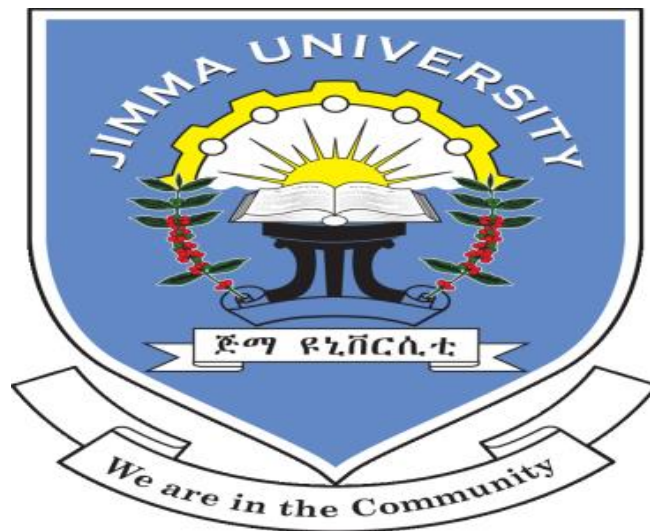


**The Effect of Human Resource Management Practice on
Employees' Performance at Public Sectors of Jimma Zone
Special Emphasis to Limu Kosa Wereda**

**By
Seid Awel**



Jimma University

College of Business and Economics

Jul., 2020

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**A Thesis Submitted to College of Business and Economics in Partial
Fulfillment for the Requirements of MBA Degree in Business
Management**

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Jimma University

Dedication

This work is dedicated to my parents, Mr. AwolYunus and W/r Saliha Boru Gutama who have instilled in me the importance of education, the inspiration and also my wife fakia abdulkerim she makes me strong to set high goals and the confidence to achieve those goals.

Declaration

The researcher here by declares that the thesis entitled, “The effect of Human resource management practice on Employment performance at public sectors of Jimma Zone special emphasis to Limu kosa wereda” is his original work and that all sources that was referred to indicated and acknowledged with complete references.

Student name: SeidAwel

Sign _____

Date _____

This thesis proposal submitted for examination with our approval as the university advisors.

Main advisor: Zerihun A. Birbirsa (Ph.D. Assoc. prof.) and C o- advisor: Tsigereda Aboye(MBA)

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Department of Management

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Acronyms and Abbreviations

FMCB: Federal Ministry of Capacity Building

HC: Human Capital

HR: Human Resource

HRD: Human Resource Development

HRM: Human resource management

NCBP: National Capacity Building Program

NPM: New Public Management

SPSS: Statistical Package for Social Science

VIF: Variance Inflation Factor

Abstract

The main objective of this study was to assess HRM practices and to explore its effect on employees' performance in public sectors of Limu kosa woreda. To achieve the intended objective, this study employed a correlational research design. Based on the research design, two sets of quantitative data was collected. The first set of quantitative data was collected through HRM practice survey questionnaire from 318 participants who were randomly selected from 11 public sectors. The second set of quantitative data was collected through document analysis of participants' efficiency score from their respective sectors. Based on the basic research questions, the collected numerical data was analyzed using descriptive (mean & st. deviation) and inferential (correlation & regression) statistics through SPSS version 20. Based on the results of this study, the researcher concluded that, the strength of the association between HRM practice and Employee performance is a significant & moderate. When examined individually, performance appraisal is relatively strong predictor. Training and Employee involvement of HRM practices are relatively moderate and significant predictors whereas Compensation is not a significant predictor of Employee performance in the study area. Depending on the finding of this study, the following recommendation was forwarded to Limu kosa wereda public sectors 'office leaders and HR personnel. It is recommended that HRM need to conduct a sustainable survey on their own practices, study it, and create an action plan for further improvement. They need to nurture the performance appraisal practice of their HR because this variable predicts best the employee performance in public sectors of the study area. It is also recommended that, HRM to foster strong effort on employees through providing training, involving in planning of sector activities and regular discussion on their experience & encouragement (compensation), because these could bring a remarkable change on employees' skill and motivation and in turn may bring a strong improvement on employees' performance.

Key words: *HRM practices, Compensation, Employees' performance, Training, Employee involvement, correlation & regression*

CHAPTER ONE

Introduction

This chapter deals with Background of the study, Statement of the problem, Objectives of the study, Operational definitions of key terms, Significance of the study, Delimitation of the study, Limitation and Organization of the study.

1.1. Background of the Study

Human resource management (HRM) is as old as the existence of people (Cuming, 1985). Human resource management has a key role in today's competitive work environment and concerned with the contribution it can make to improving organizational effectiveness through people (Armstrong, 2014). Human resource management is a comprehensive and coherent approach to the employ-regarded as a philosophy about how people should be managed which is underpinned by a number of theories relating to the behavior of people and organizations (Ibn). According to Armstrong (2010) the style and management of human resource systems based on employment policy, comprising a set of policies designed to maximize organizational integration, employee commitment, elasticity, and quality of work.

On the other hand, there is no universal agreement on the definition and concept of human resource management. For instance, Armstrong (2016) defines human resource management as a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations. Boxall and Purcell (2016) define and conceptualize human resource management as the process through which management builds the workforce and tries to create the human performances that the organization needs. Based on these definitions, O'riordan J. (2017) confirmed that the concept of HRM is broad and defined by scholars of the field in various ways.

Regarding to human/employee performance, Karakas (2010) argues that it signifies individual's work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaged profile, and compassionate colleagues/employers. To this end, Employees perform different jobs in an organization depending upon the nature of the organization. To mention some of them such as production, storage, manufacturing,

transportation, marketing, purchasing, distribution, promotion of business, accounting, and public relations are among others. All these activities are interrelated to achieve the targets. These are to be performed by the employees properly so they can give their best output at the job.

Therefore employees' performance is a matter of extremely important issue for scholars and practitioners in the field of public administration. Especially with the new waves of organizational reform and the adoption of new public management, performance management is one of the core elements that organizations should measure, and actively implement (Saridakis, & Cooper, 2016).

Although different scholars have used different terminologies for addressing these reforms, such as new public service, public value management, and transferring from government to governance, the agreement among these scholars is that, reforms have aimed at changing traditional public administration to the New Public Management (NPM) model (Boyne, Entwistle, & Ashworth, 2010). According to Osborne, Radnor, & Nasi (2013) managerialism under NPM involves the application of new business practices, which also embraced adopting new systems for managing public sector employees with new emphasis on results and performance.

In line with this, several researches, have attempted to shown a positive link between specific management practices such as employees' skills, training, motivation, dedication, welfare, management policies, fringe benefits, salary and employee promotion with employment performance (Katou, Budhwar, & Patel, 2014).

In this case the systematic studies that linked HRM practices and performance were published by (Gerhart and Milkovich, 2012; Arthur 2014; Huselid in 2015; MacDuffie, 2015; Guest, 2017). Thereafter a large number of researches were conducted on different sectors of different countries. Most of the researches showed significant effect of HRM practices on employee's performance. Employee performance is directly linked with performance of the organization. The successful organizations consider the HRM practices as a crucial factor that directly affects the employee's performance. Delery and Doty (2016) described seven HRM practices that are

relevant to overall organizational performance. Pfeffer (2014) argues that organizations must hire skilled and capable employees in order to be successful in today's global environment. Actual HR practices are applied by line managers on a daily basis that positively impact employee's perception about HRM practices applied to them (Purcell and Kinnie, 2017). The successful implementation or failure of HRM practices depends on the skills of the managers (Guest, 2011).

In Africa, particularly, Sub-Saharan countries' context there are challenges like lack of training and in the development of skills and the ability to make use of the available human resources (Anyim, Ikemefuna, and Mbah ,2011). It can be argued that in the Sub-Saharan African region public sector needs to increase the skilled labor pool and to develop communities. This involves the fusion of human resource development strategies and policies that will be suitable for developing socio-economies in the region and fasten service delivery.

Coming to Ethiopia, the government recognizes that good sector policies depend on building HR capacity if it is to be implemented successfully at proposed time. In 2001, the country launched a broad National Capacity Building Program (NCBP) which is an extremely wide ranging and encouraging program which needs commitment from all public sectors to Upgrade employees potential (Adebabay& Perkins, 2010). The government identified inter-dependent programs which led to the creation of a Federal Ministry of Capacity Building (FMCB) to coordinate and provide strategic guidance to the overall practices especially, HRM. However, as an empirical study conducted by Gebrekidan (2011), the Ethiopian civil service faces inefficiency and poor service delivery resulting from limited focus on HRM.

In line with this, in Limukosa woreda, HR strategies and programs are designed in such a way that they are aligned with organizational objectives. Now days in the woreda HRM is nominated almost in all public sectors to make considerable contribution to the creation of knowledgeable and skillful employees so as to widen service delivery to the public. However, it is usual for the researcher to observe the public complain in Limu kosa woreda in relation with inefficiency and poor service delivery of public sectors. To solve this puzzle, the researcher decided to investigatethe topic under consideration. Therefore, the purpose of this study is to assess HRM practices and to explore its effect on employees' performance in public sectors of Limu kosa woreda.

1.2.Statement of the problem

A number of management scholars have focused on research aimed at understanding the effects of HRM practices on employment performance in public organizations (Boxall, & Macky, 2009). In line with this, many researchers have shown a positive link between adopting specific management practices and employees' performance (Katou, Budhwar, & Patel, 2014).

On the other hand, several researchers argue that the impact of HRM practices on employment performance is not clear. For instance, Violetta ,& Heidi (2018) after reviewing hundreds of research studies he concluded that 'we are still in no position to assert with any confidence that HRM has an impact on organization performance'. This implies that the issue under consideration is still debatable.

Regarding HRM, some researchers in the field, like, Esmael , Nasser , & Mohammad (2016) argue that human resource management is ignored area in managerial of function many developing countries. These researchers strongly suggest that there is a need for research on employee performance and HRM practices in developing countries like Africa.

In Ethiopia, researchers like, Teseema & Soeters (2010) studied HRM practices (training, grievance practices, and promotion, recruitment and selection, compensation and performance evaluation practices) and reported a significant effect on employees' performance in health sectors. Ghebregiorgis & Karsten (2012) studied the effect of HRM practices like recruitment and selection, performance appraisals, training, and compensation on employment performance in telecom sector and concluded that among the HRM practices, performance appraisal has no effect on employees' performance whereas recruitment and selection, training, and compensation showed a significant and positive effect. The researcher recommended a future research on HRM practices and employees' performance. Amare Werku (2015) studied the effect of selected Human Resource Management Practices on Employees' Job performance in Ethiopian Public Banks. In this study, however, the regression result has revealed that performance appraisal is found to have moderate but positive effect on employment performance. These imply that there is a need to study the topic under consideration.

As stated above the previous scholars in the field HR tried to show the effect of one, two or three practices of HRM practices as independent variables on employees' performance, however this study tried to show the overall effect of HRM practices on employees' performance using four independent variables.

In addition to the above concrete reasons, from the researcher experience, there is no previous study on the effect of HRM practices on employment performance in public sectors of Jimma Zone, Limu kosa wereda. Due to this we know nothing about the level of HRM practices and whether these practices had effect on employees' performance. Therefore, in order to fill knowledge and shade light on the research gap, the researcher intended to study the effect of HRM practices on employment performance in public sectors of Jimma Zone special emphasis to Limu kosa wereda. To this end, the researcher raised the following four research questions.

1.3.Basic Research Questions

To achieve this, the study was guided by the following four basic research questions.

1. What is the level of HRM practices measured in terms of (Compensation, Training, Employee's involvement, and Performance appraisal) as perceived by employees?
2. To What extent do HRM practices associate with employees' performance in the study area?
3. What is the effect of the HRM practices on employees' performance in the study area?
4. Which variable (Compensation, Training, Employee's involvement, and Performance appraisal) more affects employees' performance?

1.4.Objectives of the study

1.4.1. General objective

The general objective of this study was to investigate the effect of HRM practice on employees' performance in public sectors of Jimma Zone, Limu kosa wereda.

1.4.2. Specific Objectives

To describe the level of HRM practices as perceived by employees in terms of (Compensation, Training, Employees' involvement, and Performance appraisal) in the study area.

1. To assess the level of HRM practices measured in terms of (Compensation, Training, Employee's involvement, and Performance appraisal) as perceived by employees.
2. To explain the strength of association between HRM practices and employees' performance in the study area.
3. To predict the effect of HRM practices on employees' performance in the study area.
4. To find out the variable that more affects employees' performance.

1.5. Significant of the Study

The results of this study may have the following benefits.

It may reveal the impacts of HRM practice on employees' performance in public sectors of the study area, so that, public sector leaders and HRM professionals in Limu kosa may begin to value to their HRM practices. It may initiate public sectors office leaders, particularly; HRM professionals in Limu kosa wereda to consider HRM practices, as a supplementary leadership tool, to improve organization performance. The study may provide a kind of HRM practices survey instrument. So that leaders, particularly; HRM professionals may initiate to assess their HRM practices through this instrument. This in turn may aid to manage their organization performance properly. This study may serve as a starting point for other researchers especially, at Zonalor wereda level, who is interested to investigate or explore the impact of HRM practices on employees'/organization performance.

1.6. Delimitation of the study

As mentioned earlier in the preceding sections, this study was geographically delimited to public sectors of Jimma zone, Limu kosa wereda.

Regarding to its content, the study was delimited to investigate the relationship between HRM practices in terms of (Compensation, Training, Employee's involvement, and Performance

appraisal) and employees' performance collected from employees' efficiency. Therefore this research did not concern about other HRM practices. This study was also delimited to be completed within time scope of (Sep.-May, 2020) which is about eight months.

1.7.Limitation of the study

This study faced different limitations associated with its coverage and approach. This is to mean that, the study did not include all private sectors in Limu kosa wereda because of its cost wise and time constraints. In addition to these while distributing the questionnaires some respondents were not interested to fill the questions and even those who were given the questions were not willing to respond on time.

The other limitation was its research approach (quantitative); to this end, only a quantitative data was collected and analyzed. Due to this reason, Due to this and other reasons the findings of the study would not fully reflect the situations even in the public sectors of the study area. There for to enhance the limitation the researcher recommended future mixed and qualitative research.

1.8.Organization of the study

This research paper was organized in to five chapters in chronological order; the first chapter was an introduction for the overall study. This part consisted of background of the study, statement of the problem, objectives, significance, delimitation, operational definitions of key terms, and organization of the study. The second chapter totally devoted to the review of related literatures particularly the bases of this study (i.e. theoretical and conceptual framework).In this chapter, results of previous studies, general concepts and definitions of basic issues and empirical evidences about the relationship between/impact/ effects of HRM practice on Employee performance were reviewed in detail.

Chapter three outlined research design, the study site and population, sample size and sampling techniques, sources of data, instrument for data collection, reliability analysis of survey instrument, data collection procedures, data analysis procedure for each of the specific objectives and ethical consideration.

Chapter four presented data analysis and interpretation. In Chapter five summaries of the main findings, discussion of the results with the previous studies and conclusions as well as recommendations were forwarded. Finally, the necessary information like, references and appendices were attached at the end of this paper.

CHAPTER TWO

Review of Related Literature

Introduction

This chapter deals with a review of related literatures. In this chapter, the relevant literatures were reviewed under four major sections. The first major section deals with theoretical frame work; the section begins with the discussion of human capital & expectancy theories as the bases for this study. In the second section, the relevant theoretical literatures on the concepts of human resource management practices and employee performance are critically reviewed. The third section devoted to the review of previous empirical literatures. This section is further divided in to sub sections that present, the empirical evidences on the relationship between HRM practices and employees' performance. The final section introduces the conceptual framework of this study.

2.1.Theoretical framework

2.1.1. Human Capital Theory

The theory of HC can trace it origins to macroeconomic development theory. In the 1950s, the main factors of production comprised land, labor, physical capital and management (Nafukho, Hairston, and Brooks, 2004).Human capital theory signifies the combination of brainpower and experience of staff as a source of competitive improvement that cannot be imitated by rivals (Resick, 2007).

Applied in the context of organizations, HC theory suggests that individuals who invest in education and training will increase their skill level and be more productive than those less skilled, and so can justify higher earnings as a result of their investment in HC(Frigo,andUbelhart,2016).As Becker (1993) suggested that schooling raises earnings and productivity mainly by providing knowledge, skills and a way of analyzing problems. Moreover, Becker's ideas play an important role in contemporary employee development and learning literature, as HC theory fuels the idea that employees' knowledge and skills can be developed through investment in education or training that is, learning (Bapna, Langer, Mehra, Gopal, and Gupta, 2013).

Based on HC theory, contemporary researchers, like Mc cracken, Mcivor, and Wall, (2016) suggest that investments in education and training will improve productivity; however, it is the type of training that determines who will pay for the training, that is, the employee or the firm. These researchers strongly argue that those firms that would not have sufficient incentives to invest in their workers' skills because trained workers can quit working for other employers who can use these skills.

To sum up human capital theory advocates for attracting, repayment (compensation), developing people (training) and engaging in organizations. In the context of this research, these are meant to ensure that the performance of employees is improved. This means that employees can be rewarded for their efforts. Therefore, in this context, this theory is relevant.

2.1.2. Expectancy Theory

The widest accepted explanation of the motivation was given by Victor Vroom (1964, cited in Lunenburg, 2011) with the theory most commonly known as the Expectation-Value theory that tries to merge together the various elements of previous theories. It combines perception aspects of the equity theory with the behavioral aspects of other theories. Need theories of motivation (Maslow, 1970; McClelland, 1976) attempt to explain what motivates people in the workplace. Instead, Vroom's expectancy theory does not provide specific suggestions on what motivates organization members. Expectancy theory is more concerned with the cognitive antecedents that go into motivation and the way they relate to each other. It deals with a cognitive process based on the idea that people believe there are relationships between the effort they put at work, the performance they achieve from that effort, and the rewards they receive from their effort and performance. In other words, people will be motivated if they believe that strong effort will lead to good performance and good performance will lead to desired rewards (Lunenburg, 2011).

In line with this, Armstrong(2010) argue that, in the expectancy theory, motivation is likely to be when there is a perceived and usable relationship between and outcome, with the outcome being seen as a means of rewarding needs. In other words, there must be a relationship between a certain reward and what has to be done to achieve it. This theory is very important in the context of this research. It is instrumental especially when designing performance-based employee wellbeing programmers.

To sum up, Expectancy theory explains that at any time, an individual's motivation onto an action is driven by that person's perception that a specific kind of action will be an effect of a certain outcome. This theory is termed as the probability of that specific action will lead to a reward. So, if an individual has a specific goal, some behavior must occur so that the goal can be achieved. The likelihood of different behaviors will be weighed because behaviors will lead to the achievement of the desired goals and if those specific behaviors are termed to be more successful in comparison to others, the person will prefer that behavior. Workers are motivated to put in more effort so their would-be production of better results because of the expected reward. The management could make provision for the relationship between performance and efforts. (Essays UK, 2013).Based on these theories, relevant theoretical literatures are reviewed in the following few paragraphs.

2.2.Theoretical literature review

2.2.1. Concept of Human Resources Management

The term HRM has largely taken over from that of personnel management, which took over from previous terminology including labor or welfare management. In the 1980s, against a backdrop of economic recession and increased pressures on firms because of globalization and the accelerated pace of change brought about by technological developments, a number of academics began to think about people in organizations from a different perspective. A combination of this thinking evolved into what became known as human resource management (O'riordan J. 2017).

When the term HRM first became popular there was criticism of it as it referred to people as resources, as if they were any other factor of production to be leveraged into economic value. However, Boxall and Purcell (2016) regard this as a misunderstanding of the term. They suggest that it is not people that are referred to as 'human resources', rather their knowledge, skills and energies which they use in their daily roles. People are not human resources, on the contrary, people are independent agents who possess human resources, which are the talents they can deploy and develop at work and which they take with them when they leave the organization (O'riordan J. 2017).

To this end, practices of human resource were programmed to motivation, attraction, and retention of employees and to assurance the success of organizations (Schuler & Jackson, 1987). Human resource management (HRM) practices were prepared and implemented in that a way the role of human capital has a great significance towards achieving the organizational goals (Ibn). Human resource management practices like, performance appraisal, training & development programs are develop to motivate the employees and when employees were motivated then organization performance defiantly increased (O’riordan J. 2017). Human resource management (HRM) practices are being increasingly considered as major contributory factors on employee performance. Based on the existing literature, the practices are reviewed as below:

2.2.1.1.Compensation

In his book of Human Resource Management, (Dessler, Sutherland, & Cole, 2005) defines compensation as employee compensation refers to all forms of pay going to employees and arising from their employment. The sentence ‘all forms of pay’ in the definition does not include non-financial benefits, but these benefits are paid to employee directly or indirectly in case of finance .Compensation is offered to employee for gaining competitive position in market. In others words it support organization because employees are motivated, retained and less leave in the organization and become capital of organization for long time. Most of the organizations used performance based compensation strategy for employee rewarded (Collins & Clark, 2003). The strategy of performance based compensation has optimistic impact on employee’s performance (Ibn).

Other researchers in the field argue that, compensation refers to total amount of both the financial and the nonfinancial rewards that companies give employees in return for work include non-financial benefits, but these benefits are paid to employee directly or indirectly in case of finance .Compensation are offered to employee for gaining competitive position in market. In others words it support organization because employees are motivated, retained and less leave in the organization and become capital of organization for long time. Most of the organizations used performance based compensation strategy for employee rewarded (Collins & Clark, 2003). The strategy of performance based compensation has optimistic impact on employee’s performance (Dessler, et.al, 2005). Compensation can be explained in broad terms others than

wage or salary. It can be consisted of commissions, fringe benefits, bonuses, reimbursements, and expense allowances (Ibn). Compensation and benefits are the most basic elements that affect employee performance as well as overall organization performance (Mathis & Jackson, 2011).

2.2.1.2. Training

Organizations need people with high and appropriate levels of knowledge, skills and abilities (Armstrong, 2016). One way for enhancing the employee's performance and developing the skills and knowledge of the employees training used as an equipment or tool (Jackson, Schuler, & Jiang, 2014). Training is the use of systematic and planned instruction and development activities to promote learning. Training is provide to adopt the change that organization are required and also training conducted for new employees for easily adjust according to the culture of the organization and enhance their abilities and adopt new skills (O'riordan J. 2017). Culture of the institution quickly accepts through training and that employees have rewarded or awarded who have advantageous (Jackson, et.al, 2014).

Training is also used for future development and needed requirement of today and also enhancing the additional competencies of the employees that enhance the employee's productivity (Jackson, et.al, 2014). Training opportunities enhance staff commitment and, if based on an objective assessment of need, result in a more efficient and effective organization (O'riordan, 2017).

2.2.1.3. Employee Involvement

The opportunity to contribute to decisions and have a sense of involvement is valued by most employees. Much of the knowledge required by organizations to be more productive is in employees' heads, so accessing it makes good business sense (Guest, 2011). Where managers encourage involvement it is associated with higher levels of satisfaction with management in organizations (Collins & Clark, 2003).

Involvement of employees creates an atmosphere which authority to make decisions and took act according to own job. Involvement of Employee is helpful for enhancing ownership, retaining, commitment, motivation and contribution of employees in an organization. Employee

involvement enhances motivation, work satisfaction and employees' commitment and they realized more contributed in competing the organizational goals (Jackson,et.al, 2014).

2.2.1.4.Performance appraisal

Appraisal of performance is a structure measurement processes of performance of employee's towards their assigned job. Performance appraisal's prime purpose is to enhance employee's insight and motivation. Mathis & Jackson (2011) told that performance appraisal increase the productivity of employees and in return organizational performance increased. Performance appraisal increases professional skills by mentioning the area there needed improvement required (Singh, 2004). Employee's commitment and motivation increased if the performance appraisal on merit that positively influence on organization reported by (Collins & Clark, 2003). If the employees show its willingness to play something extra in the organization, this is the key for organization's success (Ibn).

A performance appraisal can be used as a tool for management to classify or appraise and gives feedback to employee regarding how they performed in a job. And also, how to improve in areas they are lacking. Some studies have shown that the feedback aspect helps in pointing out employee's strengths and weaknesses. Some stated that for improvement of employee performance, it is crucial to first pinpoint the area that he/she needs to improve on through assistance and feedback which reassures the employee's improvement and commitment in terms of improving employee's performance. The feedback recording can be done verbally but mostly, experts in the legal field usually counsel employers to have records written so that they can legally protect themselves (Paul, 2014). This way of feedback gives the manager the chance to closely assess the employee performance through his interaction with colleagues, customers, and himself. As the staff of a company increases, a more formally written appraisal form should be refined and used externally or internally, and the appraisal results should come with salary increases or bonuses. Even though appraisal is adopted verbally or in written, organization have to make provision for feedback consistently so that employees will make improvement at work (Ibn).

2.3. Empirical literature review

2.3.1. Compensation and employees' performance

Adewale, Adenike, Hezekiah and Heirmsmac (2014) have studied the effect of compensation packages on employees' job performance and retention in a selected private University in Ogun State, South-West Nigeria. The dependent variable in their was employees' job performance and independent variable compensation packages in the form of salary, bonus, incentives, allowances, and fringe benefits .They reported strong relationship between compensation packages and employees' performance and retention. The summary of their finding indicates that there is strong correlation between the tested dependent and independent variables (salary, bonus, incentives, allowances, and fringe benefits). However, management and decision makers should endeavor to review compensation packages at various levels in order to earn employees' satisfaction and prevention of high labor turnover among the members of staff.

In other study, researchers Akter, & Moazzam (2016) studied the impact of compensation (salary, rewards & Indirect Compensation) on employee performance in banks of Pakistan. They collected quantitative data from 250 respondents who are working in 20 banks of Pakistan. The results of regression analysis showed that compensation has positive impact on employee performance. They proved from correlation analysis that all the independent variables have weak or moderate positive relationship to each other. The report shows that all the independent variables have insignificant and positive impact on employee performance. Descriptive analysis also reveals that all the independent variables have positive impact on employee performance.

In line with this, Odunlami and Asabi (2014) studied the effect of compensation management on employees' Performance in the Manufacturing Sector, of A Reputable Food and Beverage Industry. The results of Inferential and descriptive statistics Analysis of Variance (ANOVA) showed that there is a significant relationship between good welfare service and employees performance. The f-statistics shows that the model is statistically significant. Finally they reported that there is a significant relationship between compensation management and improved productivity. This result implies that there is a significant relationship between compensation management and employees performance.

2.3.2. Training and employees' performance

According to Angela (2014), training had an impact on the performance of employee among the international civil servants. A survey research design was used for this study 144 staff of the United Nation supports office for the African mission in Somalia. The finding showed that in general training enhanced employee engagement on change processes, motivation, job satisfaction and overall performance.

Another researcher Cooper (2010) found a positive relationship between training programs and employees' job involvement. He argued that if there were some recognitions and financial benefits for the high performers at the training programs, the feelings of reciprocity emerged in the high performing employees as well as in other ones which motivated them to extend themselves in many ways such as adapting new skills, knowledge and competencies which ultimately leads to improved organizational performance.

2.3.3. Employees' involvement and Employees' performance

Dodi (2015) conducted a research on effect of employee participation in decision making on employee motivation. Mail survey was used as a data collection method. The finding revealed that a positive relation between employee participation in decision-making and their motivation. Further results indicated that, employees became more acquainted with decision making if they were frequently involved in discussions relating to recent issues.

Agyemen (2012) conducted a study on the effects of employee involvement practices on decision making process. The results showed that there was a weak relationship between employee involvement and decision making. The study recommended management to demonstrate high commitment level to employee involvement in decision-making and trust among management and staff which could be achieved through fair, impartial and effective communication. Moreover it was recommended that management's ability to encourage and accept employee's views could also be achieved through the organization of management training programmers.

2.3.4. Performance appraisal and Employees' performance

Paul (2014) conducted empirical study in selected World Health Organization (WHO) offices in East Africa .He studied the influence of performance appraisal on employee productivity in an organization. The selected WHO was of Kenya & Sudan Country Offices. For his study, he adopted descriptive design and the sample size used was stratified sampling for the selection of sample and consequently 105 respondents were selected. In addition, questionnaires were used for data collection for both qualitative and quantitative information, while for top management, interviews were rendered. The Statistical Package of Social Sciences (SPSS) was used to analyze the data collected. His study found out that performance appraisal carried out on employees has positive effect on productivity and that performance appraisal feedback affected the employee's productivity positively too.

Odunlami and Asabi (2014) reported that performance appraisal is one of the main functions of human resource management. It is useful not only for Management but also for the employees so that they can know and understand about their performance from the Management Point of view. They concluded their findings that, performance appraisal has a significant effect on employees' performance. Results from a number of research experts in the human resource management above concluded that there is positive and significant effect of performance appraisal on employee job performance.

2.4. Conceptual framework of the study

A concept is an idea or notion. A conceptual framework is used to comprehend the place and clarify the direction of a research project. It makes use of past research to conclude a theory and methodology for a current research study (Magher, 2018).Based on the preceding discussion of the theoretical and empirical literature the following conceptual framework of this study was proposed.

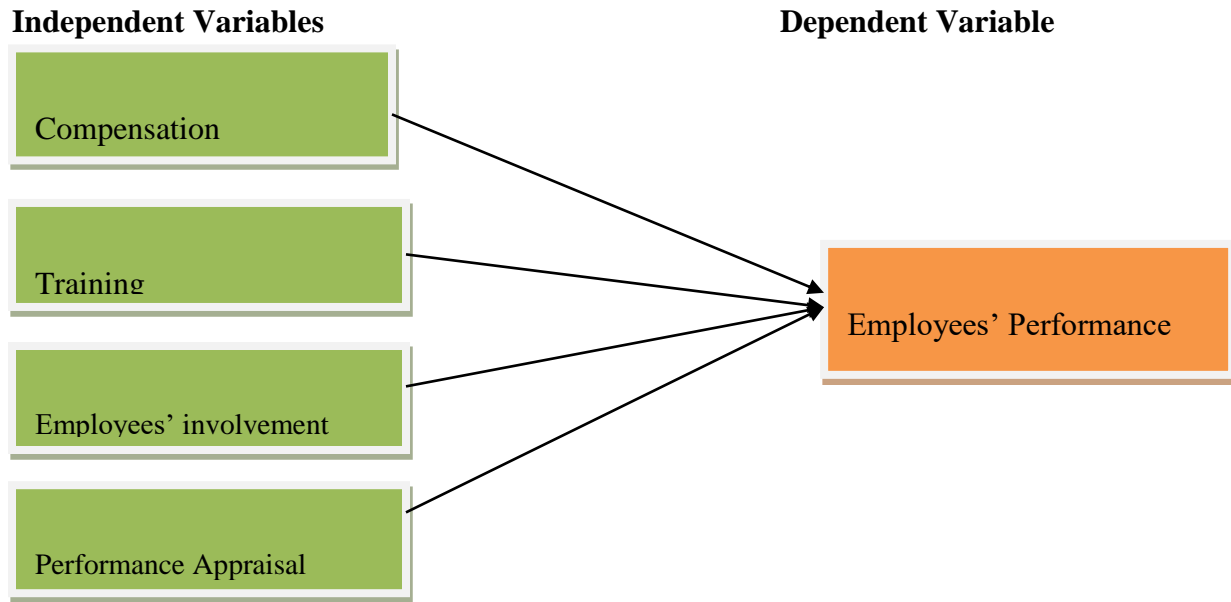


Fig.1: Conceptual framework of the study

Source: Adapted from Guest (2011) and modified by the researcher

As shown in the Fig. 1: above, the independent variables are Compensation, Training, and Employees' involvement and Performance appraisal. In this study, Employees' performance is the dependent variable of this study.

CHAPTER THREE

Research Design and Methodology

Introduction

This chapter was organized as research design, research method, sources of data, the study site and population, sample size and sampling techniques, instrument for data collection, reliability analysis of survey instrument, data collection procedures, data analysis procedure, data analysis for each of the specific objectives and ethical consideration.

3.1. Research Design

The general objective of this study was to assess the HRM practices and its effect on employees' performance at public sectors of Jimma Zone, Limu kosa wereda. Therefore to achieve the stated general objective of the study, a correlational design was employed. This , a non-experimental design is appropriate because, it can provide information that allows predictability based on associations (Cohen, Manion& Morrison, 2007, & Creswell, 2012). To this end, both explanatory and prediction types of a correlational design were utilized.

3.2. Research Method

Since the research design of this study was correlational, which was quantitative research design, to this end; the appropriate quantitative data was gathered from two sets (HRM practices & employees' performance).

3.3. Sources of data

In this study, the relevant quantitative data were collected from both primary and secondary sources.

3.3.1. Primary sources of data

The primary data source for this study was employees who had been working in the years 2019/20 in public sectors of Limu kosa Wereda.

3.3.2. Secondary sources of data

A secondary data source for this study was employees' efficiency score that was collected from employees' profile in the year (2018& 2018/19) of public sectors in Limu kosa Wereda.

3.4.The study site and Population

3.4.1. The study site

The study area was Limu kosa wereda, which is found in Jimma Zone of Oromia Regional State. It is located in North West of the Zone, about 65 km far from Jimma town and about 411 Km from the capital city of Ethiopia, Addis Ababa. According to wereda Administration office, currently, over 22.2 thousand people live in Limu kosa wereda. The data from the same source confirmed that 86% of the population is living in rural areas, while the remaining 14% is urban dweller.

3.4.2. Population

The target population of this study was; 2686 employees who were working in 33 public sectors of Limu kosa Wereda.

3.5.Sample size and Sampling Techniques

3.5.1. Sample size

As the approach of this study was quantitative, which was intended to generalize the result to a large population of the study area, it calls for collecting quantitative data from a relatively large number of participants (Creswell, 2012). However, small enough to be selected economically-in terms of subject availability and expense in both time and money (Best &Kahn, 2006). These researchers suggest that, there is no fixed number or percentage of participants that determines the size of an adequate sample. According to these researchers, sample size may depend on the nature of the population of interest or the data to be gathered and analyzed.

So taking into account the suggestions of these scholars, the design and the objectives of this study; 11(33%) public sectors were included in this study. However, to determine the sample size of employees, the researcher employed the simplified sample size formula ($n = \frac{N}{1+N(\alpha)^2}$)

developed by (Yemane, 1967). Because this mathematical precision formula-driven can make the sample size perfect (Cohen et al., 2007).

In this sample size formula, $n = \frac{N}{1+N(\alpha)^2}$ n denotes the required sample size, N is the population size and α , refers to the level of significance. Applying this formula, $n = \frac{N}{1+N(\alpha)^2}$,at 95% confidence level or $\alpha=0.05$, for, N =2686, then, the required sample size of employees (n) for this study will be, simply as:

$$n = \frac{2686}{1+2686(0.05)^2} \text{----- by substitution.}$$

$$n=335 \text{-----by simplification.}$$

Therefore, n=335 (13%) of public sector employees were selected from 11 public sectors.

3.5.2. Sampling Techniques

To sample public sectors and employees, a simple random (lottery method) sampling technique was utilized. The basic reason to employ a simple random sampling technique is, it provides equal chance (free from personal bias) for participants in the study and enhances the representativeness of the population of the study area (Best &Kahn, 2006 &Cohen et al., 2007). Total populations, sample size and sampling techniques are displayed in Table 2 below.

Table 1: Sample size and sampling techniques of the Study

Participants	Total population n	Sample size	%	Sampling Techniques
Public sectors	33	11	33%	Simple random
Employee	2686	335	13%	Simple random

3.6. Instrument for data collection

The data collection tool for this study will be adapted from HRM practice survey questionnaire developed by various researchers (Angela, 2014; Cooper, 2010 & Odunlami and Asabi, 2014). As mentioned earlier, employees' efficiency was collected from employees' profile (in the years 2018 & 2018/19) of public sectors in the study area.

The survey instrument in this study was contextualized without altering its basic meaning. This survey instrument was categorized in to five sections: (a) 5 demographic questions (b) 9 items on compensation (c) 7 items on training; (d) 9 items on employee involvement and (e) 11 items on performance appraisal. For the first section, respondents were asked to provide demographic information on: (1) name of the sector ;(2) gender ;(3) age ;(4) level of education and (5) total years of service.

For the second section, respondents were asked to respond on the extent to which the identified items were practiced in their school, using a five-point Likert scale (1 = Strongly disagree; 2 = Disagree; 3 = Undecided; 4 = Agree; 5 = Strongly agree). The Survey item 1-9 measured compensation; 10-16 measured training; 17-25 measured employee involvement and 26-36 measured performance appraisal.

3.7. Reliability and Validity Analysis of Survey Instrument

The HRM practice survey is found in a publication aimed at assessing HRM practice and had been used in various research studies (Angela, 2014; Cooper, 2010 & Odunlami and Asabi, 2014). This fact supports the possibility that the survey instrument's reliability and Validity as a measurement of HRM practice had been established. However due to the contextualization of items, the researcher conducted a reliability. To this end, a pilot test was conducted in Chora botor woreda. Because Chora botor is not only a neighboring woreda with Limukosa, even these two woredas were the same only recently departed as two woredas for administrative purpose. Due to this reason they share a number of similarities. Therefore, for the purpose of a pilot test, data was gathered from 12 respondents (employees in this case) from 3 randomly selected public sectors in Chora botor woreda.

Then reliability test was conducted through Cronbach's alpha for each of the four HRM practices (Compensation, Training, and Employee's involvement & Performance appraisal) of the survey instrument through SPSS version 20. The reliability result from the pilot test for the instrument in the study was displayed in Table 2 below.

Table 2: Reliability Report for the instrument in the Study

Independent variable		Cronbach's Alpha	N of variables
Human Resource Practice		.839	4

According to Cohen et al. (2007) Cronbach's Alpha reliability coefficient is a measure of internal consistency or it determines the degree to which all the items being measured are the same construct. On the other hand, Cohen (1988) suggested that Cronbach's alpha values close to 1.0 are strong reliability, whereas, weaker ones are closer to 0.0. As clearly displayed in Table 2 above, Cronbach's Alpha for survey instrument in this study was found ($\alpha = .839$), close to 1, implied that the internal consistency of the instrument was strong.

Regarding to the validity of the instrument, as the instrument; HRM practices (Compensation, Training, and Employee's involvement & Performance appraisal) was standardized, the researcher employed in the study with slight contextualization of few items of the instrument.

3.8. Data collection Procedures

In this study, HRM practice and employees' performance were assumed as descriptions of the sector; therefore, both variables were calculated at the sector level. To this end, the survey instrument was collected and separated by sector and numerical code was printed on each survey. In this case, the numeric code enabled the researcher to identify the sector and the respondent during the data collection phase of the study. Responses for the survey items was converted to numerical scores for each item using a five-point Likert scale: (1 = Strongly disagree; 2 = Disagree; 3 = Undecided; 4 = Agree; 5 = Strongly agree). Overall sector totals was

determined for each survey item and average scores by variables was obtained by totaling each sector's score for each variable and dividing by the number of respondents.

For this purpose, the researcher employed important statistical computations using the statistical software SPSS version 20 with Excel spread sheet. Analysis of the data was reported using descriptive and inferential statistics. Descriptive statistics such as mean and standard deviation was first calculated for the four independent variables ,HRM practices (Compensation, Training, and Employee's involvement & Performance appraisal) and dependent variable (employee' performance).To this end, as mentioned earlier, the independent variable was rated on five point-scales (one to five) with one being the lowest score and five being the highest. Then the mean score ($\frac{1+2+3+4+5}{5} = 3$) compared with 3 ("Undecided") was assumed as neutral. For the score that was higher than the mean (which was 3 or "Undecided"), the researcher assumed as high or positive and vice versa.

Regarding inferential statistics, before using this tool, the researcher checked whether the basic parametric assumptions were satisfied (Polit, 2010).In doing so the assumptions of normality and linearity for the variables in the study were approximated by visualizing normal curve& scatter plots respectively through SPSS version 20. In the same way, the assumption of homosedacity was approximated from scatter plots whereas the assumption of multicollinearity was evaluated from linear regression diagnosis (Polit, 2010).

3.9.Data analysis procedure

In this study, data analysis was performed using descriptive and inferential statistics. Descriptive statistics such as mean and st. deviation was first calculated for the four independent variables (Compensation, Training, Employee's involvement & Performance appraisal) and dependent variable, employees' performance (efficiency scores). To sum up, the researcher performed data analyses based on the specific objectives of the study as followed.

In order to achieve the first specific objective ,i.e,to describe the level of HRM practices(Compensation, Training, Employee's involvement & Performance appraisal)from the

perception of participants, the researcher employed a descriptive statistics (Mean and standard deviation) through SPSS version 20.

As the second objective of this study was to explain the strength of association between independent variables (Compensation, Training, Employee's involvement & Performance appraisal), and dependent variable (employees' performance), a Pearson correlation was employed (Cohen et al., 2007).

The third and fourth specific objectives in this study were to predict whether each of the independent variables in the study (Compensation, Training, Employee's involvement and Performance appraisal) had individual effect on dependent variable (employees' performance) in the study area. To this end, the researcher employed a linear regression for each of the independent variables and dependent variable separately in the study.,

3.10. Ethical consideration

The researcher maintained scientific objectivity throughout the study recognizing the limitations of his competence. An official letter was submitted to the concerned bodies such as, Limu Genet Wereda administration and public sectors' offices, which was written by Jimma University, College of Business and Economics, Department of Management to inform the issue. Based on the letter the researcher was secured with permission and established a friendly relationship with concerned bodies and successfully accomplished this study.

3.11. Operational definitions of key terms in the study

Compensation: in this research compensation includes salary, commissions, bonuses, and expense allowances (Dessler, Sutherland, & Cole, 2005).

Employee's involvement: It refers to the employee participation in decision making and problem solving, and increased autonomy in work process.

Employee Performance: is the ability to achieve the set objectives within the required timelines and parameters .It deals with the quantitative result of employee's efficiency.

Human Resource professional: an effective person in management that can act as strategists, innovators, change agents, internal consultants, facilitators and coaches in public sectors.

Performance appraisal: is a structured measurement process of performance of employees 'towards their assigned job.

Training: is the use of systematic and planned instruction and development activities to promote learning (O'riordan J. 2017).

CHAPTER FOUR

Data Presentation, Analysis & Interpretation

Introduction

This chapter was organized into two major sections. The first section provided presentation of data in the study. This section was further divided in two sub-sections. The first sub-section provided biography of respondents in the study and described the demographic characteristics of participants and in the second sub-section; the returned rate of the survey instrument was presented. The second major section devoted to data analysis and interpretation of the study. In this section a descriptive & inferential data analysis and interpretation results were presented separately.

4.1. Data Presentation

4.1.1. Survey Instrument Distributed and Rate of Return

The participants in this study were 335 sampled employees from 11 Public sectors in Limu kosa wereda of Jimma Zone. As displayed in the Table 3 below, for all of 335 (100%) of the participants the survey instrument was distributed. However, at the end of the day the return rate of the survey instrument was found 95% (318). In this study, data collected from 318 participants' was analyzed and interpreted. The survey instrument distributed and returned was summarized in Table 3 below.

Table 3: Survey Instrument Distributed and Rate of Return

Respondents	Survey Instrument		Rate of return
	Distributed	Returned	
N	335	318	95%

4.1.2. Background of the participants in the Study

The demographic characteristics of the participants were presented in Fig. 2 below.

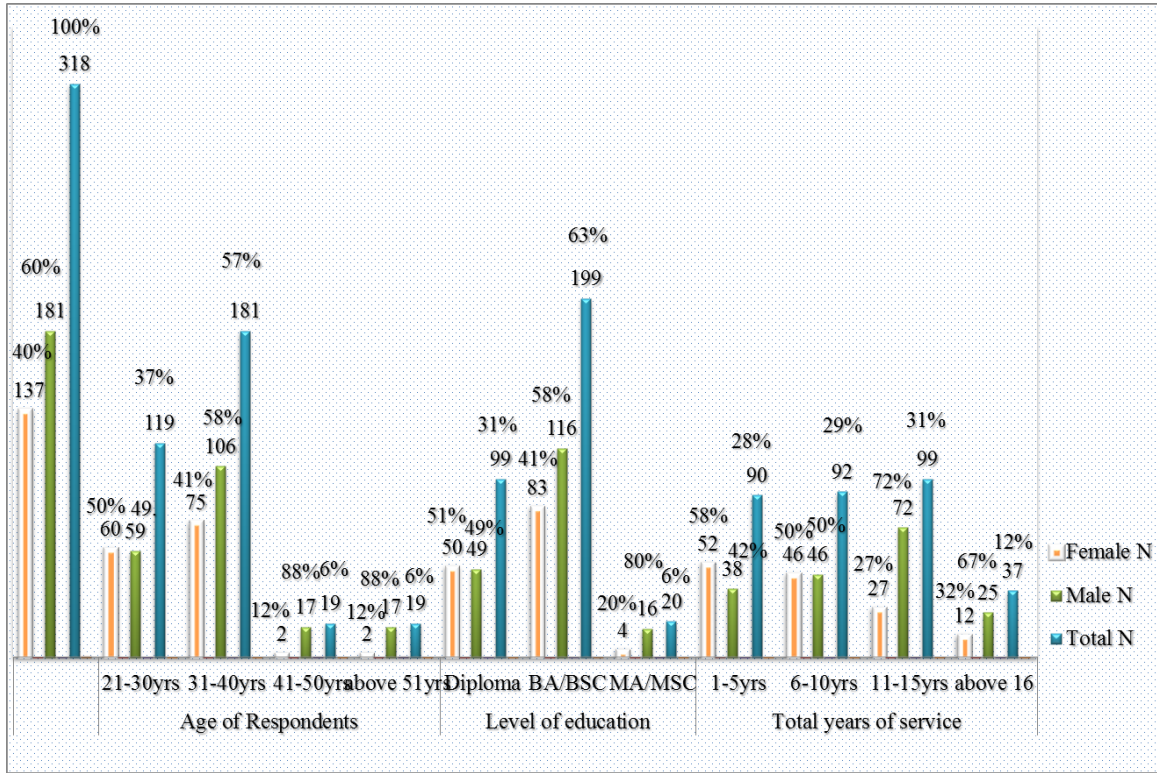


Fig. 2: Demographic Characteristics of participants

As described in Fig.2 above, from a total of 318 participants, 60% were males and 40% of them were females. Regarding age distribution, about 37% of respondents were between 21-30 years old, more than half of them (57%) were between 31-40 years old, only 12% of respondents had age above 41 years. These may indicate that, most of the employees in public sectors of the study area are hot blooded and found in productive age.

As depicted in Fig.2 above, regarding level of education, about 31% of participants in the study had diploma, majority of them (63%) were B.A/B.Sc. degree holder and only 6% of them were M.A/MSc degree holders. This may indicate that the participants of this study had enough knowledge to read and fill the data collection instrument (closed ended questionnaire).

One of the demographic characters displayed in Fig.2 above was about the participants' service year. As described in the chart above, about 28 % of them had total years of service between 1-5yrs, 29% had 6-10yrs, 31% of them had 11-15yrs and about 12% of participants in this study had service years exceed 16. To sum up, as mentioned above, not less than (88%) of the participants in this study had total years of service less than 15yrs. This may indicate that the majority of employees in public sectors of the study area are young.

4.2. Data Analysis & Interpretation

4.2.1. Descriptive data analysis and interpretation

In order to answer the first major research questions, a descriptive data analysis and interpretation for each of the independent variables in the study (Compensation, Training, Employee's involvement and Performance appraisal) were employed. To this end, a quantitative data was collected from 318 respondents and analyzed through SPSS version 20 and Excel sheet. As a result, the aggregated descriptive statistics such as mean and Std. deviation for variables in the study were displayed in (Table 4) below.

Table 4: Summary of descriptive statistics for variables in the Study

Descriptive Statistics			
Variables	N	Mean	Std. Deviation
Compensation	318	3.4060	.817
Training	318	3.4874	.555
Employee Involvement	318	3.4074	.573
Performance Appraisal	318	3.4606	.521
Human Resource Practice	318	3.4477	.511

As indicated in Table 4 above, the mean score for each of the variables of HRM practices such as Compensation (M=3.40, SD=.817), training (M=3.48, SD=.555), employee involvement (M=3.40, SD=.573) and performance appraisal (M=3.46, SD=.521) were found above the average score (3 or Undecided). The descriptive results in (Table 4) above confirmed that

Compensation, training, employee involvement and performance appraisal were perceived as high/ positive.

To sum up, as shown in the final row of (Table 4) above, the mean score for HRM practice was found above the average ($M=3.44$, $SD=.511$) or high/positively perceived by respondents in the study area. Therefore HRM practice of public sectors in the study is evaluated by the respondent as high.

4.2.2. Inferential data analysis and interpretation

As mentioned earlier, in order to answer the rest of basic research questions, the researcher employed a Pearson correlation and linear regression. However, before analyzing data through inferential statistics (parametric), the researcher approximated whether the basic parametric assumptions such as normality, linearity, homoscedastic and multicollinearity were satisfied for each of independent & dependent variables (HRM practice Employee performance). To this end, the result of SPSS version 20 for normal curves (Fig.3&4), scatter plots (Fig.5) and results of linear regression for independent variable (Table 5) below were visualized as follows.

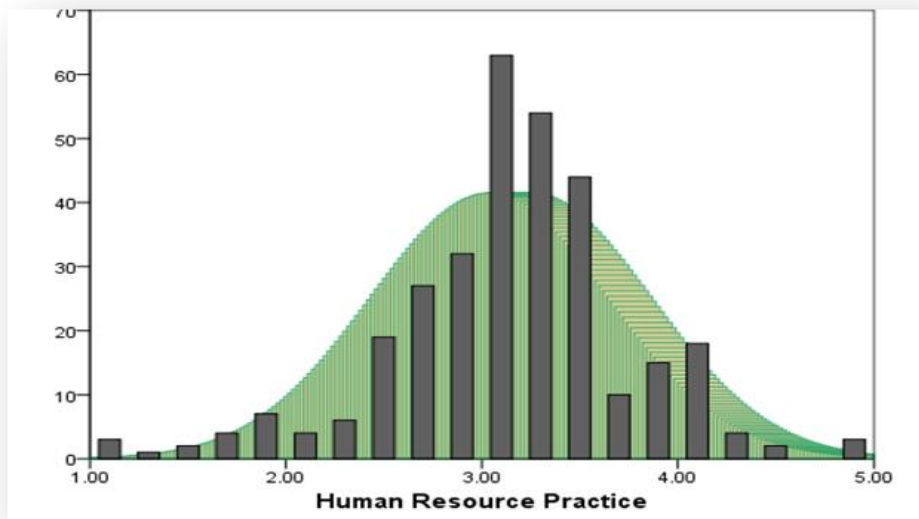


Fig.3: Normal distribution for scores on HRM practice

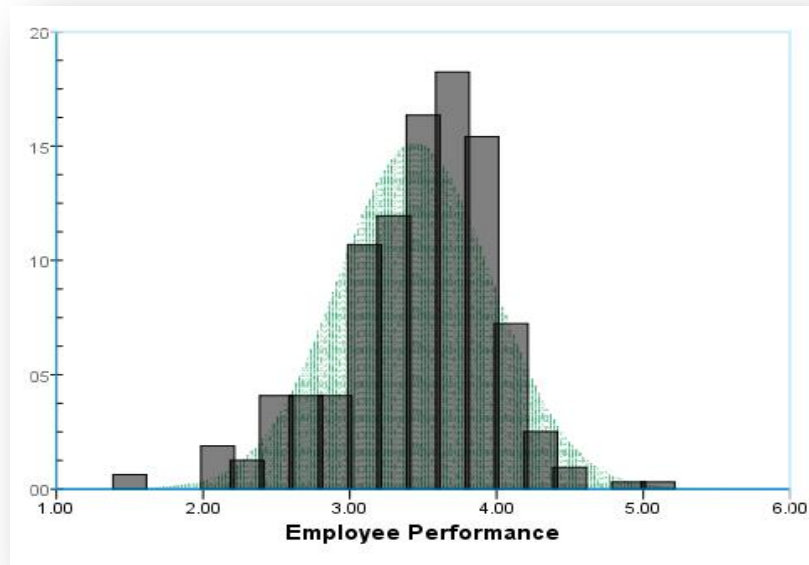


Fig.4: Normal distribution for scores on Employee performance

As visualized in fig.3&4 above, it could be approximated that the assumptions of normality & linearity have not been violated because the visualized normal curves for variables in the study were not skew rather normal. A further look at the scatter plot in (fig.5) below, the shape of the residual (error) points had nearly a rectangular shape. This implied that, the assumption of homoscedastic was satisfied (Polit, 2010).

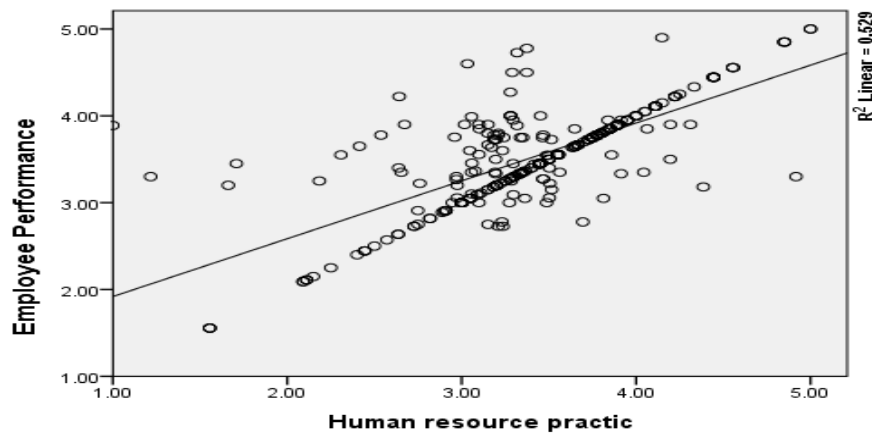


Fig.5: Scatter plot for HRM practice vs Employee performance

The assumption of multicollinearity was judged based on the diagnosis obtained from multiple regression output of SPSS version 20. As indicated in (Table 5) below, multicollinearity was not a problem in this study because, the variance inflation factor (VIF) for independent variables in the study lies in the range $1 < VIF < 10$, it is tolerable in research (Polit, 2010).

Table 5: Multicollinearity diagnosis for independent variables

Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Compensation	.675	1.483
	Training	.465	2.149
	Employee Involvement	.372	2.692
	Performance Appraisal	.434	2.305
a. Dependent Variable: Employee Performance			

4.2.2.1. Results of a Pearson correlation for variables in the study

The second major research question of this study was to explain the strength of the association of HRM practice (Compensation, Training, Employee involvement and Performance appraisal) with Employee performance. To this end, a Pearson correlation was employed and the result of SPSS version 20 was displayed in (Table 6) below.

Table 6: A Pearson Correlation coefficients for Variables in the Study

		Comp.	Training	Emp. Involvement	Perf. Appraisal	HRM practice
Training	Pearson Correlation	.208**	1			
	Sig. (2-tailed)	.000				
	N	318	318			
Employee Involvement	Pearson Correlation	.374**	.255**	1		
	Sig. (2-tailed)	.000	.000			
	N	318	318	318		
Performance Appraisal	Pearson Correlation	.588**	.252**	.465**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	318	318	318	318	
HRM practice	Pearson Correlation	.367**	.438**	.334**	.459**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	318	318	318	318	318
Employee Performance	Pearson Correlation	.392**	.389**	.419**	.698**	.727**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	318	318	318	318	318

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

The results of bivariate Pearson correlation(r) coefficients for each of the independent variables (Compensation, Training, Employee involvement & Performance appraisal) and dependent variable (Employees' performance) were displayed in (Table 6) above. To explain the strength of associations between each of these independents & a dependent variable, the researcher used Cohen's (1988) guidelines for interpretation purpose. Cohen's (1988) expressed strength of association by simple linear absolute values as ($.1 < r < .3$) a weak correlation, $.3 \leq r < .5$, a moderate correlation, and $r \geq .5$ a strong correlation).

According to (Table 6) above, the association between compensation and employee performances found to be ($r = .392$, $N = 318$, $p < 0.01$). Therefore based on Cohen (1988) guideline, this correlation value ($r = .392$) is in the range of ($.3 \leq r < .5$) implies moderate correlation. The table also depicted that this correlation value ($r = .392$) is statistically

significant. Therefore compensation and employee performance has a significant and moderate positive association.

As shown in (Table 6) above, the correlation matrix revealed that the point of association between training and employee performance is significant because of calculated probability value ($p=.000$) was found ($r=.389, N=318, p<0.01$). The above table (Table 6) also indicated the numerical value of correlation. If we search this positive value in Cohen (1988) simple linear absolute values, we obtain ($r=.389$) in the range of ($.3 \leq |r| < .5$) indicating moderate correlation. Therefore, in this study, training and employee performance is moderate and significantly associated to each other.

According to (Table 6) above, a correlation coefficient that associated employee involvement and employee performance is positive ($r=.419, N=318$ and $p<0.01$). This numerical value revealed that the association between employee involvement and employee performance is moderate because, the correlation value ($r=.419$) is found in the range of ($.3 \leq |r| < .5$). As indicated in (table 6) above, the calculated probability value ($p=.000<0.01$) indicating that the association between employee involvement and employee performance is strong and statistically significant.

Based on (Table 6) above, a correlation coefficient that associated performance appraisal and employee performance is ($r=.698, N=318, \text{and } p=.000<0.01$). This correlation value revealed that the association between performance appraisal and employee performance is strong positive because, based on Cohen (1988) guide line, the value is found above the range of ($|r| \geq .5$). As indicated in (Table 6) above the calculated probability value ($p=.000<0.01$) is much less than the assumed probability value in the study. Therefore the strength of association between performance appraisal and employees' performance is strong and statistically significant.

To sum up, as displayed in (Table 6) above, the correlation matrix revealed that the point of association between HRM practice & employees' performance is ($r=.727, N=318, p < 0.01$).

Therefore, this study revealed that, the overall HRM practice has statistically significant and strong association with employees' performance. The finding in this study support the results of the previous studies conducted in various countries which revealed a positive link between HRM practice and employee performance (Cooper, 2010; Dodi, 2015; and Katou, Budhwar, & Patel, 2014). However, the finding in this study contradicts with other previous researchers that reported the link between HRM practices and employment performance is not clear (Violetta , & Heidi ,2018).

4.2.2.2. Results of Regression for Variables in the Study

To address the third and fourth basic research questions of this study, the researcher performed a multiple regression analysis through SPSS version 20. In this study, the SPSS output results of a multiple regression were interpreted based on the suggestions of (Dhakal, 2016; & Stephanie, 2018). According to Stephanie (2018) the variation on dependent variable due to predictive variables need to be explained from adjusted R Square (ΔR^2), because R^2 Shows how well data points fit a regression line assuming every single variable explains the variation in the dependent variable is not true. Whereas, adjusted R^2 tells how well the data points fit a regression line showing the percentage of variation explained only by the predictive variables that actually affect the dependent variable (Stephanie, 2018). For this reason, the researcher used adjusted R Square (ΔR^2) results to explain the mean variance on dependent variable due to predictive variables in the study.

To interpret the other essential results of the study, the researcher followed the guide line offered by (Cohen, 1988; & Dhaka, 2016). To this end, the output of the results of a multiple regression analysis was summarized in tables and interpreted respectively.

Table 7: Model Summary for predictive variables in the study

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.737 ^a	.543	.537	.37144
a. Predictors: (Constant), Performance Appraisal, Training, Employee Involvement, Compensation				

The information displayed in (Table 7) above, the multiple regression model summary showed ($R=.737$, $R^2=.543$, adjusted $R^2=.537$ & Std. Error of the Estimate = .37144). In this case, a value of the multiple correlation coefficient ($R=.737$) in the model summary indicates that, the predictive variables (Performance Appraisal, Compensation, Employee involvement, & Training) have a strong prediction power over employee performance when seen as a whole. The table also indicated that, the value of (adjusted $R^2=.537$) that tells about 53.7% of the mean variance on employee performance can be explained by these predictors with low Std. Error of Estimate = .37144 < .5). This means about 46.3% of the variance on employee performance is explained by other variables of HRM in the study area.

Table 8: ANOVA for variables in the study

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51.347	4	12.837	93.041	.000 ^b
	Residual	43.184	313	.138		
	Total	94.531	317			
a. Dependent Variable: Employee Performance						
b. Predictors: (Constant), Performance Appraisal, Training, Employee Involvement, Compensation						

The F-ratio test ($F(4, 313) = 93.041$; where, $p(.000) < \alpha = .05$) in the ANOVA (Table 8) above showed that the overall regression model is a good fit for the data, because it is statistically significant ($p = .000 < \alpha = .05$). Therefore, the overall predictive variables statistically significant predictors of employee performance.

The information under "Sig." column of (Table 9) below, indicates us that compensation is not statistically significant predictor of employee performance because the table showed that the probability value of beta weight ($\beta = -.062$) is ($p = .196 > 0.05$). This means that compensation has no substantial effect on employees' performance.

Table 9: Summary for coefficients of predictive variables in the study

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.747	.170		4.400	.000
	Compensation	-.054	.042	-.062	-1.296	.196
	Training	.210	.039	.218	5.444	.000
	Employee Involvement	.076	.038	.089	2.023	.044
	Performance Appraisal	.573	.045	.638	12.691	.000
a. Dependent Variable: Employee Performance						

According to (Table 9) above, standardized coefficients (beta weight), displayed in the "beta" column, showed that training contributes ($\beta = .218$) to predict the variance on employee performance and this value is statistically significant because ($p = .000 < 0.05$). This means that when training increases by 1 unit, employees' performance increases by .218 unit. Therefore, training has a significant effect on employees' performance.

The evidence displayed in (Table 9) above, the values ($\beta = .089$ & $P = .000$) confirmed that the observed predicting value ($\beta = .089$) of employee involvement is statistically significant, because, the probability occurrence of this value by chance is less than the probability assumed in this study ($P = .000 < \alpha = 0.05$). This indicates that whenever employee involvement increases by 1 unit, employees' performance increases by .089 unit. Therefore, employee involvement has a significant effect on employee performance.

The information displayed in (Table 9) above, confirmed that the calculated beta weight ($\beta = .638$) due to performance appraisal is statistically significant because ($p = .000 < 0.05$). This implies that when performance appraisal increases by 1 unit, employees' performance increases by .638 unit. Therefore, in this study, performance appraisal has a significant effect on employees' performance.

To sum up the results, a multiple regression was run to predict employees' performance, from compensation, training, employees' involvement and performance appraisal. As a result, the model statistically significantly predicted employees' performance. This model can explain about 53.7% of the variance on employee performance. Some previous studies conducted in the area support this finding in that HRM practice has a significant effect on employee performance (Teseema & Soeters, 2010). Other studies, reported the contradicting result in such a way that HRM practice has no any significant effect on employee performance (Schreiner, 2002; Seibel, 2003; Rajasekhar, 2004; Ebisa, 2013; & Nakiyimba; 2014).

In this study, compensation is not a significant predictor of employee performance. However, the other three independent variables such as employees' training, employees' involvement and performance appraisal are statistically significant predictor of employees' performance. This study also revealed that, performance appraisal is the highest predictor of employees' performance. This finding is similar with the previous study reported by (Amare Werku, 2015). However, Ghebregiorgis & Karsten (2012) reported the contradicting result with this study in such a way that performance appraisal is a weak predictor of employee performance.

The other finding of this study revealed that, training is the next significant predictor of employees' performance. This finding is similar with the previous study in the same area reported on training and employee involvement by (Angela, 2014). And employees' involvement is found to be the least significant predictor of employees' performance.

CHAPTER FIVE

Summary, Conclusion and Recommendations

Introduction

This chapter was organized in to three major sections. In the first section the major findings were summarized. The second section was devoted to a conclusion and in the final section of this chapter, based on the finding of this study, the necessary recommendations were forwarded.

5.1.Summary of the Research findings

This study employed a descriptive and inferential data analysis and its interpretation separately. Or this purpose, a quantitative data was collected from 318 respondents and calculated through SPSS and Excel sheet. The result of descriptive analysis (i.e. Mean) revealed that the HRM practice is found to be high. One of the inferential statistics, a Pearson correlation analysis (bivariate) result showed that the association between HRM practices and employees' performance is strong and statistically significant.

The other inferential statistics, a multiple regression analysis to predict employees' performance, from HRM practices, confirmed that the model is statistically significant predictor of employees' performance. However, out of four, three of the predictor variables such as employees' training, employees' involvement and performance appraisal are statistically significant predictors of employees' performance whereas, compensation is not statistically significant predictor of employees' performance. The other important finding is, performance appraisals is the most predictor of employees' performance, employees' training is the next, and employees' involvement is found to be the least significant predictor of employees' performance in the study area.

5.2.Conclusion of the study

This study has tried to study the effect of HRM practices on employee performance in public sectors of Jimma Zone with special emphasis to LimukosaWereda. For this purpose, the study used standardized survey instrument to collect data on perception of respondents about the HRM practices of public sectors through sampling 11 public sectors in Limu kosaWereda. Based on the findings of this study, the following conclusion has been articulated. Employees' evaluated the implementation of human resource management practice in public sectors of Limu kosa Wereda as high implies that, employees showed their level of satisfaction. The strong association between HRM practice and employee performance signifies that if organizations give attention to their HRM, they, in turn facilitate employees' performance. Moreover, the varied predictive values among the HRM practices indicate that sectors should pay attention to HRM variables in accordance with the level of predictive values in order to forecast their organizational performance.

5.3.Recommendation

The findings in this study have essential implication for public sectors' office leaders and their HR experts found in Limu kosa Wereda. It is recommended that HRM need to conduct a sustainable survey on their own practices, study it, and create an action plan for further improvement. Because, knowing and using data related to their own practice may assist HR expertise and office leaders in identify their strength and weakness. They need to nurture the performance appraisal practice of their HR because this variable predicts best the employee performance in public sectors of the study area. It is also recommended that, HRM to foster strong effort on employees through providing training, involving in planning of sector activities and regular discussion on their experience & encouragement(compensation), because these could bring a remarkable change on employees' skill and motivation and in turn bring a strong improvement on employees' performance.

It is also timely and relevant to study HRM practice and its effect on employee performance using other HR variables to become more aware of the variables that more affect employee performance and to seek the right HRM strategies. Finally, based on the findings and limitation

of this study, the researcher recommends the following future research by practitioners. These may include:

1. To learn more about the HRM practice, a qualitative investigation could be conducted through participating employees, HR experts and office leaders in the study area.
2. A mixed research could be conducted to understand HRM practice that aid better to improve employee performance through participating public sector employees, HR experts and their leaders in the study area.
3. This study could be repeated with a population of employees, sector leaders and HR experts to understand if perceptions on HRM practice vary among these groups.

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Appendices A

Jimma University

College of Business and Economics Department Management

This questionnaire will be filled by office employees who are currently working at Jimma Zone, Limukossa public sectors. *Dear Respondents:* I am post graduate (Master) student of Jimma University. I am carrying out a study on the topic: *The effect of Human resource management practice on Employment performance at public sectors of Jimma Zone special emphasis to Limu kosa wereda.* Thus, the main purpose of this questionnaire is only to collect relevant data to complete this research work. Therefore, you are, kindly requested to fill the questionnaire in order to give necessary information. The success of this study directly depends upon your honest and genuine response to each question. Each data you supply will be used only for the purpose of educational purpose.

Part I: Background Information

Please provide some basic background information on yourself for items 1-6, put a tick mark (✓) or write in where necessary.

1. Name of the Organization _____

2. Gender: Female Male

3. Age: A. 21-30 B. 31-40 D. Above 50

4. Level of education: A. Diploma B. B.A/B.Sc. C. M.A/M.Sc.

5. Total years of service

A. 1-5 years B. 6-10 years C. 11-15 years

D. above 16 years

Part II: Please honestly complete the following survey items. To do so, circle the number corresponds to your level of agreement or disagreement based on the following scoring.

Strongly Agree=5, Agree=4, Undecided=3, Disagree=2, Strongly disagree=1

No	Items	Strongly Agree	Agree	Undecided	Disagree	Strongly disagree
	Compensation					
1	In my sector, granting performance bonuses to employees (according to the annual performance) is an activity.	5	4	3	2	1
2	We are being paid adequately for the work we do.	5	4	3	2	1
3	Pay increments offered by our sector are satisfactory.	5	4	3	2	1
4	Our sector makes all payments due to us in time.	5	4	3	2	1
5	We are satisfied with the benefits we receive.	5	4	3	2	1
6	Incentives are fairly distributed in our sector.	5	4	3	2	1
7	Rewards in our sector are strictly linked to employee performance.	5	4	3	2	1
8	The existing incentive plans does not motivate me for better performance.	5	4	3	2	1
9	The benefits we receive in our sector are similar to what most of the other organizations in the industry provide to their employees.	5	4	3	2	1
	Training	5	4	3	2	1
10	In my sector, the use of specific training to make employees more responsive to the requirements of their positions.	5	4	3	2	1
11	In my sector, the training programmers are able to prepare employees more responsive to future needs of the sector.	5	4	3	2	1
12	The training needs of the employees in our sector are assessed on the basis of their performance appraisal.	5	4	3	2	1
13	Training in our sector pay emphasis to social skills.	5	4	3	2	1
14	Training in our sector includes general problem solving skills.	5	4	3	2	1
15	The contents of the training programs organized are always relevant to the changing needs of our sector.	5	4	3	2	1
16	The contents of the training programs organized are usually relevant to the changing needs of employees.	5	4	3	2	1

	Employee Involvement	5	4	3	2	1
17	I am satisfied with my level of involvement in decision making in matters affecting my sector.	5	4	3	2	1
18	I am usually invited to take part in departmental meetings.	5	4	3	2	1
19	I feel more satisfied when I am involved in the sector activities.	5	4	3	2	1
20	My involvement in my sector 's activities increases my output.	5	4	3	2	1
21	I usually participate in the strategic plan preparation for my sector.	5	4	3	2	1
22	Development plan is done by management members only.	5	4	3	2	1
23	We lack representations in our sector's decision making Committees.	5	4	3	2	1
24	In my sector, employees share a sense of ownership	5	4	3	2	1
25	We are encouraged to participate in various workshops.	5	4	3	2	1
	Performance Appraisals					
26	In my sector, the periodic evaluation of employees' performance based on measurable objectives.	5	4	3	2	1
27	In my sector, the periodic evaluation of employees is based on observable behavior.	5	4	3	2	1
28	Our sector appraises the performance of its employees at regular intervals.	5	4	3	2	1
29	Performance appraisal in our sector aims at strengthening our job skills.	5	4	3	2	1
30	Performance appraisal in our sector aims at improving employees' performance.	5	4	3	2	1
31	I feel My performance appraisal has been fair.	5	4	3	2	1
32	In my sector, performance appraisal goal is set at realistic levels.	5	4	3	2	1
33	We receive proper feedback on how we are performing.	5	4	3	2	1
34	Performance appraisal at our sector undertakes to identify the developmental needs of its employees.	5	4	3	2	1
35	Adequate growth opportunities are available in our sector for those who perform well.					
36	In our sector good performers get promoted first.	5	4	3	2	1

Thank You

Appendices B

Aggregated Data used in the study

Final Data Report for Variables in the study						
Sector Name	Independent variables					Dependent variable
	Compansation	Training	Employee's involvement	Performance appraisal	HRM practices Mean score	Employee's Performance Average efficiency(2018/19)
Micro interprice	2.75	3.39	3.46	3.42	3.26	3.42
Water resource	3.15	3.55	3.14	3.11	3.24	3.14
Public serv.&HR	2.69	2.91	3.12	2.74	2.85	3.52
TVET	2.89	3.41	3.46	3.17	3.23	3.18
Health	2.69	3.47	3.54	3.24	3.24	3.49
Revenue	3.47	3.23	3.04	3.11	3.21	3.63
LG administration	3.04	3.05	3.24	2.97	3.07	3.21
Cooperative Devt,	2.56	2.44	3.07	2.88	2.74	3.17
Agr. & Rural Devt.	2.59	3.6	3.42	3.05	3.17	3.46
Police	2.59	3.47	3.5	3.12	3.17	3.76
Finance & Economy	2.69	2.57	2.66	2.7	2.65	3.43
Total	31.11	35.09	35.65	33.51	33.83	37.41
Average	2.83	3.19	3.24	3.05	3.08	3.40

Appendices C

SPSS output data in the study

Reliability Statistics

Cronbach's Alpha	N of variables
.839	4

Descriptive Statistics

	N	Mean	Std. Deviation
Compensation	318	3.4060	.81700
Training	318	3.4874	.55500
Employee Involvement	318	3.4074	.57300
Performance Appraisal	318	3.4606	.52100
Human resource practic	318	3.4477	.51100
Valid N (listwise)	318		

Correlations

		Compensation	Training	Employee Involvement	Performance Appraisal	Human resource practice	Employee Performance
Compensation	Pearson Correlation	1	.208**	.374**	.588**	.367**	.392**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	318	318	318	318	318	318
Training	Pearson Correlation	.208**	1	.255**	.252**	.438**	.389**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	318	318	318	318	318	318
Employee Involvement	Pearson Correlation	.374**	.255**	1	.465**	.334**	.419**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	318	318	318	318	318	318
Performance Appraisal	Pearson Correlation	.588**	.252**	.465**	1	.459**	.698**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	318	318	318	318	318	318
Human resource practice	Pearson Correlation	.367**	.438**	.334**	.459**	1	.727**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	318	318	318	318	318	318
Employee Performance	Pearson Correlation	.392**	.389**	.419**	.698**	.727**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	318	318	318	318	318	318

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

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Performance Appraisal, Training, Employee Involvement, Compensation ^b		Enter

a. Dependent Variable: Employee Performance

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.737 ^a	.543	.537	.37144

a. Predictors: (Constant), Performance Appraisal, Training, Employee Involvement, Compensation

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51.347	4	12.837	93.041	.000 ^b
	Residual	43.184	313	.138		
	Total	94.531	317			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Performance Appraisal, Training, Employee Involvement, Compensation

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF	
	1	(Constant)	.747			.170		4.400	.000	.413
	Compensation	-.054	.042	-.062	-1.296	.196	-.137	.028	.640	1.563
	Training	.210	.039	.218	5.444	.000	.134	.286	.910	1.099
	Employee Involvement	.076	.038	.089	2.023	.044	.002	.150	.750	1.333
	Performance Appraisal	.573	.045	.638	12.691	.000	.484	.661	.578	1.731

a. Dependent Variable: Employee Performance

Collinearity Diagnostics

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	Compensation	Training	Employee Involvement	Performance Appraisal
1	1	4.929	1.000	.00	.00	.00	.00	.00
	2	.026	13.657	.04	.18	.47	.02	.09
1	3	.021	15.258	.01	.20	.03	.89	.02
	4	.012	19.948	.06	.47	.02	.05	.88
	5	.011	20.927	.89	.15	.48	.04	.01

a. Dependent Variable: Employee Performance