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THE IMPACT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEES' SATISFACTION: A CASE STUDY IN DUGDA CONSTRUCTION COMPANY

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A THESIS SUBMITTED TO INTERNATIONAL BUSINESS STUDIES, COLLEGE OF BUSINESS AND ECHONOMICS, ADDIS ABABA UNIVERSITY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF INTERNATIONAL BUSINESS

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Declaration

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This is to certify that the above declaration made by the candidate is correct to the best of my knowledge as an advisor.

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Examination Board Approval

As the member of Board of Examiners of the MSc Thesis Open Defense, we certify that we read and evaluated the thesis prepared by Rediet Mulugeta has done the thesis entitled "The Impact of Human Resource Management Practice on Employees' Satisfaction: A case Study in Dugda Construction Company". We recommended that this thesis acceptance as fulfilling the requirements for the Degree of Master of Science (MSc) in International Business.

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Abstract

Employees who exhibit a strong commitment to their respective organizations typically display a high level of punctuality, dutifully adhere to corporate policies and are less prone to quitting their jobs, characteristics that are closely associated with employee retention. The present research endeavors to scrutinize the influence of human resource management (HRM) practices, namely (planning and recruitment, training programs, compensation and performance appraisal,) on employee satisfaction within the context of Dugda Construction. The primary aim of this study was to investigate the impact of HRM practices on employee satisfaction in Dugda Construction. Using a causal research design, primary data sources were employed and a random sample of 202 employees was selected. The primary data was generated from sample employees using a structured questionnaire. Simple descriptive statistical tools were employed with the assistance of SPSS software to analyze the data, which was presented using tables. Through regression analysis, this study established that planning and recruitment, training programs, compensation, and performance appraisal exert a significant impact on employee satisfaction. The findings demonstrate a positive correlation between HRM practices, namely (planning and recruitment, training programs, compensation, and performance appraisal,) and employee satisfaction in the context of a developing economy. Additionally, future research should explore the HRM-performance relationship, as well as the connection between HRM, employee work, working environment, culture, and employee well-being. To enhance company success, it is recommended that the organization improves the quality of HRM dimensions and provides training programs to enhance employee satisfaction. Furthermore, the company should increase transparency in the recruitment process for both current and potential employees. Finally, implementing a more equitable incentive system that offers employees additional benefits beyond the basics is crucial.

***Keywords**: Human Resource Management Practices, Planning & Recruitment, Training Programs, Compensation, Performance Appraisal, Employees' Satisfaction, Dugda construction Company*.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study:

In the contemporary corporate world, CEOs and researchers are primarily concerned with global competition, which has led to a transformation of the industrial economy into the knowledge economy. Over the past two decades, the focus of both researchers and practitioners has been predominantly on human resource management (HRM) practices. Top managers and HR managers have acknowledged that the emotions, well-being, and job satisfaction of employees are of utmost importance, given that human capital constitutes the most crucial aspect of any organization, and that success in achieving organizational objectives is predicated on their contributions.

The realm of managing the personnel resources of an organization, commonly known as Human Resource Management (HRM) has undergone a significant evolution since its inception, particularly in comparison to its initial days of basic personnel management. In the past, the primary objective of personnel managers was restricted to job postings, recruitment activities, monitoring employee payrolls, promotions, and other unremarkable personnel-related concerns.

The realm of Human Resource Management (HRM) concerns itself with a company's recruitment, development, and administration of personnel, as posited by Wood and Wall (2002). Contemporary scholarship in HRM is becoming increasingly popular as it is believed to hold great potential for impacting an organization's survival and growth. In the present era of global economy heavily reliant upon talent, it is increasingly acknowledged and accepted that companies need to procure, cultivate, and govern superlative competencies and practices in the domain of Human Resource Management (HRM) to retain their competitive edge (Darwish, 2013).

In recent times, the upper echelons of corporate hierarchy have arrived at a conclusive understanding that individuals constitute the most crucial factor that distinguishes one firm from another, as opposed to products, markets, capital, buildings, or machines. To generate value, it is imperative to deploy human resources towards all the assets a firm possesses. The recognition of this realization has induced top-level management, business magnates, as well as scholars to incessantly explore methods to augment the endeavor of employees and their activities pertaining to their vocation, the eventual outcome of these efforts is a marked improvement in the overall performance of the organization, as stated by Shaukat (2015).

According to Dessler (2013), the terminology of Human Resource Management (HRM) is associated with a collection of principles and protocols that are executed to tackle the human resource aspects of a managerial postulation.

The incorporation of novel HRM methodologies is of utmost importance for contemporary knowledge-based institutions, as they enable the establishment to procure, preserve, and augment value, wherein value is predicated on the aptitudes and competencies of the labor force, and it is only through exceptional HRM practices that enterprises can guarantee uninterrupted prosperity (Shaukat *et al.,* 2015).

Provision of appropriate Human Resource Management (HRM) policies and procedures is an essential requirement for any organization to ensure the contentment, productivity, and efficiency of its staff. The satisfaction and efficiency of human resources are indispensable for organizations to cope with the challenges posed by the constantly changing contemporary environment. Moreover, the performance of an organization is heavily reliant on the growth, development, and expansion of its personnel. Additionally, there is a correlation between employee satisfaction and their performance, as asserted by Haquec et al. (2013).

In our research, we shall examine the impact of HRM practices on employee well-being. Human resource management is primarily concerned with providing services and initiatives that foster employee contentment and advancement, while also enabling individuals to maximize their potential and make valuable contributions to the organization (Shadare *et al*., 2009). Therefore, it can be deduced that the pivotal and crucial element that contributes to the sustained success of any business enterprise or the growth and development of a flourishing economy is the amplification of labor productivity. This desirable outcome can be achieved by the adoption and execution of top-notch and superior human resource management practices.

The scholar has chosen to incorporate a range of distinct Human Resource Management Practices in their investigation. The researcher then scrutinizes the impacts of these practices on employees' satisfaction within Dugda Construction Company.

1.2 **Statement of Problem:**

In this regard, there have been numerous complaints from the general public directed towards Dugda Construction. These complaints stem from the perceived lack of cooperation exhibited by

certain employees towards meeting the demands of customers. Additionally, there appears to be a pervasive lack of commitment and responsibility towards performing job duties. As a result, there is a noticeable increase in customer dissatisfaction with the human competence of Dugda Construction. There are several factors that may contribute to the performance gaps observed in the company's HR practices and service delivery. A proficient organization will prioritize cultivating a culture of cooperation, commitment, and job satisfaction within its sphere of influence (Tella *et al*., 2007). Several factors contribute to the development of employee commitment, prompting organizations to consider how to instill their values and cultivate a dedicated workforce. In this context, Dugda Construction is compelled to evaluate its operations and make adjustments to the overall work environment. The construction industry is not only capital-intensive, requiring significant investment in infrastructure, but also relies heavily on the core competencies, skills, qualifications, and abilities of management to drive organizational profitability and ensure business sustainability.

Only a limited number of studies have been devoted to examining the effects of Human Resource Management practices on employee satisfaction in the context of Dugda construction, with Kim (2004) and Wright (2003) being among the few scholars to have explored this topic. Nevertheless, research findings from both developed and developing nations have consistently demonstrated that HR practices exert a significant influence on employee satisfaction (Katou & Budhwar, 2007; Sing, 2004; Tzafrir, 2006). Regrettably, however, the number of studies conducted in this area, particularly in Ethiopia and other developing countries, remains woefully inadequate. Against this backdrop, the present investigation was launched to enhance our contemporary understanding of HR practices in developing countries, with a specific focus on Dugda construction. The construction industry has undergone significant structural changes due to technological advancements, resulting in a highly competitive environment. This industry holds the title for being the largest and fastest-growing industry globally (Hawken, Lovins, & Lovins, 2010). Human resource practices serve as organizational tools that aid in the attraction and retention of top talent, ultimately leading to the accomplishment of organizational objectives. Against this backdrop, the present study investigates the effect of specific HR practices on employee satisfaction, using Dugda Construction Company as a case study.

The HRM-performance relationship requires further evidence from varying contexts, highlighting the need for additional research. In Ethiopia, the private sector employs a significant number of workers, many of whom express uncertainty regarding their satisfaction with HRM practices and job fulfillment. To ensure effectiveness, organizations must promote cooperation, commitment, and satisfaction among their employees (Tella *et al*., 2007). The topic of inquiry pertaining to the effects of Human Resource Management (HRM) practices on employee satisfaction is undoubtedly one that dominates the research landscape in the field of HRM. The primary objective of the present study is to address the gaps that exist within the current literature by delving into the construction industry in Ethiopia and examining the ways in which various HRM policies, procedures, and techniques have a direct impact on employee satisfaction. Consequently, this study contributes to a body of knowledge that has hitherto been lacking and offers a deeper understanding of the mechanisms that are at play in the relationship between HRM practices and employee satisfaction.

1.3. Research Objectives

1.3.1. General Objective

Generally, the objective of this study is to investigate the impact of HRM practices on employ satisfaction in dugda construction.

1.3.2 Specific Objective

This particular research endeavor is geared towards the attainment of the subsequent objectives:

1. To assess the level of employee satisfaction at dugda construction.
2. To ascertain the disposition of Dugda Construction Company with regards to the acceptance of the factors that influence the satisfaction of its workforce.
3. To examine the variable that has the greatest impact on the contentment of employees. .
4. To furnish well-founded guidance to the Dugda constructions industry.

Currently, there exists an ambiguity and lack of clarity regarding the interconnection that exists between human resource management (HRM) practices and the contentment of employees. Furthermore, the dearth of information and evidence pertaining to this topic is a significant issue that requires attention. It is crucial to note that the all-encompassing results and outcomes that have been obtained thus far are not only unremarkable but also contradictory and irregular in nature. (Paauwe & Boselie, 2005; Guest, 2011).

1.4. Research Questions

The present investigation, in light of the identified research issues, will endeavor to examine the subsequent inquiries:

1. "Can the implementation of Human Resource Management practices affect the level of job satisfaction among employees at Dugda Construction Company?"

Drawing from the principles of human resource management, the primary inquiry is partitioned into several subsidiary inquiries:

1.1 Can the satisfaction of employees in Dugda Construction Company be affected by the process of Planning and Recruitment?

1.2 Can the satisfaction of employees in Dugda Construction Company be affected by the process of training program?

1.3 Can the satisfaction of employees in Dugda Construction Company be affected by the process of compensation?

1.4 Can the satisfaction of employees in Dugda Construction Company be affected by the process of performance appraisal?

1.5.Significance of the study:

This particular study represents a rare and unique opportunity to examine, in a localized context, the far-reaching effects of human resource management techniques on the overall satisfaction levels of employees within an organization.

The outcomes derived from the present investigation possess potential worth not only for the Dugda construction domain but also for other domains owing to their ability to assist in the detection of human resource management strategies that foster augmented employee contentment and profitability. Furthermore, this investigation could be advantageous for researchers as it provides them with a means to assess the influence of human resource management on diverse aspects of organizational efficacy.

Hence, the significance of the present analysis is derived from the significance of the variables it is addressing, as well as the subsequent scientific and pragmatic considerations:

1. To facilitate future research endeavors, it is imperative to furnish an exhaustive examination of the concepts and dimensions of the study variables which are deemed reliable for measuring said variables. The proposed venture would prove to be beneficial

for both scholars and professionals alike, as it would establish a fundamental basis for their individual pursuits.

2. The present study aims to establish a structured framework for evaluating the impact of human resource management practices on employee satisfaction. This framework will enable organizations to utilize measures that possess a high level of dependability and credibility, thereby ensuring the reliability and validity of the results obtained.
3. The critical essence and consequential significance of human resource management practices in enabling the effective implementation of imminent project strategies are brought to the fore, confirms the prospective advantages that Dugda Constructions Company stands to gain.
4. Foster the advancement of Dugda Construction Company, ultimately resulting in the proficient execution of its operations that contribute to the betterment of the general populace.

1.6.Scope of the study

The present investigation was limited to study impact of human recourse management practices on employees satisfaction conducted on the staff members of Dugda Construction Company, encompassing a broad range of research inquiry during the academic year of 2022-2023. As a result, planning and recruitment, training program, performance appraisal and compensation conduct were analyzed to find out their impact on the dependent variable. The measurement of human resource management techniques was conducted by the researcher through the utilization of the research conducted by Elarabi and Johari in 2014. In addition, the scholar utilized the research conducted by Haquec et al. (2013) as a means of assessing the level of satisfaction amongst the workers.

1.7.Limitations of the study:

Human Limitations: The perceived sufficiency of the sample size is the underlying reason, it is anticipated that approximately 302 respondents will be involved in this investigation. It is noteworthy, however, that the arduous and costly nature of accessing all of these respondents presents a significant challenge. It is worth noting that, as the sample size increases, the reliability of the findings is heightened.

Time Limitations: Notwithstanding the temporal limitations of the investigation, the scholarly investigator is keen on assessing all the designated criteria, alongside the influence of each constituent on the felicity of the personnel, with a view to attaining commendable outcomes and deductions within the stipulated time frame.

Study Measurement Limitations: The objective of the researcher is to gather data through the utilization of scales and measures that are appropriate for the present study. As such, the researcher exerted utmost effort in the selection of measurements that are able to precisely represent the variables that are being studied.

CHAPTER TWO: REVIEW OF LITERATURE

2.1 Introduction:

This chapter aims to present a comprehensive overview of human resource management. Subsequently, based on the established literature and findings of this research, it will delve into the factors that have a significant impact on the level of contentment among employees of Dugda Construction Company. Moreover, the study will provide an insight into the previous research conducted in this area and highlight the contribution of this study to the existing knowledge.

2.2 Human Resource Management (HRM):

Although it has been commonly believed that the formalization of human resource management (HRM) techniques was initiated during the industrial revolution, it is, in fact, evident that the roots of HRM have a much more ancient origin. In earlier cultures, individuals divided their workloads, much like their modern corporate counterparts. Therefore, the division of labor can be traced back to primitive eras. Assignments were allocated based on individual skills, such as the ability to locate sustenance or vegetation, track animals, or cook (Price, 2007). However, it is undeniable that the industrial revolution of the 1800s contributed significantly to the advancement of HRM systems.

The objectives of managing human resources may differ based on the definition employed. As definitions vary among scholars, the objectives of HRM may also differ based on the perspective of the researcher. Armstrong (2009, p.8) posits, for instance it can be stated that "the primary objective of human resource management is to guarantee that the organization achieves triumph by means of its workforce". In addition, he posits that the strategies employed by HRM aim to enable initiatives that are focused on augmenting the efficacy of the organization through formulating guidelines in fields such as knowledge administration, talent administration, and establishing a comprehensive environment of superior quality workplace.

Human resources are commonly referred to as the individuals that an organization employs to carry out diverse roles, duties, and responsibilities in return for remuneration and additional perks. This definition is offered by DeNisi and colleagues (2005). According to Dessler (2013, P.3), Human Resource Management is characterized as the systematic process of procuring, instructing, evaluating, and remunerating workers, in addition to addressing their labor relations, well-being, and equity concerns.

Since the mid-1970s, Human Resource Management (HRM) has gained significant acknowledgement as a professional term in a multitude of settings, including seminar programs, business literature in higher education institutions, and academic positions. (Huselid, 1995). Human resource management (HRM) is widely recognized as a valuable strategic asset, as evidenced by research that highlights how HR policies and practices can constitute a significant source of competitive advantage for firms operating within the marketplace. This is due to the inherent challenges associated with replicating or imitating such policies and practices. As posited by Batti (2014), the management of human resources is a fundamental function of any organization, irrespective of its industry, and plays a pivotal role in determining the performance of the organization. Essentially, the management of human resources is a process that facilitates the recruitment, selection, and growth of personnel within the organization.

Human resource management (HRM) embodies a comprehensive and unified method for the recruitment and growth of human resources. It can be distinguished as a theoretical framework that advocates for a variety of principles concerning human and organizational conduct. The primary objective of HRM is to improve organizational efficiency by harnessing the potential of individuals, while also placing significant emphasis on the ethical aspect, which is related to the treatment of employees in adherence to a set of ethical principles. According to Armstrong and Taylor (2014), HRM is a management function that centers on the correlation between individuals and their work within organizations. Vincent and Joseph (2013) provide a definition of HRM that highlights the management of personnel and their interactions within the workplace. Additionally, O'Brien (2011) posits that HRM encompasses the management of an organization's workforce, which includes various aspects such as recruitment, selection, training, evaluation, and reward of employees. Furthermore, HRM also encompasses the cultivation of organizational culture and leadership, and the adherence to labor and employment laws.

Human Resource Management (HRM) is a managerial function that involves the effective application of individuals' efforts, knowledge, capabilities, and committed behaviors. This is done within an authoritatively coordinated human enterprise, which may involve a permanent or temporary contractual arrangement for the purpose of carrying out work tasks. The ultimate goal of HRM is to ensure the continued success and sustainability of the enterprise. (Watson, 2010)

Human resource management techniques encompass a range of organizational practices aimed at effectively managing and utilizing the human resources at an organization's disposal with the

ultimate objective of achieving organizational goals. (Tiwari & Saxena, 2012, p. 671). According to While and Ling (2012), human resource management practices can be classified into various categories, encompassing the likes of recruitment, selection, training and development, motivation, and maintenance. Furthermore, all managers can be counted as human resource managers to some degree, owing to their involvement in tasks such as recruitment, interviewing, selection, and training. Nevertheless, a considerable number of businesses have appointed their own top executives to lead the human resource department. There exist a range of human resource (HR) practices that an enterprise may choose to put into action. The HR procedures, encompassing hiring, choosing, coaching, fostering, and appraisal, are instrumental in bolstering the financial outcomes of the organization and should be assiduously harmonized, cohesive, and aligned with the strategic objectives to guarantee that companies form a durable bond of allegiance to keep hold of their workforce (Choudhary and Lamba, 2013).

The concept of "strategic HRM" is commonly used among HR scholars to express their belief that effective HRM plays a crucial role in enhancing business effectiveness. This is typically achieved through the close collaboration of HR specialists with line managers, who are given a voice in company decisions. Many scholars of human resource management (HRM) subscribe to the notion of "strategic HRM." Despite the evolution of the definition of strategic Human Resource Management (HRM) across diverse cultural contexts and disciplinary backgrounds of HRM scholars, the field remains firmly united in the conviction that research that considers the various components of HRM as an integrated system can offer novel insights into people management in the workplace. When designed in a suitable manner and interconnected with the wider framework, this approach can yield positive outcomes (Bratton & Gold, 2012, p. 50). Various researches suggest that distinct practices related to human resource, whether implemented separately or as a whole, may significantly and positively influence the outcomes of a company, both at an individual and collective level (Becker & Gerhart, 1996; Jiang et al., 2013).

A significant amount of empirical research efforts have been committed to establishing a connection between the practices of human resources and various outcomes such as enhanced performance (Becker & Huselid, 1998; Delaney & Huselid, 1996; Huselid, 1995). A pervasive theme across a multitude of studies is the idea that human resource strategies have the potential to positively impact organizational performance by molding employee behavior. This, in turn, can lead to improved employee performance by boosting individual and/or group productivity (Becker

& Huselid, 1998; Guest, 2011). While some studies have not entirely affirmed these positive relationships (Guest et al., 2003), their findings are consistent with the overarching idea that human resource practices play a critical role in shaping employee behavior and, consequently, the exertion of a positive influence on an individual's performance, as well as the performance at the collective enterprise-level, can generate advantageous outcomes. (Jackson et al., 2014).

Strategic human resource management (SHRM) refers to the all-inclusive collection of managerial activities and tasks that are concerned with developing and sustaining a proficient workforce, which in turn contributes to the organizational effectiveness as per the strategic objectives of the organization. This intricate and dynamic process of SHRM takes place within the organizational setup. Nowadays, human resource managers are increasingly embracing a strategic approach towards their job responsibilities and acknowledging the crucial interconnections between the organizational goals and human resource objectives (Fottle et al., 2010). From the aforementioned argument, the relationship between practices of human resource management and high performance work leads towards high individual and organizational performance.

2.3 Planning and Recruitment:

Human resource planning plays a vital role in bridging the gap between an organization's overarching strategy and the function of human resource management. The strategic agenda serves as an exhibition of the ways in which human resource management can efficiently draw in, hire, train, and maintain human resources. To facilitate successful implementation, a clear strategy plan that encompasses the human resources department's operations or other administrative tasks such as personnel recruitment, training, and development is required. The acquisition of precise, truthful, and adequate data is imperative in order to arrive at judicious determinations that will safeguard the prosperity of the establishment in the long term. (Joudeh et al., 2010: 48). Umphress et al. (2007) posited that the act of recruitment denotes the progression by which candidates elect their prospective employers. The motives that drive individuals to seek employment with an organization are diverse and encompass factors such as organizational attributes (e.g., rank, work environment, and status) as well as compensation-related considerations (e.g., performance-based salaries, benefits, and bonuses).

The primary objective of human resource planning across all enterprises is to construct an exclusive strategic approach for the advancement of human resources that is in accordance with the economic

development aspirations of the organization. The aim of human resource planning is to delineate the intentions and methods for realizing organizational objectives, which encompass recruiting an ample number of individuals who possess sufficient skills, expertise, and competencies.

Recruitment and selection represent dual processes that encompass the phenomenon of mutual selection, whereby “the potential employee chooses the prospective employer just as much as the employer chooses the candidate that best suits their needs”. This intricate process involves the convergence of job seekers and potential employers. The practice encompasses various tasks, including the appropriate placement of individuals at the right time and place. Recruitment and selection procedures in an organization necessitate a certain level of investment, a fact that should not be overlooked. As per Bratton and Gold's (2012) definition, recruiting entails "generating a group of competent individuals who are interested in applying for employment opportunities within an organization." Furthermore, recruitment encompasses "the sources of applicants that provide information to interested parties about the job's prerequisites and benefits." (Heneman and Milanowski, 2007).

Human resource planning is the practice of harmonizing an organization's human resource needs with its strategic plan to guarantee that staffing levels are sufficient, skilled, and proficient to achieve the organization's objectives and ultimate mission. This is a critical component of organizational management that supports the maintenance of a competitive advantage in an ever-evolving landscape while simultaneously mitigating staff turnover. An organization's primary obligations are to endure and advance, and to accomplish these, it is crucial to prepare for the replacement of personnel to ensure the presence of the requisite quantity and quality of employees at the appropriate time and place. Planning is the procedure of designating particular persons as potential successors for specific positions and ascertaining appropriate roles for those individuals who are currently part of the organization's workforce. (Bhagul, 2014).

In previous times, it was customary to perform planning on an annual basis, usually executed by upper-level leadership to meet their responsibilities to shareholders, yet minus the participation or comprehension of intermediate management. Nevertheless, it is essential to acknowledge that planning goes beyond solely being a succession map and should instead embrace a more extensive range. The planning procedure ought to commence through scrutinizing the external surroundings, which will serve as the basis for future candidate selection and staffing resolutions. Furthermore, it

should outline the potential shape and size of the organization, along with the necessary positions that need to be filled in the future. (Bhagul, 2014).

The growth in scale and intricacy of corporations, as well as the evolution of values, career considerations, and the configuration of the labor force, have given rise to global competition. Consequently, the traditional approach to human resource management is no longer adequate. A more comprehensive and strategic approach is required for recruiting, utilizing, and retaining valuable human resources. The delegation of human resource management as a functional specialty is no longer acceptable. The integration of HRM strategy with competitive strategy is imperative owing to the long-term investment decisions required. Acknowledging the interests of employees as crucial stakeholders is paramount for management (Pattanayak, 2005). The manner in which work is conducted and the organizational composition of managerial tasks have a substantial influence on the functioning of human resource operations. As a result, a thorough understanding of job tasks is indispensable in comprehending the intricacies of work. (Aswathappa, 2008).

The undertaking of job analysis produces a pair of data sets:

1. A comprehensive depiction of a job's components is manifested in the job description, which encompasses various attributes such as tasks, responsibilities, the elements encompassing a job include the job title, the responsibilities it entails, the machinery and tools that are utilized, the working conditions, and the potential hazards that may arise.
2. The job specification encompasses a range of capabilities that are necessary for the job-holder to possess. These include educational qualifications, relevant experience, appropriate training, sound judgment, requisite skills, effective communication abilities and other similar proficiencies. (Aswathappa, 2008).

2.4 Compensation

Compensation, a term used interchangeably with variable pay, denotes the remuneration that an individual receives for the work they perform. (Curran & Walsworth, 2014) and incentive pay (Green & Heywood, 2008), the importance of compensation has progressively grown as a means of fostering contentment and efficiency of employees in the professional environment. (Pendleton et al., 2009). It is a crucial element of any HRM practices that aim to establish sustainable competitive

advantage for a firm. Various compensation schemes, such as those predicated on job performance, profit-sharing, and employee stock ownership, have been acknowledged as tactical approaches to fostering favorable employee dispositions, such as job contentment (Heywood & Wei, 2006), allegiance to the organization, and faith in management (Moriones et al., 2009). The compensation schemes available provide sizable enticements which serve to strengthen the impetus of the workforce, leading to elevated levels of achievement and goals that are pertinent to the tasks at hand.

Irrespective of the size of the firm, industry, or corporate strategy, it is widely acknowledged by managers and experts that the contentment and productivity of employees are critical for the success of an organization. Numerous studies have been conducted to ascertain methods of satisfying employees. A widespread strategy is to furnish remuneration that is contingent upon performance, commonly taking either of two modes: remuneration is tendered to individuals predicated on their appraisals of performance, or remuneration is tendered as comprehensive incentives for the organization, such as profit-dependent remuneration or share ownership (Ogbonnaya and colleagues, 2017).

Numerous investigations have demonstrated a favorable association between remuneration and the outlook of personnel. Moreover, there exist indications implying that alternative methods of compensation may amplify labor efficiency (Green, 2004). Nevertheless, it has been noted that the provision of remuneration based on performance and goals can give rise to an overabundance of exertion in the workplace, thereby giving way to the emergence of work-related tension or unfavorable medical circumstances. Despite ongoing efforts, there has been limited progress in accumulating empirical evidence on the extent to which compensation is associated with a heightened sense of work intensity and its impact on employees' workplace attitudes such as job satisfaction (Ogbonnaya et al., 2017).

Compensation encompasses all monetary remunerations, incentives, and non-monetary benefits proffered to personnel with the aim of drawing in proficient human capital and retaining the extant workforce within the organization. Compensation is a crucial element that holds great significance in terms of driving individuals' motivation to progress, develop, and maintain their knowledge, amplify their output, and endeavor to elevate the overall efficacy of the institution (Casio, 2013).

From a strategic standpoint, the act of providing compensation serves as a crucial component for an organization to attract and maintain it's most valuable and sustainable competitive advantage, which is none other than its human capital. (Kang & Yanadori, 2011)

The compensation systems have witnessed significant global trends that have resulted in an increase in employee pay based on their abilities, performance, and skills. Moreover, the compensation for a living wage has been reallocated to the fundamental pay, and the semi-annual bonuses have been disaggregated into more adaptable units. Furthermore, the association of perks with employee productivity and the transformation of pension schemes into contributory pension plans have also been witnessed (Conrad, 2009). Over the course of the past 25 years, the utilization of contingent pay schemes has experienced significant alterations, whereby the prevalence of compensation systems that are collective in nature has increased. This development highlights the various combinations available for implementing such schemes (Bryson et al., 2008). The transformational characteristics of labor and employment associations, scientific improvements, a novel group of stakeholder anticipations, and a growth in worldwide integration are the fundamental rationales for this tendency.

2.5 Training Programs:

Training is a methodical process aimed at modifying employees' behaviors and sentiments to enhance their efficacy and performance. The concept of employee training or development alludes to a well-organized and premeditated effort by an organization to furnish its staff with specialized knowledge, refine their competencies, and transform their outlook (Al Salem 2010: 271).

Training is a constructive procedure that entails a specific inclination towards addressing the individual behavior of professionals or functional personnel. The primary objective of training is to impart knowledge and expertise to individuals and furnish them with the necessary information they lack. Furthermore, training instills appropriate behavioral patterns, skills, attitudes, and habits that are essential in improving individual efficiency and enhancing productivity, thereby fulfilling the requisite working conditions. (Bosninih & Al-Farsi, 2003).

Training is a widely utilized approach in the realm of performance enhancement and behavior modification. A multitude of training initiatives exist to bolster the competence of staff members, encompassing orientation, occupational, risk management, career advancement, review, and corrective interventions (Choudhary & Lamba, 2013). Training is a vital activity that elevates the capabilities and skills of current and future workforce. It should be noted that training and education

are not synonymous. Education pertains to the enhancement of knowledge and perceptions that may not necessarily be associated with particular actions, whereas training is chiefly dedicated to refining the skills and capabilities essential for executing a specific job function. (Zuelv, 2003).
The findings of the study demonstrate a noteworthy association between the provision of instruction and the general sense of contentment experienced by employees in their occupation. The amount of time devoted to training, the methodologies employed, and the specific content covered were all found to be highly pertinent to the level of satisfaction experienced by trainees. In particular, when the preferred training methodology of trainees was employed, they reported significantly higher levels of satisfaction with the training they received.

Training yields numerous advantages, which can be succinctly encapsulated as follows: (Joudeh, 2010, p. 173)

- The productivity of an employee undergoing training is enhanced by the expansion of their knowledge, the cultivation of their skills, and the refinement of their abilities.
- Training plays a significant role in decreasing the incidence of errors that occur during work, ultimately resulting in an elevation of customer satisfaction levels.
- Employee morale is boosted through training by improving their skill set and capabilities, resulting in the attainment of the necessary level of job performance. This, in turn, helps to lower the rates of absenteeism and employee turnover.
- Training programs have the capacity to enhance the bond of trust existing between superiors and their subordinates, while simultaneously also improving the quality of their interpersonal relationships.
- The enhancement of personnel's capacity to engage in the interchange of ideas and information with their peers during training sessions is a direct result of the training process.
- Training serves to augment an employee's perception of job security by fostering a belief in their significance within the work environment, and in the organization's commitment to cultivating and sustaining the human element.
- Training plays a significant role in mitigating the incidence of work-related accidents, particularly when it enhances an individual's comprehension of job-associated hazards.

- Altering the outlook of employees with regards to their work and the organization they are affiliated with, in a constructive manner, is a crucial undertaking in the corporate sphere.

2.6 Performance Appraisal:

The assessment of performance has served as an instrumental means of measurement for professionals within the realm of industrial and organizational psychology. Upon examining its historical foundations, it is evident that early investigations into performance appraisal were primarily focused on topics including the development of scales, the construction of scale formats, and the eradication of biases that may arise from tests or raters.

Despite the fact that the use of performance appraisal has experienced an increase in interest over the last three decades, the act of formally evaluating employees has been in existence for thousands of years. In fact, as far back as the third century A.D., the Chinese philosopher Sin Yu criticized a partial evaluator who was employed by the Wei Dynasty. Sin Yu has observed that “the practice of the Imperial rater, in which soldiers are evaluated, does not align with their actual merits but rather is influenced by the personal preferences and biases of the rater”. (Murphy and Cleveland, 1995)

The Ireland Evening Post purportedly conducted an evaluation of politicians in 1648 through the utilization of a measuring instrument founded on distinctive attributes. As posited by Heilbroner (2011), the inception of the implementation of merit rating within an industrial framework is traceable to Robert Owen during the initial stages of the 1800s in the Cotton mills situated in New Lanark, Scotland. The individual workstations belonging to the employees were adorned with wooden cubes displaying varied colors, each representing a distinct level of excellence. The wooden cube pertinent to each worker was susceptible to modification depending on the ebb and flow of their performance.

The introduction of the evaluation mechanism in the United States can be attributed to the pioneering efforts of industrial psychologists who were employed at the prestigious Carnegie-Mellon University. Their early work focused on the selection of salespersons and the creation of "man to man" rating forms which were rooted in the principles of trait psychology.

Line managers are integral to the implementation of performance appraisals, as they adopt methods designed by HR professionals. The employee encounter with aforementioned procedures, specifically their evaluation of the justness of the process, may diverge from the planned

implementation and potentially impact the degree of dedication to the organization. Farndale and Kelliher (2013) posit that organizational units that demonstrate a high degree of trust in their senior management tend to display heightened levels of dedication and a more robust association between staff perceptions of equitable treatment by their line managers during performance evaluations and overall employee contentment. The initial indications propose that the impact of line manager conduct on results at the employee level is significant, yet it is subjected to limitations within the organizational setting.

The utilization of performance evaluation methods is extensively practiced in both public and private sectors globally. As an instance, a research conducted in the United States affirmed that 91 percent of a cohort of 244 American corporations incorporated some type of performance evaluation system (ALQAHTANI (2010), P.32). Mondy (2012) provides a precise definition of the term performance appraisal, "which refers to a structured and systematic approach utilized to assess and evaluate the performance of individual employees or groups based on their respective task performances". Appraisal can be characterized, in a broad sense, as the endeavor to attain superior, more precise, and economical means of supervising work-related accomplishments.

According to Armstrong (2009), performance appraisal can be defined as a deliberate and methodical process that is intended to improve the overall performance of both the organization and the individuals working within it. The process involves the establishment of a framework that outlines the objectives and performance standards that must be met. Guest (2011), on the other hand, characterizes appraisal as a set of human resource practices that exert an influence on organizational performance, thus validating the claims of strategic impact attributed to HRM.

In order to ascertain the achievement of an organization, it is imperative to evaluate the contributions made by individuals and teams in their respective roles. Consequently, it is crucial for employers to comprehend the comprehensive scope of Human Resource Management practices, which encompasses performance appraisal, and its potential impact on employees, as suggested by Bratton and Gold (2012). Towell (2012) recommends that to enhance performance appraisal, attention should be directed towards improving the quality of communication. Performance appraisal has multiple objectives that aim to offer advantages to stakeholders, comprising the employees who undergo evaluation through the process, the individuals responsible for conducting the evaluation of employee performance, namely the line managers, and the entities whose end goals are contingent upon the outcomes of the performance appraisal procedure.

It is evident from the aforementioned definitions that a precise definition encompassing all aspects of performance appraisal is unattainable. Therefore, it is imperative to take into account the widely acknowledged characteristics and constituents of performance appraisal. ALQAHTANI (2010, P153) outlines the fundamental constituents of the performance appraisal process, which should comprise of the following components:

(1) A person with a rating assigned to them who is subjected to the appraisal process of their performance in alignment with specific criteria,

(2) An individual who is executing the procedure of performance evaluation.

(3) The fulfillment of a suitable assessment document,

(4) Procedures and processes that contribute to the validity of the performance appraisal process are of utmost importance.

All of the aforementioned explanations manifest the tactical importance of performance evaluation in the domain of human resource management. This has been made evident by the studies mentioned earlier, a primary objective of performance appraisal is to enhance the overall performance of an organization through the endeavors and achievements of its personnel. The concept of performance is multifaceted, encompassing both outputs and inputs, and its measurement is subject to various criteria, as posited by Armstrong (2009).

(Buchner, 2007) has identified three approaches to appraisal:

1. goal-setting approach,
2. control approach,
3. The approach of social cognition

The goal-setting methodology, as posited by Locke and Latham in 1990 and 2002, was developed through a rigorous and comprehensive inductive inquiry spanning 25 years, which encompassed 400 studies conducted across laboratory and field settings. Armstrong (2009) contends that the Control Approach emphasizes the importance of feedback in the performance appraisal process, as a means of elucidating an individual's behavior. Armstrong further summarizes that individuals tend to value feedback when they receive information about any discrepancies between their expected performance and their actual achievements, and subsequently take corrective actions. Buchner (2007) postulates that his viewpoint regarding motivation is influenced by the interaction of three key components:

- The organizational work environment

- The beliefs of the employees within an organization.
- What the employee does in the organization believe

The relationship between individuals' beliefs about their abilities and their actual performance is a topic of interest. Inadequate self-confidence in one's skills can lead to underperformance, underscoring the importance of self-perception. According to Aguinis et al. (2011), employing a discussion approach is a valuable tool in ensuring an effective performance evaluation process. This technique emphasizes communication, including the exchange of feedback, collaborative goal-setting, coaching as needed, and mid-year evaluations are conducted to assess progress towards achieving set goals and personal development plans. The findings of Aguinis et al. (2011) underscore the significance of goal attainment and behavior assessment, as well as how employees achieve their objectives and the results they produce.

2.7 Employees' satisfaction:

The characterization of employee satisfaction pertains to the level of happiness, contentment, and overall gratification experienced by employees in their professional capacity. Numerous studies have indicated that employee satisfaction serves as a pivotal determinant for both employee motivation and goal achievement, as well as high levels of employee morale in the workplace. The measurement of employee satisfaction is reflective of the degree to which employees feel content with their employment and work environment. This study has investigated a multitude of factors that impact employee contentment, encompassing opportunities for career development, measures to ensure job security, work-related responsibilities, policies pertaining to compensation, job commitment and benefits, as well as avenues for employee satisfaction like career advancement and promotions. Moreover, this research delves into the different tactics that organizations can employ to augment employee happiness.

Despite its ubiquitous application in both social scientific research and everyday discourse, a general consensus regarding the conceptualization of employee happiness has yet to be reached. Indeed, a universal definition of employee satisfaction remains elusive, as varying interpretations of this construct are posited by different scholars. The ensuing discussion will elucidate some of the most frequently employed definitions.

The concept of employee contentment has been described as a collection of perceptions and convictions that personnel hold about their present employment. The degree of gratification

employees experience may vary from highly content to exceedingly discontent. Moreover, their professions, as a whole, exert a significant influence on their sentiments. Employees may also harbor attitudes towards various aspects of their professions, such as the nature of their work, colleagues, superiors or subordinates, and their remuneration (George et al., 2008).

According to Sempane et al. (2002), the term employee satisfaction pertains to the personal assessment of employees with regard to their respective occupations in relation to relevant concerns that hold significance for them. Likewise, McCormick and Ilgen (1980) contend that a high level of satisfaction connotes employees' overall fondness for their jobs, thus generating appreciation and contentment. In addition, employee satisfaction is defined as a personal attitude towards one's employment, where an attitude constitutes an emotional reaction to a job that can either be favorable or unfavorable.

According to Liao (2011) and Chuang et al. (2013), the utilization of interconnected personalization or codification strategies by companies is possible, but the implementation of human resource practices aimed at high-performance systems is an essential component of global knowledge management strategies. The aforementioned practices ought to encompass a judicious selection process, rigorous training, active involvement, assessment of performance, and remuneration systems that are contingent upon incentives. The maintenance of competitive advantages by organizations through knowledge management is contingent upon the appropriate design and direction of the aforementioned human activities (Chuang et al., 2013; Smith & Meso, 2000; Shih & Chiang, 2005). Consequently, the deployment of human resource practices is expected to facilitate knowledge management and serve as a catalyst in the relationship between knowledge management and business performance.

The empirical evidence suggests that employee contentment possesses a direct influence on the performance of an organization. Additionally, it has been discovered that employee well-being exhibits a significant correlation with other pivotal job-related facets, such as job engagement, professional loyalty, work drive, occupational involvement, life gratification, psychological well-being, work-related stress, and disengagement tendencies (Halbesleben, 2010; Van Dick et al., 2012).

Employee satisfaction is a crucial construct that pertains to an employee's emotional affiliation and/or identification with the organization, and is a highly valued attribute by the majority of companies. As posited by Wright (2013), the contentment of employees is crucial for the survival

of an organization as satisfied employees are more inclined to maintain long-term tenures with the same organization compared to their dissatisfied counterparts, given that they derive gratification from executing their assignments.

According to Mahmood's (2013) research, contented employees possess greater drive and motivation in comparison to their unsatisfied counterparts. The author asserts that satisfied employees demonstrate their commitment to the organization's success by contributing to its objectives. Moreover, satisfied employees derive greater pleasure and job satisfaction from their work. Correspondingly, Zairi (2000) highlights that employee satisfaction serves as a catalyst for excellent quality and enhances team effort and collaboration towards achieving targeted outcomes. Furthermore, satisfied employees continually seek out ways to improve their work, making it essential for organizations to foster a culture of motivation amongst their employees (Kallimullah et al., 2010). As a result, researchers have dedicated much effort to examining the influence of HRM strategies on employee contentment, since a high-performing and pleased worker is knowledgeable of the precise goals and objectives that need to be accomplished. Finally, Lowery et al.'s (2002) investigation revealed that individuals employed in manual labor positions in the United States place great emphasis on the satisfaction of their colleagues and superiors, as well as their pay. Conversely, they display a lesser degree of interest towards chances for career progression, contentment in their occupation, and their level of devotion to the organization.

2.8 Empirical review:

No	Name	year	Titel	Finding
1	Koys	2001	The Effects of Employee Satisfaction, Organizational Citizenship Behavior, and Turnover on Organizational Effectiveness	Through the implementation of cross-lagged regression analyses, it was observed that there exists a significant association between employee attitudes and behaviors during Time 1 and organizational effectiveness during Time 2. Moreover, additional cross-lagged regression analyses revealed that there exists no significant relationship between organizational effectiveness at Time 1 and employee attitudes and behaviors at Time 2

2	Altarawneh	2005	The efficacy of training and development in banking establishments is a subject that concerns the implementation of procedures, allocation of responsibilities, and outcomes on performance	The research findings have uncovered that the majority of establishments exhibit a dearth of a methodical analysis of their staff's training requirements, coupled with a lack of efficient evaluation procedures. Financial institutions tend to opt for outsourcing employee training to external providers, as opposed to providing in-house training. The preferred mode of imparting training is the off-the-job training approach, with particular emphasis on lectures, seminars, and case studies.
3	Shay	2006	A perspective that applies universally towards elucidating the correlation between HRM practices and the performance of a company, regardless of the time frame	The outcomes showed that numerous HRMPs contributed to improved organizational performance. Firms that demonstrate a propensity for investing in their employees as valuable assets, granting them greater influence in the decision-making process, and drawing predominantly from their ranks to fulfill new employment positions, have been shown to exhibit superior organizational performance
4	Petrescu & Simmons	2008	Human resource management practices and workers' job satisfaction	The results of this inquiry indicate that a range of HRM strategies has the potential to amplify the contentment of employees in their jobs and their gratification with remuneration. Nonetheless, the impact of these measures was only statistically noteworthy for non-unionized personnel. Additionally, a payment framework that is deemed unjust was noted to induce a significant reduction in the overall job satisfaction and compensation gratification of non-union members. It is noteworthy that, although HRM practices can increase employees' job satisfaction, if pay inequality at the workplace widens, non-union members may experience a decline in their job satisfaction.

5	AL-Nofal	2010	The implementation of a strategy aimed at empowering human resources has a significant impact on the achievement of strategic objectives within the commercial banking sector in Kuwait	The statistical analysis conducted revealed that the Strategic Objectives were significantly affected by the Human Resource Empowerment Strategy, which included various factors such as Information Participation, Freedom and Independence, Self-Managed Work Teams, and Organizational Power.
6	Muhammad	2011	Role of Performance Appraisal System on Employees Motivation	The findings of the study model are in line with various empirical observations, including the tendency of managers to provide positive appraisals, the greater motivational effect of positive appraisals compared to negative ones, and the significance of an employee's perception of the manager's appraisal skills in determining the impact of the appraisal.
7	Renata	2011	A New Measure of Employees Satisfaction	The results obtained from the study indicate that the employee satisfaction indicator formulated herein possesses significant predictive capability. Nonetheless, it is imperative to periodically revise the partial indicators and their respective weights to ensure they accurately reflect the prevailing economic climate
8	Majumder	2012	Human Resource Management Practices and Employees' Satisfaction towards Private Banking Sector in Bangladesh	The results of the investigation reveal that there is not an equal level of satisfaction among employees in regards to all of the HRM dimensions that are utilized within the private banking sector of Bangladesh. The majority of employees expressed dissatisfaction with the compensation package, followed by reward and motivation, career growth, training and development, management style, and job design and responsibilities.

9	Haquec, et al.	2013	HRM Practices and its Impact on Employee Satisfaction: A Case of Pharmaceutical Company in Bangladesh	The study's findings revealed that employees in the pharmaceutical industry expressed satisfaction with the recruitment and selection process, as well as the training and development policy and practices implemented by their respective companies. Nonetheless, the personnel conveyed discontentment regarding the human resource strategizing, operational atmosphere, remuneration scheme, assessment of productivity, and associations within the industry
10	Mahmood	2013	Evaluation of the Degree to which Employee Satisfaction is related to Internal Marketing within Pakistani Universities	The satisfaction of employees with their work is known to enhance their morale, which subsequently has a positive impact on both high-quality performance and external customer service. An analysis of the study reveals that there is indeed a noteworthy and positive association between all the variables of internal marketing (IM) and employee job fulfillment in the three selected Pakistani universities
11	Elarabi & Johari	2014	The Impact of Human Resources Management on the Health Care Quality	The findings of the investigation evince that adept manpower administration exerts a momentous effect on augmenting healthcare excellence and ameliorating the efficacy of medical personnel
12	Alam, et al.	2015	The Effect of Human Resource Management Practices on Business Performance among Private Company in Malaysia	The results of the regression analysis reveal that various factors such as training and development, team work, HR planning, performance appraisal, and employee security have a positive and noteworthy impact on business performance, with the exception of compensation/incentives and employee security which were found to be insignificant.

13	Koon	2015	The Impact of Strategic Human Resource Management on Employee Outcomes in Private and Public Limited Company in Malaysia	The findings of this investigation suggest that HRM practices play a mediating role in the relationship between business strategy and employee outcomes. Moreover, the effects of business strategy and HRM practices on employee outcomes appear to be relatively similar in public and private limited companies

2.9 Study Contribution to Knowledge:

In order to explicate the unique attributes that differentiate the present investigation from its antecedent research endeavors, a sequence of successive analyses have been executed.

- **Human resource management practices and notions of employee happiness:** The objective of the present research is to augment comprehension concerning the influence of human resource management strategies on the contentment of personnel.
- **Environment:** The focus of prior research endeavors has been concentrated primarily in the United States, Europe, and Asia. Notwithstanding, the present inquiry was conducted in an africa country, with particular emphasis on Dugda Constructions Company, a highly profitable enterprise within Ethiopia.
- **Industry:** prior investigations had focused on the service sector, but this specific examination centers on the Dugda Constructions Company, which is situated in Ethiopia.
- **Purpose:** Previous research efforts have primarily concentrated on assessing the influence that Human Resource Management (HRM) has on employee performance. Nonetheless, the present inquiry is specifically focused on the area of employee satisfaction.

2.10.Conceptual Framework

2.10.1. Study Terminologies

Employee satisfaction: The amalgamation of favorable and unfavorable sentiments that employees harbor towards their occupations is a complex phenomenon. Furthermore, when a worker becomes part of a corporate entity, they bring along their own set of requirements, aspirations, and past experiences that shape their expectations, which may or may not be met. Job satisfaction, therefore, is a metric that gauges the extent to which realistic expectations align with actual rewards. Additionally, job contentment is closely linked to an individual's conduct while on the job. (Aziri, 2011)

H_{01}: There is No Statistically Significant Impact of Human Resource Management Practices on Employees' Satisfaction in Dugda constructions Company, at level ($\alpha \leq 0.05$).

Planning and recruitment: the act of promoting positions or opportunities in highly desirable roles, commonly referred to as "openings", is executed with the utmost appeal and appropriateness, solely with the objective of drawing in the most extensive assemblage of proficient candidates (KHANNA, 2014). Additionally, the process of creating a group of competent individuals who meet the qualifications necessary to apply for job openings within a company can be referred to as a methodical approach to talent acquisition. (Bratton & Gold, 2012).

$H_{01.1}$: There is No Statistically Significant Impact of Planning and Recruitment on Employees' Satisfaction in Dugda constructions Company, at level ($\alpha \leq 0.05$).

Training Programs: The utilization of a mechanism that enables heightened operational efficacy within the professional milieu has been expounded upon by Ray and Goppelt (2011). Additionally, it has been elucidated as the acquisition of a sequence of pre-designed actions, constituting a knowledge-based application. This practice fosters cognizance of the standards and protocols that will govern their conduct, endeavoring to enhance their extant job proficiency and preparing them for prospective vocation, as delineated by Kumar (2013).

$H_{01.2}$: There is No Statistically Significant Impact of Training programs on Employees' Satisfaction in Dugda constructions Company, at level ($\alpha \leq 0.05$).

Compensation: For a considerable period, industrialists and scholars have been endeavoring to identify the factors that affect employee performance. In his initial endeavors, Taylor recommended certain measures that sought to establish the most effective means of production, combined with a

compensatory package that permitted the 'economic man' to optimize his/her financial gains in exchange for utmost effort. This represented an early attempt to establish a connection between employee motivation and productivity and output, as noted by Shaukat et al. (2015). Notably, Altarawmneh and Al-Kilani (2010) contend that employees are motivated when there is a close association between financial incentives and their performance.

$H_{01.3}$: There is No Statistically Significant Impact of Compensation on Employees' Satisfaction in Dugda constructions Company, at level ($\alpha \leq 0.05$).

Performance Appraisal: The attainment of enhanced performance and organizational effectiveness is contingent upon accessing a vital source of information that is pivotal in the decision-making process. This is emphasized by Guerra-Lopez in 2008. Additionally, Abu-Doleh's 2007 work underscores the significance of assessing employees within the workplace in regards to predetermined norms.

$H_{01.4}$: There is No Statistically Significant Impact of Performance Appraisal on Employees' Satisfaction in Dugda constructions Company, at level ($\alpha \leq 0.05$).

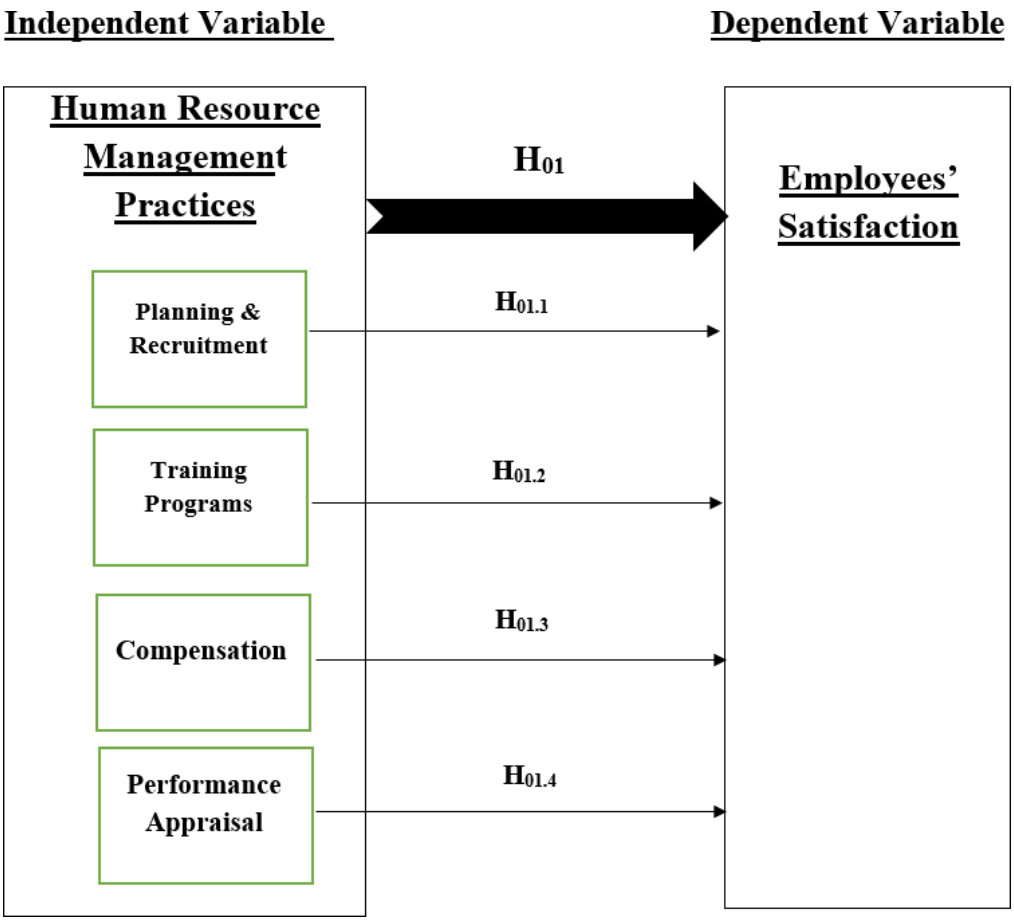


Figure (1-1): conceptual framework (from literature review)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction:

In the present chapter, we shall explicate the methods employed in the study and elaborate on the methodology that was selected for the aforementioned inquiry. The researcher shall subsequently scrutinize the study population and sample, in addition to the instruments employed to procure the information pertaining to the subject under investigation, its validity, and reliability.

3.2 Study Methodology:

Descriptive approach is used in this research to explicate the characteristics of both the study's population and its representative sample where the data was obtained through the utilization of questionnaires that were formulated by the researcher based on previous investigations and presumptions pertaining to this particular study. Subsequently, the aforementioned questionnaires were dispatched to the employees of Dugda Construction Company located in Ethiopia.

Subsequent to this, a statistical analysis was conducted on the data gathered from the research to ascertain the impact of each autonomous variable on the reliant element, in alignment with the objectives and hypotheses postulated. In conclusion, the data and outcomes were collated, followed by the presentation of findings and subsequent recommendations.

3.3 Study Population and Sample:

Due to financial and temporal limitations, it is imperative to employ a sampling technique when conducting research. Moreover, sampling enhances the veracity and expediency of findings (Bakri, 2009). In this particular study, the investigator carried out a fieldwork in the Dugda Constructions Company in the Ethiopian market. The survey was limited to those employees of Dugda Constructions who were not only available but also willing to answer the questionnaires during the distribution period.

The investigator opted for a stratified randomized sample in order to effectively reflect the population under study. The sample under consideration in this study was comprised of a total of 302 staff members belonging to Dugda Construction Company, which constituted a fraction of the overall population of 1400 individuals.

The determination of the sample was ascertained by utilizing the subsequent equation for a finite population (Cocharan 1977)

- n=sample size= $\frac{\text{no}}{1+\left(\frac{no}{N}\right)}$
- $n_o = \frac{Z^2 * (P) * (1-P)}{C^2}$
- N= population
- Z = Z value (95% confidence level)
- P = percentage picking a choice, (50% used for sample size needed)
- C = confidence interval (margin of errors), (5%)

After the judicious apportionment of 302 questionnaires among the staff of Dugda Constructions Corporation, as delineated in Table 3-1, a total of 254 completed surveys were obtained, whereas 48 were considered unsuitable. As a consequence, 202 surveys that were satisfactorily filled out by the unit of analysis were deemed viable for the purpose of the investigation.

No	Name of Company	Employee Number	No. of Questionnaires Distributed	No. of Questionnaires Retrieved	No. of Questionnaires Good for analysis
1	**Dugda**	**1400**	**302**	**254**	**202**
Total		**1400**	**302**	**254**	**202**

Table (3-1): Distributed questionnaires on employees *(own sources)*

3.4 Study Tool and Data Collection:

The instrument deemed suitable for the present investigation was meticulously selected and assessed to correspond with both the research hypothesis and study framework. A survey questionnaire was designed by the researcher as an aid to accomplish the research objective.
The following are the questionnaire variables:

- *The First Section*: The present study examines the Demographic Characteristics of the Study Sample, encompassing six key dimensions: gender, age, educational level, job title, department, and experience at the organization.
- *The Second Section*: The independent variable, namely Human Resource Management Practices, was scrutinized in this particular segment. The assessment was conducted across four distinct dimensions, namely Planning & Recruitment, Training Programs, Compensation, and Performance Appraisal. A total of 31 items were presented in table (3-3) for display.

Human Resource Management Practices	Planning and Recruitment	Training Programs	Compensation	Performance Appraisal
No. of Items	**7**	**8**	**8**	**8**
Items Arrangement	**1 to 7**	**8 to 15**	**15 to 23**	**24 to 31**

Table (3-2): Human Resources Management Practices Items (own sources)

- *The Third Section:* The Dependent variable (Employee Satisfaction in Dugda Construction Company).

This particular segment scrutinized the contentment of the workforce by employing ten (10) queries with a range of 32 to 42. The entirety of the survey items underwent an assessment utilizing a 5-point Likert scale where 1 represents “Strongly disagree” up to 5 representing “Strongly agree”.

3.5 Study Approach:

The present inquiry encompasses both theoretical and practical considerations. The researcher has drawn upon the relevant social science literature to inform the theoretical aspect of the study. In terms of practical implementation, the researcher has employed descriptive and analytical methodologies to gather, scrutinize, and assess hypotheses.

1. ***The primary data***: a self-administered questionnaire was utilized to gather data from a study sample of employees at Dugda Construction Company. The purpose of this data collection was to analyze the effect of HRM practices on their satisfaction.

2. ***Secondary data:*** the corpus of material utilized in the present study comprises an assortment of literary works, including books, social science studies, journals, and theses, all of which have been scrutinized to obtain the requisite data for constructing the study's theoretical framework.

3.6 Statistical Treatment:

The surveys that were received underwent a rigorous statistical analysis in order to derive appropriate conclusions and recommendations. The Social Sciences software, known as "SPSS Ver.21," was employed to decrypt the questionnaire data. The statistical procedures utilized in this study were selected with utmost care and are as follows:

The collected data has undergone appropriate categorization and labeling in accordance with the relevant scale. To enable the comparison of different responses, statistical measurements such as the mean, standard deviation, and variance will be calculated. The categorization of the data is crucial in facilitating its analysis. In order to evaluate the internal consistency reliability, Cronbach's Alpha was employed, which examines the correlation between multiple variables within the same test, or the extent to which different statements purporting to measure the same broad concept yield similar scores. This method is commonly utilized when a survey comprises several Likert questions forming a scale, and it is desired to determine the scale's dependability.

Cronbach's Alpha values exhibit a range of (0) to (1), wherein (1) denotes an ideal correlation while (0) represents an absence of any relationship (Sekaran, 2013).

Ultimately, the investigator proceeded to scrutinize the procured information by implementing additional recognized statistical approaches:

➢ *3.6.1 Descriptive Statistics Methods:*

- Percentage and Frequency.
- The arithmetic mean is utilized to evaluate the degree of reaction demonstrated by the individuals in the study sample with respect to the study variables.
- The standard deviation is a statistical measure utilized to gauge the degree of spacing among responses in relation to the arithmetic mean.
- Relative importance, assigned based on:

- Class Interval = $\frac{Maximum\ clas - Minimum\ clas}{Number\ of\ levels}$

  Class Interval = $\frac{5-1}{3}$ =1.33

- The Low degree from 1- less than 2.33
- The Medium degree from 2.33 - 3.66
- The High degree from 3.67 – 5

➢ *3.6.2 Inference Statistics Methods:*

The examination of skewness and kurtosis is frequently utilized to determine the conformity of data to a normal distribution.

- Cronbachs' alpha, which measures a construct's internal coherence.
- The Collinearity statistics: Tolerance and Variance Inflation Factor (VIF) are frequently employed in statistical analysis to ascertain the presence of multi-collinearity among the independent variables.
- A statistical method known as multiple regression analysis may be employed in order to gauge the impact of various human resource management techniques upon the level of contentment experienced by employees.

3.7 Validity and Reliability:

Validity, as per Sekaran (2013), pertains to the accurate measurement of a concept, while reliability pertains to the stability and consistency of measurement.

3.7.1 Face Validity:

To ensure the research is reliable and trustworthy in identifying the impact of HRM practices on employ satisfaction in dugda construction, the researcher must first assess its validity and reliability. As noted by John (2009), examining the validity is crucial in ensuring that the researcher and respondents share a similar understanding and perspective towards the variables and findings. In the current study, a pilot test was conducted to evaluate whether the respondents comprehended the questions accurately and was then evaluated by experts such as the researcher's advisor and the respondents themselves.

3.7.2 Reliability test:

The study's reliability test was conducted through the utilization of Cronbach's alpha. This statistical measure provides insight into the degree to which the instrument is devoid of systematic errors or bias, thereby ensuring uniformity in the measurement of the various components of the instrument. In essence, it serves as an indicator of the precision of measurement, encompassing both stability and consistency.

The researcher utilized Cronbach's Alpha to assess the internal consistency of the questionnaire. As evidenced in Table (3-3), the Cronbach's Alpha test was administered for each item of the questionnaire and achieved a minimally acceptable level (Alpha 0.60), as stipulated by Sekaran (2013).

Variables	No. of Items	Cronbach's Alpha Value
Planning and Recruitment	**7**	**0.588**
Training Programs	**8**	**0.756**
Compensation	**8**	**0.734**
Performance Appraisal	**8**	**0.652**
Employees' satisfaction	**10**	**0.657**

Table (3-3) Reliability analysis of the study scales (own sources)

The tabulated data above elucidated a positive indicator, as evidenced by the value between (0.588-0.756) for all items. This finding is deemed favorable, given that it surpasses the accepted percentage of (0.60) (Sekaran, 2013). Furthermore, it is worth noting that the internal consistency reliability was found to be exceedingly satisfactory, thus rendering it a dependable tool for attaining the objectives of the study.

CHAPTER FOUR: RESULT AND DISCUSSION

4.1 Introduction:

This chapter outlines the statistical analysis results for the study questions and hypotheses, building upon the previous study design. The investigation's empirical analysis entails a descriptive examination that employs Means and Standard Deviations to tackle the research questions, in addition to employing ANOVA, Multiple and Simple Linear, and Regression analysis.

4.2 Respondents' Demographic Description:

The subsequent section presents an overview of the participants' demographic features, encompassing their gender, age, education, job designation, field of work, and duration of engagement with the organization:

1. **Gender:** with a cumulative count of 202, the majority of the survey participants were of the male gender, constituting 114 individuals, which accounts for 56% of the total. On the other hand, the female respondents amounted to 88 individuals, which represents 43%. These results ultimately suggest that the male population dominates the workforce within the project-oriented settings.
2. **Age:** The majority of respondents, accounting for 44%, were under the age of 30. Following this, 37% of respondents were aged between 30 and under 40 years, whilst 16% fell within the 40-50 age bracket. Only a small percentage of respondents, 2%, were aged over 50 years. These findings suggest that the average age of employees is between 20 and under 30 years.
3. **Educational level:** The majority of the participants possessed a Bachelor of Science degree, comprising a total of 145 individuals, which represents approximately 71% of the sample. Furthermore, 42 respondents held either a Master's or a high-level diploma degree, accounting for approximately 21% of the participants. A smaller proportion of the sample, specifically 13 individuals, possessed a diploma. Finally, only two respondents held a Ph D., representing a mere 1% of the sample.
4. **Job title:** The majority of the participants held junior job positions, accounting for a total of 95 individuals or 47% of the sample. Senior job titles were held by 42 respondents, representing 20.8% of the total. In addition, 40 participants held the role of

coordinator, making up 19.8% of the sample. Finally, the position of head of section was reported by 25 individuals, constituting 12% of the total sample.

5. **Department**: The majority of the participants are employed within the engineering department, comprising a total of 121 individuals, or 59.9%. Following this, the maintenance department accounted for 29 individuals, or 14.4%, while the financial department had 27 individuals, or 13.4% of the sample. Lastly, the HRM department included 25 individuals, or 12.4%.
6. **Experiences in the Company**: The study reveals that a significant proportion of the participants had work experience of less than five years in the organization, constituting 45.5% of the total employee count. Subsequently, there were 26.2% of the respondents who had work experience of less than ten years, consisting of 53 individuals. Furthermore, a total of 14.9% of the participants had work experience of 15 years or more. Finally, the remaining 13.4% of the respondents had work experience of less than 15 years.

Dimension		Frequency	Percent
Gender	Male	114	56.4
	Female	88	43.6
Total		202	100
Age(years)	20 – 29	90	44.6
	30 – 39	75	37.1
	40 – 49	33	16.3
	50 Years and above	4	2
Total		202	100
Educational level	High School or Diploma	13	6.4
	BSc	145	71.8
	Master or High Diploma	42	20.8
	PhD	2	1
Total		202	100
Job title	Senior	42	20.8

	Coordinator	**40**	**47**
	Junior	**95**	**19.8**
	Head of section	**25**	**12.4**
Total		**202**	**100**
Department	**Maintenance**	**29**	**14.4**
	Financial	**27**	**13.4**
	HRM	**25**	**12.4**
	Engineering	**121**	**59.9**
Total		**202**	**100**
Experience(years)	**Less than 5 Years**	**92**	**45.5**
	5 – 9	**53**	**26.2**
	10 – 14	**27**	**13.4**
	15 Years and above	**30**	**14.9**
Total		**202**	**100**

Table (4-1): Demographic Analysis *(own source)*

4.3 Normality Test:

A test of normality is utilized to ascertain whether a sample dataset has been extracted from a population that follows a normal distribution, within acceptable margins. In this study, the researcher performed a ***Skewness*** and ***Kurtosis*** test. ***Skewness*** gauges the degree of symmetry, or more precisely, the lack thereof. Symmetry is exhibited by data that appears identical to the left and right of the central point. Additionally, ***Kurtosis*** is employed to determine whether the data exhibits heavy-tailed or light-tailed tendencies with respect to a normal distribution, as per West et al. (1995).

As posited by Sekaran (2013), the indication that the sample used in this study represents the study population and its results could be generalized to the context of Ethiopia is evidenced by a Skewness value of less than 1 and a Kurtosis value of less than 7.

The assessment of normality of data is conducted through the utilization of ***Skewness*** and ***Kurtosis*** tests. As illustrated in the subsequent table, ***Skewness*** outcomes varied between the ranges of (-0.114 to 0.785), whereas ***Kurtosis*** outcomes ranged from (-0.667 to -0.189).

Variables	N	Min	Max	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Planning and Recruitment	202	2.38	4.14	3.2274	.39198	.278	.171	-.667	.341
Training Programs	202	2.25	3.88	3.0093	.38953	.785	.171	-.189	.341
Compensation	202	2.38	4.25	3.2135	.37591	-.082	.171	-.662	.341
Performance Appraisal	202	2.40	4.00	3.2005	.33687	-.094	.171	-.523	.341
Employees' satisfaction	202	2.13	4.25	3.0984	.42338	-.114	.171	-.406	.341
Valid N (listwise)	202								

Table (4-2): Normal Distribution of Study Variables (own source)

4.4 Descriptive Analysis of Study Variables:

4.4.1 Independent variable

1. The First Dimension: Planning and Recruitment(PR):

The arithmetic mean and standard deviation (SD) of the sample under scrutiny were derived by the researcher. Specifically, the researcher delineated responses pertaining to the table provided.

Variables(PR)	PR-1	PR-2	PR-3	PR-4	PR-5	PR-6	PR-7
Mean	3.56	3.43	3.43	2.98	3.09	3.02	3.36
Std. Deviation	0.725	0.571	0.682	0.594	0.888	0.753	0.762

Table (4-3): Descriptive statistics of Planning and Recruitment (PR) (own source)

The above Table (4-3) shows that the arithmetic means for Planning & Recruitment range between (2.98 –3.56). **PR**-1 (**The Company attracts high quality employees**) has a mean 3.56 with a standard deviation of 0.725. On the other hand, **PR-4** (**The company recruitment is fair**) has a mean of 2.98 and a standard deviation of 0.594. The results of the

study suggest that Dugda Construction Company has achieved a favorable outcome in terms of attracting and retaining highly competent and skilled employees. Yet, the process of recruiting fresh employees seems to be enigmatic and equivocal to the current workforce. (See the **PR** value in the appendix)

2. The Second Dimension: Training Programs(TP):

The arithmetic mean and standard deviation (SD) of the sample under scrutiny were derived by the researcher. Specifically, the researcher delineated responses pertaining to the table provided,

Variables	TP-8	TP-9	TP-10	TP-11	TP-12	TP-13	TP-14	TP-15
Mean	2.81	2.83	2.99	2.83	3.1	3.16	3.3	3.05
Std. Deviation	0.687	0.694	0.564	0.619	0.577	0.658	0.671	0.648

Table (4-4): Descriptive statistics of Training Programs (TP) (own resource)

The presented Table (4-4) indicates that the arithmetic means of Training Programs (TP) range from 2.81 to 3.3. **TP-14** "**The Company uses new approaches for training programs**" has a mean of 3.3 and standard deviation of 0.671. On the other hand, the **TP-1** "**The Company is concerned about the quality of Training,**" has a mean of 2.81 and standard deviation of 0.68. Overall, the respondents' viewpoints suggest that the level of importance for training programs is moderate. Therefore, it can be inferred that the new approaches of training programs provided by the company to its employees are a crucial variable, and the company must consider the quality of training provided to its employees. (See the **TP** value in the appendix)

3. The Third dimension: Compensation(C)

The arithmetic mean and standard deviation (SD) of the sample under scrutiny were derived by the researcher. Specifically, the researcher delineated responses pertaining to the table provided.

Variables	C-16	C-17	C-18	C-19	C-20	C-21	C-22	C-23
Mean	2.98	3.09	3.02	3.36	2.81	2.83	2.99	2.83
Std. Deviation	0.594	0.888	0.753	0.762	0.687	0.694	0.564	0.619

Table (4-5): Descriptive statistics of Compensation(c) (own source)

The aforementioned Table (4-5) depicts the arithmetic means pertaining to Compensation, which fall within the range of (2.81-3.6). **C-19** (**the company uses non-cash compensation alternatives**) a mean of (3.36) and a standard deviation of (0.762). Conversely **C-20** (**compensation programs based on performance**), has with a mean of (2.81) and a standard deviation of (0.687). This signifies that the employees of the organization are content with the utilization of non-cash compensation alternatives. However, the opinions of employees must be taken into consideration with respect to the level of performance that the organization should use to benefit its employees. (See the **C** value in the appendix)

4. The Fourth dimension: Performance Appraisal(AP)

The arithmetic mean and standard deviation (SD) of the sample under scrutiny were derived by the researcher. Specifically, the researcher delineated responses pertaining to the table provided.

Variables	PA-24	PA-25	PA-26	PA-27	PA-28	PA-29	PA-30	PA-31
Mean	3.43	3.39	3.41	2.96	2.98	3.09	3.02	3.36
Std.	0.571	0.59	0.687	0.609	0.594	0.888	0.753	0.762

Table (4-6): Descriptive statistics of Performance Appraisal (AP) (own source)

The Table (4-6) presented above displays the arithmetic means for performance appraisal, which range from 2.96 to 3.4. **PA-1** (**The Company handles the employees' complaints**) has a mean score of 3.4 and a standard deviation of 0.57. **PA-27** (**The Company provides feedback to Employees)** has a mean of 2.98 and a standard deviation of 0.0594. This suggests that while the organization endeavors to attend to the grievances of its staff, it is equally imperative that the management offers a response to the employees. (See the **PA** value in the appendix).

4.4.2 **Dependent Variable: Employees' satisfaction(ES)**

The arithmetic mean and standard deviation (SD) of the sample under scrutiny were derived by the researcher. Specifically, the researcher delineated responses pertaining to the table provided.

Variables	ES-32	ES-33	ES-34	ES-35	ES-36	ES-37	ES-38	ES-39	ES-40	ES-41
Mean	3.56	3.41	3.37	3.4	2.96	2.98	3.09	3.02	3.36	2.73
Std.	0.725	0.576	0.595	0.682	0.609	0.594	0.888	0.753	0.762	0.526

Table (4-7): Descriptive statistics of Employees' satisfaction (ES) (own source)

The aforementioned Table 4-7 delineates that the arithmetic means pertaining to performance appraisal manifest a range of 2.73-3.56. **ES-1** (**The employees feel there are real Opportunities for career development)** has a mean of 3.56 and standard deviation of 0.725**.** Conversely, **ES-41** (**The employees are empowered by the Company**) has a mean of 2.73 and standard deviation of 0.526. This underscores the fact that the employees are cognizant of the existence of genuine opportunities for career advancement. Furthermore, the organization must strive to promote transparency in empowering its employees. (See the **ES** value in the appendix).

4.5 Correlation Analysis

Correlation Analysis The measure of a linear relationship between two variables is referred as correlation. A correlation coefficient has a value ranging from -1 to 1. Values that are closer to the absolute value of 1 indicate that there is a significant link between the variables being correlated while values closer to 0 shows that there is little or no linear association Robinson et al., (2009). When the data are measured at the ordinal level, the Pearson correlation coefficient is an effective approach to measure the correlation. The Pearson correlation coefficient was computed for the purpose of determining the relationships between the variables. The correlation is a widely used metric for determining the magnitude of an effect: values of ± 0.1represent a small effect, ± 0.3 is a medium effect and ± 0.5 is a large effect (Domingo et al., 2020).

Correlations						
		planning	training	appraisal	compensation	Satisfaction
Planning	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	202				
Training	Pearson Correlation	.541**	1			
	Sig. (2-tailed)	.000				
	N	202	202			
Appraisal	Pearson Correlation	.845**	.389**	1		
	Sig. (2-tailed)	.000	.000			
	N	202	202	202		
compensation	Pearson Correlation	.159*	.030	.195**	1	
	Sig. (2-tailed)	.023	.671	.005		
	N	202	202	202	202	
Satisfaction	Pearson Correlation	.882**	.457**	.962**	.237**	1
	Sig. (2-tailed)	.000	.000	.000	.001	
	N	202	202	202	202	202
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

From the above correlation matrix, it is made known the correlation results of factors affecting employ satisfaction to use human resources management practices. The relationship between planning and recruitment has a large effect or association on employees satisfaction (r=.882, p=.000) this tells us that planning and recruitment is with a large degree of association with employees satisfaction. Another result that can be understood in the correlation matrix is that employee's satisfaction is greatly influenced by training program. The findings revealed that training program and employees satisfaction have a significant connection, where the values are (r=0.457, p=000). The correlation result showed that compensation is with small degree of relationship with employees satisfaction (r=.237, p=.000). Looking to the correlation matrix (r=0.962, p= .000), it explains there is a high degree of relationship between performance appraisal

and employees satisfaction. Therefore from the factors listed in the study, planning and recruitment and performance appraisal has a large effect on employee's satisfaction. While training and program has a moderate association with employee's satisfaction, compensation has the least relationship.

4.6 Multi-Collinearity Diagnostics:

Prior to the examination of the study's hypotheses, a series of assessments were carried out to ascertain the appropriateness of the data for the purposes of regression analysis. Specifically, an evaluation of the variables was undertaken to identify the presence of multi-collinearity. The findings revealed that no substantial correlations existed between the independent variables, as determined through the use of the Variance Inflation Factor (VIF) and Tolerance test. These tests also confirmed the independence of errors. Additionally, it was ensured that the Variance Inflation Factor did not exceed the acceptable threshold of 10 and that the Tolerance value was greater than 0.05. For a more detailed account of these test results, please refer to Table 4-8.

Collinearity Statistics	Variables	Planning and Recruitment	Training Programs	Compensation	Performance Appraisal
	Tolerance	0.225	0.698	0.271	0.983
	VIF	4.437	1.432	3.689	1.017

Table (4-8): Results of Variance Inflation Factor and Tolerance (own source)

Table 4-8 illustrates that the Variance Inflation Factor (VIF) values for each dimension of the independent variables do not exceed 10, with tolerances ranging from 0.225 to 0.698. Such findings suggest the absence of any Collinearity diagnostics issue in the regression model (Gujarati and Porter, 2003). Consequently, the researcher is enabled to proceed with the study hypotheses, which are formulated as follows.

4.7 Study Hypotheses Tests:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.951[a]	.905	.904	.07861

a. Predictors: (Constant), compensation, training, appraisal, planning

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	21.593	4	5.398	873.644	.000[b]
	Residual	1.217	197	.006		
	Total	22.810	201			

a. Dependent Variable: satisfaction

b. Predictors: (Constant), compensation, training, appraisal, planning

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.157	.068		2.303	.022
	planning	.177	.029	.205	6.007	.000
	training	.041	.017	.049	2.464	.001
	appraisal	.680	.028	.759	24.201	.000
	compensation	.050	.015	.055	3.246	.001

a. Dependent Variable: satisfaction

The above tables show regression analysis of HRM practices in terms planning and recruitment, training program, performance appraisal and compensation management and employees satisfaction. In literature, linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable.

In this research, the regression analysis used the independent variable (HRM practices) indicated on the model to measure the organizational performance. The significance level of 0.05 was used with 95% confidence interval. The reason for using single analysis was to examine the direct effect of HRM practices in terms planning and recruitment, training program, performance appraisal and compensation as the independent variable on employee's satisfaction.

As indicated in the above table the independent variables predict the dependent variable R square = 90.5 % with adjusted R square 90.4 % the remaining less than 10% other extraneous variable that can affect organizational performance. This result also indicates that the variable selected as independent influenced organizational performance. The ANOVA table shows that the ANOVA test, it is noticed that F value of 873.644 is significant at 0.000 level. As a result, from the result, it can be concluded that with 90.4% of the variance (R-Square) in planning and recruitment, training program, performance appraisal and compensation are significant effect on employees satisfaction and the model adopted appropriately measure the construct.

		Sig. test result	**Independent Variable**	**Dependent**	**Ho Rejected or Accepted**
H_1:	There is No statistically Significant Impact of **Planning and Recruitment on Employees' Satisfaction in Dugda constructions Company**	0.000	Planning and recruitment	Employees satisfaction	**Rejected**
H_2:	There is No statistically Significant Impact of **Trainning program on Employees' Satisfaction in Dugda constructions Company**	0.000	Training program	Employees satisfaction	**Rejected**
H_3:	There is No statistically Significant Impact of **performance apprisal on Employees' Satisfaction in Dugda constructions**	0.000	Performance appraisal	Employees satisfaction	**Rejected**

	Company				
H_4:	There is No statistically Significant Impact of **compensation Employees' Satisfaction in Dugda constructions Company**	0.000	compensation	Employees satisfaction	**Rejected**

Table (4-9): hypotheses taste (own source)

In accordance with the established protocol, it is imperative to reject the null hypothesis and accept the alternative hypothesis.

CHAPTER FIVE: CONCLUSION & RECOMMENDATIONS

5.1 Introduction:

This particular chapter has been compartmentalized into three distinct sections, which are as follows: Results, Conclusions, and Recommendations.

5.2 Study Results:

The present investigation advanced a series of inquiries, situating the conjectures and their correlation to the influence among the variables scrutinized. The inquiry gleaned numerous findings that served to rectify the inquiry quandary outlined in the introductory sections (1-2), resolving the inquiries and suppositions of the investigation. The investigation produced numerous outcomes that have the potential to bolster the contentment of the staff at Dugda Construction Company.

Drawing upon the data analysis and hypotheses that have been put to the test in the preceding chapter, the resultant findings can be concisely encapsulated in the following manner:

This research has garnered insights into the influence of Human Resource Management Practices, including (*Planning and Recruitment, Training Programs, Compensation, and Performance Appraisal*,) on the level of employee satisfaction at Dugda Construction Company.

1. Therefore, it can be inferred that the average of each subcategory ranges from high to medium, spanning from 3.26 to 2.9. It is noteworthy that the greatest mean was observed in the planning and recruitment subcategory, while the smallest mean was documented in the Compensation subcategory. This highlights the consensus among the participants regarding the significance of human resource practices and their optimistic attitudes towards its impact on their contentment. Significantly, these discoveries are in harmony with the conclusions drawn by Petrescu and Simmons in 2008.
2. The mean value of Planning and Recruitment, which was calculated to be 3.26, indicates a high impact on the satisfaction of employees in Dugda Construction Company. This outcome is consistent with the research conducted by Mostafa in (2013). The results suggest that the company possesses sufficient expertise and knowledge in staffing techniques. Specifically, the company engages in human resource forecasting and incorporates employees in the planning process. Additionally, the company adequately informs

employees about planning and recruitment. By utilizing external sources like job placement agencies, advertisements, and online platforms, the company is able to attract and retain high-quality employees. Equitable employment opportunities within the company contribute significantly to employee satisfaction.

3. Hence, the mean of the Training Programs was calculated to be 3.00. The impact of these Training Programs on the satisfaction of employees in Dugda Construction Company can be classified as medium. This conclusion is consistent with the findings of Koc et al. (2014). It can be inferred from this result that Dugda Construction Company in Ethiopia has made a concerted effort to ensure that the training programs offered to their employees are of high quality and utilize advanced technologies. This, in turn, has led to an increase in employee job performance and satisfaction. Additionally, the company has taken steps to support newly appointed employees by implementing orientation programs and encouraging team-work seminars, which provide a platform for employees to share knowledge gained from their training.
4. Hence, the mean compensation value of (2.99) indicates that the impact of Compensation on employees' satisfaction in Dugda Construction Company is moderate. This discovery is consistent with Koon's (2015) research. The result demonstrates that Dugda Construction Company in Ethiopia is attentive to the needs of its employees and employs a fair incentive system that is regularly reviewed to provide benefits based on their performance. The benefits offered by the company are favorably compared to those in the sector, and non-cash compensation alternatives such as appreciation certificates, event tickets, and free child care are also provided. All of these factors contribute to the retention of jobs at the company.
5. Henceforth, it can be concluded that the mean of Performance Appraisal amounted to 3.21, thereby signifying that the impact of Performance Appraisal on employees' satisfaction in Dugda Construction Company is moderate. This discovery is in alignment with the research conducted by Haquec et al. in 2013. The outcome of this study suggests that Dugda Construction Company has a proficient performance appraisal system that is equitable and sincere in its implementation. Furthermore, this system is aimed at fostering employee development and ensuring that they are held accountable for realistic expectations concerning their output. Moreover, the system is designed to support employee feedback by

empowering them and addressing their complaints, thus, promoting their overall satisfaction.

5.3 Study Conclusions:

This particular study aims to assess the impact of HRM practices on the satisfaction level of employees. Building upon previous research efforts, the present study delves into possible independent variables such as Planning and Recruitment, Training Programs, Compensation, and Performance Appraisal.

It is widely believed that in order to enhance individual knowledge, skills, and abilities, foster knowledge sharing within projects and the company, and facilitate the capture of organizational knowledge and learning from the external environment, companies must establish a system of committed HR practices. In light of this, the present paper puts forth the proposition that there exists a positive correlation between HR practices (Planning and Recruitment, Training Programs, Compensation, and Performance Appraisal) and employee satisfaction within the context of developing economies. Consequently, the impact of HR practices on employee satisfaction is of great significance. It should be noted, however, that although the model may outline the fundamental relationships among the primary constructs, it is unable to fully capture the intricacy and fluidity of the perception study context and organizational milieu. To gain a comprehensive comprehension of the multifaceted interplay amongst HR practices, organizational learning, and employee satisfaction, a mixed method approach should be adopted for comparative investigation. Future research endeavors ought to prioritize examining the interconnectivity between HRM and performance, as well as the correlation between HRM and the nature of work, workplace environment, and corporate culture- all of which ultimately impact employee well-being. The intricate dynamics underlying these variables necessitate a thorough exploration in order to identify the most effective methods for achieving optimal employee outcomes.

5.4 Study Recommendations

Drawing on prior findings and deductions, the ensuing suggestions may potentially augment the contentment of personnel within Dugda Construction Company:

1. The present investigation advocates the necessity for the upper echelon of Dugda construction firm to enhance the quality of human resource management dimensions so as to achieve optimal success of the organization.
2. The investigation demonstrated that Dugda Construction Company ought to enhance their level of transparency with regard to their recruitment procedures for both existing and prospective employees. This would involve providing more detailed information to candidates about the selection criteria and the hiring process. By doing so, the company can foster a more positive and trustworthy image among its workforce and the wider community.
3. The study placed significant emphasis on the quality of training provided by the Dugda construction company to their employees. The company's approach includes actively involving trainees in the building process of various programs, thereby enabling the implementation of initiatives aimed at enhancing thinking and analysis skills. This strategy stands to benefit not only the employees but also the organization as a whole, by improving productivity and fostering a culture of innovation and excellence.
4. The present research emphasizes the importance of equitable incentive systems within Dugda Construction Company, urging top management to execute a more impartial program that is tailored towards meeting employees' needs beyond fundamental benefits such as health care and overtime compensation. This approach would be instrumental in enhancing worker motivation and satisfaction, thereby boosting overall organizational productivity and success. Consequently, it is imperative that the company adopts a comprehensive approach that not only recognizes but also prioritizes the diverse needs of its workforce, including non-cash benefits, in order to promote a harmonious and productive work environment.
5. The research study suggests that it would be beneficial for the Dugda construction company to adopt an "open door" policy to enable their employees to express their thoughts and opinions freely. This would encourage the company to be more aware of their employees' sentiments, enabling them to provide constant feedback and implement a more equitable and candid evaluation system. As a result, this would demand realistic expectations from employees' output, leading to a more productive and efficient workforce.

6. The research revealed that it is necessary for the upper echelon of management at Dugda construction enterprise to adopt an equitable and comprehensible elevation scheme. This system should allocate remuneration impartially and in line with employees' aptitude and educational qualifications. Furthermore, the implementation of such a system would ensure that the company's workforce is motivated and satisfied, leading to increased productivity and growth.
7. Managers must recognize the importance of empowering their employees, which can be achieved through allowing them to apply their acquired skills to their assigned tasks. Additionally, managers should provide guidance in setting reasonable objectives for employees to enhance their work performance as a result of their training. By doing so, managers can foster a culture of employee empowerment, leading to greater job satisfaction and overall organizational success.
8. The findings of this research are subject to constraints as there may be uncertainties concerning the Human Resource Management (HRM) drivers for employees. This investigation only encompassed the standpoint of middle and lower-level employees, hence it is proposed that the perspective of higher management be included in future studies, which would profit from a more comprehensive sample size. In addition, it is recommended that an influential factor such as job performance be evaluated independently, as it has the greatest impact on motivation.

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Appendix
Thesis Questionnaire

I would like to request you to referee the attached questionnaire, which will be used for thesis entitled:

"***Assessment of Human Resource Management Practices on Employees Satisfaction: The case of Dugda construction PLC***".

The study aims to investigate the impact of Strategic Human Resource Management Practices (***Planning and Selection, Training Programs, Compensation and performance Appraisal***) on job satisfaction of Dugda construction Plc. (Head office). employees'.

I would like to thank you for your participation, support and guidance, and if do you haveany question or comment, please call me.

Thank you for your attention.

Prepared by: **Hailemichael Shemels**

Supervised by: **Dr. Yared A**

First Part: Demographic.

(1) Gender			
Male	o	Female	o
(2) Age			
20 – Less than 30 Years	o	30 – Less than 40Years	o
40 – Less than 50 Years	o	50 Years and above	o
(3) Educational Level			
High School or Diploma	o	BSc	o
Master or High Diploma	o	PhD	o
(4) Job title			
Senior	o	Coordinator	o
Junior	o	Head of section	o
(5) Department			
Maintenance	o	Financial	o
HRM	o	Engineering	o
(6) Experience at This Company			
Less than 5 Years	o	5 – Less than 10 Years	o
10 – Less than 15 Years	o	15 Years and above	o

Second Part: It includes the study independent and dependent variables statements. Please answer each question based on your perception about the implementation of each on at your company, where 1 indicates strongly disagree and 5 strongly agree.

No.	Item	*Strongly Agree*	Agree	Neutral	Disagree	Strongly Disagree
		5	4	3	2	1
Planning and Recruitment(PR):						
1	The company attracts high quality employees.					
2	The company retains high quality employees.					
3	The company's website is constantly updated with the latest vacancies.					
4	The company recruitment is fair.					
5	Planning and recruitment process is transparent.					
6	The company includes the employees' in the planning process.					
7	The company forecasts the human resource needs.					
Training Programs(TP):						
8	The company is concerned about the quality of Training.					
9	The company provides new employees with an orientation.					
10	The company adopts continuous training to improve performance					

11	The company planes ahead for the training programs.					
12	The company uses advanced technology in training Programs.					
13	The company has cross-departmental training programs.					
14	The company uses new approaches for training programs.					
15	The company encourages team-work seminars.					
Compensation(C):						
16	The company is concerned about employees' needs.					
17	The company provides employees with the type of benefits they need.					
18	The company provides benefits that compare favorably in the sector.					
19	The company uses non-cash compensation alternatives.					
20	The company uses compensation programs based on performance.					
21	The company uses fair incentive system.					
22	The company's compensation system is reviewed periodically.					

23	The company's compensation system is one of the reasons to retain my job at the said company.					
Performance Appraisal(AP):						
24	The company handles the employees' complaints.					
25	The company has a professional appraisal system.					
26	The company considers employees 'accountable for their work.					
27	The company provides feedback to employees'.					
28	The company is aware of its employees 'opinions.					
29	The company evaluation system is fair and honest.					
30	The company supports employees' development.					
31	The company has realistic expectations about employees' output.					
Employees' Satisfaction(ES):						
32	The employees feel there are real opportunities for career development.					
33	The employees are committed to their jobs.					

34	The employees feel that the company cares about them.					
35	The employees get ahead fairly in the company based on the merits of their work.					
36	The employees would recommend the company as a place to work.					
37	The employees use all their skills and abilities on the job.					
38	The employees feel they have job security.					
39	The employees' salaries are distributed fairly compared to their expertise and educational level					
40	The employees feel the things they do on the job are significant					
41	The employees are empowered by the company.					