Addis Ababa University

School of Commerce

Research Title

"The Effect of Selected HRM Practices on Perceived Organizational Performance: The Mediating Role of Employee Motivation in a Case Study of Dashen Bank S.C."

A Thesis submitted to Addis Ababa University School of Commerce in Partial Fulfillment of the Requirements for the Award of MA in Human Resource Management

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May, 2026

Addis Ababa, Ethiopia

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DECLARATION

I, **Hagos Tadese Amare**, declare that the thesis entitled "The Effect of Selected Human Resource Management Practices on Perceived Organizational Performance: The Mediating Role of Employee Motivation in Dashen Bank S.C." is my original work. I have carried out the study independently with the guidance and support of my research advisor, Dr. Solomon Markos. Any sources used for the study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other Institution.

Hagos Tadese

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Date: _____

Statement of Certification

I certify that **Hagos Tadese Amare** has carried out his research work under my guidance on the topic of "The Effect of Selected Human Resource Management Practices on Perceived Organizational Performance: The Mediating Role of Employee Motivation in Dashen Bank S.C". This work is suitable for submission as a partial fulfillment requirement for the award of Master's Degree in Human Resource Management.

Date: _____

Signature: _____

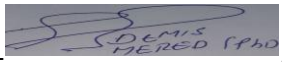
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Statement of Approval Sheet

This is to confirm that the thesis research conducted by **Hagos Tadese Amare** on "The Effect of Selected HRM Practices on Perceived Organizational Performance: The Mediating Role of Employee Motivation in Dashen Bank S.C." which was submitted in partial fulfillment of Master Arts in Human Resource Management complies with the university's regulations and recognized standards for originality and excellence.

Signed by the Examining Committee:

1. *Advisor* _____*Signature* _____ *Date*_____
2. *External Examiner :* _____ *Signature* ___  *June 13 2026*
3. *Internal Examiner* _____ *Signature* _____ *Date*_____

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List of Abbreviations

HR	Human Resource
HRM	Human Resource Management
HRMP	Human Resource Management Practices
T&D	Training and Development
POS	Point-of-Sale
POP	Perceived Organizational Performance
S.C	Share Company
KSA	Knowledge, Skills, and Abilities
OCB	Organizational Citizenship Behavior
SPSS	Statistical Package for the Social Sciences

Abstract

This study investigates the effect of selected HRM practices on perceived organizational performance considering employee motivation as mediating variable to explain the mechanism through which HRM practices influence perceived organizational performance, in the context of Dashen Bank S.C. The researcher is motivated by the need to understand how the selected HRM practices contribute to the perceived organizational performance in a service-oriented banking environment, where employees' attitude and perception plays vital role. A mixed research approach with cross-sectional explanatory design was employed for this study. Quantitative data were collected from 271 Dashen Bank permanent employees using close-ended and structured questionnaire, while qualitative data was gathered from 10 HR Business Partners of the Bank. Descriptive, correlation, regression and mediation analysis were conducted to analyze and interpret the collected data. The findings revealed that among the selected HRM practices, extrinsic reward, intrinsic reward and career development have significant effect on both employee motivation and perceived organizational performance, while performance appraisal have not significant effect on employee motivation and perceived organizational performance. Additionally, employee motivation has significant positive effect on perceived organizational performance. Furthermore, employee motivation partially mediates the relationship between the selected HRM practices and the perceived organizational performance in the Bank. The study concludes that the selected HRM practices enhance organizational performance directly and indirectly through uplifting employee motivation. It further recommends strengthening performance appraisal system, linking performance with extrinsic and intrinsic reward, and enhancing career development system can be resulted in enhanced employee motivation and organizational outcomes. This study contributed to the body of HRM literature, particularly in Ethiopian banking sector and provides practical insights for HR strategy enhancement of the case organization.

Keywords: HRM Practices, Employee Motivation, Perceived Organizational Performance, Mediation, Ethiopian Banking Sector

Chapter One

Introduction

1.1. Background of the study

An organization's success and market position are heavily affected by its human resources, recognized as a distinctive asset within the organization (Holbeche, 2022; Mahapatro, 2021). This influence is particularly pronounced in labor-intensive service industries like hospitality establishments, where the interaction between employees and customers is pivotal to success (de Andreis et al., 2022). HRM practices' multidimensional nature enables organizations to achieve corporate and individual targets, making HRM functions key to industry success (Mahapatro, 2021). The HRM department's influence on employee behavior aligns with business objectives, ensuring their accomplishment (Holbeche, 2022). Aligned with organizational objectives, the HRM function focuses on improving the performance of strategic business units, providing guidance to workers, and identifying those who would benefit from further training, fostering long-term performance (Greer, 2021). In response to challenges like global competition and organizational complexity, both local and international companies have implemented HRM practices across their operations (Malik et al., 2019).

According to Badre, (2021), HRM practices play a crucial role in delivering effective employee trainings, motivating employees through compelling reward strategies, and reinforcing the recruitment and selection procedures. Chung et al., (2020) reported that global rivalry has driven organizations to adopt HRM practices which have been shown to positively impact firm performance and job satisfaction. These practices aim to hire skilled and productive employees, thereby enhancing the relationship between organizations and their employees (Holbeche, 2022). Job satisfaction, linked to professional accomplishment and work capacity, correlates with job performance (Murtza et al., 2021). However, job satisfaction is distinct from job performance, which reflects a broader connection to the organization (Inayat et al., 2021). Mira et al. (2019) highlighted that job performance serves as a measure of HRM practices' ability to cultivate psychological connections between firm and employee goals. HRM practices should align with organizational strategies, which in turn should align with strategic HRM (Greer, 2021).

Varity of empirical studies has demonstrated that HRM practices can affect organizational performance in different contexts. Katou (2008) found that HRM practices such as training, compensation and participation have direct and indirect impact on organizational performance through employee attitudes and behaviors. Likewise, Wright et al. (2005) reported that HRM practices create human capital that serves as a source of competitive advantage, particularly uplifting organizational outcomes.

In developing country contexts, similar findings have been published. Research conducted by Singh (2004) in India showed that HRM practices significantly impact firm performance through employee commitment and productivity. Additionally, a more recent study conducted by Alfes et al. (2013) reported that HRM practices can impact the organizational performance using employee engagement as mediating variable. Furthermore, Jiang et al. (2012) conducted a meta-analysis and concluded that the HRM practices can improve the overall organizational performance through uplifting employee motivation.

Empirical studies conducted globally, in Africa, and in Ethiopia consistently indicate that HRM practices positively influence organizational performance. In the banking sector, where service quality and organizational success largely depend on employee performance, effective HRM practices are expected to enhance organizational performance both directly and indirectly through employee motivation. Therefore, this study examines the mediating role of employee motivation in the relationship between selected HRM practices and perceived organizational performance at Dashen Bank S.C.

1.2. Background of Dashen Bank

Dashen Bank coined its name from the highest mountain in the Country, called Dashen, and aspires to be “best-in-Class-Bank in Africa” until 2030. Headquartered in Addis Ababa, the Bank is the biggest private Bank in Ethiopia. Dashen Bank was established in 1995 in the month of September with a paid up capital of Birr 14.9 million by eleven visionary stakeholders. In addition, the total asset of the Bank has reached more than 254 billion as of December 2025. The Bank operates through a network of 900+ branch offices, nine dedicated Forex Bureaus, 1,100+ ATMs and 2,000+ plus Point-of-Sale (POS) terminals spread across the length and breadth of the nation.

Dashen Bank has more than 20,000 employees including contract and outsourced staff. This huge and diverse workforce makes the human resource management practices central to the Bank's ability to enhance its service quality, efficiency and competitive advantage. As the Bank is aspiring to be "best-in-Class-Bank in Africa," Human resource management practices such as Training and development, performance appraisal, extrinsic reward, intrinsic rewards, and career development plays critical role in shaping the Bank's performance.

Recently, the Bank has been facing local and international challenges in terms of technology, digital banking, attracting and retaining talented workforce from the market. These dynamics highlights the need to invest in effective HRM practices to attract, develop, and retain critical talent thereby supporting the overall Bank's performance. Examining the relationship between HRM practices and perceived organizational performance provides insight into how Dashen Bank can strengthen its HR strategy and attain the leading position in the Ethiopian banking industry.

1.3. Statement of the Problem

In today's dynamic environment, effective human resource management practices have been playing a critical role in enhancing service quality, sustaining employee productivity, thereby enhancing organizational performance. Financial institutions such as Banks, operating in a service based industry, heavily depend on the ability, motivation, and opportunity (AMO) of their employees to deliver exceptional customer services. As one of the largest private commercial Banks in Ethiopia with more than 20,000 employees (including outsourced and contract), Dashen Bank has been investing huge amount of money in transforming its HRM systems, including workforce segmentation, competency frameworks, talent acquisition and selection, performance management, learning and development, succession, reward and career development programs.

In spite of these initiatives, the actual contribution of HRM practices to the Bank's performance remains vague and insufficiently evidenced. Findings from the interviews and informal engagements with the Bank's Executive Management and HR Directors demonstrate a prevailing perception that HR's value addition to the overall Bank's performance is lower than expected, particularly in terms of employee motivation and driving organizational performance. These insights suggest a practical gap between HRM practices and their perceived impact on organizational performance within the Bank.

From a theoretical perspective, recent empirical studies conducted by Jiang & Messersmith (2018) and Guest (2017) point out that HRM practices affect organizational performance mainly through employee attitudes and motivation, emphasizing the need to understand the underlying mechanisms rather than expecting a purely direct relationship. Additionally, studies conducted by Dar et al., (2014); Alfes et al., (2016); Park & Kim, (2020) highlighted the mediating role of employee motivation between HR practices and organizational performance; the majority of these works focus on Western and Asian contexts. Very few studies have studied the relationship between HRM practices and perceived organizational performance considering employee motivation as mediating variable in the African banking industry, specifically within Ethiopia. This represents a theoretical gap, as organizational performance in service-intensive environments like banking is significantly shaped by employees' psychological states, perceptions, and motivation levels.

Moreover, Dar et al. (2014) reported that perceived organizational performance is a more accurate reflection of the outcomes of HRM practices compared to financial measures, due to employee perceptions affecting employee behaviors and attitudes that drive the organization's customer service, innovation, and compliance Nevertheless, no empirical study has been conducted yet exploring how selected HRM practices at Dashen Bank affect perceived organizational performance through the mediating role of employee motivation, despite the Bank's huge workforce and ongoing strategic transformational efforts.

Empirical studies conducted in Ethiopia (e.g., Tessema & Soeteres, 2006) shows that HRM practices positively influence organizational performance. However, most of these studies mainly focused on direct effect of human resource management practices on organizational performance. Additionally, limited attention were given to Ethiopian Banking industry, particularly to Dashen Bank S.C. this creates contextual and conceptual gap in understanding how the selected HRM practices influence perceived organizational performance through employee motivation in Ethiopian banking context.

Given the practical concern raised by Dashen Bank's Executive Management and insufficient local evidence on the mediating role of employee motivation, it is crucial to explore whether the Bank's selected HRM practices are effectively motivating employees and contributing to the Bank's performance. Exploring this relationship not only address the observed practical problem but also contribute to filling the knowledge gap in the Ethiopian banking industry's HRM literature.

Therefore, this study intends to explore the extent to which the selected HRM practices affect perceived organizational performance of Dashen Bank and assess the mediating role of employee motivation.

1.4. Research Questions

This study intends to answer the following research questions;

1) To what extent do the selected HRM practices (training & development, performance appraisal, extrinsic reward, intrinsic reward and career development) in aggregate affect employee motivation and perceived organizational performance in Dashen Bank?
2) How does training and development affect employee motivation and perceived organizational performance in Dashen Bank?
3) To what extent does performance appraisal affect employee motivation and perceived organizational performance in Dashen Bank?
4) To what extent does extrinsic reward affect employee motivation and perceived organizational performance in Dashen Bank?
5) To what extent does intrinsic reward affect employee motivation and perceived organizational performance in Dashen Bank?
6) To what extent does career development affect employee motivation and perceived organizational performance in Dashen Bank?
7) What is the effect of employee motivation on the perceived organizational performance?
8) Does employee motivation mediate the relationship between selected HRM practices and perceived organizational performance?

1.5. Objectives of the Study

1.5.1. General Objective

Broadly, this study aims to examine the effect of the selected HRM practices on perceived organizational performance through employee motivation at Dashen Bank S.C.

1.5.2. Specific Objectives

This study intends to address the following specific objectives;

1. To examine the overall effect of the selected HRM practices on employee motivation and perceived organizational performance.

2. To investigate the effect of training and development on employee motivation and perceived organizational performance.
3. To examine the effect of performance appraisal on employee motivation and perceived organizational performance.
4. To investigate the effect of extrinsic reward on employee motivation and perceived organizational performance.
5. To investigate the effect of intrinsic reward on employee motivation and perceived organizational performance.
6. To investigate the effect of career development on employee motivation and perceived organizational performance.
7. To examine the effect of employee motivation on perceived organizational performance.
8. To evaluate the mediating role of employee motivation in relationship between selected HRM practices and perceived organizational performance.

1.6. Significance of the Study

This study has a significant benefit for practitioners and other HR experts through providing evidence on how the selected HRM practices can affect perceived organizational performance through employee motivation. It helps them in developing and implementing effective HR interventions. Additionally, this study may help policy makers in crafting HR policies that enhance employee motivation and perceived organizational performance in the context of banking industry. The findings also help the Bank by reinforcing its HR strategy, improve employee engagement and improve service quality. Academically, the study provides invaluable insight to the HRM-motivation-perceived organizational performance linkage in the Ethiopian banking industry.

1.7. Scope of the Study

Thematically, this study focuses on selected HRM practices; training and development, performance appraisal system, extrinsic rewards, intrinsic rewards, and career developments and examined their effect on employee motivation and perceived organizational performance at Dashen Bank S.C. geographically, this study was delimited to Dashen Bank's permanent employees currently working under Head Office, District and Branch Offices, excluding

Clerical, Non-clerical, and employee having one year and below work experience in the Bank. Methodologically, the study employed mixed research approach with descriptive and explanatory design using a cross-sectional survey design. It terms of time scope; the data were collected during the 2025/26 study period. Consequently, the findings reflected perceptions within single private commercial Bank in Ethiopia, and may not be fully generalizable to other Banks, financial institutions or other organizations operating in different sectors.

1.8. Limitation of the Study

The study is limited in terms of concept, geography, population and methodology. Conceptually, though the Bank has variety of HRM practices; the study is limited to only five selected HRM practices which are assumed to have strong relationship with the organizational performance. Geographically, the study is confined to a single private Ethiopian Bank and it excludes other public and private Banks, microfinances and other financial institutions. In terms of population, the study only takes in to consideration the permanent employees with one year and above work experience working under different departments, districts and branch offices. Outsourced, Contract, Clerical and Non-clerical employees of the Bank are excluded from this study due to differences in HR policy and procedures. Methodologically, the study employs mixed-method cross-sectional research design thereby data was collected at a single point of time using structured questionnaire and semi-structured interviews. Thus, causal inferences through time are beyond the scope of this study.

1.9. Definition of Terms

- **Human Resource Management Practices:** Are basically organization's practices used to administer human assets and make sure that assets are working to fulfilling organization's objective (Daud 2006).
- **Training and Development:** Is the formal and systematic modification of employee behavior through learning which occurs as a result of education, development and planned experience (Armstrong, 2009).
- **Performance Appraisal:** The formal assessment and rating of individuals by their managers usually on annual basis (Armstrong, 2006).

- **Extrinsic Rewards:** Are external incentives provided by others, such as employers or supervisors. They are typically tangible or monetary rewards, such as bonuses, promotions, gifts, or public recognition (Iyer, K. 2025).
- **Intrinsic Rewards:** Are those that come from within an individual. They are inherently satisfying and fulfilling, driven by internal motivation and personal values (Iyer, K. 2025).
- **Career Development:** Is the process of developing and improving individual abilities, skills and knowledge to achieve desired career goals (Sun & Wang, 2012)
- **Employee Motivation:** Is the level of creativity, commitment, and energy brought by company employees to their jobs (Shaikh 2022).
- **Perceived Organizational Performance:** It defined as the employee perceptions regarding their organization's overall performance and it is related with HRM practices that directly affects the employees' attitudes within an organization (Allen and Helms, 2002 cited in Mullins, 2010).

1.10. Organization of the Study

This proposal comprises five chapters. The first chapter encompasses the background of the study, statement of the problem, research questions, objectives, scope, significance, delimitations and definition of terms. The second chapter contains conceptual, theoretical and empirical reviews of pertinent literature. Additionally, this chapter holds the conceptual framework and the research hypothesis. The third chapter outlines research methodology used by the researcher. The fourth chapter comprises presentations, interpretation and discussion of results. The final chapter comprises the key findings, conclusions and recommendations of the study.

Chapter Two

Literature Review

2.1. Introduction

The purpose of this chapter is to review existing pertinent literature related to HRM practices, employee motivation, and perceived organizational performance, with a particular focus on banking sector.

HRM practices are increasingly recognized as the core drivers of employee motivation and the overall organizational performance. Contemporary researches examined how selected HRM practices: Training and development, performance appraisal system, extrinsic reward, intrinsic rewards and career development can affect employee motivation, and in turn, the perceived organizational performance.

By reviewing the existing theoretical, empirical and conceptual studies, this chapter aims to establish a foundation for understanding how selected HRM practices influence perceived organizational performance through employee motivation.

2.2. Theoretical Review

This study mainly bases on theories that explain the effect of the selected HRM practices on employee attitudes, behaviors and organizational outcomes. The theories reviewed provides logical foundation on how the selected HRM practices can impact employee motivation and perceived organizational performance through employee motivation. The major theories relevant to this studies are presented below.

2.2.1. AMO Model (Ability-Motivation-Opportunity)

The AMO framework has been widely accepted in HRM literature for explaining the linkage between human resources practices and performance. Marin-Garcia and Martinez Tomas (2016) argue that AMO model is an organized framework that provides a better understanding of the relationship between HRM and organizational performance. Additionally, their finding shows

that the effectiveness of AMO model's proposal appears to be beyond doubt. They also emphasize a **competent** employee will perform better, and a **motivated** worker will be ready to "go the extra mile" in his/her job. However, they note that if employee doesn't get enough **opportunities**, both abilities and opportunities will be meaningless.

Figure 1: AMO (Ability-Motivation-Opportunity) Model



(Appelbaum et al., 2000)

The AMO model explains the organizational performance as, if employees have the necessary competency (ability), enough motivation and adequate opportunity to contribute, they can execute their job effectively and efficiently. In this research, training and development equips employees with the necessary knowledge, skill and ability (KSA), the performance appraisal, intrinsic and extrinsic rewards can enhance the motivation of employees and the career development will provide employee the opportunity to progress towards aspired career destination. So, the AMO model provides clear theoretical reason for investigating the relationship between HRM practices and perceived organizational performance.

2.2.2. The Resource Based View (RBV)

The resource-based theory owes much of its origins to Edith Penrose's (1959) work, which explored the relationship between firm resources and firm growth. However, it did not begin to take shape until the 1980s, the decade when attention was given to the inside of the organizations. During this decade, a series of important articles provided insights into how phenomena such as organizational culture, causal ambiguity, and resources in general could contribute to organizational success. The resource-based theory as a basis for the competitive

advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal.

According to Christine, M (2013), the main idea of resource based view theory is that resources including employees' systems and business partners are combined into ways of working which are rare, inimitable, valuable and non-substitutable so that they become resources of competitive advantage. This approach focuses on internal resources that are viewed as the principal factor for a sustainable competitive advantage. In effect, the value brought by human resource is the core of this approach where flexibility is optimized in order to reduce costs and increases efficiency (Armstrong, 2010).

This theory argues that the sustainable competitive advantage can be resulting from valuable, inimitable and rare employees. Employees who are selected, developed and motivated via different best HRM practices can contribute to the organizational strategy attainment. So, this justifies investing in employee development, performance appraisal and career development can help the Bank attain its strategic objectives.

2.2.3. The Contingency Perspective

Armstrong (2006) reported that, organizational effectiveness depends on consistency of HR policies with other aspects of the organization. Proponents support that the key contingency factor is organizational strategy; focusing those HR strategies must align with the organization's long-term goals, context and circumstances. The concept of "best fit" is therefore understood as vertical integration between the organizational strategy and the HR strategy.

As Delery et.al (1996) states contingency theorists' thought that an organization's HR policies must be consistent with other aspects of the organization. They attempted to show how a number of HR practices are consistent with different strategic positions and how these practices relate to firm performance.

The contingency approach suggests that HRM practices are effective when they are vertically aligned with the organizational strategy and horizontally within each other. For Dashen Bank, HRM practices must support the business strategy of the Bank. This justifies examining HRM practices in the Bank's operational and strategic environment.

2.2.4. The Universalistic Perspective

The universalistic perspective of SHRM states that some HR practices are better than others and all organizations should adopt these best practices. According to this perspective, there is a universal relationship between individual 'best' HR practice and organizational performance, thus, also called 'best practice approach'. HR practices are universal in the sense that they are best in any situation.

According to Christine (2013), the universalistic perspective emphasizes on a relationship existed between the adoption of specific HRM practices and improved organizational performance. According to this view, some HR practices are superior to others, and all organizations should adopt these best practices. It assumes a universal relationship between individual "best" HR practices and organizational performance, and further suggests that HRM practices influence employee motivation and enhances organizational efficiency.

2.2.5. Theories of Motivation

There are different motivational theories associated with this study including the following;

2.2.5.1. Maslow's Hierarchy of Needs

This is the earliest and most widely known theory of motivation, developed by Abraham Maslow (1943) in the 1940s and 1950s. Abraham Maslow believed that man is inherently good and argued that individuals possess a constantly growing inner drive that has great potential. The needs hierarchy system, devised by Maslow (1954), is a commonly used scheme for classifying human motives. It involves five categories of motives arranged with lower-level needs on the bottom which must be satisfied first, before the higher-level needs come into play (Wallace, Goldstein and Nathan, 1987).

The five general levels of needs as described by Stephen P. Robbins and Timothy A. Judge are shown in the following hierarchical order.

1. **Physiological:** Includes hunger, thirst, shelter, sex, and other bodily needs
2. **Safety:** Security and protection from physical and emotional harm.
3. **Social:** Affection, belongingness, acceptance and friendship
4. **Esteem:** Internal factors such as self-respect, autonomy, and achievement, and external factors such as status, recognition, and attention.

5. **Self-actualization:** Drive to become what one is capable of becoming; includes growth, achieving one's potential, and self-fulfillment.

2.2.5.2. McClelland – Need for Achievement, Affiliation and Power

In the early 1960s McClelland built on Maslow's work described three human motivators. McClelland (Arnold et al., 2005) also used need classifications and focuses on the need for achievement, affiliation, and power.

McClelland's theory differs from Maslow's and Alderfer's, which focus on satisfying existing needs rather than creating or developing needs. This dominant motivator depends on our culture and life experiences. The three motivators are achievement, affiliation power.

2.2.5.3. Herzberg's Motivation-Hygiene Theory

Herzberg's motivation hygiene theory is often called the two-factor theory and focuses on those sources of motivation which are pertinent to the accomplishment of work (Hall and Williams, 1986). This theory says that there are some factors known as motivating factors that cause job satisfaction, and some other separated factors called hygiene factors which cause dissatisfaction.

He stated further that the opposite of satisfaction is not dissatisfaction, but rather, no satisfaction. According to Herzberg (1987), the job satisfiers deal with the factors involved in doing the job, whereas the job dissatisfies deal with the factors which define the job context.

He categorized motivating factors (satisfiers) as achievement, recognition, work itself, advancement and growth whereas hygiene factors (dissatisfies) also include company policy, supervision, working conditions, status and salary.

Herzberg's theory categorizes intrinsic motivators, which enhance employee satisfaction and extrinsic factors, which prevent employee dissatisfaction. While intrinsic rewards such as meaningful work, autonomy and recognition improve employee motivation, extrinsic rewards such as base pay, benefits and allowances maintain performance continuity. This theory gives a basis to investigate the impact of intrinsic and extrinsic rewards on the perceived organizational performance.

This study was primarily guided by the Ability-Motivation-Opportunity (AMO) model and the resource based view (RBV). The AMO model provides a comprehensive explanation of how HRM practices influence employee performance through uplifting employees' ability,

motivation and opportunity to participate given to employees. As this model explicitly incorporates employee motivation which is examined as a mediating variable between the selected HRM practices and the perceived organizational performance, this study is particularly relevant to the present study.

2.3. Conceptual Review

2.3.1. HRM Practices

According to Beltrán-Martín et al. (2018), HRM practices are the wide range of activities of organizations that are tasked with effectively utilizing human resources within the organization to achieve the goals and objectives set by that organization. Boxall et al. (2007) also reported HRM is a cautiously planned activity that is carried out to ensure the proficiency and advancement of an organization. Invariably, HRM is a strategic and essential unit in an organization that is given the function of managing the human resources in that organization to achieve organizational success and progress (Bello-Pintado & Garcés-Galdeano, 2017).

According to Gary Dessler, HRM practices such as recruitment, training, performance appraisal, compensation, and career development can enhance both individual and organizational performance.

In this study, selected Human Resource Management practices include training and development, performance appraisal, extrinsic reward, intrinsic reward, and career development.

2.3.2. Human Resource Practices Selected for the Study

Armstrong, Landers & Collmus, (2016) defined Human resource management as a strategic, integrated, and coherent approach to the employment, development, and well-being of the employees working in organizations. Meanwhile, Boxall and Purcell (2011) defined human resource management practices as the process through which management builds the workforce and tries to create the human performances that the organization needs.

Prior studies evidenced that human resource management practices implementation is a crucial approach through which positive outcomes can be generated and maintained. According to Guest (2002), the impact of HRM practices on organizational performance largely hinges on the response of the employees to HRM practices, and as such, the impact will be according to the

employees' perception of such practices. In this regard, the existence of a robust selection, training and development, career development, performance management, and reward system had a positive relationship with the performance of organizations (Abosede, Eze & Sowunmi, 2018; Rana & Malik, 2017).

Aktar et al. (2018) finds that HRM practices can affect employee attitudes and behaviors. Aboramadan et al. (2019) reported that HRM is a function that motivates employees to achieve organizational goals. Variety of HRM practices have been identified as variables highly associated with the organization's performance. Chong et al. (2020) suggest recruitment and selection, training and development, rewards programs, and employee participation as essential HRM practices that can affect the organizational success, while Aburumman et al. (2020) included job security, performance evaluation, HR planning, and teamwork. Chong et al. (2020) acknowledged selecting the right employees, providing adequate and relevant training, designing a fair performance evaluation system, and establishing a fair compensation system as valuable and influential in an organization.

Dar et al. (2014) argues that post-selection HRM practices such as training & development, performance evaluation system, career development system, extrinsic rewards, intrinsic rewards and employee motivation have positive impact on perceived organizational performance and employee motivation acts as mediator in the relationship between post-selection HRM practices and perceived organizational performance.

For this study, the following HRM practices are selected since they are believed to have impact on both the mediating and the dependent variable.

2.3.2.1. Training and Development

Training and development refers to a program aimed at enhancing the knowledge, skill, ability and attitudes required for current and future roles. According to Armstrong (2009), training is the formal and systematic modification of behavior through learning which occurs as a result of education, development and planned experience.

2.3.2.2. Performance Appraisal

Performance appraisal is a systematic and organized process of evaluating employee performance against the predefined key performance indicators and providing continuous feedback. According to Armstrong, (2006), performance management is defined as a strategic and integrated approach to

deliver sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.

2.3.2.3. Extrinsic Rewards

Extrinsic reward are tangible packages provided by organizations, such as salary, performance based bonus, and other tangible benefits. According to Dar et al. (2014), if the rewards & incentives are not based on performance, it leads to dissatisfaction among the devoted employee that caused adverse impact on the perceived organizational performance. Moreover, the researcher revealed that the performance-based rewards motivate employees and thereby achieve organizational goals.

2.3.2.4. Intrinsic Rewards

Intrinsic rewards have become part and package of compensation now-a-days. Employee performance is directly proportional to increasing rewards (Soon Yew et al., 2008). Bau and Dowling (2007) conducted study of large and small scale organizations to investigate about association between reward system and organizational life cycle. They described that large organization having skilled workforce had better extrinsic and intrinsic rewards as compared to small organizations with less trained and skilled employees.

Rewards are motivational when they are provided on the basis of fair and transparent performance evaluation system. In the current dynamic and competitive environment, organizations are implementing reward philosophy i.e. low performance low rewards or vice versa. The critical issue being faced by the HR Managers is motivation and retention of employee. As compared to other HRM techniques, rewards are most effective tool for motivating the employees.

2.3.2.5. Career Development

Career development is concerned with the provision of opportunities for people to develop their abilities and their careers in order to ensure that the organization has the flow of talent it needs and to satisfy their own aspirations. It is about integrating the needs of the organization with the needs of the individual (Armstrong, 2009).

2.3.3. Employee Motivation

Abbas and Nawaz (2019) offered the definition of motivation based on the understanding of motivation as compliance, indicating that it implied the readiness of a talent to perform in line with organizational standards. Shaikh (2022), in turn, explained employee motivation as the level of creativity, commitment, and energy brought by company employees to their jobs.

In contemporary competitive environment, motivated workforce has synergized impact on the organizational goals, business objectives, productivity and performance. Recognition and communication programs have positive influence on employee motivation (Morris, 2004). After studying various organizations, Bull (2005) pointed out that provision of incentives and recognition of employee are causal factor of motivation at workplace that drives employee's behavior towards accomplishment of enterprise's objective. Ali and Ahmed (2009) studied interrelationship of performance based reward management, employee recognition programs, employee motivation and organizational performance.

Motivated employees are able to exert high level of effort, commitment, productivity and job satisfaction. Employee motivation acts as a mediator through which HRM practices affect the perceived organizational performance.

2.3.4. Perceived Organizational Performance

Perceived organizational performance refers to employees' subjective evaluation on how their organization is achieving its strategic and operational objectives. In opposite to the actual organizational performance which measures the organization's performance in terms of financial metrics like profit before tax, market share, return on asset and return on equity, perceived organizational performance captures employee assessment s of service quality, efficiency, effectiveness and innovation relative to the competitors of that organization. In service based institutions like Dashen Bank, employee perception to the overall organizational performance plays critical role in increasing employees' motivation and engagement that ultimately shape the organizational outcomes.

In human resource management research, it is justified to use perceived organizational performance because HRM practices primarily derive organizational performance via uplifting

employees' attitude, motivations, engagements and behaviors rather than measuring the immediate financial returns. Consequently, various scholars support that using perceived organizational performance instead of the immediate financial metrics is more accurate reflection of the result of HRM practices, especially when the unit of measurement is the employee rather than the organization as a whole.

Subjective perception of organizational performance measures are widely used when objective financial indicators are not accessible, especially in organizational research context.

2.4. Empirical Review

2.4.1. HRM Practices and Organizational Performance

Different body of empirical research confirms that different HRM practices have significant effect on the organizational performance. A quantitative study conducted by Sridarran (2016) found that different aspects of responsible human resource management practices influence the banking industry's efficiency in Sri Lanka's Trincomalee District. According to their findings, all HRM elements, including human resource recruiting and retaining, performance appraisal, learning & support, and organizational ethic, have a favorable impact on the banking industry's organizational performance in the Trincomalee District.

Taamneh et al. (2018) reported that the application of HRM practices has a substantial impact on Jordanian Bank performance. Furthermore, the findings revealed that OCB mediates the association between HRM practices and organizational performance to some extent.

According to Alzu'bi et al. (2021), HRM practices are the main instrument of work motivation and organizational performance, through appropriate selection systems, sufficient and tailored training and development programs, fair and quick career development systems, fair performance management systems, sufficient reward and benefits, and a high level of motivation in the work environment, which contributes in boosting organizational performance.

Social exchange theory supported these relationships, where the organizational performance is impacted by HRM practices (selection, training & development programs, career development, performance management, and reward) and work motivation (Alzu'bi, Omar, & Aburumman,

2021). Alzu'bi et al. (2021) recommended examining the effect of the previously stated HRM practices on organizational performance by using advanced statistical methods.

Employee motivation has been selected as mediating variable in different Scholars. For instance, Dar et Al. (2014) found that selected HRM practices such as compensation, training and performance appraisal significantly influence the perceived organizational performance using employee motivation as mediating variable.

Similarly, meta-analysis conducted by Jiang et al. (2012) confirmed that HRM practices affect organizational performance indirectly through improving employee motivation and other related behavioral outcomes.

Human Resource Management practices enhance the ability, motivation, and opportunities (AMO Model), which can collectively influence the overall organizational performance.

2.4.2. Training & Development and Organizational Performance

According to Tedla S, (2018), the path linking training and development to organizational performance was found to be Significant at 0.05 level (beta= 0.097), indicating training and development has significant effect on the perceived organizational performance.

According to Dar et al. (2014), need-based training programs increase productivity and employee performance thereby contributing to the accomplishment of organizational goals. Additionally, the researcher reported that though, Training & Development is an extensive activity but results of present study demonstrated that need-based & technical trainings programs help organizations to uplift their performance. Furthermore, their findings revealed that successful organizations see training expenses as investment having higher return in shape of improved customer services, profitability or other financial indicators. Moreover, they also noted that the presence of trained workforce in organization enhances the productivity of employees and helpful to attain competitive advantage over rivals. Additionally, Dar et al. (2014) also highlighted that skilled employees are prerequisite to accomplish the organizational goals i.e. improved customer services and profit maximization etc.

Overall, the majority of reviewed studies agreed that training and development programs could positively affect both employee motivation and perceived organizational performance. However, most evidence is driven from Non-Ethiopian banking sectors, suggesting for context-specific empirical investigations within the Ethiopian banking industry.

2.4.3. Performance Appraisal and Organizational Performance

According to Tedla S, (2018), the path linking performance appraisal to organizational performance was found to be insignificant at 0.05 level (beta=0.030), indicating performance appraisal has no significant effect on organizational performance.

Dar et al. (2014) pointed out that fair and transparent performance evaluation system is most important contributing factor of organizational performance. Additionally, the researcher noted that merit-based performance evaluation system motivates employees and resulted in improved organizational performance. Additionally, these researchers highlighted that performance evaluation based on transparency, employee feedback and clear performance objectives positively correlates with the perceived organizational performance but biased and unjustified performance appraisal system leads to dissatisfaction among well performing employees and ultimately adversely thereby it affects the organizational performance.

Overall, the majority of reviewed studies agreed that performance appraisal could positively affect both employee motivation and perceived organizational performance. However, most evidence is driven from non-Ethiopian banking sectors, suggesting for context-specific empirical investigations within the Ethiopian banking industry.

2.4.4. Reward (Both Intrinsic & Extrinsic) and Organizational Performance

According to Tedla S, (2018), the path linking compensation and reward to organizational performance was found significant at 0.05 level (beta=0.186), indicating compensation and reward has significant effect on perceived organizational performance.

Results of various studies revealed that as compared to extrinsic rewards, intrinsic rewards are most effective instrument to achieve desired level of employee motivation. According to the

research conducted by Qureshi et al. (2009) in the cement industry of Pakistan, extrinsic and intrinsic rewards are positively correlated with the organizational performance.

According to Dar et al. (2014), if the rewards & incentives are not based on performance, it leads to dissatisfaction among the devoted employee that caused adverse impact on the perceived organizational performance. Moreover, the researcher revealed that the performance-based rewards motivate employees and thereby achieve organizational goals.

Overall, the majority of reviewed studies agreed that extrinsic reward programs could positively affect both employee motivation and perceived organizational performance. However, most evidence is driven from non-Ethiopian banking sectors, suggesting for context-specific empirical investigations within the Ethiopian banking industry.

2.4.5. Career Development and Organizational Performance

According to Tedla S, (2018), the path linking career management to organizational performance was significant at 0.05 level (beta=348), indicating career management has significant effect on organizational performance.

Using the statistical regression model based on the significance level of 0.05 with 95% confidence interval, there is a direct effect of HR practices in terms organizational citizenship, employee development and compensation management on the perceived organizational performance; it can be determined that with 90.4% of the variance (R-Square) in organizational citizenship, employee development and compensation management are significant effect on organizational performance and the model adopted appropriately measure the construct (Mahdere, T. 2019).

Out of the five strategic human resource management practices, three practices namely reward and compensation; performance appraisal, and employee participation in decision making have a statistically significant positive effect on organizational performance. However, the study couldn't find a statistically significant effect of recruitment and selection as well as training and development practices on organizational performance (Alemayehu, M. 2022).

According to Dar et al. (2014), Career Development System is positively correlated with perceived performance of Islamic banks in Pakistan provided that it is based on well-defined career paths, transparent internal hiring, succession planning and equal employment opportunity.

Overall, the majority of reviewed studies agreed that career development programs could positively affect both employee motivation and perceived organizational performance. However, most evidence is driven from non-Ethiopian banking sectors, suggesting for context-specific empirical investigations within the Ethiopian banking industry.

2.4.6. HRM Practices and Employee Motivation

Different body of empirical literatures highlighted that HRM practices play crucial role in enhancing employee motivation through different mechanisms such as extrinsic and intrinsic reward programs. Additionally, other HRM practices such as training, performance appraisal, and career development opportunities can create a supportive work environment that motivates employees to exert high level of effort and commitment toward organizational goals.

For instance, Marylene Gagne and Edward L. Deci (2005) reported that different HRM practices related to autonomy, competency and relatedness can significantly uplift the intrinsic motivations of employees. Their study highlighted that when employees perceive the HR practices of an organization as developmental rather than controlling, they are highly likely to be motivated and internalize the goals of the organization.

Additionally, Bard Kuvaas (2006) highlighted that developmental HRM practices particularly those focusing on the growth and participation of employees positively affect the intrinsic motivation and subsequently improve job performance.

Overall, the empirical evidence suggests that HRM practices can be used as critical determinants of employee motivation, strengthening the idea that organizations should align their HR practices to foster a highly motivated workforce.

2.4.7. Employee Motivation and Perceived Organizational Performance

Extensive empirical research studies highlighted strong and positive relationship between employee motivation and organizational performance. Motivated employees are likely to exhibit

high level of effort, productivity, engagement, and organizational commitment, thereby collectively enhance the overall performance of the organization.

According to Dar et al. (2014), especially in service-oriented organizations, employee motivation has significant and positive effect on organizational performance. This study revealed that motivated employees demonstrate high level of commitment, efficiency, and quality service delivery, which collectively enhance the overall organizational effectiveness. The findings further emphasize that employee motivation can act as mediating factor in between HRM practices and organizational goals.

Supporting this, a thorough meta-analysis conducted by Timothy A. Judge et al., (2001) identified a significant relationship between employee attitudes and job performance. This study shows that motivated employees are highly likely to engage in behaviors such as organizational citizenship behaviors, which can go beyond the actual job requirements and contribute to the organizational success.

Overall, the literature consistently supports the view that employee motivation is a key driver of the organizational performance, acting as pivotal link between individual effort and the success of organization.

2.4.8. The Mediating Role of Employee Motivation

Various recent empirical studies increasingly emphasized the mediating role of employee motivation in the relationship between HRM practices and organizational performance. Rather than solely the direct effect of HRM practices on the organizational performance, HRM practices usually operate with different mediating variables such as employee motivation, which translate the HRM initiatives to organizational outcome.

Dar et al. (2014) provides strong empirical evidence that support the mediating role of employee motivation. They found that selected HRM practices such as training programs, intrinsic reward, extrinsic rewards, and performance management significantly influence organizational performance through the impact of employee motivation. Their findings highlighted that when organizations invest in HRM practices, they are highly likely to enhance the motivation of their employees, resulting in increased the commitment, effort and engagement that result in improved organizational performance.

Similarly, Kaifeng Jiang et al., (2012) founds that HRM practices affect organizational outcomes indirectly through employee motivation and human capital development. Their meta-analysis revealed that HRM systems enhance employees' abilities and motivation, which in turn enhance the overall organizational performance.

Further empirical evidence from service and banking sectors reinforce the conclusion showing that HRM practices such as training and development, reward programs, and career development opportunity significantly enhance employee motivation which subsequently lead to better service delivery, operational efficiency and customer satisfaction.

Therefore, the empirical evidences strongly support the inclusion of employee motivation as mediating variable, highlighting its role in explaining how and why the selected HRM practices contribute to the perceived organizational performance.

2.4.9. Research Gap

Though several studies investigated the relationship between human resource management practices and organizational performance, several issues remained unaddressed. First, majority of studies conducted in foreign contexts with limited evidences from Ethiopia, specifically in the banking industry. Secondly, the studies mainly investigated the direct effect of the selected HRM practices on organizational performance, giving very limited emphasis to mediating roles of different variables. Thirdly, inconsistencies of findings regarding the effect of the selected HRM practices on perceived organizational performance were observed. Therefore, this study intends to address these gaps through examining the effect of human resource management practices on perceived organizational performance through employee motivation in the context of Dashen Bank S.C.

2.5. Conceptual Framework

A conceptual framework in research outlines the possible courses of action or the preferred approach to an idea. It highlights the independent, mediating and dependent variables. The conceptual framework of this study is drawn reviewing previous studies.

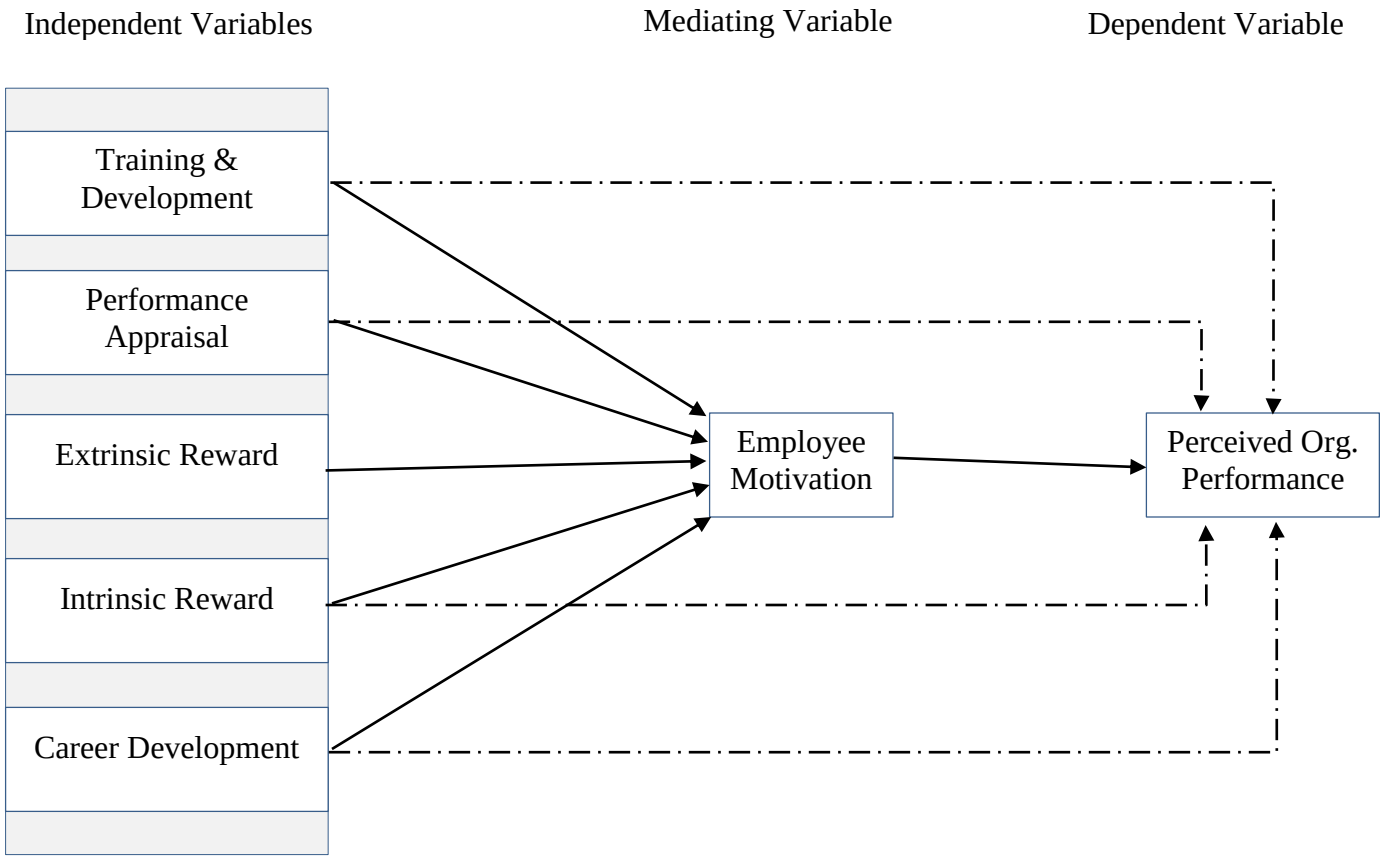


Figure 2: Conceptual Framework

Adapted from Dar et al. (2014). However, some necessary adjustments were made.

2.5.1. Research Hypothesis

- **H_1:** The selected HRM practices collectively have a significant positive effect on employee motivation.
  - **H_{1a}:** Training & Development has a significant positive effect on employee motivation.
  - **H_{1b}:** Performance appraisal has a significant positive effect on employee motivation.
  - **H_{1c}:** Extrinsic Reward has a significant positive effect on employee motivation.

- **H_{1d}:** Intrinsic Reward has a significant positive effect on employee motivation.
- **H_{1e}:** Career Development has a significant positive effect on employee motivation.

- **H_2:** The selected HRM practices collectively have a significant positive effect on perceived organizational performance.
  - **H_{2a}:** Training & Development has a significant positive effect on POP.
  - **H_{2b}:** Performance appraisal has a significant positive effect on POP.
  - **H_{2c}:** Extrinsic Reward has a significant positive effect on POP.
  - **H_{2d}:** Intrinsic Reward has a significant positive effect on POP.
  - **H_{2e}:** Career Development has a significant positive effect on POP.
- **H_3:** Employee motivation has a significant positive effect on POP.
- **H_4:** Employee motivation significantly mediates the relationship between the selected HRM practices and POP.

2.6. Summary of the Literature

The early literatures reviewed demonstrated that HRM practices significantly affect organizational performance and employee motivation. However, most of these studies emphasized in developed economies and mainly focus on the direct relationship between HRM practices and organizational performance with limited consideration of employee motivation as mediating variable. Additionally, Bank-specific empirical evidences remain scarce. These limitations provide basis for the current study.

Within the Ethiopian context, studies investigate the relationship between HRM practices on organizational performance are very few. There is no study that explicitly study employee motivation as a mediating variable, particularly within the Ethiopian Private Banking Industry. This contextual gap highlights the need for empirical investigation that explains how HRM practices affect perceived organizational performance through employee motivation in Ethiopian Banking Sector.

Chapter Three

Research Methodology

3.1. Introduction

This chapter comprises the research methodology employed by the researcher to ensure that the research objectives are achieved in systematic and reliable manner. It demonstrated the overall research design and approach adopted, the target population of the study, the sampling techniques used for the qualitative and quantitative research approaches and the techniques used to select respondents. It also outlines the data sources, data collection instruments and procedures employed to collect pertinent information from the study.

3.2. Research Approach

This study employed mixed-research approach by integrating both quantitative and qualitative research approaches supported by both descriptive and explanatory research designs. The quantitative approach uses to explore the relationship between the three main variables i.e., HRM Practices, employee motivation and perceived organizational performance using numerical data collected from Dashen Bank's permanent employees. This approach allows the researcher to statistically test the research hypothesis and generalization of findings across the overall population.

The qualitative finding complements the quantitative one through collecting pertinent information from key informants i.e., HR Business Partners (HRBPs) through semi-structured interviews. HPBPs are selected for this interview because they are currently playing as mediator between the business and the Bank's HR. This enabled the researcher get detailed and deeper insights on the effect of these selected HRM practices on employee motivation and the overall organizational performance.

3.3. Research Design

A cross-sectional explanatory research design was used for this study. The cross-sectional design involves collection of data at single point of time to determine the pattern and relationship among the variables. The explanatory aspect also gives emphasis to the cause and effect

relationships between the independent, mediating and dependent variables stated under the conceptual framework. The design helped the researcher to explore how and to what extent the selected HRM practices can impact the organizational performance through employee motivation.

Additionally, descriptive research design was employed by the researcher in order to describe the perception of participants towards the variables of the study.

3.4. Data Sources

For this study, the researcher had gathered both primary and secondary data. The primary data were collected from Dashen Bank's permanent employees using two techniques. A structured questionnaire designed using Likert's five-point scale ranging from 1=strongly disagree to 5=strongly agree to assess Dashen employees' perception on the selected HRM practices, employee motivation and perceived organizational performance. In addition to the questionnaire, semi-structured interview was prepared with different the Bank's HR Business Partners to obtain deep insight about HRM practices and their effect on employee motivations and organizational performance. The research instrument items were adapted from different established and validated scales in prior empirical studies to ensure reliability and validity.

And other necessary secondary data were collected from the Bank's policies, procedures, manuals, financial reports and other pertinent documents. Additionally, other published scholars including but not limited to books, journal articles, theses, and other credible online sources were reviewed to support the empirical and theoretical foundations of the study.

3.5. Population of the Study

The target population was professional employees who are working under different departments, districts and branch offices of the Bank. Those professional employees are selected due to they are directly involved in and affect by these selected HRM practices specifically training and development, performance appraisal, extrinsic reward, intrinsic reward and career growth.

Employee with one year and below progressive work experience were excluded from this study due to they were not entitled to the majority of HR programs such as performance appraisal, extrinsic reward and career development.

According the data obtained from Employee Experience and Shared Service Department of the Bank, the total number of permanent professional employees are 11,127.
The study considers Dashen Bank's permanent employees currently working under different department, branch and district offices.

Considering the staff size and organizational structure of the Bank, the population was classified based on the District offices of the Bank to ensure proper representation. And then random sampling was applied to select from each stratum.

3.6. Sampling Technique

For the quantitative part of the study, a stratified random sampling method was employed to ensure the proper representation of various functions, departments, branches and district offices. After stratification, a simple random sampling was applied to select participants randomly from each stratum.

For the qualitative section of the study, purposive sampling was utilized to select key informants who have deep understanding of the current HRM practices of the Bank and its effect on employee motivations and the organizational performance. For the quantitative part, the sample size was determined using YAMANE's formula (1967):

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

Where

- n= Sample size,
- N= Total population, and
- e= Level of precision

According to the data acquired from Employee Experience and Shared Service Department of Dashen Bank, currently the Bank has 11,127 permanent employees working under different District, Branch and Departmental Offices. Of these permanent employees, 445 employees have less than one year of work experience, while 870 employees hold Clerical and Non-clerical positions. Additionally, 44 employees held Clerical and on-clerical position with work

experience below one year. These employees are not considered in this study due to the employees with experience below one year are not entitled to the performance appraisal and extrinsic rewards of the Bank and the Clerical and Non-clerical employees have not access to Outlook platform of the Bank which is used as data collection channel.

So, the sample frame becomes, 11,127-(870+445+44) = 9,768 employees. As a result, the sample size is calculated as follows.

$$\mathrm{n} = \frac{9{,}768}{1 + 9{,}768(0.05)^2}$$

$$n = 384$$

To obtain deep perspectives regarding the effectiveness of the selected HRM practices and their effect on employee motivation and perceived organizational performance, 14 interview participants (HR Business Partners) were selected purposely.

Table 1: Population of the study and sampling

Stratum (Districts)	Number of Employees	Number of Selected Employees
Adama District	593	23
Bahir Dar	721	28
Dessie	594	23
Dire Dawa	427	17
East Addis Ababa	774	30
Hawassa	631	25
Head Office	2,193	86
Jimma	263	10
Mekelle	344	14
Nekemte	187	8
North Addis Ababa	674	27
South Addis Ababa	764	30
South West	238	9
West Addis Ababa	759	30
Wolaita	606	24
Total	**9,768**	**384**

3.7. Data Collection Procedure

After the researcher get the permission form Executive Management of the Bank, the structured questionnaire was distributed to the intended respondents through the Bank's communication

channel (Outlook). A formal cover letter was attached to the questionnaire explaining the aim of the study, assuring the participants about the anonymity and confidentiality of their responses, and instruction for completing the survey was provided by the researcher.

Semi-structure interviews were conducted with key informants HRBPs. This helps in complementing the findings of the quantitative part through exploring the view of these key informants regarding the effectiveness of the selected HRM practices in enhancing employee motivation and organizational performance.

Interview guide was prepared comprising open ended questions related to the HRM practices (training and development, performance appraisal, extrinsic rewards, intrinsic rewards, career development programs and employee motivations). The interview was conducted in two ways. Primarily, face-to face interview was conducted with HR Business Partners currently working under the Bank's Headquarter and via online platform with those working under different district offices of the Bank.

Participation in the study was voluntary since respondents were informed that the information to be gathered was used strictly for academic purposes only and reported in aggregate form without identifications of individuals' responses. Any personal identifiers such as names or employee ID were not included in the questionnaire to keep the respondents anonymity.

As needed, follow-up reminders were sent via Outlook or simply through phone calling to increase the response rate. The obtained data was securely stored by the researcher to maintain data security and confidentiality.

3.8. Data Analysis Methods

The quantitative data was coded and analyzed using the Statistical Package for Social Science (SPSS) version 27. Descriptive statistical methods such as frequency, mean and standard deviation were applied to describe the demographic backgrounds of the respondents and to describe the overall pattern of responses regarding the study variables.

Inferential statistical methods such as Pearson correlation analysis were utilized to evaluate the strength and direction of relationships between HRM practices, employee motivation and

perceived organizational performance. Additionally, multiple regression analysis was applied to test the direct effect of the selected HRM practices on the perceived organizational performance.

Regression analysis was used to assess the relationship between HRM practices, employee motivation and perceived organizational performance, as it is suitable to analyze the relationship between independent, mediating and dependent variables. Multiple regressions is an extension of simple linear regression. It is used when we want to predict the value of a variable based on the value of two or more other variables. The variable the researcher wants to predict is called the dependent variable (or sometimes, the outcome, target or criterion variable). The variables that the researcher is using to predict the value of the dependent variable are called the independent variables (or sometimes, the predictor, explanatory or regressor variables). Finally, reasonable explanation of data and interpretation was accomplished.

The researcher normally used three regression equations to test the mediation effect commonly based on the Baron & Kenny mediation approach in regression analysis.

The model of the study is:

Table 2: Regression model

S/N	Effect	Formula
1	HRM practices on Employee Motivation	$EM_i = \beta 0 + \beta_1 TD_i + \beta_2 PA_i + \beta_3 ER_i + \beta_4 IR_i + \beta_5 CD_i + e_i$
2	HRM practices Vs. POP	$PoP_i = \beta 0 + \beta_1 TD_i + \beta_2 PA_i + \beta_3 ER_i + \beta_4 IR_i + \beta_5 CD_i + e_i$
3	HRM Practices and Employee Motivation on POP	$PoP_i = \beta 0 + \beta_1 TD_i + \beta_2 PA_i + \beta_3 ER_i + \beta_4 IR_i + \beta_5 CD_i + \beta_6 EM_i + e_i$

Where,

- PoP = Perceived organizational performance
- EM= Employee Motivation
- TD = Training and Development
- PA= Performance Appraisal
- ER= Extrinsic Reward
- IR= Intrinsic Reward
- CD= Career Development

- β_0 = Constant
- e = Error term

To assess the mediating role of employee motivation, mediation analysis was performed. The indirect effect of HRM practices on perceived organizational performance through employee motivation was tested to check the presence and significance of mediation.

All statistical tests were conducted at an appropriate significance level (e.g., P<0.05%).

The qualitative data obtained from interview was analyzed using thematic analysis. The responses were transcribed, coded and categorized into themes related to the three main variables (HRM practices, employee motivations and perceived organizational performance.)

3.9. The Credibility of the Research

To reduce the possibility of getting the wrong answer, emphasis has to be given to two particular issues of research: reliability and validity.

3.9.1. Validity

Validity is the extent to which a test measures what it intended to measure (Creswell J. W. 2009). In this study, both content and construct validity were ensured.

Content validity was maintained through extensive review of relevant literature and adapting items from previous validated instruments. The questionnaire items for training & development, performance appraisal, extrinsic reward, intrinsic reward, career development, employee motivation and perceived organizational performance were adopted and adapted from different prior studies. Further the questionnaire was validated by different experts to ensure clarity, relevance and representativeness. Accordingly, necessary adjustments were made.

Questionnaire was adapted from different established HRM scales. Items related to T&D, performance appraisal, rewards and career development were adapted from studies conducted by John E. Delery and D. Harold Doty (1996) and A. T. Dar et al. (2014). Items measuring employee motivation were adapted from Richard T. Mowday, Richard M. Steers, and Lyman W. Porter (1979), and Rizwan Ali and Muhammad S. Ahmed (2009). Items measuring perceived

organizational performance were adapted from John T. Delaney and Mark A. Huselid (1996) and David E. Guest (2002).

3.9.2. Reliability

As proclaimed by (Bhattacherjee, 2012), reliability is the degree to which the measure of a construct is consistent or dependable. Reliability test was conducted using Cronbach's Alpha using SPSS version 27 to check the internal consistency of the measurements used in the study.

Table 3: Reliability Test

S/N	Variables	Cronbach's Alpha	Number of Items
1	Training and Development	0.857	5
2	Performance Appraisal	0.906	5
3	Extrinsic Reward	0.818	4
4	Intrinsic Reward	0.908	5
5	Career Development	0.905	4
6	Employee Motivation	0.873	5
7	Perceived Organizational Performance	0.900	7

The result indicates that all dependent, mediating, and independent variables demonstrated high level of reliability, with Cronbach's Alpha exceeded the minimum threshold of 0.7.

Specifically, Training and Development (0.857), Extrinsic Reward (0.818), and Employee Motivation (0.873) have scored good reliability. Performance appraisal (0.906), Intrinsic Reward (0.908), Career Development (0.905) and Perceived Organizational Performance (0.900) show excellent internal consistency, as their Alpha value exceeds 0.9. Overall, the findings revealed that all measurement items are internally consistent since they exceed the minimum threshold 0.7. This shows that all items under each variable are convenient for further analysis.

3.10. Ethical Consideration

The respondents were approached after the purpose of the study was explained in detail so that they would be comfortable giving their response in time. All participants were asked to voluntarily participate in the data collection by collaborating in filling the questionnaire and responding. By doing so, the respondents were free of any harm, and more importantly, their responses were very confidential and anonymous.

Chapter Four

Data Presentation, Analysis and Interpretation

4.1. Introduction

The interpretation of the results is based on data collected from the 271 respondents representing employees of Dashen Bank S.C. Out of the distributed 384 questionnaires; a response rate of 70.02% was achieved, highlighting high level of participation from the targeted participants. The findings provide valuable insights into how the selected HRM practices influence the employees' motivation so as to enhance the perceived organizational performance and it shows their magnitude and direction of relationship. The first section of this chapter is designed to describe the demographic data of the respondents. This section covered important demographic aspects such as gender, age, tenure, position level, and educational level of the respondents. By including these demographic variables, comprehensive demographic profiles of the respondents were obtained. The second section comprises the descriptive analysis of all responses. And finally, inferential analysis was presented after testing all assumptions.

4.1. Response Rate

Table 4: Response Rate

Data Type	Sample Size	Number of Responses	Response Rate (%)
Quantitative	384	271	70.02
Qualitative	14	10	71.42

Out of the distributed 384 questionnaires, 274 responses were obtained but 3 of disengaged (SD<0.2) were discarded, resulted in 271(70.02%) response rate. The response rate was 70.02%, which is considered high and adequate for statistical analysis, as it exceeds the commonly reported average of 50% in organizational research (Baruch & Holtom, 2028). This indicates that there were good level of participation and the collected data is representative enough for the case organizations.

From the planned 14 interview participants, 10 HR Business Partners were interviewed resulted in 71.42% response rate.

4.2. Demographic Characteristics of Respondents

This section of the questionnaire is designed to collect relevant demographic data of the respondents. This section covered important demographic aspects such as gender, age, tenure, position level, and educational level of the respondents. This part helped the researcher know the characteristics of the respondents.

A. Distribution of Respondents by Gender

Table 5: Distribution of respondents by gender

Demographic Characteristics		Number of Respondents	% of Respondents
Gender	Male	205	75.64
	Female	66	24.36
	Total	271	100

Regarding gender, majority of respondents 205(75.64%) was male, while there were 66 (24.36%) female respondents. This indicates that the response is highly dominated by male participants.

B. Distribution of Respondents by Age

Table 6: Distribution of respondents by age

Demographic Characteristics		Number of Respondents	% of Respondents
Age	18-25	31	11.43
	26-35	170	62.73
	36-45	56	20.66
	46-55	14	5.17
	>56	0	0.00
	Total	271	100

In terms of age, majority of respondents fall under 26-35 age group with 170 (62.73%), followed by those aged 36-45 with 56 (20.66%). From the 18-25 age intervals, there were 31 respondents, while the 46-55 age groups have 15(5.17%) respondents. There were no any respondents aged 56 and above, which shows that the majority of respondents are young to middle aged.

C. Distribution of Respondents by Educational Level

Table 7: Distribution of respondents by their education level

Demographic Characteristics		Number of Respondents	% of Respondents
Educational Level	Diploma and below	0	0.00
	Degree	181	66.79
	Masters	88	32.48
	PhD and above	2	0.73
	Total	271	100

As depicted in the above table, majority of respondents 181(66.79%) have a bachelor's degree, while 88 (32.48%) of respondents possess Master's degree. The remaining 2(0.73%) of respondents hold PhD but none of them hold Diploma and below. This indicates that the respondents are well-educated and can respond with full awareness.

D. Distribution of Respondents by Work Experience in the Bank

Table 8: Distribution of respondents by tenure in the Bank

Demographic Characteristics		Number of Respondents	% of Respondents
Work Experience in the Bank (Year)	1-3	129	47.60
	4-7	55	20.29
	8-10	51	18.81
	11-13	15	5.53
	>14	21	7.75
	Total	271	100

In terms of experience in the Bank, majority of respondents 129 (47.60%) have worked for 1 to 3 years, followed by 55 (20.29%) of them fall under the category of 4-7 years of experience. Additionally, 51 (18.81%), 21 (7.75%), and 15(5.53%) respondents have 8-10, >14 and 11-13 years of work experience in the Bank respectively. This show that majority of respondents have worked for 1-10 years in the Bank, which imply they have enough awareness of the HRM practices of the Bank and their effect on employee motivation and organizational performance.

Since they are not entitled to the majority of HRM practices of the Bank, employees having one year and below working experience in the Bank were excluded from this study. For instance, these employees are not entitled to performance appraisal (since the Bank conducts performance appraisal once per annum) and extrinsic reward (the Bank provides bonus and other financial rewards annually).

4.3. Quantitative Analysis

4.3.1. Descriptive Statistics

The descriptive statistics of this study was described using the following table.

Table 9: Descriptive statistics interpretation scale

Mean Score Range	Interpretation
1.00-1.80	Very Low
1.81-2.60	Low
2.61-3.40	Moderate
3.41-4.20	High
4.21-5.00	Very High

Adapted from Rensis Likert's five-point Likert scale interpretation approach.

A. Training and Development Dimension

The following table shows the descriptive statistics of employees' level of agreement on training and development.

Table 10: Descriptive statistics of Training and Development

Training and Development	Frequency (% of 271 Respondents)					Mean	SD
	1	2	3	4	5		
My organization provides training that improves my job skills.	2.92	6.20	11.68	56.57	21.53	3.89	0.92
Training programs are relevant to my career goals.	2.92	3.28	11.31	50.00	31.39	4.05	0.91
The training I receive enhances my ability to perform effectively.	1.46	3.65	12.77	55.47	25.55	4.01	0.82
Training opportunities are provided regularly.	5.11	19.71	25.55	36.13	12.41	3.31	1.09
The training I receive is effectively applied in my day-to-day work.	2.55	6.57	18.98	50.36	20.44	3.80	0.93
Grand mean						**3.812**	

Source: Own survey, April (2026)

Regarding role of training and development on employees' skill enhancement, majority of employees (78.1%) agreed that the training availed by the Bank is contributing to the skill improvement of employees. The mean score of 3.89 implies generally good employee satisfaction, though 9.12% of employees remained dissatisfied to this dimension. Employees

generally perceive the training programs of the Bank as effective in improving their skill, indicating that the Bank's training is contributing to the capability development of employees.

In terms of the relevancy of training to employees' career goal, majority of employees (81.39%) agreed that the training programs given by the Bank are very relevant to their career goals. This resulted in higher mean score (4.05), which is relatively outstanding. The relatively lower standard deviation indicated a greater consensus among respondents that the training is not only necessary for their current role but also for their future career goal. The highest agreement suggests that the training programs of the Bank are aligned with employees' career aspirations.

Regarding the role of training on employees' performance enhancement, majority of employees (81%) agreed that the training provided was playing vital role in enhancing employees' performance. This is resulted in higher mean score (4.01). Overall, out of 5 employees, 4 of them believe that the training is helpful in enhancing their effectiveness. Overall, employees believe that training significantly improves their job performance, indicating trainings are translating into the performance of the organization.

Regarding the frequency of training programs, 48.54% of employees agreed that the training has been provided regularly, while 24.82% of employees disagreed about the regularity of training programs. The remaining 25.55% of employees remained neutral. From this we can conclude that there might be inconsistent or infrequent training delivery in the Bank.

In terms of day-to-day application of the competency acquired through training, majority of employees (70.80%), agreed that they are applying the knowledge, skill, ability acquired through training in their day-to-day job, while the remaining 19% remained neutral. Since there are some level of disagreement (9.12%) and neutrality (19%), there might some barriers regarding application of these new skills acquired. Although majority of employees are applying the acquired skill in their day-to-day work, the presence of disagreement and neutrality suggest there might be possible barriers to effectively transfer training into daily work.

The overall quantitative findings revealed that training and development have a relatively high grand mean (3.812), indicating a positive perception among employees. However, the qualitative finding of interview conducted with HR Business Partners provide deeper insight, revealing that though training program exists, their effectiveness is limited due to weak alignment with

competency gaps, theoretical delivery methods, irregular implementation and low participation of employees due to workload. While some interviewees acknowledged the positive impact of technical and leadership trainings, the qualitative finding highlights the existence of trainings rather than their effectiveness. This highlights that for a need to improve relevance, consistency and practical application of the training programs of the Bank.

B. Performance Appraisal Dimension

Table 11: Descriptive statistics of Performance Appraisal

Performance Appraisal	Frequency (% of 271 Respondents)					Mean	SD
	1	2	3	4	5		
Performance appraisals in the Bank are conducted fairly.	14.23	25.18	27.37	26.28	5.84	2.84	1.15
Performance reviews help clarify performance expectations.	8.76	20.44	18.98	42.34	8.39	3.21	1.13
I receive helpful feedback during appraisal.	12.77	21.90	20.80	35.40	8.03	3.04	1.19
The performance appraisal method (i.e., Forced Distribution) used in the Bank accurately reflects my job performance.	26.64	21.17	16.79	28.47	5.84	2.65	1.30
Performance appraisal results are used to improve my future performance.	12.04	17.52	17.88	39.42	12.04	3.22	1.23
Grand Mean						**2.992**	

Source: Own survey, April (2026)

Employees' perception regarding the fairness of performance appraisal is very low, with a mean value of 2.84. About 40% respondents did not agree that the performance appraisal in the Bank is conducted fairly, while 32.12% of employees agreed that the practice is conducted fairly. The high standard deviation score (1.15) suggests there is wide split between employee perceptions, showing that trust in the objectivity of the performance appraisal process is a major concern in the Bank. Generally, employees perceive the appraisal system of the Bank as unfair, indicating a lack of trust and consistency in the evaluation system.

Regarding the clarification of performance expectations, around half of respondents (50.7%) employees agreed that the performance appraisal practice helped them in clarifying the performance expectations. Additionally, 29.2% of employees disagreed that the practice had helped them in clarifying what is expected from them while 19% remained neutral. Generally, the appraisal system moderately helps employees understand what is expected of them, although a considerable proportion feels about their performance expectation.

Regarding the quality of feedback employees receive from their immediate supervisor during the PA practice, 43.43% of employees agreed that they are obtaining helpful feedback from their managers, while 34.67% of employees reject this issue. Relatively, this dimension scored 3.04 mean values, indicating there might be some communication gaps between managers and employees during the appraisal process. Generally, the feedback provided from the supervisors is perceived as moderately useful, but mixed responses suggest communication gaps between managers and employees during the process of performance appraisal.

In terms of the performance appraisal method implemented by the Bank, the forced distribution performance appraisal method was among the controversial item in the above table, receiving the lowest mean score of 2.65. Around 48% of employees disagreed that the performance appraisal method accurately reflects their actual performance, while 16.79% of employees remained neutral. Since the performance appraisal practice rates employee in relation to other employees rather than against their KPI, it could be playing a role in dissatisfying Dashen Bank's employees. Generally, employees largely perceive that the performance appraisal method (forced distribution) is not reflecting the actual performance, highlighting high level of dissatisfaction with the evaluation approach.

About the impact of PA on employees' future performance, despite the criticism of the PA system itself, the mean for using results to improve employees' future performance is 3.22. However, about 51.4% of employees are still seeing the appraisal as a tool for future professional growth. But when comparing this result and the low fairness rating suggests that while employees are trying to use the result constructively, their efforts are hampered by the system they do not fully believe. Overall, despite the concerns about fairness, employees moderately believe performance appraisal can support future improvements.

The quantitative result for performance appraisal dimension (grand mean=2.992), indicates relatively weak perception among participants. This is strongly supported by the qualitative findings, where the forced distribution performance appraisal method being implemented by the Bank was identified as a major concern. The interviewed HR Business Partners highlights the issue of fairness, transparency, and weak feedback mechanisms. The qualitative findings support low quantitative ratings and suggest that the current performance appraisal process is undermining employees' motivation and trust. Overall, the qualitative findings are in alignment

with the quantitative results, suggesting for a need to improve the performance management system of the Bank.

C. Extrinsic Reward Dimension

Table 12: Descriptive statistics of Extrinsic Reward

Extrinsic Reward	Frequency (% of 271 Respondents)					Mean	SD
	1	2	3	4	5		
The salary I receive is competitive.	8.39	17.88	28.47	40.15	4.01	3.14	1.04
My organization offers benefits that meet my needs.	9.49	27.37	21.90	33.94	6.20	3.00	1.12
I am satisfied with the performance-based rewards such as bonus.	13.50	31.02	27.37	18.98	8.03	2.77	1.15
The financial rewards at my workplace promote high performance.	11.68	22.26	26.28	29.20	9.49	3.03	1.18
Grand Mean						**2.985**	

Source: Own survey, April (2026)

Regarding the competitiveness of the Bank's salary, while 44.16% of respondents agreed, 26.28% of respondents disagreed that they are receiving competitive salary. The remaining 28.47% of respondents remained neutral. Overall, though its mean value of 3.14 tends to medium or slightly positive perception, there are some segments feeling not getting competitive salary relative to the market. Employees have a moderately positive perception regarding the competitiveness of salary, indicating the pay is not competitive enough with the market expectations.

Regarding the Bank's benefits packages, the employee perception is mixed, resulting in mean value of 3.00. While 40.15% of respondents agreed that the benefit packages provided by the Bank fulfill their need, 36.86% of other respondents perceive dissatisfaction. This indicates that the current benefit package of the Bank is likely "one-size-fits-all" and may not consider the diverse need of employees. A mixed response suggests that the benefit package of the Bank didn't address the diversified needs of employees, reflecting a lack of customization. Generally, employees largely perceive performance based rewards as weak, indicating a weak connection between employees' performance and financial recognitions of the Bank.

Majority of employees (44.53%) reported they are dissatisfied with performance-based reward provided by the Bank. However, 27% of employees are satisfied with the performance-based

rewards. Overall, this shows that there is weak connection between employees' performance and financial rewards.

The overall perception of the role financial reward on promoting high performance, about 38.6% of employees agreed that the financial rewards provided by the Bank is playing vital role in promoting high performance. However, nearly 34% of employees perceive negatively regarding this dimension. Overall, the result is mixed with mean value of 3.03. This suggests that though the financial incentives are promoting high performance culture, it needs some intervention to address the need of other employees.

The quantitative findings of extrinsic reward have a low mean score (2.985), reflecting weak employee perception toward the extrinsic rewards provided such as bonus. The qualitative findings reflect this result, as majority of interviewees described the reward system as unfair, non-competitive and poor alignment with actual employee performance. The interview participants also linked the ineffectiveness of reward programs with the use of poor performance appraisal method i.e., forced distribution. Although some participants' highlighted rewards could be motivation if implemented fairly, the overall evidence shows that the current reward system fails to motivate the Bank's employees effectively.

D. Intrinsic Reward Dimension

Table 13: Descriptive statistics of Intrinsic Reward

Intrinsic Reward	Frequency (% of 271 respondents)					Mean	SD
	1	2	3	4	5		
I find my job personally fulfilling.	6.20	5.11	13.87	55.84	17.88	3.75	1.02
My work gives me a sense of accomplishment.	5.47	6.57	13.87	51.82	21.17	3.77	1.04
The tasks I perform are interesting and engaging.	4.74	5.84	12.41	52.55	23.36	3.85	1.01
I feel challenged in a positive way at work.	5.47	8.03	14.96	46.35	24.09	3.76	1.08
I have a sense of autonomy in how I perform my job.	5.11	6.93	14.96	52.55	19.34	3.75	1.02
Grand Mean						**3.776**	

Source: Own survey, April (2026)

Majority of workforce finds their job personally meaningful, with 73.72% of respondents selecting either agree or strongly agree. With a mean value of 3.75, this suggests that the core nature of the work aligns well with the employees' personal values and interests, serving as

motivational factors. Generally, employees perceive their jobs as meaningful, indicating strong fit between work roles and employees' personal values, which enhances intrinsic motivations.

The result demonstrated that majority of employees feel a high level of pride in their output, resulting in a mean score of 3.77. Around 73% of employees feel their work gives them a sense of accomplishment. The relatively low standard deviation (1.04) indicated that there is a consistent sentiment across the board that the work being done in the Bank is impactful and rewarding. Generally, employees feel proud of their work output, suggesting their tasks provide a strong sense of achievement.

Relative to other dimensions (items) of intrinsic reward, the fourth item achieved the highest mean score (3.85). Around 76% of staff found their daily tasks engaging rather than monotonous. This high level of employee engagement is a strong indicator of satisfaction, suggesting that the jobs are well-designed to capture and fulfill the interest of the Bank's employees. Overall, majority of employees find their daily tasks engaging, indicating effective job design.

As depicted in the above table, the Bank appeared to provide a healthy level of difficulty, with a mean score of 3.76. While 70.44% of employees feel positively challenged by their work, this item also demonstrated in a higher standard deviation score (1.08). This shows that though majority of respondents feel challenged, a small minority may feel under challenged. Overall, the Bank's employees experience a healthy level of challenges in their work.

Regarding the autonomy given to employees, majority of the Bank's employees feel empowered in their day-to-day works resulted in mean of 3.75. Around 72% of employees agreed that they are getting the necessary discretion when they make decisions in their daily job. This level of autonomy is often linked to higher trust of leaders to their employees, as staff feels empowered to manage their own workflows without strict control. Overall, employees perceive that there is good level of autonomy, indicating satisfactory trust from the management in delegating and empowering employees.

The quantitative analysis of intrinsic reward (3.776) shows a relatively high grand mean, suggesting that employees perceive as motivational factors positively. However, qualitative responses also indicate there a need for fairness and recognition indirectly supports this result.

Thus, although intrinsic reward is perceived as relatively strong, their effectiveness in being influence by variety of HR systems such as performance appraisals.

E. Career Development Dimension

Table 14: Descriptive statistics of Career Development

Career Development	Frequency (% of 127 respondents					Mean	SD
	1	2	3	4	5		
My organization supports my long-term career growth.	8.39	14.23	20.44	44.53	11.31	3.37	1.12
Career paths are clear and communicated.	6.20	18.25	20.80	39.05	14.60	3.38	1.13
I have opportunities to pursue roles that match my interests.	6.93	13.87	21.17	44.53	12.41	3.42	1.10
I receive enough guidance for career planning.	10.58	17.88	22.63	36.13	11.68	3.21	1.19
Grand Mean						**3.345**	

Source: Own survey, April (2026)

Regarding long-term career growth opportunities given by the Bank, around 55.6% of employees agreed that the Bank is supporting its employees in attaining their long-term career growth. While 22.5% of employees feel unsupported on their long-term goals, the remaining 20.44% of remained neutral. It resulted in relatively higher mean score of 3.37 with a 1.12 standard deviation. Overall, employees moderately perceive that the Bank is supporting the long-term career growth to its employees.

Regarding the career paths of the Bank, the result shows mixed. While 53.6% of employees agreed that the Bank is clearly communicating its career trajectories, the remaining 46.4% of employees remained disagreed and neutral. However, the higher standard deviation score (1.13) highlights a high level of consistency. This implies that while some employees agreed they have clear and well-defined career trajectories, some employees remained ambiguous to the career paths provided by the Bank. Generally, the perceptions were mixed, suggesting inconsistent communication of career trajectories to its employees

Regarding the alignment of the Bank's career paths with employees' interest, the item scored highest (Mean=3.42) among the other items. Nearly 57% of respondents feel they have the opportunity to pursue roles that match their personal interests. This implies that the Bank is providing career opportunities that are well-aligned with the long-term career goals of employees. Generally, employees feel that the career opportunity aligns with their interest.

In terms of career planning, receiving career guidance is among the lowest-rated items in this variable, with a mean of 3.21. While 47.81% of employees are satisfied with the career coaching the have been receiving, 28.46% reported dissatisfaction. The higher standard deviation (1.19) suggests that career guidance program may be dependent on the individual managers rather than being standardized and reliable. Generally, the career guidance is inconsistently delivered, suggesting variability in managerial support.

Overall, the grand mean values of the independent variables indicate there is varying levels of implementation of HRP practices in Dashen Bank. Training and development have the highest grand mean of 3.812, followed by intrinsic reward (3.776), and career development (3.345), suggesting these are among the strongest practices in the Bank. In contrast, performance appraisal (2.992) and extrinsic rewards (2.985) have the lowest grand mean, suggesting weaker implementation among the selected HRM practices. Generally, the result indicates that the organization is strong in intrinsic rewards and employee developments, while performance appraisal and the extrinsic rewards of the Bank need improvement.

The quantitative result for career development (grand mean=3.345) indicated a moderate level of perception among respondents. This is clearly explained by the qualitative findings, where respondents highlighted the absence of clear and structured career paths, promotion opportunities, and absence of personalized career trajectory plans and lack of transparency in career advancements. These issues contribute to the dissatisfaction of employees and high turnover, particularly in the entry level positions (junior). Therefore, while some career programs exist, their effectiveness is reduced due to the absence of well-defined and transparent career progression systems.

F. Employee Motivation Dimension

Table 15: Descriptive statistics of Employee Motivation

Employee Motivation	Frequency (% of 127 respondents					Mean	SD
	1	2	3	4	5		
I am highly motivated to perform my job well.	6.20	4.74	13.50	39.78	34.67	3.93	1.11
I willingly put extra effort into my work.	4.01	4.74	6.57	42.34	41.24	4.13	1.01
I feel energized about my work.	3.28	4.38	10.95	47.45	32.85	4.03	0.96
I am motivated to meet organizational goals.	4.38	0.73	12.41	41.24	40.15	4.13	0.97
There are fair opportunities for internal promotion.	10.58	14.23	27.37	31.39	15.33	3.27	1.20

Grand Mean		**3.898**

Source: Own survey, April (2026)

Regarding the motivation of employees in performing their job, majority of employees (74%) agreed that they are well motivated to perform their job well, while nearly 11% of employees are remained not motivated in performing their duties. This resulted in 3.93 mean score. The higher standard deviation (1.11) also shows there is higher deviation between respondents. Overall, employees are generally motivated, but the deviation in responses suggests inconsistency in motivation levels across the workplace.

Regarding whether employees put extra effort in their work, majority of employees (83.5%) agreed that they willingly put extra effort in performing their work. This resulted in higher mean value of 4.13. This shows employees are not motivated to perform their day-to-day job but also they are ready to go beyond what is expected of them. Generally, employees demonstrate strong willingness to exert extra effort, indicating high commitment and positive attitude.

About 80% respondents agreed that they are feeling energized about their work, while nearly 11% of respondents remained neutral. This has been resulted in relatively higher mean value of 4.03. Additionally, the standard deviation is relatively low 0.96, which shows relatively high consistency among respondents. Generally, employees feel highly energized in their job, suggesting strong engagement and positive involvement at work.

Regarding the motivation of employees to attain organizational goals, majority of employees (81.2%) agreed that the employees are motivated to meet organizational goals, while around 12.4% of employees remained neutral. Overall, employees are highly motivated to achieve the objectives of the organization, suggesting good alignment between individual effort and the Bank's direction.

Regarding the fairness in internal promotions, 46.7% of employees perceive the internal promotion as fair and transparent, 24.8% perceive the promotion process as unfair. This resulted in relatively lower mean value of 3.27, indicating some interventions shall be carried out to enhance the fairness of the internal promotion programs. Overall, employees' perception toward fairness of internal promotion is mixed, highlighting there is a concern about the transparency and equity in career advancement opportunities.

G. Perceived Organizational Performance Dimension

Table 16: Descriptive statistics of Perceived Organizational Performance

Perceived Organizational Performance	Frequency (% of 127 respondents					Mean	SD
	1	2	3	4	5		
Dashen Bank performs well compared to other Banks in the industry.	2.92	10.58	17.15	45.99	22.26	3.75	1.02
The Bank consistently achieves its overall performance targets.	2.19	10.58	19.71	47.45	18.98	3.71	0.97
Employees in the Bank are productive.	1.82	7.66	18.61	49.64	21.17	3.82	0.92
Customers are happy with the service provided by the Bank.	2.55	6.20	17.88	47.08	25.18	3.87	0.95
The Bank delivers high quality services to its customers.	2.55	8.03	13.14	44.89	30.29	3.93	1.00
Internal work processes in the Bank are efficient.	3.65	12.77	22.63	40.88	18.98	3.59	1.05
The Bank supports learning and innovation.	1.82	2.92	18.25	47.08	28.83	3.99	0.87
Grand Mean						**3.808**	

Regarding the competitiveness of the Bank, 68.25% of employees agreed or strongly agreed that the Bank is performing well compared to other Banks in the industry, while 17.15% remained neutral. The mean score of 3.75 with standard deviation of 1.02 implies that there is moderate positive but inconsistent perception towards this item. Generally, the Bank's employees generally perceive the Bank as competitive within the banking industry.

In terms of the achievement of performance targets, majority of employees (66.43%) agreed or strongly disagreed that the Bank is achieving its target consistently, while 19.45% remained neutral. The mean score of 3.71 with standard deviation of 0.97 implies that there is moderately positive and relatively inconsistent perception among respondents. Overall, the Bank is perceived as relatively effective in achieving its target by its employees.

Regarding the productivity of employees, the majority of employees (70.81%) agreed or strongly agreed that the Bank's employees are productive, with minimal disagreement. The mean score of 3.82 with standard deviation of 0.92, there is moderate positive but relatively inconsistent responses among participants. Overall, employee productivity is perceived as a key strength of the Bank.

Regarding to the customer satisfaction, majority of respondents agreed or strongly agreed that customers are delighted by the service provided by the Bank, while there were 17.88%

participants remained neutral. Generally, the customer satisfaction is perceived as high in the Bank.

Regarding service delivery, a significant majority (75.18%) of respondents agreed or strongly agreed that the Bank provides high-quality services to its customers, with relatively few negative responses. The mean score of 3.93 with the standard deviation of 1.00 implies that there is positive but inconsistent of respondents regarding the service quality. Nevertheless, service quality is viewed as one of the strongest performance areas.

Regarding the efficiency of work processes of the Bank, majority of respondents (59.86%) agreed or strongly agreed, while a notable proportion (39.05%) remained neutral or disagreed, indicating mixed perceptions. Generally, the internal process efficiency is comparatively weaker and may need improvements.

Regarding the learning and innovation, high percentage of respondents (75.91%) of respondents agreed or strongly agreed that the Bank promotes continuous learning and innovation to align with the market dynamics. Generally, the Bank is perceived as supportive of innovation and employee development.

Overall, the grand mean of 3.81 shows that the respondents have positive perception towards the organizational performance across different dimensions. Generally, Dashen Bank is perceived to perform well, with some concerns regarding the internal process efficiency.

4.3.2. Correlation Analysis

Correlation analysis was conducted to test the relationship between training and development, performance appraisal, extrinsic reward, intrinsic reward, career development, employee motivation, and perceived organizational performance.

Table 17: Correlation Result

Correlations								
		TD	**PA**	**ER**	**ER**	**CD**	**EM**	**POP**
TD	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	271						
PA	Pearson Correlation	.498**	1					
	Sig. (2-tailed)	.000						
	N	271	271					
ER	Pearson Correlation	.447**	.562**	1				
	Sig. (2-tailed)	.000	.000					
	N	271	271	271				
IR	Pearson Correlation	.571**	.482**	.482**	1			
	Sig. (2-tailed)	.000	.000	.000				
	N	271	271	271	271			
CD	Pearson Correlation	.597**	.645**	.601**	.616**	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
	N	271	271	271	271	271		
EM	Pearson Correlation	.543**	.537**	.432**	.731**	.705**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
	N	271	271	271	271	271	271	
POP	Pearson Correlation	.588**	.519**	.557**	.592**	.676**	.669**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	271	271	271	271	271	271	271

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

A. Relationship among the dependent variables (HRM Practices)

All the HRM practices are positively and significantly correlated with each other at 0.01 level ($p<0.01$). The correlation result ranges from 0.447 to 0.645, showing moderate to strong relationships among these independent variables. The relationship between performance appraisals and career development with $r=0.645$ found as strongest. Additionally, the weakest relationship was found in between training and development and extrinsic rewards with $r=0.447$). Overall, this finding revealed that HRM practices in the Bank tend to complement each other and are in relatively in integrated manner.

B. The relationship between independent variables and the employee motivation

All HRM practices demonstrated positive and statistically significant relationships with employee motivation. The overall relationships between these variables range between o.432 to 0.731, indicating moderate to strong relationships between these HRM practices and employee motivation.

Intrinsic reward with r=0.705 and career development with r=0.705, have the strongest relationship with the employee motivation. However, the relationship between extrinsic reward and employee motivation has relatively weakest relationship with employee motivation. Generally, though all HRM practices have positive and strong relationship with employee motivation, intrinsic rewards and career development opportunities are more influential in enhancing employee motivation.

C. Relationship between HRM Practices and Perceived Organizational Performance

All HRM practices have positive and significant relationship with the perceived organizational performance at 0.01 levels. Their coefficient ranges from 0.519 to 0.676, showing high to strong relationship with the perceived organizational performance.

Relatively, career development with r=0.676 have the strongest relationship with the perceived organizational performance. However, performance appraisal have the weakest relationship with r=0.519 with perceived organizational performance.

Overall, all HRM practices have positive relationship with the perceived organizational performance, with career development programs playing the most critical role.

D. The relationship between employee motivation and perceived organizational performance

At $p<0.01$ and r=0.669, employee motivation has a strong positive impact on the perceived organizational performance, indicating that higher employee motivation is associated with better perceived organizational performance.

4.3.3. Test of Assumptions

In quantitative research, especially when primary data is collected through questionnaire a survey, conducting a preliminary data analysis is essential to ensure the usability, reliability, and validity of the data for subsequent analyses. In this study, assumptions underlying ANOVA and

regression analysis were examined using appropriate statistical methods to identify and address unengaged respondents, sample size adequacy, outliers, and normality assumptions. Moreover, prior to testing the hypothesis, the model undergone through a serious of assessments for assumptions including normality, linearity, heteroscedasticity, reliability and the independence and normal distribution of error terms.

A. Normality Test

The skewness and kurtosis indicates that all variables of this study meet the assumption of normality. The skewness value ranged from -1.332 to –0.101, while kurtosis values ranged -0.853-0.571 to 2.100 (refer appendix 2). Therefore, since all variables fall within the acceptable threshold of ± 2, the data are considered as normally distributed while justified further parametric analysis are necessary.

B. Heteroscedasticity Test

Heteroscedasticity was assessed using a scatterplot of standardized residuals against standardized predicted values. As presented in Annex 3, the points are randomly dispersed around zero without a clear funnel shape or curved pattern. This suggests that the linearity assumption is satisfied. However, a few mild outliers exist, but nothing sever. Overall, the model appears to meet the key regression assumptions reasonably well.

C. Linearity Test

As presented in Annex 4, test results (or scatterplots) show a clear linear pattern, it indicates that the assumption of linearity is satisfied and regression analysis is appropriate. This indicates that a multiple regression model is suitable for further analysis.

D. Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Training & Development	.564	1.775
	Performance Appraisal	.522	1.915
	Extrinsic Reward	.573	1.745
	Intrinsic Reward	.543	1.841
	Career Development	.398	2.511

Multicolliearity test was conducted using the collinearity statistics results (tolerance and VIF). The tolerance result ranges from 0.398 to 0.573, while the VIF result ranges from 1.745 to 2.511. The tolerance limit of all independent variables is above the minimum threshold of 0.10, while their all VIF values are far below the maximum tolerable limit of VIF=10. So, this result implies that there is no multicollinearity concern among the independent variables considered in this study.

E. Independence of errors

The Durbin-Watson test was used to check whether the residuals (errors) in the regression model are independent. As present in Annex 6, the statistics support the assumptions of independence since the residuals are distributed around zero, with a mean score of 0.000 and no systematic pattern of over or underestimation. Since the standardized residuals are also within the acceptable range (Approximately -3 and 3), there is no indication of autocorrelation problem.

4.3.4. Regression Analysis

Since the study has mediating variable, four regression models have been conducted. The first model assesses the relationship between human resource management practices in aggregate and employee motivation. The second one also tests the relationship between HRM practices and the perceived organizational performance. The third model further tests the effect of employee motivation on the organizational performance. And finally, the full regression model was done to test how well employee motivation mediates the relationship between HRM practices and the perceived organizational performance.

A. The Effect of the Selected HRM Practices in Aggregate on Employee Motivation

To assess the collective impact of the selected HRM practices on employees' motivation, multiple regressions were conducted using SPSS V27 and the result is presented as follows.

Table 18: Model One's Model Summary

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.805[a]	.648	.642	.51476
a. Predictors: (Constant), Career Development, Training & Development, Extrinsic Reward, Intrinsic Reward, Performance Appraisal				
b. Dependent variable: Employee Motivation				

This model summary result shows the regression model investigating the relationship between the independent variables namely training and development, performance appraisal, extrinsic reward. Intrinsic reward and career development on the mediating variable (employee motivation) is very strong and well-fitted.

The multiple correlation coefficient (R=0.805) indicates that there is strong positive relationship between the selected HRM practices and employee motivation. This proves that the enhancement of these practices can resulted in high level of employee satisfaction.

The coefficient of determination (R^2=0.648) indicates that 64.8% of the variation in employee motivation is explained by the selected HRM practices in the Bank. This highlights that the model has strong explanatory power meaning these practices plays a vital role in influencing the employees' job satisfaction.

The adjusted R^2=0.642, which is very close to R^2, indicates that the model is not over fitted, even after adjusting the number of predictors included in this study. Furthermore, the standard error of estimate (0.51476) shows the average deviation between the observed and predicted values of employee motivation. This result is relatively low, suggesting the model provides reasonably accurate prediction

Overall, this model shows that the HRM practices selected for this study have meaningful impact on the mediating variable i.e., employee motivation.

Table 19: Model one's ANOVA Table

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	129.451	5	25.890	97.706	.000[b]
	Residual	70.219	265	.265		
	Total	199.670	270			
a. Dependent Variable: Employee Motivation						
b. Predictors: (Constant), Career Development, Training & Development, Extrinsic Reward, Intrinsic Reward, Performance Appraisal						

As depicted in the ANOVA table, the F-value of 97.706 with significance level at p=0.000 which is below 0.05. This implies that the selected HRM practices collectively have a statistically significant impact on employee motivation.

B. The Effect of Individual HRM practices on Employee Motivation

Table 20: Model one's Coefficients Table

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.923	.174		5.313	.000		
	Training & Development	.044	.056	.038	.786	.432	.564	1.775
	Performance Appraisal	.081	.042	.097	1.916	.056	.522	1.915
	Extrinsic Reward	-.097	.046	-.102	-2.110	.036	.573	1.745
	Intrinsic Reward	.459	.048	.471	9.526	.000	.543	1.841
	Career Development	.335	.050	.391	6.768	.000	.398	2.511
a. Dependent Variable: Employee Motivation								

The regression coefficient table shows the effect of the selected HRM practices on employee motivation.

Extrinsic reward (Beta= -0.0102, p=0.036), intrinsic reward (Beta=0.471, p=0.000) and career development (Beta=0.391 and p=0.000) have a statistically significant effect on the employee motivation. In opposite, training and development with (Beta=0.038, p=0.432) and performance appraisal (Beta= 0.097, p=0.056) have not a statistically significant effect on employee motivation.

C. The Effect of the Selected HRM Practices on the Perceived Organizational Performance

Table 21: Model two's Model Summary Table

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	.744[a]	.554	.546	.51724
a. Predictors: (Constant), Career Development, Training & Development, Extrinsic Reward, Intrinsic Reward, Performance Appraisal				

The above model summary results demonstrated that the model examining the effect of the selected HRM practices on the perceived organizational performance have moderately strong fit. The multiple correlation coefficient (R=0.744) shows a strong positive relationship between the Bank's human resource practices and perceived organizational performance. This implies that improvement in these selected HRM practices is associated with higher level of organizational performance.

The coefficient of determination (R^2=0.554) indicates that 55.4% of the variance in perceived organizational performance is explained by the selected HRM practices. According to different scholars, this level of explanation power is substantial. Furthermore, the adjusted R^2 value of 0.546 is very close to R^2, indicating the model is well-fitted even after adjusting for other predictors. The standard error of the estimate (0.51724) shows the average deviation of observed values from the predicted values, and the result indicates reasonably accurate prediction of organizational performance.

Overall, this model shows that the selected HRM practices jointly have a strong and meaningful impact on perceived organizational performance.

Table 22: Model two's ANOVA Table

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
2	Regression	88.044	5	17.609	65.818	.000[b]
	Residual	70.897	265	.268		
	Total	158.941	270			
a. Dependent Variable: Perceived Organizational Performance						
b. Predictors: (Constant), Career Development, Training & Development, Extrinsic Reward, Intrinsic Reward, Performance Appraisal						

The ANOVA table demonstrated that this model is statistically significant in explaining the perceived organizational performance. The result shows an F-value of 65.818 and significance level of p=0.000 (p<0.001), implying that the selected independent variables in aggregate significantly predict the perceived organizational performance.

D. The Effect of the Individual HRM practices on Perceived Organizational Performance

Table 23: Model two's Coefficients Table

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
2	(Constant)	1.102	.175		6.311	.000		
	TD	.207	.056	.201	3.682	.000	.564	1.775
	PA	.019	.042	.026	.458	.647	.522	1.915
	ER	.143	.046	.168	3.105	.002	.573	1.745
	IR	.159	.048	.183	3.285	.001	.543	1.841
	CD	.249	.050	.326	5.007	.000	.398	2.511
a. Dependent Variable: Perceived Organizational Performance								

The above coefficient table demonstrates the individual effect of the selected HRM practices on the perceived organizational performance in Dashen Bank. Training and development (Beta=0.201, p=0.000), extrinsic reward (Beta=0.168, p=0.002), intrinsic reward (Beta=0.183, p=0. 01) and career development (Beta=0.326, p=0.000) have a positive and statistically significant effect on perceived organizational performance. However, performance appraisal with Beta value of 0.026 and significance of 0.647>0.005, has not statistically significant effect on perceived organizational performance.

E. The Effect of Employee Motivation on Perceived Organizational Performance

Table 24: Model three's Model Summary Table

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
3	.669[a]	.448	.446	.57115
a. Predictors: (Constant), Employee Motivation				

The result demonstrated that employee motivation has a moderate relationship with the perceived organizational performance. The correlation coefficient (R=0.669) shows a strong positive association between these variables.

The coefficient of determination (R^2=0.448) shows that 44.8% of variation in the perceived organizational performance is explained by employees' motivation. This suggests that employee motivation is a critical predictor of perceived organizational performance though 55.2% of variation can be influenced by other variables not considered in this model.

Table 25: Model three's Coefficients Table

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
3	(Constant)	1.481	.161		9.177	.000		
	EM_MEAN	.597	.040	.669	14.773	.000	1.000	1.000
a. Dependent Variable: Perceived Organizational Performance								

With the significance value of 0.000 and Beta value of 0.669, employee motivation proves that it has a statistically significant and positive effect on perceived organizational performance.

4.3.5. Mediation Analysis

The mediation analysis was conducted to assess whether employee motivation mediates the relationship between the selected HRM practices and the perceived organizational performance.

A. Model Summary

Model summary

Model	Outcome Variable	R	R-sq	MSE	F	df1	df2	p
1	Employee Motivation	0.7486	.5604	.3263	342.8774	1.0000	269.0000	.0000
2	POP	.7536	. 5679	.2563	176.0904	2.0000	268.0000	.0000

The result shows that the selected HRM practices significantly predict employee motivation (R^2=0.5604, F=342.88, p<0.001), explaining 56.04% variation. Additionally, the combined effect of HRM practices and employee motivation significantly predicts perceived organizational performance (R^2 = 0.5679, F = 176.09, p < 0.001), explaining 56.79% of the variance.

B. Path Analysis

Regression Results for Mediator (Employee Motivation)

Path	Relationship	β (Coeff)	SE	T	p	LLCI	ULCI
a	HRM Practices →Employee motivation	**0.8897**	0.0480	18.5170	.000	0.7951	0.9843
b	Employee motivation → org. performance	**0.2482**	0.0540	4.5937	.000	0.1418	0.3546
c	HRM practices →POP (Direct, c′)	**0.5539**	0.0642	8.6258	.000	0.4275	0.6803

The result shows that the selected HRM practices have a positive and significant effect on employee motivation (Beta=0.8897, t=18.5170, p<0.001). The employee motivation, in turn, significantly affects the perceived organizational performance (Beta=0.2482, t=4.5937, p<0.001). The direct effect of the selected HRM practices on perceived organizational performance also remained significant (Beta=0.5539, t=8.6258, p<0.001). This indicates the presence of mediation.

C. Indirect Effect of HRM Practices on POP through Employee Motivation

Indirect Effect of HRM Practices on POP via Employee Motivation

Path	Effect Type	Effect	SE	LLCI	ULCI
d	Indirect Effect (a×b)	0.2208	0.0574	0.1079	0.3360

The indirect effect of the selected HRM practices collectively on perceived organizational performance through employee motivation was significant (Beta=0.2208), as the bootstrapped confidence interval [0.1079, 0.3360] does not include zero. This confirms that employee motivation significantly mediates the relationship between HRM practices and the perceived organizational performance.

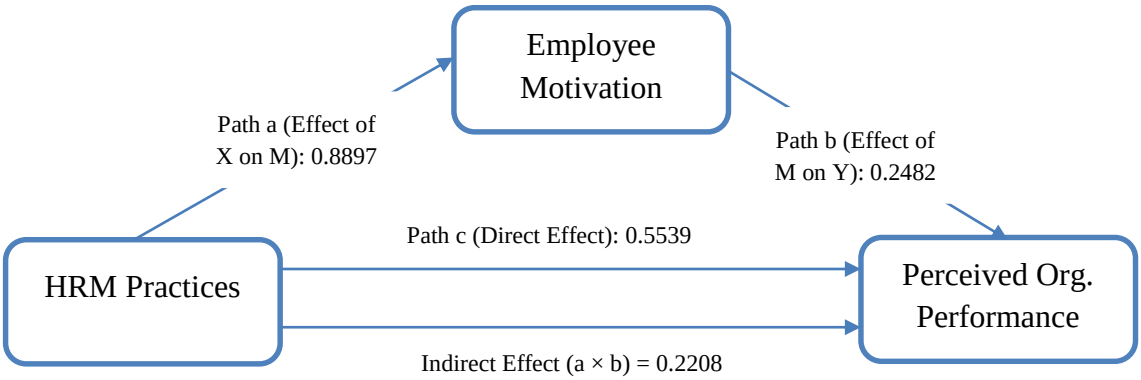


Figure 3: Mediation Result

D. The Impact of Individual HRM Practices on the POP through Employee Motivation

Table 26: The effect of HRM practices individually on the POP through employee motivation

HRM Practice	Effect Type	Effect	p-value	Boot LLCI	Boot ULCI	Decision
Training & Development	Total Effect	.6043	.0000			Partial Mediation
	Direct Effect (c')	.3275	.0000			
	Indirect Effect (a×b)	.2768		.1968	.3616	
Performance Appraisal	Total Effect	.3883	.0000			Partial Mediation
	Direct Effect (c')	.1676	.0000			
	Indirect Effect (a×b)	.2207		.1540	.3005	
Extrinsic Reward	Total Effect	.4732	.0000			Partial Mediation
	Direct Effect (c')	.2798	.0000			
	Indirect Effect (a×b)	.1934		.1345	.2618	
Intrinsic	Total Effect	.5151	.0000			Partial

Reward	Direct Effect (c')	.1922	.0000			Mediation
	Indirect Effect (a×b)	.3228		.2356	.4231	
Career Development	Total Effect	.5180	.0000			Partial Mediation
	Direct Effect (c')	.3114	.0000			
	Indirect Effect (a×b)	.2067		.1229	.2956	

The result indicates that all HRM practices have significant total effect on the perceived organizational performance. Since both direct (c′≠0) and indirect (BootLLCI and BootULCI does not include zero) effects are significant across all independent variables, the mediation is partial.

4.3.6. Hypothesis Testing

Table 27: Hypothesis Summary

Hypothesis		Relationship	β	F	Sig. (p)	Decision
H1		HRM P → EM	-	97.706	.000*	Accepted
	H_{1a}	Training & Development → EM	.038	-	.432**	Rejected
	H_{1b}	Performance Appraisal → EM	.097	-	.056**	Rejected
	H_{1c}	Extrinsic Reward → EM	-.102	-	.036*	Accepted
	H_{1d}	Intrinsic Reward → EM	.471	-	.000*	Accepted
	H_{1e}	Career Development → EM	.391	-	.000*	Accepted
H2		HRM practices → POP	-	65.818		Accepted
	H_{2a}	Training & Development → POP	.201	-	.000*	Accepted
	H_{2b}	Performance Appraisal → POP	.026	-	.647**	Rejected
	H_{2c}	Extrinsic Reward→ POP	.168	-	.002*	Accepted
	H_{2d}	Intrinsic Reward → POP	.183	-	.001*	Accepted
	H_{2e}	Career Development → POP	.326	-	.000*	Accepted
H3		Employee Motivation → POP	.669	-	.000*	Accepted
H4*		HRM Practices →Motivation →POP	-	-	-	Partial Mediation

*Effect=0.2208

H_1: The selected HRM practices collectively have a significant positive effect on employee motivation.

F-value of 97.706 with significance level at p=0.000 which is below 0.05, implies that the selected HRM practices collectively have a statistically significant impact on employee motivation. Therefore, this hypothesis is **supported.**

H_{1a}: Training and Development has a significant positive effect on employee motivation.

Training and development with significance value of p=0.432 have not a statistically significant effect on employee motivation. According to the commonly accepted thresholds ($p<0.05$), this dimension does not have meaningful impact in predicting employee motivation. Therefore, this hypothesis is **rejected.**

H_{1b}: Performance Appraisal has a significant positive effect on employee motivation.

Performance appraisal with p=0.056 that is less than 0.05 significance level has not statistically significant effect on employee motivation. It may be considered as a variable having weakly significant at the 10% level ($p<0.10$), showing a limited impact on employee motivation in the Bank. Therefore, this hypothesis is **rejected.**

H_{1c}: Extrinsic reward has a significant positive effect on employee motivation

With Beta value of -0.0102 and p=0.036 <0.05, extrinsic reward has a statistically significant negative effect on employee motivation. Therefore, this hypothesis is **supported**.

H_{1d}: Intrinsic reward has a significant positive effect on employee motivation

Intrinsic reward with Beta value of 0.471 and $p<0.005$ has a significant positive effect on employee motivation. The standard coefficient Beta=0.471 shows a moderate to strong effect size, making it the strongest predictor of employee motivation in this model. Therefore, this hypothesis is **supported**.

H_{1e}: Career development has a significant positive effect on employee motivation

Career development also has a statistically significant positive effect on employee motivation. With p=0.000 and Beta value of 0.391, it has moderate effect size, showing that the career growth opportunities given to the Bank's employees plays as driver in their motivation. Therefore, this hypothesis is **supported**.

H_2: The selected HRM practices in aggregate have a significant positive effect on perceived organizational performance

This hypothesis has been **supported**. The result shows an F-value of 65.818 and significance level of p=0.000 (p<0.001). This implies that the selected independent variables in aggregate significantly predict the perceived organizational performance.

H_{2a}: Training and development has a significant positive effect on perceived organizational performance.

Training and development with Beta value of 0.201 and p=0.000 (<0.001) has a positive and statistically significant effect on perceived organizational performance. A single unit increase in training and development programs can lead to a 0.207 increase in perceived organizational performance, holding other variables constant. Therefore, this hypothesis is **accepted**.

H_{2b}: Performance appraisal has a significant positive effect on perceived organizational performance.

Performance appraisal practice of the Bank with Beta value of 0.026 and significance of 0.647>0.005 does not have a statistically significant effect on perceived organizational performance. Therefore, this hypothesis is **rejected**.

F. H_{2c}: Extrinsic reward has a significant positive effect on perceived organizational performance.

Extrinsic reward has a significant positive effect on the organizational performance (Beta=0.168 and p=0.002). This indicates that the financial/tangible rewards provided by the Bank meaningfully contribute to improved organizational performance. Therefore, this hypothesis is **supported**.

H_{2d}: Intrinsic reward has a significant positive effect on perceived organizational performance.

Intrinsic reward with Beta=0.183 and p=0. 01(<0.05) has a strong positive and significant effect on the perceived organizational performance. This indicates that the intangible rewards such as recognition programs can enhance organizational performance. Therefore, this hypothesis is **supported**.

H_{2e}: Career development has a significant positive effect on perceived organizational performance.

Career development has relatively a strongest significant and positive effect on the perceived organizational performance Beta=0.326 and p=0.000 (<0.01). This indicates that career growth opportunities given to the Bank's employees plays as the most influential HRM factor in improving organizational performance.

H4: Employee motivation mediates the relationship between the selected HRM practices and the perceived organizational performance

Employee motivation was found to significantly mediate the relationship between the selected HRM practices and the perceived organizational performance. Since both the direct effect (Beta=0.5539, p<0.001), and the indirect effect (BootCI [0.1079, 0.3360]) are significant, the mediation is partial. Therefore, hypothesis 4 is **supported.**

4.3.7. Discussion of Findings

The primary objective of the study was to examine the effect of selected HRM practices on perceived organizational performance through employee motivation as mediating variable in Dashen Bank S.C. the findings revealed that the HRM practices play a critical role in enhancing employee motivation and perceived organizational performance. The study further confirmed that employee motivation partially mediates the relationship between the selected HRM practices and perceived organizational performance. This finding is well alignment with AMO model of HRM, that emphasizes better organizational performance can be achieved through competent (Ability), motivated and growth opportunities.

The study revealed that the selected HRM practices collectively have positive and statistically significant on employee motivation. This finding is consistent with previous study conducted by Dar et al., (2014) Jiang et al., (2012), and Gagné and Deci (2005), who reported that effective HRM practices positively influence employee motivations. The higher explanatory power of the regression model indicates that the selected HRM practices are critical factors that can influence employee attitudes and psychological engagement in service-based organizations like Dashen Bank.

Regarding the individual HRM practices, training and development was find to have statistically insignificant effect on employee motivation, though it significantly influences the perceived organizational performance. This finding partially contradicts with earlier studies conducted by Tedla (2018) and Dar et al., (2014), who reported training and development have effect on employee motivation and performance. The contradicting finding may be supported by the qualitative findings where interview participants indicated a weal alignment of the training programs of the Bank with the career aspiration of employees.

Performance appraisal was found to have statistically insignificant effect on employee motivation and perceived organizational performance. This finding is consistent with finding reported by Tedla (2018), who found insignificant relationship between performance appraisal and organizational performance. However, though it is supported by this study, the study also contradicts with the findings of Dar et al., (2014), who reported transparent and merit-based performance appraisal practices have significant positive effect on employee motivation and organizational performance. The qualitative finding supports this contradiction. The interview respondents particularly criticized the forced distribution appraisal system currently implemented by the Bank. This performance appraisal practices undermines fairness, trust and confidence of employees. This highlights that performance appraisal fail to motivate because they are unfair, and in transparent.

Extrinsic reward was found to have statistically significant effect on employee motivation and perceived organizational performance. This finding is in alignment with studies conducted by Qureshi et al., (2009), Tedla (2018), and Dar et al., (2014), which reported that financial rewards, bonuses, and incentives can enhance employee commitment and organizational performance.

Intrinsic reward also found as a strongest predictor of both employee motivation and perceived organizational performance. This finding supports the earlier study conducted by Dar et al., (2014), who found that intrinsic rewards create creates sustainable employee motivation.

Career development was found to have significant positive effect on employee motivation and perceived organizational performance. This finding is consistent with findings of Dar et al., and (2014), Tedla (2018) who highlighted career development opportunities positively influence employee attitudes and organizational outcomes. In banking sector where talent war is emerging,

career development programs play critical roles in sustaining employee commitment and organizational effectiveness.

The study further confirmed that employee motivation has a significant positive effect on perceived organizational performance. This finding is in alignment with the finding of Dar et al., and (2014), who found committed employees exert greater effort and commitment as a result it enhances organizational performance. Finally, employee motivation partially mediates the relationship between the selected HRM practices and perceived organizational performance. This finding is in alignment with finding of Dar et al., and (2014), and Jiang et al., (2012), which concluded that HRM practices affect organizational performance directly and indirectly through employee motivation.

Overall, this study contributes to the existing HRM literature through providing pertinent empirical evidence from the Ethiopian banking industry, where studies examining the mediating role of employee motivation in between HRM practices and organizational performance remain limited.

Chapter Five

Summary, Conclusion and Recommendations

5.1. Introduction

This chapter presents the summary of major findings and conclusions drawn from the study and recommendations based on the study findings.

5.2. Summary

The selected HRM practices of the Bank collectively have statistically significant effect on employee motivation and the perceived organizational performance. Specifically, training and development programs of the Bank have not statistically significant effect on employees' motivation, but it has strong effect on the perceived organizational performance. Additionally, performance appraisal practices of the Bank have not statistically significant effect on employees' motivation and perceived organizational performance, this could be justified through the qualitative finding. The interviewed HR Business Partners highlighted that the Bank is using forced distribution performance appraisal method which is perceived as biased, unfair and demotivating. However, extrinsic reward, extrinsic reward and career development programs of the Bank have statistically significant effect on both employee motivation and the perceived organizational performance. Furthermore, the statistical analysis confirmed that employee motivation mediated the relationship between the selected HRM practices and the perceived organizational performance. This means employee motivation can play as psychological mechanism in translating HRM practices and the perceived organizational performance.

The qualitative study further supports the quantitative results through highlighting underlying challenges in the implementation of the selected HRM practices. In particular, the forced distribution currently used by the Bank was identified as a central issue affecting fairness, motivation and effectiveness of reward systems. Similarly, the training programs found to have weak alignment with the competency needs of employees, while unclear and unstructured career development programs were reported to limit employee motivation. These insights highlights that the effectiveness of HRM practices depended not only on the presence of the practices but also on their quality, fairness and alignment with employee's needs.

5.3. Conclusion

Generally, the selected human resource management practices collectively contribute to employee motivation and perceived organizational performance in service-oriented organizations like Dashen Bank. This confirms that HRM practices not only affect perceived organizational performance directly, but also operate through psychological mechanism such as employee motivation to enhance performance outcomes.

Specifically, training and development have not statistically significant effect on employee motivation. This can be justified by the qualitative findings highlight the training programs of the bank are not need based and theoretical. However, it has statistically significant effect on perceived organizational performance. This shows that while training initiatives may improve organizational outcomes, they are not well aligned with employees' motivational needs. Similarly, performance appraisal practices were found to have statistically insignificant effect on employee motivation and perceived organizational performance. The qualitative finding further explain this by highlighting the forced distribution performance appraisal method employed by the bank is perceived as unjust and demotivating, thereby weakening its intended motivational and developmental role.

On the other hand, extrinsic reward, intrinsic reward and career development found to have statistically significant effect on both employee motivation and perceived organizational performance. Among these variables, intrinsic reward and career development practices appear to play important role in enhancing employee motivation, suggesting non-financial incentives such as autonomy, recognition, and growth opportunities play critical role than financial incentives such as bonus.

The qualitative finding further reinforce the quantitative results by emphasizing issues related to implementation. Particularly, weak alignment of training programs with employees' competency gaps, lack of clear and structured career development programs, and unfair performance appraisal method were identified as key factors limiting the effectiveness of HRM practices. Overall, the study concludes that the effectiveness of the selected HRM practices not only depend on their existence but also on their fairness, consistency, and alignment with employee expectations and organizational needs.

5.4. Recommendation

Based on the above summary of findings and conclusions, the following recommendations are proposed;

- The Bank should replace the forced distribution method with a more objective performance evaluation system. Additionally, transparency, fairness and consistency in performance evaluations shall ensure to obtain better result. Furthermore, the feedback mechanism should be strengthening to make the appraisal developmental rather than judgmental.
- The Bank shall strengthen its reward management system through establishing a clear linkage between performance and rewards, introducing differentiated reward systems to address diverse employee needs.
- The career development programs of the Bank should be enhanced through developing clear career paths, providing consistent career coaching and mentoring programs and ensure equal access to career development opportunities.
- The training and development programs of the Bank shall be improver through increasing the frequency and consistency of training programs, focusing on practical and job-relevant trainings and ensuring effective transfer of trainings into workplace performance.
- The intrinsic rewards of the Bank shall be enhanced through designing jobs that enhance autonomy, meaning and enlargement, promoting a supportive and empowering work environment and reinforce non-monetary achievements.
- The Bank shall integrate its HRM strategy with organizational goals through integrating practices with the Bank's strategic objective, ensuring internal consistency among HRM practices and strengthen the role of HR as a strategic partner in organizational performance.

5.5. Contribution of the Study

This study contributes meaningful insights to the theory, practice and policy with in the field of Human Resource Management, specifically in the context of Ethiopian Banking Industry.

A. Theoretical contributions

This study contributes to the body of knowledge by empirically validating the mediating role of employee motivation in relationship between the selected HRM practices and the perceived organizational performance. While prior study examined the direct effect of different HRM practices on organizational performance, this research extends the literature by demonstrating that the relationship cannot be investigated merely directly but also through mediating variable.

Specifically, this study reinforces those assumptions of AMO model (Ability-Motivation-Opportunity) framework, highlighting that HRM practices influence organizational performance through enhancing employees' motivation.

Additionally, this study validates the argument that perceived organizational performance is a valid and relevant construct in the HRM research, particularly in service-based industries where employees' attitudes and perceptions significantly shape the organizational outcomes.

B. Practical contributions

For the Bank's management team, this study offers evidence-based and actionable insights for improving HRM systems within the case organization and other similar organizations.

Primarily, the study identifies specific HRM practices (training and development, intrinsic reward, and career development) as key drivers of employee motivations and organizational practices. This will help the executive team of the organization to prioritize high-impact areas when designing HR programs.

Additionally, the findings highlight critical gaps in the current HR system of the Bank, particularly in the performance appraisal method and reward management. The study highlighted the need for fair, transparent and aligning performance with individual and group performance and rewards, which plays critical role in improving employee motivations.

C. Policy Contributions

The study provides invaluable contribution for organizational leaders, regulators and HR policy makers in the service sector. The study highlighted the need for vertically and horizontally integrated HRM programs.

For policymakers in the Ethiopian Banking industry and financial sector, the study underscores the importance of establishing well-standardized and fair HR frameworks especially in areas such as performance appraisal, reward system and career development.

Additionally, this study suggests that investment in Human capital is not merely a cost but a strategic investment that yields both organizational and competitive advantages.

5.6. Suggestions for Future Research

While this study provides valuable insights, it also opens door for further research to deepen understanding of HRM practices, employee motivation and organizational performance.

- To enhance the generalizability of the findings, future studies should include multiple Banks, other financial institutions and other organizations from different sectors. Comparative studies across different organizations and sectors can provide deeper insights to the HRM literature.
- This study employed cross-sectional research design where data was collected at one time, which limits the ability to establish causal relationship over time. Future research should adopt a longitudinal approach to examine how these selected HRM practices on organizational performance through time.
- Future researchers should include other mediating (such as job satisfaction and organizational commitment) and moderating variables (leadership styles or organizational culture) that may impact the relationship between HRM practices and organizational performance.
- This study particularly relies on perceived organizational performance, which though impactful for the HRM literature, future studies shall incorporate objective financial and operational metrics such as profitability, return on asset and service efficiency.

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Appendix

Appendix 1: Research instrument (Questionnaire)

Section One: Introduction

You are kindly invited to participate in an academic research study that aims to examine *"The Effect of Selected Human Resource Management Practices on Perceived Organizational Performance: The Mediating Role of Employee Motivation at Dashen Bank S.C."*

This study is conducted solely **for academic purposes.**

Voluntary Participation and Confidentiality

- All information provided will be treated with strict confidentiality and used only for research purposes.
- No personal identifying information will be collected.

Consent to Participate

1. I willingly agree to participate in this study. Yes ☐ No ☐

Section Two: Demographic Information of Respondents

I. Gender	Male ☐	Female ☐			
II. Age	18-25 ☐	26-35 ☐	36-45 ☐	46-55 ☐	>=56 ☐
III. Education Level	Diploma ☐	Degree ☐	Masters ☐	PhD ☐	Other ☐
IV. Experience in DB	1-3 ☐	4-6 ☐	7-10 ☐	11-13 ☐	14+ ☐

Section Three: Close-Ended Questions

Variable	Questions	Likert Scale				
		SD	D	N	A	SA
Training & Development	My organization provides training that improves my job skills.					
	Training programs are relevant to my career goals.					
	The training I receive enhances my ability to perform effectively.					
	Training opportunities are provided regularly when needed.					
Performance Appraisal	Performance appraisals in my organization are conducted fairly.					
	Performance reviews help clarify performance expectations.					
	I receive helpful feedback during appraisal.					
	The performance appraisal method used in my organization accurately reflects my job performance.					
Extrinsic Rewards	The salary I receive are competitive.					
	My organization offers benefits that meet my needs.					
	I am satisfied with the performance-based rewards such as bonus.					
	The financial rewards at my workplace promote high performance.					
Intrinsic Rewards	I find my job personally fulfilling.					
	My work gives me a sense of accomplishment.					
	The tasks I perform are interesting and engaging.					
	I feel challenged in a positive way at work.					
Career Development	My organization supports my long-term career growth.					
	Career paths are clear and communicated.					
	I have opportunities to pursue roles that match my interests.					
	I receive guidance or coaching for career planning.					
Employee Motivation	I am highly motivated to perform my job well.					
	I willingly put extra effort into my work.					
	I feel energized about my work.					
	I am motivated to meet organizational goals.					
Perceived Organizational Performance	Dashen Bank performs well compared to other Banks in the industry.					
	The Bank consistently achieves its overall performance targets.					
	Employees in the Bank are productive.					
	Customers are happy with the service provided by the Bank.					
	The Bank delivers high quality services to its customers.					
	Internal work processes in the Bank are efficient.					
	The Bank supports learning and innovation.					

Section Four: Open-ended Questions (interview questions)

1. In your opinion, how effective are the current training and development programs in improving employee performance?
2. What challenges do employees face regarding the performance appraisal practice of the Bank?
3. How do the current reward and recognition programs provided by the Bank influence your motivation to perform better?
4. What improvement areas would you suggest to the current career development opportunities provided by the Bank?
5. What other talent programs do you think could improve employee motivation and organizational performance?
6. Do you have any other additional comment or suggestions regarding the HR management practices of the Bank?

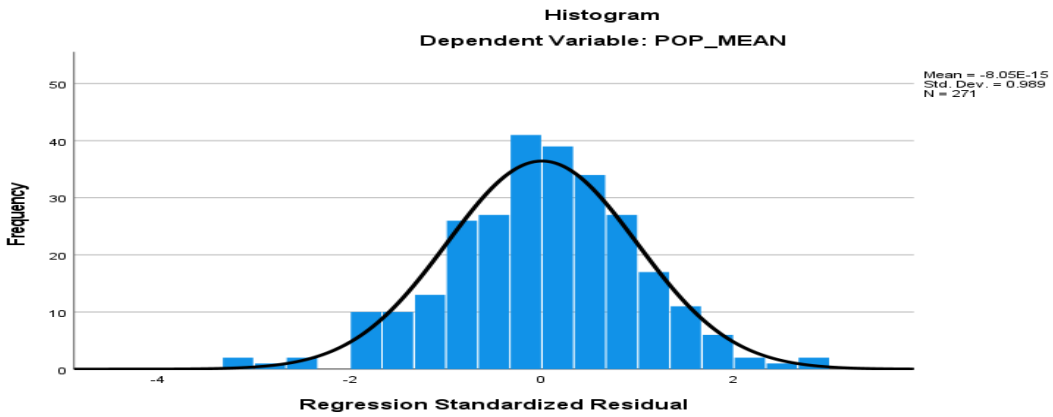
Thank You for Your Time & Cooperation!

Annex 2: Normality Test

Table 28: Normality Test

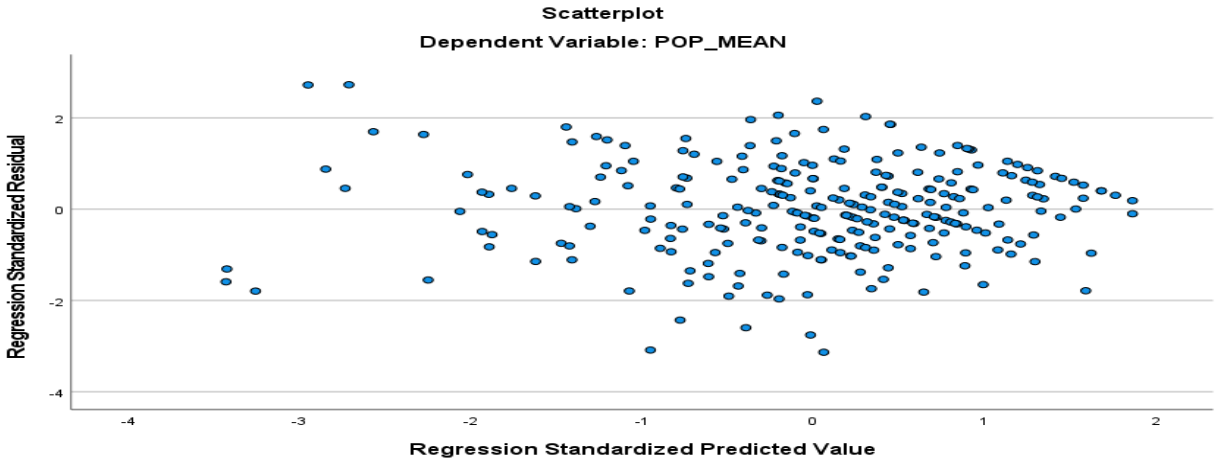
Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
TD	271	1.00	5.00	3.8125	.74654	-1.045	.148	2.036	.295
PA	271	1.00	5.00	2.9941	1.02544	-.238	.148	-.915	.295
ER	271	1.00	5.00	2.9825	.90263	-.101	.148	-.571	.295
IR	271	1.00	5.00	3.7771	.88204	-1.332	.148	1.975	.295
CD	271	1.00	5.00	3.3432	1.00154	-.506	.148	-.396	.295
EM	271	1.00	5.00	3.8996	.85995	-1.304	.148	2.100	.295
POP	271	1.00	5.00	3.8097	.76725	-.744	.148	.963	.295
Valid N (listwise)	271								

Figure 4: Histogram for Regression Standardized Residual



Appendex 3: Heteroscedasticity Tests

Figure 5: Scatterplot for Regression Standardized Residual



Annex 4: Linearity Test

Figure 6: Linearity Test

