

EFFECT OF HUMAN RESOURCES MANAGEMENT (HRM) PRACTICES ON EMPLOYEES' PERFORMANCE: In the Case of St. PAUL'S HOSPITAL MILLENNIUM MEDICAL COLLEGE.

By
Tirunesh Hunde

***Advisor*: Yohannes Workaferahu (Ph.D)**

June, 2020

Addis Ababa, Ethiopia

EFFECT OF HUMAN RESOURCES MANAGEMENT (HRM) PRACTICES ON EMPLOYEES' PERFORMANCE: in the case of St. PAUL'S HOSPITAL MILLENNIUM MEDICAL COLLEGE

A Research paper Submitted to Addis Ababa University, College of Business and Economics, in partial fulfillment of the requirements for the degree of Master of Business Administration – Management.

June 2020

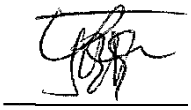
Declaration

I, the undersigned, declare that this thesis entitled **"Effect of Selected HRM Practices on Employees' Performance** in the case **of St Paul's Hospital Millennium Medical College"** is my own original work and that all sources have been accurately reported and acknowledged, and that this document has not been submitted for a degree in any other universities.

Tirunesh Hunde Barkessa	_____	_____
Name of Author	Signature	Date

Statement of Certificate

This is to certify that **Tirunesh Hunde Barkessa** has completed her thesis entitled **"Effect of Selected HRM Practices on Employees' Performance"** in the case of St. Paul's Hospital Millennium Medical College is her original work and is submitted for examination with my approval as a thesis.

Yohannes Workaferahu (Ph.D)		**02/10/20**
Name of Advisor	Signature	Date

Examiners' Statement

This is to certify that the thesis entitled, **"Effect of Selected HRM Practices on Employees' Performance** in the case of St. Paul's Hospital Millennium Medical College (Addis Ababa) was carried out by TIRUNESH HNDE BARKESSA under the supervision of Yohhanes Workaferahu (Ph.D) submitted in partial fulfillment of the requirements for the degree of Master of Business Administration complies with the regulations of the University.

Approved by the Examiners:

Habtamu Endris (PhD)	_____	_____
External Examiner	Signature	Date
Asres Abitie (PhD)	_____	_____
Name of Internal Examiner	Signature	Date
Yohannes Workaferahu (Ph.D)	_____	**02/10/20**
Name of Advisor	Signature	Date

ACKNOWLEDGEMENT

First, I am very grateful to Almighty God who gave me health and His abundant blessing through this study and journey of life.

Next, I am also very grateful to my respected advisor, Dr Yahannes Workaferahu, who gave me clear direction and valuable advises through the course of this research work. I am also very grateful for the examiners who gave me their valuable comments for finalizing the thesis in its current shape.

My deepest thanks goes to my lovely husband and children for their persistent support during my study and through this research work.

At last, but not the least, I am grateful to those respondents who gave me their valuable time to fill the questionnaires for the successful completion of this research work.

ABSTRACT

The general purpose of this research work was to address the effect of selected HRM practices (i.e., Recruitment and Selection; Training; Remuneration; Performance Appraisal and Employees' Career Growth Plan) on Employees' Performance. Relevant literatures were reviewed on the subject area and conceptual framework was developed. Explanatory research design was applied and questionnaires were prepared to gather primary data from sample respondents. The total population at the time of this research plan was 1,200 out of which 291 were selected based on simple random formula. Of the 291 sample 278 (96%) were collected. The model summary indicated the presence of a significant positive correlation (R=.709) between the independent variables (recruitment & selection, training & development, remuneration (compensation), performance evaluation and career growth) and the dependent variable – employee performance. Further, the R-squared value of 0.502 indicated that the independent variables accounted for 50.2% of the total variance in employees' performance (dependent variable). Thus, it is recommended that the HRM practices should get closer attention of the organization's management to improve the employees' performances.

Key words: *Human resource management; Human resource development; Recruitment & Selection; Training & Development; Remuneration (Compensation); Performance appraisal: Career Growth Plan; Employees' Performance.*

TABLE OF CONTENTS

Declaration----------i
Statement of Certificate----------ii
Examiners' Statement----------iii
Acknowledgement----------iv
Abstract ----------v
Acronyms: ----------viii
CHAPTER ONE----------1
INTRODUCTION----------1
1.1.Background of the Study----------1
1.2.Statement of the Problem ----------5
1.3. Objectives of the Study----------8
1.3.1. General Objectives----------8
1.3.2.Specific objectives: ----------8
1.4. Research Hypothesis----------9
1.5. Significance of the Study----------9
1.6. Scope of the Study ----------10
1.7. Operational Definition of Terms ----------10
1.8. Organization of the Paper ----------11
CHAPTER TWO ----------12
REVIEW OF LITERATURE----------12
2.0. Introduction ----------12
2.1. Theoretical Review ----------12
2.1.1. Definition of Human Resources Management (HRM) ----------12
2.1.2. Theories of HRM Practices----------13
2.2. Empirical Review ----------16
2.2.1. Human Resource Management Practices ----------16
2.2.1.1. Recruitment & Selection----------17
2.2.1.2. Training & Development ----------20
2.2.1.3. Remuneration (Compensation) ----------23
2.2.1.4. Performance Evaluation ----------27
2.2.1.5. Career Growth Plan (Staff Development)----------29

2.2.2. Employees' Performance ---------- 30
2.3. Conceptual Framework ---------- 34
Fig. 1: Conceptual Framework ---------- 34
CHAPTER THREE ---------- 35
RESEARCH METHODOLOGY ---------- 35
3.0. Introduction ---------- 35
3.1. Research Design ---------- 35
3.2. Sources of Data ---------- 36
3.3. Study Population ---------- 36
3.4. Sample and Sampling Techniques ---------- 36
3.5. Data Collection Instrument ---------- 37
3.6. Data Collection Procedures ---------- 37
3.6.1. Pilot Testing of Questionnaire ---------- 37
3.6.2. Distribution and Administration of Questionnaires ---------- 38
3.6.3. Data Analysis Technique ---------- 38
3.6.4. Reliability Test ---------- 38
3.7. Ethical Consideration ---------- 39
CHAPTER FOUR ---------- 40
4. DATA PRESENTATION, ANALYSIS, AND INTERPRETATION ---------- 40
4.0 Introduction ---------- 40
4.1. Descriptive Statistics ---------- 40
4.1.1. Employees' Profile ---------- 40
4.1.2. Recruitment and Selection ---------- 43
4.1.3. Training & Development ---------- 44
4.1.4. Remuneration (Compensation ---------- 45
4.1.5. Performance Appraisal ---------- 46
4.1.6. Staff Development (Career Growth Plan) ---------- 48
4.2. Test of Effect of HRM Practices on Employees' Performance ---------- 49
4.2.1. Correlation Analysis ---------- 49
4.2.2. Regression Analysis ---------- 50
4.2.3. Test of Hypothesis ---------- 53
4.3. Chapter Summary ---------- 55
CHAPTER FIVE ---------- 58
5. SUMMARY, CONCLUSSION AND RECOMMENDATIONS ---------- 58

5.1. Summary of Findings ---------- 58
5.2. Conclusions ---------- 60
5.3.Recommendations ---------- 62
5.4.Limitation and Future Research Direction ---------- 63
REFERENCE ---------- 64
Appendix: Questionnaire ---------- 75

List of Tables

Table 3.1: Reliability Test ---------- 38
Table 4.1.1: Respondents' Profile ---------- 41
Table 4.1.2: Recruitment and Selection ---------- 43
Table 4.1.3: Training & Development ---------- 44
Table 4.1.4: Compensation (Remuneration) ---------- 45
Table 4.1.5: Performance Appraisal ---------- 47
Table 4.1.6: Staff Development (Career Growth Plan) ---------- 48
Table 4.1.7: Pearson Correlation Analysis ---------- 50
Table 4.1.8: Model Summary ---------- 51
Table 4.1.9: Regression ANOVA ---------- 51
Table 4.1.10: Linear Regression ---------- 52
Table 4.1.11: Summary of Hypothesis Test ---------- 53

List of Figures

Fig. 1: Conceptual Framework ---------- 34

Acronyms:

AMO	Ability, Motivation and Opportunity
HSDP	Health Sector Development Program
HR	Human resources
HRM	Human Resources Management
HRMP	Human Resources Management Practice
SHRM	Strategic Human Resources Management
RBV	Resources Based View
SPSS	Statistical Package for Social Sciences
WHO	World Health Organization

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Human Resource Management can be described as a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations. It has a strong conceptual basis drawn from the behavioral sciences and from strategic management, human capital and industrial relations theories. This foundation has been built with the help of a multitude of research projects (Armstrong, 2010).

Many successful organizations acknowledge the urgency to employ human resource practices in performance evaluation since the employee performance is improved eventually if the HR practices were improved (Ong, 2018). HR practices of an organization can be its competitive advantage. This is because the human capital can be used to improve 4M which are material, machine, money and methods and the most critical reason is that human resources vary among organizations; it is unique and inimitable (Shaukat, Ashraf, & Ghafoor, 2015).

The effect of human resource management practices on employee performance has been the concentrated research area in recent past and a lot of studies have been conducted to validate this relationship. These studies found a positive relationship between almost each human resource management practice and employee performance (Waqas, 2016).

In HRM research, there are two dominant normative models influencing how firms should make decision in workforce management: the 'best-fit' model and 'best-practice' model (Boxall & Purcell, 2000). The 'best-fit' model postulates that HR strategies will be more effective if they fit certain critical contingencies in the business environment, e.g. social, industry and organizational factors. On the contrary, the advocates of the 'best practice' model display universalism and adopt 'best practice' in the way they manage the workforce. Boxall & Purcell (2000) concluded that most firm HR strategies are created to suit environmental contingencies, favoring the 'best-fit' model.

However, it does not invalidate all 'best practice' thinking. In general, the HRM practices deployed by organizations are staffing i.e. HR planning, recruitment and selection; HR development i.e. training, development and career planning and development; compensation i.e. direct and indirect financial compensation and nonfinancial compensation; safety and health; and employee and labor relations (Mondy, 2010). HRM practices enable the shaping of employees' skills, abilities, values, belief, attitudes and behaviors through hiring, socializing and developing a firm's pool of human resources. For instance, providing training and development to employees, such as on-the-job training, job rotation, coaching, mentoring, in-basket training, case study etc. can help to improve the knowledge, skills, experience, abilities and motivation of employees (Abdul, 2016).

The impact that different dimensions of human resource (HR) practices have on employee performance has attracted a lot of attention in the human resource management (HRM) literature over the past 25 years (Van De et.al. 2015). In the past two decades, researchers also began to focus more directly on employee-centered outcomes such as employee well-being and to look more closely at the effect that HR practices have on employee well-being (Jiang *et al.,* 2012). The role of employee well-being as a mechanism through which HR practices affect employee performance has also been studied (Van De et.al. 2015).

For organizations to maximize their efficiency in existing markets while maintaining a focus on creating future innovations, employees need to perform their given duties and be efficient in them. Simultaneously, employees need to search, discover, experiment, take risks and innovate (Patel *et al.,* 2013). Organizations need to find the correct balance between utilizing rules and procedures to make employee performance predictable, i.e. in-role job performance, while providing employees with the freedom to spontaneously innovate to adapt to challenges and a typical situations, i.e. innovative job performance (Muñoz-Pascual & Galende, 2017). When investigating the effect of different dimensions of HR practices on employee performance, it is thus necessary to examine both dimensions of employee performance: in-role job performance and innovative job performance.

In-role job performance is defined as 'actions specified and required by an employee's job description and thus mandated, appraised, and rewarded by the employing organization'

(Janssen & Van Yperen, 2004). In-role job performance ensures that work behavior becomes predictable so that basic organizational tasks can be coordinated and controlled in order to achieve organizational goals (Fu *et al.,* 2015).

Innovative job performance is defined as 'the intentional generation, promotion, and realization of new ideas within a work role, work group, or organization in order to benefit role performance, a group, or an organization' (Janssen & Van Yperen, 2004). This type of performance involves complex and challenging assignments involving a variety of cognitive and social actions, such as generating, promoting, discussing, modifying and eventually implementing creative ideas (Janssen & Van Yperen, 2004). Innovative job performance aims to develop and apply novel ideas and practices for which the necessary knowledge and strategies have yet to be learned. Innovative job performance incorporates change that can lead to resistance because of the insecurity and uncertainty it may generate (Fu *et al.,* 2015; Muñoz-Pascual & Galende, 2017).

Performance is about behavior or what employees do, not about what employees produce or the outcomes of their work. Perceived employee performance represents the general belief of the employee about his/her behavior and contributions in the success of organization. Employee performance may be taken in the perspective of three factors which makes possible to perform better than others, determinants of performance may be such as "declarative knowledge", "procedural knowledge" and "motivation" (Waqas, 2016).

According to Armstrong (2010), commitment, motivation and job satisfaction, either together or separately, will be higher when people positively experience the application of HR policies concerned with creating an able workforce, motivating valued behaviors and providing opportunities to participate. In today's competitive and rapidly changing business world, organizations especially in the service industry need to ensure maximum utilization of their resources to their own advantage; a necessity for organizational survival. At companies with effective HRM, employees and customers tend to be more satisfied, and the companies tend to be more innovative, have greater productivity, and develop a more favorable reputation in the community (Nongmaithem, et.al, 2016).

According to Abdul (2016), employees' motivation plays a significant role in health sector as it directly corresponds to employee retention and overall delivery of quality service of the concerned health institution. The overall success of the health institution depends on the services quality provided by them to their visitors (Abdul, 2016). Hence, the prime concern of the health institution is to motivate the employees so as to facilitate such an endeavor of the visitors. In other words, job satisfaction is important for retaining and encouraging employees to serve the customers and provide them with better services (Chen, 2013).

According to Peidi (2016), the performance of the employees plays an important role in determining the success of the health sector as the employees are the one of the most vital assets in this sector. This is because the hospitality industry is manpower-intensive for which the health institutions, particularly hospitals and medical centers need to emphasize on the performance of the employees and should take appropriate measures for enhancing their performances. Further, the performance of the employees is crucial in the sector as the visitors have direct interaction with the employees. Thus, it is essential for the managers and all concerned to identify factors that affect the employees' performance and work hard to raise the performance of the employees besides concentrating on the amenities and other physical facilities (Peidi, 2016).

According to World Bank Survey Technical Report, (Ummuro 2018), HRM in the Ethiopian health sector is reportedly still not valued and this lack of recognition has contributed to high levels of attrition even among the new HRM staff. While no study has been conducted to ascertain the degree and causes of attrition for this cadre, anecdotal evidence points to a couple of push factors, including: low salaries, lack of a discernible career pathway with opportunities for promotions, and lack of access to further education and professional development (Ummuro, 2018).

To sum up, the systematic studies that linked HRM practices and performance were published by (Gerhart & Milkovich, 1992; Arthur 1994; Huselid, 1995; MacDuffie, 1995; Guest, 1997). Thereafter a large number of researches were conducted on different sectors of different countries. Most of the researches showed significant impact of HRM practices on employee's performance. Employee performance is directly linked with performance of the organization. The successful organizations consider the HRM practices as a crucial factor that directly

affects the employee's performance. Boselie et al. (2005) stated that in 104 research studies, HRM was taken as a set of employee management practices. Delery & Doty (1996) described seven HRM practices that are relevant to overall organizational performance, some of them were discussed in the literature part of this paper. Pfeffer (1994) argues that organizations must hire skilled and capable employees in order to be successful in today's global environment. Actual HR practices are applied by line managers on a daily basis that positively impact employee's perception about HRM practices applied to them (Purcell and Kinnie, 2007). The successful implementation or failure of HRM practices depends on the skills of the managers (Guest, 2011).

Thus, this brief background clearly shows that there are a lots of work to be done to examine the human resources practices of the selected medical institution. Although the HRM practices are many, the researcher focused only on five HRM practices- recruitment & selection, training & development, remuneration, performance appraisal and staff career growth plan. Further, the research examines key findings that contribute both positively and negatively and suggest further recommendations for further improvements.

1.2. Statement of the Problem

According to Abebe (2015) development of frontline and middle-level health professionals has been one of the eight priorities of Ethiopia's health policy since 1993 and a key component of successive health sector development programs. The main objectives of the HSDP IV are increasing staffing at all levels of the health service pyramid and the establishment of effective human resource management systems. A strategic plan for human resources for health was developed in 2008. The plan details human resource planning, management, education, training and skill development, legal frameworks, and financing mechanisms.

Availability of staff – both those who directly deliver services to the community, and health managers and support staff – is relatively poor. For many years, the number of health workers was extremely limited, with an estimated 100–200 medical doctors and 25–30 midwives

deployed annually (CABRI, 2016). Retention is also a major issue, with up to one-quarter of doctors, as measured over the first 50 years of medical education in Ethiopia, leaving the profession or the country (CABRI, 2016). In Ethiopia, there is concern that low health worker motivation and productivity may be undermining the success of ambitious health sector reforms that the government has introduced over the past decade (Ummuro, 2018).

A survey on quality of health services management mentioned the following as key problems: work overload, staff shortages, and unclear or misunderstood job descriptions, budget shortages, unfair promotions, not getting annual leave at the right time, lack of transport facilities, lack of a safety policy and protective materials, and inadequate care for sick health workers (Abebe, et.al 2015).

Moreover, according to Samuel, et.al (2008), weak human resource management (HRM) practices have had a detrimental impact on Ethiopia's public health sector, undermining organizational effectiveness and the delivery of health services. Human resource (HR) offices have lacked the structure and staffing to handle the volume and scope of work. According to participatory HRM capacity assessments, other challenges included lack of training and supportive supervision for HR staff, weak situation assessments and planning, and no job descriptions. These weaknesses have contributed to delayed recruitment, insufficient training, inequitable urban-rural distribution, inadequate incentives, and difficult working conditions. Poor management practices have, in turn, reduced motivation, retention, and performance of health personnel (Samuel, et al, 2008*).*

Poorly implemented performance appraisal can lead to employees quit due to results; false or misleading information utilization; lowered self-esteem; wasted time and money; damage of relationships; decrement in motivation to perform; and employees suffer from job burnout and job dissatisfaction. There is increased risk of litigation; managers are required to use an unjustified amount of resources; standards and ratings vary and are unfair; biases can replace standards. In practice, there are many possible errors or biases in the performance appraisal process mostly caused by raters. These errors affect the objectivity of the appraisal very much (Terecha, et.al, 2019).

The survey conducted on some health professionals by Firew (2019) revealed that health managers clearly indicated that management practices, incentive packages and work climate affect health workers' job satisfaction and turnover intention. Most of the managers indicated their organizations had limitations in paying fair salaries and benefits and creating conducive work climate. And, further recommended that the perceptions of health managers should be part of the policy dialogue and decision-making process in the health sector.

Tsion, et al (2016) in their survey study on Physician distribution and attrition in the public health sector of Ethiopia concluded that improving benefits and creating conducive work environment might improve the situation, particularly for those who are interested to work in the public health sector because the role of intrinsic and motivational factors are reported in similar study. Additionally, most of those studies have found that health workers in Ethiopia tend to be dissatisfied with many aspects of their job, especially their salary and benefits, access to training opportunities, and chances of promotion (Ummuro, 2018).

According to Ummuro, (2018), Principal Technical Advisor and Global Technical Lead Human Resources for Health Management Sciences for Health titled *"Improving Human Resources Management in Health Sector to Improve Health Outcomes- Results and Lessons from Ethiopia",* in Ethiopia and other low resource settings, most workforce performance problems can actually be attributed to unclear job expectations, inadequate supportive supervision, skills deficit, resource or equipment shortages or a lack of motivation. These causes are often rooted in a generally weak health system, low salaries, difficult working and living conditions and inappropriate training – all factors that are manifest in the Ethiopian health system.

Abraham (2018), in his article, "*How Can Ethiopia Mitigate the Health Workforce Gap to Meet Universal Health Coverage*?" concluded that, the major challenges in the current and future health system pertaining health workforce are related to number, quality, skill-mix, distribution, attrition and career path. He also further recommended that to improve the in-service trainings to continually improve the knowledge and skill of practitioners and also lesson the dissatisfaction by the community and the provider; and create conducive career

path for all, working environment, remuneration scheme as well as considerate management and leadership system.

In view of these interlinked problems between the HRM practices and employees' performance in the Ethiopian health sector, the researcher undertook this research work to examine the effect of HRM practices on the employees' performance with specific focus on St Paul's Hospital Millennium Medical College.

It is worthy to note there are some practices that form the core of the various proposed lists of practices. Five of these practices are selected for this study based on their significance in the literature reviewed, their impact and measurability. These are:

i) Recruitment and Selection;
ii) Training & Development;
iii) Remuneration (Compensation);
iv) Performance Appraisal; and
v) Staff Development (Career Growth Plan).

1.3. Objectives of the Study

1.3.1. General Objectives

The general objective of this study is to assess the effect of selected HRM practices and to identify the extent of these practices on the performance of employees of the St Paul's Hospital Millennium Medical College.

1.3.2. Specific objectives:

I. To examine the effect of **Recruitment and Selection** practices on Employees' performance;

II. To investigate the effect of **Training and Development** on the employees' performance in achieving organizational goals;

III. To examine the effect of **Remuneration** on Employees' performance in achieving organizational goals.

IV. To examine the effect of **Employees' Appraisal system** on employees' performance; and

V. To evaluate the effect of **Staff Development (career growth)** on employees' performance.

1.4. Research Hypothesis

1.4.1 The study attempted to test the following research hypothesis:

H1. There is positive correlation between Recruitment & Selection practices and Employees' performance;

H2. There is positive correlation between Training & **Development** and employees' performance;

H3. There is positive correlation between Remuneration and Employees' performance;

H4. There is positive correlation between Employees' Appraisal system and employees' performance; and

H5. There is positive correlation between Staff Development (career growth plan) and employees' performance.

1.5. Significance of the Study

The health sector is full of challenges due to its human elements. The services rendered in the sector are very delicate and need serious attention and dedication of its staff. The dedication and commitment of health staff is highly dependent on the way these staff are handled and this has direct impact on their performance. It is a recognized fact that HR occupies a unique and sensitive position in the health sector; therefore, a study of this nature will help the selected St Paul Hospital to appreciate the contribution of HRM practices on employees' performance. This study will prompt policy makers and implementers to pay due attention to HRM practices and the role of HRM strategies in achieving organizational goals. The academic significance of this work is to add to existing theories on HRM, serves as reference to those engaged in other related studies. and creates margin for another research into HRM and employees' performance in general and Ethiopian health sector in particular.

1.6. Scope of the Study

The study is focusing on the effects of selected Human Resources Management Practices: (recruitment & selection, training & development, remuneration (compensation), performance appraisal and staff career growth plan) on employees' performance of St. Paul's Hospital Millennium Medical College located in Addis Ababa. As the Hospital is the second largest medical institution in the country, it has relatively big staff size in terms of professional and support staff. Thus, the study result generated from this study may be helpful for policy makers in the Ethiopian health sector and for further studies in the field as well.

1.7. Operational Definition of Terms

***Human resource management*:** A distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of highly committed and capable workforce, using an integrated array of cultural, structural and personnel technique (Storey, 1995).

***Human resource development**:* is the integration of individual, career and organization development roles in order to achieve maximum productivity, quality, opportunity and fulfillment of organizations members as they work to accomplish the goals of the organization (Pace, *1991).*

***Recruitment & Selection*:** This is concerned with identification, attraction and selection of the qualified person meeting the job requirements of the organization Recruitment and selection are the initial process to evaluate staff (Okpata, 2010).

Training & Development: Training and development refer to any effort to improve current or future employees' skills, abilities, and knowledge (Aswathappa, 2008).

Remuneration: refers to all types of compensation or reward received for services or employment. This includes a base salary and wage includes allowances, bonuses, and other economic benefits that an employee or executive receives arising from their employment (Dessler, 2007, Armstrong, 2009). Used synonymously/interchangeably with reward.

***Performance appraisal*:** Performance appraisal is a process that is carried out to enable both the individual and the organization to analyze, examine and evaluate the performance of

specified objectives over a period of time; this process can take up formal and informal forms (Mathis, et al., 2007).

Career Growth: A formal approach taken by an organization to help its people acquire the skills and experiences needed to perform current and future jobs.

***Employees' Performance*:** a combination of staff available (retained and present) and staff being competent, productive and responsive (WHO, 2010).

1.8. Organization of the Paper

This work is organized into five chapters. The first chapter is the introductory chapter and it comprises; background to the study, statement of the problem, research questions and research objectives. It also covers the significance of the study and the sequential arrangement of the study. Chapter two provides a broad background for the subsequent chapters and an extensive review of existing research works on the concepts and theories which give a better understanding of the subject matter. Chapter three encompasses the methodology to the study, which includes research design; procedure and method; population covered by the study; description of the study area; sampling techniques; instruments; data collection procedure and analysis. Chapter four focuses on data analysis and interpretation of the results and discussions, while Chapter five embodies the conclusions drawn based on the findings of the study upon which recommendations are made as well as directions for future research on the subject matter.

CHAPTER TWO
REVIEW OF LITERATURE

2.0. Introduction

In this chapter various literatures and research findings relevant to this research work were reviewed from secondary sources. The first section begins with theoretical review on the human resources management practices and their linkage with employees' performance. In the second section empirical findings are reviewed which are relevant to the subject under consideration. At the end of the chapter, conceptual framework is developed based on the variables (recruitment & selection, training & development, compensation, performance appraisal and staff career growth plan) – independent and employees' performance – dependent variable. A figure is drawn to show relationship of the independent and dependent variables.

2.1. Theoretical Review

2.1.1. Definition of Human Resources Management (HRM)

Armstrong (1987) refuted the traditional argument of 'HRM as a replacement of the term personnel management in organizations' and sees this concept as 'old wine in new bottles'; while Guest (2002) argued that human resource management is not a replacement but somehow differs from personnel management. Practically, it suggests that Human Resource (HR) tasks are majorly concerned with administrative activities such as recruitment, reward systems, promotion, and so on. However, it does not make HR administrators 'having a seat at the table' meaning that HR administrators is not regarded as a strategic business partner, therefore does not contribute to the success of the business.

Storey (1995) defines HRM as a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques; while Byars & Rue (2000) saw HRM as activities designed to provide for and coordinate the human resources of an organization.

Though the term HRM is widespread, the definition of the term has remained varied and elusive. Storey (1995) therefore defines HRM as: *"A distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of highly committed and capable workforce, using an integrated array of cultural, structural and personnel technique"*. The term Human Resource Management (HRM) is a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations. Som, (2008) described HRM as carefully designed combinations of such practices geared towards improving organizational effectiveness and hence better performance outcomes.

2.1.2. Theories of HRM Practices

There are several theories underpinning the practice of HRM. Two of these theories; Resource-based View and Ability and Motivation and Opportunity theories appear to be the most popular theoretical frameworks applied in the studies that link HRM and organizational performance. The Resource-Based View (RBV) theory which blends concepts from organizational economics (Penrose, 1959) and strategic management (Barney, 1991) has it that HRM delivers added value through the strategic development of the organization's rare, valuable, imperfect to imitate and hard to substitute human resources. The RBV establishes that competitive advantage no more lies in natural resources, technology or economies of scale, since these are easy to imitate but rather competitive advantage is dependent on the valuable, rare and costly and hard-to-imitate resources that reside with the human resources of an organization. HRM's role is to ensure that the organization's human resources meet those criteria.

A basis for our theoretical reasoning is the "mutual-investment" model (Tsui, et.al., 1997). The maxim of the mutual-investment model is the following: when the employer looks after its employees, its employees will look after it. When the employer signals that it takes care of the well-being of its employees, employees will react with more good will, commitment and willingness to cooperate. Tsui et al. (1997) add a layer of explanation to existing efficiency-wage models with their argument that the employment relationship is not only made up of a single layer of (predominantly) financial exchange, but that a further layer involving social

exchange also exists. In this layer of social exchange, the employer and employee exchange goods that have not been agreed upon beforehand. A way for the employer to offer employees these types of "social" goods is to give employees opportunities for career enhancement.

In the context of the mutual-investment model (Tsui, et al., 1997; Tsui & Wang, 2002), the internal and strategic fits within an organization are considered to be either job focused or organizational focused. When an organization takes a job-focused approach, the focus is on short-term rewards and direct compensation. This results in a series of short-term economic exchanges between employer and employee. When the organization takes a more organizational focused approach, the focus of the exchange is more long term. There is a greater emphasis on training, and employees are given, for instance, more job security. This results in a more stable exchange relationship between employer and employee. In this case, we expect that employees will show more cooperative behaviors as a response to the investments of the employer. Long-term relationships are predicted to foster cooperation (Axelrod, 1984). When modern-day employers are able to create such a long-term reciprocal relationship, where both parties invest in each other, they are creating g a highly-skilled, motivated, loyal and cooperative workforce for their organizations.

Experimental research has shown that employer investments in the labor relationship cause employees to react with more willingness to cooperate. Survey research has also revealed that when employers show that they aim to establish a long-term stable employment relationship, employees react with more cooperation (Tsui et al, 1997). Employees can cooperate with their co-workers as well as with their supervisors (Koster, 2005). Cooperation with coworkers can take the form of helping out, or thinking up solutions for a problem a co-worker has. Cooperation with the supervisor can consist of suggesting improvements on the production process, finishing tasks even when it is inconvenient, or helping out when something has gone wrong, even when the employee him/herself is not responsible.

The Ability, Motivation and Opportunity (AMO) theory also argues that the formula; Performance = Ability + Motivation + Opportunity to participate provides the basis for developing HR systems that attend to employees' interests, namely their skill requirements, motivations and the quality of their job (Appelbaum et al, 2000; Boxall & Purcell, 2003).

HRM practices therefore impact on individual performance leading to overall organizational performance if they encourage discretionary efforts, develop skills and provide with the opportunity to perform.

Adding to the array of concepts and theories is the term Human Capital which was originated by Schultz (1961). Human capital is the stock of competencies, knowledge, experience, social and personal attributes including creativity and innovation, embodied in the ability to perform work so as to produce economic value. Dess & Picken, (1999) asserted human capital is generally understood to consist of the individual's capabilities, knowledge, skills and experience of the company's employees and managers, as they are relevant to the task at hand, as well as the capacity to add to this reservoir of knowledge, skills and experience through individual learning. This theory is concerned with how people contribute their knowledge, skills and abilities to enhancing organizational capability and the significance of that contribution. This is rather broader in scope than human resources.

The management of human capital in organizations has become to be seen a critical factor in maintaining and improving organizational performance (Bowen & Ostroff, 2004). Research has shown that the people in organizations are an important variable when it comes to trying to stay ahead of the competition and that Human Resource Management (HRM) can play a decisive role in organizational performance (Boselie, et.al. 2005).

HRM is assumed to affect knowledge, skills, abilities attitudes and behavior of employees, and may therefore affect the performance of an organization (Den Hartog, et.al. 2004). The alignment of HRM with the organization strategy (*strategic fit*) and the alignment of the various HRM practices, such as career opportunities, training and appraisal, within the organization (*internal fit*) are assumed to be important factors in explaining the link between HRM and organizational performance. When HRM within an organization is well aligned, the employees know what is expected of them, may therefore act similarly and have uniform expectations about work and behavior (Baron & Kreps, 1999).

2.2. Empirical Review

2.2.1. Human Resource Management Practices

According to Chandler & McEvoy (2000) one of the lingering questions in HRM research is whether or not there exists a single set of policies or practices that represents a universally superior approach to managing people. Theories on best practices suggest that universally, certain HRM practices either separately or in combination yield improved organizational performance.

In a notable research work carried out by Appelbaum et al, (2000) who investigated the links between high performance work systems and performance in a major study of 44 manufacturing sites in steel, apparel and medical equipment between 1995 and 1997; they identified three types of generic people management practices which they thought were critical to organizational performance. Placing more emphasis on recruitment, selection and learning, they opined that skill enhancing practices are important because changes in work organization are only effective if employees have adequate skills to take up these opportunities. Motivation enhancing practices are critical because even if it is assumed that employees have the skill and opportunity, it is essential that they have the motivation in order to take up these opportunities. Finally, involvement enhancing practices are concerned with designing online work systems and offline involvement activities so that employees have the chance to become involved and participate in decision making.

There is a strong indication that the key to activating what is called the 'People-Performance link lies not only in well-crafted' bundles of HR practices, but in their conjunction with a powerful and cohering organizational vision and corporate leadership together with front-line leadership's action and use of discretionary power. Previous studies have shown that implementing HRM practices is an important means through which favorable outcomes can be promoted; Guest (2002) has argued that the impact of HRM on performance depends upon worker's response to HRM practices, so the impact will move in direction of the perception of HRM practices by the employee. It has been proven that the presence of strong recruitment and selection practices, promotional opportunities, grievance resolution mechanisms, flexible benefit plans, employee responsibility, autonomy and team work were found to relate positively to organizational commitment while compensation cuts were negatively associated

with organizational commitment (Fiorito, et.al. 2007). Also promoting organizational commitment is satisfaction with and perceived adequacy of career development, training opportunities and performance appraisal (Kuvaas, 2008). Research into the relationship between HRM and work engagement though scanty shows that job characteristics such as autonomy, task identity, skill variety, task significance, the job and feedback; job resources (feedback, social support and supervisory coaching); and organizational resources like autonomy, training and technology have a positive impact on work engagement (Saks & Rotman, 2006).

HRM practices are argued to initiate positive exchange relationships especially when mangers are able to provide evidence of consideration and concern for needs of the individual worker (Gould, 2007). There seem to be no agreement on what constitutes HRM practices. Over the years, researchers have proposed various lists of practices; however, there is no agreement on what or which qualifies as an aspect of HRM. It is worthy to note there are some practices that form the core of the various proposed lists of practices. Five of these practices are selected for this study based on their significance in the literature reviewed, their impact and measurability. These are:

vi) Recruitment and Selection;
vii) Training & Development;
viii) Remuneration (Compensation);
ix) Performance Appraisal; and
x) Staff Development (Career Growth Plan).

2.2.1.1. Recruitment & Selection

According to Mondy, (2010), recruitment includes sourcing candidates by advertising or other methods, screening potential candidates using tests and interviews, selecting candidates based on the results of the tests or interviews, and on-boarding to ensure that the candidate are able to fulfil their new roles effectively. Recruitment form a major part of an organization's overall resourcing strategies, which identifies and secures people needed for an organization to survive and succeed in the short to medium-term (Clarke, 2008). Recruitment activities involve either external candidates from outside organizations or current employees, in which

case it is called internal recruitment. The success of recruitment depends upon its ability to create a large pool of competent applicants. There are numerous sources of recruitment which may be categorized into two: internal and external (Aswathappa 2008). The internal sources of recruitment are present employees, employee referrals. External sources of recruitment are the professional associations, newspaper advertisements, campus recruiting, unsolicited applicants, management consulting firms, and internet. The key recruitment channels used to attract applicants include: advertisements in local newspapers; recruitment agencies/search firms; corporate websites; specialist journals; encouraging speculative applications; employee referral schemes, and national newspaper advertisements (Mondy, 2010).

Recruitment and selection can play a pivotally important role in shaping an organization's effectiveness and performance, if work organizations are able to acquire workers who already possess relevant knowledge, skills and aptitudes and are able to make an accurate prediction regarding their future abilities. Recruitment and selection also have an important role to play in ensuring worker performance and positive organizational outcomes. It is often claimed that selection of workers occurs not just to replace departing employees or add to a workforce but rather aims to put in place workers who can perform at a high level and demonstrate commitment (Ballantyne, 2009). Recruitment and selection in any organization is a serious business as the success of any organization or efficiency in service delivery depends on the quality of its workforce who was recruited into the organization through recruitment and selection exercises (Ezeali & Esiagu, 2010). It has been emphasized that recruitment procedures that provide a large pool of qualified applicants, paired with a reliable and valid selection regime, will have a substantial influence over the quality and type of skills new employees possess (Okoh, 2005). For Mondy (2010), the important thing is for some suitable plan to be used, complying with all legal requirements relating to employment and equal opportunities, to follow recommended codes of practice and to ensure justice and fair treatment for all applicants.

According to Clarke (2008), the choice of a particular recruitment strategy by a firm is specific to the resources available to the organization at hand and its environmental dynamics. Boxall, Purcell & Wright (2007), highlight five different questions an organization has to answer to have an effective recruitment strategy in order to pursue its survival and success. Those

questions are: Whom to recruit; Where to recruit; what recruitment sources to use; when to recruit; and what message to communicate. The notion of effectiveness in this study relates to the manner by which organization implements its employment policies. The essence is to understand whether such policies are applied appropriately in the way they have been designed.

Ballantyne (2009) identified some of the problem affecting recruitment and selection as, the increasing pressure for employment, utilization of informal sources of recruitment and delegation of recruitment function. These problems have resulted to inadequate use of job description and standard employee requirement in the process of recruitment. Clarke (2008), indicated that a common problem in recruitment and selection is poor Human Resource Planning (HRM). This is particularly so with recruitment and selection policies and practices. The key goal of HR planning is to get the right number of people with the right skills, experience and competencies in the right jobs at the right time at the right cost. Detailed and robust recruitment and selection policies, such as recruitment and selection procedures, assessing criteria, talents auditing and processing the information about the labor market are important in recruiting and deploying appropriate employees at the right time.

Mondy (2010), affirmed that recruitment and selection experience can also impact on the likelihood that a candidate will accept a job offer and on their subsequent commitment to remaining in the organization. Previous research shows that the competency level of HR managers has a major influence on recruitment and selection and experienced HR experts within the HR department will not only shorten vacancy duration, but also improve the quality of the applicants. Moreover, effective recruitment and selection is possible only if there is a dedicated and competent HR team (Clarke, 2008). Mondy (2010), referred to selection as 'the process of choosing from a group of applicants those individuals best suited for a particular position in an organization.' Whereas the recruitment process is aligned to encourage individuals to seek employment with the organization, the selection process is to identify and employ the best-qualified and suitable individuals for specific positions.

Traditionally, it was assumed that organizations could choose amongst applicants and that they would accept all job offers. However, attracting a large number of applicants was not the

problem, but recruiting the right applicants became the main concern amongst employers (Branine, 2008). With the oversupply of unskilled applicants, it can be assumed that employers would be very careful before selecting any applicants (Nzukuma & Bussin 2011). Employer decisions about the selection of employees are central to the operation of organizations and to a series of outcomes that matter to individuals, organizations, and society.

According to Gamage (2014) the objectives of selection function are to get the right person to the right job, establish and maintain a good image as a good employer, and maintain the selection process as cost effective as possible. Selection is an extremely important aspect to consider for businesses due to a number of reasons. Often the performance of businesses relates directly to the people working within it, meaning the right people need to be hired to ensure organizational success (Henry & Temtime, 2009). It is also an expensive process to hire someone new into the organization. So, it is not something organizations want to put time and money into just to find they have hired somebody who is not suitable. It is vital that organizations get the process right the first time round, because resources are scarce enough as it is. Selecting the right applicant can be a difficult task, but at the end of the day, the organization's reputation is held by the people it employs (Henry & Temtime, 2009).

2.2.1.2. Training & Development

Training is imparting a specific skill to do a particular job while development deals with general enhancement and growth of individual skill and abilities through conscious and unconscious learning. The main purpose of training and development is by improving the employee competencies so that organizations can maximize efficiency and effectiveness of their human assets. Armstrong (2009) clearly stated in his book that organizations could benefit from training and development through winning the ―heart and minds of their employees to get them to identify with the organization, to exert themselves more on its behalf and to remain with the organization.

Training and development are considered to be the most common HR practice (Thomas, 2009). Training and development refer to any effort to improve current or future employees' skills, abilities, and knowledge (Aswathappa, 2008). Thang & Buyens (2008) through

reviewing 66 studies conducted in different parts of the world opined that training and development leads to superior knowledge, skills, abilities, attitudes and behavior of employees that eventually enhance organizational performance. Training refers to the methods used to give new or present employees the skills they need to perform their jobs (Dessler, 2008). Training is the planned and systematic modification of behavior through learning events, programs and instruction which enable individuals to achieve the levels of knowledge, skill and competence needed to carry out their work effectively (Armstrong, 2006). Dessler (2008) argued that the training process starts with determining what training is required. Analyzing training needs depends on whether you are training new or current employees. The main task in analyzing new employees' training needs is to determine what the job entails and to break it down into subtasks, each of which you then teach to the new employee. Analyzing current employees' training needs can be done through task analysis and performance analysis.

McDowall et al. (2010) argued that the recognition of the importance of training in recent years has been heavily influenced by the intensification of competition and the relative success of organizations where investment in employee development is considerably emphasized. They add that technological developments and organizational change have gradually led some employers to the realization that success relies on the skills and abilities of their employees, and this means considerable and continuous investment in training and development. Apospori (2007) deduced that there is a considerable impact of training on organizational performance. Training and development increase the employee performance. Taking training and feedback together or separately they, both are very important and have a very important role to achieve the organizational goals and targets.

Training and development enhances job productivity, positive attitude of employee allowing to acquire superior knowledge, skills and abilities (Tangthong, 2014). Likewise performance appraisal, reward and compensation motivates employees to stay focused and engaged (Tay, 2011). While career development and supervisor support increase the employees' organizational loyalty and reduce the negative thoughts towards the organization (Merchant, 2013). Employee performance depends on many factors like job satisfaction, knowledge and management but there is relationship between training and performance (Chris, 2010). This

clearly shows that employee performance is important for the performance of the organization and training & development is beneficial for the employee to improve his performance.

According to Dessler (2008), the training process starts with determining what training is required. Analyzing training needs depends on whether you are training new or current employees. The main task in analyzing new employees' training needs is to determine what the job entails and to break it down into subtasks, each of which you then teach to the new employee. Analyzing current employee' training needs can be done through task analysis and performance analysis. In the present economy training and development is among one of the key human resource management practices which leads to skills, abilities, superior knowledge, positive attitude and behavior of employees resulting the organization in profit (Tangthong, et al., 2014). This includes on-the job training, off-the job training, job rotation, coaching & mentoring, and employee development. On-the-job training improves work efficiency, develops interest in work, gives satisfaction and reinforces the commitment towards the organization leading to employee retention (Cambridge, 2014).

Tzafrir (2006) in his study entitled: "Human resource performance practices in managing human resource" found that combined effect of training and development along with career development opportunities have a significant influence on employee performance (Moon, & Li, 2012). These employees are motivated to train themselves in order to enhance their career opportunities and develop themselves. This cause employee to be motivated and retain in the organization. Mostly employees are not much interested in training and development if that training is not linked with career development (Ramlall, 2013). Training is the planned and systematic modification of behavior through learning events, programs and instruction which enable individuals to achieve the levels of knowledge, skill and competence needed to carry out their work effectively (Armstrong, 2009).

Iranzo, et.al (2008) in their paper "*skills dispersion and firm productivity*" pointed out that the right measure of skills has remained quiet controversial. The most common proxies have been the educational attainment and experience, by themselves or as the basis for the construction of more sophisticated measures of human capital. However, this are only measures of formal skills that only imperfectly reflect innate differences in ability and informal skills, such as

accuracy on the job or communication ability. They further note that the productivity of each worker depends on the skills of other workers in the firm as well.

2.2.1.3. Remuneration (Compensation)

The reward system consists of all organization components- including people, process, rules and decision-making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organizational (Puwanenthiren, 2011). Armstrong (2009), on his part defined the reward system as consisting of a number of interrelated processes and activities which combine to ensure that reward management is carried out effectively to the benefit of the organization and the people who work there. Puwanenthiren (2011) also identified three main components of a reward system to include; compensation, benefits and recognition. According to Armstrong, (2009) these components encapsulate the total rewards in an organization which include transactional and relational rewards. Benefits are described as forms of value other than payment that are provided to employees for their contribution to the growth of the organization. Benefits can come in two forms- tangible and intangible benefits. Tangible benefits include contribution to retirement plans, life insurance, vacation pay, holiday pay, employee stock ownership plans, profit sharing and bonuses, etc. Intangible benefits on the other hand include, appreciation from a boss, likelihood for promotion, office space, etc. Puwanenthiren (2011) asserted that compensation is described as base pay and or variable pay. Base pay is tied to the value of the job to the organization in relation to the market value and the expertise required to performing the job. While variable pay is based on the performance of the person in that role which include achieving set targets. Examples of variable pay are bonuses. In considering the deployment of a robust reward system, the employer has to consider several options ranging from decisions on whether the reward would be periodic or instantaneous, cost savings or profit based individual or group based. All these ingredients are very vital to designing a good reward system. Compensation refers to all types of pay or rewards going to employees and arising from their employment (Dessler, 2007). Compensation is very much important for employees because it is one of the main reasons for which people work. Employees' living status in the society, satisfaction, loyalty and productivity are also influence by the compensation (Aswathappa, 2008).

In a globalized world characterized by competition, access to latest technology and communication systems, and an unfettered access to financial markets around the word, the ability to attract and retain qualitative workforce, as well as keep them highly motivated has however become a great challenge. Employers now require their employees to do more with less, while employees on their part, are asking for more incentives. This requires that organizations should device a system that will strike a balance, if they want to continue to have increased performance.

Puwanenthiren (2011) noted that organizations are increasingly realizing that they have to establish an equitable balance between the employees' contribution to the organization and the organization's contribution to the employee. He went further to say that establishing this balance is one of the main reasons to reward employees. To motivate behavior, the organization needs to provide an effective reward system. A reward strategy is a declaration of intent that defines what the organization wants to do in the longer term to develop and implement reward policies, practices and processes that will further the achievement of its business goals and meet the needs of the stakeholders (Armstrong, 2006). An effective reward system has four elements: rewards need to satisfy the basic needs of all employees; rewards need to be included in the system and be comparable to ones offered by a competitive organization in the same area; rewards need to be available to people in the same positions and be distributed fairly and equitably. Managers often use rewards to reinforce employee behavior that they want to continue. According to Osemeke (2012), reward power is available when the manager confers rewards in return for desired actions and outcomes. A reward is a work outcome of positive value to the individual (Armstrong, 2009).

According to Branine (2008), an organizations employee compensation policy and practice is important in implementing a strategy. A company that adopts a compensation policy that is consistent and reinforces its strategies is more likely to implement those strategies than a firm that adopts compensation policies that are inconsistent with its strategies (Armstrong, 2009). A reward strategy should enhance commitment and engagement and provide more opportunities for the contributions of people to be valued and recognized.

According to Ridde (2010) paying for performance is a big issue in contemporary human resources management; organizations have long believed that productivity improve when pay is linked to performance and payment by results systems and incentives are developed to support this belief. Studies have found a positive relationship between performances related pay and performance. People receive extrinsic or intrinsic rewards. Extrinsic rewards e.g. pay bonuses, promotions, time off, special assignments, office fixtures, awards and verbal praise are externally administered (Armstrong, 2009, Dessler, 2006). Intrinsic rewards are self-administered (Dessler, 2006). The overall reward system needs to be revised because all people are different, managers must provide a range of rewards, pay, time off, recognition, or promotion (Armstrong, 2009). Rewards demonstrate to employees that their behavior is appropriate and should be repeated. Different scholars have spoken strongly on the use of team incentives, for example, Dessler (2008) says that firms that rely on teams to manage their work must develop incentive plans that encourage teamwork and focus team members' attention on performance. He argues that performance related pay is an effective motivator and conveys a clear message that high levels of performance are expected and will be rewarded. However, they should not be distributed on the basis of narrow definition of the output of each individual, but also on the basis of appraisals of how well the individual contributes to the performance of the team, unit or company as a whole depending on the company structure.

According to KIM (2009), planning of rewards should take on board the reality of more team working in delivering strategy. Establishing meaningful incentives for performance is a difficult task because individuals are unique and maintain different value systems. What may reward one employee may not be a reward to others (Dessler, 2006). Financial incentives and rewards can be true motivators, but only when balanced against the potential drawbacks and packaged with ongoing verbal recognition, encouragement and support. How targets, budgets and rewards are structured will affect the way in which managers and other people behave and pursue the organizational objectives (KIM. 2009). It is also important to consider non-financial rewards which vary according to the nature of the employment relationship and also the personal characteristics of the employee.

Hatice (2012) identified the following non-financial rewards: feeling part of a community, a sense of personal achievement, social recognition and social and societal responsibility. Motivated employees are very productive; and hence help to improve performance (Wright, 2009). Rewards can be broken down into two broad types, intrinsic and extrinsic (Hatice, 2012). Intrinsic rewards are derived from -the content of the task itself and include such factors as interesting and challenging work, self-direction and responsibility, variety, creativity, opportunities to use one‘s skills and abilities and sufficient feedback regarding the effectiveness of one‘s efforts. Extrinsic rewards on the other hand comprise promotions, private office space and the social climate. Other examples include competitive salaries, pay raises, merit bonuses and time-off (Hatice, 2012).

Research has shown that employees derive satisfaction from the work they do in terms of accomplishing set targets, taking up challenging jobs, taking responsibility and working to enhance personal and professional growth. These are regarded as intrinsic rewards because they fill a particular need for employees. Intrinsic rewards according to Thomas (2009): are psychological rewards that employees get from doing meaningful work and performing it well‖. A good reward system that focuses on rewarding employees and their teams will serve as a driving force for employees to have higher performance hence end up accomplishing the organizational goals and objectives. For rewards to be effective, they have to be seen as fair. This means there has to be openness with respect to information about how the reward system operates and how employees will be rewarded. Employees should also be involved in designing the reward system and its administration. In employee recognition process, employees are praised which is a key essential as employees seek the need to be valued and respected. This process increases individual productivity, loyalty, retention and high employee satisfaction (Thomas, 2009).

Extrinsic rewards increase the level of employee performance and satisfaction also found as a strong factor for employee motivation (Shosanya, 2013). Intrinsic rewards were found to be a sustainable source of motivation for employees. Extrinsic rewards are more positive and stronger in relation to intrinsic rewards in retaining employees. Reward and compensation are the forms of tangible benefits and financial returns that an employee receives, however with the emerging economy and the present work environment the rewards and recognition take in

different forms. These include performance-based rewards, employee recognition, non-monetary incentives, extrinsic rewards, and intrinsic rewards. Performance based pay improves employee performance in addition to motivating and engaging employees (Harvey, 2010; Fauzi, et al., 2013).

Performance-based compensation positively influences employees' performance. A research study by Ridde (2010), entitled Impact of HRM practices on employees' performance showed a significant relationship between compensations and employee performance. An effective HRM strategy is to integrate performance and compensation system that enhance employees' will to work effectively and efficiently (Wright, 2009). Tesema & Soeters (2006) indicated a significant correlation between compensation and employees' performance. It is important that employer view compensation practices in a favorable light as compensation practices heavily influence employee recruitment, turnover and productivity.

2.2.1.4. Performance Evaluation

According to Mullins (1999), the process of performance management includes continuous evaluation of employees' behaviors and performance. Employees should clearly know that what is expected of them and how their performance will be measured. An ideal and formalized appraisal scheme should measure properly, the individual's performance, highlight the potential of employees and determine the future needs for training in development. The effective appraisal practice should improve the performance of employees in future. It can also suggest for the rewards and career development of employees. The system which only measures the performance of employees once in a year without providing a continuous feedback and coaching is just a performance appraisal not the complete performance management system because performance management is much more than only measuring the performance (Halachimi, 2005). Performance appraisal is an obligatory process in which a rater measures the employees' traits/behaviors individually and described in a specific time period and the record is maintained by the organization (Coens & Jenkins, 2000).

Performance appraisal is intended to be, for the improvement of employees' productivity and performance as it is a formal process of monitoring the employees (Brown & Heywood,

2005). Employees can be made more productive/efficient and committed toward the organization by using appropriate performance appraisal systems (Brown & Benson, 2003). If performance is measured and supervised properly and correctly, it leads the employees to high job satisfaction and commitment to their profession (Rahman, 2006). A positive relationship lies between performance appraisal and organizational performance (Singh, 2004).

Performance management is much more than only performance measurement (Halachmi, 2005). Employees will use open effort if a fair and appropriate performance appraisal system is applied and is linked with the compensation system (Wright et al., 2003). Organizations can improve and expand their operations by increasing efficiency through the proper use of rewards and performance appraisals (Sekaran, 2009). A positive relationship is present between performance evaluation and employee performance (Tesema & Soeters, 2006). An appropriate performance appraisal system provides basis for evaluation of employees' performance, assess the potential for future career development and most importantly improves the employee performance (Mullins, 1999).

Performance appraisal is an instrument which measures the employee current performance and merely affect the future performance (David et. al., 2010). The effective, productive and efficient employee performance reviews are only possible if there is a healthy and pleasant relationship occurs among the employees and their super-ordinates as well as the continuous discussions about the performance over the year according to the best context of HR practices (Muhammad, et. al., 2010). Development of fair and clear performance standards in any organization can decrease the communication problems and gaps related to performance appraisals feedback among employees and their supervisors (Khurram, et.al. 2008).

Performance appraisal has a positive correlation with employee job satisfaction and negative correlation with employee intentions of turnover but the employee satisfaction to the performance appraisal system is critical as the dissatisfaction with the performance evaluation process negatively affect the employee job performance (Ahmad, et.al. 2010). In human resources management, the performance appraisal is very important too, if it is used fairly, appropriately and logically than it can lead the organizations to their targeted goals and their

employees to their interests but according to the study the currently used appraisal method is weak and in-appropriate and need improvements and reforms (Qadir, et. al., 2010). The results of study emphasis that there is a need to improve the design of present evaluation system or improve the implementation process of the system. Half of the respondents think that existing performance evaluation system does not work for their career development. A study concludes the factors for the improved performance and developing an appropriate and fruitful performance appraisal for the faculty of higher education institutes, which are performance review sittings and performance planning. Performance appraisals are mostly used in the large firms for the younger employees preferably. Females and older employees are not focused during appraisals practice. There are different purposes for the use of performance appraisals, such that bonus payments and making promotion decisions for the evaluated employees (Halachmi, 2005).

2.2.1.5. Career Growth Plan (Staff Development)

Career development is the lifelong process of managing learning, work, leisure, and transitions in order to move toward a personally determined and evolving preferred future (Armstrong, 2009). Career development is defined as "an ongoing, formalized effort by an organization that focuses on developing and enriching the organization's human resources in light of both the employees' and the organization's needs" (Byars & Rue, 2004).

Career growth which encompasses career advancement and career development as a phenomenon has been a major concern to scholars, researchers, decision makers and human resources experts. These stakeholders in human capital development strive to manage issues such as recruitment, selection, training and development, promotion, and so on emanating from career development and career advancement towards career growth (Ikechukwu, et.al. 2017). Research has shown that career growth opportunities is an important determinant of employee–organizational relationships. Organizations that provide mechanisms for employee career growth create a mutual investment type of relationship with their employees (Tsui, *et al.,* 1997), and an employees' career development occurs through a continuous acquisition of managerial or professional skills and experience which may bring about rewards and promotion. Thus, employee's development is a very important part of an organization's

activities and is also related to their business strategies (Belcourt & Wright, 1994). Career development in dealing with individual's development at different career stages not only fulfill an individual's need but also that of the organization (Wang, *et al.*, 2014). An organization uses many activities, techniques and programs that map out their employees' career, which plays an important role in maintaining the balance between an individual's need (job security, development and promotion) and the organization's need - employee's loyalty, trust, commitment (Greenhaus & Callanan, 1994).

Career management activities and development programs can give a supportive climate for organizational development. Armstrong (2001) agreed and pointed out, that today's dynamic environment requires continuous professional and managerial development. He added that career growth is of great importance to both the individual employee and the organization, noting that there is an interaction between the organization for which he/she works and the development of the organization through the employee's career. Conversely, performance is considered to be related with the concepts of ability, opportunity and motivation Ivancevich & Matteson, (2008), and employees being the key element of the organization determines the success or failure of the organization through their performance. Today's employees are more career conscious than ever and are more demanding from their work in terms of fulfillment, personal growth and satisfaction. Hence, employees are expressing a strong desire to pursue more than just a job. They are looking for employment opportunities that promise an extension of their interests, personality and abilities. They want variety of things from their jobs outside a pay check and a few fringe benefits, and their loyalty to the organization depends upon the degree to which their employer satisfies these wants (Bartlett, 2012).

2.2.2. Employees' Performance

World Health Organization (2010) defined employee performance as a combination of staff available (retained and present) and staff being competent, productive and responsive. According to the report when staff members are available their performance is determined by productivity, responsiveness and competence. These elements are influenced by absenteeism motivation and job satisfaction. To achieve employee performance would require putting in place strategies to improve productivity, responsiveness and competences at all levels in an

organization. Khan (2006) defined employee performance as the degree of accomplishment of the task that makes up an employees' job. According to him job performance is determined by: an employees' capacity, which relates to the extent to which an individual possesses the relevant skills, abilities, knowledge and experience to perform; availability of opportunity to perform; willingness which relates to the degree to which an employee both desires and is willing to exert effort towards attaining some level of motivation to perform.

Employees are bound to be much more productive when they work in a positive, supportive environment. Managers must strive to maintain an enjoyable, family-oriented atmosphere in which all employees focus on achieving team goals. According to Dessler (2007) recognition has a positive impact on performance either alone or in conjunction with financial rewards. Praising employees for achieving their goals is important in maintaining an enjoyable work environment. Recognizing success is critical, and equally important is inspiring employees to work toward achievements.

Employee performance is a core concept within work and organizational psychology. It is a multidimensional and dynamic concept. It is a term synonymous with human resources and it is all about performance of employees in a given organization and the level at which the employees perform their work. It has to do with all the job activities expected of an employee and how well those activities are carried out (Kavoo & Kiruri, 2013). Employee performance is also viewed at in terms of outcomes, as well as in terms of behavior (Armstrong, 2009).

According to Kwon (2009), employees' performance is measured against the performance standards set by the organization. These could be productivity, efficiency, effectiveness, and quality and profitability measures and customer feedback. Effectiveness is the ability of employees to meet the desired objectives or target (Subbarao, 2006). Quality is the characteristic of products or services that bear an ability to satisfy the stated or implied needs (Armstrong, 2009). Low performance and not achieving the set goals might be experienced as dissatisfying or even as a personal failure. High performers get promoted more easily within an organization and generally have better career opportunities than lower performance (Salah, 2012). The study by Aswathappa (2010), measured the impact of three HR Practices which were reward and compensation practices, training practices and performance

evaluation practice on perceived employee performance. The results of correlation indicated a significant relationship between these practices and employee performance.

In every organization there are some expectations from the employees with respect to their performance. And when they perform up to the set standards and goals and meet organizational expectations, they are believed to be good performers. This means that effective administration and presentation of employees' task which reflect the quality desired by the organization can also be termed as performance. According to Dessler (2007), employee performance is an individual measurable behavior which is relevant for organizational goal achievement. Employee performance goes beyond the individual factors that include external factors such as reward motivation and work environment. Their performance is measured under four dimensions; quality, quantity, dependability and work knowledge (Malik, et.al. 2011).

According to Cole (2008), employees' performance is measured against the performance standards set by the organization. Performance is the achievement of specified task measured against predetermined or set standards of accuracy, completeness, cost and speed. According to Amin (2013), an employees' performance is determined during job performance reviews. Contextual performance refers to activities which do not contribute to the technical core but which support the organizational, social and psychological environment in which organizational goals are pursued (Lee, et.al. 2007). Contextual performance is predicted by other individual variables. They include behaviors which establish the organizational social and psychological context and help employees to perform their core technical or task activities (Berg, 2007).

Employee performance and productivity is of major concern in any economy worldwide. Clarke (2008) in his study Determinants of Labor Productivity, noted that Africa and south Asian countries (except India) performance in labor productivity is not very encouraging. Labor productivity level in 2005 in sub- Saharan Africa economies was the lowest among all regions. He further emphasized the need to pay more attention on average education attainment level, producing productive employment to attract foreign direct investments. Human resources management practices have significant impact on organizations

productivity. Abdulla (2009) pointed out that training and development, team work, human resources planning and performance appraisal are correlated with an organizations business performance. Human resources management practices cannot be ignored when focusing on an employees' performance. HRM practices have been noted to significantly affect organizational performance to greater extent. ALDamore (2012) considered HRM practices as a significant predictor of organizational performance.

Mutsotso (2010) in his study entitled – 'the impact of HRMP on employee performance in international non-governmental organization' points out that education and training increase employees' job skills, and their perception towards efficiency and effectiveness in carrying their operations. It further causes employees to exhibit higher feelings of satisfaction, motivation and consequently increase in production. This therefore means organizations that have high capacity building are likely to experience increased performance characterized by a motivated workforce. Skills building initiatives are very important to employees. Hatice (2012) noted that the skills building activities performed by organizations indicates that the organization cares for its employees. While many organizations invest in their employees, the employees on the other hand derive job satisfaction from their work which in turn leads to increased employee performance. However, this development depends on the individual employees' willingness to develop, organizational culture, top management attitude and organizational opportunities for growth.

Ming (2012) in his study entitled ''the impact of HRM practices on employee performance" showed a significant impact of HRM practices on employees' performance. Employee performance is directly linked with performance of the organization. The successful organizations consider the HRM practices as a crucial factor that directly affects the employees' performance. ALDamore (2012) argued that organizations must hire skilled and capable employees in order to be successful in today's global environment. Actual HR practices are applied by line managers on a daily basis that positively impact employees' perception about HRM practices applied to them (Purcell & Kinnie, 2007). The successful implementation or failure of HRM practices depends on the skills of the managers (Guest, 2011).

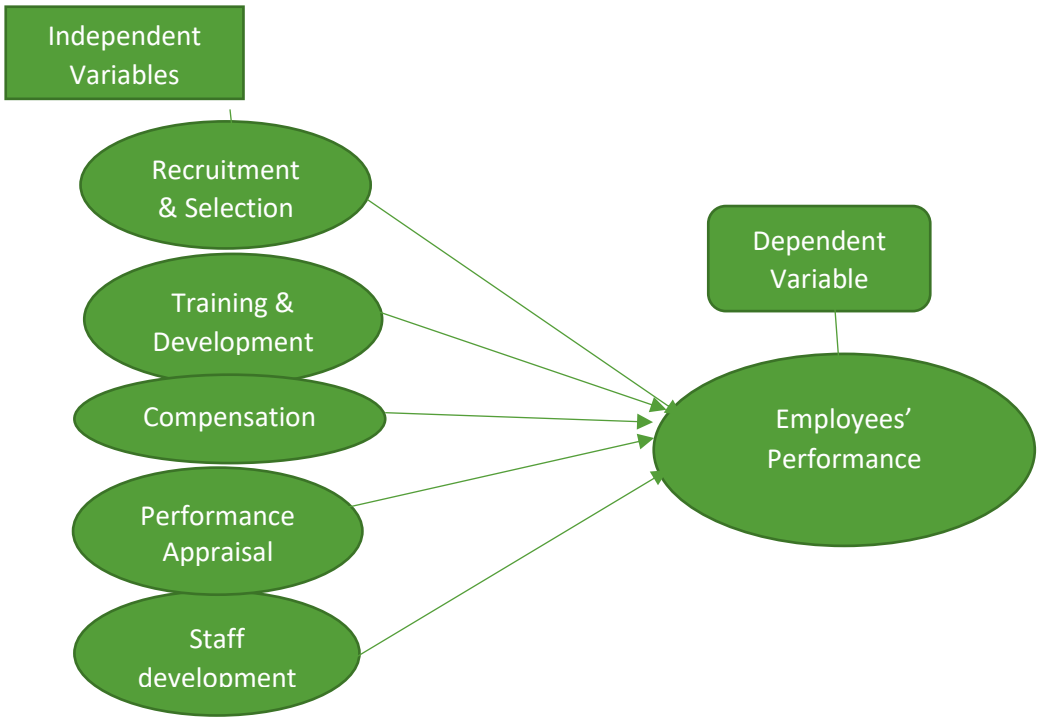
2.3. Conceptual Framework

It is well understood that human resource management (HRM) decisions and practices are likely to have an important and unique influence on employees' performance in achieving organization goals.

The dependent variable of employees' performance is influenced by almost each practice of human resource management as discussed in literature. But for the present study, the researcher has chosen five independent variables – recruitment and selections practices, training & development, compensation (remuneration), performance appraisal, and staff development (career growth) practices.

Based on the theories and related literature reviewed, the following diagram is developed to show the linkage between the HRM practices – independent variables and employees' performance – dependent variable.

Fig. 1: Conceptual Framework



Source: Adopted and modified from previous similar researches

CHAPTER THREE
RESEARCH METHODOLOGY

3.0 Introduction

This study is aimed at examining the HRM practices of St Paul's Hospital Millennium Medical College and the effect of such practices on employees' performance. This chapter discusses the research design, target population, sample, sampling techniques sources of data, and data collection procedures used in obtaining the required data.

3.1. Research Design

Burns & Grove (2003) defines research design as a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings. Kothari (2004), also defines it as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. He adds that the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data.

In this research quantitative research methodology was used. Because quantitative research includes surveys and questionnaires can help organizations to improve their products and services by enabling them to make informed decisions. Quantitative research is about asking people for their opinions in a structured way so that research can produce hard facts and statistics to guide you. To get reliable statistical results, it's important to survey people in fairly large numbers and to make sure they are a representative sample of the target.

This study utilized a relational research design in an effort to examine the relationship between human resource management (HRM) practices and employees' performance. Correlation research methods are used to determine relationships and patterns of relationships among variables in a single group of subjects. In correlation studies, a researcher may be able to state a hypothesis about an expected relationship. If two variables are correlated, then one variable can be used to predict the other.

3.2. Sources of Data

The data for this study was drawn from two main sources; primary and secondary data sources. The primary data sources were those original data collected by the researcher from the respondents and analyzed and interpreted. These were mainly obtained from the responses of respondents' self-completion questionnaires and researcher's observation recordings.

The secondary sources of data refer to data collected by a person or researcher other than the user of the information. This kind of previously collected information is not case-specific but it can be relevant to the studied problem (Lindstrom et al 2010). Available handbooks, annual reports, performance reports, employment policies, relevant information from the organization's website, blogs, journals, newsletters and other documented materials made up the secondary data used by the researcher. The data obtained from these sources were scrutinized for reliability, validity, adequacy and suitability in answering research questions.

3.3. Study Population

In this study, the target population which was the entire set of units for which the research data would be used to make inferences or generalization was the clinical staff and support staff of the St Paul Hospital Millennium Medical College, and the total population (staff) was 1,200 when this research had been planned.

3.4. Sample and Sampling Techniques

A sample is a selection of a group of people or events from a population to be able to find out true facts about the sample that will be true of the population. This becomes necessary as the entire population cannot be studied due to the size, inaccessibility, time and financial constraints.

The following *Yamane's formula* (1967) was applied to decide the size of the sample given the factors mentioned below:

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

Where

n= corrected sample size, N = population size, and e = Margin of error (MoE), e = 0.05 based on the research condition.

According to the above formula a sample size of 291 was selected out of 1,200 population with a 95% confidence and a margin error of 5%. A combination of non-probability sampling techniques, i.e., purposive or judgmental and convenience sampling techniques were used for selecting respondents of both clinical/ non-clinical and managerial/non-managerial employees. The purposive sampling technique was chosen in sampling of managerial employees because they had to meet a criterion of belonging to the predefined group of top-level managers. Again, the convenience sampling technique was used so that any non-managerial employee could participate as a respondent due to their relative ease of access and the fact that any employee belonging to this group is a potential respondent.

3.5. Data Collection Instrument

Questionnaire was used for this study and has the advantage of securing relevant information effectively about phenomena that is not directly observable. It is also an efficient and effective method in reaching a larger group. For the purpose of this study, two sets of structured questionnaires consisting of close-ended questions and organized into two sections were prepared and used to collect primary data from employees. Section 1 consists of questions on staff profile, and the second section mainly focusing on the research questions. This second section questionnaire was prepared based on a five-point Likert scale ranging from (5 - strongly agree to 1 – strongly disagree) to show the level of agreement and disagreement on the questions raised (Likert, 1932).

3.6. Data Collection Procedures

3.6.1. Pilot Testing of Questionnaire

The questionnaire designed was pre-tested to ascertain the suitability of the tool before its actual administration. This was done through conducting a pilot study where ten

questionnaires were sent out. From the returned questionnaires it was noted that the questionnaire lacks clarity in some areas and the researcher revisited for more clarity.

3.6.2. Distribution and Administration of Questionnaires

The questionnaires were distributed to respondents in person after getting approval from the management of St Paul's Hospital. Follow up calls were made to encourage timely feedback. Moreover, a period of three weeks had been given for respondents to attend to questionnaires and collection was done after the three weeks period.

3.6.3. Data Analysis Technique

The quantitative analysis technique was applied using descriptive and inferential statistics as well. Descriptive statistics was found to be helpful to describe how employees perceive the way things are and inferential statistics was found to be helpful to identify the relationship between the variables and to generalize the findings. The data was entered into excel and further transferred to the Statistical Package for Social Sciences (SPSS) V.25.0 for analysis and interpretation.

3.6.4. Reliability Test

To establish how closely related the variables are in the study, a Cronbach's alpha test was done. According to Andrew, et.al. (2011), Cronbach's values range from 0 to 1. However, values at or above 0.7 are desirable. Based on this assertion the data was considered acceptable with an overall reliability coefficient of 0.858. The findings are presented in the table below.

Table 3.1: Reliability Test

Variables	**Cronbach's Alpha**	**No. of Items**
Recruitment and Selection	0.813	5
Training	0.871	5
Remuneration	0.911	6
Performance Appraisal	0.831	5
Staff Development	0.791	5
Employees' Performance	0.931	5
Overall	**0.858**	**31**

Data Source: Own survey data, 2020

3.7. Ethical Consideration

The ethical issues were considered during the questionnaire's distribution to respondents that whatever they respond to the questions raised by researchers would be kept anonymous. The researcher assured them that the data would be used only for academic purpose, and that the information they give would be kept confidential.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.0 Introduction

This chapter includes the data presentation, analysis and interpretation of the findings based on the statement of the problem and objectives of the research which were set out at very beginning of the chapter. The analysis starts with a description of the respondents' demographic profiles, and followed by responses on specific questions raised to address the hypothesis, recruitment & selection, training & development, staff performance appraisal, compensation (remuneration), and career development which were the core questions of this research. The total sample of the study was 291. 278 (96%) of questionnaires distributed were returned which is considered as an excellent return rate.

4.1. Descriptive Statistics

Having entered the responses from the questionnaires into the IBM SPSS Version 25, the researcher generated various reports for presentations and interpretations. Descriptive statistics was used to generate the required outputs such as frequency, percentage, mean, standard deviation, correlation, regression analysis, ANOVA, etc. The following sections are descriptive statistics generated from the SPSS and presented the findings for discussions, and interpretations.

In order to analyze the responses in the questionnaires, a Likert Scale with a range of 1 to 5 was used. That is rates which are closer to 1 shows magnitude of the disagreement and those rates which are above the mean and closer to 5 were those responses with higher level of agreement to questions raised. However, categorical differentiation was used for respondents' profile due to its very nature.

4.1.1. Employees' Profile

The researcher included a section in the questionnaire to gather information on respondents' profile, such as age, gender, marital status, education level, and position in the organization,

level of responsibility, job category and years of service in the hospital. Accordingly, data on respondents' profile are presented to give a clear background which are very helpful in the responses that follow.

Table 4.1.1: Respondents' Profile

Items	Category	Frequency	Percent	Valid Percent	Cum. Percent
Age	<30	104	37.4	37.4	37.4
	31 to 40	116	41.7	41.7	79.1
	41 to 50	58	20.9	20.9	100.0
	Total	**278**	**100.0**	**100.0**	
Gender	Male	128	46.0	46.0	46.0
	Female	150	54.0	54.0	54.0
	Total	**278**	**100.0**	**100.0**	
Marital Status	Married	190	68.3	68.3	68.3
	Single	88	31.7	31.7	100
	Total	**278**	**100**	**100**	
Educational Level	High School Certificate	10	3.6	3.6	3.6
	College Diploma	72	25.9	25.9	29.5
	BA/BSc Degree	170	61.2	62.2	90.6
	MA/MSc Degree	11	4.0	4.0	94.6
	MD/PhD	15	5.4	5.4	100.0
	Total	**278**	**100.0**	**100.0**	
Job Position	Clinical/Medical/Laboratory	165	59.4	59.4	59.4
	Support/Administrative Staff	113	40.6	40.6	100.0
	Total	**278**	**100**	**100**	
Service Years	< 5 years	43	15.5	15.5	15.5
	5 to 10 years	124	44.6	44.6	60.1
	11 to 15 years	57	20.5	20.5	80.6
	> 15 years	54	19.4	19.4	100
	Total	**278**	**100**	**100**	

Data Source: Own survey data, 2020

The first category in this table shows age of the respondents. That is 104 (37.4%) were below age 30 and 116 (41.7%) were between the age of 31 and 40. 58 (20.9%) were over the age of 40. This indicates that 220 (79.1%) are below the age of 40 and which are considered highly productive work force, and if handled well these workforce are the most important asset of the organization.

The second category in this table depicts data on gender of the sample respondents. 128 (46%) were male and 150 (54%) were female. The number of females is higher in the sample. The reason is that most of the nurses in this hospital were female which a common practice in medical institutions. This is a global phenomenon that 90% of nursing profession is dominated by female (Nurses.org). The third category is marital status of the respondents. That is 190 (68.3%) were married and 88 (31.7%) were single. This shows that as majority of the sample staff were married staff as compared to single staff.

The fourth category in this table shows the education level of the sample respondents. The great majority 170 (61.2%) were holder of bachelor degree; 72 (25.9%) were college diploma; 15(5.4%) were with education level of MD/PhD; 11 (4%) with level of MA/MSc, and 10 (3.6%) were junior staff with education level of high school certificate. According to this data, 196 (70.6%) of the sample respondents were over the education level of bachelor degree and above, and it is assumed that these respondents are educated enough to understand and respond to the questionnaires in a satisfactory manner.

The fifth category shows the classification of their positions. According to this data 165 (59.4%) of the respondents were directly related to medical profession, clinical, medical and laboratory; whereas 113 (40.6%) were support staff that is administration, accountancy, cleaning, guards, etc. This implies that majority of the respondents were from medical professionals.

The sixth and final category in this table depicts respondents' years of service in the hospital. Accordingly, 124 (44.6%) served between 5 to 10 years; 57 (20.5%) served between 11 to 15 years; 54 (19.4%) served over 15 years. In general, 235 (84.5%) of the sample respondents

had a service year of 5 and above and it is expected that they have sufficient experience in the hospital and their responses are highly dependable.

4.1.2. Recruitment and Selection

It is obvious that recruitment and selection is one of the human resources practices of an organization. Thus, this component of HRM practice has been one of the key points of the research questions and is summarized under Table 4.1.2 to see its effect on employees' performance.

Table 4.1.2: Recruitment and Selection

Items	N	Min.	Max.	Mean	Std. Dev.
Vacancy announcements are done publicly	278	1	4	3.95 (79%)	.320
Our Hospital does not always place the right person in the right job	278	3	5	4.23 (85%)	.797
Inadequate induction to new employees upon recruitment	278	3	5	3.94 (79%)	.815
I am not satisfied with the selection process	278	1	5	4.13 (83%)	.583
Clear Job Description is not given upon recruitment and reviewed regularly	278	3	5	4.06 (81%)	.527
Valid N (listwise)	278				

Data Source: Own survey data, 2020

Under Recruitment and Selection independent variable, 5 (five) questions were presented to respondents and the results were summarized in Table 4.2 above. The first question with reference to recruitment through vacancy announcement shows mean of 3.95 (79%) and standard deviation of 0.32. This shows that the respondents agreed that vacancy announcements were posted in public to attract competent candidates. However, with a mean of 4.23 (85%) and standard deviation of 0.797. the respondents did not agree with the placement of right person in the right place in their institution during the selection process That means there is less focus on quality during the selection and recruitment process. Question raised to the respondents whether there was adequate induction for newly recruited employees and found to be inadequate with a mean of 3.94 (79%) and std deviation of 0.815. This shows that there was no sufficient induction given to new employees which may result in poor performance. The respondents were asked whether they were satisfied with

recruitment and selection process, and the result shows that there was stronger dissatisfaction about the selection process with a mean of 4.06 (81%) and std deviation of 0.527. The respondents also show their dissatisfaction with a mean value of 4.13 (83%) and std deviation of 0.583 due to inadequate job description upon employment and lack of regular revision of job description. This practice leads to employees' dissatisfaction in the recruitment and selection process which eventually leads to poor employees' performance.

4.1.3. Training & Development

It is imperative that training has a decisive role in improving the employees' performance of any organization. Thus, as one of the essential elements of the human resources practices, the training related questions were raised to the respondents and results are summarized in the following table 4.1.3.

Table 4.1.3: Training & Development

Items	N	Min.	Max.	Mean	Std. Dev.
Training needs are identified based on our performance appraisal	278	2	5	4.40 (88%)	0.761
Training Contents are relevant	278	3	5	4.34 (87%)	0.559
I am assigned challenging jobs to develop my skills	278	2	5	4.21 (84%)	0.602
I am encouraged to participate in various seminars and workshops	278	2	5	4.12 (82.4%)	0.806
The training I received has improved my performance	278	3	5	4.52 (90.4%)	0.522
Valid N (listwise)	278				

Data Source: Own survey data, 2020

The respondents were asked whether the training need were related to the result of the performance appraisal. The respondents strongly agreed with a mean value of 4.4 (88%) and Std deviation of 0.761 that the training needs were identified based on the result of the employees' appraisal result. The training contents were also relevant to organizational objectives and helped the respondents with a mean value of 4.34 (87%) and Std deviation of 0.559. This indicates that the training contents were very relevant to the reality of the organization and could improve their performance.

The survey result also shows that the respondents agreed with a mean value of 4.21 (84%) and Std deviation of 0.602 that they were assigned to challenging jobs. This shows that employees were encouraged to develop their skill which eventually improve their performance. Question raised to respondents whether they were encouraged to participate in various seminars and workshops and the result shows strong agreement with a mean value of 4.12 (82.4%) and Std deviation of 0.806. The respondents also revealed that training they received had significantly improved their performance. According to the responses of the respondents, the training component of HRM practices was very helpful and encourages the employees to improve their performance.

4.1.4. Remuneration (Compensation

Compensation (Remuneration) is one of the very essential elements of human resources practices. Thus, as one of the essential elements of HRM practices, the reward systems and issues related to its implementation were raised to respondents and the results are analyzed in Table 4.1.4.

Table 4.1.4: Remuneration (Compensation)

	N	Min.	Max.	Mean	Std. Deviation
I am not paid adequate remuneration for the work I do	278	3	5	4.71 (94.2%)	.550
Our hospital makes all payments due to us on time	278	2	5	4.14 (83%)	.420
In our hospital payment does not match with performance	278	3	5	4.72 (94.4%)	.596
Our reward system is not linked to our performance	278	4	5	4.73 (95%)	.443
The existing reward and incentive plans do not motivate us for better performance	278	4	5	4.76 (95.2%)	.426
There is high staff turnover due to weak remuneration system	278	3	5	4.49 (90%)	.515
Valid N (listwise)	278				

Data Source: Own survey data, 2020

The respondents were asked whether their remuneration was adequate. The responses revealed that they received inadequate remuneration for the work they do with a mean value

of 4.71 (94.2%) and Std deviation of 0.550. It is obvious that the work in Ethiopian hospital is demanding work but the remuneration system does not commensurate with tasks expected from the employees (Samuel G. & others, 2008*).* Respondents were also asked whether they get their remuneration on time and strongly agreed with a mean of 4.14 (83%) and Std deviation of 0.42. This indicates the timing of payments to employees was not a problem. However, the survey shows that the respondents strongly disagree that the remuneration system was not based on their performance with a mean value of 4.72 (94.4%) and Std deviation of 0.596. This shows that the organization does not discriminate between the best performers and poor performers which eventually has a discouraging effect on best performers.

Moreover, the survey results also revealed that existing reward and incentive plans did not encourage workers for better performance with a mean value of 4.76 (95.2%) and Std deviation of 0.426. This shows that there is a very strong dissatisfaction on the reward and incentive plans and this could have a significant negative impact on their performance. As a result, there was high staff turnover in the hospital according to the responses of the respondents with a mean value of 4.49 (90%) and Std of 0.515, and this in turn negatively affect the employees' performance and the bottom line would be poor organizational performance.

4.1.5. Performance Appraisal

The employees' appraisal is one of the most important exercises of human resources management. Thus, the employees' appraisal system and its related exercises has been surveyed in this section and the results are presented in Table 4.1.5 below.

Table 4.1.5: Performance Appraisal

Items	N	Min.	Max.	Mean	Std. Dev.
Our hospital appraises the performance of its employees at regular interval	278	4	5	4.48 (90%)	0.500
Our performance appraisal is not aiming at improving our remuneration	278	4	5	4.80 (96%)	0.399
I rarely receive proper feedback on how I am performing	278	3	5	4.47 (89.4%)	0.528
The feedback I receive on my performance appraisal does not motivate me for better achievements	278	3	5	4.76 (95.2%)	0.461
There are inadequate growth opportunities available for best performing employees	278	3	5	4.66 (93.2%)	0.552
Valid N (listwise)	278				

Data Source: Own survey data, 2020

The respondents were asked whether their performance evaluation was carried out at regular interval and the responses show that the hospital carries out its employees' performance appraisal on a regular interval and this has been reflected with a mean value of 4.48 (90%) and Std deviation of 0.50. But the respondents also felt that although the system was in place it did not give them satisfaction as the system had not been linked to improving their remuneration and their responses have been reflected by a mean value of 4.8 (96%) and Std deviation of 0.339.

Moreover, the analysis shows that the employees did not receive timely and proper feedback on their performance and this is reflected with a mean value of 4.47 (89.4%) and Std deviation of 0.528. This is a serious gap in performance management. Most of the respondents with a mean value of 4.76 (95.2%) and Std deviation of 0.461 felt that the feedback they received did not motivate them for better performance. The other challenge revealed by the respondents was that they were not encouraged to perform better due to rare growth opportunity for best performing employees which was reflected by a mean value of 4.66 (93.2%) and Std deviation of 0.552. According to this survey the purpose of employees' performance has failed short in both cases, it did not help to give more incentive or growth opportunity for best performing employees.

The purpose of conducting performance appraisal should be to check whether the employees are performing according to set goals and standards, and the outcome of the appraisal should either praise those who are better performing or train/penalize those who are under performing.

4.1.6. Staff Development (Career Growth Plan)

Staff development is one of the most important human resources management exercises. In connection to this, related issues were raised in the survey questionnaires and the results were summarized in Table 4.1.6 below.

Table 4.1.6: Staff Development (Career Growth Plan)

Items	N	Min.	Max.	Mean	Std. Deviation
There are inadequate growth opportunities available for best performing employees	278	3	5	4.66 (93.2%)	0.552
In our hospital best performers do not get promoted first	278	3	5	4.75 (95%)	0.495
Most of the supervisors do not encourage us to discuss our problem with them	278	4	5	4.72 (94.4%)	0.452
I am rarely asked by my supervisor to participate in decision making	278	3	5	4.61 (92.2%)	0.564
I am not satisfied with the staff development program	278	4	5	4.77 (95.4)	0.419
Valid N (listwise)	278				

Data Source: Own survey data, 2020

The respondents were asked whether there were adequate growth opportunities based on their performance, and their responses revealed that there were inadequate growth opportunities with a largest mean value of 4.66 (93.2%) and standard deviation of 0.552. Moreover, their responses made clear that when the growth opportunity comes, the parameter of the promotion was not staff performance result which was reflected with a mean score of 4.75 (95%) and a standard deviation of 0.495.

In addition, the survey shows that most of the supervisors were not approachable to hear their employees' opinion which was revealed with the strongest mean score of 4.72 (94.4%) and

standard deviation of 0.452. Another question raised was whether they were encouraged to participate in various organizational matters, and respondents strongly agree with a mean score of 4.61 (92.2%) and a standard deviation of 0.564, that they were not encouraged to participate in various organizational matters. The final question raised to respondents was whether they were satisfied with the staff development plan of the organization, and most of the respondents were dissatisfied which was reflected with the strongest mean score of 4.77 (95.4%) and a std deviation of 0.419. This scenario shows that the staff were not encouraged to stay on their job even though they like the job.

It is obvious that the smooth relationship between supervisors and employees improves the performance of employees. If the organization empowers its employees then the employees are more committed. They feel like part and parcel of the organization and their attitude will be positive toward the performance of the organization. Involvement of employees in making decision empowers employees because it maximizes the productivity, minimize the decision time, reduced the gap between supervisors and subordinates and develops teamwork (Smith, 1997).

4.2. Test of Effect of HRM Practices on Employees' Performance

The main purpose of this research was to identity whether the human resources management practices have impact on employees' performance. The relationship between the independent variables and dependent variable was tested using the Pearson correlation and regression analysis and discussed in the following section.

4.2.1. Correlation Analysis

Pearson's correlation coefficient is the test statistics that measures the statistical relationship, or association, between two continuous variables. It is known as the best method of measuring the association between variables of interest because it is based on the method of covariance. It gives information about the magnitude of the association, or correlation, as well as the direction of the relationship. Thus, the correlation analysis of the independent variables and dependent variable are depicted in the following table.

Table 4.1.7: Pearson Correlations Analysis

Variables	1	2	3	4	5	6
1. Employees' Performance	1.000					
2. Recruitment and Selection	.418	1.000				
3. Training and Development	.514	.278	1.000			
4. Remuneration	.469	.304	.408	1.000		
5. Performance Appraisal	.525	.278	.382	.365	1.000	
6. Career Growth Plan	.486	.289	.446	.272	.318	1.000

Note: N=278

Data Source: Own survey data, 2020

As already mentioned from the outset of this research work, the purpose of this research work was to assess the effect of human resources management practices on employees' performance. Accordingly, the Pearson Correlation result from the above Table 4.1.7 revealed that: the correlation between recruitment & selection and employees' performance was *moderate (r=0.418)*; the correlation between the training & development and employees' performance was *substantial (r=0.514),* the correlation between remuneration (compensation) and employees' performance was *moderate (r=0.469)*; the correlation between performance appraisal and employees' performance was *substantial (r=0.525)*; and the correlation between staff development and employees' performance was *moderate (r=0.486)*. The highest correlation (r=0.525) was the performance appraisal and lowest (r=0.418) was the recruitment & selection from among the independent variables. Thus, the relationship between the independent (the HRM practices) mentioned above and the dependent (employees' performance) variables were positively correlated and lie between 0.418 and 0.525 as depicted in the above table. This implies that any changes that the organization makes to improve these HRM practices would have significant impact on the employees' performance.

4.2.2. Regression Analysis

In order to see contribution of each HRM practice on employees' performance, standard multiple regression analysis was employed. The regression model presents how much of the variance in employees' performance is explained by the selected HRM practices: recruitment

& selection, training & development, remuneration (compensation), performance evaluation, and career growth.

- ***Overall Regression Model***

Table 4.1.8: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.709[a]	.502	.493	.34770

a. Predictors: (Constant), Career Growth Plan, Remuneration (Compensation), Recruitment and Selection, Performance Appraisal, Training and Development.

Source: Own survey data, 2020

The model summary indicated in the above Table 4.1.8 shows the presence of a significant positive correlation (R=.709) between the independent variables (recruitment & selection, training & development, remuneration (compensation), performance evaluation and career growth) and the dependent variable – employee performance. Further, the R-squared value of 0.502 indicated that the independent variables accounted for 50.2% of the total variance in employees' performance (dependent variable). The remaining 49.80 percent of the variation is explained by other variables which were not included in the model.

- ***Regression ANOVA***

The regression ANOVA table is summarized as follows:

Table 4.1.9: Regression ANOVA

ANOVA[a]						
Model		Sum of Squares	df.	Mean Square	F	Sig.
1	Regression	33.159	5	6.632	54.856	.000[b]
	Residual	32.884	272	.121		
	Total	66.043	277			

a. Dependent Variable: Employees' Performance

b. Predictors: (Constant), Career Growth, Remuneration (Compensation), Recruitment and Selection, Performance Appraisal, Training and Development.

Data Source: Own survey data, 2020

The ANOVA test in the above table 4.1.9 shows that the Sig. Value 0.01 is greater than the calculated value 0.000. It reflects that there was a statistically significant correlation between dependent variable and independent variables at 1% significant level, which means the independent variables; recruitment & selection, training & development, remuneration (compensation), performance appraisal and career growth have significant contribution to improve employees' performance in St Paul's Hospital. But it does not mean that all these factors have equal significant correlation with the dependent variable.

- ***Regression Coefficients***

4.1.10: Liner Regression

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.374	.260		1.439	.151		
	Recruitment and Selection	.150	.040	.173	3.701	.000	.840	1.191
	Training and Development	.162	.044	.193	3.721	.000	.680	1.471
	Remuneration (Compensation)	.144	.039	.182	3.692	.000	.756	1.323
	Performance Appraisal	.259	.047	.268	5.491	.000	.770	1.299
	Career Growth	.193	.044	.216	4.376	.000	.754	1.327
a. Dependent Variable: Employees' Performance								

Data Source: Own survey data, 2020

The above Table 4.1.10 depicted the multiple regression coefficients (β) of the 5 independent variables to the employee performance - dependent variable. Thus, the strength of each predictor (independent) variable influence on the criterion (dependent) variable can be investigated via standardized Beta coefficient (β). Hence, the regression coefficient explain the average amount of change in dependent variable that caused by a unit of change in the independent variable. Accordingly, in the above regression analysis, performance appraisal is the most contributing HRM practice in the prediction of employees' performance with beta

value (β= 0.259 or 25.9%). The other four independent variables, in their descending order of standardized coefficients, are career growth (β =0.193 or 19.3%), training & development (β=0.162 or 16.2%), recruitment & selection (β=0.150 or 15%) and remuneration (compensation) (β=0.144 or 14.4%) that all the selected variables in HRM practices are significant where $p < 0.05$. This implies that for every 1-unit increase in the predictor variable, the outcome variable will increase by the beta coefficient value. The higher the value of beta the higher is the influence of independent variable on dependent variable and vice versa.

4.2.3. Hypotheses Testing

To test the hypotheses, a simple regression and correlation analysis were performed on HRM practices and employee performance. And, the results of both Pearson Correlation and Linear Regression are summarized in the following Table 4.1.11.

Table 4.1.11: Summary of Hypothesis Test

Ref.	Hypothesis	Correlation coefficient	Regression coefficient	Result
H1	**There is positive correlation between Recruitment & Selection** practices and Employees' performance;	.418	.150	**Accepted**
H2	**There is positive correlation between Training** & **Development** and employees' performance;	.514	.162	**Accepted**
H3	**There is positive correlation between Remuneration and** Employees' performance;	.469	.144	**Accepted**
H4	**There is positive correlation between Employees' Appraisal system** and employees' performance; and	.525	.259	**Accepted**
H5	**There is positive correlation between Staff Development (career growth plan**) and employees' performance.	.486	.193	**Accepted**

Source: Own survey data, 2020

H1: There is positive correlation between Recruitment & Selection practices and Employees' performance by using Pearson correlation and regression analysis. The results indicate that there is a positive relationship between the two variables as shown in table 2 ($r = .418$; $p<.05$) indicating that the relationship between the variables is significant with moderate correlation. Also, the regression analysis results shown in table 3 ($\beta = 0.150$, $p<.05$) indicates a positive statistically significant relationship between recruitment and selection process and employee performance. Thus H1 is accepted.

H2: There is positive correlation between Training & **Development** and employees' performance by using Pearson correlation and regression analysis. The results indicate that there is a positive relationship between the two variables as shown in table 2 ($r = .514$; $p<.05$) indicating that the relationship between the variables is significant with substantial correlation. Also, the regression analysis results shown in table 3 ($\beta = 0.162$, $p<.05$) indicates a positive statistically significant relationship between recruitment and selection process and employee performance. Thus H2 is accepted.

H3: There is positive correlation between Remuneration and Employees' performance by using Pearson correlation and regression analysis. The results indicate that there is a positive relationship between the two variables as shown in table 2 ($r = .469$; $p<.05$) indicating that the relationship between the variables is significant with moderate correlation. Also, the regression analysis results shown in table 3 ($\beta = 0.144$, $p<.05$) indicates a positive statistically significant relationship between recruitment and selection process and employee performance. Thus H3 is accepted.

H4: There is positive correlation between Employees' Appraisal system and employees' performance by using Pearson correlation and regression analysis. The results indicate that there is a positive relationship between the two variables as shown in table 2 ($r = .525$; $p<.05$) indicating that the relationship between the variables is significant with substantial correlation. Also, the regression analysis results shown in table 3 ($\beta = 0.259$, $p<.05$) indicates a positive statistically significant relationship between recruitment and selection process and employee performance. Thus H4 is accepted.

H5: There is positive correlation between Staff Development (career growth plan) and employees' performance by using Pearson correlation and regression analysis. The results indicate that there is a positive relationship between the two variables as shown in table 2 ($r= .486$; $p<.05$) indicating that the relationship between the variables is significant with moderate correlation. Also, the regression analysis results shown in table 3 ($\beta = 0.193$, $p<.05$) indicates a positive statistically significant relationship between recruitment and selection process and employee performance. Thus H5 is accepted.

The study has concluded with many results, and one of the most important results is that, there is a positive relationship between the human resource management policies and the employees' performance. The obtained value of direction is positive direction, and this high percentage of employees' performance obtained due to the policy factor, these results agree with Esmael, et,al (2016); Morris & Snell (2010); Demo, et.al., (2012); Boselie, et.al., (2005); Menezes, et.al., (2010); Subramony, (2009), Guest & Conway (2011); Beauvallet & Houy (2010). Also, the value of the direction between the policy factor and the employees' performance is also with a positive direction. In addition, the value of the direction between HRM policies and practices and the employees' performance is a positive direction, these results agree with Legge, (2006); Decotiis & Summers, (1987); Mathieu & Zajac, (1990) and Delaney & Huselid (1996).

4.3. Chapter Summary

The purpose of the study was to assess the effect of HRM practices: recruitment & selection, training & development, remuneration (compensation), performance appraisal and staff career plan (independent variables), on employees' performance (dependent variable) of the selected case. Accordingly, descriptive statistics was used to analyze mean and standard deviation of each element of the HRM practices, and the results were presented in a tabulated format generated from the application. The result from the descriptive statistics revealed that most of the respondents were in a strong agreement with positive effect of those selected HRM practices on their performance.

The results from the Pearson correlation revealed that there were positive correlation between the selected HRM practices and the employees' performance. The highest correlation (r=0.525) was the performance appraisal and lowest (r=0.418) was the recruitment & selection from among the independent variables. Thus, the relationship between the independent (the HRM practices) mentioned above and the dependent (employees' performance) variables were positively correlated and lie between 0.418 and 0.525.

The model summary indicated the presence of a significant positive correlation (R=.709) between the independent variables (recruitment & selection, training & development, remuneration (compensation), performance evaluation and career growth) and the dependent variable – employee performance. Further, the R-squared value of 0.502 indicated that the independent variables accounted for 50.2% of the total variance in employees' performance (dependent variable). The remaining 49.80 percent of the variation is explained by other variables which were not included in the model.

The ANOVA test also shows that the Sig. Value 0.01 is greater than the calculated value 0.000. It reflects that there was a statistically significant correlation between dependent variable and independent variables at 1% significant level. Which means the independent variables; recruitment & selection, training & development, remuneration (compensation), performance appraisal and career growth have significant contribution to improve employees' performance in St Paul's Hospital. But it does not mean that all these factors have equal significant correlation with the dependent variable.

From the multiple regression coefficients (β) of the 5 independent variables, performance appraisal was the most contributing HRM practice in the prediction of employees' performance with beta value (β= 0.259 or 25.9%). The other four independent variables, in their descending order of standardized coefficients, were career growth (β =0.193 or 19.3%), training & development (β=0.162 or 16.2%), recruitment & selection (β=0.150 or 15%) and remuneration (compensation) (β=0.144 or 14.4%) that all the selected variables in HRM practices were significant where $p < 0.05$. This implies that for every 1-unit increase in the predictor variable, the outcome variable will increase by the beta coefficient value.

The study has revealed many results, and one of the most important results is that, there is a positive relationship between the human resource management policies and the employees' performance. And, that all the five hypothesis were tested positive and acceptable.

CHAPTER FIVE

5. SUMMARY, CONCLUSSION AND RECOMMENDATIONS

5.0. Introduction

This chapter summarizes the key findings, conclusion and recommendations of the study based on the research objectives set out earlier in the first chapter. The purpose of this study was to assess the effect of HRM practices on the employees' performance in the case of the St Paul's Hospital Millennium Medical College located in Addis Ababa.

1.1. Summary of Findings

- *Recruitment and Selection section*

  The finding under this heading revealed that candidates were invited through open vacancy announcements. However, the respondents strongly agree that there was poor placement of right person in the right place during the selection process which implies less focus on quality during the selection process. In addition there was inadequate induction for newly recruited employees. The study also revealed that the job description given to newly recruited employees were not adequate and not regularly reviewed. This practice leads to employees' dissatisfaction in the recruitment and selection process which eventually leads to poor employees' performance. The correlation between recruitment & selection and employees' performance was positive and moderate (r=0.418); and the multiple regression coefficient of recruitment & selection was (β=0.150 or 15%). This shows the relation between the recruitment and selection and employees' performance is moderate and positive. Thus, whatever measure the organization takes to improve this practice improves the employees' performance.

- *Training & Development*

  The findings under this research objective revealed that training needs were identified based on the result of the employees' appraisal result. The training contents were also relevant to organizational objectives. Moreover, employees were encouraged to participate in various seminars and workshops, and were

assigned to challenging jobs to develop their skills which eventually improves their performance. The correlation between the training & development and employees' performance was substantial (r=0.514), and a standard regression coefficient was (β=0.162 or 16.2%). This shows there is a positive and substantial correlation between the training & development and employees' performance. That is, any additional training & development given to employees has substantial contribution on their performances.

- *Remuneration (compensation)*

  The findings under this objective revealed that employees received inadequate remuneration for the work they do, and the remuneration system was not based on their performance. It was also revealed that the organization does not discriminate remuneration system according to their performance which eventually has a discouraging effect on best performers. Moreover, the responses result revealed that existing reward and incentive plans did not encourage workers for better performance. As a result, there was very strong dissatisfaction and high staff turnover in the hospital. Furthermore, the correlation between remuneration (compensation) and employees' performance was (r=0.469) and moderate, and regression coefficient was (β=0.144 or 14.4%). This shows that any positive measure the organization takes to improve the compensation (remuneration) system would have a considerable effect on the employees' performance.

- *Performance Appraisal*

  The study under this objective shows that the hospital carries out its employees' on a regular interval. But the respondents also felt that although there was a performance appraisal system in place, it did not give them satisfaction as the system had not been linked to improving their remuneration. Moreover, the survey data shows that the employees did not receive timely and proper feedback on their performance. Furthermore, the correlation between performance appraisal and employees' performance was positive (r=0.525) and substantial; and performance appraisal was the most contributing HRM practice in the prediction of employees'

performance with beta value (β= 0.259 or 25.9%) in this study. This implies that appropriate performance appraisal has significant impact on the employees' performance when geared towards improvement of the employees' achievement.

- *Career growth plan*

  The finding under this research objective revealed that there were inadequate growth opportunities for best performers, and when the growth opportunity comes, the parameter of the promotion was not staff performance. In addition, the survey shows that most of the supervisors were not approachable to hear their employees' opinion, and they were not encouraged to participate in various organizational matters. Consequently, the employees were not satisfied with the staff development plan of their organization. Besides, the correlation between career growth and employees' performance was positive (r=0.486) and moderate. The standard regression coefficient was (β =0.193 or 19.3%). This shows that efforts to improve staff career growth plan would have significant positive effect on the employees' performance.

5.2. Conclusions

The purpose of this study was to assess the effect of human resources management (HRM) practices on employees' performance in the case of the St Paul's Millennium Medical College. Accordingly, the following conclusion were drawn based on the research findings:

- The correlation between recruitment & selection and employees' performance was positive and moderate (r=0.418); and the multiple regression coefficient of recruitment & selection was (β=0.150 or 15%). This shows that the relation between the recruitment and selection and employees' performance was moderate and positive. The proper and careful handling of the recruitment and selection process could have positive effect on the employees' performance. On the other hand, lack of transparency in recruitment processes, failing to recruit capable employees, lack of clear job description and inadequate induction could negatively affect the

employees' performance. Thus, whatever measure the organization takes to improve this practice improves the employees' performance.

- The correlation between the training & development and employees' performance was substantial (r=0.514), and a standard regression coefficient was (β=0.162 or 16.2%). This shows that there was a positive and substantial correlation between the training & development and employees' performance. That is, any additional training & development given to employees has substantial contribution on their performances. In general, giving due attention to training contents, and encouraging employees to participate in different seminars and workshops and assigning them to challenging jobs help them to develop their confidence and consequently improve their performance. The correlation (r=0.469) between remuneration (compensation) and employees' performance was positive and moderate, and a standard regression coefficient was (β=0.144 or 14.4%). This shows that any positive measure the organization takes to improve the compensation (remuneration) system would have a considerable positive effect on the employees' performance.

- The correlation between performance appraisal and employees' performance (r=0.525) was positive and substantial; and performance appraisal was the most contributing HRM practice in the prediction of employees' performance with beta value (β= 0.259 or 25.9%) in this study. Moreover, the study shows that the hospital carries out its employees' performance appraisal on a regular interval. This implies that appropriate performance appraisal has great impact on the employees' performance when geared towards improvement of the employees' achievement.

- The correlation (r=0.486) between career growth and employees' performance was positive and moderate. The standard regression coefficient was (β =0.193 or 19.3%). This shows that efforts to improve staff career growth plan would have positive effect on the employees' performance. Moreover, the employees are encouraged and motivated to achieve better results when they have hopes for their future career growth.

- The model summary indicated the presence of a significant positive correlation (R=.709) between the independent variables (recruitment & selection, training & development, remuneration (compensation), performance evaluation and career growth) and the dependent variable – employee performance. Further, the R-squared value of 0.502 indicated that the independent variables accounted for 50.2% of the total variance in employees' performance (dependent variable). Thus, it is concluded that all HRM practices stated in this study have substantial and positive effect on the employees' performance of the St Paul's Hospital Millennium Medical College. And, any efforts the institution makes to improve these HRM practices could have a significant positive effect on the employees' performance of the institution.

5.3. Recommendations

- The finding revealed that the recruitment and selection exercises of the selected medical institution had substantial positive impact on employees' performance. However, there are areas that need improvement, and therefore it is recommended to:- careful scrutiny of qualified employees, placement of right employee on right job, adequate induction to new employees and clear and appropriate job description and conduct regular coaching.

- The finding revealed that the training practices had positive effect on the employees' performance. Thus it is recommended to strengthen identification of employees' skill gap through performance evaluation, careful designing of training content to address the gaps, put into practice the skill acquired through training, conduct on job training without jeopardizing the regular activities of the institution.

- The finding revealed that the remuneration system of the selected medical institution had significant impact on the employees' performance. However, there were areas that need improvements. Thus, it is recommended to connect linkage between the reward and employees' performance appraisal; find ways to implement

appropriate remuneration system to minimize the staff turnover due to weak remuneration.

- The finding revealed that staff performance appraisal had substantial positive impact on the employees' performance. But, the finding also revealed that some of the supervisors do not give timely and proper feedback to staff on their staff appraisal result. Thus, it is recommended that the supervisors should get training on how to handle the staff appraisal and should be free from personal bias. In addition, objectivity should be the central focus while carrying out the staff appraisal.
- The finding revealed that the staff career growth plan had positive impact on the employees' performance. However, there are some areas that need improvements: assign the newly trained employees to appropriate position to exercise their newly acquired knowledge and skill; link promotion with employees' performance; the concerned institution shall find ways where employees' voices are heard and encourage them to participate in relevant organization issues to contribute their share. This would give hope to the employees and even motivates them for better achievements.

5.4. Limitation and Future Research Direction

Finally, the researcher recommends that further wider researches to be undertaken regarding the effect of the human resources practices on employees' performance with particular reference to Ethiopian medical sector with broader sense. The researcher believes that this is very critical in improving the medical services delivery as it involves human lives. The researcher was also constrained to review the employees' personnel files and contact some of the visitor patients to get their impression due to the outbreak of COVID-19 pandemic. Thus, it is further recommended to conduct more detailed researches on this topic to cover at least big medical institutions in Addis Ababa to bring changes in medical services deliveries, and give inputs for policy makers.

REFERENCE

Abdul H., (2016). HRM Practices and Organizational Performance in Hospitals. *IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 18, Issue 11. Ver. I (November. 2016), PP 34-41 www.iosrjournals.org*

Abdulla, Z., Ahsan, N., & Alam, S. (2009). The Effects of Human Resource Management Practices on Employees' Performance.

Abebe A. and Catriona W. (2015), Improving Health Service Efficiency: Human Resources for Health Reforms-Ethiopia. World Health Organization Publication.

Abraham H. (2018), MD, Professor of Pediatrics and Child Health. "How Can Ethiopia Mitigate the Health Workforce Gap to Meet Universal Health Coverage?" Ethiop J Health Sci. 2018 May; 28(3): 249–250.

Adnan, A. et.al. (2010). Performance Appraisal Impact on Attitudinal Outcomes and Organizational Performance, International Journal of Business and Management, 5(10).

Ahmad, O. and Schroeder, R. (2003). The Impact HRM Practices on Operational Performance: Recognizing Country and Industry Differences. Journal of Operations Management. 21:19-43.

ALDamore, F., Yazam, M., & Ahmid, K. (2012) The Mediating Effect of HRM Outcomes.

Amare W. (2015). The Effect of Selected Human Resource Management Practices on Employees' Job Satisfaction in Ethiopian Public Banks. Emerging Market Journal. Volume 5 No 1 (2015) | ISSN 2158-8708 (online) | DOI 10.5195/emaj.2015.64 | http://emaj.pitt.edu | Debre Berhan University, Management Department, College Of Business and Economics, Debre Berhan, Ethiopia, | email: amarew.john@gmail.com.

Amin, A., (2013). The Impact of Employees Training on the Job Performance in Education Sector. Analysis in Turkish Manufacturing Industry. Business and Economic research Journal Vol. 3(3) pp.29-48.

Appelbaum, E. et.al. (2000). Manufacturing Advantage. Why High Performance Work Systems Pay Off. Itacha, Cornell University Press.

Armstrong, M. (2010), "Armstrong's essential human resource management practice – A guide people management", US Kogan Page Limited.

Armstrong, M. (2009) Armstrong‟s Handbook of Human Resource Management Practice, (11th Edition) Palgrave.

Armstrong M., (2001). Human Resource Management Practice: *Handbook, 8th Edition, Kegan*.

Armstrong, M. (1987) Human Resource Management: A Case of the Emperor's New Clothes? *Personnel Management*. Vol. 19, No 8, August.pp30-35.

Arthur, J.B. (1994). Effects of human resource systems on manufacturing performance and turnover. Academy of Management journal, 37(3), 670-687.

Aswathappa, k. (2010) Human Resource Management-text and cases, Tata Mcgraw Hill Education Pvt Ltd.

Aswathappa, K. (2008), Human Resource Management: Text and Cases. Delhi: Tata McGraw-Hill

Ballantyne, I. & Williams, S. (2009). Recruiting and selecting staff in organizations, Human Resource.

Barney J (1991) Firm Resources and Sustained Competitive Advantage. *Journal of Management.* 17(1):99-120.

Baron, J. N., & Kreps, D. M. (1999). *Strategic human resources. Framework for general managers*. New York: Wiley and sons.

Beauvallet, G., & Houy, T. (2010). Research on HRM and lean management: a literature survey. *International Journal.*

Belcourt, M. and Wright, P. C., (1994). "Management Development: A Career Management Perspective." *The International Journal of Career Management, Vol. 6, No. 5, pp. 3-10.*

Berg, B.L. (2007). Qualitative research methods for the, social sciences. London: Pearson

Boselie, P., Dietz, G., Boon, C. (2005). Commonalities and contradictions in HRM and performance research. Human Resource Management Journal, 15(3), 67-94.

Bowen, D. E., & Ostroff, C. (2004). Understanding HRM-Firm Performance Linkages: The Role of the "Strength" of the HRM System. *Academy of Management Review, 29*(2), 203-221.

Boxall, P., and Purcell J. (2008) Strategy and Human Resource Management. Basingstoke, Palgrave Macmillan.

Boxall, P., and Purcell, J. (2003) Strategy and Human Resource Management, Basingstoke and New York: Palgrave Macmillan.

Boxall, P. and Purcell, J. (2000), "Strategic human resource management: where have we come from and where should we be going?" *International Journal of Management Reviews, Vol. 2 No. 2,* pp. 183-203.

Branine, M. (2008). Graduate recruitment and selection in the UK: A study of the recent changes.

Bratton, J. & Gold, J. (2007). "Reward management." *America's Best-Run Companies, HarperCollins.*

Brown, M. and Heywood, J. S. (2005). "Performance appraisal systems: determinants and change," *British Journal of Industrial Relations*, 43(4), 659-679.

Brown, M. and Benson, J. (2003). "Rated to exhaustion?" *Reaction to performance appraisal processes,* Industrial Relations Journal, 34(1), 67-81.

Buns and Grove (2003) (2017, 9th March) Retrieved from http://ais.utm.my/researchportal/files/2015/02/Example3-Res-Design.pdf

Byars and Rue, (2004). Human Resource Management. *McGraw-Hill/Irwin.*

Byars, L. L. & Rue, L. W. (2000) *Human Resource Management*: 6th (ed.) Boston: McGraw Hill.

CABRI (2016). "Human resources for health in Ethiopia", Case Study.

Caldwell, D.F, Chatman, J.A & O'Reilly, C.A (1990) *Building Organizational Commitment: A Multiform Study,* Journal of Occupational Psychology; 63, 245-261

Cambridge, T., (2014). Creating opportunity to study at the University of Cambridge, University of Cambridge.

Chandler, G. N., and G. M. McEvoy, (2000), "Human Resource Management, TQM, and Firm Performance in Small and Medium-Size Enterprises", *Entrepreneurship: Theory and Practice,* Vol.25, No.1,pp.43-58

Chen, W.J. (2013). Factors influencing internal service quality at international tourist hotels. *International Journal of Hospitality Management*, 35, 152-160.

Chien, M.H (2004) A Study To Improve Organizational Performance: A View From SHRM. *Journal of American Academy of Business,* Vol 4, 1/2; p289

Clarke, M. (2008). The New Covenant of Employability, Employee Relations, Page 121-144.

Coens T, Jenkins M (2000). Abolishing Performance Appraisals, San Francisco, CA, Berrett-Koehler Publishers, Inc.

Cole, G.A. (2008). Personnel and Human Resource Management, (5th Ed). United Kingdom: Thomas Publishing.

Collins, C. J., Clark, K.D. (2003). Strategic human resource practices, top management team social networks, and firm performance: The role of human resource practices in creating organizational competitive advantage. *Academy of management Journal*, 46(6), 740-751.

Daft, R.L. (2000). Organization Theory and Design. (7th ed.) South-Western College Publishing, Thompson Learning. U.S.A.

David L. Mathison, Vils N. Vinja. (2010). The Annual Performance Review as A positive Source for Employee Motivation? *Journal of Business & Economic Research*, 50(12).

Delery, J.E., Doty, D.H. (1996). Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions. Academy of management Journal, 39(4), 802-835.

Demo, G., Neiva, E. R., Nunes, I., & Rozzett, K. (2012). Human Resources Management Policies and Practices

Den, H., D. N., Boselie, P., & Paauwe, J. (2004). Performance Management: A model and Research agenda. *Applied Psychology: An International Review, 53*(4), 556-569.

Dess, G. D., & Picken, J. C. (1999) Beyond Productivity: How Leading Companies Achieve Superior Performance By Leveraging Their Human Capital. New York: American Management Association.

Dessler, G. (2007), Human Resource Management, New Delhi: Prentice Hall of India Private Limited.

DeVaro, J. (2008). The labour market effects of employer recruitment choice. European Economic Employee Development.

Esmael M. A. Tabouli1, Nasser Ahmed Habtoor1 & Mohammad Nashief S. (2016). "The Impact of Human Resources Management on Employee Performance: Organizational Commitment Mediator Variable". *Asian Social Science*; Vol. 12, No. 9; 2016 ISSN 1911-2017 E-ISSN 1911-2025. Published by Canadian Center of Science and Education.

Ezeali, B. O & Esiagu,L. N (2010). Public personnel management: Human capital management strategy.

Fauzi, N. F. B., Ahmad, F. & Gelaidan, H. M., (2013). The Employee Retention Status in Paddy and Rice February, 1(1), pp. pp-79-94.

Fiorito, J., Bozeman, D.P., Young, A. & Meurs, J.A. (2007) Organizational commitment, human resource practices, and organizational characteristics. *Journal of Managerial Issues,* 19(2) 186-207.

Firew Ayalew, (2019). Jhpiego Research. "Strengthening for Human Resources for Health in Ethiopia." Compendium of Research Publications and Presentations 2012 – 2018 reached at: firew.ayalew@jhpiego.org.

Fu, N., Flood, P., Bosak, J., Morris, T. and O'Regan, P. (2015), "How do high performance work systems influence organizational innovation in professional service firms?", Employee Relations, Vol. 37 No. 2, pp. 209-231.

Gamage, A. S. (2014). Recruitment and selection practices in manufacturing SMEs in Japan: An analysis of the link with business performance. *Ruhuna Journal of Management and Finance*, 1(1), 37-52.

Gould-Williams, J., & Davies, F. (2005) Using social exchange theory to predict the effects of HRM practice on employee outcomes. *Public Management Review*, 7(1)1-24.

Greenhaus, J. H. and Callanan, G. A., (1994). Career Management. *Harcourt Brace College Publishers, United State of America.*

Guest, D. E. (1997). Human resource management and performance: a review and research agenda. International journal of human resource management, 8(3), 263-276.

Guest, D., & Conway, N. (2011). The impact of HR practices, HR effectiveness and a 'strong HR system' on organisational outcomes: a stakeholder perspective. *The International Journal of Human Resource*

Guest, D.E. (2011). Human resource management and performance: still searching for some answers. Human Resource Management Journal, 21(1), 3-13.

Hafiz M., Ishaq, M., Zahid I. & Arshad Z. (2009). Effectiveness of Performance Appraisal: Its Outcomes and Determinants in Pakistani Organizations. *European Journal of Social Sciences*, 10(3).

Halachmi A (2005). Performance measurement is only one way of managing performance. *Int. J. Prod. Perform.Manag*., 54: 502-516.

Hameed, A., & Waheed, A. (2011). Employee Development and its Effect on Employee performance

Hamel, G., & Prahalad, C. K. (1994). Competing for the future. Boston, MA: Harvard Business School Press.

Harvey, G. & Peter, T., (2010). On the Go: walking the high road at a low cost airline. *International Journal of Human Resource Management,* February, 21(2), pp. pp-230241. [31] Hassan, W. et al., 2013.

Hatice, O. (2012). The Influence of Intrinsic and Extrinsic Rewards on Employee Results: An Empirical Review.

Henry, O., & Temtime, Z. (2009). Recruitment and selection practices in SMEs: Empirical evidence from a developing country perspective. Advances in Management, 3(2), 52-58.

Huselid, M.A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. Academy of management journal, 38(3), 635-672.

Ikechukwu D. et.al., (2017). Effects of Career Growth on Employees' Performance: A Case Study of Non-Academic Staff of Michael Okpara University of Agriculture Umudide Abia Staff, Nigeria. Singaporean Journal of Business Economics, and Management Studies (SJBem), VOL. 5, NO. 7, 2017.

Iranzo, S. et.al. (2008). Skills Dispersion and Firm Productivity. ISSN: 2578-9465 (Print); ISSN: 2578-9473 (Online).

Ivancevich, H. and Matteson, B. (2008). Management Quality and Competitiveness. *Von Hoffmann Press.*

Janssen, O. and Van Yperen, N. W. (2004), "Employees' goal orientations, the quality of leader-member exchange, and the outcomes of job performance and job satisfaction", *Academy of Management Journal,* Vol. 47 No. 3, pp. 368-384.

Jiang, K., et.al.. (2012), "How does human resource management influence organizational outcomes? A meta-analytical investigation of mediating mechanisms", *Academy of Management Journal,* Vol. 55 No. 6, pp. 1264-1294.

Kavoo-Linge, T., & Kiruri, J. (2013). The Effect of Placement Practices on Employee Performance.

KIM. (2009). Fundamentals of management Research Methods; Nairobi: Macmillan Kenya publishers.

Koster, F. (2005). "For the time being:*" Accounting for inconclusive findings concerning the effects of temporary employment relationships on solidary behavior of employees.* Veenendaal: Universal Press.

Kothari C.R. (2004). Research Methodology: Methods and Techniques. India: New age international (2017, 9th March) Retrieved from

http://www2.hcmuaf.edu.vn/data/quoctuan/Research%20Methodology%20-%20Methods %20and%20Techniques% 202004.pdf

Kuvaas, B., (2008). "An exploration of how the employee-organization relationship affects the linkage between perception of developmental human resource practices and employee outcomes." *Journal of Management Studies,* 45(1)1-25

Kwon, D. (2009). *Human capital and its measurement*. Paper presented at the 3rd OECD World Forum.

Lee, Feng-Hui, & Lee, Fzai-Zang. (2007). The relationships between HRM practices, Leadership style.

Legge, K. (1995). Human Resource Management: Rhetorics and Realities. Chippenham: MacMillan Business.

Legge, K. (2006). Human resource management. In S. Ackroyd, R. Batt, P. Thompson, & P. S. Tolbert (Eds.),

MacDuffie, J.P. (1995). Human resource bundles and manufacturing performance: Organizational logic and flexible production systems in the world auto industry. Industrial labor relations review, 48(2), 197-221.

Malik, M., et.al. (2011). "Employees' Turnover Intentions": *Is this HR Failure or Management,* 17(1), 86-105. Management, Oxford: Oxford University Press. Management: Contemporary.

Mathieu, J. E., & Zajac, D. M. (1990). *A review and meta-analysis of the antecedents, correlates.*

Mathis, L. R., and Jackson, H. J. (2008). *Human resource management*. (8th ed). West Publishing.

McDowall, A. and Saunders, M.N.K. (2010). UK Manager's Conceptions of Training and Development.

Menezes, L. M., Wood, S., & Gelade, G. (2010). The integration of human resource and operation management

Merchant, R. C., (2013). The Role of Career Development in Improving Organizational Effectiveness and methods and expectations. Career Development International.

Ming, P. X., Zivlak, N. & Ljubicic, M., (2012). *Labor turnover in apparel retail chains in China. International Journal of Industrial Engineering and Management*, 3(1), pp. pp-914.

Mondy, R.W. (2010), Human Resource Management, 11th Edition. Upper Saddle River, New Jersey.

Morris, S., & Snell, S. (2010). The evolution of HR strategy: adaptations to increasing global complexity. In A.

Muhammad, A. 2010). "Effects of Human Resource Management Practices on Organizational Performance – An Empirical Study of Oil and Gas Industry in Pakistan", European *Journal of Economics, Finance and Administrative Science*-Issue 24.

Mullins, J. L. (1999). Management and organizational behavior. London: Prentice Hall.

Muñoz-Pascual, L. and Galende, J. (2017), "The impact of knowledge and motivation management on creativity: Employees of innovative Spanish companies", *Employee Relations*, Vol. 39 No. 5, pp. 732-752.

Mutsostso, S., & Wanyama, K. (2010) Relationship Between Capacity Building and Employee.

Nongmaithem R. and Biniam K. 2016. "The Impact of Human Resource Management Practice on Organizational Performance "- A Study on Debre Brehan University. International Journal of Recent Advances in Organizational Behaviour and Decision Sciences (IJRAOB) *An Online International Research Journal* (ISSN: 2311-3197) 2016 Vol: 1 Issue: 1

Nzukuma, K.C.C., & Bussin, M. (2011). "Job-hopping amongst African Black senior management in South Africa". *SA Journal of Human Resource Management*, 9(1) October 27-30.

Okoh, A.O. (2005). Personnel and human resources management in Nigeria. Lagos: Amfitop Books on Statistics, Knowledge and Policy. Charting Progress, Building Visions, Improving Life, Busan, Korea,

Okpata, F.O. (2010). "Inefficient public Bureaucracy: An imperative for public service reforms in Nigeria". *Nigerian journal of management researcher*.

Ong C., (2018). 'The Influence of Human Resource Management Practices on Employee Performance in the Manufacturing Sector in Malaysia". Macrothink Institute. *International Journal of Human Resource Studies* ISSN 2162-3058 2018, Vol. 8, No. 2

Osemeke, M., (2012). "The Impact of Human Resource Management Practices on Organizational Performance": A Study of Guinness Nigeria Plc. An International Journal of Arts and Humanities, Oxford, Oxford University Press. Pakistan. *Middle-East Journal of Scientific Research*, 17(9), pp. 1273-1278.

Pace, W., et.al. (1991). Human Resource Development: The Field. New Jersey: Prentice Hall.

Patel, P. C., Messersmith, J. G., and Lepak, D. P. (2013), "Walking the tightrope: An assessment of the relationship between high-performance work systems and organizational ambidexterity", *Academy of Management Journal,* Vol. 56 No. 5, pp. 1420-1442.

Peidi Zhang (2016). "A Study of the Factors that affect Employee Performance in the UK Hotels." MBA Thesis presented to California State Polytechnic University, Pomona. Accessed at https://broncoscholar.library.cpp.edu/bitstream/handle/10211.3/184273/ZhangPeidi_Thesis2016.pdf?sequence=3 accessed on 29/06/20.

Pfeffer, J. (1994). Competitive advantage through people: unleashing the power of workforce, Harvard Business School Press.

Purcell, J., Kinnie, N. (2007). HRM and business performance. New York:Holt ,Renehalt and Winston.

Puwanenthiren, P. (2011), Reward System and its Impact on Employee Motivation in Commercial Bank of Sri Lanka Plc, In Jaffna District. *Global Journal of Management and Business Research,* vol. 11(14).

Qadir B., et.al. (2010). "Relationship between HR Practices and Perceived Employees' Performance of Bankers in NWFP", Pakistan, *European Journal of Social Sciences*, 18 (2).

Rahman, S. A. (2006). "Attitudes of Malaysian teachers towards a performance appraisal system", *Journal of Applied Social Psychology*, 36(12), 3031-3042.

Ramlall, S (2013). "Organizational Application: Managing employee Retention as a Strategy for increasing organizational competitiveness." *Applied Human Resource Management Research* pp.63-72 Rennie Press.

Richard, et al. (2009). "Measuring Organizational Performance: Towards Methodological Best Practice". *Journal of Management.*

Ridde, V. (2010). "Per diems undermine health interventions, systems and research in Africa: Burying our heads in the sand. Editorial." *Tropical Medicine and International Health*.

Saks, A. M. & Rotman, J. L. (2006). "Antecedents and consequences of employee engagement*." Journal of Managerial Psychology,* 21(7) 600- 619.

Samuel, G. & others (2008). "Human Resource Development for Health in Ethiopia: Challenges of Achieving the Millennium development Goals." *Ethiopian Journal of Health Development.*

Sekaran, Uma, (2009). Research Methods for Business, 5th Edition, A Skill Building Approach, Data Analysis and Interpretation, P300-333.

Shaukat, H., Ashraf, N., & Ghafoor, S. (2015). "Impact of Human Resource Management Practices on Employees Performance". *Middle-East Journal of Scientific Research 23*(2), 329-338.

Shosanya, M (2013). Civil servants threaten strike over salaries. Media Trust Limited Lagos, Nigeria.

Singh, K (2004). "Impact of HR practices on perceived firm performance in India", *Asia pacific Journal of Human Resources,* 42(3), 301-31.

Sinha, V. & Thaly, P. (2013). "A review on changing trend of recruitment practice to enhance the quality of hiring in global organizations." *Management*, 18(2), 141-156.

Som, A. (2008). 'Innovative human resource management and corporate performance in the context of economic liberalization in India', *The International Journal of Human Resource Management.*

Storey, J. (1995). Human Resource Management*:* A Critical Text. London: Routlegde

Subbarao, P. (2006). "Essentials of human resource management and industrial relation. Mumbai: Subordinates and Supervisors." *Asian Journal of Business and Accounting,* 4(2), pp. pp-119-135.

Subramony, M. (2009). A meta-analytic investigation of the relationship between HRM bundles and firm

Tangthong, S., Trimetsoontorn , J. & Rojniruntikul , N., (2014). "HRM Practices and Employee Retention in Thailand"—A Literature Review. *International Journal of Trade, Economics and Finance*, 5(2), pp. pp-166-162.

Tay, A., (2011). HRM Practices of an International Retailer in Malaysia: Comparing the Perceptions of Employees.

Terecha B. and et.al. (2019). "*Analysis of Employees Compensation and Performance Appraisal Policies in Oromia, Ethiopia.* International Journal of Chinese Medicine. June 2019; 3(1): 7-16 http://www.sciencepublishinggroup.com/j/ijcm. doi: 10.11648/j.ijcm.20190301.12

Tessema, M. and Soeters, J. (2006). "Challenges and prospects of HRM in developing countries: testing the HRM performance link in Eritrean civil service," *International Journal of Human Resource Management,* 17(1), 86-105.

Thang, N.N. and Buyens, D. (2008).What Do We Know about Relationship between Training and Farm Management. Bangkok Thailand.

Thomas, K., (2009), The Four Intrinsic Rewards that drive Employee Engagement. Nov/ Dec. 2009.

Tiwari, P., & Saxena, K. (2012). *Human Resource Management Practices: A Comprehensive Review*. Pakistan Business Review, 13: 669-705.

Tsion A. et.al. (2016). "Physician distribution and attrition in the public health sector of Ethiopia". Risk Management and Healthcare Policy. Pp 285–295 Dove Press.

Tsui, A. S., & Wang, D. (2002). "Employment Relationships from the Employer's Perspective: Current Research and Future Directions*."* In C. L. Cooper & I. T. Robertson (Eds.), *International Review of Industrial and Organizational Psychology* (Vol. 17, pp. 77- 114). New York: John Wily & Sons.

Tsui, A. S., Pearce, J. L., Porter, L. W., & Tripoli, A. M. (1997). Alternative approaches to the employee-organization relationship: does investment in employees pay off? *Academy of Management Journal, 40*(5), 1089-1121.

Ummuro A., (2018). TECHNICAL REPORT. "Improving Human Resources Management in Health Sector to Improve Health Outcomes". *Results and Lessons from Ethiopia.* Principal Technical Advisor and Global Technical Lead Human Resources for Health Management Sciences for Health.

Van De Voorde K. and Beijer, S. (2015), "The role of employee HR attributions in the relationship between high-performance work systems and employee outcomes", *Human Resource Management Journal,* Vol. 25 No. 1, pp. 62-78.

Wang *et al.*, (2014). "Organizational Career Growth and Subsequent Voice Behavior: The Role of Affective Commitment and Gender." *Journal of Vocational Behavior, 84 (1), pp. 431–441. 10.1016/j.jvb.2014.03.004*

Waqas Ilyas (2016). "Effect of Human Resource Management Practices on Employee Performance:" A Study of Telecom Sector. *Journal of Resources Development and Management* www.iiste.org ISSN 2422-8397 An International Peer-reviewed Journal Vol.20, 2016.

World Bank (2012).The Health Workforce in Ethiopia. "*Addressing the Remaining Challenges."*

World Health Organization (2010): World Health Organization Report.

Appendix: Questionnaire

ADDIS ABABA UNIVERSITY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT MASTER PROGRAM

Dear Respondents,

Subject: Filling Questionnaire

As a student of MBA – Management at Addis Ababa University, I am currently engaged to carry out my graduation thesis. I have chosen a topic on "Assessing the Effect of Human Resources Management Practices on Employees' Performance of St. Paul's Hospital Millennium Medical College located in Addis Ababa.

In connection to this, I would like to assure you that the questionnaires you are filling does not have any impact on you and you are not required to identify yourself by name. Any, responses you give in this questionnaire is used only for academic purposes.

The questionnaire contains two sections: the first section is your personal profile, and the second section focuses on HRM practices of the hospital. The first part is organized on a category where you select what represents you and the second section is prepared on a Likert Scale which comprises 1 to 5 numbers from which you chose to show your level of agreement.

Note: "1" represents "Strongly disagree"; "2" represents "disagree"; "3" represents "Neutral", "4" represents "agree"; and "5" represents "strongly agree". Thus, you are required to tick only once for one question.

I am very much grateful for your patience to devote some of your time to respond to this valuable piece of work.

Age

Category	<30	31 to 40	41 to 50
Age			

Gender

Category	Male	Female
Gender		

Marital Status

Category	Married	Unmarried
Marital status		

Educational Level

Category	High School Certificate	College Diploma	BA/BSc Degree	MA/MSc Degree	MD/PhD
Educational Level					

Job Position

Category	Clinical/Medical/Laboratory	Support/Administrative Staff
Position		

Years of Service

Category	< 5 years	5 to 10 years	11 to 15 years	> 15 years
Service Years				

Items	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
Recruitment & Selection					
Vacancy announcements are done publicly					
Our Hospital does not always place the right person in the right job					
Inadequate induction to new employees upon recruitment					
Clear Job Description is not given upon recruitment and reviewed regularly					
I am not satisfied with the selection process					

Items	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
Training & Development					
Training needs are identified based on our performance appraisal					
Training Contents are relevant					
I am assigned challenging jobs to develop my skills					
I am encouraged to participate in various seminars and workshops					
The training I received has improved my performance					
Remuneration (Compensation)					
I am not paid adequate remuneration for the work I do					
Our hospital makes all payments due to us on time					
In our hospital payment does not match with performance					
Our reward system is not linked to our performance					
The existing reward and incentive plans do not motivate me for better performance					
There is high staff turnover due to weak remuneration system					
Performance Appraisal					
Our hospital appraises the performance of its employees at regular interval					
Our performance appraisal is not aiming at improving our remuneration					
I rarely receive proper feedback on how I am performing					
The feedback I receive on my performance appraisal does not					

Items	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
motivate me for better achievements					
There are inadequate growth opportunities available for best performing employees					
Career Growth Plan					
There are inadequate growth opportunities available for best performing employees					
In our hospital best performers do not get promoted first					
Most of the supervisors do not encourage us to discuss our problem with them					
I am rarely asked by my supervisor to participate in decision making					
I am not satisfied with the staff development program					
Employees' Performance					
The Rec. & Selection Process has significant impact on my performance					
Training related issues has impacted my performance					
The remuneration system has impact on my performance					
The employees' appraisal system has significant impact on my performance					
The staff development plan has significant impact on my performance					

Thank you for taking your precious time to fill this questionnaire.

The Researcher

February 2020.