).

Particularly, the subject of HRM practice in the public sector has become a major eye-catching research topic throughout the world, e.g., Knies and Leisink, (2018; Boselie (2019); Konstantinidis and Oikonomidou (2019); Borst (2020); Ahbabi (2019); Kravariti (2020); Hussen (2019); Lin and Wang (2020); Berberoglu (2018), and Tabiu (2016).

Accordingly, different scholars have confirmed that the context of managing human resources in the public and private sector organizations is not the same. The public sector's mission is to deliver an effective public service not maximize revenue (Knies and Leisink, 2018). Also, the pressure of the public sector is to deliver public services where the privately owned organization is to increase shareholders' business value and worth (Armstrong and Taylor, 2020). The government administers, own, fund, and control the public sector organizations (Boselie, 2019).

But the main question is 'how HRM practices impacts organizational commitment and organizational performance?' Typically, the major impacts and contributions of HRM practices can be seen by augmenting HRM activities to employee and organizational outcomes (Armstrong and Taylor, 2020). The influence of HRM practice can be related to organizational commitment as well as organizational performances (Boxall and Purcell, 2016).

The major contribution of HRM is related with enhancing organizational performance by providing insight on the performance issues affecting the organization and its employees (Armstrong, 2014). The notion behind the practice of HRM makes an impact is that people are the organization's key resource and organizational performance largely depends on them. This implies, the good human resource policies have an effect on human resource management practices and these in turn influence staff attitudes and behaviors as well as organizational performance (Storey, 2009). HRM practices are designed and implemented in such a way that human resource plays a significant role in achieving the goals of the organization (Delery and Doty, 1996). Human resource management practices, aim to achieve two sets of objectives: improve employee performance and enhance organizational effectiveness (John and Jeffrey, 2000). Similarly, the Guest, (1990), model of HRM clearly shows that a set of integrated HRM practices can achieve superior individual and organizational performance.

The social exchange theory is used in a large number of social science disciplines such as management, sociology and social psychology. The model states that employees will reciprocate their contribution to the organization if they perceive that the organization has treated them well. The theory argues that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence. The relationship involves over time into trusting, loyal and mutual commitments as long as response or actions the parties abide by certain rules of exchange and involve reciprocity or repayment rules such that the action of one party leads to a response or actions by the other party through their level of commitment (Sake, 2006).

Accordingly, within the public service sector, performance outcomes are closely related to individual employee behavior. Armstrong (2014), argued that HR can contribute to enhancing organizational performance by providing insight on the performance issues affecting the organization and its employees. Schuler and Jackson, (1987), stated that HRM practices are a process of attracting, motivating, and retaining employees to ensure the survival of the organization.

Overall, HRM function has a very important role in an organization and managers need to set up an effective HRM system in an organization. Armstrong, (2016), illustrated that getting the best out of people is primarily the responsibility of managers and HR specialists to exercise effective leadership and create conducive work environment to achieve high organizational and employee performance as well as encourage people to do everything expected of them. Hence, the main motive of conducting this study was to investigate the impact of HRM practices on organizational commitment and perceived organizational performance in the public sector, Ethiopia.

1.2. Statement of the Problem

The context of management in the 21st century is challenging that poses difficulties for managers in the public and private spheres. Specifically, public sector organizations all over the world face serious challenges and the reform attempts in these organizations have not been very successful (Fourie, 2017). On the other hand, the problem related to low commitment of employees has a negative impact on organizational outcomes. According to Richman, (2006) and Bates, (2006), commitment level among employees is one serious declining stage as most of the employees

nowadays in most organization. It has been reported that majority of employees today will not significant be committed if they receive less support, award and recognition from their respective managers. The low-level commitment among employees could bring undesirable organizational outcomes, such as customer dissatisfaction, lower productivity, and unprofitability.

Previous researchers have confirmed that one of the highest challenges facing public sector organizations is on establishing an effective HR system and manage the human resources in an organization. The HR management function of the governmental owned organization in developing countries is not properly established. Characterized by inefficiencies to undertake HR doings, e.g., lack of right recruitment & selection system, lack of effective performance management standards, incapability to manage employee relations, lack of attracting and retaining talent people, low salary level, and insufficient management by supervisors (Knies and Leisink, 2018). Therefore, these problems are forcing public sector organizations to set up effective HR systems as well give effective services to the people.

However, most previous studies conducted in privately owned organizations in highly advanced countries such as in the U.S.A, e.g., Wright (2005), Huselid, (1995), Arthur, 1994, and MacDuffie, (1995), and the UK, e.g., Boselie (2019), Ahababi, (2019); Guest and Conway, (1997), Patterson, (1997), Wood and De Menezes, (1998). It is rare to see abundant studies in the Ethiopian context related to HRM practice, employee engagement and organizational performance. According to Gould, Williams, (2003), there are insufficient public sector HRM researches available in developing countries. Insufficiency of studies in public-sector organizations indicates weak attention on HRM, and poor organizational service image in the sector (Osborne and Pasterik, 1997 and Wildavasky, 1988).

In light of these challenges discussed above, efforts to develop a sound HR management system in the public sector has real importance towards enhancing the organizational commitment as well as meet superior public sector performance. Therefore, the goal of conducting this research was to examine the impact of HRM practices on organizational commitment and organizational performance, in public sector organization in Ethiopia.

1.3. Research Questions

The broad question of this study was ‘how HRM practice impacts organizational commitment and organizational performance, in the public sector domain? The following questions were addressed in this paper:

1. What is the relationship between HRM practices (Recruitment and selection, performance evaluation, training and development, compensation management and promotion) and organizational commitment?
2. What is the relationship between HRM practices (Recruitment and selection, performance evaluation, training and development, compensation management and promotion) and perceived organizational performance?
3. Does organizational commitment mediate the link between HRM practices (Recruitment and selection, performance evaluation, training and development, compensation management and promotion), and perceived organizational performance?
4. What kind of differences and similarities exist between HRM practices (Recruitment and selection, performance evaluation, training and development, compensation management and promotion), organizational performance and perceived organizational performance is mediated by organizational commitment at federal and regional public sector organizations in Ethiopia?

1.4. Objectives of the Study

1.4.1. General Objective

The aim of this study was to examine the relationship between the HRM practice, organizational commitment and perceived organizational performance, in the public sector organizations in Ethiopia.

1.4.2. Specific Objectives

The specific objectives of the study were:

1. To determine the relationship between HRM practices (Recruitment and selection, performance evaluation, training and development, compensation management and promotion) and organizational commitment.

2. To measure the relationship between HRM practices (Recruitment and selection, performance evaluation, training and development, compensation management and promotion) and perceived organizational performance.
3. To determine the association among HRM practices (Recruitment and selection, performance evaluation, training and development, compensation management and promotion), and perceived organizational performance is mediated by organizational commitment.
4. To determine the differences and similarities of HRM practices (Recruitment and selection, performance evaluation, training and development, compensation management and promotion), organizational performance and perceived organizational performance is mediated by organizational commitment at federal and regional public sector organizations in Ethiopia.

1.5. The Scope of the Study

HR management is essential to both public and non-public sector organizations. However, this study was delimited on investigating the relationship between HRM practice, organizational commitment and organizational performance, in the randomly selected 20 Federal public sector organizations in Ethiopia. The study employed five HRM practices, namely, employee recruitment & selection, performance management, training & development, compensation administration, and promotion.

1.6. The Significance of the Study

In recent years, several public sector organizations are adopting HRM initiatives besides re-engineering the organization. Public sector domain researchers need to set up new HRM systems, models, and theories.

Accordingly, the study investigated the best link between HRM practices, organizational commitment as well as organizational performance in the public sector organizations.

- First, this study will give better insights to public service organizations about the impact of HR management practice on employee attitudes, behaviors, and organizational performance in public sectors.

- Second, the result of this study will show the links among HR management practices, organizational commitment, and organizational performance issues in the public sector.
- At last, this study will give an opinion to public sector administrators to revise their HR policies and practices in line with the proper link of HRM practice, organizational commitment as well as organizational performance.

1.7. Limitation of the Study

This study was conducted to investigate the relationship between HM practice, organizational commitment and organizational performance in the public sector organizations in Ethiopia. Due to the inaccessibility of some regional public sector organizations in the country, data was collected only from public sector organizations available in Addis Ababa city using convenient sampling method. Those public sector organizations outside Addis Ababa were not included as a sample. Furthermore, due to the difficulty of getting the complete list of public sector employees in each office, proportion and randomization were not performed.

1.8. An Organization of the Study

The study was structured with five chapters. The first section describes the introduction, the problem statement, and goals. Chapter two contains the theoretical and empirical reviews. Further, the third and fourth chapters depict the method and data analysis. The last chapter explains the discussion, conclusion and as well as suggestions for major future works.

CHAPTER TWO

2. LITERATURE REVIEW

This chapter discusses the theoretical and empirical literature review on the concepts of human resource management, organizational commitment and organizational performance.

2.1. Theoretical Review

2.1.1. Basic Concepts of Human Resource Management

There has been considerable debate among scholars regarding to the exact definition of human resource management (Stredwick, 2005 and Storey,2019). Even though there are technical differences regarding the definition of HRM, the definition provided by different scholars commonly relies on the ‘people’ resources in an organization.

The field of human resource management is relatively a new discipline focused on managing people resources in any organization. The people dimensions of the organization are considered the key assets in the HRM field of study. It is concerned with management of the most valued assets- the people towards the achievement of organizational objectives The practices of HRM encompasses all activities used to manage employees in an organization such that HR planning; recruitment and selection; orientation, induction and placement; performance appraisal; training and development; compensation management; morale and motivation; employee discipline administration; organizational safety; industrial relations; collective bargaining; as well as grievances handling.HRM practices are a set of organizational policies and activities required to perform the routines of human resources in an organization, e.g., recruitment and selection, training and development, performance appraisal and management, compensation management, career management as well as employee relations management in an organization(Armstrong, 2014).Human resource management is the management of the relationships between employee to employee and employee to management

Similarly, Wendell, (1970), defined the term as a management of people resources in an organization. It focused on managing people in an organization using policies and systems (Collings & Wood, 2009). The term human resource management the process of recruiting, selecting, developing, utilizing, rewarding and motivating human resources in an organization It

is the management of work and people towards a desired end. It is a fundamental activity in any organization in which people are available (Boxall, 2016).

Moreover, Northcott (2001) considers human resource management as an extension of general management, that of prompting and stimulating every employee to make his significantly contribution to the purpose of a business.

According to Flippo (1966), human resource management is the planning, organizing, directing and controlling of the procurement, development, resources to the end that individual and societal objectives are accomplished.

Collings (2018), has defined the term human resource management as a set of interrelated activities established to enhance the task performance of employees in an organization.

According to Graham (1978), the purpose of HRM is using employees' abilities towards achievement of organizational objectives and enhancing the psychological and material reward of employees from their work.

Scholars such as Boselie (2019), argued that the term HRM has gained acceptance in both academic and commercial circles since 1980s. Accordingly, the field of HRM is the generic and popular term than personnel management and refers to any system of managing people in an organization. The basic assumption related to the role of HRM is on its influences on the performance dimensions of employees and organizations as well as getting a competitive advantage. He noted that the premise related to 'HRM makes an impact' is that good HR policies have an influence on HR management practices and these again influence staff attitudes and behaviors as well as organizational performance.

It was during the 1980s that the field of HRM comprehended with the philosophical arenas of behavioural sciences and industrial relations. Accordingly, the history of HRM was begun at the time of the industrial revolution in the late eighteenth century when companies started to establish modern people management systems (Armstrong, 2016).

2.1.2. The Influence of Scientific Management Theory

The birth of scientific management theory was contributed a substantial influence for the birth of human resource management in an organization. Armstrong, (2016), stated that the work of F.W

Taylor in the early twentieth century was contributed a lot towards the beginning of HRM in an organization. Some of the HRM practices such as job design and analysis, employee selection and training were developed during scientific management theory.

Though the present management is still benefiting from the scientific management theory, it was not free from criticism. The main criticism was related to the fact that it ignored the human elements in the work place. The theory was mainly focused on production efficiency in an organization. Despite the theory is important towards improving organizational efficiency, it ignores the human elements in the workplace and view people as machines (Armstrong, 2016).

2.1.3. The Influence of Behavioral Science

The behavioural science theory of Elton Mayo in the 1930s and 1940s indicated that the way people felt about their jobs influenced how they did their work. The theory contributed to the development of HRM concepts such as motivation, job satisfaction, group dynamics and leadership style. Those involved in managing people now have to consider how individual differences among employees affect the management style required. People are different in terms of what they expect from their jobs and how committed, satisfied and motivated they are, and may need to be treated differently. This requires a more flexible approach from managers.

2.1.4. Global Changes in People and Organizations

The global influence during the 1980s and 1990s, pushed companies to focus on their people resources. Following the time of worldwide changes, many business leaders started to consider their people resources as the most valuable assets as well as sources of competitive advantages. During the time, many companies started to change their management styles as well as started to manage their people resources as efficiently and effectively. Due to technological developments, change occurs more quickly now, and an organization has to be able to adapt to the changing environment in order to survive. An organization's ability to adapt to change relies heavily on its employees (Armstrong, 2016).

2.1.5. HRM Theories and Models

Following the popularity of the subject matter, different scholars developed different theories and models in the HRM sphere. According to Armstrong (2016), there are various HRM models

and practices in different organizational settings. As good HRM practice has an influence on the employee and organizational performance (Armstrong, 2016).

2.1.5.1. Organizational Behavior Theory

The organizational behavior theory contributed a lot towards the development of human resource management systems and theories. According to Armstrong, (2016), organizational behavior theory deals with how people behave at individual, group and organizational levels. It is a way of thinking about individuals, groups and organizations. It also deals with how organizations function in terms of their structure, processes and culture. Similarly, Nadler, (1980) stated that organizations are complex social systems and managers are supposed to perform their jobs within the complex social systems. In addition, managers are responsible to influence their employees' behavior in a desired direction, usually towards the accomplishment of a specific task or performance goals. They need to understand the patterns of employees' behavior predict the outcomes as well as control behavior over the course of time

2.1.5.2. Social Exchange Theory

The social exchange theory stated that the contribution of employees' performance is reciprocal and they will better perform if they perceive that the organization has treated them well (Armstrong, 2016). It is widely used in a large number of social science disciplines such as management, sociology and social psychology. The theory argues that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence. The relationship involve over time into trusting, loyal and mutual commitments as long as response or actions the parties abide by certain rules of exchange and involve reciprocity or repayment rules such that the action of one party leads to a response or actions by the other party through their level of commitment (Sake, 2006).

2.1.5.3. Contingency theory

The contingency theory of HRM stated that HRM practices are dependent on organization's environment and circumstances. The theory mainly focused on finding the 'best-fit' between HRM strategies and practices and situations (Armstrong, 2016).

According to Paauwe (2004), HRM policies and practices can be used as an independent variable and the employee and organizational performance will vary according to the influences such as

the size of the company, age and technology, capital intensity, degree of unionization, industry/sector ownership and location.

2.1.6. HRM Practices

Developing and practicing an effective HRM practices is a mechanism of crafting a sound HRM system in an organization (Aslam, 2014). HRM practices are organizational activities used to produce a pool of human talent to ensure that the resources are utilized for the fulfillment of organizational goals (Schuler and Jackson (1987), Schuler and MacMillan (1984), Wright and Snell (1991).

2.1.6.1. Recruitment and selection

Employee recruitment is the process of attracting a pool of candidates to a particular job position. The HR task during recruitment process is setting the recruitment plans in line with the job analysis information including personal specifications and job descriptions, and post vacancies on the company's website, newspapers, notice boards or any other mechanisms. Accordingly, a person specification/job specification, defines the knowledge, skills and abilities (KSAs) required carrying out the role, the types of behavior expected from role holders (behavioral competencies) and the education, qualifications, training and experience needed to acquire the necessary KSAs (Armstrong, 2016).

On the other hand, selection is the process of assessing the suitability of candidates to the organization as well as job behavior. The main activities of selection process are filling the application forms, conducting tests and interviews, and references (Armstrong, 2016).

2.1.6.2. Performance Management and Evaluation

According to Armstrong, (2016), the term performance is a matter not only of what people achieve but how they achieve it. In addition, the Oxford English Dictionary confirms this by including the phrase 'carrying out' in its definition of performance: 'The accomplishment, execution, carrying out, working out of anything ordered or undertaken.' High performance results from appropriate behavior, especially discretionary behavior, and the effective use of the required knowledge, skills and competencies. Performance management must examine how results are attained because this provides the information necessary to consider what needs to be done to improve those results (Armstrong, 2016).

Therefore, performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements.

2.1.6.3. Training and Development

The term training can be considered as investment in organizational human assets. According to (Waterman, 1994), training and development encompasses three main activities: training, education, and development. Firms that offer training and employee development are making a visible investment in employees. Among its positive outcomes, this investment increases employability for the individual employee.

2.1.6.4. Compensation Management

Compensation is the sum of all kinds of payments both financial and non-financial to employees. Reward management is concerned with the formulation and implementation of strategies and policies, the purposes of which are to reward people fairly, equitably and consistently in accordance with their value to the organization and thus help the organization to achieve its strategic goals. It deals with the design, implementation and maintenance of reward systems (reward processes, practices and procedures) that aim to meet the needs of both the organization and its stakeholders.

2.1.6.5. Promotion and Career Management

According to Miller and Wheeler (1992), lack of meaningful work and opportunities for promotion significantly affected employees' intentions to leave an organization. Organizations were able to improve their employees' retention rate by adopting job enrichment programs and enhancing their advancement opportunities. Besides promotion opportunities, the evaluation criteria used in the promotion and reward system also had significant effects on employees' turnover intentions (Quarles, 1994). Ineffective performance appraisal and planning systems contributed to employees' perceptions of unfairness and they were more likely to consider leaving the organization (Dailey and Kirk, 1992).

2.1.7. The HR system

The HR system is a set of interrelated and jointly supportive HR activities and practices creates the HR system in an organization. According to Becker and Huselid (2006), argued that the HR system is the key HR asset and it is the best method of implementing the firm's HR strategies.

2.1.8. HRM and performance

Several studies have been carried out showing that good HRM practice and firm performance are correlated; e.g., Guest, (2000), Patterson, (1997), and Purcell, (2003). The influence of HRM practice can be related to organizational commitment as well as organizational performances (Boxall and Purcell, 2016).

Armstrong, (2014), stated that the major impacts and contributions of HRM practices can be seen by augmenting HRM activities to employee and organizational outcomes. It is related with enhancing organizational performance by providing insight on the performance issues affecting the organization and its employees. According to (Storey, 2009), the concept behind the practice of HRM makes an impact is that people are the organization's key resource and organizational performance largely depends on them. This implies, the good human resource policies have an effect on human resource management practices and these in turn influence staff attitudes and behaviors as well as organizational performance.

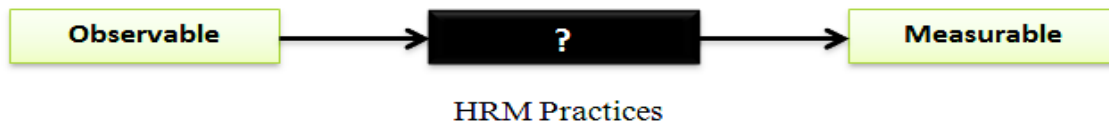
HRM practices are designed and implemented in such a way that human resource plays a significant role in achieving the goals of the organization (Delery and Doty, 1996). Human resource management practices, aim to achieve two sets of objectives: improve employee performance and enhance organizational effectiveness (John and Jeffrey, 2000). Similarly, the Guest, (1990), model of HRM clearly shows that a set of integrated HRM practices can achieve superior individual and organizational performance.

2.1.9. The HRM black box phenomenon

The black box phenomenon shows the ambiguity of measuring the causalities between HRM practices and performance as illustrated in Figure 2.1. This is the situation in which, while it may be possible to observe HRM inputs in the form of HR practices and to measure firm performance outputs, it may be difficult to ascertain, through research, what happened in between what the HRM outcomes were that converted the input of HR practices into firm performance outputs.

Alvesson, (2009), suggested that research does not proceed beyond attempts to find an empirical association between HR practices and organizational performance. The phenomena are in a black box, only input and output are registered and what is happening remains clouded in the dark.

Figure 2.1: The HRM black box phenomenon



Source, (Armstrong, 2016)

2.1.10. HRM Models

2.1.10.1. The Input-Output Model of HRM

The most notable model of HRM is the Guest (1987), an input-output model of HRM. This model clearly illustrated the links between HRM practices with employee outcomes such as organizational commitment and employee motivation. The model clearly shows that a set of integrated HRM practices can achieve superior individual and organizational performance. The basic query of this model is ‘how HRM practices influence employee characteristics?’ Employee characteristics are employee engagement, commitment, employee motivation, and skill. Second, these features enhance organizational performances in the form of product quality, productivity, customer service, as well as financial result (Guest, 1990).

For this purpose, the author used the expectancy theory to show the link between HRM practices with performance. The expectancy theory describes the link between employee motivation and performance in an organization.

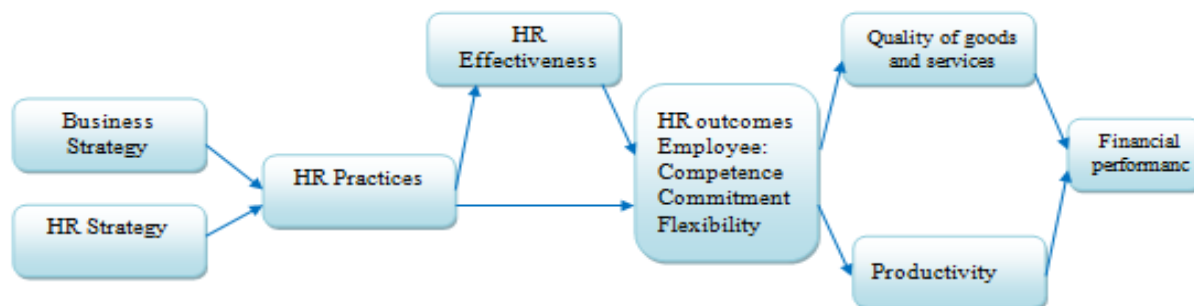


Figure 2.2:HRM and performance Link (Source: Guest, 2000).

2.1.10.2. The hard and soft versions of HRM practices

The model of Storey (1989), clearly distinguished the hard and soft versions of HRM practices. According to this model, the hard side of HRM consists of the quantitative, rational, and economical aspects. On the other hand, the ‘soft’ version of HRM deals with qualitative aspects such as communication, motivation, and leadership.

2.1.10.3. The Harvard model of HR management

The Harvard model of HR management, produced by Beer, (1984), shows the associations between business strategy, HRM practice, and organizational performance. The model describes the associations between HRM practice, employee commitment, psychological involvement, personal performance, and organizational performance. Accordingly, HR management consists of all actions that affect the relationship between an employee and the organization. They believed that today, many pressures are demanding effective organizations human resources.

2.1.11. Organizational Commitment

According to Meyer and Allen (1997), organisational commitment represents a multidimensional concept intended to capture complicated human psychological and behavioural response in the workplace organizational commitment can be divided into three subcomponents namely, affective, continuance and normative commitment. Affective commitment refers the individual’s attachment to social relationships and to the organization. Continuance commitment includes social roles or positions from which individuals derive their perception of the cost associated with leaving the organization and the rewards related to participation in the organization. Normative commitment includes the internalization of norms and values and on inner convictions. It results in an individual’s feeling of moral obligation to remain with the organization.

2.2. The Ethiopian HR Proclamations

The public sector includes all government subsidiaries (government departments /ministries, commissions, agencies, authorities), the public enterprises and the social security and national defense. Sectors can be also classified as legislative executive and the judiciary (Treu, 1967).

In Ethiopia, the HR laws and regulations are centralized at federal and regional levels. The following Table 2.1 summarized the HR proclamations of Federal and Addis Ababa City Administration offices.

Title	FCSP No. 1064.2017.	AACCSP No. 6/2008
Structure	Section 2 (5) of the document states that, ‘any government institution shall study its organizational structure, and submit to the Ministry for approval’.	Section 2 (4) states that, ‘any government offices shall undertake studies and decide the organization structure and staffing plan, and submit to the Commission for approval’.
Salary Scale	Section 2 (7) states that, ‘the Ministry, in collaboration with the concerned government institutions, upon undertaking studies prepare salary scale and submit same to the Council of Ministers, and supervise its proper implementation upon approval.	Section 2 (6) states that, ‘the commission shall prepare a salary scale to be applicable in civil services in general and submit to the Cabinet for approval as well as supervise its proper implementation’.
Human Resource Planning	Any government institution shall, based on its strategic plans, study and implement short, medium and long-term human resource plans. Section 2 (11)	Section 2 (12) states that, ‘any government office, based on its strategic plan shall prepare and implement short, medium and long term HRP’.
Recruitment and Selection	Section 2 (13) states that, ‘the Ministry shall issue directives on the Recruitment and selection criteria of civil servants.	Section 2 (13) states that, ‘the Commission shall issue directives on the Recruitment and selection criteria of civil servants’.
Promotion	Section 2 (25), states that, the Ministry shall issue detailed directives on other conditions applicable to the promotion of civil servants.	Section 2 (24) states that, the Commission shall issue directives on the promotion of civil servants.
Internal Transfer	Section 2 (26) states that, ‘a government institution may, whenever necessary, based on a transparent procedure, transfer a civil servant to another similar position of an equal grade and salary’.	Section 2 (27) states that, ‘a government offices may, whenever necessary, based on a transparent procedure, transfer a civil servant to another similar position of an equal grade and salary’.
Performance Evaluation	Section 2 (31) states that, ‘the Ministry shall issue directives on performance evaluation.	Section 2 (32) states that, ‘the Commission shall issue directives on performance evaluation.

Leave	Section 2 (37) states that, ‘the Ministry shall issue directives on the conditions of leave’.	Section 2 (35) states that, ‘the Ministry shall issue directives on the conditions of leave’.
Training	Section 2 (59) states that, ‘the ministry shall prepare a training policy for civil servants’.	Section 2 (59) states that, ‘the Commission shall prepare a training policy for civil servants’.

Source: AACCCSP No. 6/2008 and FCSP No. 1064.2017, reviewed in 2021

2.4. Empirical Review

The field of HRM in the public sector has been used as eye-catching research topic for more than three decades. The most notable previous studies researches in most developed countries e.g., in U.S.A, are: Wright (2005), Huselid (1995), Arthur, 1994, and MacDuffie (1995), and in UK, e.g., Boselie (2019), Ahbabi (2019); Guest and Conway (1997), Patterson (1997), Wood and De Menezes (1998). It is rare to see abundant studies in the Ethiopian context related to HRM practice, employee engagement and organizational performance.

Particularly, Gould, Williams (2003), was conducted different studies related with HRM practice, employee and organizational outcomes in the public domain. He found that there are insufficient public sector HRM researches available in developing countries. Insufficiency of studies in public-sector organizations indicates weak attention on HRM, and poor organizational service image in the sector.

Moreover, Guest, (2000), Patterson, (1997), Purcell, (2003), Boxall and Purcell (2016), collected different studies related with the influence of HRM practice can be related to organizational commitment as well as organizational performances.

Similarly, Storey (2009), was conducted a study to investigate the relationship between HRM practices and organizational performance. The result of his study shows that the good human resource policies have an effect on human resource management practices and these in turn influence staff attitudes and behaviors as well as organizational performance

In the African context, Steyn, R., Bezuidenhout, M.L. and Grobler, A., (2017), were conducted a comparative study between private and public sector organizations towards human resource practices and affective organizational commitment. The main purpose of their study was purpose

to specify the HR practices–OC relationship, within South Africa, and specifically across various sectors. The result of their study shows that the slight practically significant mean scored differences were detected among HRM practices provided per sector. They have also found that, a positive link between effective HR practices and OC was found within each of the three sectors, but this relationship was sector-specific.

In addition, Teclémichael Tessema and Soeters (2006), conducted a study to investigate the HRM–performance link in the Eritrean civil service. In their study HRM outcomes were used as mediating factors between HRM practices and employee performance. The result of their study shows that the Eritrean economic and political environment within which HR practices operate has not been conducive in maximizing the impact of HR practices on performance.

The aim is to do this research in Ethiopia, and in the public sector. In many respects Ethiopia is a unique country in terms of Governance. According to the Report of UNDP (2019), more than 109 people are living in Ethiopia. It is the second most populous country in Africa next to Nigeria. Different studies (e.g., Tafesse and Zigiju, 2016), reported that the civil service arrangement has a long history and started since the regime of emperor Minilic II in 1907. Most employees in Ethiopia are working with public sector organizations as most modern organizations are in the public sector (Tafesse and Zigiju, 2016 and Horwitz et al., 2009). Despite, civil service reforms tested so far, most of them were ineffective and far from meeting targets.

As a result, the overall trends of public sector organizations in Ethiopia are seen as inefficient and they have a traditional HRM system (Zigiju, 2016 and Worku, 2019), due to the fact that they are directly copied from the practices of other countries abroad (Semaw and Aminu, 2009).

Armstrong supports the idea of Semaw and Aminu and stated that adopting and copying other countries HRM practice is not a solution and HRM cannot be presented in the form of a universal process for improving the way people managed in organizations (Armstrong, 2016). The HRM practices of public sector organizations in Ethiopia are not properly established and most employees in the sector are not satisfied, not committed and not engaged, and the performance of the sector is inefficient (Ijigu, 2015). Therefore, this problem pressures the Ethiopian government to set up an effective HRM system integrating an employee attitudes and behaviors as well as organizational performance.

In light of these challenges discussed above, efforts to develop a sound HR management system in the public sector has real importance towards enhancing the attitudinal and behavioral outcomes of employees and meet superior public sector performance. Momemi et al., (2012), suggested that, particularly in the 21st century, HR practitioners recognize the importance of HR practices and their influence on the employee job satisfaction, an engagement, commitment and organizational performance. Therefore, the goal of conducting this research is to examine the effect of HRM practices on the employee attitudes, behavioral, and organizational performance, in public sectors. Besides, the study will give to our understanding of the public sector HR management system and practices investigating the link between HR management practice, organizational commitment, and organizational performance in the public sector context.

2.5. Conceptual Framework

The next conceptual model represents the relationship between HR management practices, (e.g., staff recruitment & selection, performance appraisal, training & development, compensation administration, and promotion), organizational commitment and public domain organizational performance.

The conceptual framework of this study was established based on the input-output HRM model of Guest, 1987); social exchange theory of (Sake, 2006) and Organization commitment model of (Allen and Meyer, 1990) and public leadership-performance model of (Bass et al, 2003 and Kim 2005, and Brewer and Selden, 2000). The model proposes that HRM (recruitment and selection, performance evaluation, training and development, compensation management and promotion) has a relationship with organizational commitment of employees, as well as organizations performance, in public sector context.

It is noted that there are diversity across studies in the particular HRM practices covered (Becker and Gerhart, 1996, Deyer and Reeves, 1995 and Wright and Gardner, 2003), due to the notion that organizational strategies are linked to different sets of HRM practices (Bown and Ostroff, 2004). Nevertheless, there is much commonality as studies typically cover a substantial the five core dimensions of HRM practices which have been utilized in the most public sector organizations (Wall and Wood, 2005). Even though, bundle of HRM practices in sum has been taken as HRM practice by some researchers such as (Gould Williams, 2003, Graton & Truss, 2003, Wood, 1999, Dyer and Reeves, 1995 and Matchington and Grugulis, 2000), it is difficult

to see the relationships of HRM practices with employee and organizational outcomes. In this study therefore, individual HRM (recruitment and selection, performance evaluation, training and development, compensation management and promotion) were considered as an independent variable and the individual and organizational performances was dependent variable. Organizational commitment will be used to mediate the relationship between HRM practice and organizational performance. In this case, organizational performance will be measured through responses of individual perception of organizational public service performance.

The conceptual framework of this study is presented by the following figure:

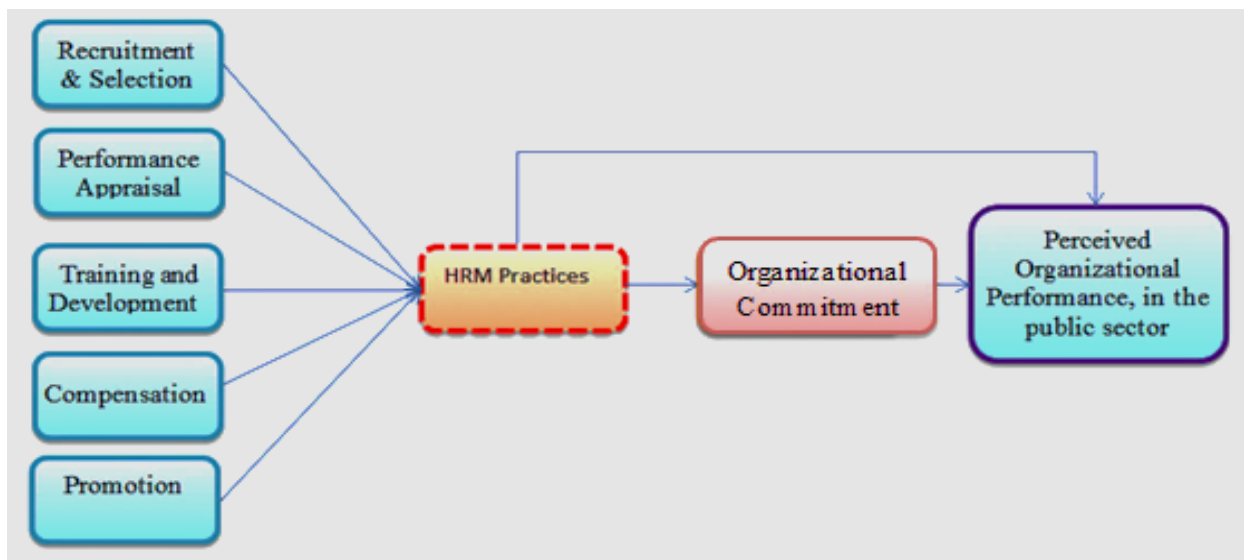


Figure 1.1: Conceptual Framework

Source: Researcher's own conceptualization, 2021.

In addition, testing the relationships between HRM and performance benefits from the control of third factors, and also from examination of the effect of individual component practices relative to each other and to measures of overall HRM (Wall and Wood, 2005). The employee attitudinal dimension of employee (organizational commitment) and will be used to mediate the relationship between HRM practices and organizational performances. Organizational commitment might act as mediators to investigate causalities between HRM-performance relationships (Wright, 2005).

2.6. Hypotheses

To address the research questions and based on the conceptual framework developed in chapter two section 2.3, the following research hypotheses were established and tested in this study.

The research hypotheses of the study were:

1: The relationship between HRM practices (Recruitment and selection, performance evaluation, training and development, compensation management and promotion) and organizational commitment (normative, continuance and affective).

Hypothesis 1a: There is positive relationship between recruitment and selection practice and organizational commitment (normative, continuance and affective).

Hypothesis 2a: There is positive relationship between performance evaluation practice and organizational commitment (normative, continuance and affective).

Hypothesis 3a: There is positive relationship between employee training and development practice and organizational commitment (normative, continuance and affective).

Hypothesis 4a: There is positive relationship between compensation management practice and organizational commitment (normative, continuance and affective).

Hypothesis 5a: There is positive relationship between promotion practice and organizational commitment.

2: The relationship between HRM practices (Recruitment and selection, performance evaluation, training and development, compensation management and promotion) and perceived public sector organizational performance.

Hypothesis 1b: There is positive relationship between recruitment and selection practice and perceived public sector organizational performance.

Hypothesis 2b: There is positive relationship between performance evaluation practice and perceived public sector organizational performance.

Hypothesis 3b: There is positive relationship between training and development practice and perceived public sector organizational performance.

Hypothesis 4b: There is positive relationship between compensation management practice and perceived public sector organizational performance.

Hypothesis 5b: There is positive relationship between promotion practice and perceived public sector organizational performance.

Hypothesis 3: There is positive relationship between organizational commitment (normative, continuance and affective) and perceived public sector organizational performance.

Hypothesis 4: The association among HRM practices and perceived organizational performance is mediated by organizational commitment (normative, continuance and affective).

CHAPTER THREE

3. RESEARCH DESIGN AND METHODS

3.1. The Research Design

Research philosophy contains important assumptions about the way in which a researcher views the world, and it underpins the research strategy and methods the researcher chooses as part of the strategy (Saunders et al, 2007). The purpose of this study was to investigate the impact of HRM practice on organizational commitment and perceived organizational performance, as perceived by respondents in the public sector organizations in Ethiopia. The nature of this study is cross sectional survey design. Cross-sectional studies often employ the survey strategy (Easteby (2008) and Robson, 2002). The cross sectional survey design is most widely used in social sciences, education, psychology, political science, and business in which instruments such as questionnaire and interviews can be used to gather information from groups of individuals and permit the researcher to measure their attitudes and opinions toward some issue at one point in time (Donald, 2006); are popular as they allow the collection of a large amount of data from sizeable population in a highly economical way (Mark Saunders et al, 2007); made inferences to generalize from a sample to a population about some characteristics, attitude, or behavior of the population when the data can be collected at one point in time (Creswell, 2014).

3.2. Research Approach

The nature of this study was a quantitative approach. According to Kothari (2017), a quantitative approach is essential to measure data in numerical form. In this study, the relationship between separate HR management practices, organizational commitment and perceived organizational performance was investigated.

3.3. Population

A population is a set of all items in a study (Kothari, 2017 and Donald Ary et al., 2018 and Yogesh Kumar, (2019). Accordingly, the population of this study was employees working in all government sector organizations that are administered under the government human resource administration proclamation in Ethiopia. According to the report of Capital Ethiopia News later, (2020), there are 1, 400, 000 government employees working in 20 Minister Offices, 108 Federal level offices and 122 regional offices in Ethiopia.

3.4. Sampling Procedure & Sample Size

Sampling is the process of obtaining information about an entire population by examining only a part of it (Kothari, 2004). It is a small group or a portion of a population that is observed (Donald, 2006). In this study, 14 federal and 10 Addis Ababa city Administration office public sector organizations were chosen from the Federal public sector organizations of Ethiopia using convenient sampling method. Once, conveniently accessible government organizations were selected, 400 questionnaires were distributed for employees to fill the questionnaire by asking their permissions.

Table 3.1: Respondents

Federal Public Sector Organizations in Ethiopia		
No	Organization	Distributed
1.	Ethiopian Anti-corruption Commission	11
2.	Ethiopian Ministry of Education	15
3.	Ethiopian Federal High Court	7
4.	Ethiopian Ministry of Finance & Eco. Development	22
5.	Ethiopian Ministry of Foreign Affairs	25
6.	Ethiopian Insurance Corporation	13
7.	Ethiopian Science and Higher Education Minister	5
8.	Ethiopian Ministry of Labor and Social Affairs	7
9.	Ethiopian Public Health Institute	10
10.	Ethiopian Public Procurement & Property Administration Agency	5
11.	Ethiopian Plan Commission	7
12.	Ethiopian Shipping and Logistics Services Enterprise	17
13.	St. Paulos Millennium Medical College	19
14.	Ethiopian Technology and Innovation Institute	5
Addis Ababa City Administration Public Sector Organizations		
15	Addis Ababa Education Bureau	7
16	Addis Ababa Finance & Eco Development Office	26

17	Addis Ababa Health Bureau	12
18	Addis Ababa Housing Agency	5
19	Addis Ababa Land Administration Bureau	23
20	Addis Ababa Micro and SE Development Agency	5
21	Addis Ababa Revenue Authority	50
22	Addis Ababa Public Service and HR Bureau	34
23	Addis Ababa TVET Agency	25
24	Addis Ababa Trade and Industry Bureau	45
Total		400

Source: Researcher’s own survey result, 2021.

The main reason of using the convenient sampling was due to the fact that it saves time, cost and energy. Besides, all selected public sector organizations have homogeneous characteristics since they are administered by uniform HRM policies and regulations of Ethiopian Public Service and Human Resource Development Minister. According to Kothari, (2017), convenience sampling is a method of selecting the representative elements in a study based on the ease of access.

The sample size of this study was determined by using the sample size formula of Yamana and Taro, (1967). Therefore, the sample size of this study was determined by using the simplified sample size formula of Yamana and Taro, (1967) as follows:

$$n = \frac{N}{(1+N(e)^2)} \text{----- (e1)}$$

Where;

n=sample size

N=population of the study

e= margin of error determined by researcher (assuming a 95% confidence level and p value of 0.05).

Source: Yamane and Taro, (1967).

$$n = \frac{1,400,000}{(1+1,400,000 (0.05)^2)}$$

$$n = \frac{1,400,000}{3,501}$$

$$n \approx \underline{\underline{400}}$$

3.5. Questionnaire Development

A five-point Likert scale self-administered questionnaire adopted from some previous studies was used to gather the necessary data. Accordingly, the five items recruitment and selection scale of (Tessema & Soeters, 2006 and Demo et al. 2012); the ten items employee training and development scale of (Tessema & Soeters, 2006); the six items employee promotion practice scales of (Tessema & Soeters, 2006 and Demo et al. 2012), and the six items compensation management practice scale was adopted (Tessema & Soeters, 2006) and used in the study.

Organizational commitment measures: The original three forms of 5-point organizational commitment measurement scale (affective, normative and continuance) developed by (Allen & Meyer, 1990) were used to measure employees' level of organizational commitment.

Perceived Organizational performance: There is no general theory about performance and a number of approaches and models, often built on specific disciplinary perspectives, such as economics, psychology or production management (Guest, 2011). However, it is too difficult to integrate an 'Objective' performance measurement in a large survey research and such measurement scales are not available (Alonso and Lewis, 2001). Employees' perception of the overall organization-level performance is valuable way to capture the interface between attitudes and performance (Delaney and Huselid, 1996). Where the 'hard' quantitative data are not available, we may wish to resort to measures of attitudinal and behavioral measures (Guest, 2011). For this reason, organizational performance was measured through responses of individual perception of organizational public service performance. In this regard, employees were asked their opinions about how they perceived their organizations' performance. Accordingly, the ten items self-reported perceptions of organizational performance scale developed by (Delaney & Mark, John and Huselid, 1996) were used to capture the performance of organizations in the public sector.

3.6. Method of Data Analysis

The Pearson correlation, multiple linear regression and a partial least square methods were used in the data analysis process. To determine if certain elements of HRM practices predict organizational commitment and organizational performance, multiple linear regression analyses were performed, with HR practices as the independent variable and organizational commitment

and organizational performance as the dependent variable. Accordingly, the standardized regression for the predictors of OC and OP were shown as follows:

HRM Practices and Organizational Commitment

$$OC = \alpha_0 + \beta_1RS + \beta_2PE + \beta_3TD + \beta_4CM + \beta_5PM \text{ ----- (e2)}$$

HRM Practices and Organizational Performance

$$OP = \alpha_0 + \beta_1RS + \beta_2PE + \beta_3TD + \beta_4CM + \beta_5PM \text{ ----- (e3)}$$

Where:

α_0 = Constant

Dependent Variables:

OC = Organizational commitment

OP=Organizational performance

Independent Variables:

RS = Recruitment & Selection

PE = Performance Evaluation

TD = Training & Development

CM = Compensation Management

PM=Promotion and career management

3.7. Ethical Considerations

It is critical responsibilities of a researcher to fulfill all the ethical aspects of his/her study (Kumar, 2019). This paper, therefore, was considered all the necessary AAU ethical issues in the topic formulation, collection of data, analysis of data, as well as discussions and interpretations of findings. Further, the researcher told respondents as the data collected is confidential.

CHAPTER FOUR

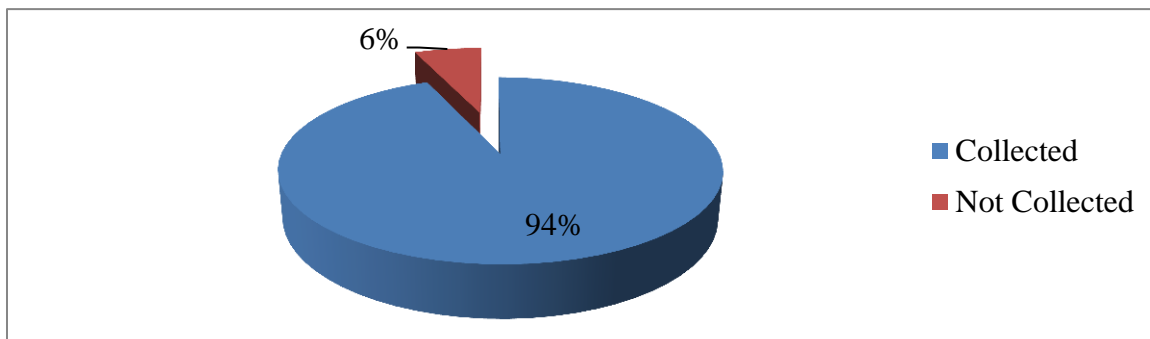
4. DATA PESENTATION, ANALYSIS AND INTERPRETATION

The main aim of this study was to examine the relationship between HRM practice, organizational commitment and perceived organizational performance, as perceived by respondents in the public sector organizations in Ethiopia. The nature of this study was cross sectional survey design with quantitative approach. A total of 400 questionnaires were distributed to 14 federal level and 10 Addis Ababa City Administration level public sector offices using convenient sampling technique. Out of the distributed questionnaires, 375 questionnaires were properly collected and filled and analyzed. Pearson correlation, multiple regressions the Partial Least Square modeling techniques were used to manipulate the collected data.

4.1. Response Rate

According to (Lindemann, 2019), the response rate affects the reliability as well as accuracy of the result of the study.

Figure 4. 1: Response Rate



As it is depicted in the above Figure 1, out of 400 distributed questionnaires, 375 questionnaires were properly collected with the response rate of 94%. According to Lindemann (2019), a response rate of 60% and above is acceptable in a survey research.

In addition, the number of questionnaires distributed to each office and collected from respondents is summarized in Table 4.1.

Table 4.1: Response Rate in Each Office

Federal Public Sector Organizations in Ethiopia				
No	Organization	Distributed	Returned	Response Rate
1.	Ethiopian Anti-corruption Commission	11	11	100%
2.	Ethiopian Ministry of Education	15	13	87%
3.	Ethiopian Federal High Court	7	7	100%
4.	Ethiopian Ministry of Finance & Eco. Development	22	20	91%
5.	Ethiopian Ministry of Foreign Affairs	25	22	88%
6.	Ethiopian Insurance Corporation	13	11	85%
7.	Ethiopian Science and Higher Education Minister	5	2	40%
8.	Ethiopian Ministry of Labor and Social Affairs	7	7	100%
9.	Ethiopian Public Health Institute	10	9	90%
10.	Ethiopian Public Procurement & Property Administration Agency	5	5	100%
11.	Ethiopian Plan Commission	7	7	100%
12.	Ethiopian Shipping and Logistics Services Enterprise	17	16	94%
13.	St. Paulos Millennium Medical College	19	18	95%
14.	Ethiopian Technology and Innovation Institute	5	5	100%

Addis Ababa City Administration Public Sector Organizations				
15	Addis Ababa Education Bureau	7	7	100%
16	Addis Ababa Finance & Eco Development Office	26	25	96%
17	Addis Ababa Health Bureau	12	11	92%
18	Addis Ababa Housing Agency	5	5	100%
19	Addis Ababa Land Administration Bureau	23	22	96%
20	Addis Ababa Micro and SE Development Agency	5	5	100%
21	Addis Ababa Revenue Authority	50	47	94%
22	Addis Ababa Public Service and HR Bureau	34	33	97%
23	Addis Ababa TVET Agency	25	24	96%
24	Addis Ababa Trade and Industry Bureau	45	43	96%
Total		400	375	94%

Source: Researcher's field survey result, 2021.

4.2. Respondents Background Information

Table 4.2: Background Information

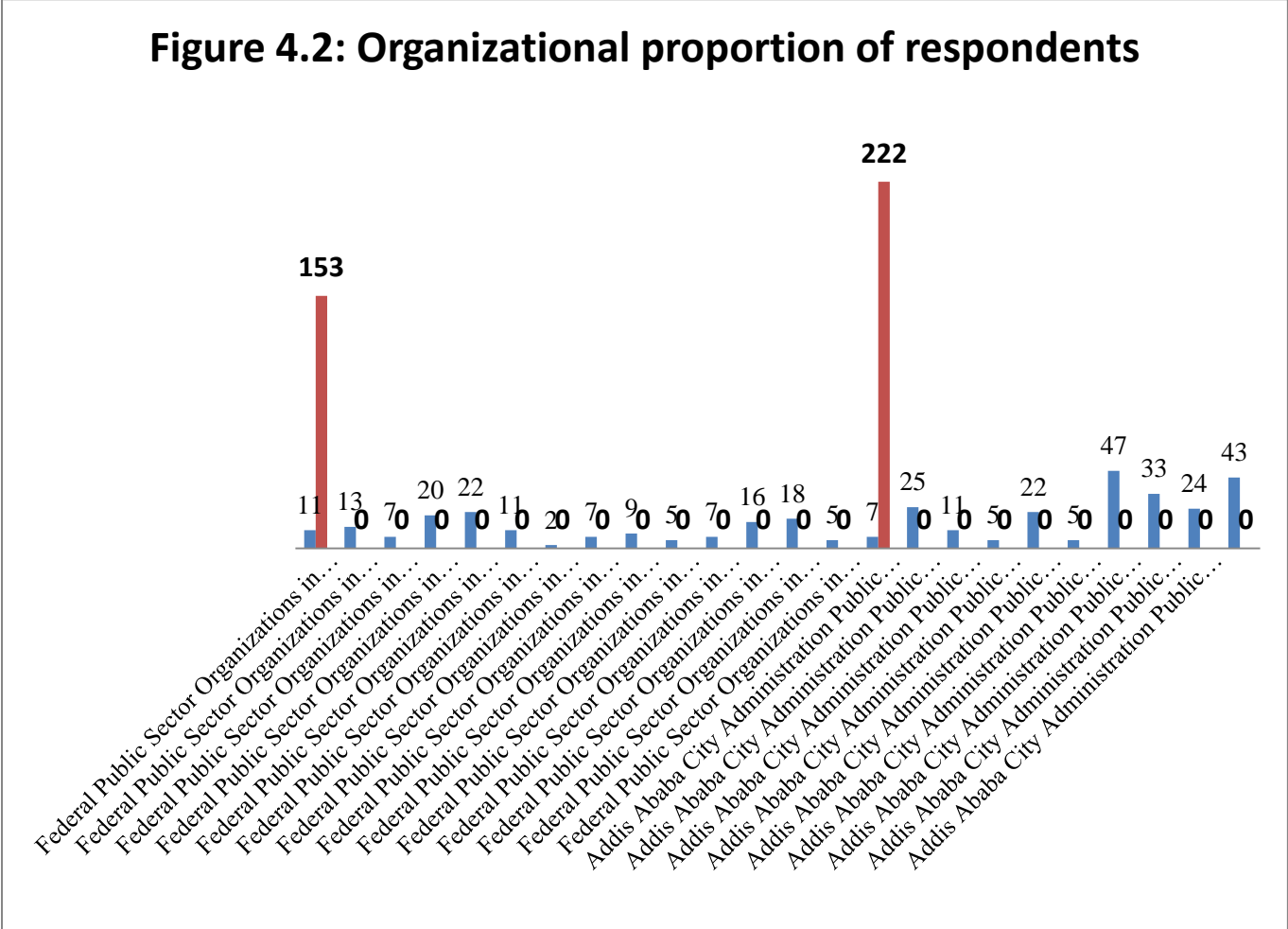
		Frequency	Percent	Cumulative Percent
Organizational proportion of respondents	Federal Level Public sector organizations	153	41	41
	Addis Ababa City Administration public sector organizations	222	59	100
	Total	375	100.0	

Gender	Female	130	34.7	34.7
	Male	245	65.3	100.0
	Total	375	100.0	
Age	Below 20 years old	4	1.1	1.1
	20 to 30 years old	212	56.5	57.6
	above 30 to 40 years old	107	28.5	86.1
	above 40 to 50 years old	37	9.9	96.0
	50 and above years old	15	4.0	100.0
	Total	375	100.0	
Marital Status	Married	200	53.3	53.3
	single	161	42.9	96.3
	Other	14	3.7	100.0
	Total	375	100.0	
Educational level	Certificate	2	.5	100.0
	Diploma Holder	20	5.3	5.3
	First Degree Holder	199	53.1	58.4
	Masters Degree	152	40.5	98.9
	Ph.D Holder	2	.5	99.5
	Total	375	100.0	
Experience	Less than 1 year	28	7.5	7.5
	1 to 3 years	92	24.5	32.0
	above 3 to 6 years	86	22.9	54.9
	above 6 to 9 years	40	10.7	65.6
	above 9 years	129	34.4	100.0
	Total	375	100.0	
Monthly income (in Eth. Birr)	Less than 2500	3	.8	.8
	2,500-3500	30	8.0	8.8
	above 3,500-4500	30	8.0	16.8
	above 4,500-5,500	53	14.1	30.9

	above 5,500-6,500	34	9.1	40.0
	above 6,500	225	60.0	100.0
	Total	375	100.0	

Source: Researcher’s field survey result, 2021.

Regarding the organizational proportion of respondents, presented in Figure 4.2, the survey was performed on 24 different public sector organizations in Ethiopia. Accordingly, majority (59%) of respondents were Addis Ababa city Administration offices, while the remaining (41%) were federal level public sector offices in Ethiopia.



Source: Field survey result, 2021.

Moreover, Table 4.2 shows that 35% of respondents were females while 65% were males. Therefore, the sex proportion of the respondents in Ethiopian public sector organizations was imbalanced and skewed toward males. Hence, the result of the study shows that the Ethiopian public sector organizations are dominated by men.

Furthermore, 1% of the respondents fall within the age of below 20, while majority (57%) are within the ages of 20 years to 30 years, while 29% are within the ages of above 30 years to 40 years, while 10% are within the ages of above 40 years to 50 years, and the remaining 4% falls within the ages of above 50 years. Hence, it can be concluded that majority of employees in the Ethiopian public sector organizations falls between 20 to 30 years old. In addition, the result presented in Table 4.1 shows that majority (53%) are married, while 43% of there are single and the remaining 4% are under the other categories.

Regarding to the educational level of respondents presented in Table 4.2, majority (53%) of respondents are first degree holders followed by masters, diploma, certificate and Ph.D. levels with a percentage result of 41%, 5%, 0.5% and 0.5% respectively. Therefore, the result implies that majority (53%) of employees in public sector organizations in Ethiopia are first degree holders.

The background result shown in Table 4.2 indicates that majority (34%) had working experience of above 9 years in the public sector, while 25% had experience of between one to three years, 23 % of respondents' work experience falls between above three years to six years, followed by above six to 9 years and less than 1 year with the percentage result of 11% and 8 years of experience. Therefore, it can be concluded that majority (34%) of public sector employees in Ethiopia have working experience of above 9 years.

Regarding the monthly income of respondents, the result presented in Table 4.2 shows that the monthly salary of majority (60%) of respondents are above ETB. 6,500, followed by 4,500-5,500, 5,500-6,500, 2,500-3500, and less than 2500 with a percentage of 14%, 9%, 8%,8% and 1% respectively. Hence, it can be concluded that majority of public service employees in Ethiopia earn a monthly salary of above ETB. 6,500.

4.3. Reliability and Validity Tests

4.3.1 Reliability

Table 4.3 Reliability Statistics

Scale	Items	Cronbach's Alpha for each	Cronbach's Alpha for all	Mean	Std. Deviation	Number of items	N

HRM Practices Scale	Employee Recruitment and Selection Practices	0.814	0.855	3.1291	.73219	9	375
	Performance Evaluation Practices	0.853		2.8960	.82905	7	
	Employee Training and Development Practices	0.906		2.8834	.93305	7	
	Compensation Management Practices	0.853		2.4436	.89230	6	
	Employee Promotion and Career Management Practices	0.851		2.7404	.84837	6	
Organizational Commitment Scale	Normative Commitment	0.783	0.774	2.9753	.72776	8	375
	Continuance Commitment	0.832		2.9464	.75209	9	
	Affective Commitment	0.706		2.8888	.65050	8	
Organizational Performance	Organizational Performance	0.920	0.920	3.0470	1.0750	11	375

Source: Researcher's Field survey result, 2021.

Table 4.3 above shows the reliability analysis result of items used to gather data from respondents. Accordingly, the Cronbach's alpha coefficients result were 0.814, 0.853, 0.906, 0.853, 0.851, 0.783, 0.832, 0.706 and 0.92 for employee recruitment and selection practices, performance evaluation practices, employee training and development practices, compensation management practices, employee promotion and career management practices, normative commitment, continuance commitment, affective commitment, and organizational performance respectively.

In sum, the reliability coefficients of all items used were above 0.7, the minimum coefficient was observed 0.706 and the items were reliable. According to Hair, et al., (2006), an item with Cronbach's alpha coefficients of 0.6 is reliable.

4.3.1 Validity Test

The Pearson Correlation analysis result indicated in the following table 4.4 shows that all the items used in the study were significant at the 2-tailed 0.01 level.

Table 4.4: Validity Statistics

Items		RS	PE	TD	CM	PR	NC	CC	AC	OP	Total
Employee Recruitment and Selection Practices	Pearson Correlation	1									.686**
Performance Evaluation Practices	Pearson Correlation	.600*	1								.736**
Employee Training and Development Practices	Pearson Correlation	.502*	.55 1* *	1							.777**
Compensation Management Practices	Pearson Correlation	.303* *	.49 9* *	.48 3* *	1						.658**
Employee Promotion and Career Management Practices	Pearson Correlation	.447* *	.47 1* *	.49 6* *	.480 **	1					.697**
Normative Commitment	Pearson Correlation	.276* *	.33 1* *	.33 9* *	.336 **	.404 **	1				.640**
Continuance Commitment	Pearson Correlation	.342* *	.31 2* *	.45 5* *	.321 **	.313 **	.523 **	1			.677**
Affective Commitment	Pearson Correlation	.324* *	.35 1* *	.39 6* *	.198 **	.222 **	.377 **	.495 **	1		.592**
Organizational Performance in the Public Sector	Pearson Correlation	.477* *	.39 4* *	.49 3* *	.327 **	.406 **	.461 **	.515 **	.46 5* *	1	.726**

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

Source: Researcher's Field survey result, 2021.

The aggregate Pearson correlation result presented the last column in Table 4.4, shows that all items are valid in the 0.01 significance level (2-tailed). In addition, the Pearson correlation results are above the critical as well as greater than the critical value i.e., 0.05.

4.4. Correlation Analysis

In this research, there were 12 hypotheses formulated to test the relationship between HRM practices, organizational commitment and organizational performance. Accordingly, Table 4.5

below shows the Pearson correlation result on the link between HRM practices, organizational commitment (continuance, affective and normative), and organizational performance. The degree of correlation coefficients between variables was labeled based on the classification of Taylor (1990). Accordingly, the correlation coefficients < .35, .36 to .67, and .67 to 1 were classified as low or weak, moderate and high-level correlations respectively.

4.4.1. Correlations between HRM Practices and Organizational Commitment

Table 4.5: Correlations between HRM Practices and Organizational Commitment

		CC	AC	NC	Total OC
Employee Recruitment and Selection Practices	Pearson Correlation	.342**	.324**	.276**	.391**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	375	375	375	375
Performance Evaluation Practices	Pearson Correlation	.312**	.351**	.331**	.409**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	375	375	375	375
Employee Training and Development Practices	Pearson Correlation	.455**	.396**	.339**	.496**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	375	375	375	375
Compensation Management Practices	Pearson Correlation	.321**	.198**	.336**	.360**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	375	375	375	375
Employee Promotion and Career Management Practices	Pearson Correlation	.313**	.222**	.404**	.392**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	375	375	375	375

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

Source: Researcher's field survey result, 2021.

HRM Practices and Normative Commitment (H1a, H2b H3c, H4a, H5a)

Table 4.5 indicates the moderate level correlation and positive associations between employee promotion practice and normative commitment with the Correlation coefficient of .404. However, the result shows that there is a positive but weak relationship between employee training and development, compensation management, performance evaluation, employee recruitment and selection practices and normative commitment with the correlation coefficient result of .339, .336, 0.331 and 0.276 respectively. The result implies that there is a positive and moderate level of relationships between employee promotion practice and normative commitment, while there is a positive but weak relationship between employee training and development, compensation management, performance evaluation, employee recruitment and selection practices and normative commitment.

Moreover, the p value for this correlation is 0.000 which is less than 0.01 therefore it is significant at 1% level. Hence, we have to reject the null hypothesis and accept the alternative hypothesis that favors the positive association between all HRM Practices and normative commitment.

HRM Practices and Continuance Commitment (H1b, H2b H3b, H4b, H5b)

Table 4.5 indicates the moderate level correlation and positive associations between employee training and development practice and continuance commitment with the Correlation coefficient of .455. However, the result shows that there is a positive but weak relationship between employee recruitment and selection compensation management practices, performance evaluation practices, and employee promotion practices with continuance commitment with the correlation coefficient result of .342, .342, 0.321 and 0.213 respectively. The result implies that there is a positive and moderate level of relationships between employee training and development practice and continuance commitment, while there is a positive but weak relationship between recruitment and selection, compensation management practices, performance evaluation practices, and employee promotion practices and continuance commitment.

Moreover, the p value for this correlation is 0.000 which is less than 0.01 therefore it is significant at 1% level. Hence, we have to reject the null hypothesis and accept the alternative

hypothesis that favors the positive association between all HRM Practices and continuance commitment.

HRM Practices and Affective Commitment (H1c, H2c H3c, H4c, H5c)

The third item in Table 4.5 shows the relationship between HRM practice and affective commitment. Accordingly, the result revealed that there is a moderate level correlation as well as positive associations between employee training & development and affective commitment with the Correlation coefficient of .396. However, the result shows that there is a positive but weak relationship between employee performance evaluation, recruitment and, selection practices, employee compensation management practices and performance evaluation and affective commitment with the correlation coefficient result of .351, .324, 0.22 and 0.198 respectively. The result implies that there is a positive and moderate level of relationships between employee training & development practice and affective commitment, while there is a positive but weak relationship between employee performance evaluation, recruitment and, selection practices, employee compensation management practices and performance evaluation and affective commitment.

Moreover, the p value for this correlation is 0.000 which is less than 0.01 therefore it is significant at 1% level. Hence, we have to reject the null hypothesis and accept the alternative hypothesis that favors the positive association between all HRM Practices and affective commitment.

Generally, the correlation coefficient results in four HRM practices (training and development, performance appraisal, promotion, recruitment and selection) presented in Table 4.5 are dropped from .36 to .67, while the weak level correlation result (.360) is obtained on the relationship between employee compensation management practice and organizational commitment. Therefore, the result revealed that there is a moderate level association between four HRM practices (training and development, performance appraisal, promotion, recruitment and

selection) and organizational commitment. But the least link is obtained between employee compensation management practice and organizational commitment.

Moreover, Table 4.6 below shows the overall relationship between HRM practice and organizational commitment. Accordingly, the Correlation result of .537 was obtained in the relationship between HRM practice and organizational commitment. It implies that there is a positive and moderate relationship between HRM practice and organizational commitment.

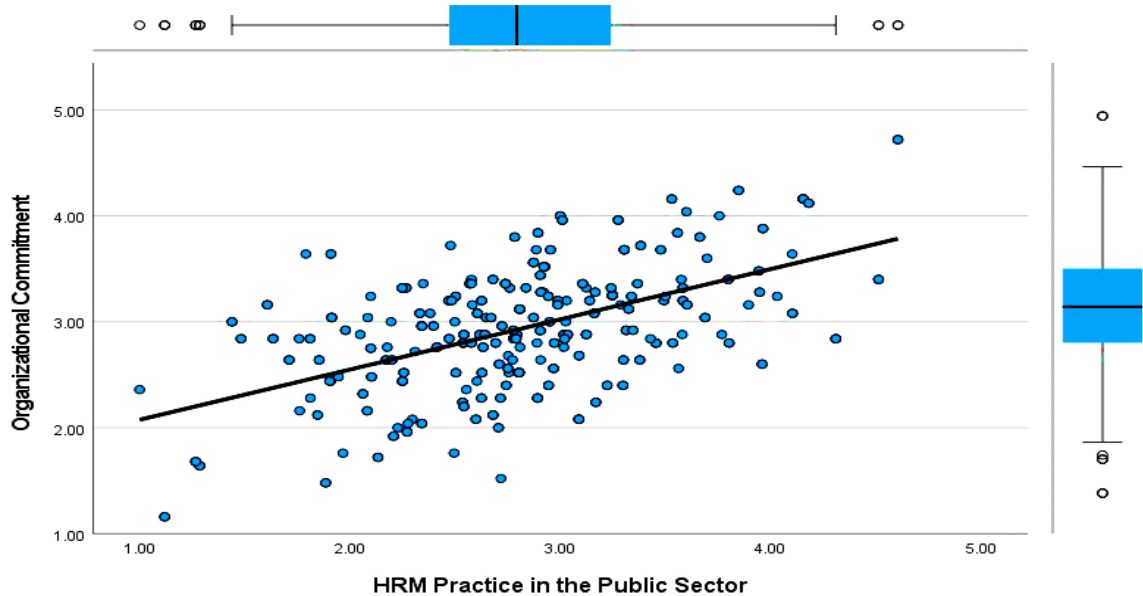
In addition, the p value for this correlation is 0.000 which is less than 0.01 therefore the relationship between HRM practice and organizational commitment is significant at 0.01 level (2-tailed) levels. Therefore, we have to reject the null hypothesis and accept the alternative hypothesis that favors the positive association between HRM practice and organizational commitment.

Table 4.6: Correlations between HRM Practice and Organizational Commitment

		HRM Practice in the Public Sector	Organization al Commitment
HRM Practice in the Public Sector	Pearson Correlation	1	.537**
	Sig. (2-tailed)		.000
	N	375	375
Organizational Commitment	Pearson Correlation	.537**	1
	Sig. (2-tailed)	.000	
	N	375	375
**. Correlation is significant at the 0.01 level (2-tailed).			
<i>Source:</i> Researcher’s Field survey result, 2021.			

Furthermore, the scatter plot diagram in Figure 4.3 below shows the positive relationships between HRM practice and organizational commitment.

Figure 4.3: Scatterplot Diagram of HRM practice and organizational commitment



4.4.2. Correlations between HRM Practices and Organizational Performance (H1d, H2d, H3d, H4d, H5d)

Table 4.7: Correlations between HRM Practices and Organizational Performance

Items		Organizational Performance in the Public Sector
Employee Recruitment and Selection Practices	Pearson Correlation	.477**
	Sig. (2-tailed)	.000
	N	375
Performance Evaluation Practices	Pearson Correlation	.394**
	Sig. (2-tailed)	.000
	N	375
Employee Training and Development Practices	Pearson Correlation	.493**
	Sig. (2-tailed)	.000
	N	375
Compensation Management Practices	Pearson Correlation	.327**
	Sig. (2-tailed)	.000
	N	375
Employee Promotion and Career Management Practices	Pearson Correlation	.406**
	Sig. (2-tailed)	.000
	N	375
	N	375

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

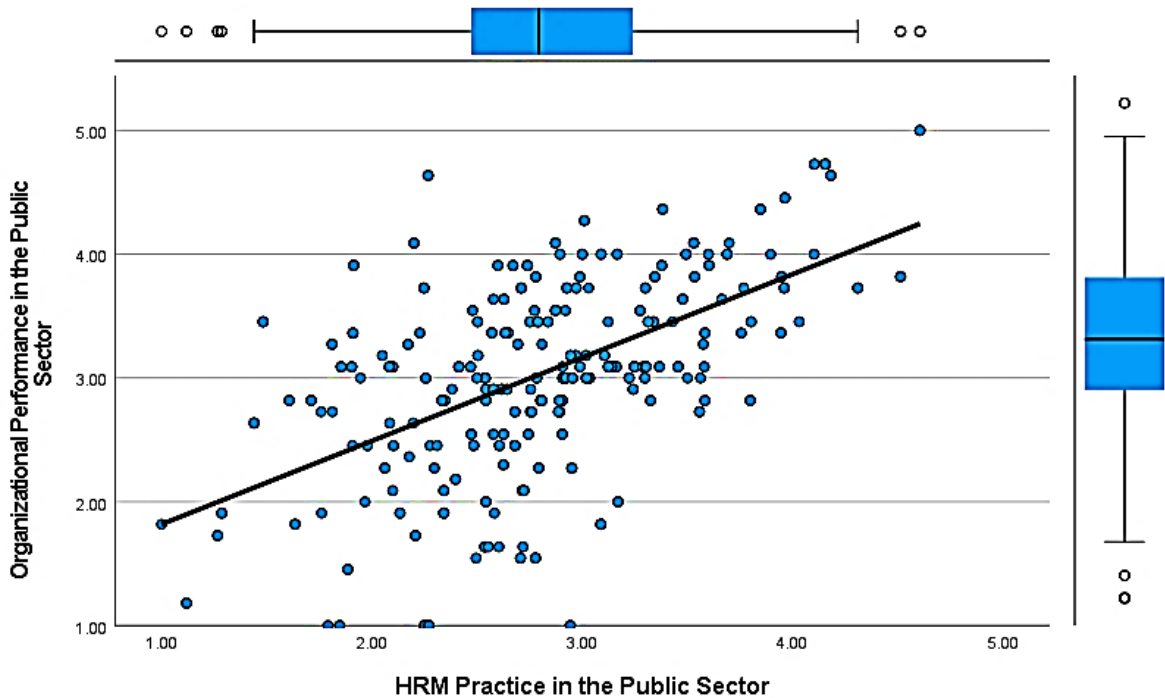
Source: Researcher’s field survey result, 2021.

The analysis result presented in Table 4.7 depicts the Correlation coefficient of 0.493, 0.477, 0.406, 0.394 and 0.327 for employee training and development practice, employee recruitment and selection practices, employee promotion and career management practices, employee promotion and career management practices, performance evaluation practices, and compensation management practices respectively. It implies that there is a positive and moderate link between the four HRM practices (training, recruitment and selection, promotion, promotion, and performance evaluation practices) and organizational performance. But, there is a weak link obtained between compensation management practices and organizational performance. Therefore, the result shows the positive relationship between HRM practice and organizational performance.

In addition, the p value for this correlation is 0.000 which is less than 0.01 therefore it is significant at 1% level. Therefore, we have to reject the null hypothesis and accept the alternative hypothesis that favors the positive association between all HRM practice and organizational performance.

The scatter plot diagram in Figure 4.4 depicts the positive relationships between HRM practice and organizational performance.

Figure 4.4: Scatterplot Diagram of HRM practice and organizational performance



4.4.3. Correlations between Each Types of organizational commitment and organizational performance

Table 4.8: Correlations between Each Types of Organizational Commitment and Organizational Performance

		NC	CC	AC	OP
Normative Commitment	Pearson Correlation	1	.523**	.377**	.461**
	Sig. (2-tailed)		.000	.000	.000
	N	375	375	375	375
Continuance Commitment	Pearson Correlation	.523**	1	.495**	.515**
	Sig. (2-tailed)	.000		.000	.000
	N	375	375	375	375
Affective Commitment	Pearson Correlation	.377**	.495**	1	.465**
	Sig. (2-tailed)	.000	.000		.000
	N	375	375	375	375
Organizational Performance in the Public Sector	Pearson Correlation	.461**	.515**	.465**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	375	375	375	375

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

Source: Researcher's field survey result, 2021.

The result presented in Table 4.8, the correlation coefficient results of .515, .465 and .461 for continuance, affective and normative commitment levels respectively. It therefore means that there is a moderate and positive correlation between all organizational commitment elements (normative, continuance and affective) and organizational performance.

Table 4.9: Correlations between Each Types of Organizational Commitment and OP

		Organizational Commitment	Organizational Performance in the Public Sector
Organizational Commitment	Pearson Correlation	1	.599**
	Sig. (2-tailed)		.000
	N	375	375
Organizational Performance in the Public Sector	Pearson Correlation	.599**	1
	Sig. (2-tailed)	.000	
	N	375	375

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

Source: Researcher's field survey result, 2021.

Moreover, Table 4.10 above shows the overall relationship between Organizational commitment and organizational performance. Accordingly, the Correlation result of .599 obtained in the relationship between the two variables. Therefore, it can be concluded that there is a positive and moderate relationship between Organizational commitment and organizational performance.

In addition, the p value for this correlation is 0.000 which is less than 0.01 therefore the relationship between Organizational commitment and organizational performance is significant at 0.01 level (2-tailed) levels.

The following figure 4.5 shows the positive associations between HRM practice and organizational performance.

Figure 4.5: Scatterplot Diagram of Organizational commitment and organizational performance

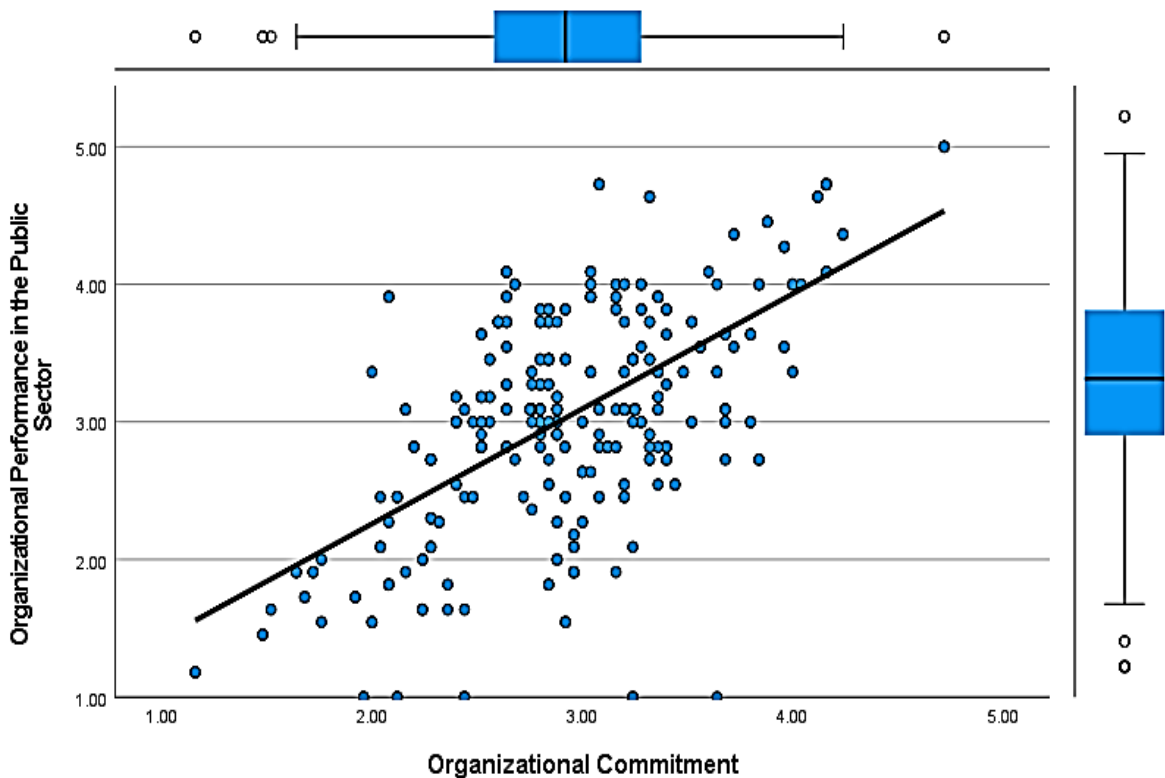


Table 4.10: Summary of Correlations results between variables

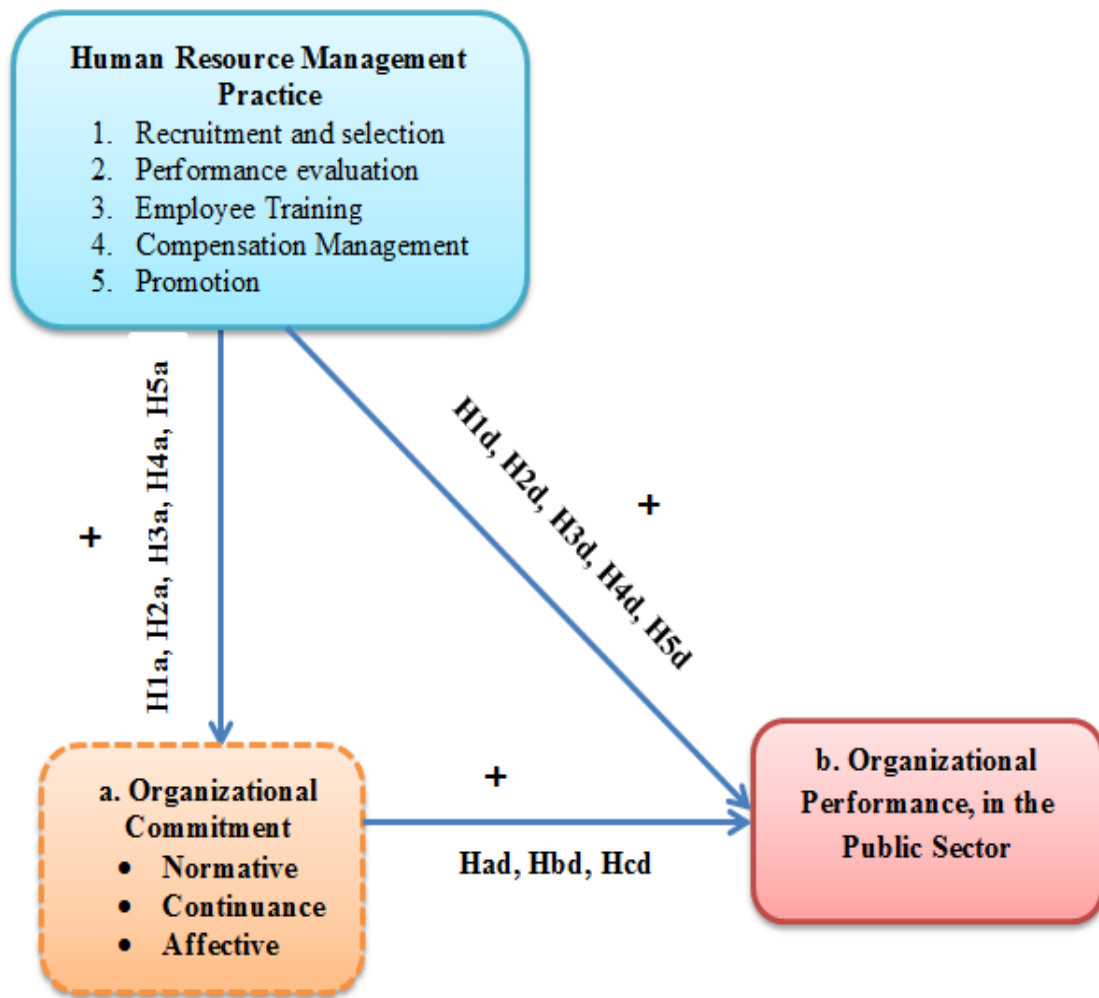
		RS	PA	TD	CM	PR	NC	CC	AC	HRM	OC	OP
Employee Recruitment and Selection Practices	Pearson Correlation	1										
	Sig. (2-tailed)											
	N	375										
Performance Evaluation Practices	Pearson Correlation	.600**	1									
	Sig. (2-tailed)	.000										
	N	375	375									
Employee Training and Development Practices	Pearson Correlation	.502**	.551**	1								
	Sig. (2-tailed)	.000	.000									
	N	375	375	375								
Compensation Management Practices	Pearson Correlation	.303**	.499**	.483**	1							
	Sig. (2-tailed)	.000	.000	.000								
	N	375	375	375	375							
Employee Promotion and Career Management Practices	Pearson Correlation	.447**	.471**	.496**	.480**	1						
	Sig. (2-tailed)	.000	.000	.000	.000							
	N	375	375	375	375	375						
Normative Commitment	Pearson Correlation	.276**	.331**	.339**	.336**	.404**	1					
	Sig. (2-tailed)	.000	.000	.000	.000	.000						
	N	375	375	375	375	375	375					
Continuance Commitment	Pearson Correlation	.342**	.312**	.455**	.321**	.313**	.523**	1				
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000					
	N	375	375	375	375	375	375	375				
Affective Commitment	Pearson Correlation	.324**	.351**	.396**	.198**	.222**	.377**	.495**	1			
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000				
	N	375	375	375	375	375	375	375	375			
HRM Practice in the Public Sector	Pearson Correlation	.723**	.809**	.803**	.734**	.757**	.442**	.458**	.389**	1		
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000			
	N	375	375	375	375	375	375	375	375	375		
Organizational Commitment	Pearson Correlation	.391**	.409**	.496**	.360**	.392**	.790**	.864**	.750**	.537**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000		
	N	375	375	375	375	375	375	375	375	375	375	
Organizational Performance in the Public Sector	Pearson Correlation	.477**	.394**	.493**	.327**	.406**	.461**	.515**	.465**	.546**	.599**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	375	375	375	375	375	375	375	375	375	375	375

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

Source: Field survey analysis result, 2021

The summary of hypotheses testing in Figure 4.6 shows that there is a positive association between HRM Practice, organizational commitment and organizational performance. All the five HRM functions have a positive link with organizational commitment variables (normative, continuance and affective). Similarly, all HRM elements have positive link with organizational performance. In addition, all the three types of organizational commitment variables (normative, continuance and affective), have positive relationships with organizational performance. Finally, a organizational commitment significantly mediates the relationship between HRM practice and organizational performance.

Figure 4.6: Hypotheses Testing Summary



Source: Analysis result, 2021.

Table 4.11: Summary of Hypothesis Testing Results

Hypotheses	Decision	Sig. Level
Hypothesis 1a: There is a positive relationship between recruitment and selection practice and organizational commitment (normative, continuance and affective).	Accepted	0.01 level (2-tailed).
Hypothesis 2a: There is a positive relationship between performance evaluation practice and organizational commitment (normative, continuance and affective).	Accepted	0.01 level (2-tailed).
Hypothesis 3a: There is a positive relationship between employee training and development practice and organizational commitment (normative, continuance and affective).	Accepted	0.01 level (2-tailed).
Hypothesis 4a: There is a positive relationship between compensation management practice and organizational commitment (normative, continuance and affective).	Accepted	0.01 level (2-tailed).
Hypothesis 5a: There is a positive relationship between promotion practice and organizational commitment.	Accepted	0.01 level (2-tailed).
Hypothesis 1b: There is a positive relationship between recruitment and selection practice and perceived public sector organizational performance.	Accepted	0.01 level (2-tailed).
Hypothesis 2b: There is positive relationship between performance evaluation practice and perceived public sector organizational performance.	Accepted	0.01 level (2-tailed).
Hypothesis 3b: There is positive relationship between training and development practice and perceived public sector organizational performance.	Accepted	0.01 level (2-tailed).
Hypothesis 4b: There is a positive relationship between compensation management practice and perceived public sector organizational performance.	Accepted	0.01 level (2-tailed).
Hypothesis 5b: There is a positive relationship between promotion practice and perceived public sector organizational performance.	Accepted	0.01 level (2-tailed).
Hypothesis 3: There is a positive relationship between organizational	Accepted	0.01 level

commitment (normative, continuance and affective) and perceived public sector organizational performance.	ted	(2-tailed).
Hypothesis 4: The link between HRM practices and perceived organizational performance is mediated by organizational commitment (normative, continuance and affective).	Accepted	0.01 level (2-tailed).

Source: Field survey result, 2021.

Hence, from the above table 4.11 of hypothesis test result, the researcher accepted all hypotheses as follows;

- Hypothesis 1a is accepted and concluded that there is a positive relationship between recruitment and selection practice and organizational commitment (normative, continuance and affective).
- Hypothesis 2a is accepted and concluded that there is a positive relationship between performance evaluation practice and organizational commitment (normative, continuance and affective).
- Hypothesis 3a is accepted and concluded that there is a positive relationship between employee training and development practice and organizational commitment (normative, continuance and affective).
- Hypothesis 4a is accepted and concluded that there is a positive relationship between compensation management practice and organizational commitment (normative, continuance and affective).
- Hypothesis 5a is accepted and concluded that there is a positive relationship between promotion practice and organizational commitment.
- Hypothesis 1b is accepted and concluded that there is a positive relationship between recruitment and selection practice and perceived public sector organizational performance.
- Hypothesis 2b is accepted and concluded that there is a positive relationship between performance evaluation practice and perceived public sector organizational performance.
- Hypothesis 3b is accepted and concluded that there is a positive relationship between training and development practice and perceived public sector organizational performance.

- Hypothesis 4b is accepted and concluded that there is a positive relationship between compensation management practice and perceived public sector organizational performance.
- Hypothesis 5b is accepted and concluded that there is a positive relationship between promotion practice and perceived public sector organizational performance.
- Hypothesis 3 is accepted and concluded that there is a positive relationship between organizational commitment (normative, continuance and affective) and perceived public sector organizational performance.
- Hypothesis 4 is accepted and concluded that organizational commitment significantly mediates the relationship between HRM practices and perceived organizational performance.

4.4. Regression Analysis

To determine if certain elements of HRM practices predict organizational commitment and organizational performance, linear regression analyses were performed, with HR practices as the independent variable and organizational commitment and organizational performance as the dependent variable. The results of this analysis are shown in Table 4.12.

In this study, the regression analysis of this study was made using the multiple analysis coefficients of Version 27 SPSS software. Accordingly, the B column values were used to indicate the kind of correlation between the independent and dependent variables. According to Huck (2004), Dhakal (2018), Stephanie (2018) and Dhakal (2018), a positive sign of B indicates a positive slope with negative correlations, while the negative sign of B shows a negative slope with negative correlations.

Moreover, the 'R' and 'R²' column values were used to determine the quality of the prediction of the dependent variable and the proportion of variance in the dependent variable that can be explained by the independent variables respectively. According to Dhakal (2018), Stephanie (2018) and Dhakal (2018), the quality of the prediction of the dependent variable and the proportion of variance in the dependent variable that can be explained by the independent variables represented by the 'R' and 'R²' column values respectively. The high difference between the values of R-squared and adjusted R Square indicates a poor fit of the model.

4.4.1. Regression Result of HRM Practices and Organizational Commitment

A multiple linear regression analysis was performed to find out the predictors of OC as conceptualized in the model. Accordingly, Table 4.12 shows the coefficient for the predictors of OC.

The standardized regression Model is:

$$OC = \alpha_0 + \beta_1RS + \beta_2PE + \beta_3TD + \beta_4CM + \beta_5PM$$

Where:

α_0 = Constant

Dependent Variables:

OC = Organizational commitment

Independent Variables:

RS = Recruitment & Selection

PE = Performance Evaluation

TD = Training & Development

CM = Compensation Management

PM = Promotion and career management

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.549a	.301	.291	.48300	.301	31.762	5	369	.000

Source: Field survey analysis result, 2021.

- a. Predictors: (Constant), Employee Promotion and Career Management Practices, Employee Recruitment and Selection Practices, Compensation Management Practices, Employee Training and Development Practices, Performance Evaluation Practices
- b. Dependent Variable: Organizational Commitment

The regression analysis result presented on table 4.12, shows that all the five HRM practices namely recruitment and selection, performance evaluation, training and development,

compensation management and promotion have the ability to influence organizational commitment ($R^2=0.291$). It implies that 29% of variations in the organizational commitment is explained by HRM practices.

Table 4.13: Coefficients of predictors of OC

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.617	.119		13.585	.000	1.383	1.851
	Employee Recruitment and Selection Practices	.094	.045	.120	2.082	.038	.005	.182
	Performance Evaluation Practices	.053	.043	.077	1.245	.214	-.031	.137
	Employee Training and Development Practices	.181	.035	.294	5.106	.000	.111	.251
	Compensation Management Practices	.057	.035	.088	1.616	.107	-.012	.126
	Employee Promotion and Career Management Practices	.077	.037	.114	2.087	.038	.004	.150

a. Dependent Variable: Organizational Commitment

Source: Field survey analysis result, 2021.

The multiple linear regression result in Table 4.13 depicts that out of the five HRM practices the three namely; employee recruitment and selection practices $p(.038)<0.05$, employee training and development practices $p(.000)<0.05$ and employee promotion practices $p(.038)<0.05$ are statistically significantly to the prediction of organizational commitment, but the remaining HRM practices, namely; employee performance evaluation practices $p(.214)>0.05$, compensation management practices $p(.107)>0.05$ are not statistically significantly to the prediction.

Hence, the highest contributing predictor is employee training and development practices (0.294), followed by employee recruitment and selection (0.120), employee promotion practice (0.114), employee compensation management practice (0.088), and employee performance appraisal practice (0.077) respectively.

The fitted Regression Model is:

$$OC = 1.617 + .094RS + .053PE + .181TD + .057CM + .077PM \text{ ----- (e4)}$$

Where:

α_0 = Constant

Dependent Variables:

OC = Organizational commitment

Independent Variables:

RS = Recruitment & Selection

PE = Performance Evaluation

TD = Training & Development

CM = Compensation Management

PM = Promotion and career management

4.4.2. Regression Result of HRM Practices and Organizational Performance

A multiple regression analysis was performed to find out the predictors of organizational performance as conceptualized in the model. Accordingly, Table 4.14 shows the coefficient for the predictors of OC.

The standardized regression Model is:

$$OP = \alpha_0 + \beta_1RS + \beta_2PE + \beta_3TD + \beta_4CM + \beta_5PM$$

Where,

α_0 = Constant

Dependent Variables:

OP = Organizational performance

Independent Variables:

RS = Recruitment & Selection

PE = Performance Evaluation

TD = Training & Development

CM = Compensation Management

PM = Promotion and career management

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.575a	.330	.321	.65987	.330	36.402	5	369	.000

a. Source: Field survey analysis result, 2021.

b. Dependent Variable: Organizational Performance in the Public Sector

c. Predictors: (Constant), Employee Promotion and Career Management Practices, Employee Recruitment and Selection Practices, Compensation Management Practices, Employee Training and Development Practices, Performance Evaluation Practices

The summary of regression analysis result presented on table 4.14, shows that all the five HRM practices namely recruitment and selection, performance evaluation, training and development, compensation management and promotion practices have the ability to influence organizational performance ($R^2=0.330$). It implies that 33% of variations in the organizational performance is explained by HRM practices.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.011	.163		6.214	.000	.691	1.330
	Employee Recruitment and Selection Practices	.296	.062	.271	4.817	.000	.175	.417
	Performance Evaluation Practices	-.006	.058	-.006	-.099	.921	-.121	.109
	Employee Training and Development Practices	.232	.048	.271	4.794	.000	.137	.328
	Compensation Management Practices	.051	.048	.057	1.073	.284	-.043	.146
	Employee Promotion and Career Management Practices	.119	.051	.126	2.353	.019	.020	.219

Source: Field survey analysis result, 2021.

a. Dependent Variable: Organizational Performance in the Public Sector

The multiple linear regression result in Table 4.15 depicts that out of the five HRM practices the three namely; employee recruitment and selection practices $p(.000)<0.05$, employee training and development practices $p(.000)<0.05$ and employee promotion practices $p(.019)<0.05$ are statistically significantly to the prediction of organizational performance, but the remaining

HRM practices, namely; employee performance evaluation practices $p(.921) > 0.05$, compensation management practices $p(.284) > 0.05$ are not statistically significantly to the prediction.

Hence, the highest contributing predictor is employee recruitment and selection practices (.296), followed by training and development (0.232), employee promotion practice (0.119), employee compensation management practice (0.051), and employee performance appraisal practice (-0.006) respectively.

The fitted Regression Model is:

$$OC = 1.011 + .296RS - .006PE + .232TD + .051CM + .119PM \text{ ----- (e5)}$$

Where,

α_0 = Constant

Dependent Variables:

OP = Organizational performance

Independent Variables:

RS = Recruitment & Selection

PE = Performance Evaluation

TD = Training & Development

CM = Compensation Management

PM = Promotion and career management

4.4.3. Regression Result of Organizational Commitment and Organizational Performance

Table 4.16: Model Summary of OC and OP

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.599 ^a	.359	.354	.64375	.359	69.317	3	371	.000

Source: Field survey analysis result, 2021.

a. Dependent Variable: Organizational Performance in the Public Sector

b. Predictors: (Constant), Affective Commitment, Normative Commitment, Continuance Commitment

The regression analysis result presented on table 4.16, shows that all the three organizational commitment variables namely normative commitment, continuance commitment and affective commitment have the ability to influence organizational performance ($R^2 = 0.359$). It implies that 40% of variation in the organizational performance is explained by organizational commitment.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.574	.178		3.230	.001	.224	.923
	Normative Commitment	.247	.054	.224	4.539	.000	.140	.354
	Continuance Commitment	.295	.056	.277	5.253	.000	.184	.405
	Affective Commitment	.300	.060	.244	5.031	.000	.183	.418

a. Dependent Variable: Organizational Performance in the Public Sector

The multiple linear regression result in Table 4.17 depicts that all the three organizational commitment variables (normative, continuance and affective) $p(.000) < 0.01$ are statistically significantly to the prediction of organizational performance.

Hence, the highest contributing predictor is continuance commitment (0.277), followed by affective commitment (0.244), and normative commitment (0.224) respectively.

The fitted Regression Model is:

$$.574 + .247NC + .295CC + .300AC \text{-----} (e5)$$

Where,

α_0 = Constant

Dependent Variables:

OP = Organizational performance

Independent Variables:

NC = Normative commitment

CC = Continuance commitment

AC = Affective commitment

4.5. Mediation Analysis (H4)

The linear regression coefficients and the standard errors were used as inputs to determine the mediation role of organizational commitment. The Sobel test calculator developed by Sobel (1982) and the online Sobel calculator developed by Soper (2021) were used to test the mediation role of organizational commitment between HRM practices and organizational performance.

A mediation variable can be used as a third variable to bridge the relationship between the dependent and independent variables. In this case, three conditions must be fulfilled. First, the independent variable must be shown to affect the mediator. Second, the independent variable must be shown to affect the dependent variable. Third, the mediator must affect the dependent variable (Baron, 1986 and Hair, 2014).

According to Sobel (1982), the formula used to calculate the mediation role of the third variable is:

$$z = \frac{ab}{\sqrt{(b^2SE_a^2) + (a^2SE_b^2)}} \text{----- (e6)}$$

Where;

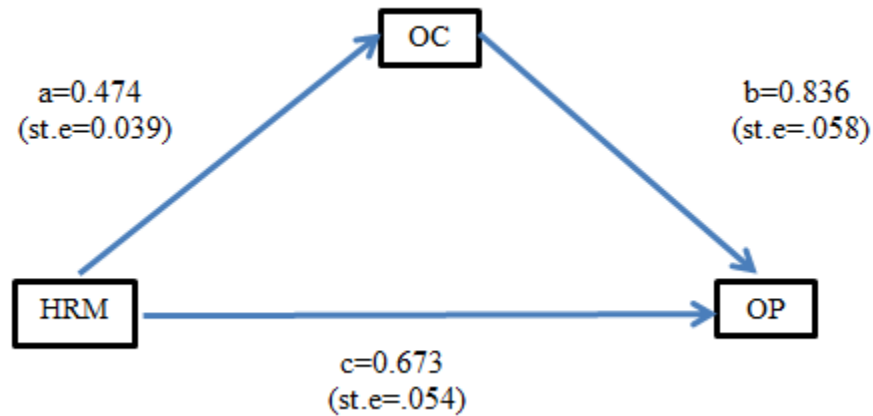
a =the regression coefficient for the relationship between the independent variable and the mediator,

b =the regression coefficient for the relationship between the mediator and the dependent variable,

SEa = the standard error of the relationship between the independent variable and the mediator, and

SEb = the standard error of the relationship between the mediator variable and the dependent variable

Figure 4.7: Mediation model



Source: Field sketch, 2021.

Where,

HRM= human resource management practices

OC=Organizational commitment

OP=Organizational Performance

Table 4.18:Soble test result,

Input		Test Name	Test statistic	Std. Error:	P value
a	0.474	Sobel Test	9.29155623	0.04264775	0.00
b	0.836	Aroian Test	9.27851447	0.0427077	0.00
Sa	0.039	Goodman test	9.30465314	0.04258772	0.00
Sb	.058				

Where;

a= regression coefficient of the independent variable & mediating variable

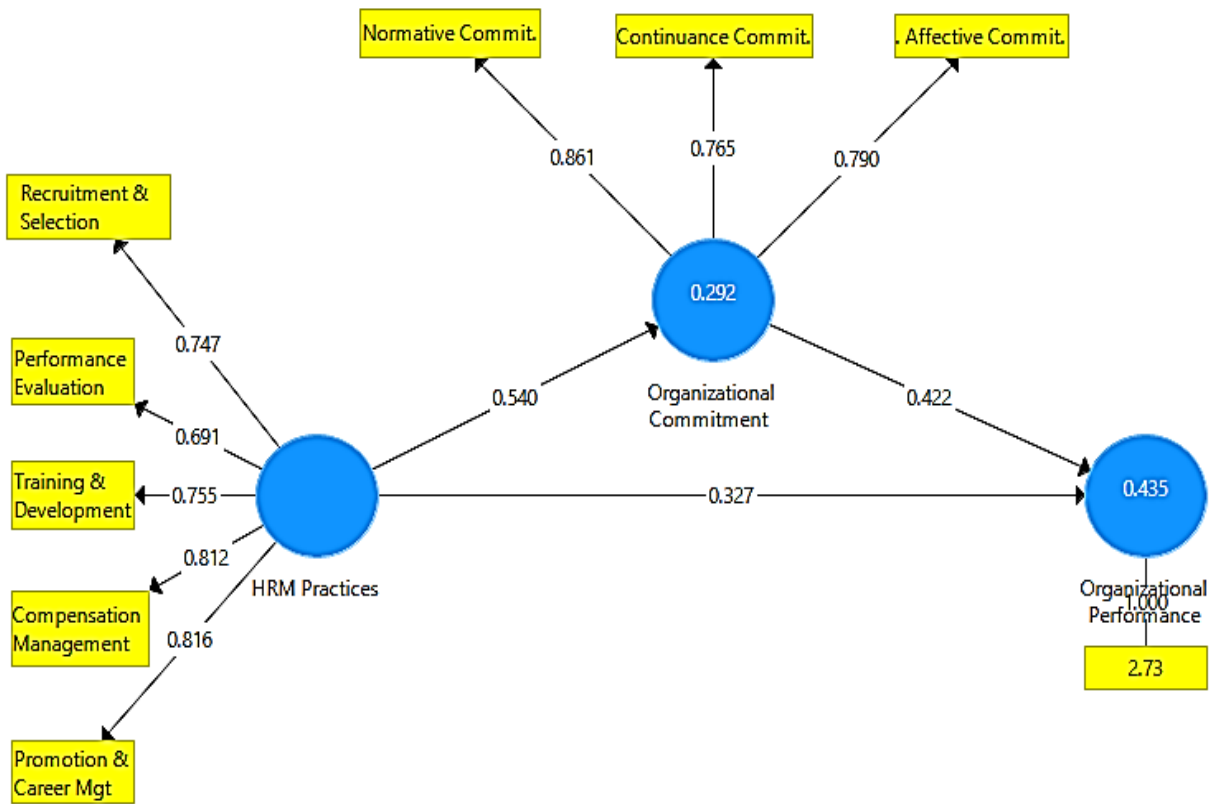
b= regression coefficient of the mediating variable & dependent variable

Sa = standard error of the independent variable & mediating variable

Sb = standard error of the mediating variable & dependent variable

The Sobel calculation result presented in Table 4.18 shows that, organizational commitment significantly mediates the relationship between HRM practices and organizational performance with p value of 0, which implies significant mediation. Similarly, the PLS coefficient results shown in Figure 4.8, shows that organizational commitment significantly mediates the relationship between HRM practices and organizational performance. Hence, the mediation analysis result shows that organizational commitment is a predictor of the performance of public sector organizations. It means the performance of public sector organizations if there is high level of organizational commitment in the organization.

Figure 4.8: Partial Least Square result of mediation



Source: Field survey analysis result, 2021.

4.4. Sectorial Differences

Table 4.19: analysis of sectorial differences

Descriptive Statistics											
Items	Federal Level Public Sector Organizations				Addis Ababa City Administration Public Offices				Sectorial Differences		
	N	Me	Std.	Vari	N	Me	Std.	Vari	Me	Std.	Vari

		an	Deviati	ance		an	Devi	ance	an	Devi	ance
			on				ation			ation	
HRM Practice in the Public Sector	222	2.88	0.62	0.38	153	2.77	0.67	0.45	0.11	-0.05	-0.07
Employee Recruitment and Selection Practices	222	3.23	0.75	0.56	153	3.06	0.71	0.51	0.17	0.04	0.05
Performance Evaluation Practices	222	2.98	0.78	0.6	153	2.84	0.86	0.74	0.15	-0.09	-0.14
Employee Training and Development Practices	222	2.96	0.96	0.92	153	2.83	0.91	0.83	0.13	0.05	0.09
Compensation Management Practices	222	2.41	0.87	0.75	153	2.47	0.91	0.83	-0.1	-0.04	-0.08
Employee Promotion and Career Management Practices	222	2.84	0.79	0.62	153	2.67	0.88	0.78	0.16	-0.1	-0.16
Organizational Commitment	222	2.94	0.47	0.22	153	2.94	0.64	0.41	0	-0.17	-0.18
Normative Commitment	222	2.93	0.62	0.39	153	3	0.79	0.63	-0.1	-0.17	-0.24
Continuance Commitment	222	2.94	0.69	0.47	153	2.95	0.79	0.63	0	-0.11	-0.16
Affective Commitment	222	2.94	0.6	0.37	153	2.85	0.68	0.46	0.09	-0.08	-0.1
Organizational Performance in the Public Sector	222	3.09	0.75	0.56	153	3.01	0.84	0.7	0.08	-0.09	-0.14
Valid N (listwise)	222				153						

Source: Field survey result, 2021.

A descriptive analysis was performed to determine if there was a difference between federal and regional level public sector organizations in terms of HRM practice, organizational commitment and organizational performance. The result was shown in Table 4.19.

Accordingly, a big mean difference (0.11) was found on the HRM practice between federal offices and city administration level. Particularly, the recruitment and selection practice, performance appraisal and management practice, training and development practice as well as promotion and career management practices of federal offices are better than the city administration level with the mean difference of 0.17, 0.15, 0.13 and 0.16 respectively. But, the result shows that the compensation management practices of Addis Ababa city administration offices are better than federal level offices with a mean difference of -0.1. From the aggregate result show in Table 4.18 it can be concluded that the HRM practices of federal level public sector offices are better than Addis Ababa city Administration level.

The descriptive statistics result presented in Table 4.19, shows that, there is no mean difference in terms of organizational commitment at federal and Addis Ababa city administration level. However, there is relevant mean difference in terms of normative commitment and affective commitment. The affective commitment levels of federal level employees are better than Addis Ababa city administration level public sector employees. But, the result of the study shows that the normative commitment level of federal level public sector employees are less than Addis Ababa City Administration level public sector employees.

The result of the study presented in Table 4.19 shows that, the performance of federal level public sector organizations is better than Addis Ababa city administration level.

CHAPTER FIVE

5. DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1. Discussion

Several previous researchers such as Guest (2000), Patterson (1997), Boxall& Purcell, (2016), Wright (2005), Huselid, (1995), Arthur, (1994), Boselie (2019), Ahbabi, (2019); Guest, (1997), Patterson, (1997), and Wood, (1998), have argued that effective HRM practice will reflect better employee as well as organizational performance. Accordingly, this paper was conducted to investigate the relationship between HRM practices, organizational commitment and organizational performance in the public sector domain in Ethiopia. The nature of this study is cross sectional survey design with a quantitative approach. A survey was conducted in 24 public sector offices in Ethiopia. To determine the relationships between variables, correlation analysis and multiple regression analysis techniques were employed, taking HR practices as the independent variable, organizational performance as the dependent variable as well as organizational commitment as a mediating variable.

This study found pertinent results on the relationship between HRM practice, organizational commitment and organizational performance in the public sector domain. In this study, considerable results for the hypothesis were found that supports the positive associations between HRM practice, organizational commitment and organizational performance. Accordingly, the three major findings of this study were discussed as follows:

HRM Practices and Organizational Commitment

Organisational commitment represents is a set of human psychological and behavioural responses in the workplace. It can be divided into three subcomponents namely, affective, continuance and normative commitment. More specifically, continuance commitment includes social roles or positions from which individuals derive their perception of the cost associated with leaving the organization and the rewards related to participation in the organization (Meyer and Allen, 1997). The result of the study shows that there is a positive and moderate relationship between HRM practice and continuance commitment. The Pearson correlation analysis results for employee training and development practice, recruitment and selection compensation management practices, performance evaluation practices, and employee promotion practices with continuance commitment shows .455., .342, .342, 0.321 and 0.213 respectively. It revealed that there is a positive and moderate level of relationships between employee training and

development practice and continuance commitment, while there is a positive but weak relationship between recruitment and selection, compensation management practices, performance evaluation practices, and employee promotion practices and continuance commitment.

Normative commitment includes the internalization of norms and values and on inner convictions. It results in an individual's feeling of moral obligation to remain with the organization (Meyer and Allen, 1997). In this study, employee promotion practice, employee training and development, compensation management, performance evaluation, employee recruitment and selection practices and normative commitment with the correlation coefficient result of .404, .339, .336, 0.331 and 0.276 respectively. It indicates that there is a moderate level correlation and positive associations between employee training and development practice and normative commitment. However, the result shows that there is a positive but weak relationship was obtained between employee training and development recruitment and selection compensation management practices, performance evaluation practices, and employee promotion practices with continuance commitment.

Affective commitment refers the individual's attachment to social relationships and to the organization (Meyer and Allen, 1997). Related to the relationship between HRM practice and affective commitment, employee training & development, employee performance evaluation, recruitment and, selection practices, employee compensation management practices and performance evaluation and affective commitment with the correlation coefficient result of .396, .351, .324, 0.22 and 0.198 respectively. The result indicates that there is a moderate level correlation as well as positive associations between employee training & development and affective commitment. More specifically, there is a positive but weak relationship between employee performance evaluation, recruitment and, selection practices, employee compensation management practices and performance evaluation and affective commitment.

Moreover, the regression analysis result shows that all the five HRM practices namely recruitment and selection, performance evaluation, training and development, compensation management and promotion have the ability to influence organizational commitment ($R^2=0.291$). It implies that 29% of variation in the organizational commitment is explained by HRM practices. Particularly, employee recruitment and selection practices $p(.038)<0.05$, employee training and development practices $p(.000)<0.05$ and employee promotion practices $p(.038)<0.05$ are statistically significantly to the prediction of organizational commitment, but

the remaining HRM practices, namely; employee performance evaluation practices $p(.214) > 0.05$, compensation management practices $p(.107) > 0.05$ are not statistically significantly to the prediction of organizational commitment.

Generally, the result shows that there is a positive link between HRM practice and organizational commitment. Similarly, Kaplan, (2018), stated that HRM practice has a positive relationship with organizational commitment.

HRM Practice and Organizational Performance

Several studies (e.g., Guest, 2000, Patterson, 1997, and Purcell, 2003), have been carried out showing that good HRM practice and organizational performance are positively correlated. Similarly, Armstrong, (2014), stated that the major impacts and contributions of HRM practices can be seen by augmenting HRM activities to employee and organizational outcomes. According to Storey, (2009), the concept behind the practice of HRM makes an impact is that people are the organization's key resource and organizational performance largely depends on them.

This study has also produced similar results on the relationship between HRM practice and organizational performances. The Pearson correlation analysis result shows that there is a positive relationship between HRM practice and organizational performance. More specifically, the Correlation coefficient were 0.493, 0.477, 0.406, 0.394 and 0.327 for employee training and development practice, employee recruitment and selection practices, employee promotion and career management practices, employee promotion and career management practices, performance evaluation practices, and compensation management practices respectively. It indicates that there is a positive and moderate link between the four HRM practices (training, recruitment and selection, promotion, and performance evaluation practices) and organizational performance, while there is a weak link between compensation management practices and organizational performance.

Similarly, the multiple regression analysis result revealed that, all the five HRM practices namely recruitment and selection, performance evaluation, training and development, compensation management and promotion practices have the ability to influence organizational performance ($R^2=0.330$). It implies that 33% of variation in the organizational performance is explained by HRM practices. Particularly, the three HRM practices namely; employee recruitment and selection practices $p(.000) < 0.05$, employee training and development practices $p(.000) < 0.05$ and employee promotion practices $p(.019) < 0.05$ are statistically significantly to the prediction of organizational performance, but the remaining HRM practices, namely; employee

performance evaluation practices $p(.921) > 0.05$, compensation management practices $p(.284) > 0.05$ are not statistically significantly to the prediction of organizational performance.

Generally, the result indicates that there is a positive relationship between HRM practice and organizational performance. Many previous researchers such as, Hosain, 2017, Otoo, 2019, Tzabbar, 2017, Taamneh, 2018, Zakaria, 2018) found the same result with this study.

Organizational Commitment and Organizational Performance

The influence of HRM practice can be related to organizational commitment (Boxall and Purcell, 2016). The Pearson correlation result of this study shows that there is a moderate and positive correlation between all organizational commitment elements (normative (.515), continuance (.465) and affective (.461) and organizational performance in the public sector organizations. The highest contributing predictor is continuance commitment followed by affective commitment, and normative commitment correspondingly.

Furthermore, the regression analysis shows that all the three organizational commitment variables namely normative commitment, continuance commitment and affective commitment have the ability to influence organizational performance ($R^2 = 0.359$). It implies that 40% of variation in the organizational performance is explained by organizational commitment. The result depicts that all the three organizational commitment variables (normative, continuance and affective) $p(.000) < 0.01$ are statistically significantly to the prediction of organizational performance in which the highest contributing predictor is continuance commitment (0.277), followed by affective commitment (0.244), and normative commitment (0.244) respectively.

Generally, this study shows that there is a positive relationship between organizational commitment and organizational performance. Previous researchers such as Al Zefeiti, 2017, and Andrew, 2017 also found the same result that shows the positive link between organizational commitment and organizational performance.

HRM practices-organizational commitment and organizational performance links

The mediating analysis was made to check whether organizational commitment bridges the link between HRM practice and organizational performance. Accordingly, the Partial least square and Sobel calculation result shows that organizational commitment significantly mediates the relationship between HRM practices and organizational performance. It means the performance of public sector organizations can be improved if there is high level of organizational

commitment in the organization. Aktar, and Pangil, 2018, stated that organizational commitment significantly mediates the relationship between HRM practice and organizational performance.

5.2. Conclusion

The main purpose of this study was to investigate the impact of HRM practice on organizational commitment and organizational performance in the public sector domain in Ethiopia. Accordingly, pertinent results about the relationship between HRM practice, organizational commitment and organizational performance were found. In this study, considerable results for the hypothesis were found supporting the positive links between HRM practice, organizational commitment and organizational performance. In line with the discussion made above, this study has three major findings. First, there is a moderate level association between four HRM practices (training and development, performance appraisal, promotion, recruitment and selection) and organizational commitment. But the least link is obtained between employee compensation management practice and organizational commitment. Moreover, the regression analysis result shows that all the five HRM practices namely recruitment and selection, performance evaluation, training and development, compensation management and promotion have the ability to influence organizational commitment. The three HRM practices namely; employee recruitment and selection practices, employee training and development practices and employee promotion practices are statistically significantly to the prediction of organizational commitment, but the remaining HRM practices, namely; employee performance evaluation practices, compensation management practices are not statistically significantly to the prediction.

Second, the result revealed that there is a positive and moderate link between the four HRM practices (training, recruitment and selection, promotion, and performance evaluation practices) and organizational performance, while there is a weak link between compensation management practices and organizational performance. Similarly, the multiple regression analysis result revealed that, all the five HRM practices namely recruitment and selection, performance evaluation, training and development, compensation management and promotion practices have the ability to influence organizational performance. Particularly, the three HRM practices namely; employee recruitment and selection practices, employee training and development practices and employee promotion practices are statistically significantly to the prediction of organizational performance, but the remaining HRM practices, namely; employee performance evaluation practices, compensation management practices are not statistically significant to the prediction. The highest contributing predictor is employee recruitment and selection practices),

followed by employee training and development, employee promotion practice, employee compensation management practice, and employee performance appraisal practice respectively.

The result shows that there is a moderate and positive correlation between all organizational commitment elements (normative, continuance and affective) and organizational performance in the public sector organizations. The highest contributing predictor is continuance commitment followed by affective commitment, and normative commitment correspondingly. Furthermore, the regression analysis shows that all the three organizational commitment variables namely normative commitment, continuance commitment and affective commitment have the ability to influence organizational performance.

The Partial least square and Sobolev calculation result shows that organizational commitment significantly mediates the relationship between HRM practices and organizational performance. It means the performance of public sector organizations can be improved if there is high level of organizational commitment in the organization.

5.3. Recommendation

Deliberate and well directed efforts to improve upon existing HR practices in Ethiopian public sector organizations in the light of effective HRM practices will certainly be in the best interest of the public sector. Therefore, it is recommended for Ethiopian public sector organizations to purposefully apply effective HR systems to ensure betterment of the employees as well as organizational performance, and overall benefit to the society.

Bearing in mind the positive link between HRM practices on the organizational commitment and organizational performance, public sector organizations should give greater emphasis on establishing effective HRM practices in their organizations. Particularly, public sector organizations can be more benefited from the employee training and development practices as far as it is investigated highly correlated and regressed HRM function in this study.

As it was investigated in the study, all HRM practices positively correlated with organizational commitment variables. Particularly, as an aggregated correlation result indicated, the highest correlation was observed between HRM practices and organizational commitment, followed by employee performance appraisal and management practices, employee promotion and career management practices, employee recruitment and selection practices, and compensation management practice respectively. Therefore, the researcher would like to recommend that

Ethiopian public sector organizations should establish effective HRM practices in order to enhance the level of employees' organizational commitment.

It is also found that there is a positive relationship between all HRM practices and organizational performance. Particularly, employee training and development practice was found the highest relationship with organizational performance followed by employee recruitment and selection practices, employee promotion and career management practices, employee promotion and career management practices, performance evaluation practices, and compensation management practices respectively. Hence, Ethiopian public sector organizations should establish effective HRM practices in order to enhance their organizations performance.

Moreover, the correlation result shows that, all the HRM practices are independently and positively correlated with organizational commitment and organizational performance variables at 1% levels which denotes highly significant. Therefore, Ethiopian public sector organizations should enhance the level of employees' organizational performance in order to improve the performances of their organizations.

Last, the result of the study pointed out that the HRM practices of federal level public sector offices are better than Addis Ababa city Administration level. Therefore, the Addis Ababa City Administration HRM offices should revise their HRM practices in order to enhance the level of organizational commitment and organizational performances.

Limitations and Suggestions for Future Researches

Due to the inaccessibility of some regional public sector organizations in the country, data was collected only from public sector organizations available in Addis Ababa city using convenient sampling method. Those public sector organizations outside Addis Ababa were not included as a sample. Furthermore, due to the difficulty of getting the complete list of public sector employees in each office, proportion and randomization were not performed. Hence, future researchers need to incorporate regional public sector organizations using random sampling technique to enhance the representativeness of the sample. In addition, it will be more interesting if researchers will incorporate other variables such as job satisfaction and employee engagement in the link between HRM practices and organizational performances. Last, future researchers need to investigate the HRM practices and employee and organizational outcomes in the private sector organizations.

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College of Business and Economics
Department of Masters of Business Administration
(MBA)
Graduate Program
Questionnaire

To be filled by selected public sector employees in Ethiopia.

Dear respondents: -

This questionnaire is designed for preparing a thesis on the title of *“The impact of Human Resource Management Practices on Organizational Commitment and Perceived Organizational Performance in the Public Sector Organizations in Ethiopia”* in Addis Ababa University, College of Business and Economics. The purpose of this questionnaire is to collect relevant data for the study. The objective of this research is to measure the relationship between human resource management practices, organizational commitment and perceived organizational performance in the public sector organizations in Ethiopia. The outcome of the study will be used in order to suggest possible solutions for problems identified while conducting the study. I would like to assure you that the information you provide will be used only for the purpose of achieving academic award and the information you provide is confidential. Your involvement is regarded as a great input to the quality of the research results. Hence, I kindly request you to spent some of your precious time to fill the questionnaire as frank as and reasonable as possible. Your honest and thoughtful response is invaluable.

Thank you for your participation

Best regards,

Ayanaw Yeneneh Wongelu

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MBA student at Addis Ababa University, CBE

Department of MBA

General Instruction

This questionnaire contains two sections and 6 pages that will be expected to take approximately 20 to 25 minutes to complete. Please provide your responses to the questions based on the instructions under each section.

Section I: Demographic profile of respondents

Please indicate the following by ticking (√) on the spaces in front of the response options:

1. Name of the organization: _____

Federal Public Sector Organizations in Ethiopia

- | | | |
|-----|---|--------------------------|
| 1. | Ethiopian Anti-corruption Commission | <input type="checkbox"/> |
| 2. | Ethiopian Ministry of Education | <input type="checkbox"/> |
| 3. | Ethiopian Federal High Court | <input type="checkbox"/> |
| 4. | Ethiopian Ministry of Finance & Eco. Development | <input type="checkbox"/> |
| 5. | Ethiopian Ministry of Foreign Affairs | <input type="checkbox"/> |
| 6. | Ethiopian Insurance Corporation | <input type="checkbox"/> |
| 7. | Ethiopian Science and Higher Education Minister | <input type="checkbox"/> |
| 8. | Ethiopian Ministry of Labor and Social Affairs | <input type="checkbox"/> |
| 9. | Ethiopian Public Health Institute | <input type="checkbox"/> |
| 10. | Ethiopian Public Procurement & Property Administration Agency | <input type="checkbox"/> |
| 11. | Ethiopian Plan Commission | <input type="checkbox"/> |
| 12. | Ethiopian Shipping and Logistics Services Enterprise | <input type="checkbox"/> |
| 13. | St. Paulos Millennium Medical College | <input type="checkbox"/> |
| 14. | Ethiopian Technology and Innovation Institute | <input type="checkbox"/> |

Addis Ababa City Administration Public Sector Organizations

- | | | |
|-----|--|--------------------------|
| 1. | Addis Ababa Finance & Eco Development Office | <input type="checkbox"/> |
| 2. | Addis Ababa Health Bureau | <input type="checkbox"/> |
| 3. | Addis Ababa Housing Agency | <input type="checkbox"/> |
| 4. | Addis Ababa Labor and Social Affairs Bureau | <input type="checkbox"/> |
| 5. | Addis Ababa Land Administration Bureau | <input type="checkbox"/> |
| 6. | Addis Ababa Micro and SE Development Agency | <input type="checkbox"/> |
| 7. | Addis Ababa Revenue Authority | <input type="checkbox"/> |
| 8. | Addis Ababa Public Service and HR Bureau | <input type="checkbox"/> |
| 9. | Addis Ababa TVET Agency | <input type="checkbox"/> |
| 10. | Addis Ababa Trade and Industry Bureau | <input type="checkbox"/> |

2. Gender: Male Female
3. Age: Below 20 20 - 30 31 - 40 41 - 50 Above 50
4. Marital Status: Married Single Other
5. Educational level:
- Diploma holder First Degree Holder
- Master's degree PhD holder
6. How many years in total have you worked in the organization?
- Less than 1 year 1 to 3 years 4 to 6 years 7 to 9 years years or more
7. Monthly income (in Eth. Birr)
- 1500-2500 2501-3500 3501-4500
- 4500-5500 5501-6500 above 6500

Instruction: Below are lists of statements related to the impact of human resource management practices on organizational commitment and perceived organizational performance in the Public Sector Organizations in Ethiopia. Please indicate whether you agree or disagree with each statement by ticking (√) on the spaces that specify your choice from the options that range from ‘strongly disagree’ to ‘strongly agree’. Each choice was identified by numbers ranged from 1 to 5 respectively.

Section 1: HRM Practices in the Organization						
No.	Items	Scale				
		1	2	3	4	5
1.1. Recruitment and Selection Practices						
1	The organization has written and operational recruitment and selection policy					
2	The organization has clear job description and specification					
3	The organization has attractive salary scales that can attract qualified applicants					
4	The organization considers high role of merit in recruitment and selection process					

5	The organization has a good image that attract qualified applicants					
6	The selection tests of the organization are conducted by skilled and unbiased/impartial people.					
7	The organization used various selection instruments (E.g., interviews, tests, etc.).					
8	The organization discloses to the candidates' information about the stages and criteria of the selection process.					
9	The organization communicates the candidates about their performance at the end of the selection process.					
1.2 Performance Evaluation Practices						
1	The organization has written and operational employee performance evaluation system					
2	The organization performs employee performance evaluation periodically.					
3	Employee performance evaluation results has linked with salary and promotion increases in the organization					
4	The organization discusses the criteria/competencies of performance evaluation with employees.					
5	The organization provides feedback for employees about results of performance evaluation					
6	Employee performance evaluation is considered as important task by superiors in the organization					
7	Performance evaluators of the organization are knowledgeable					
1.3. Training and Development						
1	The training policy of the organization is clearly written and operational					
2	The organization has continuous training needs assessment program					
3	The organization has written & operational trainee-selection procedure					
4	The government is committed to training in the sector.					
5	The training of the organization is linked to other HR programs					
6	The organization monitor and evaluate training programs continuously					
7	The organization's training is important to develop the skills necessary related to my duties					
1.4. Compensation management practices						
1	The organization has attractive compensation system					
2	The salary system/scale of the organization is internally equitable					
3	The salary system/scale of the organization is externally equitable offered in the market					
4	The organization's salary system/scale reflects performance					
5	The organization's salary system/scale encourages better performance					

6	The organization's salary system/scale reflects the standard of living						
1.5. Promotion Practices							
1	The organization has written and operational promotion policy						
2	Employees in the organization have the opportunity to be promoted with greater pay and/or responsibility						
3	The promotion process used by my organization is fair for all employees.						
4	The organization provides priority to merit in promotion decision						
5	The organization provides priority to seniority in promotion decision						
6	Employees have more than one potential position they could be promoted to within the organization.						
Section 2: Organizational Commitment in the Organization							
2.1. Normative Commitment [NC] Items							
1	I think that people these days move from organization to organization too often.						
2	I do not believe that a person must always be loyal to his or her organization.						
3	Jumping from organization to organization does not seem at all unethical to me.						
4	One of the major reasons I continue to work in this organization is that I believe loyalty is important and therefore feel a sense of moral obligation to remain.						
5	If I got another offer for a better job elsewhere, I would not feel it was right to leave my organization.						
6	I was taught to believe in the value of remaining loyal to one organization.						
7	Things were better in the days when people stayed in one organization for most of their careers.						
8	I do not think that to be a 'organization man' or 'organization woman' is sensible anymore.						
2.2. Continuance Commitment [CC] Items							
1	I am not afraid of what might happen if I quit my job without having another one lined up						
2	It would be very hard for me to leave my organization right now, even if I wanted to.						
3	Too much in my life would be disrupted if I decided to leave my organization now.						
4	It wouldn't be too costly for me to leave my organization now.						
5	It wouldn't be too difficult for me to leave my organization now.						
6	Right now, staying with my organization is a matter of necessity as much as desire.						
7	I feel that I have very few options to consider leaving this organization.						
8	One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.						

9	One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice another organization may not match the overall benefits I have here.						
2.3. Affective Commitment [AC] Items							
1	I would be very happy to spend the rest of my career with this organization.						
2	I enjoy discussing about my organization with people outside it.						
3	I really feel as if this organization's problems are my own.						
4	I think that I could easily become as attached to another organization as I am to this one.						
5	I do not feel like 'part of the family' at my organization.						
6	I do not feel 'emotionally attached' to this organization.						
7	This organization has a great deal of personal meaning for me.						
8	I do not feel a 'strong' sense of belonging to my organization.						
Section 3: Perceived Organizational Performance							
1	The organization has better performance over the past 3 years to that of other public service organizations that do the same kind of work.						
2	The organization provides quality products and/or services to its customers.						
3	There is development of new products and/or services in the organization						
4	The organization has the ability to attract essential employees.						
5	The organization has the ability to retain the essential employees.						
6	The number of customer complaints within the last period has reduced strongly.						
7	Reputation of our organization in eyes of the customers has improved.						
8	Absenteeism in organization relative to competition is low.						
9	There is satisfaction of customer in the organization.						
10	There is a good relation between managers and employees in the organization.						
11	There is a good relation among employees in general.						
KEY; 1 Implied 'strongly disagree', 2 implied 'disagree', 3 implied 'neutral', 4 implied 'agree' and 5 implied 'strongly agree'							

Thank you!!

Appendix II

Statistical Results

T-Test

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Employee Recruitment and Selection Practices	375	3.1291	.73219	.03781
Performance Evaluation Practices	375	2.8960	.82905	.04281
Employee Training and Development Practices	375	2.8834	.93305	.04818
Compensation Management Practices	375	2.4436	.89230	.04608
Employee Promotion and Career Management Practices	375	2.7404	.84837	.04381
Normative Commitment	375	2.9753	.72776	.03758
Continuance Commitment	375	2.9464	.75209	.03884
Affective Commitment	375	2.8888	.65050	.03359
Organizational Performance in the Public Sector	375	3.0431	.80095	.04136

	One-Sample Test					
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper	
Employee Recruitment and Selection Practices	82.758	374	.000	3.12910	3.0547	3.2034
Performance Evaluation Practices	67.645	374	.000	2.89600	2.8118	2.9802
Employee Training and Development Practices	59.844	374	.000	2.88343	2.7887	2.9782
Compensation Management Practices	53.031	374	.000	2.44356	2.3530	2.5342
Employee Promotion and Career Management Practices	62.553	374	.000	2.74044	2.6543	2.8266
Normative Commitment	79.170	374	.000	2.97533	2.9014	3.0492
Continuance Commitment	75.865	374	.000	2.94644	2.8701	3.0228
Affective Commitment	85.998	374	.000	2.88881	2.8228	2.9549
Organizational Performance in the Public Sector	73.573	374	.000	3.04305	2.9617	3.1244

T-Test

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
HRM Practice in the Public Sector	375	2.8185	.64937	.03353
Organizational Commitment	375	2.9372	.57379	.02963
Organizational Performance in the Public Sector	375	3.0431	.80095	.04136

Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
HRM Practice in the Public Sector	375	1.00	4.60	2.8185	.64937
Employee Recruitment and Selection Practices	375	1.00	5.00	3.1291	.73219
Performance Evaluation Practices	375	1.00	5.00	2.8960	.82905
Employee Training and Development Practices	375	1.00	5.00	2.8834	.93305
Compensation Management Practices	375	1.00	5.00	2.4436	.89230
Employee Promotion and Career Management Practices	375	1.00	5.00	2.7404	.84837
Organizational Commitment	375	1.16	4.72	2.9372	.57379
Normative Commitment	375	1.00	5.00	2.9753	.72776
Continuance Commitment	375	1.00	5.00	2.9464	.75209
Affective Commitment	375	1.00	4.63	2.8888	.65050
Organizational Performance in the Public Sector	375	1.00	5.00	3.0431	.80095
Valid N (listwise)	375				

Regression

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.444	1	35.444	150.770	.000 ^b
	Residual	87.688	373	.235		
	Total	123.133	374			

a. Dependent Variable: Organizational Commitment

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.601	.112		14.338	.000
	HRM Practice in the Public Sector	.474	.039	.537	12.279	.000

a. Dependent Variable: Organizational Commitment

b. Predictors: (Constant), HRM Practice in the Public Sector

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.145	.155		7.400	.000
	HRM Practice in the Public Sector	.673	.054	.546	12.583	.000

a. Dependent Variable: Organizational Performance in the Public Sector

b. Predictors: (Constant), HRM Practice in the Public Sector

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.588	.173		3.394	.001
	Organizational Commitment	.836	.058	.599	14.439	.000

a. Dependent Variable: Organizational Performance in the Public Sector

b. Predictors: (Constant), **Organizational Commitment**

Appendix III

Cooperation Letter

አዲስ አበባ ዩኒቨርሲቲ
የቢዥኒና ኢኮኖሚክስ ኮሌጅ
ማስተርስ ኦፍ ቢዥኒ አድሚኒስትሬሽን



Addis Ababa University
College of Business & Economics
Master of Business Administration

Ref. No: CBE/MBA/2020/21 642

Date: 22 Feb / 2021

To: Whom It May Concern

Student Ayanaw Yenech is undertaking project entitle, "The Relat
ionship between Human Resource Management Practices,
Organizational Commitment and Organizational Performance

She/He is taking this opportunity of project study in partial fulfillment of MBA master in Finance /Management.

We believe that the result of the project would have practical application and be of value to you, to us and to the business community at large. Hence we would be very grateful if your organization could support us in this endeavor.

Besides, we promise you that data will be kept confidential and used for academic purposes only. Further, we can send to you all the summary results and findings, when the undertaking is completed.

Thank you for the anticipated cooperation.

With Best Regards



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