



SCHOOL OF GRAGUATE STUDIES

**EXAMINING EFFECT RELATIONSHIP BETWEEN HUMAN
RESOURCE MANAGEMENT PRACTICES AND EMPLOYEE
PERFORMANCE THROUGH MEDIATING EFFECT OF
MOTIVATION: IN CASE OF COMMERCIAL BANKS IN GURAGE
ZONE**

MBA THESIS

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MAY, 2024

WOLKITE, ETHIOPIA

Wolkite University

School of Graduate Studies

**Examining Effect Relationship Between Human Resource Management
Practices and Employee Performance through Mediating Effect of
Motivation: in case of Commercial Banks in Gurage Zone**

**A thesis submitted to School of Graduate Studies, in partial fulfillment of
the requirements for the Degree of Master of Arts in Business
Administration (MBA)**

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DECLARATION

I hereby declare that this MA thesis is my original work and has not been presented for degree in any other university, and all sources of material used for this thesis have been duly acknowledged.

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ACKNOWLEDGEMENTS

I am so much grateful to the Almighty God for his kind and priceless help He has offered me throughout my life. I would also like to extend my gratitude to my lovely family who encourages me to accomplish this thesis.

I must convey my thanks to my main advisor Abel Dula (PhD) and co-advisor Wuletaw Fente (MBA) who gave me invaluable comments, encouragement and support I needed to accomplish the proposal as well as the thesis.

I would like to express my deep heart-felt thank to my friends who have made themselves available in providing me with the help I needed.

Finally, but most importantly, I would like to thank all government and private CBs employees in Gurage Zone branches willingness and participated in filling the questionnaire to provide all the necessary data.

ABBREVIATIONS AND ACRONYMS

BO	Business Officer
CBs	Commercial Banks
CBE	Commercial Bank of Ethiopia
EP	Employee Performance
EPMS	Employee Performance Management System
HRM	Human Resource Management
HRMPs	Human Resource Management Practices
JO	Junior Officer
BM	Branch Manager
PMS	Performance Management System
SBBO	Senior Banking Business Officer
SBOO	Senior Banking Operation Officer
SPSS	Statistical Package for Social Science

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ABSTRACT

The aim of this study was to examine effect relationship between Human Resource Management Practices and Employee Performance through mediating effect of motivation: in case of commercial banks in Gurage Zone. The study employed descriptive and explanatory research design along with quantitative approach. Purposive, proportionate stratified and cluster sampling techniques were used to select administrative towns and woredas public and private CBs and employees. The sample size was 315 clerical employees including managements working in those CBs. Primary data were collected through self-administered structured questionnaire. Secondary data were collected from written documents and reports. The study used descriptive analysis such as mean and standard deviation; Pearson correlation coefficients analysis to examine the relationship between each of HRMPs (job rotation, compensation, reward, training and development, communication) and motivation and also with employees' performance and mediator variable effect analysis with Process Macro to investigate the mediating effect of motivation on the effect relationship between each of HRMPs and employee performance. The finding of the study revealed the existence of a significant and positive relationship between each of HRMPs and motivation; motivation and employee performance; and each of HRMPs and employee performance. Moreover, motivation of employees significantly and positively mediated the effect relationship between each of HRMPs and employee performance. Therefore, from this result it can be said that motivation has played vital role in providing higher statistical correlation between HRMPs and performance of employees. Hence, it is recommended that management bodies of public and private CBs better to take into account the mediating role of motivation in order to enhance the relationship between HRMPs and the performance of employees highly and effectively.

Key words: *employees' performance, communication, compensation, job rotation, reward, training, motivation*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Human resource has become strategic resource to gain sustainable competitive advantages in this age of globalization. Human resource is the very important and the backbone of every organization and it is also the main resource of the organization. Effectively use of human resource is a key in getting competitive advantage over competitors (Armstrong, 2010). Human resource is also considered as the most important resource to affect job performance in organizations. Hence, the effectiveness and efficiency of any organization cannot be achieved without effective management of its human resource (Wikinson & Redman, 2013). HRM is a function performing by all managers to deploy human skill, knowledge, experience, and maximizing their performance to achieve organization objective (George & Jones, 2006).

HRM refers to the policies, practices, and systems that influence employees' behaviour, attitudes, and performance. Even though, many organizations refer to HRM as involving "people practices, there are several important HRM practices (Dessler, 2020). Training and development, as one of HRMPs, play a key role in ensuring that employees possess suitable skills, knowledge, and abilities for job completion. Therefore, the selection of the right kind of training ensures that employees have the suitable skills to run the business, which are constantly updated through best HR practices (Alzu'bi, Omar, and Aburumman, 2021). Hemanalini (2013) also pinpointed that training is a key element to improve performance; it can increase the level of individual and organizational competency. It provides organization, the employees with a caliber of increasing the organization's productivity and profitability. In this regard, Mesfin and Eshetu (2016) indicated that training practice dimension such as need assessment, training objectives, training methods, selection of trainees and trainers, implementation of training program and evaluation and feedback have positive and significant relationship with and have significantly contributed 58.4% to employee's

knowledge, skills and attitudes. Besides, employee's knowledge, skills and attitudes have positive and significant relationship with and contributed 61.3% to employee performance. Muluken (2019) shown that enhanced salary, mortgage loan, car loan, fringe benefits, promotion, recognition, and working environment had positive relation and significant effect on employee performance and explained 86% variability on employee performance. On the other hand, no organization can achieve short, medium and long term corporate goals and objectives without the contribution of its employees; hence it is important that employees are well compensated and rewarded both financially and non-financially for the success of such organizations (Zehara, 2021).

Different organizations rotate their employees from one job to another across various departments for multiple reasons depending on specific needs of an organization (Schultz et al., 2015). There are many reasons for implementing job rotation system, including the potential for increased product quality, giving employees the opportunity to explore alternative career paths, and perhaps most importantly, preventing stagnation and job boredom. It is often found that the more workers who are performing a job are more innovative at workplace and the more improvement of ideas is discovered. Moreover, it improves employee skill base and increase job assignment flexibility over time Job rotation will require training workplace on multiple jobs (Christiba et al, 2021). Besides, in both public and private banks job rotation practices significantly and positively associated with employees' job performance (Shehansi et al., 2019).

On the other hand, HRM practices are the main engine of work motivation and organizational performance, through suitable selection systems, sufficient training and development programs, fair and quick career development systems, fair performance management systems, high reward and benefits, and a high level of motivation in the work environment, contributes to enhancing and improving employee performance as well as organizational performance (Alzu'bi et al., 2021).

Nonetheless, public and private CBs in Ethiopia are among those service providing organizations where their success largely depends on the performance of their qualified employees. However, there is a gap on the employees' job performance where some have excellent performance and others have below expected job performance (NBE, 2024). Public

and private commercial banks in Gurage Zone branches are among the branches in Ethiopia providing banking services where their successes rely on the performance of their employees. Thus, this study was undertaken to investigate the extent of the link between HRM practices and employee performance in public and private commercial banks in Gurage Zone branches by taking motivation as mediator variable.

1.2. Statement of the Problem

Improving employee and organizational performance has been the main concern of many organizations for decades and several factors have also been studied as predictors of employee performance in organizations. However, studies that comprehensively measured all the dimensions of employee performance that enhance organizational effectiveness are limited. As Armstrong (2010) clearly expressed it, performance management is the process of taking systematic action to improve organizational, team and individual performance by integrating it with financial and nonfinancial reward systems. However, there are heterogeneities in the quality of employees' job performance in organizations where some have the highest capability regardless of the incentive while others may have an irregular tendency of working (Ivancevich, 2007).

Human resources activities play a major role in ensuring that any organization will survive and progress. It is a primary source than any other resources like financial, material, etc. Nothing can be done without participation of human resources. The quality of its services heavily depends on the quality of human resources. Managers should give more intension to HRM because it significantly affects the organization. The success or failure of any organization is highly dependent up on how it efficiently and effectively utilizes the existing resources (Nagarajah et al., 2021).

Though, there is an agreement that as different factors are affecting employees' job performance, different writers are forwarding their intentions towards such determinants of employees' job performance. For instance, Armstrong (2010) emphasized on individual influences, work system, leadership and reward as the determinant of employees' job performance. Compensation, succession planning and performance appraisal was also identified as the major factors determining employees' job performance (Jibrin-Bida, et al.,

2016). Job stress, communication and motivation were also identified as determinants of employees' performance by (Rafique, Ali, & Ahmed, 2017). Muda, Rafiki and Harahap (2014) also assessed job stress, communication and motivation as the determinant factors affecting employees' job performance.

Besides, in the present age of competition, human resources are considered as a unique asset of organization and critical tool to achieve competitive advantage over the rivals (Tariq Dar et al., 2014). Realizing this fact, various organizations are adopting motivation as the best HRM practice, because motivation is one of the key factors to employees' performance and for an organization to maintain the continuity of the work in a powerful manner and help organizations to survive and increase productivity. The level of performance depends on the level of motivation that stimulates someone to work and carry out the necessary tasks to achieve the goals. The link between motivation and performance seem to be inevitable, because if individuals are highly motivated, then they could perform better. In turn, better performance may well lead to a sense of achievement (Mesfin, 2013).

Moreover, employee motivation is crucial for any business to survive and profitable in today's competitive business world. There are motivation related factors linked to employees' performance. For instance, Aja et al.(2022) finding revealed that intrinsic and extrinsic motivation positively correlated with employees' job performance. The practical implication of this is that managers need to understand the interconnectivity of the two to bring about improved job performance. However, Nagarajah et al.(2021) argued that rewards, training, motivation, and leadership style were considered as determinant factors that can contribute to the employees' performance, where motivation has greatest effect.

In Ethiopian context, even though, many local studies have been carried out on issues related to the link between HRM practices and employees' job performance in case of public and private banks in different areas of the country: for instance on CBE, Tsedal (2018) in North Addis Ababa District; Shanko (2018) in Dawro Zone; Tsigereda (2020) in the CBE head Quarter; Wubalem (2020) in Jimma District (town); Gebreab and Ansebo (2021) in Wolaita Sodo District; Woubshet (2021) in South Addis Ababa District and Zehara (2021) in the case of Wegagen Bank Addis Ababa. Moreover, though prior local studies have made great contributions to show the linkage between HRM practices with employees' performance,

they gave more attention on training. In the case of public and private CBs in Gurage Zone branches, as to the best knowledge of the researcher, no empirical studies evidence is available on the effect relationship between HRMPs and employee performance through mediating effect of motivation. Moreover, as Creswell (2012) stated ‘Study the problem if your study replicates a past study but examines different participants and different research sites’. So, even though many studies have been conducted in different areas on the issue under investigation, the researcher was intended to fill place gap by extending it into public and private CBs in Gurage Zone branches. Besides, what initiated the researcher to conduct the study was that more than ten years work experience in private commercial banks in different positions. While serving, the researcher observed and affirmed from different employees that most of the time there was a problem of implementing HRMPs as required sufficiently by some of the employees, there was also competence problem, no sufficient training was given to update the employees, and most importantly, since the overall bank sector activities goes through motivation and industriousness, some employees could not go beyond to execute their works efficiently.

Therefore, in light of the indicated gap the researcher felt that there was a need to fill the gap by examining comprehensively the relationship between HRM practices: job rotation practices, compensation, reward, training and development, communication and employees’ performance taking motivation as mediator variable in public and private CBs in Gurage Zone branches.

1.3. Objectives of the Study

1.3.1. General Objective

The general objective of this study was to examine the effect relationship between HRM practices and employees’ performance with the mediation effect of employee motivation in public and private CBs in Gurage Zone.

1.3.2. Specific Objectives

This study attempted to achieve the following specific objectives:

1. To examine the extent of the relationship between each of HRM practices (job rotation practices, compensation, reward and recognition, training and development, and communication) and employee performance in public and private CBs in Gurage Zone.
2. To investigate the extent of the relationship between each of HRM practices (job rotation practices, compensation, reward and recognition, training and development, and communication) and employee motivation in public and private CBs in Gurage Zone.
3. To investigate the extent of the relationship between each of HRM practices (job rotation practices, compensation, reward and recognition, training and development, and communication) and motivation with employee performance in public and private CBs in Gurage Zone.
4. To examine the mediating role of employee motivation in the effect relationship between each of HRM practices and employee performance in public and private CBs in Gurage Zone.

1.4. Hypothesis of the Study

On the basis of the above objectives and review literature, the researcher sought to achieve the four specific objectives by hypothesizing the relationship between job rotation practices, compensation, reward, training and communication on the outcome variable – employee's performance, where motivation as mediator variable. The hypotheses were tested using 5% level of significance.

Directional Alternative Hypotheses

H_{a_1} : Each of HRM practice (job rotation practices, compensation, reward and recognition, training and development, and communication) has significant and positive effect relationship with employee performance in public and private CBs in Gurage Zone.

H_{a₂}: Each of HRM practice (job rotation practices, compensation, reward and recognition, training and development, and communication) has significant and positive effect relationship with employee motivation in public and private CBs in Gurage Zone.

H_{a₃}: Each of HRM practice (job rotation practices, compensation, reward, training and development, and communication) and motivation has significant and positive effect relationship with employee performance in public and private CBs in Gurage Zone.

H_{a₄}: Employee motivation has significant mediating effect relationship between each of HRM practice (jobs rotation, compensation, reward, training and development, and communication) and employee performance in public and private CBs in Gurage Zone.

1.5. Significance of the study

This study will have practical significance to all public and private CBs in understanding the relationship between HRM practices such as job rotation, compensation, reward, training and communication and employee performance and their intended impact on the organizational achievements. Besides, it will aware the banks about the crucial role of motivation in linking HRM practices and employee performance. The general finding of the study will reflect the extent of the implementation of HRM practices in relation to employees' job performance at the banks that will help the organization in identifying such HRM practices and providing possible recommendations to fill the gaps that hanging the employees in their day to day jobs.

For employees, it will help to improve their awareness about the relationship between HRM practices and employee performance, where motivation has mediation effect and to improve their job performance. For planners, it will help them to effectively plan and schedule the effective human resource practices that intended to enhance employees and organizational performance. The study also will have a significant contribution for both strategic and operational managers on setting plans and targets by considering such factors. It will also help in providing information for similar business sectors and agents in identifying the HRM practices which have significant and positive link with employees' job performance and provision of vital recommendations.

Moreover, it will add body of knowledge for the existing literature dedicated to the mediating role of motivation on the relationship between human resource management practices and employee performance and it will also serve as reference for those who are interested to conduct related studies.

1.6. Scope of the study

This study has geographical, methodology, and conceptual scopes. Even though, both public and private CBs in Ethiopia have many branches at different parts of the country, geographically, the study focused only to all public and private CBs in Gurage Zone branches. The reason behind this was that all branches administered through similar procedures and guidelines and in order to make the data more manageable.

Concerning methodological scope, the study used quantitative approach. The rationale behind using quantitative approach was the nature of the objectives of the study and the most appropriate method to address the objectives of the study.

Conceptually, the study was delimited to investigate the effect relationship between the five HRM practices such as job rotation practices compensation, reward, training and communication and employee job performance, where motivation has mediating role between the independent and dependent variables.

1.7. Limitations of the Study

The fact that this study exclusively focused on the public and private CBs of Ethiopia and the study was conducted on clerical employees in both banks in Gurage Zone branches. Even though all public and private branches administered through similar procedures and guidelines, the results of the study would not be generalized as a larger population because it was limited at town level. This shows the current study was delimited geographically. Therefore, the findings, conclusions and recommendations derived from this research would be specific to the case of public and private Commercial Bank of Ethiopia in Gurage Zone branches may not be applicable to other contexts without further research.

1.8. Organization of the Study

The study is organized into five chapters. The first one includes; introduction, statement of the problem, objectives of the study, hypothesis of the study, significance of the study, scope of the research. The second chapter covers a brief literature review on the main and related issues. This part of the study consists; definitions of significant terms, theoretical literature, empirical literature, and conceptual framework. The third chapter is organized from the methodology will be in use in the study. It covers the research approach and data collection and analysis methods. The fourth one constitutes analysis and presentation of the research findings .The chapter comprised of summary, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This section comprises of three parts which are the theoretical review, empirical reviews, and conceptual framework. It was aimed at to examine key concepts and related research relevant to the effect relationship between HRM practices and employees' performance with motivation as mediator variable in the CBs. The following topics are identified as important: the concept of human resource management practices, the link between HRM practices, motivation and employee performance. It also reviews empirical studies on related topics and finally, conceptual framework of the study is described.

2.1. Theoretical Literature

2.1.1. The Concept of Human Resource Management

Management is a process of coaching and enabling others to act (McCrimmon, 2019). Whereas, HRM is the art of surrounding multidisciplinary activities and focusing in all the managerial activities through decision making to achieve competitive advantage through the efficient work force displaying different personnel, cultural and structural techniques (Bratton & Gold, 2017).

The nature of the HRM performance link is traced by examining direct and indirect relationship between individual HR practices (Darwish, 2013). The studies however show that the specific HR practices can lead to the competitive advantage and as a result can upgrade the organizational performance. In other words, a set of HR practices can improve the performance of an organization inadvertent and environment while it is believed that HR practices will lead an organization to the better performance in any situation (Darwish 2013). Human resource practices refer to the training courses and motivational programs which assist management in performing better tasks. An author Darwish (2013), has discussed that whoever adopted the approach 'bundle of practices' should generate greater effects than the individual HR practices because it is discussed that the whole is greater than the sum of its small parts or in another word it is argued that the individual HR practices are finite to get competitive advantages for an organizations. Therefore, many researchers only agreed that

practices will lead to better performance for all types of firms, in terms of measurement of HR practices.

Therefore, from the above view points, it can be noticed that Human Resource Management is a process, which consists of four main activities, namely, acquisition, development, motivation, as well as maintenance of human resources.

2.1.2. The concept of Job Rotation

Different authors have defined job rotation using their own words and expressions. Although they have used different wordings, all definitions convey the same meaning. Some of the definitions by different writers are discussed as follows:

Job rotation is an approach where an individual is moved through a schedule of assignments designed to give him/her a breadth of exposure to the entire operation (Dessler & Vrkkey, 2009). Furthermore, job rotation is the movement of employees among different tasks and positions which will probably be of similar nature. Job rotation is an excellent tool for enhancing employee motivation, commitment and job involvement which are very important for smooth and effective functioning of an organization (Wageeh & Nafei, 2014). It is an opportunities for employee to gain an appreciation of organizational goals, to generate a broader knowledge of different functional areas, to develop a network of organizational contacts and to enhance employee skills (Lindback & Snower, 2000). It is a planned replacement of employees among jobs in a period of time for one or more goals of earning skills and job independence; increasing motivation, job performance and productivity (Bennett, 2003). Job rotation can be defined as working in different positions or in different situations at time periods which are classified based on a range of individual knowledge, skill and capability of employees (Gomez, et al., 2004). Job rotation is planned on-the job training for cultivating future candidates of management by transferring a management trainee from one department to another to increase his understanding and credentials in all aspects (Jaturanonda, et al., 2006).

2.1.3. The Concept of Compensation

Compensation is all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship (Milkovich and Newman 1999). According to Dessler (2011) employee compensation means all forms of pay or rewards going to employees and arising from their employment and it may be direct financial payments (Pay in the form of wages, salaries, incentives, commissions, and bonuses) and indirect financial payments (Pay in the form of financial benefits such as insurance). Likewise, Hasibuan (2008) defines compensation as all income in the form of money, direct or indirect goods received by employees or repayments provided to the company. From the above definitions it can be said that compensation is a systematic approach to provide monetary value and other benefits to employees in exchange for their work and service.

On the other hand, Ivancevich (2010) stated that: Compensation is the HRM function that deals with every type of reward individuals receive in exchange for performing organization tasks. Compensation is important for employees as individuals because the amount of compensation reflects the size of their work among the employees themselves, family and community. The community sees compensation as fairness, where the organization in determining salary does not look at gender but qualifications. While managers see compensation as the biggest expense (labor cost) and a tool to influence workers to increase performance, for employees compensation is a return to membership in the company and prize in getting the job done.

2.1.4. The Concept of Reward

Bratton and Gold (2003) defined rewards as all the cash, non-cash and psychological payments provided by an organization in return for their contribution. Work rewards indicate the benefits workers receive from their workplace and are considered the determinants of job commitment and satisfaction (Malhotra, Budhwar & Prowse, 2007). Gross and Friedman (2004) view rewards to include compensation consisting of base pay, short and long term incentives, health issues, and other benefits, and careers such as training and development, career progression.

A reward is usually something valuable, such as money. Rewards serve many purposes in organizations. They serve to build a better employment deal, hold on to good employees and to reduce turnover. The principal goal is to increase people's willingness to work in one's company, to enhance their productivity. Most people assimilate "rewards", with salary raise or bonuses, but this is only one kind of reward. Human resource can be preserved within the organization and optimally utilized through inspiring it using different strategies such as working condition, leader's influence, training and development, learning culture, organization reputation and rewards. Every organization needs a reward and recognition system which exhaustively addresses four main areas. They are compensation, benefits, recognition and appreciation; the entrepreneur (2003).

There are two kinds of rewards: Extrinsic and Intrinsic Rewards. Extrinsic rewards are actually tangible rewards presented to the employees by the management. They could be in various forms like pay rises, promotion, bonuses and respective benefits. The rewards are termed as extrinsic because they external to the work itself, Thomas (2009). This means that other people namely the management has the ability to control the size and whether or not they are granted. On the other hand intrinsic rewards come from verbal rewards such as positive feedback and praise which lead to job satisfaction and better performance. Intrinsically motivated employees participate eagerly in their jobs for internal reasons. This is from pure enjoyment and satisfaction (Jansen, 2011). Another fact that can be observed from the above discussion and examples is that intrinsic rewards are mostly qualitative in nature and cannot be quantified for example more respect; recognition etc., whereas extrinsic rewards are more of a quantitative in nature.

2.1.5. The concept of Training and Development

Training can be defined as a planned process to modify attitude, knowledge or skill behavior through learning experience to achieve effective performance in an activity or range of activities. Its purpose, in the work situation, is to develop the abilities of the individual and to satisfy the current and future needs of the organization improving the knowledge, skills and attitudes of employees for the short-term, particular to a specific job or task.

Training is one of the major areas of the human resource management functions that are particularly relevant to the effective utilization of human capita of the organization. Many authors define training on different way but the same concept. According to Casio (2006), “training consists of planned programs designed to improve performance at the individual, group or/and individual level. Improved performance in return, implies that there have been measurable changes in knowledge, skills, attitudes and social behaviors.” On the other hand, Armstrong (2010), defined training as “the systematic modification of behavior through learning which occurs as a result of education, instruction, development and planned experience.” Likewise, Dessler (2004), defined as “the methods used to give new or present employees the skills they need to perform their job.” Kumar (2012) also agreed on Mathis and Jackson definition “training is the learning process whereby people acquire skills, concepts, attitude or knowledge to aid in the achievement of goals”. From the above definitions commonly, one can understand that training is the planned programs or methods used to enhance employee performance to achieve organizational goal and training affects both employee and organizational performance in general.

2.1.6. Communication

Communication is the process of transmitting and understanding information and ideas so that the team develops shared understanding. Good communication between members is essential if a team is to collaborate successfully and make best use of its pooled knowledge. Team identity and group cohesiveness benefit from good communication. Conversely, lack of communication – where members work too much by themselves and lose touch with how their work relates to others – can reduce team effectiveness (Payne, 2005).

Modernization management is about cooperation, the behaviors of every team member will influence other members in the effective production (Johnson, Heimann & O’Neill, 2000). Therefore, effective teamwork communication is very important to improve the productive efficiency of the organization. Team communication is the best way to avoid the ineffectiveness of the team members. In order to achieve the objectives of the team, the team members must communicate effectively within the team (Robbins & Judge, 2012).

2.1.7. Motivation and its Kind

2.1.7.1. Motivation

Nowadays, banking organizations are immensely competitive due to the growing number of businesses in the fierce market. Moreover, in this competitive era, the organization should become vigilant about the motivation of the workers, which assists in creating inspiration among them. Sporadically the employees are considered as only the workers in the organization who do not get their other facilities with salaries; ultimately, there is a lack of motivation among the employees (Khan et al., 2022; Mia et al., 2022; Rubi et al., 2022).

The concept of motivation may be described as the reason behind the behavior of people on the job – it's the stimulation that drives people to do things through inducements and incentives. In this regard, Sansone and Harckiewicz (2000) related that motivation directs specific behaviors towards goal achievement. Moreover, many prior studies, for instance, Ghaith et al.(2018); Pancasila, Haryono and Sulistyono (2020) illustrated that motivated employees have a tendency to be more productive compared to non-motivated counterparts. Emeka, Amaka and Ejim (2015) pointed out that employee motivation at work significantly influences employees' performance. Thus, it can be stated that motivation enhances improves both productivity and performance of employees and led to the organizational goals (Ochola, 2018). Furthermore, motivating employees is recognized as a critical factor in improving performance, as motivated individuals tend to be more productive, content, and committed to their organizations (Noko & Nwuzor, 2021). Traditionally, monetary rewards, such as salary satisfaction, have been considered primary motivators for employees.

In general, despite a growing body of literature exploring the link between employee motivation and performance, inconsistencies in research findings have emerged. Some studies emphasize the effectiveness of factors such as job satisfaction, service delivery, and working environment as influential motivators (Badrianto & Ekhsan, 2020). Consequently, there is a pressing need to gain a deeper understanding of the impact of different incentive tactics and motivators on employee performance and determine their significance in the banking sector.

2.1.7.2 Types of Motivation

Researchers try to show as there are two sources motivation; this is internal and external sources which are identified as the intrinsic and extrinsic motivators. But according to Senyucel(2009), “Managing the Human Resources in the 21th century” pointed out the concepts between intrinsic, extrinsic and social motivator depicted that there is an ongoing disagreement on the distinctions because one motivator can be viewed and classified differently depending on its context at work. Nevertheless, a separation has to be made in order to explain different types of motivators.

1. Intrinsic Motivation

Intrinsic motivation is motivation that comes from within an employee himself. It is self generated factors that persuade people to behave in a particular way or direction. Intrinsic motivation factors include responsibility, autonomy (freedom to act), opportunities to achieve and advance, and scope to use and develop their skills and abilities. Employees are intrinsically motivated to work when the work itself motivates them. It is a motivation by the work itself (Armstrong & Taylor, 2014). As per the views of Senyucel(2009), intrinsic motivator are the ones that concern the individual and originates from the nature of work itself such as job satisfaction, personal development, acknowledgement from managers or an interest in a task or a project at work. These are largely philological and arise the relationship the employee and the task is usually self-apply.

On the other hand, intrinsic motivation refers to engaging in an activity for its own sake, the work interest, pleasure and satisfaction derived from the ones job experiences (Deciand Ryan, 1975). Intrinsic motivation is the motivation to perform in order to experience the pleasure and satisfaction from work (Vallerand, 1997). Chiang and Jang (2008) opined that intrinsic valence motivates employees take more responsibility, making full use of their abilities for goal accomplishment.

Motivation scholars have argued that intrinsic motivation is an important driver of employee attitudes (Cho & Perry, 2012) and their productivity (Martin, 2005). “Individuals are intrinsically motivated when they seek enjoyment, interest, the satisfaction of curiosity, self-

expression, or personal challenge in the work. Individuals are intrinsically motivated when they engage in the work in order to obtain some goal that is apart from their work”.

2. Extrinsic motivation

Extrinsic motivations are external factors that cause an employee to act toward fulfillment of a task or goal. It occurs when things are done to or for people in order to motivate them. They are usually punishments or rewards. A punishment motivates an employee to act in order to avoid the punishment, while rewards motivate an employee to act in order to receive the reward. This includes rewards, such as increased pay, praise or promotion, and punishments such as disciplinary action (Armstrong & Taylor, 2014).

On the other hand, extrinsic motivation is considered as the set of monetary rewards-both direct (salary, financial incentives, bonus) and indirect (paid vacation, training, contributions to employee benefit plans such as medical, dental and life insurance, fringe benefits, and other allowances) that individuals receive in exchange for their job. These external incentives motivate employees to perform valuable tasks for the organization (Bonner & Sprinkle, 2002). Employees are extrinsically motivated if they are able to satisfy their needs indirectly, especially through monetary compensation. It is quite possible that greater emphasis on monetary incentives will begin to attract individuals who value economic wealth more highly. That is, money is a goal which provides satisfaction irrespective of the actual activity itself (Osterloh & Frey, 2000). A study Berhan (2014) shown that extrinsic motivation positively related with employee performance but the effect of some extrinsic motivational factors on employee performance is insignificant, accordingly salary and benefit have significant positive impact on employee performance however working condition, company policy, interpersonal relation and administration & supervision have positive but insignificant impact on the employee performance.

2.1.8. Employee Performance

Employee performance simply refers to behaviors of an individual (employee) that can make a significant difference to the organizational goal accomplishment (Motowidlo, 2003). This indicated that employee performance is the expected value of what people do in organizations which are relevant towards enhancing organizational effectiveness.

Organizations are undergoing a transformation for coping against the changing needs of the environment and excelling in the business (Wilkinson & Redman, 2013). The Sustainability of business in organizations depends on the talent, skill, knowledge and experience of employees and on their capability of utilization resources to achieve organizational objectives. Employee's job performance is the contribution of employees for the achievement of organizational objective. Employees expected to perform acceptable level of the standard and managers follow up, and evaluate the performance of employees to attain the stated objective of an organization (Armstrong, 2009). Performance can be defined as the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and speed. Organizations are systems operating on three distinct levels which are at organizational, departmental (business process), and individual levels. Each level requires evaluation based on its goals, design, and management practices. This process offers a long-term approach that enables firm leaders, managers, and employees to develop a common shared view of the organization and its future (Gilleyetal, 2009).

Hellriegel, Jackson and Slocum (1999) defined performance as the level of an individual's work achievement after having exerted effort. Job performance can be viewed as an activity in which an individual is able to accomplish the task assigned to him/her successfully, subject to the normal constraints of reasonable utilization of the available resources (Dar, Akmal, Akram & Khan, 2011).

2.1.9. HRM Practices and Employee Performance

This section provides the link between five HRM practices (job rotation, compensation, reward, training and development, and communication) carried out in public and private CBs with employee contextual performance.

2.1.9.1. The Relationship between Job Rotation Practices and Employee Performance

Moving employees from one task to another at a given time period is job rotation. Rotating employees among different jobs has become an important strategy to enhance the employees' job performance in any organization and make them more committed towards the work (Shehansi et al., 2019). Job rotation provides employees with the opportunities to learn multiple skills, knowledge and outlooks (Eguchi, 2005). Previous studies shown the

existence of a positive and significant relation between job rotation and employee performance in banking sector, For instance, Shehansi et al.(2019) on public and private banks shown that job rotation practices significantly and positively associated with employees' job performance. (Hosseini et al., 2015; Khan et al., 2014) also indicated a positive link between job rotation and employee performance in private sector organizations. In addition, they argued that adoption of effective job rotation practice in organization brings positive employee performance. Furthermore, Rashki et al. (2014) revealed that lateral transfer of employee from one duty post to another within the organization significantly promote high employee performance.

In Ethiopian context, it is believed that public and privately owned banks in Ethiopia have to create a good working environment so as to improve their employees' performance. For this to happen, the banks have to take different initiations and implement different mechanisms on their workforces so as to increase their employees' performance. In connection to this, CBE is practicing job rotation across its branches with the aim of creating generalist professionals (CBE HRM policy, 2021). However, little attention has been given by researchers in identifying relationship between job rotation and employees job performance in banking sector. With this in mind, this study attempted to examine the link between job rotation practices and employee performance in all public and private CBs in Gurage Zone branches.

2.1.9.2. The Relationship between Compensation and Employee Performance

Compensation is all forms of financial return, services, and benefits received by workers as part of employment relationships (Milkovich et al., 2002). Compensation relates to the right that an employee receives from the sacrifices made to the organization. Murty and Hudiwinarsih (2012) argue that a motivated employee will be energetic and passionate about the tasks assigned by the organization, and otherwise an employee with low motivation will often display discomfort and displeasure with his/her work resulting in their performance become bad and company goals will not be achieved.

Studies revealed the relation and effect of management of compensation on the performance of employee. In this regard, Grabara (2013) pointed out that the management of good

compensation will affect the performance of employees. In support of this (Nadarajah et al., 2012) also stated that management and employee always views both financial and the nonfinancial rewards as motivator of performance improvement. Moreover, Shahzad et al. (2008) supported that good compensation scheme that comprises both financial and non financial rewards motivate employees to work harder and show high competencies towards achieving their organizational objectives. Besides, Empirical studies on the relationship between compensation and employee performance revealed that compensation positively relates with employee performance (Baloch et al., 2010; Marwat et al., 2006; Shahzad et al., 2008). Based on these arguments it can be indicated that the provision of compensation can affect employee performance.

In Ethiopian context, empirical studies on the relationship between compensation and employee performance on private banks and CBE revealed that compensation positively and significantly related with employee performance (Wubalem, 2020; Zehara, 2021). Therefore, based on the above scenario and similar to job rotation practices the CBE has been implemented compensation as one of the basic HRM practices to uplift the performance of the employees, this study has tried to examine the extent of the link between compensation and employee performance in all public and private CBs in Gurage Zone branches.

2.1.9.3. The Relationship between Reward and Employee Performance

Prior studies revealed the existence of a significant and positive relationship between reward and employee performance (Shin-Rong & Chin-Wei, 2012). For instance, Mayson and Barret (2006) found that a firm's ability to attract, motivate and retain employees by offering competitive salaries and appropriate rewards is linked to firm performance and growth. Many researches proved a positive relationship between reward and employee performance. Performance-based reward is the dominant human Resource practice that firms use to evaluate and reward employees' efforts (Collins & Clark, 2003). Evidently, performance-based reward has a more positive effect upon employee and organizational performance. Firms that are rapid-growth oriented provided their employees financial incentives and stock options as part of their reward packages.

On the other hand, employees who are effective and efficient are likely to be limited if they are not motivated to perform. Mendonca (2002) said that reward and compensation system that is based on the expectancy theory, which suggests that employees are more likely to be motivated to perform when they perceive there is a strong link between their performance and the reward they receive. Guest (2002) in his opinion reward is one of the keys that motivate employees to perform as expected. The reward can be in the form of cash, recognition and praise or a combination of both.

In Ethiopian context, many researches proved a positive and significant relationship between reward and employee performance in case of CBE. For instance, Habtamu (2021) conducted on the CBE South Addis Ababa District has shown that reward management practices have significant positive relationship with employee performance. However, Zehara (2021) on Wegagen bank in Addis Ababa branches found out significant relationship between reward and employee's performance. Therefore, based on the above scenario, this study will try to examine the extent of the link between reward and employee performance in all public and private CBs in Gurage Zone branches.

2.1.9.4. The Relationship between Training and Employee Performance

Training is the continuous and the systematic development among all levels of employees, knowledge, skills and attitudes which contribute to their welfare and their organizations (Hemanalini, 2013). Training allows employees to initiates the development of new skills and behaviors coupled with the motivation to apply those skills and behaviors in their task and contextual activities at work (Sels, 2002; Way, 2002). It is also believed that to achieve the organizational goals employee performance is important that depends on a variety of factors but training receives high importance as it improves the skills, capabilities, confidence and competencies (Naveed, et al., 2014).

Prior researches have demonstrated the influence of training on employee performance (Jagero, Komba, & Mlingi, 2012; Nadarasa, 2013; Tabiu & Nura, 2013). Empirical studies also have shown that training had a significant positive relationship with employee performance (Amin et al., 2013; Khan & Jabbar, 2013; Sultana et al., 2012). In addition,

Dysvik and Kuvaas (2008) established that training opportunities is positively significant with both task performance and contextual performance in Norwegian service organizations.

In Ethiopian context, many studies have been conducted and shown the existence of significant effect of training on the performance of employees in the CBE. For instance, Gebreab and Ansebo (2021) in case of Wolaita District found out that a proper training content, training delivery approach, training evaluation, management subordinate relationship, attitude towards the importance of training and work experience significantly affected employees' job performance. Tsigereda (2020) on the CBE Head Quarter found out those training components: training need assessment, training plan, training implementation and training type have significant relationship and effect on the performance of employees. However, Tsedal (2018) in North Addis Ababa District found out bank training practice not based on proper training need assessment and employees' involvement was low. With regard to employees' performance, the employees' performance was good even if trainings were not prepared based on training need assessment.

Therefore, based on the above viewpoints, in this study as stated in the CBE HR policy (2021) attempt was made to examine the extent of the link between training and its implementation with employee performance in all public and private CBs in Gurage Zone branches.

2.1.9.5. The Relationship between Communication and Employee Performance

Communication as HRM practice refers to the process of exchanging information in organization from one person (employee) to another, via understandable signals or symbols (Leković & Berber, 2014). Good communication practice (both upward and downward) increases employee confidence level and trust leading to more positive performance. Gray and Laidlaw (2002) pointed out that effective communication practice led to more positive work consequences in organization. In this regard, Asamu (2014) established positive relationship between effective communication and employee performance in Nigeria. In line with this finding, Chen, Silverthorne and Hung (2006) also revealed good communication can led to higher levels of employees' performance among accounting professional in America and Taiwan.

In Ethiopian context, unlike the above HRM practices, few studies were conducted on the relationship between communication and employee performance in case of banking sector. For instance, Yitagesu (2019) on the CBE in North Addis Ababa District found out that weak positive relationship between communication and employee engagement. Despite the scarcity of prior empirical studies, based on the above viewpoints and as stated in the CBE HRM policy (2021) attempt was made to examine the extent of the link between communication and employee performance in all public and private CBs in Gurage Zone branches.

2.1.9.6. The Relationship between Motivation and Employee Performance

Prior studies revealed the existence of a significant and positive relationship between motivation and employee performance. For instance, Akinsola et al.(2023) found out motivational strategies such as salary satisfaction, working environment, bonus and fringe benefit & training and development except job security significantly influence employee performance; herein training and development has the greatest effect on employee performance. Another study by Aja et al.(2022) revealed that intrinsic and extrinsic motivation positively correlate with employees' job performance. The result also show that there is no significant difference between intrinsic and extrinsic motivation as they correlate with employees' work performance thus settling the controversies surrounding the supremacy of either intrinsic or extrinsic motivation as panacea for enhancing staff job performance.

In Ethiopian context, Daniel (2016) found out the CBE Ambo branches used both monetary as well as non-monetary types of employee motivation schemes. Cash rewards, increment of salary within stipulated period of time and provision of loan for house construction or purchase were monetary motivation schemes provided to employee. Non-monetary mechanisms are like flexible scheduling, knowledge development schemes through short and long term training and education, promotion, appreciation for the best work performance and others. Furthermore, holding other confiding factors motivation has a positive effect in boosting the productivity of employees.

2.1.10. HRM practices and Motivation

Among HRM practices, various performance appraisal techniques have been utilized to enhance employees' motivation. Studies revealed that the impact of performance appraisal is significant on employees' motivation in the commercial banking sector. Nawaz et al.(2022) found out that performance appraisal attribute, compensation, has significant association with and impact on employees' motivation among employees of commercial banking sector in Pakistan. Another study done by Ibn Ali et al.(2022) conducted on influencing factors of bank employees' motivation and its impact on employees' performance and the finding their study showed that employee empowerment, job security, emotional intelligence, attractive compensation package, and training and development have a positive and significant impact on creating motivation among the employees, which creates better performance in work. Based on their findings, they concluded that the organization should provide another attractive motivational factor and change HR policies and procedures to create employee motivation. Megira (2017) also revealed a significant positive association between performance appraisal and employees' motivation by taking commercial bank of Ethiopia employees into consideration. Moreover, there was a direct effect of appraisal system on employees' motivation and performance reviews significantly boost workers' motivation.

On the other hand, prior studies, for instance, Zamanan et al.(2020) indicated that employee behaviors are formed through HRM practices and they affected the performance of organizations. Therefore, organizations should follow HRM strategies to enhance employee motivations and productivity (Faisal et al., 2015). In this regard, motivation has a key role in employee's performance, and organization performance (Zameer et al., 2014). It is thus crucial for the firm bring about employee motivation through HRM tools (Sunday et al., 2018).

2.1.11. The Mediation Role of Motivation on HRM Practices and Employee Performance

The HRM role in banks is to develop the skills of workforce, raise employees' attitude, and motivate the personnel. According to Ong and Koh (2018), HR managers are more likely to prioritize employee skills and direct them for the right job. Employees would be able to build

new abilities and behaviors by learning appropriate practices. Thus, theories propose that HRM practices enhance employee competence and motivation using special ways related to their managerial style (Hee et al., 2022). In this regard, prior studies assessed the mediating role of employee motivation on the relationship between Human Resource Management (HRM) practices and job performance. For instance, Ali and Abas (2022) on UAE banking sector revealed that employee motivation partially mediates the effect of HRM practices towards job performance of the staff in these banks. On the other hand, Tarid Dar et al.(2014) on Islamic Banks operating in Pakistan shown employee motivation have strong positive association with perceived performance. Furthermore, the results of hierarchical regression analysis supported that post-selection HRM practices have positive impact on perceived organizational performance and employee motivation acts as mediator in the relationship between post-selection HRM practices and perceived organizational performance. However, Gyamfi (2015) on Ghana banks revealed the overall effect of employee motivation on employee performance at the bank was not significant at 95% confidence level.

Besides, identification of major factors motivating employees in the workplace is a must for an organization, in particular in banking sector, to acknowledge and understand them in order to influence behavior among employees towards high performance with the help of suitable strategies (Ghaith et al., 2018; De Plessis et al., 2015). HRM practices positively affect perceived organizational performance, and in this relationship, motivation is assumed to have a mediating effect. According to Faisal et al. (2015), motivation enhances HRM practices (financial incentives), which in turn, affects productivity and performance in a positive direction. Also, work motivation mediates the relationship between career development and performance (Sapta & Sudja, 2018). Furthermore, HRM practices have a significant effect on employee performance but via mediating effect of work motivation (Abd Halim et al., 2018).

In Ethiopian context, Mesfin (2013) on Abyssinia bank shown that there was motivational practice related to performance in Bank of Abyssinia but it was not standardized and formal. However, motivation has strong relation with employee performance in BOA. Therefore, based on the above scenario and to consolidate the link between HRM practices stated in the above sub – topic with the performance of employees, the researcher made attempt to examine such links by considering motivation as a mediator variable between the stated

HRM practices and employee performance in all public and private CBs in Gurage Zone branches.

2.2. Empirical Studies Review

There are plentiful researches conducted on the relationship between HRM practices and Employee performance, between HRM practices and motivation of employees and between motivation and employee performance in private as well as public sectors. However, in this study some of the foreign and local empirical studies on banking sector are reviewed.

2.2.1. HRM practices and Employee Performance

Zehara (2021) examined the effect of compensation and reward on the performance of employees in Wegagen Bank, Addis Ababa city branches. The findings of the study indicated there was significant relationship between compensation and reward, and employee's performance. The finding further showed that employees were not happy and motivated by the compensation and reward system of the bank. Many were not satisfied with their salary compared to their contribution and they also don't have a positive attitude towards the company's benefit packages. It also showed that the reward system was not competitive with other banks, not well communicated and it cannot differentiate between high and low performers. As the result the performance of the employees were affected by the compensation and reward system of the bank.

Gebreab and Ansebo (2021) also carried out their study to assess the effect of training dimensions and to identify other factors affecting employees' job performance in CBE Wolaita Sodo district. Data were analyzed using descriptive and inferential statistics where logistic regression analysis was used to establish the associations of the study variables. The study finding unraveled that a proper training content, training delivery approach, training evaluation, management subordinate relationship, attitude towards the importance of training and work experience significantly affected employees' job performance.

Another study by Habtamu (2021) also conducted to determine the relationship between reward and employee performance in the CBE South Addis Ababa District. Quantitative research method through explanatory design, correlation and regression analysis was used.

The finding of the study revealed that reward management practices have significant positive relationship with employee performance. The study recommended for the organization to implement a total reward approach instead of exercising one. In addition to this it's also advisable for the organization to focus more on the benefit packages.

On the other hand, Wubalem (2020) examined the impact of compensation package on individual performance in case of CBE Jimma district. Both qualitative and quantitative approaches were designed to investigate the problem under the study. Stratified simple random sampling technique was used and data were collected mainly from primary source through questionnaire. The findings revealed that salary, overtime, bonus and health care/insurance had a positive and significant impact on individual performance.

Tsigereda (2020) conceded out to examine the effect of training practice on employee performance with specific objectives to examine the effect of training need assessment, training planning, training implementation and training type on employee performance. Both descriptive and explanatory research design was employed. The findings indicated that there was a significant relation between training practice components and employee performance, and also the regression analysis results showed that all components have a significant effect on employee performance. The explanatory variables explained the dependent variables accounted for 61.9% with estimated standard deviation of 31.7%.

Shehansi et al.(2019) conducted their study to identify the relationship and the impact of job rotation practices on employees' job performance of banking employees with reference to the domestic license commercial banks and it was conducted as comparative study between private and public banks, Colombo district. Results of the analysis indicated that, for both bank job rotation practices significantly and positively associate with employees' job performance. Multiple regression analysis discovered that cross functional job rotation was the most significant factor of employees' job performance among both bank.

Abebe (2019) also aimed at to examine the determinant factors affecting employees' job performance at CBE Addis Ababa city branches. This study was conducted through descriptive design by employing mixed research approach. The analysis result showed that employees' job performance and the overall bank's achievement was deterred by factors

related to employees' skill, commitment and ability, performance management system, training, working environment and motivational practices of the bank. On the other hand, the training practice of the bank was good though it needs some improvements particularly in training place, time, need assessment and evaluation. With regard to working environment related factors, the result showed that as there were abundant office facilities and resources, inflexible working hours and unsafe working environment. Furthermore, the analysis result showed that employees' intention towards the banks motivation and benefit package was weak with an overall average mean value of 1.75.

Tsedal (2018) assessed on training practice and employee performance in CBE North Addis Ababa District. The study employed descriptive design in which data from employees and management were collected using questionnaires and interviews. The finding revealed that bank training practice not based on proper training need assessment and employees' involvement was low. With regard to employees performance the employees' performance was good even if trainings were not prepared based on training need assessment. The researcher realized that the weakness of the bank needs need assessment and employee involvement on training practice.

2.2.2. HRM practices and Motivation

Tufail et al.(2022) carried out their study on nexus of performance appraisal attributes: fairness, appreciation and promotion and compensation and employees' motivation in the case of CBs in Pakistan. Consequently, the study aimed to explore the impact of performance appraisal on employees' motivation in the commercial banking sector of southern region of KP, Pakistan. Questionnaire was used as data collection instrument. Results revealed a significant positive association of performance appraisal with employees' motivation in the present study context. Moreover, fairness, appreciation and promotion and compensation have significant impact on employees' motivation among employees.

Funnisia, Elisabeth and Chyntia (2018) analyzed and measured the direct influence of HRMPs: compensation, job satisfaction and motivation on the performance of bank employees in Merauke City. The design of this study was explanatory or causal research that connected HRMPs: compensation, job satisfaction and motivation to performance. Data were

analyzed using a quantitative approach through path analysis to answer research problems and test hypotheses. The results showed that first; the practice of HRM and compensation had a positive and significant direct effect on employee job satisfaction. Both HRM and compensation management practices have a positive and significant direct effect on employee motivation. The three practices of HRM and compensation directly and positively influence the performance of bank employees in Merauke City.

2.2.3. Motivation and Employee Performance

A study by Kumari et al.(2021) used the principles of reinforcement theory of motivation and self determination theory and investigated how motivation and rewards impact on job performance of employees. Motivation and rewards were examined from intrinsic and extrinsic perspectives, while job performance was measured from the task and contextual performance aspects. The mediating effect of job satisfaction has also been investigated between motivation, rewards, and job performance. The results indicated that reward and motivation affect employee job performance positively significantly. However, the dimensional analysis indicated an insignificant impact of intrinsic and extrinsic motivation on contextual performance. Besides, the findings substantiate that the relationship between rewards, motivation, and employees' job performance depends on job satisfaction. The researchers provided valuable insights to senior management of manufacturing and services firms on how they can enhance their employees' job satisfaction and performance by following different motivational and reward approaches in different size firms.

Moreover, Noel and Doris (2019) conducted their study to determine the effect of motivation factors on employee performance in commercial banks in Kenya. The findings indicated that there was strong positive correlation between resource allocation, employee recognitions and employee performance. Moreover, resource allocation and employees recognition had a significant effect on employee performance, where resource allocation was more influential variable than employee recognitions on employees' performance. The study recommended that the management of commercial banks in Kenya should provide the necessary resources and equip employee with working tool to assure performance. The study further recommended for staff recognition and promotions as very essential to employees performance.

Daniel (2016) assessed the impact of employee motivation on productivity in commercial bank of Ethiopia in Ambo. A qualitative research method was employed. The result of the study revealed that the bank used both monetary as well as non-monetary types of employee motivation schemes. Cash rewards, increment of salary within stipulated period of time and provision of loan for house construction or purchase are monetary motivation schemes provided to employee. Non-monetary mechanisms were like flexible scheduling, knowledge development schemes through short and long term training and education, promotion, appreciation for the best work performance and others. Furthermore, holding other confiding factors motivation has a positive effect in boosting the productivity. Though the bank used monetary and non-monetary strategies to provoke the employees to kick it forward it was not up to expected and advised to do more for a better effect.

2.3. Conceptual Framework of the Study

Prior studies have shown the link between HRM practices and employees' performance in public as well as private organizations, in particular in bank sector. For instance, Rezaeizadeh (2015) indicated that job rotation have a significant impact on employees' job performance of Central Bank of the Islamic Republic of Iran. Another study by Khan et al.(2014) and Hosseiniet al.(2015) found significant positive relationship between job rotation and performance of bank employees in Pakistan. They supported that adoption of effective job rotation practice in organization brings high employee performance and commitment.

Besides, several studies have showed significant and positive relationship between compensation and job performance and documented that performance - based incentive plans result in performance improvements. For instance, Bajor and Baltes (2003) had shown the existence of an effective and strategic relationship between compensation and job performance. Empirical study by Baloch et al.(2010) has shown a positive association between the perception of employee on compensation practices and their performance in organization; In addition, the study by Nadarasa (2013) also found a positive relationship between perceived compensation practice and employee performance.

In respect of reward, study by Habtamu (2021) on CBE indicated that reward management practices have significant positive relationship with employee performance. Another study by

Zehara (2021) in case of Wegagen Bank also showed the significant relationship between reward and employee's performance.

Regards to training, prior researches have demonstrated the influence of training on employee performance (Jagero, Komba, & Mlingi, 2012; Nadarasa, 2013; Tabiu & Nura, 2013; Tiwari, 2011). Empirical studies have shown that training had a significant positive relation with employee performance (Amin et al., 2013; Khan & Jabbar, 2013; Sultana et al., 2012). In addition, the study conducted by Dysvik and Kuvaas (2008), established that training opportunities had positive and significant relation with both task performance and contextual performance in Norwegian service organizations.

On the other hand, Alzu'bi et al.(2021) proposed and recommended that future studies better to examine the proposed framework: the relationship between human resource management practices and organizational performance by mediating role of work motivation by using advanced statistical methods in order to examine the previous hypotheses and provide the results to help decision-makers in organizations, as well as examine that other HRM practices such as employee empowerment, teamwork, employment security, information sharing, and job description, and their impact on work motivation and organizational performance.

Based on the above view points, theoretical and empirical literature review, the framework of the study is developed. As shown in Figure 1, it presents the relevant schematic diagram. HRM practices: Job rotation; compensation; reward; training and development; and communication are labeled as the independent variables; employees' performance is labeled as the dependent variable; and employee motivation as a mediating variable.

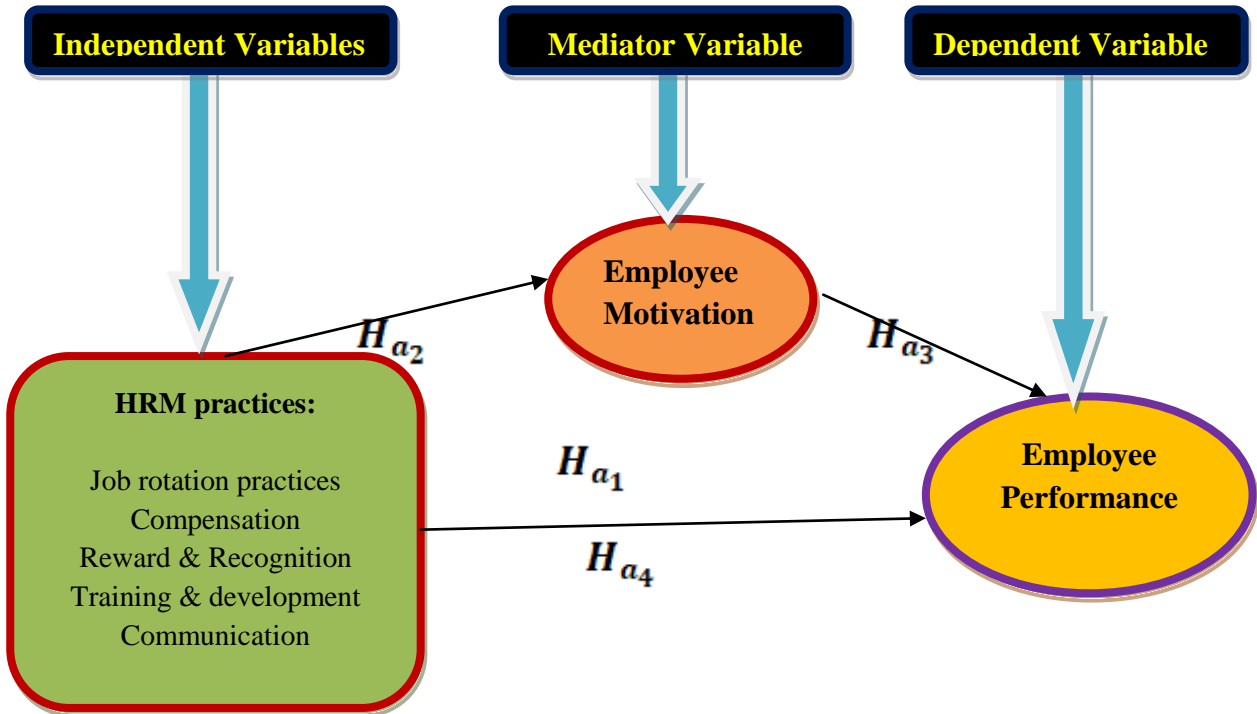


Figure 1: Conceptual Framework of the Study

Source: Developed by the researcher based on theoretical and empirical literatures

CHAPTER THREE

MATERIALS AND METHODS

3.1. Research Design

Research design, is all about how the research is designed, whether the research is explanatory, exploratory or descriptive. The study employed descriptive and explanatory research design, because descriptive research design is used to collect numerical data from large population. In addition to this by using descriptive research method it is easy to use various forms of data as well as incorporating human experience which enabled the researcher to look the study in so many various aspects and can provide bigger overview about the subject matter(Cohen, Anion & Morrison, 2005). Moreover, descriptive research design enables to find out the what, where and how of a phenomenon and also it is believed that this design helps to find or gather relevant data in detail and to make detailed analysis (Creswell, 2012). Furthermore, Creswell (2006) stated that descriptive research gives a better and deeper understanding of a phenomenon, which helps as a fact-finding method with adequate and accurate interpretation of the findings.

On the other hand, as the title of the research, “to examine the effect relationship between HRM practices and employees’ performance with the mediation effect of employee motivation in public and private CBs in Gurage Zone branches”, invites explanatory research design. Because it enabled the study to clearly investigate the characteristics and nature of the study undertaken and the effect relationship of explanatory and dependent variables of the study. It is used when one seeks to relate two or more variables to see if they related each other and since one of the key characteristics of explanatory research design is associations between scores: direction and strength (Creswell, 2012). Moreover, correlation is a very important tool in social science research and its techniques almost inevitable especially in quantitative studies. Once descriptive research has helped to identify the important variables, explanatory research can then be used to examine the relations among those important variables. For example, researchers may be interested in determining which variables are most highly related to a particular outcome (Maiwada & Lawrence, 2015).

Therefore, from the above point of view, the researcher attempted to examine the link between HRM practices and employee performance in the government and private CBs the case of Gurage Zone branches employing descriptive and explanatory research design.

3.2. Research Approach

This study employed quantitative approach to answer the research questions. That was based on the assumption that quantitative method was sufficient to address the research problem. Moreover, in quantitative research that involves large samples planned questionnaire can be numerically and statistically analyzed (Areeba et al., 2016). On the other hand, quantitative research enabled the researcher to collect objective and numerical data to apply statistical methods which are useful to establish relationships of the variables used in the study.

3.3. Target Population

In this study, the target population was 1004 clerical employees currently working in two government and nineteen private CBs in Gurage Zone.

3.4. Sampling Techniques and Sample Size Determination

3.4.1. Sampling Techniques

In this study, purposive, proportionate stratified; and cluster sampling techniques were employed. In Gurage Zone, there are sixteen woredas and seven administrative towns. Therefore, purposive sampling technique was used to select six administrative towns and three woredas, namely, Wolkite, Butajira, Emdibir, Agena, Gunchire, Arekit; Abeshge, Hawariat, and Kokir Gedebano Gutazer. The researcher used this to manage the data properly and efficiently.

The second sampling technique was proportionate stratified sampling. This was done in order to set the number of participants from the selected administrative towns and woredas for government CB branches and also for private CBs Wolkite and Butajira branches using proportional allocation rule. In this method first the target population was separated into mutually exclusive homogeneous segments – strata, and then a simple random sampling

technique was used to select participant from each segment – stratum. The samples selected from the various strata were combined into a single sample. The basis for stratification was that the types of the banks and their branches. Accordingly, each bank was treated as one strata and proportionate stratified sampling technique was used to draw sample from each. In proportionate stratified sampling, the size of the sample drawn from each bank was proportional to the relative size of that bank in the target population.

The third sampling technique was cluster sampling. This technique was implemented to select participants from private CBs from the selected four administrative towns: Agena, Gunchire, Arekit and Emdibir and one woreda, Abeshge accordingly.

3.4.2. Sample Size Determination

Sample size of the participants from the Gurage Zone public and private CBs was determined using a simplified formula for proportion (Ajay & Micah, 2014). This formula was used to calculate the sample size from the target population and sample sizes for each stratum proportional allocation rule was employed for better precision.

The formula: $n = \frac{N}{1 + N(e)^2}$, Where n is the sample size, N is the population size (Total number of clerical employees in Gurage Zone CBs), e is the level of precision (5%), (Yamane, 1967).

Therefore, the sample size of the participants was:

$n = \frac{1004}{1 + 1004(0.05)^2} = \frac{1004}{3.51} = 286.0398861 \cong 286$, where $N = 1004$, was the total number of clerical employees in the zone.

Sample determination from each administrative town's and woreda's was obtained using proportional allocation rule as:

For instance: from Wolkite town public bank: $\frac{n_{WPB}}{N_{WPB}} = \frac{n}{N}$, where n_{WPB} = sample size from Wolkite town public bank branches, N_{WPB} = Total number of clerical employees in Wolkite town public bank branches, n = the sample size for the study, N = total number of clerical employees in Gurage Zone CB branches.

Thus, $\frac{n_{WPB}}{95} = \frac{315}{1004} \Rightarrow n_{WPB} = 95 \times \frac{315}{1004} = \frac{29,925}{1004} = 29.80577689 \cong 30$

From Wolkite town private banks: $\frac{n_{WPrB}}{N_{WPrB}} = \frac{n}{N}$, where n_{WPrB} = sample size from Wolkite town private bank branches, N_{WPrB} = Total number of clerical employees in Wolkite town private banks' branches, n = the sample size for the study, N = total number of clerical employees in Gurage Zone CB branches.

$$\text{Thus, } \frac{n_{WPrB}}{220} = \frac{315}{1004} \Rightarrow n_{WPrB} = 220 \times \frac{315}{1004} = \frac{69,300}{1004} = 69.02390438 \cong 69$$

Regarding to the other samples from all the remaining administrative towns and woredas public and private CBs, it was obtained applying proportional allocation rule accordingly and summarized in Table 1 and Table 2 respectively given below.

Table 1: Clerical Employees and their Samples from Public CBs from the selected towns and woredas

No	Town/Woreda	Branch	No of employees	Sample size
1.	Wolkite	Main	26	8
		Interest free bank	11	3
		Bekur	18	6
		Yejoka	18	6
		Gubrie	22	7
2.	Butajira	Main	28	9
		Eresa	29	9
		Enseno	18	6
		Erinzaf	19	6
		Kose	10	3
3.	Agena	Agena	16	14
4.	Gunchire	Gunchire	13	12
5.	Arekit	Arekit	13	12
6.	Emdibir	Emdibir	14	13
7.	KokirGedebano	Kokir	15	13
8.	Hawariat	Hawariat	10	9
9.	Abeshge	Abeshge	11	9
Total		17 branches	291	145

Source: Own Survey data, 2024

Table 2: Clerical Employees and their Samples from Private CBs from the selected towns and woredas

No	Town/Woreda private banks	No of employees	Sample size
1.	Wolkite	220	69
2.	Butajira	249	78
3.	Agena	14	14
4.	Gunchire	15	15
5.	Arekit	14	14
6.	Emdibir	16	16
9.	Abeshge	13	13
Total		541	170

Source: Own Survey data, 2024

3.5. Methods of Data Collection and Instruments

3.5.1. Sources of Data

For the realization of this study, the researcher used primary source of data which were collected through questionnaire from the clerical employees in each of the selected branches found in Gurage Zone.

On the other hand, secondary source of data through document review method of data collection was adopted to gather relevant information from documents held in the selected branches in relation to the topic under consideration. In addition, annual reports, manuals, journals, etc. were reviewed.

3.5.2. Data Collection Instruments

The tools of data collection depend on the nature, the objective, and the method of data analysis and the scope of the study. The availability of data, time, personal and other facility also influence the selection of tools used for the study. In order to get valid data regarding the effect relationship between HRM and employee performance, where employee motivation served as mediator variable between the two, in the selected CBs branches in the Gurage Zone, questionnaire and document review were data collection instruments.

3.5.2.1 Questionnaire

In this study, questionnaire was developed and conducted on the selected 315 clerical employees. The researcher used questionnaire as the main data gathering tools because questionnaire is believed to be better to get large amount of data from respondents relatively in short period of time with least expenditure (Kothari, 2004; Leary, 2004). On the other hand, the choice of using questionnaire as method of data collection has considered the fact that a bank is a very busy working place and employees have a limited time. So, this method was chosen in order to avoid interference of employees' working hours.

The questionnaire was structured and self-administered for efficient use of time and finance for large and dispersed branches. In the questionnaire, structured and closed – ended questions were included. The survey instrument contains three sections. The first Section included different personal and demographic variables. The second section was about the independent variables, mediator variable and the third for the dependent variable. The items were prepared in the form of affirmative statements, related to the objectives of the study and to identify their intention on the link between HRM practices – the independent variables and employee performance, in such a way to enable measurement of the respondent's opinions. All items were adapted from the review literature. The items in the questionnaire in the close-ended type, responses are measured by a 1 – 5 point Likert scale: 1 for strongly disagree, 2 for disagree, 3 for undecided, 4 for agree, and 5 for strongly agree. The questionnaire was prepared in English language, but in order to make smooth communication and to facilitate data collection, the questionnaire was translated into Amharic language. Finally, before distributing the questionnaire for the selected clerical employees, pilot test was carried out by selecting 32(10% of the sample) employees randomly from different branches out of the Wolkite town branches.

3.5.2.2 Document Review

In this research documents which were related to HRM practices and employee performance will be reviewed. Because, document review provide numerous types of data needed in a research to elicit preliminary information about the subject being investigated. Moreover, it is relevant to enhance the quality of findings through mixed methods. Therefore, relevant

document related to demographic characteristics, job rotation practices, compensation, reward and recognition, training and development, motivation and employee performance were reviewed.

3.6. Variables and their Measurements

Measurements refer to the formulae or scales to be used in the study. This was done in order to set ways of how each of the variables identified in the study was measured and carried out, because it is one strategy of increasing validity and reliability (Utamu, 2014).

3.6.1. Dependent Variable

Measurement of employee performance is an activity that is very important because it can be used as a measure of success in supporting the success of the organization's employees (Said, 2008). Nevertheless, several organizations only focus on satisfying the customers and tend to neglect the attention in satisfying their employees. In reality, customer's satisfaction can be attained if the employees are satisfied. According to Ahmad (2011), a satisfied employee will always do more work and therefore, makes it easy to satisfy the customer. Besides, motivation can also influence an employee's performance. For instance, if employees are motivated and satisfied with the salary offered, they will perform with full commitment and as a result, the performance level will significantly improve (Shahzadi et al., 2014).

Therefore, based on the above views, for the purpose of this study, employee performance – the dependent variable, in the organization was measured by using commonly used PMS (performance management system) in both government and private CBs. Moreover, the items of the variable were operationalized by previously validated five point Likert scales, where 1 = strongly disagree, 2 = disagree, 3 = undecided, 4 = agree, and 5 = strongly agree based on (Abebe, 2019; Gebreab & Ansebo, 2021; Zehara, 2021).

3.6.2. Independent Variables

In this study, based on the reviewed literature and empirical studies, five HRM practices such as job rotation practices, compensation, reward; training and development; and communication were taken as the independent variables and their respective items were measured using five point Likert scales, where 1 = strongly disagree, 2 = disagree, 3 =

undecided, 4 = agree, and 5 = strongly agree based on (Shehansi et al., 2019; Tsedal, 2018; Tsigereda, 2020; Wubalem, 2020; Yitagesu, 2019). Furthermore, demographic characteristics such as sex, age, academic qualification, and work experience also taken as independent variables and were measured nominally and ordinally.

3.6.3. Mediator Variable

As it has been mentioned in the earlier chapter, the objective of this study was to examine the link between HRM practices and employees' performance with the mediation effect of employee motivation in public and private CBs in Gurage Zone branches, employee motivation was taken as mediator variable and its items were measured by using a 1 – 5 point Likert scale similar to the above variables.

3.7. Validity and Reliability of the Instruments

3.7.1. Validity

A test of an instrument is said to be valid if it measures the construct that it is supposed to measure (Creswell, 2009). It can be measured as content and face validity. Content validity is obtained when the instrument matches with contents that would be focused. In line with this, the questionnaire items were based on what different scholars in the field stated in the literature and attempts was made to ensure that they are representative of what the employees and staffs know about HRM practices indicators. The other element, face validity, is concerned with having a good appearance and attractiveness of the instrument (Creswell, 2003). Based on the definition and different perspectives of validity, the items in the questionnaire were reviewed by the advisor. Finally, before the collection of the actual data, pilot study was conducted for the questionnaire and the instrument was obtained by having the instrument judged, evaluated, commented and edited by the researcher's advisors.

3.7.2. Reliability

Reliability is the degree to which the measure of a construct is consistent or dependable. Accordingly, a use of a scale to measure the same construct multiple times ends up in pretty much the same result every time, assuming the underlying phenomenon is not changing (Bhattacharjee, 2012). To check the reliability of the instruments Cronbach alpha reliability

coefficient was applied. Cronbach alpha coefficients of all the items were examined to determine the reliability. Usually, an item with Cronbach alpha value, greater than 0.7, is considered reliable, even greater than 0.6 is also considered acceptable (Sekaran, 2008 as in Raiz, 2013). Therefore, the result of a research is considered reliable if consistent results have been obtained in identical situations but different circumstances. Hence, the researcher used this test to ensure the internal consistency of the items in the questionnaire. The test was carried out by selecting 32 employees from three branches of government banks and three private banks outside Wolkite town and the result of the reliability test results is described below in Table 2.

Table 3: The Reliability Test Results of the Study Variables

Variables	Descriptions	Cronbach's Alpha	Number of items
Independent	Job rotation practices	.841	8
	Compensation	.767	9
	Reward and Recognition	.771	6
	Training and development	.776	9
	Communication	.774	7
Mediator Variable	Motivation	.744	9
Dependent	Employee Performance	.754	8
The overall items reliability		.820	56

Source: SPSS output, 2024

As it can be noticed in Table 2 above, the minimum Cronbach Alpha value is .744 indicated that reliability criteria is deserved by the variables of the study. Therefore, the actual study was conducted using the stated items in the variables accordingly.

3.8. Methods of Data Analysis

After the collection of the data, necessary arrangements were made and organized according to their characteristics. The data analyses involved the analysis of information gathered through questionnaire. It was analyzed on the basis of the research questions (hypotheses). Accordingly, quantitative data analysis such as descriptive statistics analysis, correlation coefficient, multiple linear regression analysis, and intermediate variable effect analysis were

utilized. All the collected data were analyzed using Statistical Packages for Social Science (SPSS) version 26 and process macro extension in SPSS.

3.8.1. Descriptive Statistics Analysis

In this section the data collected through questionnaire, on HRM practices, motivation and employee performance, were analyzed by using descriptive statistics such as frequency count, percentage, mean, and standard deviation to determine the extent of HRM practices implemented and employees' performance on their job in the CBs in Wolkite town branches using a 1 – 5 point Likert scales. Moreover, demographic characteristics of the respondents in terms of sex, age, and educational background, work experience, were analyzed using frequency counts and percentage.

3.8.2. Correlation Analysis

Since the study approach was quantitative and aimed at to investigate the effect relationship between HRM practices and employee performance with motivation as a mediator variable, Pearson correlation coefficient analysis was employed. Therefore, to ascertain whether statistically significant relationship existed between each of the five HRM practices job rotation practices, compensation, reward and recognition, training and development and communication employee performance or not, Pearson Product Moment Correlation Coefficient was used.

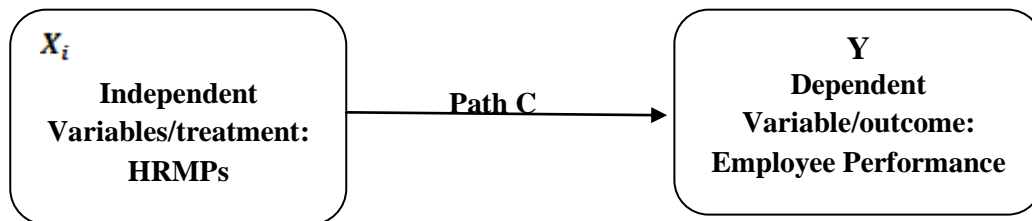
3.8.3. Mediator Variable Effect Analysis with Process Macro

Since the main purpose of mediator variable analysis is to determine whether the effect of the mediating variable is stronger than the direct effect of the independent variable on the dependent variable or not (Sürücü et al., 2023), mediator variable effect analysis was used. Moreover, in mediator variable effect analysis, rather than a direct casual relationship between the independent variable and the dependent variable, a mediation model proposes that the independent variable influences the mediator variable, which in turn influences the dependent variable. Thus, the mediator variable serves to clarify the nature of the relationship between the independent and dependent variables.

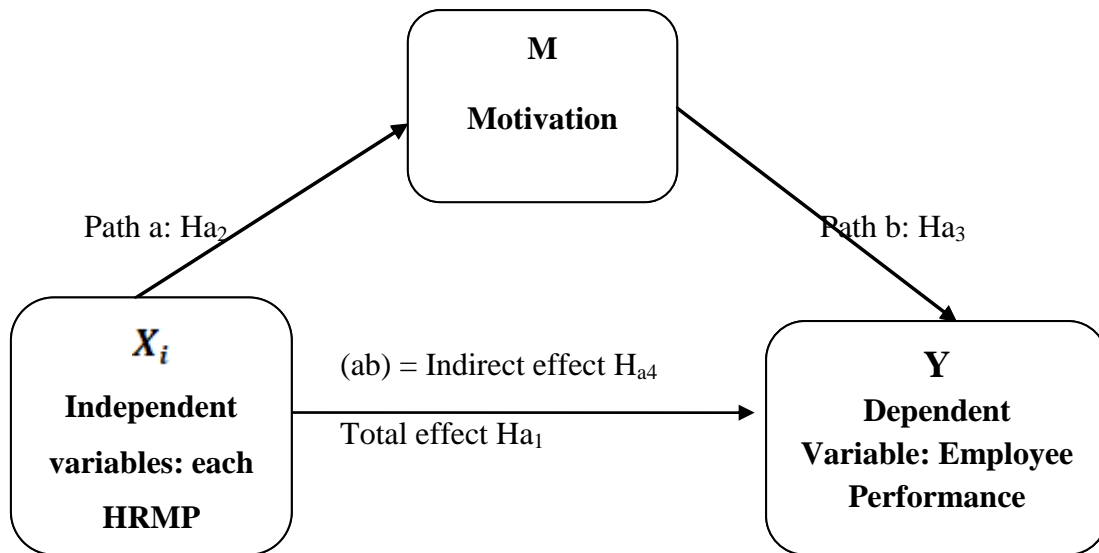
To carry out this, a path model was explored with a particular emphasis on mediation effects. As outlined by Hair, Black, Babin, and Anderson (2019, p.610), the researcher utilized path diagrams as the primary tool for visual representation, focusing on elucidating the mediation pathways within the model. These diagrams, employing specific conventions, facilitate a clear understanding of how variables mediate the relationships between constructs. While mathematical presentations of the model are available, the emphasis lies on the graphical representations, aligning with the principles of effective communication in scientific research. By spotlighting mediation effects within the path model, the researcher aimed at to deepen insights into the mechanisms underlying the observed relationships for fostering advancements in our understanding of the phenomenon under investigation. Based on this theoretical background, mediator variable effect analysis was utilized. The overall model specifications are described in Figure 2 below.

Figure 2: Mediation of the Main Effect (Effect of HRMPs on Employee Performance)

Part A: No Mediation Effect (No mediation effect of motivation on the effect relationship between HRMPs and EMPER).



Part B: Mediation Effect (Mediation effect (direct effect) of motivation on the effect relationship between HRMPs and EMPER)



Model Specifications:

As Hair et al.(2019) noted, mediation involves three bivariate relationships depicted in Figure 2. The unmediated or original main effect (or total effect) is C as shown in Part A. When we add the mediation effect, two additional relationships are added (Part A and Part B): Part A estimate the relationship between each of the five independent variables (HRMPs) and employee performance and Path B is the relationship between the mediator and the outcome. When these two relationships are added, then it is termed as the mediated main effect C' to distinguish it from the unmediated relationship. The overall steps are described below.

Estimating the Mediation Model: Baron and Kenny (1986) proposed steps which requires each of the first three steps to be statistically significant and then estimating the mediating effect in step 4:

Step 1: Estimate path C: ensure that a significant relationship exists between each of the five independent variables and outcome variable. That is regress employee performance on each of the five HRMPs to confirm that each HRMP is a significant predictor of employee performance in public and private CBs in Gurage Zone branches.

Model – 1: Path c [Total Effect]

$$Y = \beta_{01i} + \beta_{c1i}x_{1i} + \varepsilon_{1i}$$

Where the parameters β_{c1i} , $i = 1, 2, 3, 4, 5$ are called the regression coefficients and represents the expected change in the dependent variable Y (Employee performance) per unit change in x_{1i} . Where, x_{1i} , $i = 1, 2, 3, 4, 5$ are the independent variables (HRM practices): x_{11} = Job rotation practice, x_{12} = Compensation, x_{13} = Reward; x_{14} = Training and development; x_{15} = Communication, ε_{1i} represents the unexplained part of the relationship of each HRMP with EMPER.

Each β_{c1i} is significant

Step 2: Estimate path A: ensure that a significant relationship exists between each of the five independent variables and the mediator variable (MOT). That is, regress the mediator variable – motivation on each of the five HRMPs to confirm that each HRMP is a significant predictor of employee motivation in all public and private CBs in Gurage Zone branches. If each of the five HRMPs does not have a significant effect relationship with motivation, then it could not possibly mediate anything.

Model – 2: Path a

$$M = \beta_{02i} + \beta_{a2i}x_{2i} + \varepsilon_{2i}$$

Where β_{02i} is constant or intercept, β_{a2i} , where $i = 1, 2, 3, 4, 5$ is the coefficient relating each independent variable (each HRMP) to the mediator variable and represents the expected change in the dependent variable M (Employee Motivation) per unit change in x_{2i} , $i = JRP, COMP, RWD, TDV, and COMP$ and ε_{2i} represents the unexplained part of MOT in its relation to each HRMP.

Each β_{a2i} is significant

Step 3: Estimate path b: ensure that a significant relationship exists between mediator and outcome. That is, regress the dependent variable (EMPER) on both the mediator-motivation and each of the independent variable – HRMP to confirm that

- a. The mediator is significant predictor of the dependent variable-employee performance.
- b. The strength of the coefficient of the previously significant independent variable in step #1 at this stage is greatly reduced, if not rendered no significant.

Model – 3: Path b [Direct effect]

$$Y = \beta_{03i} + \beta_{c31i} x_{31i} + \beta_{a32i} x_{32i} + \varepsilon_{3i}$$

Where β_{03i} is constant or intercept, β_{c31i} , where $i = 1, 2, 3, 4, 5$ is the coefficient relating each independent variable (each HRMP) to the dependent variable and represents the expected change in the dependent variable Y (Employee Performance) per unit change in x_{31i} , $i = JRP, COMP, RWD, TDV,$ and $COMP$ keeping the other variables constant and β_{a32i} , is the coefficient relating the mediator variable to the dependent variable and represents the expected change in the dependent variable Y (Employee performance) per unit change in x_{32i} , keeping the other variables constant and ε_{3i} represents the unexplained part of the relationship of each HRMP and M with EMPER.

β_{a32i} is significant

β_{c31i} should be smaller in absolute value than the original effect (total effect) for the independent variable (β_{c1i} in model-1 above)

Each of these steps was estimated separately, the first two models by using simple linear regression (Univariate) model and the third model by multiple linear regression model. Then step 4 involves a multivariate regression controlling for the mediation effect:

Step 4: Estimate path c' : estimate the mediated effect by adding the mediator as another independent variable in a multiple regression, so that the relationship c' is the treatment \rightarrow outcome relationship “controlling for” the effect attributed to the mediator (B).

The significance of c' determines whether the mediation is complete or partial. **Complete mediation** occurs when c' is no significant, meaning that after we account for the impact of the mediator (B) the original treatment \rightarrow outcome relationship disappears. **Partial mediation** is when the impact of the mediator does not account for all of the original independent variable \rightarrow outcome relationship and c' is still significant.

Calculating the indirect effect: the impact of the mediator variable (the indirect effect) is the product of the effects of A and B (Path a *Path $b = (ab)$). It is calculated using the estimated coefficients from steps 2 and 3 above. This leads to the decomposition of the original main effect, independent variable \rightarrow outcome relationship into two parts: the mediated main effect and the indirect (mediation) effect. It can be expressed as:

$$c \text{ (original main effect)} = c' \text{ (mediated main effect)} + (ab) \text{ (indirect mediation effect)}$$

Model – 4: Path (ab): indirect effect

In the model, the indirect effect represents the portion of the relationship between X and Y that is mediated by M. Based on this relationship, the effect relationship of HRM practices on employee performance through motivation was tested. Therefore, the researcher analyzed the mediation effect of motivation with Process Macro proposed by Hayes (Sürücü et al., 2023). The “Process Macro” method makes inferences for the indirect effect (ab) it tests the strength and magnitude of the indirect effect. The indirect effect refers to the causal hypothesis that an independent variable (X) affects the mediating variable (M) and, accordingly, causes the dependent variable (Y) (Sobel, 1990).

Even though a four-stage regression (Multiple regression) method and one of the original methods used for mediation testing, introduced to the literature by Baron and Kenny(1986), it is the oldest method in the field of mediation modeling and it has low statistical power (Sürücü et al., 2023). Therefore, considering the criticisms of the approach by Baron and

Kenny by (Mackinon et al., 2002; Hayes & Preacher, 2010) and the complexity of structural equation modeling SEM, the researcher decided to use the “Process Macro” method proposed by Hayes, which is accepted as a contemporary approach in today’s statistical mediation literature, its ease of application and frequently preferred, as it gives strong statistical results.

Analysis and interpretation of “Process Macro” method

In the “Process Macro” Method: it makes inferences for the indirect effect (ab). The indirect effect refers to the causal hypothesis that an independent variable (X) affects the mediating variable (M) and, accordingly, causes the independent variable (Y) (Sobel, 1990). It is important to note that the indirect effect is determined by multiplying the effect of the independent variable on the mediating variable (path a) and the effect of the mediating variable on the dependent variable (path b) (ab).

It uses the bootstrap technique, which gives stronger and more valid statistical results. The Bootstrapping procedure allows the estimation of the model coefficient and ‘ab’ effect for each equation, an estimated standard error, and 95% upper and lower bound confidence intervals for the effective value of ‘ab’ and accepts that mediation is significant if there is no zero within this confidence intervals.

Interpretation for the indirect effect

Even though, there are three methods generally accepted in the literature: Ratio Effect Measures; R^2 Effect Measures; and Standardized Effect Measures, in this study, the third measure was used. The standardized indirect effect of the independent variable on the dependent variable is considered as a measure of the mediating effect. Thus, as Preacher and Kelley (2011) stated that the fully standardized effect value of the mediator variable was used as follows: High effect if it is close to 0.25, Moderate effect if close to 0.9, Low effect if close to 0.1. These values were implemented to interpret the mediator variable – motivation effects on the two variables.

3.8.4. Mediation Analysis Assumptions

Assumptions that should be met before performing a mediation analysis

1. The dependent, independent, and mediator variables (the variables of interest) need to be in a continuous scale (Measurement Scale Assumption).
2. The variables of interest (the dependent variable and the independent and mediator variables) should have a linear relationship (Linearity Assumption).
3. The data must not show multicollinearity (Non-multi-collinearity Assumption).
4. There should be no spurious outliers, and the distribution of the variables should be approximately normal (Normality Assumption).

3.9. Ethical Considerations

Research ethics is referred to as a system of moral values that is concerned with the degree to which research procedures adhere to professional, legal and sociological obligations to the study participants (Polit & Beck, 2004). According to Creswell (2012), data collection should be ethical and it should respect individuals and cites. Obtaining permission before starting to collect data is not only a part of the informed consent process but it is also an ethical practice. Therefore, voluntary participation of respondents was encouraged. Filling of questionnaires required significant time and energy and its participation may be disrupt the respondents' regular activity. For this reason, the researcher explained the objectives and significance of the study to the respondents and was allowed them to exercise their right to voluntarily participate. To avoid any psychological harm, the questionnaires were designed in a manner that was not offensive and disturbed their personality. The information respondents provided were kept confidential.

CHAPTER 4

RESULTS AND DISCUSSIONS

In this section, the results of descriptive analyses are presented first followed by the inferential analyses. A total of 315 questionnaires were distributed across the selected commercial banks of Ethiopia in Gurage Zone and all the questionnaires were retrieved successfully, representing 100% response rate. In general, this section is organized in the following manner. First, the demographic characteristics of the sampled respondents are presented. Second, the data collected through the questionnaires were analyzed and discussed. Moreover, the mediation analysis assumptions diagnostic tests and the results with the output are presented, interpreted and discussed accordingly.

4.1. Demographic Characteristics of the Respondents

4.1.1. Respondents' Sex and Age

Table 4: Respondents' Sex and Age Distribution

Bank Type	Sex	Count	Sample	Age Categories			
				23 – 30	31 – 40	41 – 50	51 – 60
Public	Male	Frequency	76	34	31	7	4
		Percent	24.1	10.8	9.8	2.2	1.3
	Female	Frequency	19	12	7	-	-
		Percent	6.0	3.8	2.2	-	-
Private	Male	Frequency	146	77	60	9	-
		Percent	46.3	24.4	19.0	2.9	-
	Female	Frequency	74	37	32	5	-
		Percent	23.5	11.7	10.2	1.6	-
Total	Male	Frequency	222	111	91	16	4
		Percent	70.5	35.2	28.9	5.1	1.3
	Female	Frequency	93	49	39	5	-
		Percent	29.5	15.5	12.4	1.6	-

Source: Owen survey data, 2024

As it can be seen from Table 4, males and females constituted 24.1 % and 6.0 % in public CBs respectively, whereas, 46.3% and 23.5% were male and female of the sampled data respectively in the private banks. The majority of the organization's employees are male while women make up the balance of the population. Even though, in the public and private

CBs, there is an equal opportunity for male and female employers to be hired, the percentages indicate some gap in gender representation. Since, the sample was selected randomly from the actual data of both CBs employees currently working, the gap is not due to sampling error. Rather it is due to assignment structure of the bank in which female employees get the chance to choose branches were they are interested to do.

As to the age distribution, Table 4 shows that 50.7 % of the respondents are within 23-30, 41.3% are within the age group of 31-40, 7.7 % are within the age group of 41-50 and the remaining 1.3 % respondents represent the age group of 51 - 60 years. This indicates that most of the employees were young and may imply that the organization employment trend focuses on new and young employees. This is again a reflection of the total population.

4.1.2. Respondents Academic Qualifications and Work Experiences

Table 5: Respondents’ Academic Qualifications and Work Experiences

Bank Type	Sex	Count	Academic Qualification		Work Experience in CBE				
			Degree	Master	<5yrs	5-10 yrs	11-15yrs	16-20yrs	>20yrs
Public	Male	Freq.	55	21	34	22	9	7	4
		Perc.	17.5	6.7	10.8	7.0	2.8	2.2	1.3
	Female	Freq.	16	3	14	5	-	-	-
		Perc.	5.1	.9	4.4	1.6	-	-	-
Private	Male	Freq.	95	51	77	55	14	-	-
		Perc.	30.2	16.2	24.4	17.5	4.4	-	-
	Female	Freq.	67	7	37	27	10	-	-
		Perc.	21.3	2.2	11.7	8.6	3.2	-	-
Total	Male	Freq.	150	72	111	77	23	7	4
		Perc.	47.6	22.9	35.2	24.4	7.3	2.2	1.3
	Female	Freq.	83	9	51	32	14	-	-
		Perc.	26.3	2.8	16.2	10.2	4.4	-	-

Source: Owen survey data, 2024

As it can be seen from Table 5, academic qualification of the sample respondents was classified in to two categories, first degree and second degree. The table displays the levels of educational qualification along with their corresponding percentage. The higher share of the sample holds first degree (85.4 %) and (14.6%) holds second degree was observed. This indicates that great majority of the sample respondents were first degree holders. This has

happened due to the recruitment policy of the bank i.e. the organization recruits fresh graduates from higher education institute or universities.

As to the work experience of the selected respondents, Table 5 shows the majority of the respondents (36.4 %) were serving the banks for less than 5 years, 32.9 % have 5 - 10 years experience, and 14.3 % have 11 - 15 years experience and 9.3% have 16 – 20 years experience and only 7.1% have over 20 years experiences. This was due to majority of the employees were young i.e. between 23-30 years of age.

4.2. Descriptive Statistics on HRMPs and Employees' Performance

The descriptive statistics on the five HRMPs, motivation as mediator variable and employees' performance statements responses of the participants for the variables indicated below were measured on five point Likert scale with: 1= strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. However, while making interpretation of those responses, it was reassigned in terms of mean and standard deviation as follows to make the interpretation easy and clear. Mean scores ranging from 1.00 - 1.80 = Strongly disagree and imply very low practice on the stated item, 1.81 – 2.60 = Disagree and imply low practice on the stated item; 2.61 – 3.60 = moderately agree and imply moderate practice of the stated item; 3.61 – 4.20 = Agree and imply high practice on the stated item and 4.21 – 5.00 = Strongly agree and imply very high practice of the stated item, adapted from (Samithambe, 2019).

On the other hand, standard deviation measures variation of responses, for a given item, with respect to the mean. It shows us the extent of the deviation of each response from the mean. Statistically, the smaller the standard deviation, the smaller the variation of individual response from the mean value will be. Therefore, based on the above interpretation the five HRMPs, motivation as mediator variable, and employees' performance items results are presented, interpreted and discussed accordingly.

4.2.1. Job Rotation Practices

Table 6: Respondents view on Job Rotation Practices

No	Statement	M	SD
1	Task change makes employees perform better in terms of quantity of work.	3.90	.691
2	Transferring of employees from one job to another increases their knowledge and learn more.	3.78	.794
3	Job rotation is viewed as a method of career development in the bank.	3.88	.749
4	Job rotation has been used in the bank to broaden individual knowledge and experience.	3.72	.684
5	Job rotation in the bank is related to employee performance.	3.70	.829
6	Job rotation increases employee readiness for organizational change and performance as well.	3.83	.849
7.	Job rotation helps to reduce employee boredom and boost efficiency.	4.27	.702
8.	Job rotation helps to stimulate thinking.	4.03	.763
n = 315		Grand Mean	3.89
			.349

Source: Owen survey data, 2024

As it can be seen in Table 6 the eight statements of job rotation practices were intended to get the extent of respondents' agreements or disagreements. According to the survey data analysis the following mean scores and standard deviations were found. Among the eight statements of job rotation practices, "Job rotation helps to reduce employee boredom and boost efficiency." has the highest mean score value and standard deviation of (M = 4.27; SD = .702), whereas "Job rotation in the bank is related to employee performance." with the smallest mean score and standard deviation values (M = 3.70; SD = .829)." which are in the range of mean score 3.61 – 4.20 indicating high agreement towards the statements by majority of the respondents, this implies high practice of the stated item. Majority of the respondents also agreed highly on the remaining statements.

In general, the overall items mean scores and standard deviation, grand mean, was (M = 3.89; SD = .349) indicates agreed highly and implying high practice on the majority of the stated items in most of the public and private CBs branches. Therefore, job rotation was practiced at high level extent in most of the public and private CBs branches in Wolkite town. Hence, this result shows the job rotation practice statements have played crucial role in enhancing employees' performance in their job. In this regard, the finding of this study is supported by Shahansi et al.(2019) who conducted empirical study on the impact of job

rotation practices on employees job performance on public and private banks and found out for both banks job rotation was practiced at positive level.

4.2.2. Compensation

Table 7: Respondents view on Compensation

No	Statement	M	SD
1	My salary is sufficient in relation to what I perform.	3.85	.861
2	Salary increments are made based on employee performance.	3.56	.844
3	Salary increment made for high performer would encourage others to perform better.	3.90	.854
4	The bank’s bonus payment is performance based.	4.00	.774
5	The bonus plan encourages performing better.	3.82	.841
6	If I perform well, I am certain that the amount of bonus increase.	4.11	.854
7	I am satisfied with the benefits I receive.	4.02	.894
8	The benefits are as good as most other banks offer.	3.87	.925
9	The benefit package of the bank is equitable.	4.13	.800
n = 315		Grand Mean	3.92
			.444

Source: Owen survey data, 2024

The respondents’ views towards the compensation packages practices in the public and private CBs of Ethiopia Gurage Zone branches were assessed using nine statements. Among the eight statements of compensation packages, “The benefit package of the bank is equitable.” has the highest mean score value and standard deviation of (M = 4.13; SD = .800) which is in the range of 3.61 – 4.20 indicates agreed highly and implying high practice on equitability of benefit packages of both banks, whereas “Salary increments are made based on employee performance..” with the smallest mean score and standard deviation values (M = 3.56; SD = .844).” which is in the range of mean score 2.61 – 3.60 indicating moderate agreement towards the statement by majority of the respondents, this implies moderate practice of the stated item.

Regards to the other statements, majority of the respondents also agreed highly on: “If I perform well, I am certain that the amount of bonus increase; I am satisfied with the benefits I receive; The bank’s bonus payment is performance based; Salary increment made for high performer would encourage others to perform better; The benefits are as good as most other banks offer; My salary is sufficient in relation to what I perform; and The bonus plan

encourages performing better” and implying high practice of each item in most of both banks.

In general, the overall items mean scores and standard deviation, grand mean, was ($M = 3.92$; $SD = .444$) indicates agreed highly and implying high practice on most of the stated items in most of the public and private CBs branches. Therefore, compensation packages were practiced highly in most of the public and private CBs branches in Gurage Zone. In this regard, the finding of this study is in contrast with the finding of Abebe (2019) who conducted his study on determinants of employees’ job performance at commercial bank of Ethiopia Addis Ababa city branches and found out that as employees’ intention towards the banks motivation and benefit package is weak with an overall average mean value of 1.75.

4.2.3. Reward and Recognition

Table 8: Respondents view on Reward and Recognition Statements

No	Statement	M	SD
1	Individual performance is adequately rewarded.	3.94	.901
2	The bank is recognizes or praises me when I do a good job.	3.87	.864
3	Considering my duties and responsibilities, I feel my salary is fair.	3.92	.845
4.	Promotion is done based on individual performance or one’s work contribution.	3.69	.873
5.	In comparison with people doing similar jobs in other banks, I feel my salary is reasonable.	3.33	.851
6.	I am happy with total benefit package of my bank.	4.00	.661
n = 315	Grand Mean	3.79	.439

Source: Own survey data, 2024

As depicted in Table 8, similar to the above HRMPs, respondents view towards reward and recognition were assessed by six items, the employees were asked to rate their agreement or disagreement. According to the survey data analysis results the mean and standard deviation of the responses of the respondents on “I am happy with total benefit package of my bank.” was ($M = 4.00$; $SD = .661$) which is the highest indicating high agreement by majority of the respondents and implying high practice by the majority of the CBs, whereas the responses for “In comparison with people doing similar jobs in other banks, I feel my salary is reasonable” was ($M = 3.33$; $SD = .851$) which is the smallest indicating moderately agreement and implying moderately practiced the majority of the CBs.

Regards to the other statements: “Individual performance is adequately rewarded; considering my duties and responsibilities, I feel my salary is fair; the bank is recognizes or praises me when I do a good job; promotion is done based on individual performance or one’s work contribution” agreed highly and implying high practice of these items by the majority of both CBs.

In general, for the above six items the grand mean and standard deviation was ($M = 3.79$; $SD = .439$) which is in the range of 3.61 – 4.20 indicating high agreement by most of the respondents, this implies that most of the stated items were implemented highly in most of the public and private CBs branches in Gurage Zone branches.

4.2.4. Training and Development

Table 9: Respondents view on Training and development

No	Statement	M	SD
1	Training objectives are inclined to the bank’s objectives.	3.96	.982
2	Employees participate in identifying their training needs.	3.90	.671
3	Training agendas are informed before training date.	3.83	.789
4	The training materials and method are capable enough to grasp training objectives.	3.60	.806
5.	The training place and time is suitable to grasp the training agendas.	3.73	.783
6.	The training given matches to the job assigned.	3.57	.873
7.	The bank conducts training evaluation.	3.63	.840
8.	Training leads the employees reduce their mistakes and skill gaps.	3.59	.794
9.	The bank follows employee's performance after training.	3.68	.679
n = 315		Grand Mean	3.72
			.344

Source: Own survey data, 2024

As displayed in Table 9 the respondents view towards training and development was examined by using nine statements, according to the survey data analysis results the extent of the agreement or disagreement of the participant employees on the stated statements were measured by mean and standard deviations and described as follows. Among the nine items “Training objectives are inclined to the bank’s objectives.” has the highest mean value $M = 3.96$ with $SD = .982$ which is in the range of mean scores 3.61 – 4.20 indicating majority of the respondents were agreed highly and this implies high practice. While “Training leads the employees reduce their mistakes and skill gaps.” has mean and standard deviation of ($M = 3.57$; $SD = .873$) which is the smallest and in the range of 2.61 – 3.60

indicating moderate agreement by the majority of the respondents and indicates moderate practice by the CBs.

In respect of the other statements: “Employees participate in identifying their training needs; Training agendas are informed before training date; The training place and time is suitable to grasp the training agendas; The bank follows employee's performance after training; The bank conducts training evaluation; the training materials and method are capable enough to grasp training objectives”, majority of the respondents were agreed highly as confirmed by their responses mean scores. But on “Training leads the employees reduce their mistakes and skill gaps” the result shows mean and standard deviation ($M = 3.59$; $SD = .794$) indicates moderate agreement and implies moderate practice of the stated item by both CBs.

In general, the grand mean of the mean scores of the nine statements was $M = 3.72$ with $SD = .344$ which is in the range of mean scores 3.61 – 4.20 indicating high agreement towards the majority of the nine items and this implies high practice of the majority items by most of the public and private CBs in Gurage Zone branches. The finding of this study is in contrast with the finding of Tsedal (2018) whose finding revealed that bank training practice not based on proper training need assessment and employees' involvement was low. However, it is supported by Abebe (2019) whose finding revealed the training practice of the bank was good though it needs some improvements particularly in training place, time, need assessment and evaluation. With regard to employees performance the employees' performance is good even if trainings not prepare based on training need assessment. However, it is supported by the findings of Kuhil and Michael (2019) whose findings revealed that CBE has good qualities in practicing clearly by defining the mission, vision and values and developing strategy map. However, the study identified that the employee performance management system of the CBE has limited awareness and trainings concerning the purpose, requirements and implications of performance management among employees.

4.2.5. Communication

Table 10: Respondents view on Communication statements

No	Statement	M	SD
1.	I am kept well informed about what the bank is doing.	3.70	.771
2.	I am able to speak up and challenge the way things are done.	3.69	.722
3.	The system for orienting new employees and getting them started is effective.	3.99	.806
4.	My supervisor or colleagues at work care about me as a person.	3.82	.729
5.	The bank’s process sets clear and realistic goal for the work.	3.87	.805
6.	HR manager provides a realistic job preview of all the important aspects of a job when hiring.	3.84	.708
7.	There is a good communication between the management and employees in the bank.	3.83	.828
n = 315		Grand Mean	3.82
			.319

Source: Own survey data, 2024

Table 10 describes the mean scores and standard deviations of the statements on communication. Accordingly, the mean and standard deviation on “The system for orienting new employees and getting them started is effective.” was (M = 3.99; SD = .806) which was the highest mean score value and in the range of 3.61 – 4.20 indicating high agreement by the majority of the respondents and implies high practice of this item, while on “I am able to speak up and challenge the way things are done.” was (M = 3.69; SD = .722) which is the smallest but in the range of 3.61 – 4.20 indicating high agreement towards the item by majority of the respondents and indicates high practice of this item by most of the public and private CBs in Gurage Zone branches.

As to the remaining statements: “The bank’s process sets clear and realistic goal for the work.”; “HR manager provides a realistic job preview of all the important aspects of a job when hiring.”; “There is a good communication between the management and employees in the bank.”; My supervisor or colleagues at work care about me as a person; I am kept well informed about what the bank is doing” majority of the respondents were agreed highly as confirmed by their responses mean scores and indicating high practice of these items by most of the public and private CBs in Gurage Zone branches.

In general, considering the overall responses on the seven statements the result revealed grand mean with its standard deviation of (M = 3.82; SD = .319) which lies in the range of

mean scores of 3.61 – 4.20 indicating agreed highly towards the stated statements and implying all statements have practiced by most of the public and private CBs in Gurage Zone branches. Therefore, from this result it can be said that most of the public and private CBs implemented communication properly.

4.2.6. Motivation

Table 11: Respondents view on Motivation

	Statement	M	SD
Intrinsic motivation	There is enough chance in my bank to do something that makes use of my ability.	3.65	.844
	I have a feeling of accomplishment that I get from my job.	3.71	.791
	There is a chance to try my own methods of doing the job.	3.64	.823
	I get praise for doing good job.	3.70	.798
Extrinsic motivation	I am happy the way bank policies are put into practice.	3.77	.913
	There is enough chance in the bank to tell other people what to do.	3.71	.754
	The way my co-workers get along with each other is very good.	3.53	.697
	The competence of my supervisor in making decisions is fantastic.	4.05	.721
	The way my boss handles its subordinates is based on understanding not on authorities.	3.61	.973
n = 315	Grand Mean	3.71	.267

Source: Own survey data, 2024

The respondents' views towards motivation of employees both intrinsic and extrinsic motivations in the public and private CBs of Ethiopia Gurage Zone branches were assessed using nine items. According to the result of the analysis, in the case of intrinsic motivation, the respondents on feeling of accomplishment that they got from their jobs; employees got praise for doing good job; the presence of enough chance in their respective banks to do something that makes use of their abilities; and the existence of a chance to try their own methods of doing the job. These results indicate majority of the employees are to some extent motivated in doing their tasks. However, in case of extrinsic motivation items, the responses on “The competence of my supervisor in making decisions is fantastic; I am happy the way bank policies are put into practice; there is enough chance in the bank to tell other people what to do; The way my boss handles its subordinates is based on understanding not on authorities have agreed highly as confirmed by their mean scores and standard deviations which are in the range of 3.61 – 4.20 and implying high motivation of employees in majority

of the CBs. However, the responses on “The way my co-workers get along with each other is very good” revealed moderate agreement and implying that employees are not in a position to get along each other well.

In general, the overall items mean scores mean and standard deviation, grand mean, was ($M = 3.71$; $SD = .267$) indicates agreed highly and implying high practice on most of the stated items in most of the public and private CBs branches. Therefore, majority of the employees are intrinsically and extrinsically motivated in majority of the public and private CBs branches in Gurage Zone.

4.3. Employees’ Performance

Table 12: Respondents’ view on Employees’ Performance

No	Item	Mean	SD
1.	I have the ability, skill and commitment to perform every task in the bank.	4.03	.650
2.	I strictly follow the policies and procedures of the bank.	3.98	.714
3.	I am committed to get early at work.	4.12	.619
4.	I am committed to the vision, mission and goals of the organization.	3.64	.683
5.	My experience helps to reduce skill gaps.	3.58	.746
6.	I have good relation with the management.	3.57	.804
7.	I believe on learning and adopting new working cultures.	3.55	.682
8.	I have good communication skill with customers.	3.67	.638
n = 315		Grand Mean	3.77
			.247

Source: Own survey data, 2024

In this section, it was intended to assess the respondents’ level of agreement or disagreement on the eight items describing employee performance. So according to the analysis results displayed in Table 12 above, among the eight items, the mean and standard deviation on “I am committed to get early at work.” was ($M = 4.12$; $SD = .619$) which is the highest mean score value and in the range of 3.61 – 4.20 indicating high agreement by the majority of the respondents and implies high performance of the employees in the majority of both CBs branches, while on “I believe on learning& adopting new working cultures.” was ($M = 3.55$; $SD = .682$) which is the smallest and in the range of 2.61 – 3.60 indicating moderate agreement towards the item by majority of the respondents and indicates moderate performance of the employees on the stated item in the majority of the public and private CBs in Gurage Zone branches.

Regards to the other statements: “I have the ability, skill and commitment to perform every task in the bank; I strictly follow the policies and procedures of the bank; I have good communication skill with customers; I am committed to the vision, mission and goals of the organization” majority of the respondents were highly agreed and implies high performance of the employees on these items in the majority of both CBs branches. However, on “My experience helps to reduce skill gaps” and “I have good relation with the management” majority of the respondents were agreed moderately as confirmed by their mean and standard deviation values and implying that moderate performance of employees on these items in both CBs branches.

In general, considering the overall responses on the eight items the result revealed grand mean with its standard deviation of ($M = 3.77$; $SD = .247$) which lies in the range of mean scores of 3.61 – 4.20 indicating agreed highly on majority of the stated items and implying that employees were performed to some extent highly on majority of the stated items in majority of the public and private CBs in Gurage Zone branches. Therefore, from this result it can be said that most of the employees are not performing fully as desired by their respective banks.

4.3. Relationship between HRMPs, Motivation and Employee Performance

In this section, the extent of the relationship between the five HRMPs and motivation of employees; between motivation of employees and their performance; and between HRMPs and employees’ performance in all of the public and private CB branches in Gurage Zone were analyzed using Pearson correlation coefficients. To interpret the extent of the strength and type of the correlation between variables, Table 13, given below, was used as a rule of thumb. The results, the interpretation and the discussions are presented below accordingly.

Table 13: Rule for the Strength of the Relationship

Range of Coefficients	Description of strength
+0.81 to +1.00	Very strong
+0.61 to +0.80	Strong
+0.41 to +0.60	Moderate
+0.21 to +0.40	Weak
+00 to + 0.20	No relation

Source: Bhattacharjee (2012)

4.3.1. The Relationship between HRM practices and Employee Performance

Table 14: Correlation Coefficient Matrix between HRMPs and Employees' Performance

		Correlations					
		EMPER	JRP	COMP	RWD	TDV	COM
EMPER	Pearson Correlation	1	.616**	.684**	.756**	.617**	.742**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	n	315	315	315	315	315	315

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

EMPER= Employees' Performance, JRP= Job Rotation Practice, COMP= Compensation, RWD = Reward and Recognition, TDV= Training and Development, and COM= Communication

Source: SPSS output, 2024

Since one of the objectives of the study was to investigate the extent of the relationship between HRMPs and employees' performance in public and private CBs in Gurage Zone branches, like the above analysis, Pearson correlation coefficient analysis was conducted. As depicted in Table 14, the results of the correlation matrix analysis indicated significant and positive relationship, because the sig. p – value of each HRMP is less than .0001, level of precision and the Pearson correlation coefficient of each HRMP is positive. According to Bhattacharjee (2012), the five HRMPs have significant, strong and positive relationship with EMPER, since their Pearson correlation coefficients are in the range of .61 - .80. Therefore, from these results it can be said that that all of the stated HRMPs were significantly, strongly and positively related with the performance of employees in most of the CBs in Gurage Zone. Regards to job rotation practices the finding of this study is supported by Shahansi et al.(2019) who conducted empirical study on the impact of job rotation practices on employees job performance on public and private banks found out for both banks job rotation practices significantly and positively associated with employees' job performance.

4.3.2. The Relationship between HRMPs and Motivation

Table 15: Correlation Coefficient Matrix between HRMPs and Motivation

		Correlations					
		MOT	JR	COMP	RWD	TDV	COM
MOT	Pearson Correlation	1	.497**	.541**	.617**	.530**	.613**
	Sig. (2-tailed)		.000	.000	.000	.000	.000

** . Correlation is significant at the 0.01 level (2-tailed). and n = 315

MOT = Motivation, JRP = Job Rotation Practice, COMP = Compensation, RWD = Reward and Recognition, TDV= Training and Development, and COM= Communication

Source: SPSS output, 2024

Since one of the objectives of the study was to investigate the extent of the relationship between HRMPs and motivation of employees in public and private CBs in Gurage Zone branches, Pearson correlation coefficient analysis was conducted between the five independent variables (JRP, COMP, RWD, TDV, and COM) and motivation. As indicated in Table 15, the results of the correlation matrix analysis indicated significant and positive relationship, because the sig. p – value of each is less than .0001, level of precision and the Pearson correlation coefficient of each HRMP is positive. According to Bhattacharjee (2012), the relationship between RWR, COM and motivation was significant, strong and positive, while the relationship between JRP, COMP, TDV and motivation were significantly, moderately and positively in most of the selected public and private CBs in Gurage Zone. Regards to compensation the finding of this study is concurred with Nawaz et al.(2022) who conducted their study on nexus of performance appraisal and employees’ motivation: a case of commercial banking sector and their finding results revealed compensation is significantly and positively associated with employees motivation ($\beta = 0.411^{**}$, $p < 0.05$). As to reward and recognition, it is supported by Shafiq and Naseem (2017) who found out the correlation between rewards and Employee Motivation is 0.546^{**} , at $p < 0.05$ that shows the positive relationship between reward and employee motivation.

4.3.3. The Relationship between Motivation and Employee Performance

Table 16: Correlation Coefficient Matrix between Motivation and Employee Performance

		Correlations	
		EMPER	MOT
EMPER	Pearson Correlation	1	.782**
	Sig. (2-tailed)		.000
MOT	Pearson Correlation	.782**	1
	Sig. (2-tailed)	.000	
n		315	315

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

Source: SPSS output, 2024

As it can be seen in the above table, Table 16, significant, strong and positive relationship was observed between motivation of employees and their performances in the majority of the selected CBs, since the Pearson correlation coefficient , $r(\text{MOT}) = .782^{**}$ with sig. $p - \text{value} < .0001$ which is in the range of .70 – 1.00. Therefore, from this result it can be noticed that the inevitability of the relationship between the two variables. In general, from this result and the above sub-topic result, it can be said that motivation of employees can play a crucial role in relating the five HRMPs and EMPER. The finding of this study corroborates with the finding of Nagarajah et al.(2021) who conducted their study on factors affecting employees’ performance at ABC Group of Companies in Sri Lanka and found out that motivation ($r = 0.822$) has a strong positive correlation with the employee’s job performance.

4.4. Mediator Variable Effect Analysis with Process Macro

In this section, the overall analyses presentations, interpretations and discussions were based on the output of Process Macro Method which was carried out using simple linear regression analysis accompanied by Process v 3.4 by Andrew F. Hayes Software (2017). However, at the third model, the analysis used multiple regression model to show the effect of each HRMPs, controlling motivation, and in order to test whether the original main effect of each was reduced or not which is the prerequisite to conduct the mediator variable effect analysis.

4.4.1. Diagnostic test Results of Mediation Analysis Assumptions

In mediation analysis model construct, it is important to confirm the goodness of fit of the model and the statistical significance of the estimated parameters. Since the aim of mediation analysis using Process Macro is to find the mediator variable – motivation effects on the two variables: independent and dependent variables on the conditions that the assumptions are provided. Therefore, the mediation analysis is valid and reliable if it should meet all the assumptions. Hence, model assumptions such as measurement scale, linearity, non-multicollinearity, and normality assumptions were checked with regression diagnostics.

Assumption #1 - Measurement Scale Assumption: The dependent, independent, and mediator variables (the variables of interest) need to be in a continuous scale. Since the items in the three variables were measured by a 1 – 5 point Likert scale and the responses of the participants were calculated in terms of mean and the standard deviation, moreover, the overall inferential statistics is based on descriptive statistics results of the sample, this assumption was met.

Assumption #2 - Linearity Test: To detect the linearity assumption in mediator variable analysis, there are different methods, for instance, correlation matrix, where significant correlation indicates the linearity between the response variable and the predictor variables; scatter plot, where straight line pattern of the plots shows linearity. Therefore, in this study the researcher has chosen the first test. In this method one has to identify the significant relationship between each of the five HRMPs and motivation; motivation with employee performance; and each of the five HRMPs with employee performance that have been already displayed in Tables 14, 15 and 16. Hence, the results of the analysis show the true relationship (Shi, 2013).

Assumption # 3: Non-Multicollinearity Test: The data must not show multicollinearity. Multicollinearity indicates a linear relationship between explanatory variables which may cause the regression model biased (Gujarati, 2004). If an independent variable has an exact linear combination of the other independent variables, then we say the model suffers from perfect collinearity, and it cannot be estimated by regression analysis. Therefore, the

following table presents the results of the non - multicollineaty using variance inflation factor (VIF) and tolerance (1/VIF).

Table 17: Multicollinearity test of the Independent Variables

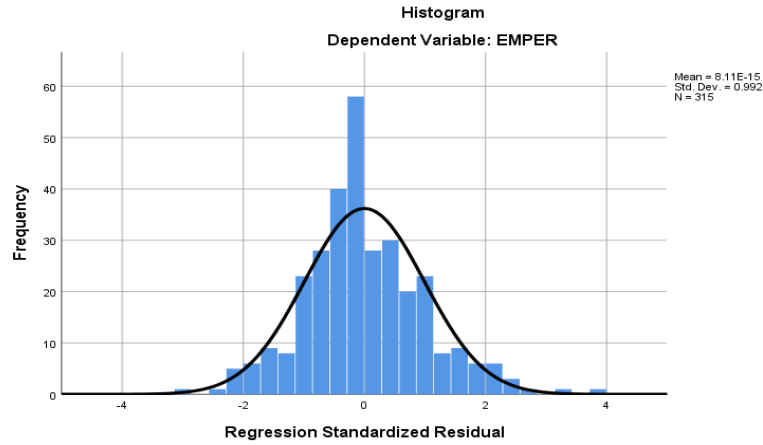
No	Independent Variables	Tolerance	VIF
1	Job Rotation Practices(JRP)	.682	1.466
2	Compensation (COMP)	.558	1.791
3	Reward and Recognition (RWD)	.481	2.078
4	Training and Development (TDV)	.627	1.595
5	Communication (COM)	.487	2.055
6	Motivation (MOT)	.468	2.136

Source: SPSS output, 2024

Table 17 shows the results of multicollinearity test. If there is high correlation between any two independent variables, the regression model assumes redundancy of one of these variables that the significance of it becomes too low and its coefficient also be negatively affected. Therefore, the problem of multicollinearity is checked using Tolerance and VIF. The result showed that a tolerance of $>.10$ and a VIF < 10 are considered as good enough to minimize the effect of multicollinearity (Miller & Whicker, 1999). This implies that the regression model is not affected by higher correlation between two independent variables.

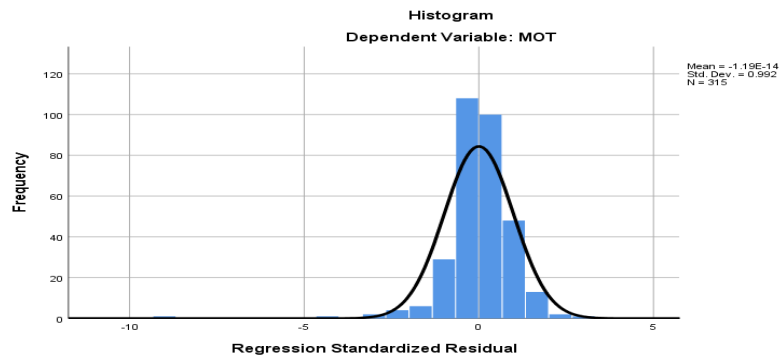
Assumption #4 - Normality Test: There should be no spurious outliers, and the distribution of the variables should be approximately normal. Normality test is used to determine whether a data set is modeled for normal distribution or not. The normality test results using Histogram of Regression standardized residual for HRMPs-EMPER, HRMPs-MOT, and MOT-EMPER are presented as follows respectively.

Figure 3: Frequency Distribution of Standardized Residual for HRMPs-EMPER



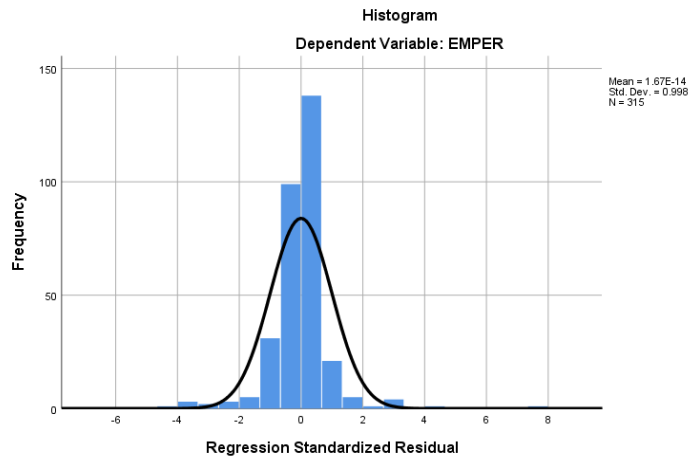
Source: Model output, 2024

Figure 4: Frequency Distribution of Standardized Residual for HRMPs-MOT



Source: Model output, 2024

Figure 5: Frequency Distribution of Standardized Residual for MOT-EMPER



Source: Model output, 2024

As it can be seen from Figures 3 – 5, the other important diagnostic test carried out for mediator variable effect analysis was the normality assumption. Normality test is used to decide whether the residuals are normally distributed or not. According to Brooks (2008), if the histogram is bell shaped, then the residuals are normally distributed. The output of the regression analysis results displayed in Fig.3 – 5 show the histograms are bell shaped. Therefore, the residuals are normally distributed and concluded that there was no problem of normality in the model.

Thus, as the four mediation analysis assumptions test indicated in the above output results of the SPSS and the discussion, all assumptions were met and hence the mediator effect analysis with Process Macro on employee performance with the five independent variables and motivation as mediator variable was ready to be tested for model fitness test.

4.4.2. Model Fitness Test and Summary for Employee Performance - HRMPs Model

Table 18: Model Fitness and Summary of the effect of each HRMPs on Employee Performance

Model	R	R-sq	SEE	F	df ₁	p
Model-1[JRP]	0.6155	0.3789	0.1561	190.928	1	.0000
Model-2[COMP]	0.6842	0.4681	0.1444	275.479	1	.0000
Model-3[RWD]	0.7560	0.5716	0.1296	417.610	1	.0000
Model-4[TDV]	0.6167	0.3804	0.1559	192.143	1	.0000
Model-5[COM]	0.7417	0.5501	0.1329	382.725	1	.0000
Outcome variable: EMPER						

Source: SPSS output, 2024

The output of the process macro analysis, depicted in Table 18, indicates the model fitness test, significance of the overall five models, the significance relationship between each of the five HRMPs with EMPER, and the explaining capacity of each HRMPs on the outcome variable – EMPER.

As to the model fitness test, since the F – statistics $F(1) = 190.928$, $F(1) = 275.479$, $F(1) = 417.610$, $F(1) = 192.143$, and $F(1) = 382.725$ with $p(.0000) < 0.00001$ for JRP, COMP, RWD, TDV, and COM respectively, each of the five HRMPs are useful for the employee performance. Therefore, each of the five HRMPs is statistically significant for employee performance and the model fit the data.

Regards to the significance relationship between each of the five HRMPs with EMPER, As depicted in Table 18, the "R" column represents the value of R , the correlation coefficients. It indicates the extent of the relationship between each of the five HRMPs with employee performance. Since all the R - values in this output are greater than 0.6000, according to Bhattacharjee (2012), it can be inferred that there is a strong relationship between each of the five HRMPs and employee performance.

On the other hand, the "R Square" column represents the R^2 value that indicates the explaining capacity of each HRMP on the outcome variable – EMPER, i.e., it indicates the percentage of the variation of the dependent variable is directly attributable to the independent variables. As it can be seen in Table 18 the values 0.3789, 0.4681, 0.5716, 0.3804, and 0.5501 indicated that JRP, COMP, RWD, TDV and COM explained 37.89%, 46.81%, 57.16%, 38.04% and 55.01% of the variability in the employee performance in the selected public and private CBs in Gurage Zone branches.

4.4.3. Significant effect of each HRMP on Employee Performance

In this section, the predictors are each of the five HRMPs and the total effect (or main effect), path c, of each on employee performance was estimated individually which is one of the fundamental prerequisite for conducting mediator variable effect analysis. The result of the analysis was used to test whether the first hypothesis:

H_{a_1} : Each of HRM practice (job rotation practices, compensation, reward and recognition, training and development, and communication) has significant and positive effect relationship with employee performance in public and private CBs in Gurage Zone.

Was significant or not.

Table 19: Significant effect of each HRMP on Employee Performance

Model	Coefficient	SE	t	p	LLCI	ULCI
constant	1.7874	0.1376	12.9882	0.0000	1.5166	2.0582
JRP	0.5146	0.0372	13.8177	0.0000	0.4414	0.5879
constant	1.6911	0.1204	14.0450	0.0000	1.4542	1.9280
COMP	0.5427	0.0327	16.5976	0.0000	0.4783	0.6070
constant	1.4379	0.1102	13.0469	0.0000	1.2210	1.6547
RWD	0.6171	0.0302	20.4355	0.0000	0.5577	0.6765
constant	1.7438	0.1403	12.4268	0.0000	1.4677	2.0198
TDV	0.5343	0.0385	13.8616	0.0000	0.4585	0.6101
constant	1.2693	0.1237	10.2604	0.0000	1.0259	1.5127
COM	0.6561	0.0335	19.5633	0.0000	0.5901	0.7221
Outcome variable: EMPER						

Source: SPSS output, 2024

As per the Process Macro analysis results displayed in Table 19, each of the five independent variables, HRMPs, has a significant and positive effect relationship on the outcome variable, employee performance with their respective β coefficients, confidence intervals that do not include zero (0), t-values greater than 2 with $p < .00001$. Therefore, from this result it can be concluded that the effect of each HRMP is significant and this result supported the stated hypothesis. Therefore, from these results, it can be concluded that the five independent variables are statistically and positively significant for the employees' performance in most of the public and private CBs in Gurage Zone branches. Regards to job rotation practice, the finding of this study is in line with the finding of Shehansi et al.(2018) conducted an empirical study on the impact of job rotation practices on employees job performance: comparative study of Public and Private Licensed Commercial Banks in Colombo District and found out that cross functional job rotation was the most significant factor of employees' job performance among both bank.

4.4.4. Model Fitness Test for Motivation – HRMPs Model

In process Macro analysis output, the other table of interest is the model summary (Table 20 below). It provides summary of the model(s) with R, R^2 , and model fitness test result with F-statistics, and P-value for the overall model(s). Since there are five HRMPs: job rotation practices (JRP), compensation (COMP), reward and recognition (RWD), training and development (TDV), and communication (COM) along with the mediator variable –

motivation (MOT), which can be used to determine how well a regression model fits the data. Therefore, five models are presented.

Table 20: Model Fitness and Model Summary of the effect of each HRMPs on the mediator variable (Motivation)

Model Summary							
Model	R	R-sq	MSE	F	df ₁	df ₂	p
Model-1[JRP]	.4970	.2470	.0318	102.6535	1.0000	313.0000	.0000
Model-2[COMP]	.5407	.2924	.0299	129.3139	1.0000	313.0000	.0000
Model-3[RWD]	.6171	.3809	.0262	192.5513	1.0000	313.0000	.0000
Model-4[TDV]	.5303	.2812	.0304	122.4431	1.0000	313.0000	.0000
Model-5[COM]	.6133	.3761	.0264	188.6814	1.0000	313.0000	.0000
Outcome variable: MOT							

Source: SPSS output, 2024

The output of the process macro analysis, depicted in Table 20, indicates the significance of the overall five models, since p – value is less than 0.05, level of significance; the five models are statistically significant. As depicted in Table 20, the "R" column represents the value of R, the correlation coefficients. It is considered as one of the measures of the strength of the relationship between each of the five independent variables and the mediator variable-motivation in the selected public and private CBs in Gurage Zone. All the R - values in this output, except for JRP, indicates a strong level of relationship between each of the five HRMP and MOT. From this result, it can be inferred that there is a strong relationship between the four independent variables and motivation of employees and moderate relationship between JRP and MOT in most of the public and private CBs in Gurage Zone branches.

On the other hand, the “R Square” column represents the R^2 value (also called the coefficient of determination), which is the proportion of variance in the mediator variable that can be explained by the independent variables. As it can be seen in Table 18 the values .2470, .2924, .3809, .2812, and .3761 indicated that JRP, COMP, RWD, TDV and COM explained 24.70%, 29.24%, 38.09%, 28.12% and 37.61% of the variability in the motivation of employees in the selected all public and private CBs in Gurage Zone branches. Regards to compensation, the finding of the current study is concurred with Nawaz et al.(2022) who conducted their study on nexus of performance appraisal and employees’ motivation: a case

of commercial banking sector and found out compensation indicates 24% variation in employees' motivation at the significant level of $\alpha=0.05$.

4.4.5. Significant effect of each HRMP on the Mediator Variable-Motivation

In this section, estimate path A was carried out to ensure whether there was a significant effect relationship exists between each of the five independent variables and the mediator variable (MOT) or not. Accordingly, the mediator – motivation was used as the outcome variable. The predictors are each of the five HRMPs and the direct effect of each on motivation was estimated individually. The result of the analysis was used to test whether the second hypothesis:

H_{a_2} : Each of HRM practice (job rotation practices, compensation, reward and recognition, training and development, and communication) has significant and positive effect relationship with employee motivation in public and private CBs in Gurage Zone.

was accepted or not.

Table 21: Significant effect of each HRMP on Motivation

Model	Coefficient	SE	t	p	LLCI	ULCI
constant	2.1002	.1572	13.3570	.0000	1.7908	2.4096
JRP	.4312	.0426	10.1318	.0000	.3474	.5149
constant	2.0549	.1441	14.2586	.0000	1.7714	2.3385
COMP	.4450	.0391	11.3716	.0000	.3680	.5220
constant	1.7866	.1375	12.9952	.0000	1.5161	2.0571
RWD	.5227	.0377	13.8763	.0000	.4486	.5968
constant	1.9581	.1568	12.4850	.0000	1.6495	2.2666
TDV	.4767	.0431	11.0654	.0000	.3919	.5615
constant	1.6173	.1512	10.6986	.0000	1.3199	1.9148
COM	.5629	.0410	13.7361	.0000	.4823	.6436
Outcome variable: MOT						

Source: SPSS output, 2024

In the above outputs displayed in Table 21, each of the five independent variables, HRMPs, has a significant and positive effect on the outcome variable, motivation of employees with their respective β coefficients, confidence intervals that do not include zero (0), t-values greater than 2 with $p < .00001$. Therefore, from this result it can be concluded that the effect of each independent variable is significant and this result supported the stated hypothesis.

Therefore, from these results, it can be concluded that the five independent variables are statistically and positively significant for the motivation of employees in most of the public and private CBs in Gurage Zone branches. Hence, the result supported the stated hypothesis. Regards to compensation packages, the finding of this study is in line with the finding of Funnisia et al.(2018) conducted their study on the influence of HRMPs, compensation, work satisfaction and motivation on performance of bank employees in Merauke city and found out compensation management practices have a positive and significant direct effect on employee motivation. In case of reward and recognition, it is supported by the finding of Shafiq and Naseem (2017) who conducted their study on banking sector of Pakistan and found out significant and positive effect of reward on the performance of employees.

4.4.6. Significance of HRMPs and Motivation in Combination for Employee Performance

Table 22: Significance of each HRMPs and motivation in combination for Employee Performance

Model Summary							
Model	R	R-sq	MSE	F	df ₁	df ₂	p
Model-1[JRP&MOT]	.8247	.6802	.0126	331.7716	2.0000	312.0000	.0000
Model-2[COMP&MOT]	.8416	.7083	.0115	378.8255	2.0000	312.0000	.0000
Model-3[RWD&MOT]	.8559	.7325	.0105	427.1837	2.0000	312.0000	.0000
Model-4[TDV&MOT]	.8177	.6686	.0130	314.7436	2.0000	312.0000	.0000
Model-5[COM&MOT]	.8496	.7219	.0109	404.9070	2.0000	312.0000	.0000
Outcome variable: EMPER							

Source: SPSS output, 2024

As displayed in Table 22, the output of the process macro analysis indicates the significance of the overall five models on each independent variable and motivation on employee performance, since each p – value is less than 0.05, level of significance; the five models are statistically significant for employee performance. The "R" column represents the value of R, the correlation coefficients. It indicates the strength of the relationship between each of the five independent variables with motivation and employee performance. Accordingly, all the R - values in the output, indicates a very strong level of relationship between each pairs JRP and MOT, COMP and MOT, RWD and MOT, TDV and MOT, COM and MOT with employees' performance. From this result, it can be inferred that there is a very strong

relationship between the five combinations and employees' performance in most of the public and private CBs in Gurage Zone branches.

On the other hand, the "R Square" column represents the R^2 value, which is the proportion of the variation in the performance of employees that can be explained by the five combined variables in the five models. As it can be seen in Table 20 the values .6802, .7083, .7325, .6686, and .7219 indicate that the five combined variables: JRP-MOT, COMP-MOT, RWD-MOT, TDV-MOT and COM-MOT explained 68.02%, 70.83%, 73.25%, 66.86% and 72.19% of the variability in the dependent variable, employees' performance in most of the selected all public and private CBs in Gurage Zone branches.

4.4.7. Significant effect of each HRMPs, controlling motivation, on Employee Performance

H_{a_3} : Each of HRM practice (job rotation practices, compensation, reward, training and development, and communication) and motivation has significant and positive effect relationship with employee performance in public and private CBs in Gurage Zone.

Table 23: Results of the effect of each HRMP, controlling motivation, on Employees' Performance (Path b and c')

Model	Coefficient	SE	t	p	LLCI	ULCI
JRP	.2518	.0308	8.1631	.0000	.1911	.3125
MOT	.6096	.0356	17.1444	.0000	.5396	.6795
COMP	.2928	.0288	10.1569	.0000	.2361	.3495
MOT	.5614	.0350	16.0289	.0000	.4925	.6304
RWD	.3603	.0304	11.8618	.0000	.3005	.4201
MOT	.4913	.0359	13.6997	.0000	.4207	.5618
TDV	.2434	.0333	7.3088	.0000	.1779	.3089
MOT	.6102	.0370	16.4733	.0000	.5374	.6831
COM	.3714	.0334	11.1090	.0000	.3057	.4372
MOT	.5056	.0364	13.8814	.0000	.4340	.5773
Outcome variable: EMPER						

Source: SPSS output, 2024

As it can be seen in the above outputs, each of the five independent variables, HRMPs, has a significant and positive effect on the dependent variable, employee performance with their respective β coefficients, confidence intervals that do not include zero (0), t-values greater

than 2 with $p < .00001$. Therefore, from this result it can be concluded that the effect of each independent variable is significant. In addition, the results on the effect of motivation, which is the mediating variable, on employee performance, which is the dependent variable, are also seen in the same output. The results of the analysis revealed that the effect of motivation on the employee performance is significant and positive with its β coefficient at each model, confidence intervals that do not include zero (0), t-values greater than 2 with $p < .00001$. Therefore, from these results it can be noticed that Path b, hypothesis – 3 (H_{a3}): Employee motivation has significant and positive effect relationship with employee performance in of the public and private CBs in Gurage Zone branches, is accepted.

As employee's motivation is crucial for any business to survive and prosper in today's competitive business world, in respect of the effect of motivation on the performance of employees, the finding of this study is supported by Muluken (2019) who found out motivation of employees has significant and positive relation and significant effect on employee performance.

Regards to the effect of job rotation practices on employee performance, this study is supported by Shahansi et al.(2019) who conducted empirical study on the impact of job rotation practices on employees job performance on public and private banks found out for both banks job rotation practices significantly and positively affected employees' job performance.

In case of compensation - employee performance: As it has been reported by numerous researchers' the significant effect relationship between compensation packages and employees performance is positive and linear. It is, therefore, in agreement with the findings of (Wubalem, 2020).

Reward and recognition – employee performance: Similarly to the above effect relations, reward and recognition has significant and positive effect on the performance of employees as confirmed from the hypothesis 3 test results and moreover, there is a general believe that if employees are rewarded and given recognition for the task or job performed their performance show a certain progress. Therefore, the finding of this study is concurred with the findings of (Habtamu, 2021). As to training and development: As the capabilities of the training materials and method to grasp training objectives; the practice of banks conducting

training evaluation; and the practice of the banks follow-up employee's performance after training can boost the performance of employees as confirmed by the current study and prior researchers. In general, this finding is in agreement with the findings of (Gebreab & Ansebo, 2021; Shanko, 2018; Tabiu et al, 2016; Mesfin & Eshetu, 2016).

Regards to the effect of communication on employees performance, the finding of this study is concurred with the finding of Khatri (2022) who conduct a study on banking industry of Karachi city found out communication has significant and positive influence on the performance of employees.

4.4.8. Mediating Role of Motivation between HRM practices and Employee Performance

H_{a_4} : Employee motivation has significant mediating effect relationship between each of HRM practice (jobs rotation, compensation, reward, training and development, and communication) and employee performance in public and private CBs in Gurage Zone.

Table 24: Mediating Role of Motivation: Indirect Effect of HRMP on Employee Performance

Indirect Effect(Path (ab)) of X on Y(the mediating effect of MOT)	Standardized			
	Beta	BootSE	BootLLCI	BootULLC
JR → M → EMPER	.2628	.0542	.1723	.3801
COMP → M → EMPER	.2498	.0525	.1618	.3640
RWD → M → EMPER	.2568	.0605	.1571	.3873
TDV → M → EMPER	.2909	.0608	.1895	.4224
COM → M → EMPER	.2846	.0649	.1764	.4247
The strength of the indirect effect: the strength of the mediating effect of MOT				
JR → M → EMPER	.3144	.0623	.2107	.448
COMP → M → EMPER	.3150	.0647	.2054	.4534
RWD → M → EMPER	.3146	.0735	.1909	.4737
TDV → M → EMPER	.3358	.0681	.2222	.4824
COM → M → EMPER	.3218	.0730	.1993	.4766

Source: SPSS output, 2024

Table 24 above show the data with which the fourth hypothesis of the study was tested using the last output of Process Marco attached in the Appendix section. The decision about whether motivation of employee mediated significantly the effect of each of the five HRMPs on the performance of employees in both public and private CBs in Gurage Zone branches was made according to the results of the indirect effect (Path ab). The top part of the Table 23 describes the indirect effect of each of the five HRMPs on employee performance, i.e., the mediating effect of motivation on the effect relationship between each of HRMPs and employee motivation. Accordingly, the indirect effect of each of the five independent variables, HRMPs, on employee performance, the estimated coefficients, β s are positive and the confidence interval (Boot LLCI, Boot ULCI) each does not include zero (0) indicates that the indirect effect of each of the five HRMPs on the performance of employees is significant. Therefore, motivation of employees plays a mediating role in the effect relationship between each of the five HRMPs and the performance of employees in all public and private CBs in Gurage Zone branches.

Regards to the strength of the indirect effect size (the strength of the mediating effect of MOT) on the effect relationship between the HRMPs and employee performance, it was interpreted in accordance with Preacher and Kelley (2011) stated that if the standardized effect size of the mediator variable is close to 0.25, there is a high effect, if it is close to 0.9, there is a medium effect, and if it is close to 0.1, there is a low effect. Therefore, the standardized mediation effect size of JRP, COMP, RWD, TDV, and COM are ($R^2 = 0.3144, 0.3150, 0.3146, 0.3358, \text{ and } 0.3218$ respectively) and close to the high effect size. Hence, this result supports the fourth hypothesis: Employee motivation mediates the relationship between HRMPs (job rotation practice, compensation, reward and recognition, training and development, and communication) and employee performance in all public and private CBs in Gurage Zone branches. From this result it can be said that HRM practices are the main engine of motivation of employees and performance of employees, through proper job rotation practices, suitable compensation packages, proper implementation of reward and recognition, sufficient training and development programs, and effective usage of communication accompanied by high level of motivation in the public and private CBs in the study area, that contributed in enhancing and improving employee's performance. In this regard the finding of this study is supported by Faisal et al. (2015) who found out motivation

enhances HRM practices, which in turn, affects productivity and performance of employees in a positive direction. In particular, it is also supported by Sapta and Sudja (2018) who found out motivation mediates the relationship between training development and performance of employees. It is also in line with Abd Halim et al. (2018) whose finding is revealed HRM practices have a significant effect on employee performance but via mediating effect of motivation.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter is the final section that presents summary of the findings, conclusions, and recommendations of the study. It reports summary of the main findings of the study based on the results and discussions section. Then conclusion and recommendations were made based on the findings. Thus, as a result of scope and limitation of the study, the researcher provided suggestion for future/further study.

5.1. Summary of Major Findings

This study was conducted aimed at to Examine Effect Relationship between HRM practices and employees' performance with the mediation effect of employee motivation in all public and private CBs in Gurage Zone branches. Accordingly, the following major findings were made from the results that have been discussed in the previous chapter.

The descriptive statistics on the five HRMPs, motivation and employee performance revealed

On the Five HRMPs, Job Rotation Practices: Majority of the employees agreed highly on change of task made employees to perform better in terms of quantity of work; transferring of employees from one job to another increased their knowledge and learn more; employees viewed Job rotation as a method of career development in the bank; broaden individual knowledge and experience; it has a relation with employee performance; increased employee readiness for organizational change and performance as well; and helped to stimulate thinking implying high practice by majority of the CBs.

Compensation: Except on employee's salary is sufficient in relation to what he/she performed, where majority of the respondents moderately agreed and implying moderate practice, but majority of the employees agreed highly on salary increments were made based on employees' performance; salary increment made for high performer would encourage others to perform better; bonus payment is performance based; on the assurance of the amount of bonus increased if an employee perform well; employees were satisfied with the benefits they received; benefits are as good as with most other banks offer; and equitability

of benefit packages and implying high practice of these items in the majority of public and private CBs.

Reward and Recognition: Similar to the above results, majority of the employees agreed highly on individual performance is adequately rewarded; the recognition and praises of employees when they do good job; employees feel their salary is fair, considering their duties and responsibilities; the way promotion is carried out based on individual performance or one's work contribution; employees are happy with total benefit package of their respective banks and implying that they are practiced highly in the majority of public and private CBs. But majority of the employees agreed moderately on employees feel their salary is fair in comparison with employees doing similar jobs in other banks implying moderately practiced by the CBs.

Training and Development: Majority of the employees agreed on: Training objectives are inclined to the bank's objectives; participation of employees in identifying their training needs; the announcement of training agendas before training date; the capabilities of the training materials and method to grasp training objectives; the bank conducts training evaluation; and the banks follow-up employee's performance after training and implying that they are practiced highly in the majority of the CBs. However, majority of the employees agreed moderately on the training given matches to the job assigned and training leads the employees reduce their mistakes and skill gaps implying moderately practiced by the public and private CBs in Gurage Zone branches.

Communication: Majority of the employees agreed highly on communication related items such as employees are kept well informed about what the bank is doing; employees can speak up and challenge the way things are done; the effectiveness the system for orienting new employees and getting them started; individual care is given to employees by immediate supervisor or colleagues at work; the bank's process sets clear and realistic goal for the work; the provision of a realistic job preview of all the important aspects of a job when hiring by HR manager; and the existence of a good communication between the management and employees in the bank and implying that high practice of these items in majority of the public and private CBs in Gurage Zone branches.

On Motivation: Majority of the employees agreed highly on intrinsic and extrinsic motivation items: the existence of enough chances in the banks to do something that makes use of their ability; employees have a feeling of accomplishment that they get from their jobs; employees have chances to try their own methods of doing their jobs; and employees get praise for doing good job. Similarly, in case of extrinsic motivation items also majority of the respondents agreed highly, except on “The way my co-workers get along with each other is very good” on which they were agreed moderately. These results implies the intrinsic and extrinsic motivation was found to be having immense contribution towards employees’ willingness to exert more effort for a better job performance.

On Employee Performance: majority of the respondents agreed highly on employees have the ability, skill and commitment to perform every task in the bank; employees strictly follow the policies and procedures of the bank; employees are committed to get early at work and committed to the vision, mission and goals of the organization; and employees good communication skill with customers and indicating high performance of employees on the stated items. However, majority of the respondents agreed moderately on employees experience helped to reduce skill gaps; employees have good relation with the management; and have good communication skill with customers in majority of the public and private CBs.

The Correlation coefficient analysis result revealed statistically significant, strong and positive relationship was observed between RWR, COM and motivation, but the relationship between JRP, COMP, TDV and motivation were moderately and positively significant. On the other hand significant, strong and positive relationship was observed between motivation of employees and their performances, in addition, there was also significant, strong and positive relationship between the stated HRMPs and the performance of employees in most of the public and private CBs in Gurage Zone branches.

The analysis of the mediator variable effect with Process Macro result revealed each of the five HRMPs has statistically significant and positive effect on the motivation of employees; employee motivation also has significant and positive effect on employee performance; and each of the five HRMPs has significant and positive effect on employee performance in most

of the public and private CBs in Gurage Zone branches. Furthermore, employee motivation significantly played mediating effect role on the effect relationship between HRMPs and employee performance in all public and private CBs in Gurage Zone branches.

5.2. Conclusions

Based on the findings of the study the following conclusions are drawn:

The descriptive statistics analysis result has shown to some extent high practice of the five HRMPs: job rotation, compensation, reward and recognition, training and development, and communication; high motivation and employee performance. Therefore, from these results it can be inferred that even if in majority of both public and private CBs in Gurage Zone branches practiced to some extent the five HRM variables; majority of the employees were motivated as well as high performance of employees was observed, all these things are not being implemented properly and fully as far as the overall CBs activities are concerned as they have to be put into effect. That means there are still limitations in implementing the above study variables. The banks are still not utilizing the full potentials of its human resources due to the above limitations in implementing the human resource management practices fully due to some of the practices were carried out moderately. Employees in both banks also must be motivated well enough to reach their fullest potential.

The Pearson correlation coefficient analysis showed significant and positive correlation between each of the five HRMPs and motivation; between motivation and employee performance; and between each of the five HRMPs and employee performance. Therefore, from this result it can be inferred that motivation of employees can serve as a bridge for the correlation between HRMPs and employee performance in both public and private CBs in Gurage Zone branches.

The overall results of the hypotheses tested indicated that the effects of job rotation, compensation, reward and recognition, training and development, and communication on motivation of employees are positive and significant. It is also confirmed that the effect of motivation of employees on the performance of employees is positive and significant. The mediating role of motivation in the relationship between HRMPs and employee job performance is statistically and positively significant. Therefore, from these result it can be

inferred that the effect relationship between each of the five HRMPs on employee performance can be dealt through motivation of employees.

The mediator variable effect analysis result revealed the significant and positive mediating effects of motivation on the effect relationship between HRMPs and employee performance. Therefore, from this result it can be inferred that the current research finding showed the extension of the effect relationship between HRM practice and employee performance by providing empirical evidence that motivation of employees played a vital role in providing a higher statistical correlation, in consolidating and explaining the relationship between HRMPs and employee performance in both public and private CBs.

5.3. Recommendations

Based on the findings and conclusions the following recommendations are forwarded:

Despite the overall results of the descriptive statistics analysis that revealed to some extent high practices of HRM: job rotation, compensation, reward and recognition, training development, and communication, as far as the banks overall activities concerned, management bodies of both public and private CBs better to conduct survey **on** these practices among the employees from time to time to evaluate their level of performance with the current practices and line managers better to be involved in the process of redesigning or modifying the HRM practices accordingly.

Job rotation – Employee performance: Job rotation practice has significant and positive effect relation with the performance of employees. Consequently, this established suggested that that management of public and private CBs better to pay more attention particularly on this practice as neglecting it or inability to adopt and pay more attention to it might be among the major reasons for poor performance of employees.

Reward and Recognition: It's recommended that the organization to implement reward and recognition consistently and better to implement a total reward approach instead of exercising one. In addition to this it's also advisable for the organization to focus more on the benefit packages.

Motivation-Employee performance: as motivation of employees has statistically significant positive relation and significant effect on employee performance the bank needs to work on motivational variables continuously and consistently with a due attention to attract, motivate, satisfy and retain its staffs as this works is the base for the bank to prosper and to be a leading competitive bank in the industry.

Training and development: the study has recommended to the management to improve employee's participation in the process, to avail adequate and timely trainings concerning all aspects of the employee performance management system and the banks better to be committed to provide organized training by assessing the needs, involving employees in training practice and implement training practice based on its policy and procedure.

Regards to employee performance, since employee job performance is not a onetime task, both banks should periodically revise and improve its HRMPs, and consolidate the mediating role of motivation in enhancing the relationship between HRMPs and the performance of employees and check employee job performance levels regularly.

In general, the management of both public and private CBs in Gurage Zone branches better to review periodically its human resource management practices and motivation practices in order to improve the limitations and to enhance employees' performance, productivity and organizational achievement.

5.4. Suggestions for Further Studies

Based on the scope and limitations of this study, the following suggestions are recommended for future studies:

- It is recommended that if the future study considers another variable for instance employee engagement as a mediator variable on the relationship between selected and more decisive HRMPs and employee performance in order to make the findings more efficient.
- it is better if the future research include more public commercial banks and private commercial banks employees to generate results based on better representative sample survey from the whole private and public banks not only in Gurage Zone

branches, but at zone level, even at district level, because as in all case studies, the generalizability of the findings and the conclusions drawn is limited.

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Appendix A: English Version Questionnaire



Wolkite University

School of Post Graduate Studies College of Business and Economics

Department of Management

Questionnaire to be filled by selected CBs employees in Gurage Zone

Dear respondent,

I am pursuing my graduate study in the field of Masters of Business Administration (MBA) in College of Business and Economics department of management, Wolkite University. Currently, I am conducting my thesis work on '**Examining Effect Relationship between human resource management practices and employee performance through mediating effect of motivation: in case of commercial banks in Gurage Zone branches**'. Coincidentally, you are one of the respondents selected to participate in this study. Thus, I humbly request you to take your time and answer all the questions included in this questionnaire. Your honest and genuine responses will have great contribution for the success of my study. Finally, I would like to assure you that the information that you will share here will be kept confidential and only used for academic purpose.

Thank you in advance for your cooperation!

With Kind Regards,

Jeyersalem Girma Kersima

Tel. Mobile: +251910452811

General Direction:

- No need of writing your name
- Use the “√” mark to give your response accordingly in the box[bracket]
- Use the blank space if you need to add idea/s that is not mentioned in the questionnaire

Section I: Demographic profile

Instruction: This Part of the questionnaire enquires about your personal and job related information. Please answer each item/question accordingly.

1. Gender: Male [____] Female [____]
2. In which age group are you in?
23 to 30 [____] 41 to 50 [____]
31 to 40 [____] 51 to 60 [____]
3. What is your highest educational qualification?
Diploma [____] Bachelor Degree [____]
Master Degree [____] other (specify)_____
4. How long have you been working in CB? [WE]
Below 5 years [____] 11 to 15 years [____]
5 to 10 years [____] 16 to 20 years [____] above 20 years [____]
5. What is your current job position?
Clerical [____] Professional [____] Line Manager [____]

Section II: HRMPs in Commercial banks

This section of the questionnaire prepared to collect data about HRM practices on employees and expected to have effects on employees’ performance in CBs. Try to recall as many recent HRM practices as possible in rating statements in each of the variable’s items. Please indicate the extent to which you agree or disagree with each statement by putting (√) in one of the appropriate scale option provided in the box such as **SA = strongly agree = 5, A = Agree = 4, U = Undecided = 3, DA = Disagree = 2, SD = strongly disagree = 1**

2.1. Job Rotation Practices [JRP]

No	Statement	Rating scale				
		1	2	3	4	5
1	Task change makes employees perform better in terms of quantity of work.					
2	Transferring of employees from one job to another increases their knowledge and learn more.					
3	Job rotation is viewed as a method of career development in the bank.					
4	Job rotation has been used in the bank to broaden individual knowledge and experience.					
5	Job rotation in the bank is related to employee performance.					
6	Job rotation increases employee readiness for organizational change and performance as well.					
7	Job rotation helps to reduce employee boredom and boost efficiency.					
8	Job rotation helps to stimulate thinking.					

2.2. Compensation [COMP]

No	Statement	Rating scale				
		1	2	3	4	5
1	My salary is sufficient in relation to what I perform.					
2	Salary increments are made based on employee performance.					
3	Salary increment made for high performer would encourage others to perform better.					
4	The bank's bonus payment is performance based.					
5	The bonus plan encourages performing better.					
6	If I perform well, I am certain that the amount of bonus increase.					
7	I am satisfied with the benefits I receive.					
8	The benefits are as good as most other banks offer.					
9	The benefit package of the bank is equitable.					

2.3. Reward and recognition [RWR]

No	Statement	Rating scale				
		1	2	3	4	5
1	Individual performance is adequately rewarded.					
2	The bank is recognizes or praises me when I do a good job.					
3	Considering my duties and responsibilities, I feel my salary is fair.					
4	Promotion is done based on individual performance or one's work contribution.					
5	In comparison with people doing similar jobs in other banks, I feel my salary is reasonable.					
6	I am happy with total benefit package of my bank.					

2.4. Training and Development[TRD]

No	Statement	Rating scale				
		1	2	3	4	5
1	Training objectives are inclined to the bank's objectives.					
2	Employees participate in identifying their training needs.					
3	Training agendas are informed before training date.					
4	The training materials and method are capable enough to grasp training objectives.					
5	The training place and time is suitable to grasp the training agendas.					
6	The training given matches to the job assigned.					
7	The bank conducts training evaluation.					
8	Training leads the employees reduce their mistakes and skill gaps.					
9	The bank follows employee's performance after training.					

2.5. Communication

No	Statement	Rating scale				
		1	2	3	4	5
1	I am kept well informed about what the bank is doing.					
2	I am able to speak up and challenge the way things are done.					
3	The system for orienting new employees and getting them started is effective.					
4	My supervisor or colleagues at work care about me as a person.					
5	The bank's process sets clear and realistic goal for the work.					
6	HR manager provides a realistic job preview of all the important aspects of a job when hiring.					
7	There is a good communication between the management and employees in the bank.					

Section III: Mediator Variable – Employee Motivation[MOT]

This section of the questionnaire prepared to collect data about employee motivation and expected to have links between HRM practices stated above and employees' performance in CBs. Please indicate the extent to which you agree or disagree with each statement by putting (√) in one of the appropriate scale option provided in the box such as **SA = strongly agree = 5, A = Agree = 4, U = Undecided = 3, DA = Disagree = 2, SD = strongly disagree = 1**

No	Statement	Rating scale				
		1	2	3	4	5
1	There is enough chance in my bank to do something that makes use of my ability.					
2	I have feeling of accomplishment that I get from my job.					
3	There is a chance to try my own methods of doing the job.					
4	I get praise for doing good job.					
5	I am happy the way bank policies are put into practice.					
6	There is enough chance in the bank to tell other people what to do.					
7	The way my co-workers get along with each other is very good.					
8	The competence of my supervisor in making decisions is fantastic.					
9	The way my Boss handles its subordinates is based on understanding not on authorities.					

Section IV: Employee Performance

This section of the questionnaire prepared to collect data about employees' performance in CBs. Please indicate the extent to which you agree or disagree with each statement by putting (√) in one of the appropriate scale option provided in the box such as **SA = strongly agree = 5, A = Agree = 4, U = Undecided = 3, DA = Disagree = 2, SD = strongly disagree = 1**

No	Statement	Rating scale				
		1	2	3	4	5
1	I have the ability, skill and commitment to perform every task in the bank.					
2	I strictly follow the policies and procedures of the bank.					
3	I am committed to get early at work.					
4	I am committed to the vision, mission and goals of the organization.					
5	My experience helps to reduce skill gaps.					
6	I have good relation with the management.					
7	I believe on learning& adopting new working cultures.					
8	I have good communication skill with customers.					

Appendix B: Amharic Version Questionnaire

አባሪ ለ፡ የአማርኛ ሥረት መጠይቅ



ወልቂጤ ዩኒቨርሲቲ

የድህረ ምረቃ ትምህርት የንግድ እና ኢኮኖሚክስ ኮሌጅ

አስተዳደር ክፍል

በወልቂጤ ከተማ በተመረጡ የባንክ ሰራተኞች የሚሞላ መጠይቅ

ውድ ምላሽ ሰጪ፤

የድህረ ምረቃ ትምህርቴን በወልቂጤ ዩኒቨርሲቲ ቢዝነስና ኢኮኖሚክስ ኮሌጅ ማስተርስ ኦፍ ቢዝነስ አድሚኒስትሬሽን (MBA) ትምህርት እየተከታተልኩ ነው። በአሁኑ ወቅት “በወልቂጤ ከተማ ቅርንጫፎች ውስጥ ባሉ ሁሉም ንግድ ባንኮች(የመንግስት እና የግል) የሰራተኞች ተነሳሽነት (motivation) በሰው ኃይል አስተዳደር አሠራርና በሠራተኛ አፈጻጸም መካከል ያለውን ትስስር በመሀል በመግባት የሚያሳድረውን ተጽዕኖ መፈተሽ” በሚል ርዕስ የመመረቂያ ጽሑፍን እየሠራሁ ነው ። በአጋጣሚ፣ በዚህ ጥናት ላይ ለመሳተፍ ከተመረጡት ምላሽ ሰጪዎች አንዱ ነዎት። ስለዚህ፣ የእርስዎ ታማኝ እና እውነተኛ ምላሾች ለጥናቴ ስኬት ትልቅ አስተዋፅዖ ስለሚኖረው ጊዜዎትን መስዋዕት አድርገው በዚህ መጠይቅ ውስጥ የተካተቱትን ጥያቄዎች እንዲመልሱልኝ በትህትና እጠይቃለሁ።

በመጨረሻም ላረጋግጥልዎ የምፈልገው ነገር ለዚህ ጥናት የምታካፍሉኝ/የሚሰጡኝ መረጃ በሚስጥር ተጠብቆ ለአካዳሚክ አገልግሎት ብቻ የሚውል መሆኑን ነው።

ስለ ትብብርዎ አመሰግናለሁ!

ከከበረ ሰላምታ ጋር፣

እየሩሳሌም ግርማ ክርሲማ

ስልክ. ሞባይል: +251910452811

አጠቃላይ የጥያቄዎች አመለካከት መመሪያ

- ስሞትን መጻፍ አያስፈልግም
- ምላሽዎን በሣጥን[ቅንፍ] ውስጥ ለመስጠት የ"√" ምልክትን ይጠቀሙ።
- በመጠይቁ ውስጥ ያልተጠቀሱ ሃሳቦችን ማክል ከፈለጉ ባዶውን ቦታ ይጠቀሙ

ክፍል I: የተሳታፊ የግል መገለጫ

መመሪያ : ይህ የመጠይቅ ክፍል ስለ እርስዎ የግል እና ከስራ ጋር የተያያዘ መረጃ ይጠይቃል። እባክዎን እያንዳንዱን ጥያቄ በጥያቄው መሰረት ምላሾችን ይመልሱ።

6. ጾታ: ወንድ [] ሴት []
7. በየትኛው የዕድሜ ቡድን ውስጥ ነዎት?
 ከ 23 እስከ 30 [] ከ 31 እስከ 40 []
 ከ 41 እስከ 50 [] ከ 51 እስከ 60 []
8. ከፍተኛ የትምህርት ደረጃዎ ምንድነው?
 ዲፕሎማ [] የመጀመሪያ ዲግሪ []
 ማስተር ዲግሪ [] ሌላ ካለ (ይግለጹ) _____
9. የባንክ ሰራተኛ በመሆን ለምን ያህል ጊዜ እየሰሩ ነው?
 ከ 5 ዓመት በታች [] ከ5 እስከ 10 ዓመታት []
 ከ 11 እስከ 15 ዓመታት [] ከ16 እስከ 20 ዓመታት []
 ከ20 ዓመት በላይ []

10. አሁን ያሉበት የስራ ቦታ ምንድን ነው?

ክለሪካል [] ባለሙያ [] ላይን ማናጀር []

ክፍል II: የHRMPs በመንግስት እና በግል ንግድ ባንኮች ውስጥ

ይህ የመጠይቅ ክፍል በሠራተኞች ላይ የኤችአርኤም አሠራር መረጃን ለመሰብሰብ የተዘጋጀ ሲሆን በNCBs ውስጥ በሠራተኞች አፈጻጸም ላይ ተጽእኖ ይኖራቸዋል ተብሎ ይጠበቃል። በእያንዳንዱ በተለዋዋጭ (independent variables) ውስጥ ባሉ የደረጃ መግለጫዎች ውስጥ የቅርብ ጊዜ የኤችአርኤም ልምዶችን ለማስታወስ በመሞከር በእያንዳንዱ መግለጫ የተስማሙበትን ወይም የማይስማሙበትን መጠን (✓) በሰጥኑ ውስጥ ከቀረቡት የመጠን ምርጫ 5 = በጥብቅ እስማማለሁ፣ 4 = እስማማለሁ፣ 3 = አልወሰንኩም፣ 2 = አልስማማም፣ 1 = በጽኑ አልስማማም = 1 አንዱን በመምረጥ ምላሽን ይስጡ።

2.1 . ሥራን እየተቀያሩ የመስራት ልምዶች (job rotation practice)

ተ.ቁ	መግለጫ(statement)	የደረጃ አሰጣጥ ልኬት				
		1	2	3	4	5
1	የተግባር ለውጥ ሰራተኞች በስራ ብዛት የተሻለ አፈፃፀም እንዲኖራቸው ያደርጋል።					
2	ሰራተኞችን ከአንድ ስራ ወደ ሌላ ማዛወር እውቀታቸውን ይጨምራል እንዲሁም የበለጠ ይማራሉ።					
3	ሥራን እየተቀያሩ መስራት በባንኩ ውስጥ የሥራ ዕድገት መተግበሪያ ዘዴ ተደርጎ ይቆጠራል።					
4	የግለሰቦችን ዕውቀትና ልምድ ለማስፋት ሥራን እየተቀያሩ መስራት በባንክ ውስጥ ጥቅም ላይ ውሏል።					
5	በባንክ ውስጥ ሥራን እየተቀያሩ መስራት ከሠራተኛ አፈፃፀም ጋር የተያያዘ ነው።					
6	ሥራን እየተቀያሩ መስራት የሰራተኛውን ዝግጁነት እንዲሁም የባንኩን ለውጥ እና አፈፃፀም/ብቃት ይጨምራል።					
7	ሥራን እየተቀያሩ መስራት የሰራተኞችን መሰላቸት ለመቀነስ እና ውጤታማነትን ለመጨመር ይረዳል።					
8	ሥራን እየተቀያሩ መስራት አስተሳሰብን ለማነቃቃት ይረዳል።					

2.2. ማካካሻ (Compensation)

ተ.ቁ	መግለጫ(statement)	የደረጃ አሰጣጥ ልኬት				
		1	2	3	4	5
1	ደሞዜ ከምሰራው ስራ አንጻር በቂ ነው።					
2	የደመወዝ ጭማሪ የሚደረገው የሰራተኞች አፈፃፀም ላይ ተመርኩዞ ነው።					

3	የተሻለ የስራ አፈጻጸም ላላቸው ሰራተኞች ከፍተኛ የደመወዝ ጭማሪ መደረግ ሌሎችን ያበረታታል።					
4	እኔ ባንኩ የዘጋጀውን ሽልማት ለማግኘት የበለጠ እስራለሁ።					
5	የባንኩ የበነስ ክፍያ በአፈጻጸም ላይ የተመሰረተ ነው።					
6	የባንኩ የጉርሻ ዕቅድ በተሻለ ሁኔታ እንዲሠራ ያበረታታል።					
7	ጥሩ ስራ ከሰራሁ የጉርሻ መጠኑ እንደሚጨምር እርግጠኛ ነኝ።					
8	ባገኝኋቸው ጥቅማ ጥቅሞች ረክቻለሁ።					
9	የባንኩ ጥቅሞች አብዛኛዎቹ ሌሎች ባንኮች እንደሚያቀርቡት ጥሩ ናቸው።					
10	የባንኩ የጥቅም ጥቅል(package) ፍትሃዊ ነው።					

2.3. ሽልማት እና እውቅና(Reward and recognition)

ተ.ቁ	መግለጫ(statement)	የደረጃ አሰጣጥ ልኬት				
		1	2	3	4	5
1	የግለሰብ አፈጻጸም በበቂ ሁኔታ ያሸለማል።					
2	ባንኩ ጥሩ ስራ ከሰራሁ ለስራዬ ግንዛቤ ይሰጣል ወይም ያመሰግናል።					
3	ደመወዜ ተግባሮቼን እና ኃላፊነቶቼን ከግምት ውስጥ በማስገባት ስለሆነ ፍትሃዊ ነው የሚል ስሜት ይሰማኛል።					
4	እድገት የሚከናወነው በግለሰቡ አፈጻጸም ወይም የሥራ አስተዋጽኦ ላይ በመመስረት ነው።					
5	በሌሎች ባንክ ቤቶች ተመሳሳይ ስራዎችን ከሚሰሩ ሰራተኞች ጋር ሲነጻጸር፣ ደመወዜ ምክንያታዊ እንደሆነ ይሰማኛል።					
6	በባንኬ አጠቃላይ የጥቅም ጥቅል ደስተኛ ነኝ።					

2.4. ስልጠና እና ልማት (Training and development)

ተ.ቁ	መግለጫ(statement)	የደረጃ አሰጣጥ ልኬት				
		1	2	3	4	5
1	የሥልጠና ዓላማዎች ወደ ባንኩ እንቅስቃሴዎች ያዘነበሉ ናቸው።					
2	ባንኩ የስልጠና ፍላጎቶችን ለመለየት ሰራተኞቹን ያሳትፋል።					
3	የሥልጠና አጀንዳዎች ከስልጠና በፊት ይነገራሉ።					
4	የሥልጠና አስፈላጊ ነገሮች እና ዘዴው የሥልጠና ዓላማዎችን ለመረዳት ያስችላሉ።					
5	የሥልጠና ቦታው እና ሰዓቱ የስልጠና አጀንዳዎችን ለመረዳት ተስማሚ ናቸው።					
6	ባንኩ የሚሰጠው ስልጠና ከተመደበው ሥራ ጋር ይዛመዳል።					
7	ባንኩ የስልጠና ግምገማ ያካሂዳል።					
8	ስልጠና ሰራተኛው ስህተቶች እንዲቀንስ እና የክህሎት ክፍተቶችን እንዲሞላ ያደርገዋል።					
9	ባንኩ ስልጠና በሁዋላ የሰራተኛውን አፈጻጸም ይከታተላል።					

2.5. ግንኙነት(Communication)

ተ.ቁ	መግለጫ(statement)	የደረጃ አሰጣጥ ልኬት				
		1	2	3	4	5
1	ባንኩ ምን እየሰራ እንደሆነ በደንብ የሰውቃል።					
2	ነገሮች የሚከናወኑበትን መንገድ መናገር እና መቃወም እችላለሁ።					
3	የባንኩ ስርዓት(system) አዳዲስ ሰራተኞችን የማቀናጀት እና ስራቸውን የማለማመድ ሂደት ውጤታማ ነው።					
4	በሥራ ላይ ያሉ የሥራ ባልደረቦቼ ወይም የሥራ ተቆጣጣሪዬ ስለ እኔ ያስባሉ።					
5	የባንኩ የስራ ሂደት ግልፅ እና ተጨባጭ ግብ ያስቀምጣል።					
6	የሰው ኃይል ሥራ አስኪያጅ ሰራተኞች በሚቀጠሩበት ጊዜ ሁሉንም የሥራው አስፈላጊ ገጽታዎች የሥራ ቅድመ እይታ ያቀርባል።					
7	በባንኩ ውስጥ ባሉ ሰራተኞች እና በአስተዳደሩ መካከል ጥሩ ግንኙነት አለ					

ክፍል III፡ አገናኝ ተለዋዋጭ (Mediator Variable) - የሰራተኛ ተነሳሽነት(employee motivation)

ይህ የመጠይቅ ክፍል ስለ ሰራተኛ መነሳሳት መረጃን ለመሰብሰብ የተዘጋጀ እና ከላይ በተገለጹት የHRM ልምዶች እና በCBs ውስጥ በሰራተኞች አፈጻጸም መካከል ግንኙነት ይኖረዋል ተብሎ ይጠበቃል። ስለዚህ እባክዎ በእያንዳንዱ መግለጫ የተስማሙበትን ወይም የማይስማሙበትን መጠን (✓) በሰጥኑ ውስጥ ከቀረቡት የመጠን ምርጫ 5 = በጥብቅ እስማማለሁ፣ 4 = እስማማለሁ፣ 3 = አልወሰንኩም፣ 2 = አልስማማም፣ 1 = በጽኑ አልስማማም = 1 አንዱን በመምረጥ ምላሽን ይስጡ።

ተ.ቁ	መግለጫ(statement)	የደረጃ አሰጣጥ ልኬት				
		1	2	3	4	5
1	ባንኩ በእኔ ውስጥ ያለውን አቅሜን ለመጠቀም ያለውን እድል ይጠቀማል።					
2	ከሥራዬ ጋር በተገናኘ በስኬት የማጠናቀቅ ስሜት አለኝ።					
3	ባንኩ ስራዬን በራሴ መንገድ ወይም ዘዴ እንድሰራ እድል ይሰጣል።					
4	ጥሩ ስራ በመስራት ምስጋና አገኛለሁ።					
5	ባንኩ ፖሊሲዎቹን ወደ ተግባር ለመቀየር የሚጠቀምት መንገድ ደስተኛ ነኝ።					
6	በባንክ ውስጥ ሌሎች ሰዎች ምን ማድረግ እንዳለባቸው ለመንገር በቂ እድል አለ።					
7	የስራ ባልደረቦቼ እርስ በርስ የሚስማሙበት መንገድ በጣም ጥሩ ነው.					
8	የእኔ የስራ ተቆጣጣሪ ውሳኔዎችን የመስጠት ብቃት ድንቅ ነው።					
9	አለቃዬ የበታችኛን የሚይዝበት መንገድ በባለሥልጣንነት ስሜት ሳይሆን በመረዳት ላይ የተመሰረተ ነው።					

ክፍል IV : የሰራተኛ አፈፃፀም/ብቃት (Employee Performance)

ይህ የመጠይቁ ክፍል በCBs ውስጥ የሰራተኞችን አፈፃፀም መረጃ ለመሰብሰብ ተዘጋጅቷል። እባክዎ በእያንዳንዱ መግለጫ የተስማሙበትን ወይም የማይስማሙበትን መጠን (√) በሰጥኑ ውስጥ ከቀረቡት የመጠን ምርጫ 5 = በጥብቅ እስማማለሁ፣ 4 = እስማማለሁ፣ 3 = አልወሰንኩም፣ 2 = አልስማማም፣ 1 = በጽኑ አልስማማም = 1 አንዱን በመምረጥ ምላሽን ይስጡ።

ተ.ቁ	መግለጫ(statement)	የደረጃ አሰጣጥ ልኬት				
		1	2	3	4	5
1	በባንኩ ውስጥ ያሉትን ሁሉንም ተግባራት ለማከናወን ችሎታ እና ቁርጠኝነት አለኝ።					
2	የባንኩን ፖሊሲዎችና ሂደቶች በጥብቅ እከተላለሁ።					
3	ወደ ሥራ ቀድሜ ለመግባት ቁርጠኛ ነኝ።					
4	ለድርጅቱ ራዕይ፣ ተልዕኮ እና አላማ ቁርጠኛ ነኝ።					
5	የስራ ልምዴ የክህሎት ክፍተቶችን ለመቀነስ ይረዳኛል።					
6	ከአስተዳደር ጋር ጥሩ ግንኙነት አለኝ።					
7	አዳዲስ የስራ ባህሎችን በመማር እና በመቀበል አምናለሁ።					
8	ከደንበኞች ጋር ጥሩ የመግባቢያ ችሎታ አለኝ።					