



**The Impact of Human Resource Management (HRM) Practices on
Organizational Performance
The Case of Adama Hospital Medical College (AHMC).**

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CERTIFICATE

Certified that the dissertation entitled **THE IMPACT OF HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES ON ORGANIZATIONAL PERFORMANCE THE CASE OF ADAMA HOSPITAL MEDICAL COLLEGE**, which is submitted by **REGASSA BEGNA**, is his own work and has been done under my supervision. It is recommended that this dissertation be placed before the examiner for evaluation.

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Date: _____

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List of Acronyms

AHMC: - Adama Hospital Medical College

BPR: - Business Process reengineering

GP: - General Practitioner

HRM: - Human Resource Management

SPSS: - Statistical Package for Social Science

Table of Contents

	Page
Acknowledgment -----	i
List of Acronyms -----	ii
CHAPTER ONE -----	1
1. INTRODUCTION -----	1
1.1. Background of the Study-----	1
1.2. Background of the Organization-----	2
1.3. Statement of the Problems-----	4
1.4. Objectives of the Study-----	5
1.4.1. General Objective of the Study-----	5
1.4.2. Specific Objectives of the Study-----	5
1.5. Significance of the Study-----	6
1.6. Scope of the Study-----	6
1.7. Organization of the Paper-----	7
CHAPTER TWO -----	8
2. LITERATURE REVIEW -----	8
2.1. Introduction-----	8
2.2. Review of the Concepts of Human Resource Management (HRM)-----	8
2.2.1. Human Resource Planning-----	8
2.2.2. Recruitment and Selection-----	9
2.2.2.1. Recruitment Polices-----	9
2.2.2.2. Sources and Methods of Recruitment-----	10
2.2.3. Training and Development-----	10
2.2.4. Performance Appraisal-----	10
2.2.5. Compensation and Benefits-----	11
2.3. Review of Indicators of the Organizational Performance-----	11
2.3.1. Public Image and Goodwill-----	11
2.3.2. Quality of Services-----	11
2.3.3. Employees' Morale-----	12
2.3.4. Employees Overall Satisfaction-----	12
2.2.5. Employees Loyalty-----	12
2.4. Review of Related Research Works-----	13
CHAPTER THREE -----	15
3. RESEARCH DESIGN AND METHODOLOGY -----	15
3.1. Introduction-----	15
3.2. Sampling and Data Collection Procedures-----	15
3.2.1. Sampling-----	15

3.2.2. Data Collection-----	16
3.2.3. Processing and Analysis of Data -----	16
3.3. Measurement and Measurement Scales -----	16
3.4. Theoretical Framework -----	17
3.4.1. Hypothesis Development -----	18
3.4.2. Dependent Variable -----	19
3.4.3. Independent Variable -----	19
3.5. Reliability and Validity -----	20
3.6. Ethical Considerations -----	20
CHAPTER FOUR-----	22
4. RESEARCH RESULTS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS -----	22
4.1. Introduction -----	22
4.2. Research Results -----	22
4.2.1. Descriptive Results -----	22
4.2.1.1. Demographic Profile of Respondents by Gender Distribution ---	22
4.2.1.2. Age Distribution-----	23
4.2.1.3. Educational Background of Respondents-----	24
4.2.1.4. Occupational Background of Respondents -----	25
4.2.1.5. Work Experience of Respondents -----	26
4.2.1.6. Descriptive Measures of Respondents Perceptions of HRM Practices-----	27
4.3. Reliability and Validity Test -----	28
4.4. Regression Analysis -----	32
4.4.1. Human Resource Planning and Organizational Performance -----	32
4.4.2. Human Resource Recruitment and Organizational Performance-----	33
4.4.3. Human Resource Training and Organizational Performance -----	35
4.4.4. Human Resource Performance Appraisal and Organizational Performance -----	36
4.4.5. Human Resource Compensation and Organizational Performance ----	38
4.5. Discussion, Conclusions and Recommendations-----	40
4.5.1. Discussions -----	40
4.2.1.1. The Influence of Human Resource Planning on Organizational Performance of AHMC -----	40
4.2.1.2. The Influence of Human Resource Recruitment on Organizational Performance of AHMC -----	41
4.2.1.3. The Influence of Human Resource Training on Organizational Performance of AHMC -----	41
4.2.1.4. The Influence of Human Resource Performance Appraisal on Organizational Performance of AHMC -----	42

4.2.1.5. The Influence of Human Resource Compensation on Organizational Performance of AHMC -----	42
4.5.2. Managerial Implications -----	43
4.5.3. Conclusions -----	43
4.5.4. Recommendations -----	44
4.5.4.1. Recommendations for AHMC Managers -----	44
4.5.4.2. Recommendations for future Research -----	44
Bibliography -----	46
Annexes -----	48
Questionnaires -----	48

List of Tables

	Page
Table 1.1 Current Human Resources in Adama Hospital Medical College -----	3
Table 4.1: Gender Distribution -----	23
Table 4.2: Age Distribution -----	23
Table 4.3: Level of Education -----	24
Table 4.4: Respondents Occupation -----	25
Table 4.5: Work Experience -----	26
Table 4.6: Descriptive Statistics of Perceptions -----	27
Table 4.7: Reliability Statistics -----	28
Table 4.8: Correlation Matrix (a) -----	29
Table 4.9: KMO and Bartlett's Test -----	30
Table 4.10: Factor Loading -----	31
Table 4.11: Model Summary of Human Resource Planning -----	32
Table 4.12: ANOVA of Human Resource Planning (b) -----	32
Table 4.13: Coefficients of Human Resource Planning (a) -----	33
Table 4.14: Model Summary of Human Resource Recruitment -----	34
Table 4.15: ANOVA of Human Resource Recruitment (b) -----	34
Table 4.16: Coefficients of Human Resource Recruitment (a) -----	34
Table 4.17: Model Summary of Human Resource Training -----	35
Table 4.18: ANOVA of Human Resource Training (b) -----	35
Table 4.19: Coefficients of Human Resource Training (a) -----	36
Table 4.20: Model Summary of Human Resource Performance Appraisal -----	37
Table 4.21: ANOVA of Human Resource Performance Appraisal (b) -----	37
Table 4.22: Coefficients of Human Resource Performance Appraisal (a) -----	37
Table 4.23: Model Summary of Human Resource Compensation -----	38
Table 4.24: ANOVA of Human Resource Compensation (b) -----	38
Table 4.25: Coefficients of Human Resource Compensation (a) -----	39

List of Figures

	Page
Figure 4.1: Gender Distribution -----	23
Figure 4.2: Age Distribution -----	24
Figure 4.3: Level of Education -----	25
Figure 4.4: Respondents Occupation -----	26
Figure 4.5: Work Experience with AHMC -----	27

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Human resource management has a basic function and contribution to organizational management since people are the essential elements in organizations. People are complex components of an organization, so does the management of them. Thus, the complexity of human behavior has made the functions and approaches of human resource management increasingly a complex process.

Human resource management (HRM) has come to be recognized as an inherent part of management, and it is concerned with human resource of an organization. Organizations are always searching for better ways to produce goods and service. When new technologic developments give some organizations a competitive advantage, their rivals try to catch up by adopting on the new technologies. A large part of this growth is the human resources department of these organizations, where we find responsible people with the knowledge to bring new technology into an organization.

Human resource management (HRM) is concerned with getting better result with the collaboration of people. It is an integral but distinctive part of any management, concerned with people at work and their relationship with enterprise. Human resource management (HRM) helps in attaining maximum individual development, desirable working relationship between employees and employers, employees and employees and effective modeling human resources as contrasted with physical resources. It is the recruitment, selection, development, utilization, compensation and motivation of human resources by the organization (Ankur, 2009:1).

Human resource management (HRM) structures vary widely from organization to organization, shaped by the type, size and governing philosophies of the organization that they serve. But most organizations organize human resource management functions around the clusters of people- they conduct recruiting, administrative and other duties in a certain location. Different employee development groups for each department are necessary to train and develop employees in specialized areas such as sales, engineering, marketing or executive education. In contrast, some human resource management departments are completely independent and are organized purely by function (Michael, 1999:365). The present study is concerned with an organization known as Adama Hospital Medical College.

1.2. Background of the Organization

Adama Hospital Medical College (AHMC) is located in Oromia Regional State, Adama town about 100 kilometers east of the country's capital, Addis Ababa. This Hospital was previously known as Haile Mariam Mamo Memorial Hospital and it was established in 1938 E.C. by Mennonite Missionaries in a Cotton Ginning Factory abandoned during the Italian occupation of Ethiopia. The hospital started work by renovating the Cotton Ginning Factory into a hospital. When the renovation was completed, it had the capacity to accommodate 40 beds in addition to serving as a training school for health assistants (dressers). During its early establishment, the hospital used to serve the populations of the then Yerer and Kereyu Awraja (now east Shoa Zone) and the residents of Adama town, whose population was estimated to be around 30,000 people (AHMC, 2004: 14).

Regarding the number of human resources of the hospital of that time, it was not possible to obtain any written document at this moment. However, according to some sources, such as former employees, ex-staffs, who worked in the hospital for a long period of time since its establishment, it was learned that there were around 38 employees. Among these employees, 4 of them were physicians, 6 of them nurses, 12 of them health assistants and 16 of them administrative staffs.

Later on, however, the hospital was confiscated by the Military Regime of the "Derge", and became a public property somewhere in the 1970s E.C. At the time, the hospital had been providing service to the people of the Awraja and its environs without adequate human resources and infrastructures for decades until the present government took power in the 1990s E.C (AHMC, 2004: 14).

However, in the last two or so decades, different attempts were made to enable the hospital deliver quality services within short period of time. Particularly, after the inception of the Business Processing Reengineering (BPR) program of the present government, every aspect of the hospital has undergoing through a steady process change.

Table 1.1: Current Human Resources of Adama Hospital Medical College

S. No	Profession	Number of Employees
1	Different Specialists	19
2	General Practitioners(G.P.)	22
3	Nurses	110
4	Laboratory Technicians	10
5	Laboratory Technologists	8
6	Druggists	6
7	Pharmacists	5
8	Radiographers	2
9	Medical Radio Technologists	2
10	Physiotherapists	2
11	Dental Therapists	1
12	Health Officers	7
13	Ophthalmic Nurses	2
14	Anesthetists	4
15	Psychiatric Nurses	3
16	Sanitarians	2
17	Biomedical Technician	1
18	Administrative Staffs	102
Total Number of Employees		308

Source: Annual Report of Adama Hospital Medical College (AHMC) magazine (2004:15)

1.3. Statement of the Problems

Human Resource Management is one of the fundamental and important areas in the organization that plays an integrals role to its development. Currently, Human Resource Management (HRM) is assumed to play major purposes to any organization. One of its main purposes is providing organizations with an effective workforce while its other purpose is also aimed at achieving the various objectives of the organization.

In light of the above discussion, a brief glance at AHMC from the present researcher personal experiences and from clients' complaints, we find the following problems concerning the hospital's organizational performances. These inadequate performances have also resulted in providing inadequate services to the clients of the hospital and this has caused the organization to have a bad reputation among the society.

Besides, it is also common to notice that most employees at AHMC discussing matters related with the organizational performances of the hospital. For instance, some employees, with whom I had the chance to talk to argued that the HRM does not allow them to practice to the level that employee, can perform so that they would improve the overall organizational performance. They often considered that this problem was caused possibly due to the malpractice in the application of HRM.

Furthermore, the present researcher shares employees' views towards the malpractice pertaining in the hospital for the following reasons. To begin with, if the HRM practices that encompass the human resource planning, recruitment and selection, its training and development, its performance appraisal and compensation and its benefits are not practiced in effective and fair manner, they may be handicaps to employees' optimum performance. As a result, it seems that since the HRM practices are not carried out in an effective and a fair way then the intended outcomes of good HRM practices such as improvements in organizational performances were not obtained so far.

In view of this assertion, therefore, the present study tried to investigate the HRM practices being carried out in AHMC in terms of Human Resource Planning, Recruitment and Selection, Training and Development, Performance Appraisal and Compensation and Benefits and its causal effect on the organizational performances of the AHMC.

Based on the above statement of problem, this research tried to come up with a reliable solution to the following basic questions:

1. Is there causal relationship between effective human resource planning and organizational performance of AHMC?
2. Is there causal relationship between good selection in the hiring process and organizational performance of AHMC?
3. Is there causal relationship between the amounts of training and the performance of AHMC?
4. Is there causal relationship between Performances appraisal and performance of AHMC?
5. Is there causal relationship between Performance-based compensation and performance of AHMC?

1.4. Objectives of the Study

1.4.1. General Objective of the Study

The general objective of this study is to examine the impact of HRM practices on the performance of AHMC.

1.4.2. Specific Objectives of the Study

The Specific Objectives are:

- To investigate if effective human resource planning influences organizational performance of AHMC.
- To investigate if good selection in the hiring process influences organizational performance of AHMC.
- To investigate if the amount of training influences organizational performance of AHMC.
- To investigate if performance appraisal influences organizational performance of AHMC

- To investigate if performance-based compensation influences organizational performance of AHMC.

1.5. Significance of the Study

This research had explored the impacts of human resource management practices on organizational performance of AHMC. The samples for this study were the employees of AHMC. The present study had revealed the components of HRM practices that influenced the organizational performance. The findings of this study may be useful to various parties, for example, hospital managers, educators and university students among others.

First, the finding of the study is hoped to provide helpful information to hospital managers and staffs in that it tries to tell the areas where HRM practices were strong and weak and what treatments need to be made to solve the problems. As a result, based on the findings managers can assess their performance and prepare for future tasks. .

Second, the outcome of the study is also to provide significant benefits for researchers and practitioners interested in the subject of human resource management practices and their impact on organizational performance. It is also hoped that the finding may serve as a reference material for both academicians, practitioners and college or university students, who are interested to make studies on similar topics.

Finally, the finding can serve to initiate managers and officials of AHMC to reassess their human resource management practices and the impacts it had caused on its organizational performance of the institute. It is also hoped to initiate other interested researchers to carry out extensive studies in the area.

1.6. Scope of the Study

In general, this study was limited to assessing the impacts of HRM practices on organizational performance, particularly to human resource planning, recruitment and selection, training and development, compensation, and performance appraisal in AHMC. Although, HRM is related to factors other than the ones given above, the study was delimited to those five factors mentioned above.

1.7. Organization of the Paper

This study was organized into four chapters. The first chapter deals with background of the study, statement of the problems, objective of the study, significant of the study and scope of the study. The second chapter presents the review of related literature. The third chapter is going to present the Research design and its methodology, theoretical framework and research hypothesis. The fourth chapter presents the research results, discussions, conclusions and recommendations.

CHAPTER TWO: LITERATURE REVIEW

2. Introduction

Human resource management (HRM) practices are now considered as one of the key contributing factors to the success of an organization. The organizations are putting increased emphasis on the policies and practices of HRMs to gain competitive advantage. In this part of the study, the investigator tries to identify the impact of human resource management practice and other related issues of human resource management in general and on particular as per sources provided by scholars.

2.1 Review of the Concepts of Human Resource Management (HRM)

Human resource management (HRM) is the performance of all managerial functions involved in planning, recruiting, selecting, developing, utilizing, rewarding and maximizing the potential of the human resources to the best achievement of the objective of an organization. Human resource management (HRM) is both an academic theory and a business practice that addresses the theoretical and practical techniques of managing a work force. Synonyms to the concept HRM include personnel administration, personnel management, manpower management and industrial management (Jashim, 2005:1).

According to Noe et al. (2006:271), human resource management refers to the policies, practices and systems that influence employees' behavior, attitudes, and performance. HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, employee motivation, communication administration, and training (Heath field, 2006:3).

2.1.1 Human Resource Planning

Human resource planning is a process that includes forecasting and developing the function of human resource management (HRM) by which an organization ensures that it has the right number of people with the right kind and level of qualifications assigned to the right jobs at the right time doing work for which they are economically useful.

Human resource planning could be seen as a series of activities consisting of the following elements:

Forecasting: - Future human resource requirements, either in term of mathematical projection of trends in the economy and developments in the industry.

Inventorying:- Present human resources and analyzing the degree to which these resource are employed optimally.

Anticipating Human Resource Problems: - By projecting present resource in to the future and comparing them with forecast of requirements to determine their adequacy, both quantitatively and qualitatively (French, 1990:31).

2.1.2 Recruitment and Selection

Recruitment has been defined by different people in different ways, but the concept involved in the different definitions is the same. As per the definition of Ivancevich (2001:1), recruitment refers to the organizational activities that influence the number and types of applicants who apply for a job and whether the applicants accept jobs that are offered. Thus, recruitment is directly related to both human resource planning and selection.

Recruitment is the process of locating and encouraging potential applicants to apply for existing or anticipated job openings. Recruitment is a process of searching for qualified prospective candidates both beginning and experienced and stimulating them to apply for vacancies in the organization. In the process of recruitment, an effort is thus, made to attract potential employees with necessary characteristics and in the proper quantities for jobs available (Bohlander et al, 2001:1).

2.1.2.1 Recruitment Policies

Organizational recruitment policies provide guidelines to determine on such issues as employment opportunity, working conditions and Organization's over all approach to recruiting.

2.1.2.2 Sources and Methods of Recruitment

There are basically two categories of sources of human resources supply from which applicants can be called upon to complete for a particular vacant position. Categories for sources of recruitment are internal sources, from among present employees of the organization; and external sources, from among not presently affiliated with the organization (French, 1990: 51).

2.1.3. Training and Development

Training: - This refers to teaching-learning activities carried out for the primary purpose of helping members of an organization to acquire and apply the knowledge, skills, abilities, and attitudes needed by the organization. Broadly speaking, training is the act of increasing the specific knowledge, skills, and techniques of an employee preparing her/him to do a particular job better.

Development: - human resource development is a concept that involves organizational growth needs coupled with the individual employees needs. The concern of human resource development is for the organizations' visibility that it should adapt to the changing environment. Employees' growth and development should, therefore, be seen in the context of this change. In this regard, organizations are charged with the responsibility of providing employees with continuous development not only to do their present jobs better but also to develop their capacities for the jobs or for which they might later be considered (Hicks, 2000:12).

2.1.4. Performance Appraisal

Performance Appraisal: - is the process by which organization evaluate their employees' job performance. It is essential human resource function which helps the human resource department to obtain adequate information about employees' performance on their jobs and their contributions to the achievement of organizational goals. Performance appraisal also serves for a variety of purposes. As it helps to identify performance, weakness and strengthens of employees, the human resource department and management, in general, may make objective decisions pertaining to employee compensation, placement, training and development based on it (French, 1990: 93).

2.1.5. Compensation and Benefits

Compensation: - is defined as the adequate and equitable remuneration of employee for their contribution to organizational objectives. Whether it is in the form of hourly wages or periodic salaries, the human resource department of an organization usually designs and administers employee compensation. Thus, compensation is understood as an aspect of human resource management which aims at creating a system of rewards that is equitable to the employer and employee alike so that the employee is attracted to the work and is motivated to do a good job for the employer (French, 1990: 118).

2.2. Review of Indicators of the Organizational Performance

2.2.1. Public Image and Goodwill

Public Image: - refers to public relation and involves the planned promotion of goods, services and images of the organization intended to create good will for a person, a place or an event. Public relations professionals work to build long term relationships among individuals and institutions.

(<http://www.uncp.edu/heme/acurtis/courses/resourcesforcourses/publicimage/>)

2.2.2. Quality of Service

Quality is the totality of feature and characteristics of a product or a service that bears on its ability to satisfy given needs. In other words, quality measures how well a product or service meets customer needs. The basic consideration is thus always the extent to which the product or service meets customer's expectation. Quality in a service organization is a measure of the extent to which a delivered service meets the customer's expectations. It is determined by the customer's perception and not by the perceptions of the providers of the service. It is, therefore, very important to determine customer needs and wants; and then design the services to meet these requirements. Service quality is considered a critical determinant of competitiveness. Service quality can help an organization to differentiate itself from other organizations and gain a competitive advantage (Pearson, 2004:224).

2.2.3. Employees' Morale

Employee morale describes the overall outlook, attitude, satisfaction, and confidence that employees feel at work. When employees are positive about their work environment and believe that they can meet their most important needs at work, employee morale is positive or high. If employees are negative and unhappy about their workplace and feel unappreciated and as if they cannot satisfy their goals and needs, employee morale is negative or low. Employee morale is defined by the employee's outlook, optimism, self-concept, and assured belief in themselves and their organization, its mission, goals, defined path, daily decisions, and employee appreciation. Faith in self and faith in their organization are both important factors in positive employee morale (French, 1990:142).

2.2.4. Employee Overall Satisfaction

Employee satisfaction is the terminology used to describe whether employees are happy and contented and fulfilling their desires and needs at work. Many measures report that employee satisfaction is a factor in employee motivation, employee goal achievement and positive employee morale in the workplace.

Employee satisfaction, while generally positive in your organization, can also be a downer if mediocre employees stay because they are satisfied with your work environment. Factors contributing to employee satisfaction include treating employees with respect, providing regular employee recognition, empowering employees, offering above industry-average benefits and compensation, providing employee perks, and company activities, and positive management within a success framework of goals, measurements, and expectations (Susan, 2000:224).

2.2.5. Employee Loyalty

Human resource professionals know that employee retention is a key factor in an organization's success. In this column, I would like to examine retention more closely and talk about the difference between longevity and loyalty because the goal is to have a workforce that is both longstanding and loyal. Loyal employees represent a cost saving over recruiting and training new hires. Furthermore, there is a direct relationship between customer loyalty and a company's growth and profitability. You can't have loyal

customers without loyal employees. Employee loyalty is evident to your customers and it is nearly impossible to generate loyal customers without strong internal loyalty. There is no way around it (Green, 2007:475).

2.3. Review of related research work

The HRM function includes a variety of activities, and key among them is deciding what staffing needs the organization has and whether to use independent contractors or hire employees to fill these needs, recruiting and training the best employees, ensuring they are high performers, dealing with performance issues, and ensuring that the personnel and management practices conform to various regulations. Activities also include managing the organization's approach to employee benefits and compensation, employee records and personnel policies (McNamara, 2006:120).

A review of the HRM literature indicates that recruitment and selection are regarded as integrated activities and where recruitment stops and selection begins is a questionable point (Beardwell et al, 2004:5). Nevertheless, for the purpose of this work it is useful to differentiate between the two activities.

Whereas selection is seen as a set of activities concerned with predicting which applicants will make the most appropriate contribution to the organization in view of the present and future human resource requirements (Beardwell et al, 2004, McCormack and Scholarios, 2009:5). Despite recruitment and selection being considered as integrated activities unfortunate human resources literature discussions tend to neglect requirement and place greater emphasis on selection. In view of this McCormack and Scholarios (2009:5) comment that the more effective an organization is at identifying and attracting a high quality profile of job applicants, the less important the selection stage of hiring becomes. Therefore, it can be suggested that an effective and agile recruitment strategy is the most fundamental human resource function and if managed well can have a significant impact on organizational performance and is critical to developing a more agile competitive edge.

As the contemporary business environment becomes increasingly competitive and labor markets continue to grow more diverse, organizations need to be more proactive in their resourcing strategies. Evans et al. (2007) and Richardson (2008:4) argue that effective

recruitment approaches can result in long-term negative effects, among them high training and development costs in effort to minimize the incidence of poor performance and high turnover which in turn, impact on staff morale, the provision of high quality goods and services and the retention of organizational memory. Richardson (2008:6) goes further to argue that at worst the organization can fail to achieve its objectives thereby losing its competitive edge and market share. However, it is important to consider that the process of implementing an effective and successful recruitment approach could bring along with it other costs related to the perceptions and attitudes of the people involved in this change.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3. Introduction

In this chapter, attempts are made to present the discussions the research design and methodology that were used in the study and to test the five hypotheses developed. In addition, attempts are also made to presents discussions on the conceptual model that was used to show the interrelationship among HRM practices and organizational performance. Finally, efforts are made to present discussions on the formulated five research hypotheses and the related null hypotheses, to address the five specific objectives of the study.

3.1. Research Design and Methodology

Based on the theoretical framework and the hypothesis developed in other parts of the study, through considerations were made to select and include the research methodology appropriate as per the nature of the study. That is, based on the research methodology selected, the measurement and measurement scales to be used for the study were determined. Then, the sampling method to be used to take samples from which data would be collected, techniques used to determine the sample size was determined. Next, the techniques used to measure the variables in general and the research instruments to be included in this study to collect, analyze and interpret them were determined. Finally, the tools to be used to test the validity and reliability of data that were determined for further analysis and the instruments and methods to be used to process and analyze data were also discussed.

3.2. Sampling and Data Collection Procedures

3.2.1. Sampling

The target population for this study was the 308 employees of AHMC. And the units of analysis were the individual employee. Since this study focuses on the AHMC and to its HRM practices, the researcher selected a sample of 110 AHMC employees, by using convenient sampling method to respond to a set of questionnaire or to complete in person the questionnaire items.

3.2.2. Data Collection

For data collection, the instrument deemed appropriate was questionnaire. A questionnaire having thirty-nine items of multiple choice questions was prepared based on the theoretical framework and the review of related literature. Next, it was edited and reviewed thoroughly and was showed to the thesis advisor for comment. By incorporating the comments given, it was made ready for administration. Finally, after giving the appropriate explanation regarding the purpose of the study, the questionnaire was administered on the total 110 sampled respondents to self complete the questionnaire.

3.2.3. Processing and Analysis of Data

The data were processed (edited, coded, classified and tabulated) and were made convenient for further test and analysis. Before making any further analysis, the data were tested for reliability and validity. After having confirmed the reliability and validity of data, the present researcher carried out the regression analysis which is used to examine the interrelationship between HRM practices and organizational performance.

3.3. Measurement and Measurement Scales

Measurement in research consists of assigning numbers to empirical events, objects, properties or activities in compliance with set of rules. This definition implies that measurement is a three part process: selecting observable empirical events, developing a set of mapping and applying the mapping rule and applying rules (Cooper and Schindler, 2010:309).

In this research HRM practices were measured with a questionnaire that contained thirty one multiple choice item questions (Annex B, Sr. No. 1- 31) prearranged along the five components of HRM practices: Planning, Recruitment, Training, Performance appraisal and Compensation (see Annex B). Organizational performances were measured with questionnaire items that contain eight multiple choice questions (see Annex B, Sr. No. 32- 39).

In measuring, one is supposed to devise some mapping rule and then translate the observation of property indicants using the rule. For each concept or construct, several types of measurement are possible; the appropriate choice depends on what you assume about the mapping rules. Each one has its own set of underlying assumptions about how the numerical symbols correspond to real world observation (Cooper and Schindler, 2010:311).

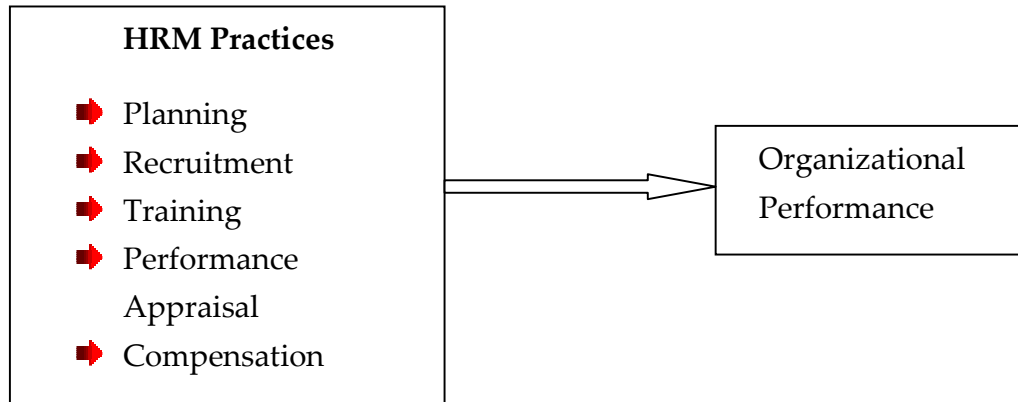
Mapping rules have four characteristics: classification, order, distance and origin, and the combination of these characteristics provide four widely used classification of measurement scales; Nominal, Ordinal, Interval and Ratio. (Ibid)

In this research among the demographic variables gender, education, occupation and clinical experience with AHMC are classified as Nominal Scale and age is classified as Ordinal Scale. HRM practice with its five components and thirty one multiple item questionnaire, Organizational performance represented with eight multiple item questionnaire are classified as Interval Scale (Annex B).

3.4. Theoretical Framework

Theoretical framework is a basis that helps to theorize the relationship among the several factors that have been found as an important means to investigate the research problem, through few processes such as interviews, observations and a literature survey. Theoretical framework helps visualize the relationship among variables that are believed to be integral to the dynamics of the situation being investigated. It consists of dependent and independent variables. The theoretical framework of this study is shown in Figure 3.1 hereunder.

Figure 3.1.Theoretical Framework



Source: Formulated from Theoretical and Conceptual Review

3.4.1. Hypothesis Development

Based on the five specific objectives of research and related literature review conducted above the following sets of working hypotheses are developed.

Specific objective 1: To investigate if effective human resource planning influences organizational performance of AHMC

Research hypothesis 1: Effective human resource planning influences organizational performance of AHMC.

Null hypothesis 1: Effective human resource planning does not influence organizational performance of AHMC.

Specific objective 2: To investigate if good selection in the hiring process influences organizational performance of AHMC

Research hypothesis 2: Good selection in the hiring process influences organizational performance of AHMC

Null hypothesis 2: Good selection in the hiring process does not influence organizational performance of AHMC.

Specific objective 3: To investigate if the amount of training influences the organizational performance of AHMC

Research hypothesis 3: The amount of training influences organizational performance of AHMC.

Null hypothesis 3: The amount of training does not influence organizational performance of AHMC.

Specific objective 4: To investigate if performance appraisal influences organizational performance of AHMC.

Research hypothesis 4: Performance appraisal influences organizational performance of AHMC.

Null hypothesis 4: Performance appraisal does not influence organizational performance of AHMC.

Specific objective5: To investigate if performance-based compensation influences organizational performance of AHMC.

Research hypothesis 5: Performance-based compensation influences organizational performance of AHMC

Null hypothesis 5: Performance-based compensation does not influence organizational performance of AHMC

3.4.2. Dependent Variable

The dependent variable is the variable measured, predicted, or otherwise monitored by the researcher; expected to be affected by a manipulation of the independent variable (Cooper and Schindler, 2010:209). The purpose of every researcher is to identify and explain the dependent variable. In other words, this variable is the main variable factor of the investigation. The dependent variable of this research is assumed to be organizational performance.

3.4.3. Independent Variables

Independent variable is the variable manipulated by the researcher, thereby causing an effect or change on the dependent variable (Cooper and Schindler, 2010:223). Independent variables are variables that influence dependent variable in either positive or negative way. In other words the change in independent variable will cause change in dependent variable. The variance in the dependent variable is accounted by the

independent variable. In this research, HRM practices are the independent variables that are expected to influence the dependent variables. As Figure 3.1 above, shows the conceptual structure of the study. The framework illustrates that the five HRM practices (Independent Variables) influence or have impact on organizational performance (Dependent Variable).

3.5. Reliability and Validity

Sound measurement must meet the tests of reliability and validity. In fact, these are the two major considerations one should use in evaluating a measurement tool. Reliability has to do with the accuracy and precision of a measurement procedure. Validity refers to the extent to which a test measures what we actually wish to measure (Kothari, 2004:73).

In this study the following two tests of sound measurement were used. The first one was reliability. According to Bryman and Bell (2003:15), reliability is defined as an important aspect of research fundamentally concerned with issues of consistency of measures. There are three prominent factors related to reliability when considering whether a measure is reliable. These are stability, internal reliability and internal observer consistency.

In this study, internal reliability was considered useful as Bryman and Bell (2003:15) suggested that a multiple-item measure in which each answers to each questions are aggregated to form an overall score, we need to be sure that all our indicators are related to each other. It can be tested using Cronbach's alpha method. The result of 0.7 and above implies an acceptable level of internal reliability as suggested by Hair et al (2003:2).

The other one used was validity. Validity is defined as how much any measuring instrument measures what is intended to measure. Bryman and Bell (2003:18) also suggest that the important issues of measurement validity relate to whether measure of concepts really measure concept. Validity refers to the issue of whether an indicator (or set of indicators) that is devised to gauge a concept really measures the concept. Several

ways of establishing validity are: face validity; concurrent validity; predictive validity; construct validity; and convergent validity (Bryman and Bell, 2003:18).

In this research, therefore, construct validity was used. For construct validity in terms of discriminate validity test, correlation analysis between the variables had been performed. For construct validity in terms of convergent validity, confirmatory factor analysis was performed. KMO and Bartlett's test as well as factor loadings for each measurement item, was examined.

3.6. Ethical Considerations

The following ethical considerations were taken into account in conducting this research: Ensuring informed respondent consent, interviewee confidentiality and use of information for intended purposes only and integrity in reporting of findings.

CHAPTER FOUR: RESEARCH RESULTS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

4. Introduction

The first part of this chapter presents the results of the survey carried out to answer the objectives of this study. To do so, statistical procedures were employed using the SPSS 15.0 .To begin with, the basic description statistics are presented followed by the statistical analysis for the hypotheses testing. The descriptive statistics encompass frequency distributions, pie charts and bar charts for graphical descriptions of the data. A total of 110 questionnaires were filled out by the respondents to self administer or fill the questionnaire and a response rate of 100% was achieved. With the help of SPSS 15.0 analysis tool, descriptive and inferential statistics were used to analyze the data.

The second part of this chapter discusses the results of the statistical analysis based on the survey data presented in the previous chapter. The discussion follows the hypotheses of the study's theoretical framework formulated in Chapter 3 and subsequently tested in the other parts of this chapter. Conclusions are drawn regarding the research hypothesis and the possible managerial implications are also discussed. This chapter is concluded with recommendations for further research.

4.1. Research Results

4.1.1. Descriptive Results

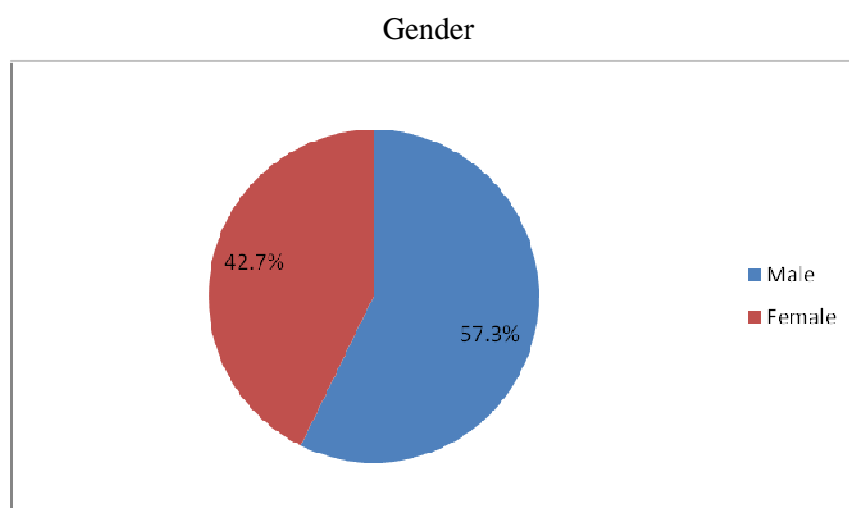
4.1.1.1. Demographic Profile of Respondents by Gender Distribution

There were 63 male (57.3%) and 47 female (42.7%) employees' participating in this study. The tabulation and graphic presentation of respondents is illustrated in Table 4.1 and Figure 4.1 as follows.

Table 4.1: - Gender Distribution

Items		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	63	57.3	57.3	57.3
	Female	47	42.7	42.7	100.0
Total		110	100.0	100.0	

Figure 4.1: Gender Distribution



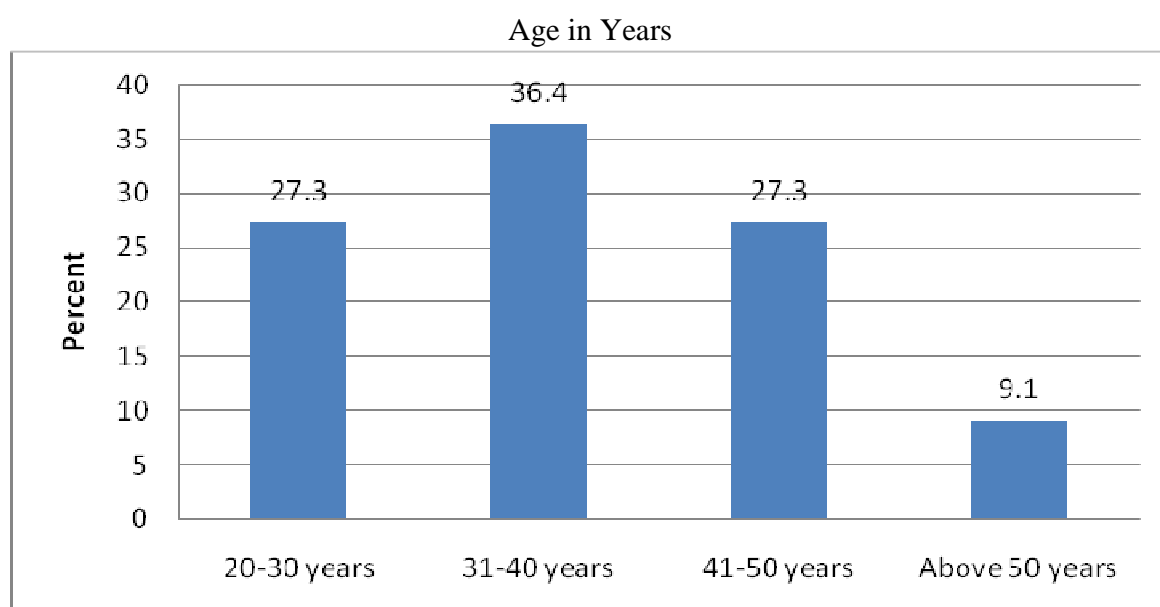
4.1.1.2. Age Distribution

Most of the respondents were of age group 31- 40 (36.4%), 27.3% were between age group 20-30, the other 27.3% were between age group 41-50, 9.1% were above 50 years. Respondents Age Distribution is tabulated and presented graphically in Table 4.2 and Figure 4.2 as follows.

Table 4.2: - Age Distribution

Items		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30 years	30	27.3	27.3	27.3
	31-40 years	40	36.4	36.4	63.6
	41-50 years	30	27.3	27.3	90.9
	Above 50 years	10	9.1	9.1	100.0
	Total	110	100.0	100.0	

Figure 4.2: Age Distribution



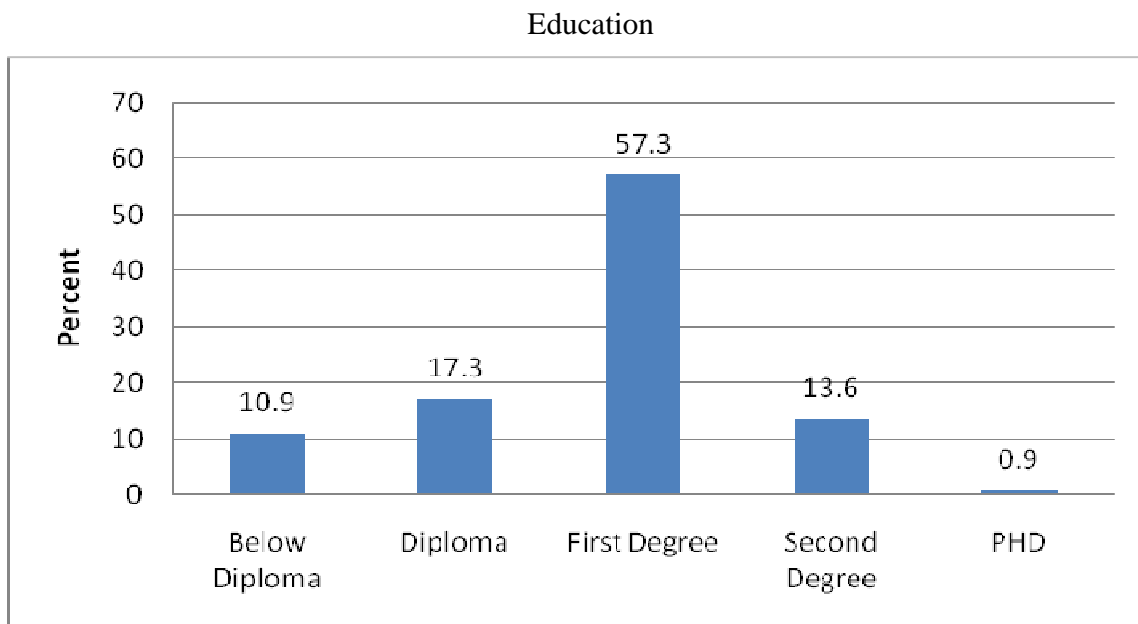
4.2.1.3. Educational Background of Respondents

The level of education for large majority of the respondents (57.3%) was first degree, while the education level of 10.9% respondents was below diploma level, 17.3% were diploma holders, 13.6% were second degree holders and 0.9% was PHD holders. The education level of respondents is tabulated and presented graphically in Table 4.3 and Figure 4.3 as follows.

Table 4.3: - Level of Education

Details		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Diploma	12	10.9	10.9	10.9
	Diploma	19	17.3	17.3	28.2
	First Degree	63	57.3	57.3	85.5
	Second Degree	15	13.6	13.6	99.1
	PHD	1	0.9	0.9	100.0
	Total	110	100.0	100.0	

Figure 4.3: Level of Education



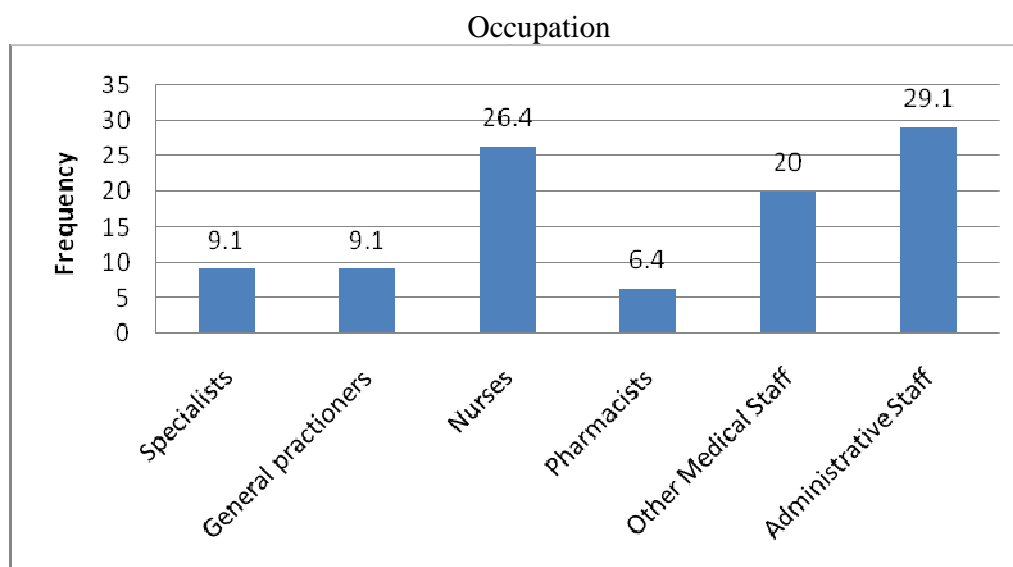
4.2.1.4. Occupational Background of Respondents

The occupations of large majority of the respondents (26.4.7%) were nurses, while the 29.1 % were administrative staffs, 20.0% were other medical staffs, 9.1% were specialists, 9.1% were general practioners, and 6.4% of the respondents were pharmacists. The occupation of respondents is tabulated and presented graphically in Table 4.4 and Figure 4.4 as follows.

Table 4.4 Respondents Occupation

Details of Occupation	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Specialists	10	9.1	9.1	9.1
General practioners	10	9.1	9.1	18.2
Nurses	29	26.4	26.4	44.5
Pharmacists	7	6.4	6.4	50.9
Other Medical Staff	22	20.0	20.0	70.9
Administrative Staff	32	29.1	29.1	100.0
Total	110	100.0	100.0	

Figure 4.4: Respondents Occupation



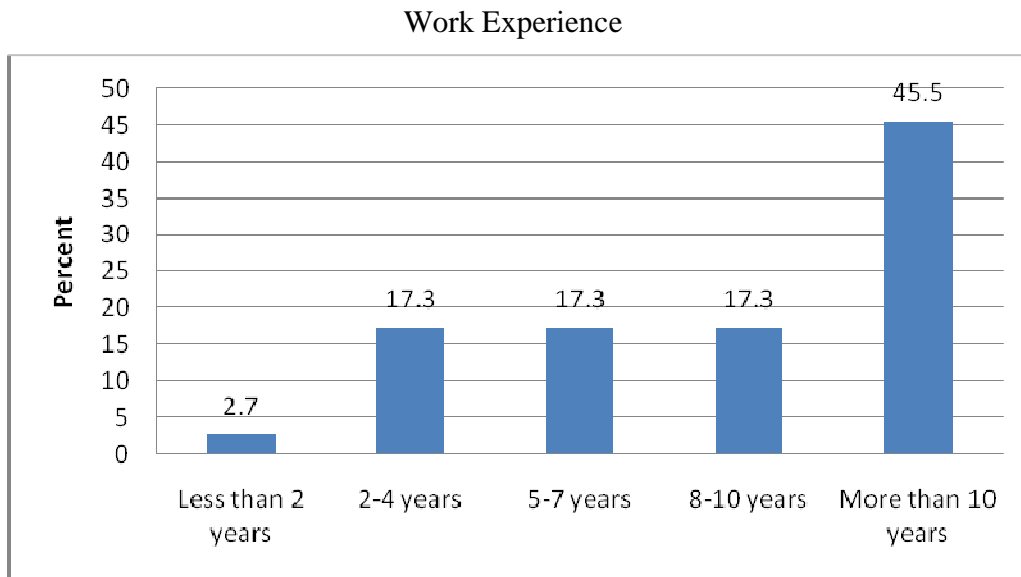
4.2.1.5. Work Experience of Respondents

A large percentage of respondents, that is, (45.5%) had more than 10 years of work experience within the AHMC, 17.3% had 2 to 4 years of work experience within AHMC, 17.3% had 5 to 7 years of work experience within AHMC, 17.3% had 8 to 10 years of work experience within AHMC, and 2.7% has less than 2 years of work experience within AHMC. Respondents' work experience within AHMC is tabulated and presented graphically in Table 4.5 and Figure 4.5 as follows.

Table 4.5 Work Experience

Details of Work Experiences		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 2 years	3	2.7	2.7	2.7
	2-4 years	19	17.3	17.3	20.0
	5-7 years	19	17.3	17.3	37.3
	8-10 years	19	17.3	17.3	54.5
	More than 10 years	50	45.5	45.5	100.0
	Total	110	100.0	100.0	

Figure 4.5: Work Experience with AHMC



4.2.1.6. Descriptive Measures of Respondents Perceptions of HRM Practices

Based on weighted average value of employees' response to questionnaire that are adapted to represent HRM practices and organizational performance, the breakdown of the descriptive HRM practices and organizational performance is tabulated as follows (Table 4.6).

Table 4.6: - Descriptive Statistics of Perceptions

Details	N	Minimum	Maximum	Mean	Std. Deviation
Planning	110	1.38	5.00	3.5330	.91799
Recruitment	110	1.00	5.00	3.2785	1.10664
Training	110	1.00	5.00	2.8927	1.36259
Performance Appraisal	110	1.00	5.00	3.2123	.90627
Compensation	110	1.00	5.00	2.8435	.96029
Organizational Performance	110	1.75	5.00	3.3715	.66155
Valid N (list wise)	110				

The descriptive statistics in Table 4.6 indicates that the lowest mean perception is 2.8435 on compensation and the highest mean perception is 3.5330 on planning. On average the respondents' perception of HRM practices and organizational performance is above 2.50.

4.3. Reliability and Validity Test

In this study, there are 110 feedbacks from the sampled population. All the feedbacks were completed. There is no missing data in the questionnaires. Assessment on the internal consistency or homogeneity among the items showed strong internal consistency and its constructs is indicated by values of Cronbach's alpha higher than 0.70 (Hair et al, 1998:157). This suggests that the items concerned adequately measure a single construct for each tested variable (Planning, Recruitment, Training, Performance Appraisal, Compensation and Organizational Performance). Reliability measurements for each construct are shown in Table 4.7.

Table 4.7: - Reliability Statistics

HRM Practices and Organizational Performance		Cronbach's Alpha	Number of Items
HRM Practices	Planning	0.879	8
	Recruitment	0.880	3
	Training	0.859	5
	Performance Appraisal	0.869	6
	Compensation	0.877	9
Organizational Performance		0.833	8

To analyze the construct validity in terms of discriminate validity test, correlation analysis between the variables (five components of HRM Practices and organizational performance) was performed. The result shows that correlations was low with values no higher than 0.90, as proposed by Hair et al (1988:157). This indicates that the constructs are distinct from one another and is deemed to be an acceptable level of discrimination. Consequently content validity is also established. Table 4.8 shows the analysis of correlation between the variables.

Table 4.8: - Correlation Matrix (a)

	Details	Planning	Recruitment	Performance Appraisal	Compensation	Organizational Performance
Correlation	Planning	1.000	0.877	0.934	0.888	0.872
	Recruitment	0.877	1.000	0.870	0.858	0.841
	Performance Appraisal	0.934	0.870	1.000	0.860	0.888
	Compensation	0.888	0.858	0.860	1.000	0.939
	Organizational Performance	0.872	0.841	0.888	0.939	1.000
Sig. (1-tailed)	Planning		0.000	0.000	0.000	0.000
	Recruitment	0.000		0.000	0.000	0.000
	Performance Appraisal	0.000	0.000		0.000	0.000
	Compensation	0.000	0.000	0.000		0.000
	Organizational Performance	0.000	0.000	0.000	0.000	

a Determinant = 7.00E-005

For construct validity in terms of convergent validity, confirmatory factor analysis was performed. KMO Bartlett's test, as well as factor loadings for each measurement items, was examined. Based on Table 4.9 and 4.10, all measurement items of each construct are significant at 0.01 levels as suggested by Sanzo et al. (2003: 52) and the KMO index is more than 0.6, as suggested by Pallant (2001: 2).

Moreover, based on Table 4.10, most of the individual factor loadings are more than 0.5 as recommended by Sanzo et al. (2003: 52), factor loading close to 0.5 and the KMO and Bartlett's test showed satisfying result. Therefore, items are deemed as valid items within the service quality variable. Generally, these results confirm that the measurement items of the same

construct are highly correlated. In conclusion, based on the discriminate and convergent validity test, construct validity has been achieved in this study.

Table 4.9:- KMO and Bartlett's Test

Planning	Kaiser-Meyer-Olkin Measure of Sampling Adequacy. Bartlett's Test of Sphericity Approx. Chi-Square Df Sig.	0.893 437.569 28 0.000
Recruitment	Kaiser-Meyer-Olkin Measure of Sampling Adequacy. Bartlett's Test of Sphericity Approx. Chi-Square Df Sig	0.674 190.863 3 0.000
Training	Kaiser-Meyer-Olkin Measure of Sampling Adequacy. Bartlett's Test of Sphericity Approx. Chi-Square Df Sig.	0.794 248.389 10 0.000
Performance Appraisal	Kaiser-Meyer-Olkin Measure of Sampling Adequacy. Bartlett's Test of Sphericity Approx. Chi-Square Df Sig.	0.832 305.673 15 0.000
Compensation	Kaiser-Meyer-Olkin Measure of Sampling Adequacy. Bartlett's Test of Sphericity Approx. Chi-Square Df Sig.	0.849 460.065 36 0.000
Organizational Performance	Kaiser-Meyer-Olkin Measure of Sampling Adequacy. Bartlett's Test of Sphericity Approx. Chi-Square Df Sig.	0.807 386.215 28 0.000

Table 4.10: - Factor Loading

Item	Initial	Extraction	Item	Initial	Extraction
PLA1	1.000	0.436	PAP21	1.000	0.498
PLA2	1.000	0.709	PAP22	1.000	0.528
PLA3	1.000	0.695	COM23	1.000	0.618
PLA4	1.000	0.683	COM24	1.000	0.750
PLA5	1.000	0.472	COM25	1.000	0.752
PLA6	1.000	0.780	COM26	1.000	0.722
PLA7	1.000	0.675	COM27	1.000	0.510
PLA8	1.000	0.673	COM28	1.000	0.591
REC9	1.000	0.632	COM29	1.000	0.559
REC10	1.000	0.762	COM30	1.000	0.664
REC11	1.000	0.731	COM31	1.000	0.571
TRA12	1.000	0.582	ORG32	1.000	0.683
TRA13	1.000	0.577	ORG33	1.000	0.667
TRA14	1.000	0.690	ORG34	1.000	0.753
TRA15	1.000	0.670	ORG35	1.000	0.806
TRA16	1.000	0.653	ORG36	1.000	0.740
PAP17	1.000	0.606	ORG37	1.000	0.742
PAP18	1.000	0.613	ORG38	1.000	0.772
PAP19	1.000	0.655	ORG39	1.000	0.724
PAP20	1.000	0.672			

Extraction Method: Principal Component Analysis.

4.4. Regression Analysis

To examine if there is causal relationship between HRM practices and organizational performance, simple linear regression analysis is used and the following results were obtained.

4.4.1. Human Resource Planning and Organizational Performance

To investigate if human resource planning in AHMC influences organizational performance; Research Objective No. 1, simple linear regression analysis is conducted by considering organizational performance as dependent variable and Human Resource Planning as independent variable.

The independent variable: Human Resource Planning was regressed against organizational performance to test its effect on organizational performance. The results relating to Research Hypotheses are tabulated on Table 4.11, 4.12 and 4.13 hereunder.

Table 4.11: - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.872(a)	0.761	0.759	0.32495

a Predictors: (Constant), Planning

Table 4.12: - ANOVA (b)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	36.299	1	36.299	343.752	0.000(a)
Residual	11.404	108	0.106		
Total	47.703	109			

a Predictors: - (Constant), Planning

b Dependent Variable: - Organizational Performance

Table 4.13: - Coefficients (a)

Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant) Planning	1.151	0.124		9.299	0.000
	0.629	0.034	0.872	18.541	0.000

a Dependent Variable: - Organizational Performance

The F statistic of 343.752 was significant at the 1% level of significance. Therefore, the independent variables have some power to predict organizational performance. In addition, the adjusted coefficient of determination (adjusted R-square) indicates that 75.9% of the variation in organizational performance was explained by the regression model. The p-values of the t-tests were at the 1% level of significance for the independent variables: Human Resource Planning. Since human resource planning was significant, this variable helped to explain some of the variation in organizational performance. Therefore, human resource planning has positive effect on organizational performance. Thus, Research Hypotheses No. 1 was statistically supported.

The empirical result support Research Hypotheses one and is consistent with literature. The results also provide further evidence for the use of human resource planning as one of HRM Practices to influence organizational performance in the context of the Hospital. In addition, the analysis justifies that human resource planning also positively affect organizational performance and this is also consistent with the literature. In the regression model (Table 4.13), the standardized coefficients ($\beta = 0.872$) of human resource planning shows the influence of human resource planning on organizational performance.

Finding: - Research Hypothesis No. 1 is accepted.

4.4.2. Human Resource Recruitment and Organizational Performance

To investigate if human resource recruitment in AHMC influences organizational performance: Research Objective No. 2, simple linear regression analysis is conducted by considering organizational performance as dependent variable and human resource recruitment as independent variable. The independent variables: human resource recruitment was regressed

against organizational performance to test its effect on organizational performance. The results relating to Research Hypotheses two are tabulated on Table 4.14, 4.15 and 4.16.

Table 4.14: - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.841(a)	0.707	0.704	0.35966

a Predictors: (Constant), Recruitment

Table 4.15: - ANOVA (b)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	33.733	1	33.733	260.778	0.000(a)
	Residual	13.970	108	0.129		
	Total	47.703	109			

a Predictors: (Constant), Recruitment

b Dependent Variable: Organizational Performance

Table 4.16: - Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	1.723	0.108		16.007	0.000
	Recruitment	0.503	0.031	0.841	16.149	0.000

a Dependent Variable: Organizational Performance

The F statistic of 260.778 was significant at the 1% level of significance. Therefore, the independent variables have some power to predict organizational performance. In addition, the adjusted coefficient of determination (adjusted R-square) indicates that 70.4% of the variation in organizational performance was explained by the regression model. The p-values of the t-tests were at the 1% level of significance for the independent variables; Human Resource Recruitment. Since human resource recruitment was significant, this variable helped to explain some of the variation in organizational performance. Therefore, human resource recruitment has positive effect on organizational performance. Thus Research Hypotheses No. 2 was statistically supported.

The empirical result support Research Hypotheses Two and is consistent with literature. The results also provide further evidence for the use of Human Resource Recruitment as one of HRM Practices to influence organizational performance in the context of the Hospital. In addition, the analysis justifies that human resource recruitment also positively affect organizational performance and this is also consistent with the literature.

In the regression model (Table 4.16), the standardized coefficients ($\beta=.841$) of human resource recruitment shows the influence of human resource recruitment on organizational performance.

Finding: - Research Hypothesis No. 2 is accepted.

4.4.3. Human Resource Training and Organizational Performance

To investigate if human resource training in AHMC influences organizational performance; Research objective No. 3, Simple linear regression analysis is conducted by considering organizational performance as dependent variable and human resource training as independent variable.

The independent variables: Human resource planning was regressed against organizational performance to test its effect on organizational performance. The results relating to Research Hypotheses one are tabulated on Table 4.17, 4.18 and 4.19.

Table 4.17: - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.899(a)	0.808	0.806	0.29134

a Predictors: (Constant), Training

Table 4.18: - ANOVA (b)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	38.536	1	38.536	454.008	0.000(a)
Residual	9.167	108	0.085		
Total	47.703	109			

a Predictors: (Constant), Training

b Dependent Variable: Organizational Performance

Table 4.19: - Coefficients (a)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	2.109	0.065		32.236	0.000
Training	0.436	0.020	0.899	21.307	0.000

a /Dependent Variable: Organizational Performance

The F statistic of 454.008 was significant at the 1% level of significance. Therefore, the independent variables have some power to predict organizational performance. In addition, the adjusted coefficient of determination (adjusted R-square) indicates that 80.6% of the variation in organizational performance was explained by the regression model. The p-values of the t-tests were at the 1% level of significance for the independent variables; Human Resource Training. Since human resource training was significant, this variable helped to explain some of the variation in organizational performance. Therefore, human resource training has positive effect on organizational performance. Thus Research Hypotheses No. 3 was statistically supported.

The empirical result support Research Hypotheses one and is consistent with literature. The results also provide further evidence for the use of human resource training as one of HRM Practices to influence organizational performance in the context of the Hospital. In addition, the analysis justifies that human resource training also positively affect organizational performance and this is also consistent with the literature.

In the regression model (Table 4.19), the standardized coefficients ($\beta=0.899$) of Human Resource Training shows the influence of human resource training on organizational performance.

Finding: Research Hypothesis No. 3 is accepted.

4.4.4. Human Resource Performance Appraisal and Organizational Performance

To investigate if human resource performance appraisal in AHMC influences organizational performance; Research objective No. 4, Simple linear regression analysis is conducted by considering organizational performance as dependent variable and human resource performance appraisal as independent variable.

The independent variables: Human Resource Performance Appraisal was regressed against organizational performance to test its effect on organizational performance. The results relating to Research Hypotheses one are tabulated on Table 4.20, 4.21 and 4.22.

Table 4.20: - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.888(a)	0.789	0.787	0.30556

a Predictors: (Constant), Performance Appraisal

Table 4.21: - ANOVA (b)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	37.619	1	37.619	402.905	0.000(a)
Residual	10.084	108	0.093		
Total	47.703	109			

a Predictors: (Constant), Performance Appraisal

b Dependent Variable: Organizational Performance

Table 4.22: - Coefficients (a)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	1.289	0.108		11.965	0.000
Performance Appraisal	0.648	0.032	0.888	20.073	0.000

a/ Dependent Variable: Organizational Performance

The F statistic of 402.905 was significant at the 1% level of significance. Therefore, the independent variables have some power to predict organizational performance. In addition, the adjusted coefficient of determination (adjusted R-square) indicates that 81.6% of the variation in organizational performance was explained by the regression model. The p-values of the t-tests were at the 1% level of significance for the independent variables; Human Resource Performance Appraisal. Since human resource performance appraisal was significant, this variable helped to explain some of the variation in organizational performance. Therefore, human resource performance appraisal has positive effect on organizational performance. Thus, Research Hypotheses No. 4 was statistically supported.

The empirical result support Research Hypotheses one and is consistent with literature. The results also provide further evidence for the use of human resource performance appraisal as one

of HRM practices to influence organizational performance in the context of the Hospital. In addition, the analysis justifies that human resource performance appraisal also positively affect organizational performance and this is also consistent with the literature.

In the regression model (Table 4.22), the standardized coefficients ($\beta=0.888$) of Human Resource performance appraisal shows the influence of human resource performance appraisal on organizational performance.

Finding: Research Hypothesis No. 4 is accepted.

4.4.5. Human Resource Compensation and Organizational Performance

To investigate if human resource compensation in AHMC influences organizational performance; Research objective No. 5, Simple linear regression analysis is conducted by considering Organizational Performance as dependent variable and human resource compensation as independent variable.

The independent variables: Human Resource Compensation was regressed against organizational performance to test its effect on organizational performance. The results relating to Research Hypotheses one are tabulated on Table 4.23, 4.24 and 4.25.

Table 4.23: - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.939(a)	0.882	0.881	0.22853

a Predictors: (Constant), Compensation

Table 4.24: - ANOVA(b)

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	42.063	1	42.063	805.427	0.000(a)
Residual	5.640	108	0.052		
Total	47.703	109			

a Predictors: (Constant), Compensation

b Dependent Variable: Organizational Performance

Table 4.25: - Coefficients(a)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	1.532	0.068		22.407	0.000
Compensation	0.647	0.023	0.939	28.380	0.000

A Dependent Variable: Organizational Performance

The F statistic of 805.427 was significant at the 1% level of significance. Therefore, the independent variables have some power to predict organizational performance. In addition, the adjusted coefficient of determination (adjusted R-square) indicates that 88.1% of the variation in organizational performance was explained by the regression model. The p-values of the t-tests were at the 1% level of significance for the independent variables; Human Resource Compensation. Since human resource compensation was significant, this variable helped to explain some of the variation in organizational performance. Therefore, human resource compensation has positive effect on organizational performance. Thus Research Hypotheses No. 5 was statistically supported.

The empirical result support Research Hypotheses one and is consistent with literature. The results also provide further evidence for the use of human resource compensation as one of HRM Practices to influence organizational performance in the context of the Hospital. In addition, the analysis justifies that human resource compensation also positively affect organizational performance and this is also consistent with the literature.

In the regression model (Table 4.25), the standardized coefficients ($\beta=0.939$) of human resource training shows the influence of human resource compensation on organizational performance.

Finding: Research hypothesis 5 is accepted

4.5. Discussion, Conclusions and Recommendations

4.5.1. Discussions

This study was conducted to assess if the Human Resource Management (HRM) practices had any impact on the organizational performance of Adama Hospital Medical College (AHMC). To investigate if the HRM practice had any impact on the organizational performances of AHMC employees, both general and specific objectives were proposed and various literature reviews pertinent to the study at hand were conducted.

Besides, theoretical framework, hypothesis and the appropriate methodology was adopted. Data were collected from samples using questionnaires and the data was analyzed using the appropriate statistical approach to obtain results. Thus, the research results with respect to the five specific research objectives are discussed as follows:

4.5.1.1. Influence of Human Resource Planning on Organizational Performance of AHMC.

The first specific research objective of this study is to investigate if effective human resource planning influences organizational performance of AHMC, to do so the following two hypothesis are set.

Research Hypothesis 1: - Effective human resource planning influences the organizational performance of AHMC.

Null hypothesis 1: - Effective human resource planning does not influence the organizational performance of AHMC.

First, in order to investigate if effective human resource planning had been used and if it had any influences organizational performance of AHMC, a simple linear regression analysis was conducted by considering organizational performance as dependent variable and human resource planning as independent variable.

From the results obtained, therefore, the independent variables; human resource planning was regressed against organizational performance to test their effects on organizational performance. As can be seen in Table 4.11, 4.12 and 4.13 above, from the results obtained indicated that effective human resource planning had influences on the organizational performance of AHMC.

5.4.1.2. Influence of Human Resource Recruitment on Organizational Performance of AHMC.

With respect to the second specific research objective of this study, which was aimed at investigating that if good employee selection in the hiring process would have influences organizational performance of AHMC, the following two hypotheses are set.

Research Hypothesis 2: - Good selection in the hiring process has influence the
organizational performance of AHMC.

Null Hypothesis 2: - Good selection of employees in the hiring process does not
influence the organizational performance of AHMC.

In an attempt to investigate if good employee selection during the hiring process could have influences on the organizational performance of AHMC, a simple linear regression analysis was conducted by considering organizational performance as dependent variable and human resource recruitment as independent variable.

Thus, the independent variable, human resource recruitment, was regressed against organizational performance to test its possible effects on organizational performance. According to the data in Table 4.14, 4.15 and 4.16, the results indicate that good selection in the hiring process had influenced the organizational performance of AHMC.

4.5.1.3. Influence of Human Resource Training on Organizational Performance of AHMC.

The third specific research objective devised for the study was to investigate if the amount of training conducted had influence the organizational performances of AHMC. To this end, the following two hypotheses were set.

Research hypothesis 3: - The amount of training influences organizational the performance
of AHMC.

Null hypothesis 3: The amount of training does not influence organizational
performance AHMC.

In an attempt to analyze whether the amount of training provided had influences on the performance of AHMC employees, a simple linear regression analysis was conducted by considering organizational performance as dependent variable and human resource training as an independent variable.

Consequently, the independent variable, human resource training was regressed against organizational performance to test its effects on organizational performance. As per the data in Table 4.17, 4.18 and 4.19, the result indicated that effective human resource training influenced organizational performance of AHMC.

4.5.1.4. The Influence of Human Resource Performance Appraisal on the Organizational Performance of AHMC.

To determine if performance appraisal had influences on the performance of AHMC, which is the fourth specific research objective of this study, these two hypotheses were set.

Research Hypothesis 5: - Performance appraisal influences organizational performance of AHMC.

Null hypothesis 5: - Performance appraisal does not influence organizational performance of AHMC.

To investigate if performance appraisal influences performance of AHMC, simple linear regression analysis was conducted by considering organizational performance as a dependent variable while human resource performance appraisal as an independent variable.

The independent variables, which is human resource performance appraisal was regressed against organizational performance to test the effects on organizational performance. The results in Table 4.23, 4.24 and 4.25, indicated that effective human resource performance appraisal influences organizational performance of AHMC.

4.5.1.5. The Influence of Human Resource Compensation on Organizational Performance of the AHMC.

The attempt in the fifth specific research objective of this study was to analyze if performance-based compensation would influences the organizational performances of AHMC. Here are the two hypotheses set to it.

Research Hypothesis 6: - Performance-based compensation influences organizational performance of AHMC

Null Hypothesis 6: - Performance-based compensation does not influence organizational performance of AHMC

To check if performance-based compensation influences the organizational performance of AHM, simple linear regression analysis was carried out by considering organizational performance as a dependent variable and human resource compensation as an independent variable.

Based on this, the independent variables, human resource compensation, was regressed against organizational performance to test the effects it bear on the organizational performance. The results in Table 4.26, 4.27 and 4.28 indicated that effective human resource compensation had caused influences on the organizational performance of AHMC.

4.5.2. Managerial Implications

Based on the results from the regression analysis, the findings of this study have the following important implications to the management body of AHMC. The findings of the study implicates that the relationship among HRM practices and organizational performance was weak. Reviewing this weakness enables the management to understand the improvement needed in the organizational performance in AHMC. This can be attained by improving the current HRM Practice which led to underperformance as perceived by employees of AHMC. To maintain effective results, it is suggested that the management should periodically conduct similar studies to track changes in HRM practices and organizational performance as perceived by employees of AHMC.

4.5.3. Conclusions

The motives to conduct the present study were problems, which employees of AHMC were complaining about and which the present researcher had experienced concerning the organizational performance of AHMC. In order to obtain possible solutions to the problem felt, it was considered that conducting a study was a mere solution with respect to the impacts which the HRM practices would have on organizational performance in AHMC. To this end, objectives were set assess, if effective human resource planning, good selection in the hiring process, the amount of training given to employees, the type of performance appraisal and if performance-based compensation could have influences organizational performance of AHMC.

To understand the problem broadly, related literature had been reviewed concerning concepts and theories of HRM practices and organizational performance. Moreover, similar studies made to the one proposed here were reviewed comprehensively. To achieve the objectives mentioned

above, this study used quantitative research method. Besides, to collect data samples were drawn using convenience sampling method and data were collected, using a 31 item questionnaire. The data collecting tool consisted various sections to measure HRM practices, employee satisfaction and employees' loyalty. The collected data were processed and were used to make analysis with respect to each objective. The findings of the research results were further discussed and the outcome of the study entails that; the five components of HRM practices as perceived by employees of AHMC had positively influence on the organizational performance of AHMC.

4.5.4. Recommendations

The following recommendations are made to managers, and concerned bodies based on the overall findings of the study.

4.5.4.1 Recommendations for AHMC Managers

Organizations will thrive in the future if they are able to focus more on improving HRM practices, rather than on the product and services which they sell. Hospitals, like any other organization is expected to implement effective HRM practices to improve its organizational performances. Based on the findings from this research, the following recommendations are given to help managers improve the organizational performance of AHMC.

1. The research results with respect to the five research hypotheses indicated that the five HRM practices of AHMC had positively influenced the organizational performance. Thus, the management is expected to make improvements in these five HRM practices.

4.5.4.2 Recommendations for Future Research

The main objective of any research is, among others, to assist decision making. Some decisions are made in response to problems that are common to the general public and some other decisions are specific to particular section of the society located in different areas. Therefore, it is recommended for researchers to engage themselves in the following related areas so that the results can support decision makings in all areas.

1. Future research of this nature is expected to focus on particular department of hospitals so that decisions specific to particular department can be made based on research findings.

2. Since employees' demographic factors have some association with HRM practices and organizational performance, future research attempts should consider the association between demographic factors HRM practices and organizational performance.
3. This study tried to investigate the impact of each HRM practices on organizational performance by using simple regression analysis and their combined effect is not considered. To investigate the most influential HRM practice future research should focus on investigating their combined influence by using multiple regression analysis so that they can identify the most influential HRM practice and recommend managers to invest more on that particular HRM practice.

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✓ Annexes

➔ Questionnaires

This questionnaire is designed for educational research on Adama Hospital Medical College (AHMC). Its main aim is to assess the impact of Human Resource Management Practice on Organizational performance. Therefore your genuine responses to the entire questions are extremely valuable for the study.

You are one of those selected employees for the study by the researcher to represent employees of AHMC. So you are politely requested to read or listen to all the questions carefully and to respond honestly to provide the necessary information. You provide your opinion by responding to each sentence that you: strongly disagree (1), disagree (2), neutral (3), agree (4) or strongly agree (5), and your contributions will be acknowledged in this thesis.

Please don't hesitate to contact me, if you require further clarification.

Kind Regards

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Annex A: Demographic Background

1. Gender

- Male
 Female

2. Age

- Below 20 years
 20-30 years
 31-40 years
 41-50 years
 Above 50 years

3. Education

- Below Diploma
 Diploma
 First Degree
 Second Degree
 PHD

4. Occupation

- Specialists
 General Practitioners (GP)
 Nurses
 Pharmacists
 Other Medical staff
 Administrative Staff

5. Work Experience with AHMC

- Less than 2 years
 2-4 years
 5-7 years
 8-10 years
 More than 10 years

Annex B: Questionnaire

DIRECTIONS: This Survey deals with your opinion with respect to HRM Practices and organizational performance in AHMC.

Please show your opinion with respect to HRM Practices and organizational performance in AHMC, based on the items described by each statement. Do this by picking one of the five numbers next to each statement. If: you strongly agree with the statement mark ‘√’ with respect to 5, If you strongly disagree with the statement mark ‘√’ with respect to 1, If your feelings are not strong mark “√” with respect to one of the numbers in the middle. There is no right or wrong answers; the researcher is interested in a number that best shows your opinion with respect to HRM Practices and organizational performance in AHMC.

HRM Practices	Questionnaire. No	Items	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
			1	2	3	4	5
1.Planning	1	Human resource department is an integral part of the Hospital’s strategic planning process					
	2	The formulation and implementation of human resource activities are in line with overall strategy of AHMC.					
	3	The human resource department has an explicit statement of its mission and goals					
	4	The human resource management function plays an important role in the Hospital					
	5	All human resource activities in the Hospital (selection, training, compensation, appraisal, and employee relations) are fully integrated with one another					
	6	The HR department formally evaluated its selection and staffing Policies.					
	7	There exists a formal written HR plan based on the strategic needs of the Hospital.					
	8	The HR head is involved in the strategic planning process.					

2. Recruitment	9	Applicants for a job in the Hospital take formal tests before being hired.					
	10	Applicants undergo structured interviews (job related questions, same questions asked for all applicants, rating scales) before being hired.					
	11	When new management positions come up, the Hospital normally tries to fill them with people from within the Hospital rather than recruiting from outside					
3. Training	12	The Hospital places a great deal of importance on training.					
	13	Managers analyze the employee training needs.					
	14	Managers evaluate the effectiveness the Hospital's employee training through behaviors.					
	15	Managers evaluate the effectiveness the Hospital's employee training through results.					
	16	The Hospital conducts cost-benefit analysis to assess the Effectiveness of the training programs.					
4. Performance Appraisal	17	The employees' capabilities are viewed as the main source of competitive advantage.					
	18	Employee input and suggestion are highly encouraged.					
	19	Employees input and suggestions are highly implemented					
	20	The Hospital places a great deal of importance on merit when making promotion systems.					
	21	The superior normally discusses the performance of his subordinates with them.					
	22	Performance appraisal includes the supervisor setting objectives and goals of subordinates for the period ahead in <i>consultation</i> with them.					
5. Compensation	23	The Hospital compensation system is closely connected with the financial results of the company.					
	24	The Hospital uses performance-based compensation to a large Extent.					
	25	Compensation practice is linked to Hospital's goals and objectives.					
	26	Employees in this job regularly (at least once a year) receive a formal evaluation of their performance.					
	27	Job performance is very important in determining his earnings.					

	28	Pay raises for employees in this job are based on job performance (competencies, motivations and behaviors)					
	29	Promotion is based primarily on seniority.					
	30	Qualified employees have the opportunity to be promoted to positions of greater pay and/or responsibility within the Hospital.					
	31	The Hospital constantly reviews and updates the range of benefits to meet the needs of employees.					
6. Organizational Performance	32	Generally the public refers AHMC for its superior services it provides to its customers.					
	33	The overall quality of the products and services provided by AHMC is satisfactory.					
	34	The operations of AHMC are efficient; It provides the required products and services with possible minimum use of resources.					
	35	Compared with other hospitals the number of patients that visit AHMC for treatment is growing from time to time.					
	36	I am highly motivated while working in AHMC.					
	37	I am fully satisfied with my job in AHMC.					
	38	I am proud of being AHMC employee.					
	39	I would like to grow and achieve my career goals within AHMC.					