

**FACTORS AFFECTING ORGANIZATIONAL PERFORMANCE:  
A CASE OF HADIYA ZONE SELECTED PUBLIC SECTORS**

*A Thesis Submitted to the School of Graduate Studies of Jimma University in Partial Fulfillment  
of the Requirements for the Award of the Degree of Masters of Business Administration (MBA)*



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**Jimma, Ethiopia**



## Statement of Certification

This is to certify that the thesis prepared by Amanuel Bekele entitled “**Factors Affecting Organizational Performance: A Case of Hadiya Zone Selected Public Sectors, SNNPR**”, Which is submitted to Jimma University for the award of the Degree of Master of Business Administration (MBA), complies with the regulations of the University and meets the accepted standards with respect to standards to originality and quality.

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## Statement of Declaration

I, **Amanuel Bekele**, declare that the thesis entitled “**Factors Affecting Organization Performance: A Case of Hadiya Zone Selected Public Sectors, SNNPR**”, is my original work. I have carried out the present study independently with the guidance and support of the research advisors, **ChalchissaAmentie (Ph.D.)** and **LaliseKumera (Ms.)**. Any other contributors or sources used for the study have been appropriately acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other Institution.

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## **Acronyms**

HR: Human Resource

HRM: Human Resource Management

HZSPS: Hadiya Zone Selected Public Sectors

SNNPR: South Nation Nationality People Region

SPSS 23: Statistical Package for Social Sciences: Version 23

## **Abstract**

*The purpose of this research was to examine factors affecting organizational performance in the case of Hadiya Zone selected public sectors. Quantitative research approach has been employed. The total population was 250 and the sample size was 153. The researcher had analyzed five factors that affect organizational performance which were Recruitment, Training, Working Environment, Staff motivation and Talent management. Questionnaires were administered to 153 randomly selected managers and employees of ten selected public sectors. Primary data were collected using five Point Likert-Scale questionnaires 148 responses were properly filled and returned. SPSS was used to analyze empirical data collected through the close ended questionnaire. Data were analyzed using a combination of descriptive and inferential statistics. The independent variables are recruitment, training, staff motivation, working environment and talent management whereas the dependent variable is organizational performance. Pearson correlation Coefficient ( $r$ ) was used to measure the strength of the relationships and regression analysis was used to measure the extent to which the independent variable affects organizational performance. The correlation result indicated that there were positive relationship between all of independent variable and the dependent variable. The multiple regression results found that recruitment, training and talent management were strong significant predictors of organizational performance. Hence, the public sectors should periodically review its practice on Recruitment, Training and Talent management in order to improve the limitation and to identify its effectiveness on organizational performance. The study recommends that organizational performance among public sectors should be given the importance it deserves by the management and also the factors that affect it; the management should dedicate enough resources in terms of time and finances to ensure optimal performance.*

**Keywords:** Organizational performance, Recruitment, Motivation, Training, Management & Working Environment



# CHAPTER ONE

## INTRODUCTION

This chapter deals with background of the study, statement of the problem, objectives of the study, research questionssignificance of the study, scope of the study and organization of the study.

### 1.1 Background of the Study

Continuous performance is one of the major goal of many organizations all across the globe because it performance is the normal measure of organization growth and development. Further organizational performance is one of the major important variables in management research and a parameter of growth and development (Upadhaya, 2014). The definition of organizational performance in literature is difficult because of the many meaning that exist. The concept stretches back to the previous study when it was viewed as a process in which organizations all across the globe, looked at it as a social system fulfilled their set goals. During this time performance evaluation was based on work, organizational structure and people. Later in 1960s and 1970s organizations started exploring new ways of evaluating their performance thus viewing performance as the organization capability in the exploitation of its environment for assessing and using the diminishing resources (Richard at. al, 2009)

The concept of organizational performance comes from the concepts of efficiency and effectiveness. A business organization must produce the right products and services and it must produce them using the fewest possible inputs if it is to have a strong organizational performance (Yongmei, 2007). Organizational performance can be measured by analyzing a company's performance as benchmarked to its corporate goals and the set objectives based on three primary outcomes namely financial performance, market performance and shareholder value performance.

According to Paul &Anantharaman (2003) the most important of the organizational performance are to achieve higher performance or maximization of wealth for the shareholders. Performance also as the ability of an object to produce results in a determined a priority, in relations to a targets or goals (Laitinen, 2002).

Organizational performance includes strategic planning, operations, financial, legal, and organizational development. Organization may achieve its goals when each of the employee understand their roles and responsibilities for the organization, and there should be continues communication between management, leader and employee to set performance expectations, monitor program and achieve a good results (Katou, 2008). Other goals in addition to the above include measures such as customer satisfaction and non-financial goals of the stakeholders which are important elements in measuring performance of privately owned firms (Cheng, 2011). This is an approach in line with Kaplan and Norton's balanced score card model which proposes that the performance of an organizationshould be measured in four perspectives namely financial, customer, learning and growth and internal business processes.

## **1.2. Statement of the Problem**

Due to the growing population of the world, there has been a surge in the demand for public sector goods and service, this in turn, has challenged organizations in the public sector to improve performance. The uncertain current economic climate in the world gives public sector organizations a critical paradox. Tax revenues and other sources for public funding continue to decrease annually makes it paramount for public sector organizations to cut on costs while at the same time ensuring that performance remains optimal. The public sector is and will remain the largest employer in advanced and growing economies yet the irony is that slow performance growth has long made it a drag on the economy. With the existence of empirical evidence how public sector performance growth is slow and downwards, need arises on what steps should be taken to enhance performance in the sector (Carrera & Dunleavy, 2013).

While, a number of organizations in Africa have made attempts to manage organizational performance using dimensions such as financial performance, customer service, shareholder return, social responsibility, community outreach, corporate citizenship among others, most of management strategies are aimed to gain competitive advantage in the external environment thus forgetting internal environment factors such as training and development, teamwork, innovation, management involvement, recruitment and selection, employee performance appraisal, human resource evaluation, working environment, talent management and so on (Lilian.N, 2017).

However, there is no published work regarding factors affecting organizational performance in Ethiopia as well as the study area. Therefore depending on above finding and facts this research tries to investigate the factors affecting organizational performance in context of Hadiya zone Public sectors and forwarding or suggest remedial action for responsible bodies depending on the findings to be productive and competitive in this global world. Further, there is a shortage of studies that affecting on organizational performance carried out focusing on the public sectors. In this study, the researcher will examine factors that can affect performance of public sectors. The factors were focus in five items which is recruitment and selection, training and development, staff motivation, working environment and talent management to fill the gaps in the public sectors that have not yet been studied, within context of public sectors in Hadiya zone. When these internal factors are under looked they result to various obstacles such as labor disputes and unrest amongst organizations and their representatives or decreases in constrain because of the move of work seaward which damages industry notoriety by low wages and not as much as attractive working conditions, notwithstanding quality-control issues. There seems to be a gap between external environment factors that enhance organizational performance and internal factors that enhance organizational performance. The researcher is of the opinion that internal factors have been given less attention thus the need to establish factors affecting organizational performance in the public sector. This study will fulfill these research gaps while answering the research question.

### **1.3. Research Questions**

The above statements guide the researcher to builds up research questions regarding the determinant factors which affect the performance of organization of the public sectors, the study tried to answer the following main research questions:

- (i) What is the effect of recruitment on organizational performance in public sectors?
- (ii) What is the effect of training on organizational performance in public sectors?
- (iii) What is the influence of working environment on organizational performance in public sectors?
- (iv) What is the effect of staff motivation on organizational performance in public sectors?
- (v) What is the influence of talent management on organizational performance in public sectors?

## **1.4. The Objective of the Study**

### **1.4.1. General Objectives**

The general objective of the study was to examine the factors affecting organizational performance in the public sectors in Hadiya zone.

### **1.4.2. Specific Objectives**

The specific objectives of the study were:

- (i) To assess the effect of recruitment on organizational performance.
- (ii) To investigate the effect of training on organizational performance.
- (iii) To reveal out the influence of working environment on organizational performance.
- (iv) To examine the effect of staff motivation on organizational performance.
- (v) To describe the influence of talent management on organizational performance in the selected public sectors in under study.

## **1.5. The Significance of the Study**

The study was focus on factors affecting organizational performance in public sectors. So this research was identifying the exact factors that affect organizational performance, and it will provide understandings for the improvement organizational performance. The result of the study will help the public sectors to re-examine the system, and to take appropriate action.

This study can also be a foundation for future researchers carrying out their studies in organizational performance and other related fields. They can use it to conduct studies in the recommended areas for further studies and use it as a source of reference.

## **1.6. Scope of the Study**

This research study was delimited to the public sectors in specifically in Hadiya Zone. The researcher was also focused only on the factors affecting organizational performance in each public sectors of the in study area; namely Finance and Economic Development, Public service and HRM development office, Road and Transport office, Water and energy, Health office, Urban and Housing development, Trade and Industry, Revenue and Authority, Education office and Agriculture and Natural resource office of the study Zone. Therefore the scope of this research was only delimited to the selected public sectors of Hadiya Zone.



### **1.7. Limitation of the study**

The study was limited by the availability of respondents and the possibility of deliberately distorting information. This was overcome by sensitizing the respondents on the importance of the study and the need for honest responses.

### **1.8. Organization of the study**

The organization of the study follows the same format most thesis papers follows. The first chapter discusses background of the study and organization, statement of the problems, research question, and significance of the study, scope and objective of the study. The second chapter review literature related to this particular research. The third chapter concentrates on the research design and the methodology. The fourth chapter presents data and analysis based on the gathered data. The last chapter deals with the major findings, conclusion, recommendation, and reference and appendix part of the research.

# **CHAPTER TWO**

## **REVIEW OF RELATED LITERATURE**

### **2.0 Introduction**

This chapter presents a review of selected existing theories and knowledge from literature on the factors affecting organizational performance. In so doing, the subject of inquiry was extracted in the light of previously conducted research and scholarly work. Literature reviews are secondary sources, and as such do not report any new or original experimental work. This chapter also will discuss of the reviews and the summaries of the previous study regarding the scope of the research. Includes definition or the terms, discussion and the critically evaluation of past and current research. The main goals of doing literature are to gain sufficient information on area of research so that a researcher can make her own conclusion for the content of this research.

### **2.1 Theoretical Literature Review**

The contribution of the Human Resource Management towards increased organizational performance is gaining interest in the recent years especially in context of Public sector organizations (Rehman, 2011, 2012). The organizations are constantly facing competition, in this globalized era, which is both fierce and threatening. Therefore, in this competitive business environment competitive advantage over business competitors can be achieved mainly by the intangible resources of the organization including its human resources (Harel and Tzafir, 2000). It is the human resource of an organization that adds value to the organization in a unique way and can increase the efficiency of its organization. Jamil and Raja (2011), argued that the organization having well trained, experienced and qualified Human Resource have a competitive edge on other organizations. It is because the workforce of an organization is the basic source of innovation and unique ideas and differentiates an organization from its competitor. By managing the human resource and developing their competencies that are firm specific, they can contribute positively towards gaining increased performance and competitive advantage (Lado and Wilson, 2002). Thus companies all around the world now a day are focusing on talent acquisition, its nurturing and retention.

The study focuses on factors affecting the organizational performance in the public sectors, employees are key intangible resources that affect performance in any organization and if they were well recruited in line with the set organizational policies and procedures then taken through the necessary training to understand organizational procedures and processes, unique talents identified and well motivation they would give the given organization a competitive advantage.

### **2.1.1 Organizational Performance**

Organizations performance is process to enhance both the effectiveness of an organization and the well-being of its member through planned interventions. One of the three key points of the organizational development will which lead to organizational performance are when many of organization development effort to increasing organizational learning, with the intent of then impacting organizational performance (Jon & Randy, 2009).

Organizational performance basically can be defined as the outcome that indicate or reflect the organization efficiencies or inefficiencies in term of corporate image, competencies and financial performance (Khandekar& Sharma, 2006). Work performance is the way employee perform their work. An employee's performance is determined during job performance review, with an employer taking into account factor such as leadership skills and productivity to analyze each employee on an individual basis. Organization performance reviews are often done yearly and can determine raise eligibility, whether an employee is right for promotion or even if an employee should be fired (Rowold, 2011).

There were so many ways to evaluate employee work performance. According to Rowold (2011) high performance work system and practices have need identified as playing a key role in the achievement of business goals and improved organizational effectiveness. While there were no agreement on an ideal configuration or bundle of such systems and practices. The logic is that high performance work systems influence and align employee's attitude and behaviors with strategic goal of the organization and they increase employee commitment and subsequently organizational performance.

According to Xinyan, Jianqiao, &Degen, (2010) proposes that work performance comprises not only task but also contextual elements such as interpersonal and motivational components that contribute to a two dimensional performance construct.

According to Chen, et al. (2006), organizational performance means the “transformation of inputs into outputs for achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realized output (efficiency) and between output and achieved the outcome (effectiveness)”.

According to Bolman& Deal (2003), DeClerk (2008) and Scott & Davis (2015), there is no general agreement in the literature on the standards to be used in measuring the organizational performance. However, there are four main dominant approaches: Goal Approach. People create organizations for a specific purpose which is determined by the stakeholders. The organizational performance is the ability of the organization to achieve its goals.

The System Resource Approach: This approach discovers the relation between the organization and the environment. As said by Cutler et al. (2003) an organization is effective when it takes advantage of its environment in the attainment of high value and rare resources to approve its operations.

Constituency Approach: According to Agle, et al. (2006), an organization is effective when multiple stakeholders perceive the organization as effective. The organizations with more control over resources are likely to have the most influence on the performance (Scott, Davis, 2007).

Competing Values Approach: It was developed by Cameron and Quinn (2006) and it states that organizational goals are created in different ways by the various expectations of multiple districts.

Therefore, organizations may have different criteria to measure performance. According to Cameron, et al. (2014), stakeholders support the adaptability of their organizations; they want them to be flexible, stable and effective. According to Cohen & Bradford (2005), a performance and effective organization has a high degree of collaboration and commitment among stakeholders through work groups and management.

## **2.2 Factors Affecting Organizational Performance**

Work force performance being a key indicator in organizational success, thus the knowledge of factors affecting performance is a prerequisite for the improvement of performance in public sector organizations (Researcher, 2014).

### **2.2.1 Recruitment**

Ensuring that the right people are in the right place at the right time is a critical factor in gaining and maintaining competitive advantage. Recruitment and selection have always been crucial processes for organizations. They are integrated activities (Bratton and Gold 2007: 239-247) cited in Desta (2008:19-20) refers to recruitment as “the process of generating a pool of capable people to apply to an organization for employment. Selection is the process by which managers and other use specific instruments to choose from a pool of applicants the person or persons most likely to succeed in the job(s), given management goals and legal requirements”. Recruitment and selection represent the entry point activities. Hence, emphasis may be placed on admitting only those applicants who are likely to behave, acquire skills and show attitudinal commitment in line with the requirements of the organization’s strategy. Effective recruitment relies on the degree to which overall management philosophy supports and strengthens an approach to HRM that focuses on the deployment and development of new employees once they have gained entry to an organization.

Ofori and Aryeetey (2011), enrollment is the way toward drawing in able people to look for work in an association. The fundamental reason of enlistment is to furnish the association with a pool of capable and qualified occupation applicants. Nature of candidates pulled in to an association decides the nature of human asset utilized in an association. With a specific end goal to make enrollment fruitful, an association must take after the correct strides to guarantee they have the perfect individuals who can fit well in their workplace to accomplish the objectives of the association. The study will use following items to measure recruitment and selection practices, which include: frequency of recruitment, method of recruitment, recruitment procedure, recruitment through merit and qualification, performance improvement through recruitment and recruitment success.

### **2.2.2 Training**

Job training as a set of planned activities on the part of organization to increase the job knowledge and skills or to modify the attitudes and social behavior of its members in ways consistent with the goals of the organization and the requirements of the job (Stevent, 2007) Training and development has been defined as the process by which people acquire various skills

and knowledge that increases their effectiveness in a number of ways, which include leading and leadership, guiding, organizing, and influencing others to name of few. (K.Skylar Powell &SerkanYalcin,2010). Training is related to training received, advantage of training and importance and participation of training (Shandare& Hammed, 2009).

Make an effective service is one of the parts of training objective. Objective of training involves mostly the acquisition of knowledge needed for staff to perform their functions. This is an important prerequisite of staff undertaking the second role of an employer's organization in training, which is to provide training to members in areas in which they expect services (Sriyan, 2000).

Developing a national role in training is important for an employer's organization for several reasons. First it enables the organization to contribute to the development of a country's human capital, through its influence on education policies and systems and training by public training institutions, to better sever business needs. It also enables it to influence employers in regard to the needs for them to invest more in training and employer development. Which employers should recognize as one key to their competitiveness in the future. Second, it will provide and important service to members, especially in industrial relations in respect of which sources of training for employers in developing countries are few. Third, it is an importance source of income provided the organization can deliver relevant quality training. Fourth, it compels its own staff improve their knowledge without which they cannot offer training to enterprises through their own staff. Fifth, the knowledge required for training increases the quality of others service provided by the organization policy lobbying, advisory and representation service. Sixth, it contributes to better human relations at the enterprises performance, by matching corporate goals and people management policies. Finally, it improves the overall image of the organization and invest it whist a degree of professionalism, which can lead to increased membership and influence. (Sriyan, 2000)

Organizational management requires certain skills for effectiveness and efficiency in recourse utilization for results. In work organization across the world, productivity, improved performance and competitive advantage had become issues of concern among the stakeholders. It has been argued invariably that a worker training tends to foster effective utilization of

organizational resources. However, it can be immediately ascertained whether workers training programs have a direct positive influence on job security, increased productivity and improved workers performance among workers. (Oluseyi, 2010)

### **2.2.3 Working environment**

Working environment can be defined as manner and extend to which roles, power and responsibilities are delegated, controlled, and coordinated, communication and instruction between employee and management (Robbins, 2008). This structure depends entirely on the organizations objective and the strategy chosen to achieve them. Environment is made up of the administrative, technological, political, economic, socio-culture, and stakeholder factors. This environments provides multiple contexts that affect the organization and its performance what it procedures and how it operates (Muhammad Ehsan Malik, Salman Nasser, &MuhamadMudsarGhafar, (2011).

Workplace design needs to take into account of a wide range of issues. Creating better and higher performing workplace requires an awareness of how workplace impact behavior and how behavior itself drives workplace performance. That in relationship between work, the workplace and the tools of work, workplace becomes an integral part of work itself. Increasing workplace understanding is built on the recognition that space has different characteristic. It performs different functions and there are different ways people work. People work individually and interact with others and this requires different workplace solution. (Chandrasekar, 2011)

The effect of organizational structure and its environment on the behavior of its members has been an important issue of discussion and analysis since long ago. In industrial context, the problem of increasing production and making the work environment more pleasant has been approached through the introduction of durable change working environment. The environment in work organization comprises several components of two major categories, namely, physical and psycho social. During early days of development of industrial psychology only physical environment in work place was given importance and was considered as a predominant of employee productivity. Numerous earlier studies examined the effect of illumination, temperature, noise, and atmospheric conditions on productivity of the workers (Srivastava, 2008). Working environments also includes tools, material and equipment, working conditions,

Action of –co-workers, leader behavior, policies and objective of the organization, availability of required information, time availability and others (Srivastava, 2008).

The concepts of workplace performance means a workspace whose explicit objective is to support the performance of work, a performing workplace is designed to optimize worker productivity. However, worker productivity, although meaningful in an economic context, tends to be applied in a vague and general way to a whole range of desired behavioral outcomes in the context of work. A recent review of studies of the effects of environment on productivity concluded that confusion about what productivity means has made it difficult to identify the environmental conditions affect worker performance. (Jacqueline, 2006)

#### **2.2.4 StaffMotivation**

Motivation is very important for our life because when we have high motivation we will performed well. The important aspect associate with motivation is the employee’s morale, which is the attitude or feeling about the job, about superiors and about organizations itself. That means that an employee with high morale will be more dedicated and loyal to the job. High morality of the employee results from difference aspect to positive job and the organizations, such as being recognized in the workplace and being financially secured. Simple motivation is a process of providing reasons for people to work in the best interests of the organization.

Motivation could be divided into three parts. Firstly, looks at arousal that deals with the drive, or energy behind individual action. People turn to be guided by their interest in making a good impression on other, doing interesting work and being successfully in what they do. The second part referring to the choice of people make and the direction their behavior takes. Lastly, part deals with maintaining behavior clearly defining how long people have to persist at attempting to meet their goals. (NaimaAbdullahiGure., 2010)

According to Roseanne & Daniel (2006) motivation is determined by goal directedness, human volition on free will, and perceived needs and desires, sustaining the actions of individuals in relation to themselves and to the environment.

According toSharipahAzlena (2011) Employee motivation is one of the strategies of managers to enhance effective job performance among workers in organizations. Motivation is a basic



psychological process. Motivating is the management process of influencing behavior based on the knowledge of what makes people tick. Motivation is the process that arouses, energizes, directs, and sustains behavior and performance. That is, it is a process of stimulating people to employ effective motivation, which makes workers more satisfied with and committed to their jobs.

Morale has been viewed by many as immeasurable, intangible, indefinable and is something based on choice made by a person on whether to have a high morale or not. Very few studies have been able to quantify morale and show a clear and distinct relationship between morale and Performance. When those in management positions identify the morale factors that affect employees, measures can be taken to mitigate the supposed lack of morale. Among the morale boosters in employees include the need to foster teamwork, coaching, developing others and also instilling motivation intellectually through motivational speakers (DuBrin, 2008).

(DuBrin, 2008), further argues that the mainstream media plays a key role in the shaping up of employee morale; a study conducted in the US found out that 80% of the employees who watched and followed the news during the global economic recession had their morale reduced due to fears of either losing their jobs or being retrenched.

Job security is considered to be among the key factors that motivates and boosts the morale of employees whether in public or private organizations. When morale in employees is low, the results are personal resentment and survival thus limited creativity and innovation which in the long run affects performance.

### **2.2.5 Talent Management**

Managers should be keen on spotting talent when engaging their employees as this ensures employees are competent enough to meet the set targets. Additionally, existing talent in the workplace should be taken into much consideration, so that only employees with complementary skills are employed and assisted to realize their potential.

Management thus involves practices such as team working, empowerment, idea capture schemes, information-sharing on quality, customer feedback and business results, organizational performance-related rewards system, and extensive training and development, including the

social and problem solving skills required for high involvement working. It is conceived as an alternative to a control model based on job implication, tightly defined divisions of labor, rigid allocations of individuals to narrowly defined tasks and minimal employee participation in higher-level decisions. (Stephen, 2007)

The management must take an active role in not only defining the physical environment of the workplace and making it conducive for workers but also after the management style to suit the employees. This refers to changing aspects like ethics, behavior, commitment, professionalism, drive and interpersonal relations in employees for the better. (Chandrasekar, 2011)

Normally, as managerial levels there are responsible to planning for further. There are three basic categories that will involve management as below:-

i) Strategic Planning: managerial need to deciding the goals of the business. Normally it is too long term strategist and look well into the future of the business, rather than just being involved in the present. Strategic plan really set out where the business is going.

ii) Technical Planning: This is the process of developing short range plans need to achieve certain strategic goal, required the analysis of current performance and other data. Technical plans usually have a short-term usage and their main purpose is the completion of tasks at the present time.

iii) Operational Planning: This is process of developing all the ways that the tactical plans can be achieved.

Management deals with human beings and their social interaction and both the external and internal environment are in a constant state of flux. Strategy will only improve performance if its formulation takes the fundamental unpredictability of the world into account. Strategy cannot be formulated through rational systems that model the real world. Formulating strategy is a continuously developing 'narrative' between the organization and the external environment. (Peter, 2005)

## 2.2.6 Definition of the key terms

**Organizational Performance:** Organizational Performance is the valued productive output of system in the form of goods service (Swanson, 2000).

**Recruitment:** Recruitment can be defined as searching for and obtaining a pool of potential candidates with the desired knowledge, skills and experience to allow an organization to select the most appropriate people to fill job vacancies against defined position descriptions and specifications (Kotler 2009).

**Training:** Training is the process of providing employees with specific skills or helping those correct deficiencies in their performance (Luis, David, & Robert, 2010)

**Working Environment:** Working environments can be defines as the manner and extent to which roles, power and responsibilities are delegated, controlled, and coordinated, communication and instruction between employee and management (Robbins, 2008).

**Staff motivation:** Motivation is defined as forces within individual that the direction, intensity and persistence of individual's voluntary behavior (Zainal et.al 2009)

**Talent Management:** Talent management is a designed strategy organizations use to attract, keep, motivate, train and develop talented people it needs now and in the future (Armstrong, 2008).

## **2.3 Empirical Literature Review**

According to Kroon & Van Veldhoven (2009) performance measurement greatly affects the achievement of organizational goals and the effectiveness and efficiency of its strategic planning process. Along these lines, so as to survey the level of progress or generally of a corporate body, its set up key designs regarding the execution of the organization in all fronts of operations must be set up. Key arranging institutionalizes the procedures of objective/target setting, circumstance examination, elective thought, usage and assessment that empower an association to accomplish its objectives and destinations.

Olufemi (2009) examined human capital advancement hones and hierarchical in Nigeria's keeping money Industry with a perspective of increasing expansive comprehension of the hypothetical and experimental connection between Human Capital Development (HCD) hones and authoritative viability of Nigerian Banks particularly after the saving money division changes of June 2004.

Reactions from ponder were broke down utilizing engaging insights and Pearson item development relationship. The investigation uncovered that contribution in human capital advancement rehearses connect decidedly with hierarchical adequacy.

As indicated by Gamage (2014) enrollment and determination are basic capacities endowed to the branch of human asset administration. For a business association to work easily, enlistment and choice process must be done entirely following the correct system so as to choose the correct possibility for the correct occupations. Enrollment is a procedure that includes pulling in contender for work while determination is the way toward picking the most qualified and very equipped people for arrangement.

The nature of HR in a firm to a great extent relies upon the adequacy of enlistment and determination work out. In the event that organizations enroll and select hopefuls who are not fit to perform and convey they will acquire gigantic negative costs which they will be unable to bear. Along these lines, the primary reason for enlistment and choice is to acquire the correct number of value workers required to fulfill the key objectives and targets of the association, at exceptionally negligible expenses.

Costello (2014) depicts enlistment as a procedure and the arrangement of exercises that are utilized to lawfully acquire the correct number of qualified people at the correct minute. At the end of the day, the enrollment procedure furnishes the association with a pool of possibly qualified occupation applicants from which wise determination can be made to fill opening. Great and standard enlistment starts with appropriate and compelling work arranging and determining. Amid staffing process, associations for the most part think of ways that either fills or disposes of future employment opportunities in view of an investigation of future needs, ability accessible inside and outside of the association, and the present and expected assets expected to extend and hold the ability.

Enrollment goes for furnishing an association with a pool of qualified and able occupation applicants. The nature of candidates pulled in decides the nature of human asset in an association since choice will be done from those applicants pulled in.

Henry and Temtime (2009) opined that enrollment is the section purpose of labor into an association and the correct way an association should dependably follow keeping in mind the end goal to ensure they have pulled in the perfect people so their general vital objectives are accomplished.

As indicated by Otieno (2013) enlistment and choice is the main procedure that can decide critical choices as to which applicants get business offers. The primary point is to enhance the fit amongst worker and the association, work prerequisites and groups subsequently making a superior workplace. Sophisticated enlistment and determination frameworks guarantee a legitimate fit between the capacities of an individual and the necessities of an association.

Mulei and Karanja (2011) brought up that work solidness is accomplished through a determination technique in view of capacity.

Soliman (2000) called attention to that enrollment is exceptionally basic to administration procedures and disappointments emerging from it can make troublesome circumstances in an association like wrong levels of staffing and negative impacts on its gainfulness.

Gupta (2006) watches that choice can be seen as either picking proper applicants or dismissing unfit competitors, or a blend of both. The determination procedure appropriately expects that

hopefuls are more than the quantity of employment opportunities accessible. (Prasad, 2005) underlines that the principle significance of determination process is to separate however much data as could reasonably be expected about the contender to affirm their appropriateness for arrangement.

In an investigation by Kepha (2012) to build up the impact of enrollment and choice on the execution of representatives in explore organizes in Kenya, discoveries uncovered that there is a high connection between worker execution and enlistment and determination at 0.374 and additionally prescribed that exploration establishments ought to entirely take after occupation detail rules when filling empty positions.

In another examination by Omolo (2012) researching the impact enrollment and choice has on the execution of Small and medium endeavors in Kisumu region in Kenya, the discoveries uncovered that the normal execution of SMEs with great enlistment and choice was 81.90% with direct at 67.94% and poor at 53.90%. Enrollment and choice record for 40.8% of the aggregate fluctuation in execution of Small and medium undertakings implying that enlistment and determination had impact on execution of SMEs in Kisumu

According to Cardon& Stevens (2004) training in organizations and suggested that unstructured training, informal job instruction and socialization are main components of the training and development process which effect organizational performance.

According to Saleem and Mehwish (2011) training refers to a developmental program aimed at increasing employee's skills and knowledge which later translates to increased or improved performance both at the individual and organizational level. Organizations can avoid wasteful investments by having highly skilled, knowledgeable and creative employees who can work efficiently to improve performance of the organization. Training therefore is one of the significant and core roles of human resource administration as it ensures effective use of human resources. Training enhances capabilities of employees, motivates them and transforms them into well-mannered, organized and hardworking individuals and this ultimately affects the performance of an organization.

People who work within an organization determine its effectiveness and success through how they best apply their learned skills and knowledge at work. It therefore follows that for employees to make meaningful contributions at work and diligently perform their duties as required in order to achieve organizational objectives, they need to have pertinent skills and information and keep on improving them through continuous training (Ospina and Watad, 2000). Putting this fact into consideration, Organizations must therefore assess training requirements of representatives and adjust them to the necessities and destinations of the association keeping in mind the end goal to realize the vision and mission of the association.

In the expressions of Tharenou et al (2007) the primary reason for preparing is to advance the association's viability. Preparing likewise affects representative execution and in addition hierarchical execution. In a similar view Aguinis and Kraiger (2009) indicated out that preparation enhances authoritative efficiency, adequacy, income and productivity and different results or advantages straightforwardly identified with preparing in enhancing nature of administrations. In the same line, Olaniyan and Lucas (2008) are of the opinion that training highly increases employees' capability to contribute to the ideal performance of the organization.

According to Coetzee &Schreuder (2013) employees look for organizations that are prepared to afford them some type of training and development opportunities. This can be in form of bursaries on the job training and ongoing development opportunities. This leads to affective commitment because the employees strongly identify with the organization if their personal goals are being met by that organization .This affective commitment usually prompts employees to stay with the organization. Therefore, it is very important for any organization to provide its manpower with adequate training and ensure that they are satisfied.

In a study by Mutua, Karanja and Namusonge (2012), the findings revealed that training is a core motivation tool of the various Human Resource Management Practices that are used for employee retention and development. The different kinds of training given to employees incorporate at work and off-the-work preparing, professional preparing, modified directions, apprenticeship preparing and so forth.

They additionally discovered that worker happiness with reference to short and long haul compensates extraordinarily impacted general fulfillment than satisfaction with social connections or work power.

Motivation is a fundamental mental process that provokes, strengthens, and directs behavior and performance. It is a process of inspiring employees to utilize effective motivation, which makes them more satisfied and committed with their services. Similarly, Employee motivation is a tool that managers use in their strategies to excel effective job performance among employees in organizations SharipahAzlena Syed Hassan (2011). Every organization wants to be successful in a highly competitive environment. Organizations of multicolor do struggle to retain the best employees, recognizing their work, and impact on the organizational performance Dobre, O. I. (2013).

Therefore, organizations should develop a positive and strong relationship with its employees and guide them to organizational objectives. Motivation is an essential for our continuation because when we have high motivation we will work well. A study determined motivation by goal directedness, human aspiration on free will, and sustained actions of individuals in relation to themselves and to the environment Roseanne, C.M., & Daniel, J.P. (2006)

The study had shown that there is a positive relationship between management and organizational performance, as results obtained in study of (Sharipah, 2011) had also indicated that are significant correlations with (0.508). Overall this study had indicated the importance of people management practices in influencing organizational performance.

In a hostile work environment, employees feel insecure about their actions as a result of hostility from management or other co-workers. Such hostility may present itself in the form of harassment and/or discrimination, exploitation (feeling coerced to work more hours or do favors against one's will), blackmailing and threats (Ajala, 2012).

Working conditions are considered to be the working environment and all existing circumstances affecting the labor output in the work place which include: job hours, physical aspects, legal aspects and organizational culture; the physical conditions under which employees work is considered to be important for their output. The immediate surrounding that is manipulated by a



person for existence is considered as environment; the wrong manipulation of the same environment has an introductory effect of hazards that make the environment unsafe and this stands in the way of performance. The work place can therefore be described as the place in which the worker performs work. An effective workplace is considered to be one in which results can be achieved as expected by the management of an organization. The physical environment of any organization has an effect on the manner in which employees interact, are able to perform tasks and also how they are guided and led.

The physical environment being a facet of work environment has a replicating effect on performance since it revolves around human sense; this is so because the traits of a place or room of meeting for a group of people has a direct effect on the performance and satisfaction levels (Secord, 2003).

The business world of today views the workplace environment as a critical factor that keeps the employees satisfied; the work place today as compared to many years ago is different, diverse and is ever changing. Studies that have been done on work environment have shown that the users of a specific workplace are satisfied with workspace features that are specific. Some of the features that are considered to be of significance include: lighting, ventilation rates, access to natural light and a very beautiful environment. Furniture that is ergonomic has also been noted to have a positive effect on the health hence performance of employees (Jackson & Mathias, 2008).

Light has been noted to have a profound effect on the physical, physiological as well as psychological health of employees and their manner of performance. Ambient features in offices such as lighting, temperature, existence of windows, the flow of free air have an effect on the attitude of employees, their behavior, satisfaction as well as performance. A closed office plan is also another feature that encourages privacy than an open plan office layout. This allows the employees to work in peace and privacy which in the long run ensures more focus and concentration on the task at hand, combining with quietness which keeps them not distracted by what other employees are doing. A private office will offer the employees an opportunity to think and be creative without much interruption. In an open office, noise levels are always very high and sometimes result in stress and demotivation, high levels of distractions together with low privacy levels (Kaynak, 2013).

According to (Hempell, 2006), the development of technology has played a key role in the transformation of the work place environment. The development of communication methods are virtual reality and alternative work patterns. To accommodate other rapid changes in the work place, open office space has been the solace for organizations with the intention of improving performance because the style is deemed to have advantages which include: offering interpersonal assesses flexibility of workplaces and also ease of communication as compared to private offices. According to some studies, open offices are seen to increase performance as compared to close office layout. Open offices creates an egalitarian system that provides for equal working conditions that reduces employee distance and also improves the flow information.

A lot of work hours are lost if employees in any given organization use work hours to deal with personal money matters; such workers are financially troubled as noted by(Joo, 2000), in his study on how the use of work time to handle personal financial matters has an effect on the measure of performance output. On the other hand workload which is considered as the extent of processing capacity that is put to use during the performance of a task has an interaction with resource supply from the environment and the demands which a task requires. Short term performance can be achieved through increased workload but this has an effect on increasing long term costs and stress among workers and illnesses which may lead to poor judgment and low performance (Griffin, 2007).

In the words of Armstrong (2008) talent management is a designed strategy organizations use to attract, keep, motivate, train and develop talented people it needs now and in the future.

Price (2007) sees talent management as a strategic approach to develop highly skilled, competent and motivated workforce through recruitment, development and retention. Therefore talent management is a human resource function designed to attract, recruit, retain, develop and motivate a qualified, creative, innovative and most competent workforce and utilize them fully with the aim of increasing workplace productivity. Talent management entails identifying real and unique talents employee's poses and put a framework in place to nurture them so that current and future business needs can be realized.

Human resource managers globally are still facing a set of challenges with talent management. Although talent management is viewed as a new concept most of its approaches like attracting, keeping, developing, motivating and succession planning cannot be classified as new concepts as they are activities that have been integrated in other functions of human resource management. Talent management is not a process limited to managing individuals in an organization but a broader concept entailing management of skills, competencies, abilities, careers, concerns, needs, fears and expectations of employees the organization values and anticipates to utilize fully in order to realize its current and future needs. Talent management offers strategic leverage to organizations today and it requires active participation not only from the human resource department but also from other departments in the organization, Top management, middle management and supervisors including employees. In essence, talent management is the vehicle to move the organization to where it wants to be. In an investigation directed by Mangusho and kipkoech (2015) at Del Monte Kenya on impact of ability maintenance on worker execution, surveying how ability fascination effects, and impacts learning and improvement on representative execution in the refreshment business in Kenya discoveries uncovered that the activity maintenance propelled the workers of Del Monte, prompting extreme execution. The examination at that point prescribed that the administration ought to guarantee the workplace was alluring to the representatives in order to persuade them and hence prompt enhanced execution.

### **2.3.1 Summary and Research Gaps**

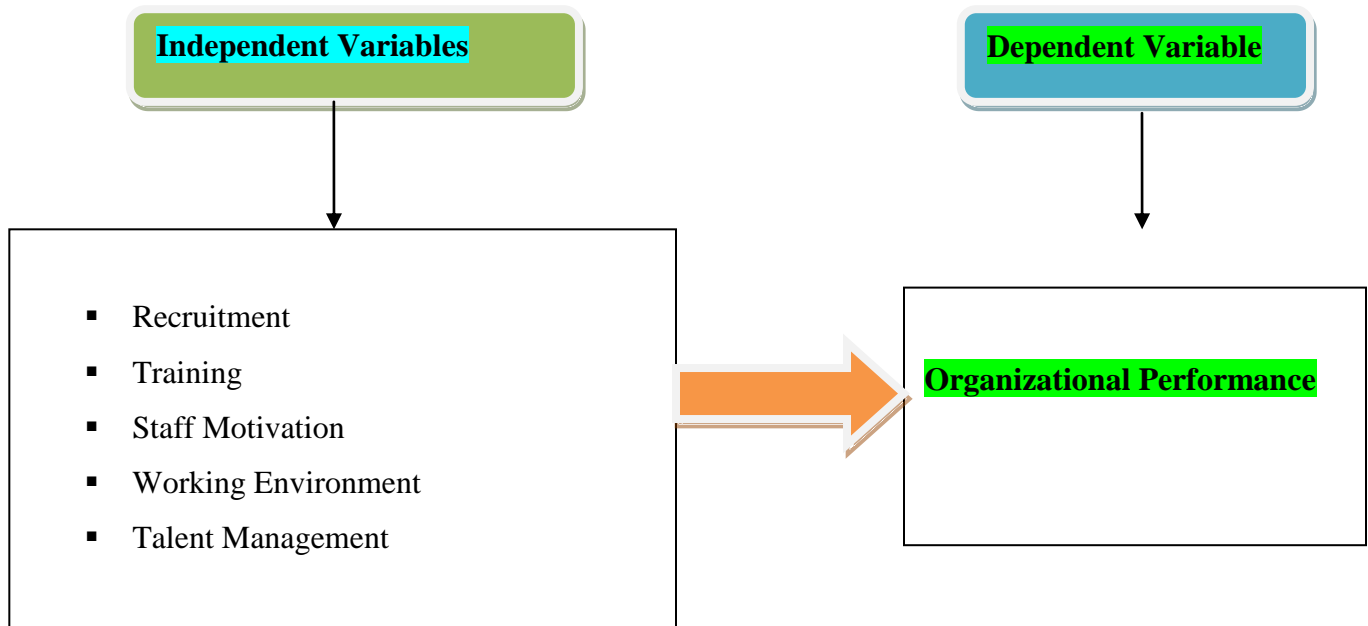
The researcher concurs with literature review from other authors generally that Recruitment, Training, Working Environment, Staff Motivation and Talent Management affect organizational performance. However, the studies in support of these findings were conducted in other organizations not in the public sectors and Hadiya Zone in particular. This study thus endeavors to establish the factors affecting organizational performance in the context of the public sectors and Hadiya Zone in particular.

### **2.4 The Conceptual Framework**

As the early literature reveals the performance of any organization depends on the nature of human resource hired by the organization. Robinson (2001) contends that without human factor profits, wealth, good image and all other good things, which make the organization successful,

would not occur. Human resource is the magic ingredient, which turns everything into reality. This research study has mainly five independent variables namely Recruitment, Training, Working Environment, Staff Motivation and Talent Management one dependent variable i.e. organizational performance. The purpose of the study as mentioned above was to find out the relationship between independent variables and dependent variable. Moreover, to see to what extent Recruitment, Training, Working Environment, Staff Motivation and Talent Management, factors affecting organizational performance in public sectors.

**Figure: 2.1 Conceptual Frameworks**



**Source:** Researcher's own diagram (2019)

# CHAPTER THREE

## RESEARCH METHODOLOGY

### 3.0 Introduction

This chapter discusses the research design that was used in this study. The chapter further describes the study area, population, sampling design, sample size, data collection methods, instrument design, and the data analysis procedures applied. The measures used to ensure validity and reliability of the study instruments is also discussed. Even, it presents the measures adopted to ensure that the study is done in a hasty manner.

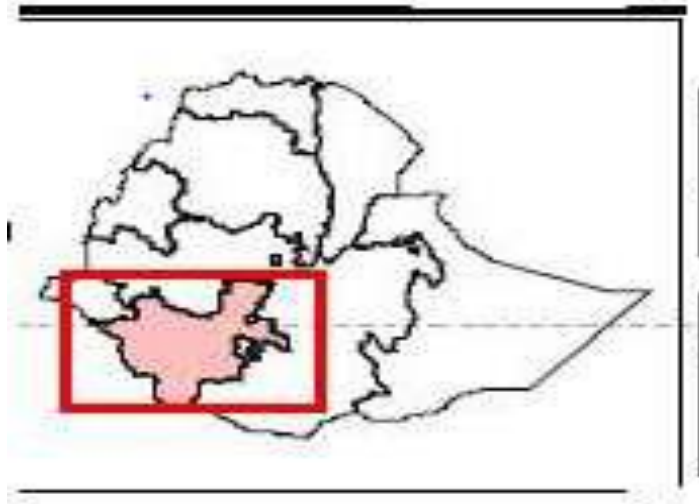
### 3.1 Description of the Study Area

It is one of the major Zones in Southern Nations, Nationalities and Peoples Region (SNNPR), Hadiya Zone is located in the northern part of the Southern region of Ethiopia. Hosanna is 250 kilo-meters south of Addis Ababa and divided in to 14woredas and four city administrations including Hosanna town. Hadiya administrative zone has a total area of 3850.2 km<sup>2</sup>. Topographically the zone lies within an elevation range of 1500 to3000 meters above sea level. The total population of the zone is estimated about 1412347 and it has a population density of 366 inhabitants per km<sup>2</sup> (Hadiya zone finance and economy report, 2009). The zone has three agro- ecological / zones Dega (23.7%) Weynadega (64.7%) &Kolla (11.6%).Annual average temperature of the zone is 22.02° Celsius & the mean annual rainfall is 1260 mm.

Hosanna town is the administrative and trading center of the zone. It is one of the 22 model towns that are given a due emphasis by the regional state. It is also among the 19 towns selected as, strategically center for development in the region. The town is located at a distance of 250 km south of Addis Ababa& 160 km west of Hawassa town.

Hosanna town lies at an altitude of 1500 meters above sea level. Its proximity to Addis Ababa, Welkite, Butajira and Sodo towns is a good opportunity for the future development of the town. Hosanna has an access road that links the town with Addis Ababa, Hawassa, Wolaytasodo, Butajira, Durame, Welkite and the woreda towns of the Hadiya.

**Figure 3.1 Political Map of Ethiopia**



**Figure3.2 Study area of the Research**

**Source:** Hadiya Zone Finance and Economy report, 2017

### **3.2 Research Design**

A research design stands for advance planning of the methods to be adopted for collecting the relevant data and the techniques to be used in their analysis, keeping in view the objective of the research and the availability of staff, time and money (Kothari, 2004). The design constitutes the blue print for the collection, measurement and analysis of data. The nature of this study is an explanatory and descriptive research study that aims at explaining the factors affecting organization performance. Questionnaire was used for data collection. These methods were chosen due to it's practically, where time and budget are the main constraints.

The study used quantitative data analysis. A quantitative research design was set out to collect data. Quantitative approach helps researchers to test relationships between variables (Creswell, 2012).

The researcher believes that this kind of research approach are provides relevant data about the research topic, and supportive to meet the research objective since it can involves collecting and analyzing numerical data and applying statistical tests. It ensures that the study would be relevant to the problem and that it uses economical procedures. In this study, a quantitative approach which was practiced, as recommended by Creswell et al. (2012).

A quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest or it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistical data (Creswell, 2012). Hopkins (2000) suggested that quantitative research work connects independent and dependent variables.

Thus, the study was conducted using quantitative type in which it appeared to be more appropriate to find out the effect of determinant factors on organization performance. The main survey instrument used for this study was questionnaire.

The researcher used proportionate stratified sampling technique to select the sample from the population. The data was collected through questionnaire and SPSS Version 23 (Statistical Package for Social Science) used to organize and process the data gather from questionnaires.

### 3.3. Target population

Target population comprised of 250 members of ten selected public sectors in Hadiya Zone, at different position of managerial levels such as top management, middle management, human resource managers and non-managers (subordinates). These organizations were specifically targeted for the survey as they represent the various sectors of the Hadiya Zone which include Finance and Economic Development, Public service and HRM development office, Road and Transport office, Water and energy office, Health office, Urban and Housing development, Trade and Industry, Revenue and Authority, Education office and Agriculture and Natural resource office. The total study population has been drawn using appropriate sample frame and sample size determination as mentioned below.

### 3.4. Sampling Design

#### 3.4.1 Sample size & Sampling technique

There are 24 offices in the Hadiya Zone public sectors out of these bureaus the researcher selected via using simple random sampling method of probability sampling technique 10 bureaus. Researcher using non- probability sampling in order to include sample size from each bureaus through purposive sampling, because the researcher purposely selected the sample size from each bureau. The sample size constituted all the population from the top management, middle management, supervisors and the lower level workers, (Mugenda and Mugenda, 2003). The researcher excluded employees of supporting staff like secretary and securities. The total number of employees working in these selected 10 bureaus is presented within the following table with their respective number of employees.

The sample size was determined based on the Yemane (1967; 886) who provided a simple formula to calculate sample size.

$$n = \frac{N}{1 + N(e)^2}, \quad n = \frac{250}{1 + 250(0.05)^2} \quad n = \frac{250}{1 + 250(0.0025)} \quad n = \frac{250}{1.625} = 153$$

, Where; n=the sample size of the study

N=total number of employees found at Hadiya Zone Public Service departments



$e_2 = \text{margin of error } 5\% = 0.05$

1= designates the probability of the event occurring

The researcher has taken the formula for all sample sectors. In order to select sample of employees the researcher depends on proportionate stratified sampling. To determine the exact proportionate stratified sampling of each sector:

$P = \frac{t \times N}{T}$  Where P is proportionate stratified sample, T is Total population, t is number of employees in sample sectors and N is normalization number.

So,  $p_1 = \frac{28 \times 1}{250} = 0.112$ ,  $p_2 = \frac{22 \times 1}{250} = 0.088$ ,  $p_3 = \frac{25 \times 1}{250} = 0.1$ ,  $p_4 = \frac{23 \times 1}{250} = 0.092$ ,  $p_5 = \frac{27 \times 1}{250} = 0.108$ ,

$p_6 = \frac{25 \times 1}{250} = 0.1$ ,  $p_7 = \frac{22 \times 1}{250} = 0.088$ ,  $p_8 = \frac{24 \times 1}{250} = 0.096$ ,  $p_9 = \frac{25 \times 1}{250} = 0.1$ ,  $p_{10} = \frac{29 \times 1}{250} = 0.116$

Table 3.1 Distribution of total population and sample size

Name of sectors	Total population	Proportionate stratified sampling employees	Sample Size
Agriculture and natural resource	28	0.112	18
Public service and HRM development office	22	0.088	13
Urban and housing development office	25	0.1	15
Health office	23	0.092	14
Education office	27	0.108	17
Road and Transport office	25	0.1	15
Water and energy office	22	0.088	13
Trade and industry office	24	0.096	15
Revenue authority office	25	0.1	15
Finance and economy office	29	0.116	18
Total	250	1	153

**Source:** Hadiya Zone Public service Office (2018)

### **3.5. Types of data and data collection technique**

#### **3.5.1. Types of data**

This research was based on primary sources of data.

#### **3.5.2. Primary data collection technique**

**Questionnaire:** Self-administer questionnaire was designed and administered to 153 employees selected based on sample selection technique outlined above. The questionnaire has structured nature and was self-administered. The main data collection tool used was questionnaire, because of its simplicity for survey study that has large size of respondents.

The questionnaire has two sections, whereby section one collected demographic information of the respondent and section two addressed the perceived the effect of factors affecting on organization performance. To rate the statements about the effects the respondents was used a five point Likert-scale from “strongly disagree” =1 to “Strongly agreed” =5 and it was administered by the researcher.

The questionnaire was prepared in English because it was not a problem for respondents to understand the questionnaire.

#### **3.5.3. Secondary Data source**

In this study, information from the secondary sources of data has been collected from different published and unpublished materials such as government official documents, books, journals, thesis, reports and performance evaluation and other related information about the study.

### **3.6. Methods of Data Analysis and Presentation**

Data from questionnaires were analyzed through both descriptive and inferential statistics using SPSS (Statistical Package for Social Science) software version 23 in order to gate descriptive statistics result & express through descriptive way such as mean and standard deviation. This was the further transformation of the processed data to look for patterns and relationship between or among data groups by using descriptive and inferential (statistical) analysis. The SPSS was used to analyze the data obtained from primary sources. Specifically, descriptive statistics (mean and standard deviation) and inferential statistics (Reliability analysis, Pearson correlationand Regression analysis) were employed in this study.

### 3.7 Model Specification

In addition, the study conducted a multiple regression analysis so as to determine whether there was relationship among the factors affecting organizational performance in the public sectors. The factors considered by the study included  $\beta$  (Ind. variables) and dependent variable is Y. According to (Lydia W. Wambugu, 2014) regression model was used.

The regression equation was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

$$OP = \beta_0 + \beta_1 R + \beta_2 T + \beta_3 WE + \beta_4 SM + \beta_5 TM + \epsilon$$

Whereby, OP= Organizational Performance, R= Recruitment, T= Training, WE= Working Environment, SM= Staff Motivation, TM= Talent Management,  $\epsilon$ = Error term.

The regression equation is: Mathematically,  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$ .

Where Y is the dependent variable (Performance)  $\beta_0$  is the regression coefficient,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ ,  $\beta_4$  and  $\beta_5$  are the slopes of the regression equation, X1 is Recruitment, X2 is Training and, X3 Work Environment, X4 is Motivation, X5 is Talent Management while  $\epsilon$  is an error term normally distributed about a mean of 0 and for purposes of computation, the  $\epsilon$  is assumed to be 0. The equation was solved by the use of statistical model where SPSS was applied. This generated quantitative report from this analysis which resulted in inferential statistics.

### 3.8. Pilot Study

The questionnaires were pilot test on some selected subjects and the results obtained were used to improve it by ensuring the data obtained will be sufficient to the subjects. According to Connelly (2008), existing literature recommended that a reconnaissance study sample should be at least 10% of the sample estimated from the parent study. This study was using 10% (10) respondents for the pilot study, they are randomly selected. Sample questionnaires were administered before distributing finalized one for 10 respondents and adjustments were made to the questionnaire items based on the comments of the respondents.

Additionally, several measures were employed to ensure that the results are free from material errors from the design of the questionnaire. Such measures are clarity of instructions, clarity of the questions, the layout of the questionnaire and other comments.

## **3.9. Validity and Reliability of the Research Instrument**

### **3.9.1 Validity**

Validity is the extent to which differences determined with a measuring instrument reflect true differences among those being tested, (Kothari, 2004). In other words, Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. In order to ensure the quality of the research design content and construct validity of the research were checked. According to Kothari et al. (2004) Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument includes a representative sample of the universe, the content material validity is good. Its determination is primarily judgmental and intuitive. Validity can often be thought of as judgmental. Validity involves the appropriateness, meaningfulness, and usefulness of inferences made by the researcher on the basis of the data collected. Findings of the study are, thus, presented based on actual results with utmost objectivity of the researcher. Further, to minimize any possible biasing effect and error, Software Package for Social Sciences (SPSS) was applied in analyzing findings of the questionnaires. The researcher expects to assure the validity of the research instruments in close consultation, comments and recommendations of the advisors.

### **3.9.2. Reliability**

Reliability relates to the consistency of the data collected. Cronbach's coefficient alpha was used to determine the internal reliability of the instrument. The survey instrument was tested in its entirety, and the subscales of the instrument were tested independently. Cronbach's alpha is a coefficient of reliability used to measure the internal consistency of the scale; it represented as a number between 0 and 1. According to Zikmund (2010) scales with coefficient alpha between 0.6 and 0.7 is the normally accepted rule of the thumb that shows acceptable consistency and 0.8 or higher indicates good consistency. A high value of alpha ( $>0.9$ ) may suggest redundancies and indicate that the test length should be condensed (Tavekol and Dennick, 2011). Thus, for this study, a Cronbach's alpha score of 0.70 or higher is considered as adequate to determine reliability.

### **3.10. Ethical Consideration**

According to McNamara (2004), ethical concerns in research deal with voluntary participation, no harm to respondents, anonymity and confidentiality, identifying purpose and sponsor, and analysis and reporting. To help eliminate or control any ethical concerns the researchers made sure that participation was completely voluntary but this can sometimes lead to low response rate which can in turn introduce response bias. To avoid possible harm such as embarrassment or feeling uncomfortable about questions to respondents, the study did not include sensitive questions that could cause embarrassment or uncomfortable feelings.

Harm could also arise in data analysis or in the survey results. Anonymity and confidentiality was exercised to protect a respondent's identity. A survey is anonymous when a respondent cannot be identified on the basis of a response (Kotheri, 2004). Participant identification was kept confidential and was only used in determining who had not responded for follow-up purposes. All prospective respondents knew the purpose of the survey. A cover letter was used to explain that the results of the study would be used in a thesis as partial fulfillment for a Master degree. Since advancements in academic fields come through honesty and openness, the researcher assumed the responsibility to report problems and weaknesses experienced as well as the positive results of the study.

# CHAPTER FOUR

## DATA ANALYSIS AND PRESENTATION OF FINDINGS

### 4.0 Introduction

This chapter outlines the results of data analysis obtained from data collected from respondents. The main purpose of this study is examining factors affecting organizational performance in public sectors. In addition this study intends to verify the hypothesis listed in chapter one. This chapter is divided into six parts which is profile of respondents, reliability analysis, descriptive analysis, major findings and summary of findings, conclusion and recommendation.

### 4.1 Response Rate

Data were obtained using to collect the questioners were distributed to collect data from selected public sectors. Out of 153 distributed questionnaires, 148 (96%) were completed and returned, while the other 5 were never returned. According to Mugenda (2003) a response rate of more than 10% of the sample is adequate for data analysis. Cooper & Schindler (2009) also argues that a response rate exceeding 30% of the total sample size provides enough data that can be used to generalize the characteristics of a study problem as expressed by the opinions of few respondents in the target population. This also meets the acceptable response rate, 40%, as suggested by Sekaran (2003). This means that the data gathered from the 148 respondents demonstrated the true nature of the factors affecting organizational performance in public sectors under study. Therefore, the 96% response rate was adequate for the researcher to proceed with data analysis and interpretation.

Table 4.1 Rate of Response

	Total	%
Questionnaires distributed	153	100
Collected questionnaires	148	96
Non response	5	4

## 4.2 Reliability Test Result

The reliability test is vital instrument to measure the degree of consistency of an attribute which is supposed to be measured. As stated by Yen (2003), the less variation of the instruments produces in repeated measurements of an attribute the higher its reliability. Reliability can be equated with the stability, consistency, or dependability of a measuring tool. Cronbach's alpha is one of the most usually well-known measures of reliability. It measures the internal consistency of the items in a scale. It indicates that the extent to which the items in a questionnaire are related to each other. It additionally shows that whether or not a scale is one-dimensional or multidimensional. The normal range of Cronbach's coefficient alpha value ranges between 0 - 1 and the higher values reflects a higher degree of internal consistency.

Different authors accept different values of this test in order to achieve internal reliability, but the most commonly accepted value is 0.70 as it should be equal to or higher than to reach internal reliability (Hair et al., 2003). The result of the Cronbach's alpha for this study's instrument was found to be in the acceptance range i.e.  $> 0.70$ . Thus, showing as indication of acceptability of the scale for further analysis since all the six dimensions (Recruitment, Training, Working Environment, Motivation and Talent Management and dependent variable Organizational Performance) were found to be above 0.7.

Table 4.2 Reliability Analysis of the Variables

HRM Dimensions	No. of Items	Cronbach's Alpha Coefficient
Recruitment	5	0.892
Training	5	0.769
Working Environment	5	0.789
Staff Motivation	5	0.829
Talent Management	5	0.734
Organization Performance	6	0.763
<b>Total</b>	<b>31</b>	<b>0.796</b>

**Source:** Own Survey, 2019

As it can be seen from the Table, for each field value of Cronbach's Alpha is in the range between 0.734 - 0.829. This vary is considered as high; the end result ensures the reliability of

every subject of the questionnaire. Cronbach's Alpha equals 0.796 for the entire questionnaire which indicates acceptable reliability. So, based on the test, the results are reliable.

### 4.3 Demographic Characteristics

In the following table summary of respondents backgrounds such gender, education status, area of the study, current position and working experience.

Table 4.3 Demographic Characteristic of the Respondents

Variables	Category	Frequency	Percent (%)
Gender	Male	112	75.7
	Female	36	24
	Total	148	100.0
Age	≤ 25yr	9	6.1
	26-40yr	78	52.7
	41-65yr	61	41.2
	Total	148	100.0
Education	Diploma(10+3)	6	4.1
	Degree	112	75.7
	Master's Degree	27	18.2
	PHD	3	2.0
	Total	148	100.0
Area of study	Business and Economics	57	38.5
	Natural & Computational science	34	23.0
	Agricultural fields	15	10.1
	computer science and ICT	1	.7
	Health	24	16.2
	Others	17	11.5
	Total	148	100.0
Service Year (working experience)	0-1yr	6	4.1
	2-4yr	24	16.2
	5-8yr	35	23.6
	>9 yr.	83	56.1
	Total	148	100.0
Position	Management	35	23.6
	non-management	113	76.4
	Total	148	100.0

Source: Own survey data (2019)



As indicated in the table 4.3 of above, 36 (24.3%) of them are female employees, the percentage of male respondents constitutes the largest part that is 112 (76%) of the total respondents. The gender distribution in the selected public sectors of the study area is unequally distributed and there is male domination on female employees, thus showing a high diversity of the gender. The gender imparity (52%) shows that there is still no balance between both genders at the work place and the assumption that can be made out of this is that if any gender feels that they are being discriminated or being favored it might result in poor performance in the long run. Rekha&Gaonkar (2010) have noted that women in most developing countries have a low socioeconomic status than that of their male counterparts thus their participation was hampered.

Findings show that the less than or equal  $\leq$  25 years old 9 (6%) were between 26-40 years old 78 (52.7%) and between 41-65 years old 61 (41.2%). Here the data indicated that most of the employees in the public sectors are in the middle age that are productive and can contribute for the achievement of organization objectives. Generally, the majority of the respondents of the sector middle aged by taking International Labor Organization (2013) as a reference implying that they could have good productive prospects.

In regards the education background of the respondents they possess currently, as the data in table 4.3 of the above shows that 6(41.1%) of them holds diploma, 112 (75.7%) of them were holder first degree and 27(18.2%) of them were holders master degree whereas only 3(2%) were Ph.D. holders. Form this data one can infer that majority of employees are educated which are very essential in any public and private sectors in order to achieve its predetermined goals.

Concerning the respondent's field of study as indicated table 4.3 of above majority of them 57(38.5%) studied Business and Economics fields, Natural & Computational science 34(23%), Agricultural Fields 15(10%), Computer science and ICT 1(0.7%), Health 24(16.2%) and other fields 17(11.5%). From this one can infer employees are collected from multiplicity are of field of study that enables the organization to assign the available manpower at the right position because different departments are available under public sectors so in order to render the service to the general public it requires right person (service render) that makes the organization effective and efficient.

Regarding the working experience of the respondents majority of them are experienced as indicated in table 4.3 of above among total respondents 79.7% of them have served the organization greater than five year. The respondents had thus worked for a significant duration, this indicates that most respondents had enough experience, knowledge and skills to execute initiatives put in place by the organization. This shows that the Hadiya Zone public sector have some experienced employees which very important tool in human resource practices within the organization effectively.

In relation to respondents response on their current position they held within their bureaus; as indicated in the table 4.3 of above majority of the respondents were non-manager (operational employees) 113(76.4%) followed by officer and team leader whereas the rest held by manger 35(23.6%). From this one can infer that respondents involved in this questioner were engaged in daily activity of the bureau particularly, the human resource management.

#### 4.4 Descriptive Statistics

In this section various statistical data analysis tools such as mean and standard deviation are used to analyze the collected data. The summary of descriptive statistics of all variables that are evaluated based on a 5-point Likert scale (“1” being “strongly disagreed” to “5” being “strongly agreed”). According to Zaidat and Bagheri (2009) the mean score below 3.39 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considered as high as illustrated by comparison bases of mean of score of five point Likert scale instrument. Thus, detail of the analysis is presented as follows:

##### 4.4.1 Recruitment

Table 4.4: Recruitment

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
Correct recruitment procedure is followed	148	3.77	1.315
Candidates are selected on the basis of their competency and qualification	148	3.73	1.318
Recruitment is frequently conducted	148	3.65	1.365
Recruitment process is adopted in your organization	148	3.58	1.167
Recruitment exercise is always successful	148	3.56	1.018
Average mean	148	3.66	1.237

Table 4.4 above shows statements on recruitment the impact they have on performance. The researcher sought to obtain respondents views on whether the correct recruitment procedure is followed will affect the performance of organization had a moderate mean of 3.77(1.315) followed by candidates are selected on the basis of their competency and qualification have an effect on performance had a moderate mean of 3.73 (1.318) while the recruitment is frequently conducted affects the performance of organization had a moderate mean of 3.65(1.365). Recruitment and selection process adopted improves performance in the organization will affect performance of organization having a moderate mean of 3.58 (1.167) and recruitment exercise is always successful have an effect on the performance of organizations had a moderate mean of 3.56 (1.018). Thus leading to a conclusion that the recruitments and selection are affect the performance of organization because the average mean value is (3.66). The findings agree with Henry and Temtime (2009) opined that enrollment is the section purpose of labor into an association and the correct way an association should dependably follow keeping in mind the end goal to ensure they have pulled in the perfect people so their general vital objectives are accomplished.

#### 4.4.2 Training

Table 4.5: Training

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
Training leads to promotion and career growth.	148	3.75	.975
Professional employees participate in identifying their training need	148	3.74	.985
Training Leads the employee reduce their mistakes	148	3.62	1.109
Training has improved the performance of the organization	148	3.50	1.040
In-service/on-the job training adequately addresses the skill gaps	148	3.38	1.052
Average mean	148	3.60	1.032

Table 4.5 above presents findings relating to whether training leads to promotion and career growth affect the performance of organization had a moderate mean of 3.75 (.975) followed by the professional employees participate in identifying their training need will affect organizations performance had a moderate mean of 3.74 (.985) while training leads the employee reduce their mistakes had a moderate mean of 3.62 (1.109) and the training has improved the performance of

the organization had a moderate mean of 3.50 (1.040). In-service or on-the job training adequately addresses the skill gaps have an effect on the performance of organizations had a low mean of 3.38 (1.052). These indicate that the existing training practice has a good opportunity in order to improving organization performance but still we can understand there is some limitation in implementing of this specific practice. The findings agree with Cardon & Stevens (2004) training in organizations and suggested that unstructured training, informal job instruction and socialization are main components of the training and development process which effect organizational performance.

#### 4.4.3 Working Environment

Table 4.6: Work environment

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
The furniture that is in use e.g. tables, chairs and other office facilities depending on their quality will affect org. performance	148	3.43	1.400
The manner in which a work place is ventilated and has access to fresh air will affect the performance of workers	148	3.34	1.233
Proper lighting in the offices and work place affect the Performance of organization	148	3.34	1.297
The equipment available for office communication (phones,internet, fax, printers) both internally and externally an effect on performance	148	3.28	1.344
The working hours set for employees by the organization have an effect on performance	148	3.13	1.367
Average mean		3.30	1.328

Table 4.6 above shows statements on work environment and the impact they have on performance; the furniture that is in use e.g. tables, chairs and other office facilities depending on their quality will affect work performance had a moderate mean of 3.43 (1.400) followed by the manner in which a work place is ventilated and has access to fresh air will affect the performance of organizations had a low mean of 3.34 (1.233) while proper lighting in the offices and work place affect the performance of organizations had a mean of 3.34 (1.297).

The equipment available for office communication (phones, internet, fax, printers) both internally and externally affects performance of workers had a low mean of 3.28 (1.344) and the working hours set for employees by the organization have an effect on performance had a low mean of 3.13 (1.367). From this data we can conclude that most of the public sectors has not good attitude towards the prevailing working environment. For the reason that, there is lack of adequate facilities and resources to do their job; they are not comfort with the physical surrounding; they are not satisfied with the existing space, seating arrangement, ventilation, and lighting. Thus leading to a conclusion that the working environment are affects the performance of organization. The findings also agree with Salman (2011) environment is made up of the administrative, technological, political, economic, socio-culture, and stakeholder factors. This environments provides multiple contexts that affect the organization and its performance what it procedures and how it operates. The findings also appear to support Muhammad Ehsan (2011) environment is made up of the administrative, technological, political, and economic, socio-culture, and stakeholder factors. This environments provides multiple contexts that affect the organization and its performance what it procedures and how it operates.

#### 4.4.4 Staff Motivation

Table 4.7: Staffmotivation

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
You are satisfied with salary payments	148	2.71	1.019
Job security has an effect on the morale of workers which in the long run affects their performance	148	2.63	1.290
I am free to discuss work related problems with immediate manager	148	2.61	1.204
My employer care about my welfare	148	2.57	1.031
You are satisfied with recognition received for your performance in doing a good job.	148	2.44	1.045
Average mean	148	2.59	1.118

Table 4.7 above shows statements on motivation and the impact they have on performance; you are satisfied with salary payments had the least mean of 2.71(1.019) followed by job security has an effect on the morale of workers which in the long run affects their performance had a low

mean of 2.63(1.290)while i am free to discuss work related problems with immediate manager affect the organizational performance had a low means of 2.61(1.204).My employer care about my welfare have an effect on the performance of organizations had a low mean of 2.57(1.031) andyou are satisfied with recognition received for your performance in doing a good job have an effect on the performance of organizations had a lowmean of 2.44(1.045).So the motivational practice should be designed carefully so as to improve organization performance.

From this study finding,we can understand the public sectors have some limitation onmotivation, with majority attributing this to job insecurity, non-commensurate monetary compensation and the lack of incentives like medical and social schemes.The findings agree with Terence and Bak(2002) when they concluded from their study that reward and recognition programs can positively affect staff motivation. The findings also agree with DuBrin(2008) wherein from his study he concluded that job security and reduced fears on supervisor- junior tensions positively affect staff motivation.

#### 4.4.5 Talent Management

Table 4.8: Talent management

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
Talent management improves performance in our organization	148	3.90	.974
There are structured systems of developing talent in the organization to meet new growth and change requirements	148	3.79	1.025
Talents are well developed in the organization	148	3.76	.870
Talent management strategy is well documented and shared with all employees	148	3.74	.852
Our organization has recruitment and selection practices that attracts the best talents	148	3.72	.881
Average mean	148	3.78	0.920

The findings above table 4.8 shows statements on talent management and the impact they have on organization performance; talent management improves performance in our organization had the highest mean of 3.90(.974) followed by there are structured systems of developing talent in the organization to meet new growth and change requirements had a mean of 3.79(1.025) while talents are well developed in the organization had a moderatemean of 3.76(.870).Talent

management strategy is formal, well documented and shared with all employees had a moderate mean of 3.74(.852) and our organization have recruitment and selection practices that attract the best talents had a moderate mean of 3.72(.881).

From this study, findings further indicate the organization has weak recruitment and selection practices that can't attract best talents. Talent management strategy present but is not well documented and shared with all employees. Thus leading to a conclusion that; the management practices are affects the performance of organization. These findings support (Stephen, 2010) in his conclusion that the performance of any organization is linked to the management practices, and that the lack of proper structures in staff recruitment, deployment, promotion, training and empowerment, reward systems, and performance appraisal lead to dismal performance of organization.

#### 4.4.6 Organization performance

Table 4.9: Organization performance

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
The organizations always achieve its objective within the set time frame	148	3.87	.913
High quality administrative systems are in place to support service delivery	148	3.72	1.036
Continuously assesses customer satisfaction	148	3.71	1.025
The organization delivers its services/products promptly without any delay.	148	3.53	.972
The organization responds to customers complain in a timely manner	148	3.51	1.122
Services/products of the organization are regularly reviewed to reflect changing client needs	148	3.49	1.013
Average mean	148	3.63	1.014

The findings above table 4.9 shows that organizational performance had an average score of 3.63 with a standard deviation of 1.014. We can understand from the mean value 3.63 which shows that the public sectors have moderate level of organizational performance because the mean value is considered as moderate. Therefore, we can also conclude that public sectors have an average level of organization performance because they are dissatisfied with staff motivational

practices, working environment, training practice, and recruitment practice and management style.

#### **4.5 Correlation Analysis**

The hypotheses discussed in the first chapter aimed to investigate the relationship between independent variables (Recruitment, Training, Working Environment, Motivation and Talent Management) and dependent variable (Organization performance) in public sectors. Correlation analysis is done to examine this relationship.

The Pearson Product-Moment Correlation Coefficient is a statistic that indicates the degree to which two variables are related to one another. The sign of a correlation coefficient (+ or -) indicates the direction of the relationship between -1.00 and +1.00. Variables may be positively or negatively correlated. A positive correlation indicates a direct positive relationship between two variables. A negative correlation, on the other hand, indicates an inverse, negative relationship between two variables (Ruud et. al. 2012). The significance of a variable is denoted by the letter 'p' which tells the dependency between variables and their significant relationship between the independent variable and dependent variable. Correlation Coefficient of the relationship between two variables will be negligible association (from 0.01 up to 0.09), low association (from 0.10 up to 0.29), moderate association (from 0.30 up to 0.49), substantial association (from 0.50 up to 0.69), or very strong association (from 0.70 and above) Joe W. Kotrlik, J. C. Atherton, A. Williams and M. Khatajabor (2011)

Determining the degree of association between the factors (Recruitment, Training, Working Environment, Motivation and Talent Management) and organization performance is the main purpose of conducting an analysis using Pearson correlation. So, in this section the first five hypotheses were tested based on the correlation result summarized in table 4.10 below.



Table 4.10 Correlation Analysis between Independent and Dependent Variables

		Correlation					
		R	T	WE	SM	TM	OP
Recruitment	Pearson Correlation	1					
Training	Pearson Correlation	.813**	1				
Working environment	Pearson Correlation	.788**	.865**	1			
Staff motivation	Pearson Correlation	.768**	.755**	.875**	1		
Talent management	Pearson Correlation	.884**	.753**	.680**	.663**	1	
Organizational performance	Pearson Correlation	.855**	.804**	.790**	.744**	.893**	1
**. Correlation is significant at the 0.01 level (2-tailed).				N=148.			

Source: SPSS 23 Output

#### 4.5.1 Correlation Analysis between Recruitment and Organizational Performance

The result on the above table 4.10 shows that the existing recruitment practice on the public sectors ( $r=0.955$ ,  $n=148$ ,  $p<0.01$ ) is strong positive relation and statistical significantly. This means an increase in recruitment and selection activities will bring an increment in organizational performance. The relationship between the variable is significant with high correlation. The findings agree with Henry and Temtime (2009) opined that enrollment is the section purpose of labor into an association and the correct way an association should dependably follow keeping in mind the end goal to ensure they have pulled in the perfect people so their general vital objectives are accomplished.

#### 4.5.2 Correlation between training and Organizational Performance

As indicated in the above table 4.10 the correlation coefficient result of training practice in public sectors are ( $r= .904$ ,  $p<0.01$ ). This implies the presence of strong positive relationship between training and development practice and organizational performance in the public sectors which is statistically significant. The findings agree with Steve (2010), training also can help to expand the range of skills available in the workforce as well as improve existing expertise.

#### 4.5.3 Correlation between working environment & Organizational Performance

From the above table 4.10 it can be infer that working environment ( $r=0.790$ ,  $p<0.01$ ) is positively correlated with organizational performance. This implies the presence of positive relationship between working environment and organizational performance in the public sectors

which is statistically significant at 79%. And change in working environment given to employees has a corresponding effect on performance of organization. The findings agree with Srivastava (2008) the positive relationship between work environment and organizational performance were attributed to the physical convenience, facilities and comfort, feeling of safety and security, and congenial and motivating climate prevailing in the work environment

#### **4.5.4 Correlation Analysis between staff motivation and Organizational Performance**

As indicated in the above table 4.10 the correlation coefficient result of staff motivation practice in public sectors are ( $r=0.744$ ,  $p<0.01$ ). The study had shown that there is a positive relationship between staff motivation and organizational performance in the public sectors. The findings agree with Muhammad et al (2011) the results showed that there exist significant positive correlations (0.287) between employee motivation and organizational effectiveness.

#### **4.5.5 Correlation Analysis between talent management and Organizational Performance**

From the above table 4.10 it can be seen that talent management practice ( $r=0.787$ ,  $p<0.01$ ) is positively correlated with organizational performance. This implies the presence of strong positive relationship between talent management practice and organizational performance in the public sectors which is statistically significant. And changes in talent management given to public sectors have a corresponding effect on performance of organizational. Similar finding of Ahmad, M (2014) supports this study that a high involvement management practices or engagement is a significant success factor for the organization performance in recent decade.

### **4.6 Regression Analysis**

This section was dedicated to inferential statistics to show the relationship that exists between the dependent and the independent variables

#### **4.6.1 Multiple Linear Regression Analysis**

Regression analysis is a systematic method that can be used to investigate the effect of one or more predictor variables on dependent variable. That is, it allows us to make statements about how well one or more independent variables will predict the value of a dependent variable.

Regression analysis to determine the influence of recruitment, training, staff motivation, working environment and talent management on the organizational performance of public services in study area; the regression equation was:

$OP = \beta_0 + \beta_1 \text{ recruitment} + \beta_2 \text{ training} + \beta_3 \text{ staff motivation} + \beta_4 \text{ work environment} + \beta_5 \text{ talent management} + \epsilon$ . Whereby  $\beta_0$  is the regression constant,  $\beta_1 - \beta_5$  are regression coefficients and  $\epsilon$  is the regression model error term which indicates its significance.

Table 4.11 Model Summary

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867 <sup>a</sup>	.751	.833	1.42360

a. Predictors: (Constant), Talent Management, Staff motivation, Training, Recruitment, Working environment

b. Dependent Variable: Organizational Performance

Refer to the Table 4.11, the multiple R shows a substantial correlation between five independent variable and the dependent variable, which is organizational performance ( $R=.867$ ). The R-Square value identifies the portion of the variance accounted for by the independent variable. This suggests that approximately 75.1% of the variance in the organizational performance is accounted for by talent management, staff motivation, training, recruitment, working environment while the remaining 24.9% is determined by other unaccounted factors in this study. The Adjusted R square is considered a better population estimate and is useful when comparing the R square value between models with different number of independent variables. The value of Adjusted R Square obtained is 0.833, illustrating that 83.3% changes of dependent variables, which is organizational performance, can be explained by the five independent variables. According to Singh (2007), an adjusted R squares of the above 75% is very good, between 25-50% is fair and below 25% is poor and in the given case. Therefore, the adjusted R square is 83.3% which is the range of very good.

Table 4.12 Anova

Anova <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4188.993	5	837.799	413.391	.000 <sup>b</sup>
	Residual	287.784	142	2.027		
	Total	4476.777	147			

a. Dependent Variable: OP

b. Predictors: (Constant), TM, SM, T, WE, R

ANOVA under regression tells the good fit of the model which means that the positions of the variable are on the appropriate places. Significance of the variance is denoted by the letter ‘p’. The value of the p should be less than 0.05. Table 4.12 shows that significant value is less than 0.05 ( $0.000 < 0.05$ ), so we conclude that there is a statistically significant relationship between independent variables (recruitment, talent management and training) and dependent variable (organizational performance).

Table 4.13 Results of Multiple Regression Analysis (MRA)

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.657	.717		2.312	.022
	Recruitment	.406	.074	.440	5.489	.000
	Training	.320	.078	.281	4.083	.000
	Working Environment	.021	.050	.025	.431	.667
	Staff motivation	-.030	.047	-.029	-.622	.535
	Talent Management	.372	.061	.295	6.146	.000

a. Dependent Variable: Organizational Performance.

b. The regression equation becomes:

$$\text{Organizational performance} = 1.657 + 0.406\text{Recruitment} + 0.320\text{Training} + 0.372\text{Talent Management.} \\ (Y = 1.657 + 0.406X_1 + 0.320X_2 + 0.372X_5)$$

Figure 4.1 Multiple Regressions Mathematical Equation

Letter ' $\beta$ ' tells the direction of the effect, its strength and influence of independent variable. Its value can vary from positive to negative. The significance level is denoted by the letter 'p' which should be less than 0.5.

The value of Beta shows how much the independent variable is contributing to the dependent variable. The more it is means the stronger its magnitude is. The closer to zero means it is not contributing to the dependent variable. Following are the results of this study:

- The recruitment variable is contributing 44% to the organizational performance variable.
- The talent management variable is contributing 29.5% to the organizational performance variable.
- The training variable is contributing 28.1% to the organizational performance variable.

This shows that the variable recruitment contributes the most to the dependent variable. Second is the talent management variable, third comes out to be training variable.

From the above table 4.13, we can easily compare the relative contribution of each of the different variables by taking the beta value under the unstandardized coefficients. The higher the beta value, the stronger its contribution becomes. Accordingly, recruitment and selection (Beta=.406) makes the strongest unique contribution to explaining the dependent variable in which the results revealed that, a one unit increase or positive change in " recruitment " would lead to a 0.406 unit increase the level of organizational performance and followed by talent management (B=.372), then training (B=.320).

When we see the statistical significance of each variable from the above coefficients table 4.13, the significance level determines whether accepted or rejected. The significance level should be less than 0.05 or 5% to get accepted. The variable has the significance level of which is more than 0.05 so we may reject

Therefore, three of the variables are accepted, which refer that a statistically significant contribution (Sig<.05) for the prediction of the dependent variable while the two of them are rejected, which refer that statistically insignificant or less effect to make any significant prediction.

#### 4.6.2 Discussion of Findings

This section is a discussion of the findings and a comparison and contrasting is done with the literature that was reviewed in chapter two to depict how practical the findings are in relation to the empirical evidence that has been gathered over the years.

The results indicate that recruitment is positively related to performance of the organization which clearly indicates that recruitment has a strong driver of organization performance in public sector. In an increasingly competitive environment, organizations are largely dependent on their employees for success.

Therefore, to identify the right man for the right job is a great challenge. So the organization must select those candidates who could perform effectively and efficiently. So the starting point in recruitment process is an accurate analysis of the job. The findings agree with Soliman (2000) called attention to that enrollment is exceptionally basic to administration procedures and disappointments emerging from it can make troublesome circumstances in an association like wrong levels of staffing and negative impacts on its gainfulness. The findings also agree with Gupta (2006) watches that choice can be seen as either picking proper applicants or dismissing unfit competitors, or a blend of both. The determination procedure appropriately expects that hopefuls are more than the quantity of employment opportunities accessible.

Additionally, the regression result which shows the relative contribution of training i.e (Beta=0.281) with (Sig. = .000) makes the moderate contribution to explaining the dependent variable organizational performance. The findings agree with Caple & Buckley (2004) training and development can enhance and modify knowledge, skill ability and attitude learning experience to achieve effective performance through work productivity and individual also will more cleared with their responsibilities with the job scope and there can perform well and also will be affect to the organizational performance.

Working environment has the regression result (Beta=0.025) with (Sig. = 0.667) while working environment (Sig. = .667) which refer that statistically less effect to make any significant prediction.

The variable working environment has the significance level of 0.667 which is more than 0.05 which is statistically insignificant. The findings agree with De Croon (2005) the workplace design might result in physiological and psychological reactions whether direct or indirectly. This might result into a long term reaction which includes the decreased in performance. The findings also agree with Secord (2003) the physical environment being a facet of work environment has a replicating effect on performance since it revolves around human sense; this is so because the traits of a place or room of meeting for a group of people has a direct effect on the performance and satisfaction levels.

Staff motivation has a regression result indicates an insignificant relationship between staff motivation and organizational performance with the Beta value, (B= -0.29, p=0.535). The variable staff motivation has the significance level of 0.535 which refer that statistically less effect to make any significant prediction. The variable staff motivation has the significance level of 0.667 which is more than 0.05 which is statistically insignificant. Similar finding of Sharipah (2011) supports this study that motivates mainly by their on job needs for the long time, quality of work in which they are committed with the organization with consistent energy.

The management practice has a regression result (Beta=0.295) with (Sig. = 0.000) in which we can conclude that management practice has a significant and high contribution to explaining the dependent variable of organizational performance.

This implies that human asset administration should put more accentuation on the beneficial advancement and utilization of individuals in the organization to all in all accomplish the key business targets of the association. The findings agree with Boxall (2011) Management involvement consists of practices like indulges employees in performance based work; solve critical problems, training for development, rewards, and empowerment. Presently many organizations including, government sectors, universities, non-profit organizations and other firms think that employee involvement and contribution are crucial to the better organization performance. Similar finding of Ahmad, M., Shahzad, N., Waheed, A., & Khan, M. (2014) supports this study that a high involvement management practices or engagement is a significant success factor for the organization performance in recent decade.

# CHAPTER FIVE

## SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

### 5.0 Introduction

This research had an aim of investigating the effect of selected factors which are recruitment and selection, training and development, working environment, staff motivation and talent management on organizational performance. This was done by investigating the relationship between each determinant factors and organizational performance using correlation analysis and regression analysis to determine the extent of change in organizational performance due to the selected internal factors. In addition, the research study examine how well the selected factors are being exercised how well organization are performing their job in the public sectors by looking at their mean scores of the response of the participants which is summarized under the descriptive statistical analysis. In this section, summary of major findings, conclusions inferred from the data analysis in chapter four, and suggested recommendations are illustrated in detail.

### 5.1 Summary of Findings

The data analyzed using descriptive statistics, correlation and regression major findings were presented below in a summarized as follows:

From the arithmetic mean values generated by the descriptive statistics, it shows that staff motivation (mean=2.59) is below the average cut-off point of 3. While other factors such as environment (mean=3.30), training (mean=3.60), recruitment (mean=3.66), work and talent management (mean=3.78) are above average and closer to average mean respectively. From this we can understand that employees of public sectors are moderately agreed or satisfied with the factors practice. Still these practices need improvements so that organization will bring the better result that as the sectors expects from its employees. Especially the motivational practice of the organization which has the lowest mean value, are in need of greater attention. And, organization performance in the public sectors under this study is good since the mean score for organization performance is 3.63 which are greater than cut-off value and closer to agreement in the likert scale.



The results indicate that recruitment is positively related to performance of the organization which clearly indicates that recruitment has a strong driver of organization performance in public sector. In an increasingly competitive environment, organizations are largely dependent on their employees for success. Therefore, to identify the right man for the right job is a great challenge. So the organization must select those candidates who could perform effectively and efficiently. So the starting point in recruitment process is an accurate analysis of the job. The regression result which shows the relative contribution of training i.e. (Beta=0.281) with (Sig. = .000) makes the moderate contribution to explaining the dependent variable organizational performance. Additionally, management practice has a correlation result ( $r=0.893$ ,  $p<0.01$ ) and regression result (Beta=0.295) with (Sig. = 0.000) in which we can conclude that management practice has positive and significant relationship and high contribution to explaining the dependent variable of organizational performance. This implies that human asset administration should put more accentuation on the beneficial advancement and utilization of individuals in the organization to all in all accomplish the key business targets of the association.

## 5.2 Conclusion

The study, after doing different analyses that the research objectives need, arrived and based on the major findings, the following conclusions were made:

Determinant internal factors examined in this study, especially recruitment, training and talent management in the public organizations are not being implemented properly as they have to be put into effect. That means there are still limitations in implementing these practice. Regardless of, moderately well implementation of the public sectors practices, the performance of organization is not bad. But the public sectors still not get utilize the full potentials of its human recourses due to the above limitations in implementing the human resource management practices properly. As we shown from correlation and regression results that recruitment and selection is positively related to performance of the organization which clearly indicates that recruitment and selection has a strong driver of organization performance in public sector. In an increasingly competitive environment, organizations are largely dependent on their organization for success. Therefore, to identify the right man for the right job is a great challenge. So the organization must select those candidates who could perform effectively and efficiently. The recruitment and selection process adopted improves performance in the organization especially where candidates are selected on the basis of their competency and qualification. Also training has significant positive relation and positive significant effect on organizational performance in public sectors. This is consistent with the result of Le Tran in his respective study found out organization without viable training programs would fail to provide employees with frequent opportunities to practice and enhance their capabilities, which ultimately affect the performance of organization. On the other hand, talent management has also a positive relationship with performance as well as significant effect on organizational performance in public sectors. In this regard the public sectors has opportunity to get high level of organizational performance since it has better contribution than other internal factors in this study. Moreover, the three factors in this study have been achieved whereby the results had shown that recruitment and selection, training and development, and talent management are affecting the organizational performance.

### **5.3 Recommendation**

- For recruitment to be effective:
  - First candidates should be selected on the basis of their competency and qualification.
  - Secondly the organization should conduct recruitment following the correct procedure and that the organization use both internal and external methods of recruitment.
- The findings show that training is not conducted on frequent basis.
- Training ought to be on frequent basis though the frequency would depend on various factors such as frequency of recruitment, frequency of appraisal, costs and training need analysis.
- The public organization should support employee training and career progression and ensure that training opportunities to learn and grow exist at the institution.
- Senior officer in the organization should invest a lot of time and energy dedicated to managing talent management subjects in the organization.
- The organization should establish a specialized department which deals with employees with special talents.
- The organization should also have some structured systems of developing talent in the organization to meet new growth and change requirements.
- Finally talent management strategy present should be formal, well highlighted and effectively communicated with all staff members plus all potential talent review sessions to consist of cooperative and collaborative decision making.

### **5.4. Suggestion for Further Research**

The researcher was limited to five factors which affect organizational performance but the future researchers may focus on different variables or combination of those variables included in this study. The study was conducted in the service industry sector limiting its scope. The future researches may examine the determinant factors on organizational performance on other private sectors and may compare different sectors as well.

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**Appendix  
Appendix I  
Jimma University,  
College of Business and Economics  
School of graduate studies  
Department of Management  
[MBA Program]**

**Survey Questionnaire**

**Dear participant,**

This questionnaire is prepared by Amanuel Bekele, who is a postgraduate student at the Jimma University College of Business and Economics field study of Master's Degree in business administration (MBA). The objective of the questionnaire is to collect data regarding the Factors Affecting Organization Performance in Southern Regional Government of Ethiopia Case of Hadiya Zone, which will be used to prepare a Thesis required for my MA degree. The aim of this research is to contribute to a better understanding of the circumstance under which the Factors Affecting Organization Performance in Public Sectors in Ethiopia have to function.

The study is purely for academic purpose and thus does not affect you in any case. Your genuine, frank, timely response is vital for the success of the study. Therefore, I kindly request you to respond to each question carefully and oblige.

If you would like further information about this study, or have problem in completing this questionnaire please contact me via +251913390954

Thank you for your cooperation!

**Amanuel Bekele**

MBA Student @ Jimma University

E-mail address: [emmabekele34@gmail.com](mailto:emmabekele34@gmail.com)

**INSTRUCTION**

**Note:** - No needs of writing your name. Where alternative answers are given, in bracket your choice and put (√) mark where necessary; and please return the completed questionnaire in time. Thank you in advance for your cooperation and timely response.

**SECTION A: GENERAL INFORMATION (DEMOGRAPHIC DATA)**

**Fill in the blanks provided by a means of a cross (√) by indicating your correct choice.**

1. What is your gender?      1. Male ( )      2. Female ( )

2. Age range

1. ≤25 years	2. 26---40 years	3. 41----65 years	4. Over 65 years

3. Level of education: 1, High school certificate ( ) 2, Higher diploma ( ) 3.Degree ( )  
4.Master’sDegree ( ) 5.PhD ( )

4. What was your area of study? (Hint 1 for Business and Economics (FBE), 2 for Natural &Computational science, 3. for agricultural fields, 4. for computer science and ICT, 5. Health, 6. Others (Specify)..... 1. ( )2.( )3. ( )4. ( )5. ( )6. (Others) \_\_\_\_\_

5. What is your length of service in this organization?(1) 0—1years( ) (2) 2---4yr( ) (3) 5—8 years ( ) (4)>9 years( )

6. Position in an Institution 1.Management ( ) 2. Non-management ( )

## SECTION B: JOB RELATED QUESTIONS

### 1. Questions related to Recruitment

Please indicate your responses to each of the following statements regarding training. Indicate with a  $\surd$  in the appropriate answer box, according to the following code definitions:

Please rate your response as follows: 1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral (N) 4= Agree (A) 5= Strongly Agree (SA)

No.	Questions	1	2	3	4	5
		SD	D	N	A	SA
Q7	Recruitment is frequently conducted					
Q8	Correct recruitment procedure is followed					
Q9	Candidates are selected on the basis of their competency and qualification					
Q10	Recruitment process is adopted in your organization					
Q11	Recruitment exercise is always successful					

### 2. Questions related to Training

Please indicate your responses to each of the following statements regarding **Training**.

Indicate with a  $\surd$  in the appropriate answer box, according to the following code definitions:

Please rate your response as follows: 1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral (N) 4= Agree (A) 5= Strongly Agree (SA)

No.	Questions	1	2	3	4	5
		SD	D	N	A	SA
Q12	In-service/on-the job training adequately addresses the skill gaps.					
Q13	Training Leads the employee reduce their mistakes					
Q14	Training leads to promotion and career growth.					
Q15	Professional employees participate in identifying their training need					
Q16	Training has improved the performance of the organization					

### 3. Questions related to Working Environment

Please indicate your responses to each of the following statements regarding **Working Environment**. Indicate with a  $\surd$  in the appropriate answer box, according to the following code definitions:

Please rate your response as follows: 1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral (N) 4= Agree (A) 5= Strongly Agree (SA)

No.	Questions	1	2	3	4	5
		SD	D	N	A	SA
Q17	Proper lighting in the offices and work place affect the Performance of organization					
Q18	The manner in which a work place is ventilated and has access to fresh air will affect the Performance of organization					
Q19	The furniture that is in use e.g. tables, chairs and other office facilities depending on their quality will affect organizational Performance					
Q20	The equipment available for office communication (phones, internet, fax, printers) both internally and externally affects Performance of organization					
Q21	The working hours set for employees by the organization have an effect on performance					

### 4. Questions related to Staff motivation

Please indicate your responses to each of the following statements regarding **motivation**. Indicate with a  $\surd$  in the appropriate answer box, according to the following code definitions:

Please rate your response as follows: 1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral (N) 4= Agree (A) 5= Strongly Agree (SA)

No.	Questions	1	2	3	4	5
		SD	D	N	A	SA
Q22	You are satisfied with recognition received for your performance in doing a good job.					
Q23	You are satisfied with salary payments.					
Q24	Job security has an effect on the morale of workers which in the long run affects their performance					
Q25	I am free to discuss work related problems with immediate manager					
Q26	My employer care about my welfare.					

### 5. Questions related to Talent Management

Please indicate your responses to each of the following statements regarding Talent Management. Indicate with a  $\surd$  in the appropriate answer box, according to the following code definitions:

Please rate your response as follows: 1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral (N) 4= Agree (A) 5= Strongly Agree (SA)

No.	Questions	1	2	3	4	5
		SD	D	N	A	SA
Q27	There are structured systems of developing talent in the organization to meet new growth and change requirements					
Q28	Talent management improves performance in our organization					
Q29	Talents are well developed in the organization					
Q30	Talent management strategy is formal, well documented and shared with all employees					
Q31	Our organization has recruitment and selection practices that attracts the best talents					

### 6. Questions Related to Organizational Performance

Please indicate your responses to each of the following statements regarding Organizational Performance. Indicate with a  $\surd$  in the appropriate answer box, according to the following code definitions:

Please rate your response as follows: 1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral (N) 4= Agree (A) 5= Strongly Agree (SA)

No.	Questions	1	2	3	4	5
		SD	D	N	A	SA
Q32	The organizations always achieve its objective within the set time frame					
Q33	Continuously assesses customer satisfaction					
Q34	High quality administrative systems are in place to support service delivery.					
Q35	The organization responds to customers complain in a timely manner					
Q36	The organization delivers its services/products promptly without any delay.					
Q37	Services/products of the organization are regularly reviewed to reflect changing client needs.					

**Many thanks for your valued time and cooperation!!!**