



**NEAR EAST UNIVERSITY**

**INSTITUTE OF GRADUATE STUDIES**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**THE ROLE OF HUMAN RESOURCE MANAGEMENT PRACTICES ON  
ORGANIZATIONAL PERFORMANCE**

**MASTER THESIS**

**ABDIRAHMAN BASHI AHMED**

**Nicosia**

**JUNE, 2023**

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Ahmed**

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**NICOSIA  
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## Approval

We certify that we have read the thesis submitted by **Abdirahman Bashi Ahmed** titled “**The Role of human resource management practices on organizational performance**” and that in our combined opinion it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Business Administration.


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### **Declaration**

I affirm that all the information, documents, analysis, and findings contained in this thesis have been gathered and presented in accordance with the academic regulations and ethical principles set forth by the Institute of Graduate Studies at Near East University. Furthermore, I acknowledge that in compliance with these guidelines, I have diligently attributed and referenced any information or data that is not original to this research.

**Abdirahman Bashi Ahmed**

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**Abdirahman Bashi Ahmed**

**Abstract:****The Role of human resource management practices on organizational performance****Abdirahman Bashi Ahmed****Supervisor, Dr Ozlem Ercantan****MBA, Department of Business Administration****June, 2023**

This thesis seeks to study the effect of human resource management (HRM) practices on the organizational performance of the Premier Bank of Somalia. The study contains a sample of 109 workers from varied divisions within the bank. Specifically, the study focused on four core HRM practices: training, appraisal, rewards, and recognition, and their effect on the performance of organizations.

The fundamental goal of this inquiry is to examine how these HRM practices impact the overall performance of Premier Bank. To obtain data, a quantitative research approach will be applied, utilizing a standardized questionnaire distributed to workers. Statistical analysis tools, such as regression analysis, would be employed to examine the data and discover the relationships between HRM practices and organizational performance.

The study's findings carry significant implications for organizational leaders and HR practitioners. Organizations can prioritize these factors in their strategic decision-making processes by recognizing the positive impact of staff training, performance appraisal, rewards, and recognition. Implementing effective and well-structured staff development programs, refining performance appraisal systems, and establishing a robust rewards and recognition framework can contribute to a motivated and high-performing workforce, ultimately leading to increased organizational success and competitive advantage.

**Keywords:** training, performance appraisal, rewards and recognition, and organizational performance.

## ÖZET

### **The Role of human resource management practices on organizational performance**

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**June, 2023**

Bu tez, insan kaynakları yönetimi (İKY) uygulamalarının Somali Premier Bankası'nın örgütsel performansı üzerindeki etkisini incelemeyi amaçlamaktadır. Çalışma, bankanın çeşitli bölümlerinden 109 çalışandan oluşan bir örneklem içermektedir. Çalışma özellikle dört temel İKY uygulamasına odaklandı: eğitim, değerlendirme, ödüller ve tanınma ve bunların kuruluşların performansı üzerindeki etkisi.

Bu araştırmanın temel amacı, bu İKY uygulamalarının Premier Bank'ın genel performansını nasıl etkilediğini incelemektir. Veri elde etmek için, işçilere dağıtılan standart bir anket kullanılarak nicel bir araştırma yaklaşımı uygulanacaktır. Verileri incelemek ve İKY uygulamaları ile kurumsal performans arasındaki ilişkileri keşfetmek için regresyon analizi gibi istatistiksel analiz araçları kullanılacaktır.

Çalışmanın bulguları, örgütsel liderler ve İK uygulayıcıları için önemli çıkarımlar taşıyor. Kuruluşlar, personel eğitiminin, performans değerlendirmenin, ödüllerin ve tanınmanın olumlu etkisini kabul ederek stratejik karar alma süreçlerinde bu faktörlere öncelik verebilir. Etkili ve iyi yapılandırılmış personel geliştirme programları uygulamak, performans değerlendirme sistemlerini iyileştirmek ve sağlam bir ödül ve tanıma çerçevesi oluşturmak, motive olmuş ve yüksek performanslı bir iş gücüne katkıda bulunabilir ve sonuçta artan organizasyonel başarıya ve rekabet avantajına yol açar.

**Anahtar kelimeler:** eğitim, performans değerlendirmesi, ödüller ve takdir, kurumsal performans.

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### **List of abbreviations**

HRM.....human resource management

## **CHAPTER I**

### **Introduction**

#### **Introduction**

Human Resource Management (HRM) is critical to an organization's prosperity and efficacy. Effective HRM strategies are critical for recruiting, developing, and sustaining qualified staff, which directly influences the performance of the organization.

HRM methods have received substantial attention in the dynamic and competitive banking industry owing to their ability to enhance employee productivity, job satisfaction, and overall organizational performance.

The purpose of this chapter is to introduce the study subject, "The Role of HRM Practices on Organizational Performance: A Case Study of Premier Bank of Somalia." It describes the study's context and relevance, gives the problem statement and research questions, and examines the research's scope and limits.

#### **Background of the study**

HRM is the process of discovering, recruiting, and sustaining a proficient workforce, as well as organizing for and overseeing the development and advancement of those employees' capabilities on the job. HRM refers to the practice of supervising an organization's employees. In many businesses, human resources departments are in charge of developing, implementing, and monitoring internal policies that affect employees and the organization's relationship with its workforce.

HRM is a fiercely debated subject among academics and business leaders alike. There has been much debate over what HRM entails, but no consensus has emerged. HRM and personnel management are commonly used interchangeably, yet their implications may be very distinct. The principles and practices of the latter constitute the basis for HRM. Recruiting and training new employees to satisfy the immediate and short-term requirements of a business falls within the jurisdiction of personnel management. Awards, training, and remuneration are all regarded as distinct processes from locating, vetting, and employing new employees. HRM (HRM) is a method that seeks to standardize how a business conducts its employees. It also views the company as a whole for analytical purposes while still treating employees with respect by keeping track of their files and actions on the job.

HRM is a systematic approach to administering the people who make a business successful. HRM is a set of related policies, standards, and procedures with a logical and ideological foundation. Core ideas and assumptions, a strategic trajectory indicating HRM-related choices, the necessary engagement of line managers, and a set of mechanisms to form work connections are assigned the most weight in HRM (Storey, 1989). Legge (1995) claimed that "hard and soft characteristics" form the basis of HRM by distinguishing between human and material resources. Business strategies are seen as a subject of dispassionate, straightforward arithmetic from the perspective of HRM management, just like any other aspect of HRM management. Story (1987) argues that employees should be regarded like any other variable business expenditure. Guest (1987) defines the soft perspective as an approach to recruiting that emphasizes developing a spiritual, malleable, and competent workforce. People-focused HRMs are valued because of their potential to convert production factors into monetary profit. Therefore, it is essential to invest in people through training and development to retain enduring competitive advantages.

HRM has been described in several forms in academic writing. HRM has been defined as "a methodological approach to developing a formal structure in an organization to guarantee proper training and development, performance appraisal, recognition, and rewards for the efficient and effective utilization of skilled and motivated HRMs for organizational strategic and operational objectives."

HRM strategies and their effects on business performance in a variety of developed nations have been the topic of much research. The effects of HRM strategies on production, staff retention, and financial success have been examined (Choi, 2010). Despite all the attention, this issue was being neglected in Somalia. Sett (2004) argues that qualitative developments in the sector since the mid-180s, when economies in most South Asian nations opened, make a comprehensive strategic approach to people management vital in South Asia. HRM was instituted in Somalia to help the country contend with the challenges posed by globalization and enhance the efficacy of business and industrial operations. HRM is steadily finding its way into Somalia, but progress is sluggish. HRM is a crucial technique for businesses to implement to obtain an advantage in the market.

Globalization and technological advancement have accelerated the rate of change, and businesses throughout the globe have responded by adapting their methods of operation to keep up. HRM solutions that are proactive may help

businesses surmount workplace and process engineering difficulties. They're crucial, and they can make a significant difference for the company. It might be difficult to keep everyone content in a fast-paced, ever-changing workplace where baby boomers and millennials coexist. They have distinct priorities when it comes to receiving benefits, so they need specialized care. Therefore, HRM is a difficult but essential undertaking if a business wishes to progress through the efforts of its employees.

If you want to make it in today's ruthless business world, you need scale, technology, capital, creativity, and innovation on your side. This is made feasible by meticulously selecting HR experts based on their demonstrated aptitude, knowledge, and motivation to positively impact the company's growth. The struggle to figure out how to make the most of professional HRM techniques persists, even though it is a significant obstacle to corporate growth and profitability in most emerging countries.

Fombrun et al. (1984), researchers at the University of Michigan, provided a clear and exhaustive explanation of the HRM concept by contending that the HRM system and the organization structure should be in harmony with the company's aims and objectives. Development (i.e., the reinforcement of personnel with up-to-date job skills) was also introduced as part of HRM, along with performance evaluation (the analysis of employees' efforts to discover where they may be improved). To a large extent, HRM's current outlook and methods may be traced back to the work of Harvard Business School professors Beer et al. (1984), who contend that HRM is everyone's responsibility, not merely that of the HR department. The competitive environment of today requires businesses to implement a more strategic and comprehensive approach to HRM. According to Beer et al. (1984), HRM is the duty of all administrators, not only the HR department. Today's businesses confront more strain from the outside world, necessitating a more strategic and comprehensive approach to HRM. Many professionals in the field of human resources now advocate for HRM to take the long view, seeing employees as an investment rather than an expense.

HRM's primary objective is to recruit competent personnel, pay them competitive compensation, and encourage them to give their all to their job via regular performance evaluations and other means of constructive criticism.

Companies that use what are termed "high management techniques" tend to prosper financially over time. As evidence, he employs a definition of "people-centered strategies" that incorporates certain HRM activities as vital sources of competitive advantage that lead to greater economic returns. Among them are being equitable in

how employees are compensated for their efforts and conducting exhaustive interviews and background checks on potential recruits. Nothing in Pfeffer's writings supported his assertion. Therefore, it is essential to acquire data that supports the hypothesis that HRM strategies enhance business results. Whitener (2001) used hierarchical linear modeling to find a correlation between HRM practices and employee commitment, which in turn led to higher levels of performance on the job. Tsui et al. (1997) analyzed the relationship between training and development expenditure, employee commitment, and employee performance. Arthur (1992) showed significant connections between HRM policies and the output of steel mills. The authors discovered that enterprises with HRM policies in effect had far higher rates of performance. HRM methods and employee performance at work are two areas that still need to be investigated.

Huselid et al. (1997) defined the HRM effectiveness metrics of strategy and implementation. While technical HRM refers to the actual implementation of such measures, strategic HRM places more emphasis on how to integrate them into the larger business strategy. Organizations must embrace change since it is an ongoing process necessary for survival in today's competitive economy. According to Dobrovic and Timkova (2017), one of the most crucial aspects of operating a business successfully over the long term is being able to anticipate events and adjust to altering market circumstances. Civelek, Kljunikov, Dobrovi, and Hudáková (2016) also emphasize the significance of responding to the present market circumstances and market environment. All successful enterprises and organizations understand that change is constant. According to Halkos (2012), there are two categories of organizational change: transactional and transformative. Instead of merely reacting to modifications in the marketplace, organizations must actively help their workers through the adaptation process. Employees are vital to the success of the organization and the achievement of its mission and goals. As a result, they will have to adjust to new conditions if they wish to prosper. The complexity of modern political concerns, the quick development of new technology, and the fragility of the global economy all contribute to a heightened pace of change. As a consequence, businesses must discover the forces that will propel a positive organizational transformation.

Organizational commitment to a continual process that assures knowledge of changes is essential for successful adaptation. Because of the significance of

expeditious and ongoing adaptation to innovation and change, Halkos (2012) labels it a fundamental metric for their growth. The change process is the mechanism by which an organization is transformed, and it consists of several stages, such as an organizational audit, a plan, a strategy, a communication plan, support from stakeholders, and ultimately, consolidation. To effectively implement changes, then, an organization's upper, medium, and bottom management must all exercise excellent change management.

To flourish in the modern business world, organizations must practice effective change management. According to Al-Haddad and Kotnour (2015), the concept of change necessitates constant adjustment to remain in line with external conditions.

### **Problem statement**

HRM methods have been extensively studied for their impact on business results. Multiple international studies found that HRM practices strongly influenced organizational performance. Mogadishu's commercial

Banks are an intriguing study subject, yet there has been a shocking shortage of research on them. The study set out to determine how the premier bank of Somalia's HRM policies affected the performance of the organization. HRM was studied to see how it impacted the organizational performance of the premier bank in Mogadishu, Somalia, in the areas of staff training, rewards and recognition, and performance appraisal.

### **Purpose of the study**

The objective of this study is to analyze the role of HRM practices on the organizational performance of the Premier Bank of Somalia, primarily concentrating on the areas of staff training, appraisal of performance, and rewards and recognition. The study intends to evaluate how HRM practices impact the overall performance of the bank and give insights into the link between HRM practices and organizational performance. By studying this connection within the context of the Premier Bank of Somalia, the research attempts to contribute to the body of knowledge on HRM and give practical implications for HRM practitioners in the banking sector. Additionally, the study intends to shed light on the existing HRM practices in Somalia and their influence on the public image and bottom line of the banking business.



### **Research questions**

1. What is the function of HRM in organizational performance?
2. What role does performance appraisal play in the overall performance of Premier Bank Mogadishu in Somalia?
3. What is the influence of training and development on organizational performance at Premier Bank in Mogadishu, Somalia?
4. How does the reward and recognition system affect organizational performance at Premier Bank Mogadishu—Somalia?

### **Significance of the study**

Numerous studies have shown the significance of HRM factors in the achievement of corporate goals. This study adds to the body of HRM knowledge and, more practically, helps practitioners by describing the HRM practices currently employed in Somalia's various sectors and showing how they affect the sectors' public image and bottom line.

### **Scope and Limitations of the Study**

This research focuses on the influence of HRM practices on organizational performance utilizing the premier bank of Somalia, the Mogadishu branch, as a case study. Expenses and a shortage of time were two of the study's biggest obstacles. The time and effort put into locating relevant materials, publications, and information for the study were hampered by a lack of funding. The project deadline was short, which will limit the amount of time spent on research.

### **Definition of terms**

#### **Human resource management**

Human Resource Management is the process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns. Dessler, G. (2017).

#### **Training**

Training refers to the process of obtaining information, skills, and competences via teaching, practice, and experience in order to boost performance and improve productivity. It comprises systematic and planned actions aimed at building or

increasing an individual's talents and knowledge in a given area. Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2019).

### **Performance Appraisal**

The purpose of a performance appraisal is to evaluate an employee's efficiency and effectiveness. To demonstrate excellent performance at work and to lay forth a strategy for development (Amin, Ismail, 2014). People are promoted, degraded, kept, or let go based on the results of these evaluations. Tension arises when individuals feel that their outcome-to-effort ratio is not as favorable as that of others (Ramlall, 2004). Organizational performance suffers without it, and issues like poor morale, lower production, and a lack of desire to support the company arise (Amin, Ismail, and Selemani, 2014).

### **Rewards and Recognitions**

An individual's efforts may be recognized in either an internal or external manner via the use of a rewards and recognition system. When workers get timely, fair, and appropriate recognition and reward for their accomplishments, a culture of recognition and reward may be said to exist in the workplace.

### **Organizational performance**

Organizational performance refers to the degree to which an organization meets its goals and objectives, efficiently utilizes its resources, and satisfies the expectations of its stakeholders. It is a measure of how well a firm performs in terms of productivity, efficiency, profitability, customer happiness, employee engagement, and other key performance indicators. (Noe, R. A. 2019).

## CHAPTER II

### Literature Review and Hypothesis Development

#### Introduction

This chapter presents a detailed literature analysis on the role of HRM (HRM) practices on organizational success. The purpose is to assess prior research, ideas, and models that have explored the link between HRM practices and organizational results, with a special emphasis on the banking industry. This review creates the framework for hypothesis generation, which will drive the empirical research in later chapters.

The chapter opens with an overview of the core ideas and theories linked with HRM and its influence on organizational success. It analyzes numerous views and theoretical frameworks that have been applied to investigate the relationships between HRM practices and performance results. Furthermore, the literature study goes into particular HRM strategies like as appraisals of performance, training and development, and rewards and recognition. It underlines the relevance of these behaviors and their potential effect on the performance of organizations.

#### Human Resource Management

The US management concept of HRM was initially intended to signify the significance placed on specific workers or employees as well as the necessity of treating them as assets as opposed to costs (Wilkinson, 1990). Despite the concept's widespread adoption as a new management strategy, its various uses have prevented it from being precisely defined. There are three main approaches to HRM, as stated by Guest (1987, p. 504). First of all, HRM is seen as a new term for personnel management, suggesting that businesses should rename their personnel department without altering their current procedures. Second, HRM is defined as the conceptualization, acknowledgement, and description of the functions of the personnel department. Thirdly, HRM is seen as a completely fresh method for handling originations in a unique way and incorporating human resources into strategic management. Therefore, this third method of HRM highlights the significance of effectively and positively employing human resources. In a nutshell, human resource management (HRM) refers to a set of guidelines designed to maximize organizational integration, employee commitment, flexibility, and quality

### **Staff-training**

Training and development are interdependent components of HRM (Anwar & Shukur, 2015). They work together to help employees reach their full potential by enhancing their current abilities through training and preparing them for future goals through development, ultimately leading to increased productivity (Anwar & Abd Zebari, 2015).

It is not necessary for training to occur simultaneously (Anwar & Surarchith, 2015). They can be provided jointly or separately, depending on the organization's needs. However, both are essential elements of HRM. Anwar (2017) emphasizes the importance of supporting employees' success and providing them with more responsibilities and opportunities for growth as they advance in their careers. Well-trained employees, according to Anwar (2016), are vital for building a prosperous future and becoming the driving force behind a company's success (Abdulla et al., 2017).

These aspects of HRM, encompassing training, aim to enhance organizational performance. Staff training are often referred to as human resources development, learning and development, or development and learning (Anwar & Balcioglu, 2016). Training opportunities are believed to positively influence individuals' perspectives and approaches to customer interactions. Therefore, training involves providing various learning strategies to enhance employees' capacity to achieve organizational objectives (Hameed & Anwar, 2018). Training addresses current staff responsibilities, while development focuses on understanding future issues and mechanisms, not limited to the present processes (Anwar & Ghafoor, 2017).

HRM continues to prioritize the acquisition of new skills by employees (Nordhaug, 1989) to enable career advancement (Gritz, 1993). Ongoing education and training are required for those aspiring to managerial positions (Baldwin & Padgett, 1994). Training is an essential component of any competitive advantage strategy (Barney, 1995). Well-executed training initiatives contribute to improved productivity at both the organizational and individual employee levels (Dobson & Tosh, 1998), which is crucial in today's business landscape (Ng & Siu, 2004).

Training enhances productivity for both the company and its employees (Noe, 1986). To remain competitive, organizations must invest time and effort in enhancing their workforce's performance. This can be achieved by providing employees with ongoing opportunities to acquire new skills and expand their knowledge base. Training

offers both monetary and non-monetary benefits, such as improved performance, productivity, and personal growth for employees (Elangovan & Karakowsky, 1999).

The role of staff training on organizational performance has been extensively studied both theoretically and empirically. Individuals tend to perform better after acquiring new knowledge and skills. Success in a competitive market requires openness to innovation, change, and development at both the employee and organizational levels. Training and collaboration have become increasingly crucial due to the complexity and interconnectedness of work (Booth & Snower, 1996). Research has focused on establishing a causal relationship between education and workplace productivity, yielding mixed results.

A study by Russell et al. (1985) in the retail sector demonstrated a positive correlation between indicators like sales per employee and brand impression and the percentage of trained employees. Training contributes to increased profits through improved professionalism, positive attitudes, and enhanced abilities (Pfeffer, 1998a). Several studies have demonstrated the positive impact of training on corporate performance. Neglecting the value of training can result in high levels of stress, low production, and diminished returns (Bartel, 1994). Even small companies can compete with industry giants by investing in high-performance training programs. Investing in employees' growth and development improves their perspectives, skills, and productivity, ultimately benefiting organizational performance (Arthur, 1994; Huselid, 1995; Wan et al., 2002; Patrick et al., 2003; Sels et al., 2003; Singh, 2004).

Without training programs, it is challenging to meet organizational expectations for knowledge and skills, which are crucial for staff development, increased productivity, and improved performance. However, designing and implementing effective training programs require financial resources, leading to concerns about their value (Elangovan & Karakowsky, 1999). Therefore, it is crucial to identify the factors that contribute to effective training, considering the significant investment involved (Arthur et al., 2003).

Training is a resource-intensive process that regularly impacts a significant portion of the workforce. Extensive research and efforts have been devoted to understanding the essence of employee training over the past three decades (Emadi et al., 2007). This study aims to explore training and development as independent variables and their potential impact on organizational performance, which can significantly influence an organization's overall success. Many companies prioritize

training and development to enhance their competitiveness and overall efficiency (Brown, 2005).

### **Performance appraisal**

Employee surveillance is a crucial aspect of the employer-employee relationship as it allows management to assess performance, provide incentives, assign appropriate roles, determine compensation, and make decisions regarding retention and advancement. Monitoring productivity plays a key role in making such appraisals, with the level of complexity varying depending on the nature of the business and available technology (Jackson & Schuler, 2003). Performance appraisal and appraisal systems are commonly used to evaluate employees, often incorporating feedback from subordinates, peers, supervisors, other managers, and sometimes even self-evaluations (Jackson & Schuler, 2003).

Extensive research has been conducted on the topic of performance appraisals. Early studies focused on the psychometric qualities of appraisals, treating them as exams and examining aspects such as validity, reliability, and lack of bias (Milkovich & Wigdor, 1991). Common issues identified include rating scale errors, such as the halo effect, central tendency effect, and recency effect, which can distort accurate evaluations of employee performance (Milkovich & Newman, 2002). Over time, the focus shifted towards utilizing performance evaluations to align with organizational objectives rather than solely achieving precise accuracy (Milkovich & Wigdor, 1991). Studies also explored supervisors' understanding of appraisal procedures and their trust in them. Additionally, researchers began examining the usefulness of performance ratings, with evaluations used for developmental purposes being perceived as more forgiving than those tied to pay outcomes (Boswell & Boudreau, 2002). Recent research has placed emphasis on the social context of evaluations and employees' reactions to them (Keeping & Levy, 2000; Levy & Williams, 2004).

Despite the substantial amount of literature on performance appraisals, there has been limited investigation into the prevalence of formal appraisal systems in different organizations. Implementing a systematic appraisal system can be costly and should only be undertaken when the benefits outweigh the expenses. Therefore, the absence of such systems is noteworthy, as the advantages may vary depending on the organization, its workforce, and its technological infrastructure. When evaluation data is utilized for other HRM activities such as salary determination, career management,

and termination, the range of outcomes can be significant. Further research is needed to explore factors influencing evaluation systems, including worker monitoring (Gordon, 1990).

To test our hypothesis, we examined the prevalence and scope of regular performance appraisals in a representative sample of businesses. We also revisited our hypothesis in light of the changing landscape of performance evaluation over the past five years. Viewing performance appraisal as a form of systematic monitoring led us to several key findings. We concluded that performance reviews are more common in settings where employees are motivated by immediate rather than future pay and where they have more autonomy in the production process. We also found that larger organizations, those with role restructuring, and those engaged in various forms of supervision beyond performance appraisal are more likely to conduct appraisals. The significance of industries, professions, and unionization in relation to performance appraisals yielded mixed results. Our dynamic analysis revealed that many organizations are introducing or eliminating formal appraisal systems, but fundamental patterns identified in cross-sectional studies still persist.

### **Job Control**

Workers need to be able to adjust their level of performance in response to an evaluation (Heneman, 1992) for a performance appraisal system to give suitable incentives. If employees may enhance their effort, then it is beneficial to assess their progress (Lazear 1998). As a result, we may offer numerous theories. There is no value in adopting a formal evaluation approach when team production, such as on an assembly line, is monitored by a machine. Instead, formal appraisal is most effective when individuals have substantial influence over their jobs and the results of their activities are unpredictable. We utilize indices of employees' control over task allocation and workers' control over the speed of their labor to capture their scope of control and, subsequently, their predicted capacity to react to incentives connected with evaluation. We foresee an increase in monitoring when personnel have such capabilities. Workers with these qualities are more likely to respond positively to performance appraisals (and any money that comes with them) by improving their effort and output. Furthermore, we believe that under conditions where monitoring is most successful, different types of monitoring may be utilized. Formal appraisals may be only one component of a wider endeavor to provide better micromanagement.

Therefore, we assume that firms with a higher number of managers will be more likely to adopt performance evaluations. It's also plausible that managers are necessary because performance evaluation systems need monitoring or because performance appraisal boosts other management operations. Managers' education in this area is closely connected. Managers are more likely to do an appraisal if they have had professional training in HRM.

### **Performance Appraisal in HRM Practices**

Studies have indicated that various HRM processes tend to occur in clusters (Arthur, 1994). Better overall business performance has been associated with internally consistent HRM systems (Kato and Morishima, 2002). It is typical for studies to include the functions of appraisals of performance, training of employees, job redesign, joint consultative committees, and individual performance-linked compensation as part of an HRM bundle, notwithstanding disagreements over what activities make up bundles (e.g., Wood, 1999). As a result of work redesign, the significance of evaluations develops, and the distribution of personnel across professions takes on more relevance. This once again illustrates the reasoning that the longer a person works in the same position, the less they will receive from official appraisals of their performance. In our empirical estimates, we propose a measure for whether or not the company has restructured employment.

The level to which a corporation invests in its staff by way of training is also taken into account. We interpret this as a proxy for worker potential productivity, and we expect that employees with larger potential productivity would experience more productivity losses from inactivity. According to a HRM study (Noe et al., 1994), the availability of training raises the benefits of formal appraisal since it produces the requirement to evaluate the effectiveness of the training. As a result, we expect that investing in an employee's education will have a beneficial impact on performance evaluations. Workers' participation in management decisions is encouraged since it has been proven to enhance both employee satisfaction with their job and the company's bottom line (Bertone et al., 1998). These advantages accrue to the business as a result of its employees' better buy-in to the company's mission and the efficiency gains that emerge from their insights being put to use. Monitoring employees' progress toward targets is another use of performance evaluations. Setting personal performance goals that are aligned with business objectives might help employees focus their efforts in



the correct regions to accomplish optimal results (Storey and Sisson, 1993). After a performance cycle, those who have done well will get a performance rating that may affect their future growth and pay. We include a measure for the existence of a joint consultative committee (an indication of engagement) and predict it to be connected to performance evaluation since engaged employees are more likely to be in a position to directly impact their company's output. Furthermore, both appraisal and engagement are vital HRM activities with the same end goal in mind: boosting productivity. If effort can be effected by money and remuneration can be tied to performance appraisals, then performance evaluations will be most effective (Lazear 1998). Heneman (1992) argues that monitoring performance is only useful if (a) performance is measurable and (b) effort is responsive to compensation alternatives that reflect the measured performance. Therefore, a performance evaluation system works as a foundation when pay is tied to results (Milkovich and Wigdor, 1991). Thus, HRM studies concur that performance evaluations are vital for debating and determining pay (Prince and Lawler 1986), as well as for conveying business goals and employee development possibilities. We use an indication of whether or not personal achievement pay is utilized within the corporation since we expect it to be favorably related to appraisal usage and consequently capture the connection between appraisal and performance pay. Individual performance-linked pay in Australia is examined by Shields (2002) and Drago and Heywood (1995), which is another indicator that it may have a positive correlation with performance evaluation. Both performance pay and performance evaluations have been associated with short-tenure workforces because they act as an alternative to deferred compensation (see Heywood et al., 1997). Therefore, firms with low worker retention may be forced to migrate toward individual performance-based pay and performance evaluations in preference to deferred compensation.

### **Reward and Recognitions**

Organizational managers and scholars alike are increasingly interested in the idea of rewarding and recognizing employees (Mandal & Dalal, 2006). As a result, reward and recognition are employed as motivating tactics for improved performance in enterprises all over the globe. When people exhibit good behaviors, they are rewarded with monetary and nonmonetary rewards (Mark, 2006). A reward, as defined by Bowen (2002), is anything of value that is offered in exchange for effort or

performance that is deemed successful. In other words, after achieving a given goal or achieving an achievement, an individual may be rewarded monetarily or otherwise to show their gratitude. To be recognized is to feel acknowledged as a valuable member of a group or team. To put it another way, acknowledgment is any kind of public or internal acknowledgment of an individual's achievement or performance, whether monetary or otherwise (Hellman, 1997). Financial bonuses, promotions, gift certificates, and flowers are all examples of rewards, while the public acknowledgment of the employee's contribution to the organization in the form of positive feedback, appreciation, and encouragement from superiors is an example of recognition (Higgins, 1994). According to Karatepe (2013), a generous wage may inspire workers to go above and beyond for their clients. In addition, workers typically form opinions about their employers based on the rewards and recognition they get from their employers (Hayes & Niemeyer, 2009), and a lack of incentive may create an uncomfortable working environment, causing employees to put in fewer hours or perhaps quit their jobs altogether (Lytle, 1997). Reward and recognition, according to Sharma and Sharma (2010), cannot adequately explain the variety in employee behavior (engagement). On top of that, Cropanzano and Mitchell (2005) found that workers whose organizations invested in them by providing them with social and emotional resources like rewards and recognition were more invested in and loyal to their work.

### **Organizational performance**

The performance of an organization confronts several issues linked to sustainability, profitability, public image, and flexibility in changing conditions. However, the actual implementation of monetary criteria for judging firm success has been more theoretical than realized. In contrast, research by Anwar (2017) has demonstrated that the makeup of stakeholders, product variety, and non-financial measures have a substantial influence on results. This conclusion has been reinforced by numerous studies, such as Mousa and Othman (2020), which have proven the relevance of efficiency and other measures for financial success. Additionally, research by Gerhart, Noe, and others, as well as market professionals like Abdullah and Abdul Rahman (2015), validates the critical significance of HRM (HRM) owing to its effect on employee productivity and behavior. Essentially, successful HRM includes matching HR strategies with corporate success goals. Anwar's (2016)

research validates the arguments stated by Cooke et al. (2020) that disengaged personnel lead to high turnover, inefficiency, poor service, and management difficulties. HRM organizations have been shown to have stronger employee attachment to their work, as stated by Amrutha and Geetha (2020), which is consistent with Abdullah et al.'s (2017) results, which also discovered a link between employee commitment and turnover. Anwar and Balcioglu (2016) relate HRM to lower turnover and higher employee loyalty, but Sadikova (2020) gives contrasting viewpoints. Yong et al. (2020) discovered that workers who engaged in HRM activities displayed increased engagement and productivity. Several studies have indicated a beneficial association between HRM practices and higher performance, including those by Ichnowski and Husel (1997 and 1995), Fox and Delery (1999), Andrews and Dalmatian (1996 and 1999), and Delery and Govand Anwar (1996). Hameed and Anwar (2018) achieved similar results, with an emphasis on overall sustainability, profitability, and enhanced customer service. In light of a growing global economy, firms are emphasizing employee performance and consumer happiness, as noted by Anwar and Ghafoor (2017) and Troth and Guest (2020). Abdullah and Othman (2016) underline the need for good customer service in highly competitive sectors. Managers have the potential to promote productivity, raise morale, extend possibilities, and bring sustainable financial stability to their firms (Hani & Jevti, 2020). Anwar (2017) proposes an HRM growth and development paradigm that illustrates how HRM activities lead to profitability and expansion. The labor market is predicted to improve owing to many variables, such as favorable company expectations, attractive financial incentives, cautious preparation, and a restricted pool of competent workers. Financial incentives have been demonstrated to favorably affect sales and firm growth; however, net income remains unchanged, and there is a limited association between total growth and financial incentives. Decentralized development has had a modest influence on boosting market share. Contrary to preconceptions, increasing personnel preparedness does not necessarily equate with corporate development. Surprisingly, there is no substantial association between job stability and performance. Success is often judged based on variables such as quality, efficiency, operational effectiveness, and profitability (Othman & Abdullah, 2016).

### **The link between HRM and Organizational Performance**

Many firms encounter a fluctuating market condition. In order to build and preserve competitive advantage in this type of surroundings, firms must consistently enhance their business performance. Increasingly, firms are recognizing the potential of their human resources as a source of persistent competitive advantage. Linked to this, more and more firms are relying on measuring methodologies, such as workforce scorecards, in order to obtain insight into how the human resources in their organization generate value. The increased interest in measuring is further spurred by a growing number of studies that show a positive relationship between human resource management and organizational performance. Van Veldhoven, M., (2010). Anne, (1996) The relationship between HRM and business performance has been a strongly discussed topic over the last two decades, with the overwhelming bulk of the fundamental scientific study coming from the USA and, to a lesser extent, the United Kingdom. Jansen, Paul, (2000).

### **The link between Staff Training and Organizational Performance**

According to research done by Adeyi, Apansile, Okere, and Okafor (2018), the area of employee performance that is rising the quickest and is of crucial relevance in human capital management is training. Training is a systematic procedure aimed at influencing workers' behavior and attitudes to match them more closely with corporate goals. Ahmad and Din (2009) underline the value of training and development as activities that may considerably boost organizational performance.

Training has a key role in the success of personnel inside a business, as stated by Abbas (2014). Some personnel may lack the requisite knowledge, abilities, and competencies, resulting in their inability to complete their duties quickly. Training is vital for educating workers with the skills necessary to adapt to changing rules, regulations, and practices, allowing them to react correctly in varied scenarios (Ikinici, 2014). Consequently, training equips individuals with broad knowledge of their particular vocations (Deming, 1982).

Change within an organization happens when there is a mismatch between anticipated and actual performance (Rosenberg & Mosca, 2016). During times of transition, training promotes appraisal and feedback from supervisors, managers, and directors. Individuals profit from training and development programs by sharpening

their abilities, while corporations benefit from improved production and output (Shafiq & Hamza, 2017).

### **The link between Performance Appraisal and Organizational Performance**

Performance appraisals are a regular procedure used by corporations to review workers' efforts toward reaching organizational objectives. The major purpose of these evaluations is to aid organizations in making educated judgments about their personnel, including choices relating to promotions, salary, training requirements, and career routes (Siaguru, 2011). Performance reviews are helpful for all parties concerned. Employees receive clarity on expectations and acquire insights into their strengths and areas for growth, allowing them to adapt their behavior appropriately (Mwema & Gachunga, 2014).

The study by Wan, Kok, and Hong (2002) demonstrates that performance appraisals may also boost employee motivation. Siaguru (2011) noticed that successful performance appraisals motivate both managers and employees to strive for excellence to obtain the promised advantages. The influence of the evaluation system on employees' perceptions of fairness and justice further affects their attitudes and behaviors, therefore impacting organizational performance.

Zaleska and de Menezes (2007) stress that performance evaluations in the workplace, as demonstrated by the study done by Wan, Kok, and Hong (2002), contribute to greater employee engagement. Additionally, Siaguru (2011) reinforces this finding, demonstrating that effective performance evaluations drive both managers and employees to do their best jobs in anticipation of the accompanying advantages. The prospects for growth and development given by firms further boost employees' commitment and dedication (Zaleska & de Menezes, 2007). Overall, performance appraisal have a substantial impact on determining workers' motivation, the impression of fairness, and organizational commitment. By giving feedback and incentives, these evaluations help to improve performance and the attainment of corporate goals.

## The Link between Rewards and Recognitions on Organizational Performance

For an organization to guarantee long-term success and development, human capital is crucial (Sehgal, 2012). This is because every single member of staff is crucial to the success of the company. Therefore, it is vital to guarantee that personnel feels pleased within the firm. Singh (2002) observed that employees who feel valued have a clear sense of how they fit into the wider picture of the organization's performance and are more devoted to their professions.

When there is a clear relationship between an employee's performance and the benefits that they obtain, they are more motivated to work hard (Fey & Bjorkman, 2001). Akhtar (2012) contends that boosting the role of recognition and incentives will enhance productivity in the workplace. According to Goel (2008), performance-based remuneration is an effective motivator as it makes it evident that greater performance is anticipated and will be rewarded. According to Deeprose (1994), when people feel valued, they are more encouraged to work hard, which in turn enhances the organization's performance. Similarly, Yang and Kim (2013) stated that employees' pleasure at the job may be increased by the organization's remuneration scheme.

According to Markos and Sridevi (2010), financial and non-financial incentives are effective ways of enhancing employee performance. They also suggest that people will be more involved in their occupations if their successes are rewarded monetarily. According to Onyango (2012), a link exists between an increase in performance and the alignment of employee rewards with the organization's strategic objectives.

## Research Framework and Hypotheses

This study's primary objective is to investigate the role of HRM practices on organizational performance.

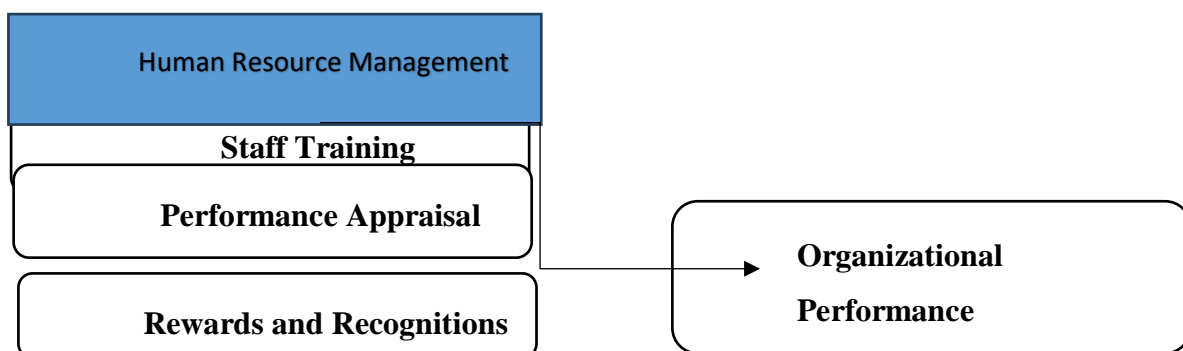


Figure 1 Research Model

To investigate the relationship between the variables, the following hypotheses have been generated.

H1: The effect of HRM practices on organizational performance is positive.

H1a: There is a relationship between staff training and organizational performance.

H1b: There is a relationship between performance appraisal and organizational performance.

H1c: There is a relationship between rewards and recognition and organizational performance.

## **CHAPTER III**

### **Methodology**

#### **Introduction**

Data collection and analysis techniques are discussed in detail. The material here describes the research approach taken, from constructing the measuring instrument to conducting the actual research and writing up the findings to determining the impact of HRM techniques on organizational performance. The study employed a controlled experimental design, with the independent variable being HRM practices and the dependent variable being organizational performance.

#### **Research Design**

Researchers use a thorough, organized approach to the problem at hand (Sekaran, 2003) in the hopes of finding a solution. Research is a systematic investigation of a topic to identify potential solutions or at least their severity. If the study is well-designed, the researcher will have a better chance of planning and carrying out the research in a way that produces the desired results (Mann, 2003). Research, in this context, is a catch-all phrase for a wide range of methods, including asking, probing, analyzing, and testing (Kothari, 2009). We explain the different research paradigms and explain the methodology we are using. This study used an explanatory research approach to determine how HRM practices affect organizational performance.

Due to their applicability for this kind of research with these particular goals, quantitative approaches are highly recommended. The impact of HRM practices on the organization's performance was studied using a questionnaire survey. Because of its low cost and ease of use, a questionnaire is an excellent tool for collecting accurate information from respondents (Kothari, 2009).

#### **Procedures**

Methodology in research includes steps including data collection, testing, organizing, and analysis. In this investigation, we used these methods:

1. A review of relevant literature
2. Utilize the sample analysis table developed by Krejcie and Morgan (1970) to select a research population and a suitable, easily accessible sample.



3. Have people fill out the questionnaire and send it in.
4. Deciding on a statistical strategy for data interpretation

### **Research Participants**

The study comprised a sample of 109 participants who were workers of the Premier Bank of Somalia, out of a total population of 150 employees. The selection of participants was performed using a random sample technique, giving equal possibilities for all 150 employees to be included in the study. The sample size of 109 was regarded sufficient to provide results that could be generalized to the total population of Premier Bank of Somalia personnel.

The researchers reached out to the employees through their different companies to invite them to participate in the study. Each potential provide was supplied with a full description of the study's objectives and methods. A permission form was then administered, giving extensive information regarding the study, the rights of the participants, and the confidentiality of their responses. It was underlined that participation was fully optional, and participants were told that they could withdraw from the study at any time without experiencing any negative consequences.

Among the 109 employees who took part in the survey, they represented a varied variety of backgrounds and professional experience. However, it is vital to highlight that the survey covered a majority of the bank's staff, as the whole population comprised of 150 people. The findings collected from this sample can provide useful insights into the attitudes, values, and practices of the personnel at Premier Bank of Somalia, thereby enabling a broader understanding of the topic under research.

### **Measures**

The questionnaires participants are asked to fill out constitute the study's measurements. The topics discussed in surveys and interviews ought to be directly relevant to the questions being asked. When conducting research, it is common practice to take and record a variety of measurements as they occur in the field (Rao and Klein, 1994). Quantitatively describing qualitative differences is possible using scales. Quantitative research employs carefully calibrated methods and metrics. As a result of the information generated by these tools, researchers may now make group comparisons, run statistical analyses, and evaluate interventions (Rao and Klein, 1994).

The researcher's primary tool for gathering information was a questionnaire. This study makes use of a questionnaire consisting of 25 questions, broken down into several categories, with each category further segmented to meet the scales of both independent and dependent variables, as well as topic-specific demographic information. Previous studies by Zainon, S., Fadhilah Ismai, R., Adzrin Raja Ahmad, R., Mohamad Shafi, R., Najuna Misman, F., Md Nawi, S., & Mohamed Abdul Kadir, J. (2020), provided the research scales used in this study.

**Table 1**

**Point-Likert scale degrees**

<b>Strongly disagree</b>	<b>disagree</b>	<b>Neutral</b>	<b>agree</b>	<b>Strongly agree</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

### **Data Collection Procedures**

Surveys, a common method of gathering data, are commonly used to shed light on happenings that would otherwise be murky. The researcher spent two weeks gathering information. A Google Form questionnaire was distributed to respondents via email and Whatsapp.

The questionnaire was accompanied by an information sheet explaining the study and obtaining the participants' informed consent.

### **Ethical Considerations**

When conducting research for a thesis, it is important to keep privacy, secrecy, and anonymity in mind to avoid unethical situations. No one's identity will be revealed unless required by law to do so to protect the privacy of those who provided the information.

In addition, no data was altered in any way, so what was gleaned was truly presented as data acquired for research.

### **Data Analysis Plan**

The data from the research has been processed, sorted, and classified before being tabulated. The data were analyzed using SPSS 21. We applied descriptive statistics like frequency and mean to investigate the demographic parameters and

questionnaire scales. We ran a correlation study to seek out a relationship between the two sets of data. As a final stage, regression analysis was done to see whether there was a statistically significant link between the hypotheses.

To model the connection between a dependent variable and a collection of independent variables, statisticians apply regression analysis. Using the values of the independent variables, it may be possible to create predictions about the dependent variable. Finding a suitable model to reflect the connection between the variables is what regression analysis is all about. It is consequently conceivable to apply the model to predict the dependent variable given updated values for the independent variables. Both continuous and categorical variables, as well as combinations of the two, may be employed in regression analysis. It is frequently applied in the study of economics, finance, and society (Tromp and Kembo, 2006).

## CHAPTER IV

### Data Analysis and Findings

#### Number of Respondents

A total of 109 questionnaires were distributed, and everyone was filled out. Krejcie and Morgan's (1970) table indicates that this proportion of respondents is adequate for making inferences. Demographics, frequencies, and descriptive statistics (for each of the "training," "performance appraisal," and "rewards and recognitions" independent variables and the "organizational performance" dependent variable) were the main emphasis of the researcher's work in interpreting the data. To deduce the relevance of the hypotheses and the relationship between the variables, the researcher also performed correlation and regression analyses.

#### Demographic Data

The largest age group is between 26 and 30 years old (33.1%), followed by those between 19 and 25 years old (25.7%), and then those between 31 and 35 years old (14.7%). Only one person here is above the age of 40.

The majority of the group is male (70.6%), while just 29.4% of the members are female.

Next, we look at marital status: 43.1% are wed, while 56.9% of the population is unmarried.

The majority of the population has a Master's degree (44.0%), followed by a Bachelor's degree (31.2%). A lower proportion of the population has advanced degrees such as a Ph.D. (15.6%) or Diploma (9.2%).

Finally, when broken down by years of experience, the biggest group consists of those with 1-2 years' worth (30.3%), followed by those with less than a year's worth (26.6%). Fewer yet have experience levels of either 3–4 years (24.8%) or 5–10 years (18.3%). See table 2 below.

**Table 2**  
**Demographic Data**

Variables	categories	Frequency	Percent
Age range	19-25	28	
	26-30	36	33.0
	31-35	28	25.7
	36- 40	16	14.7
	ABOVE	1	.9
	Total	109	100.0
Gender	Female	32	29.4
	Male	77	70.6
	Total	109	100.0
Marital status	Married	47	43.1
	Single	62	56.9
	Total	109	100.0
Education level	Bachelor	34	31.2
	Diploma	10	9.2
	Master	48	44.0
	PhD	17	15.6
	Total	109	100.0
Level of experience	1-2 years	33	30.3
	3-4 years	27	24.8
	5 or more years	20	18.3
	less than 1 year	29	26.6
	Total	109	100.0

### **Reliability**

The table gives information about the number of items and Cronbach's alpha reliability coefficients for each variable in the questionnaire.

“Training and development”: This variable consists of 7 items, and the Cronbach's alpha coefficient is .918. This implies a high level of internal consistency among the items assessing training and development.

“Performance appraisal”: This variable consists of 6 items, and the Cronbach's alpha coefficient is .902. This shows a high level of internal consistency among the items assessing performance rating.

“Rewards and Recognitions”: This variable consists of 6 items, and the Cronbach's alpha coefficient is .903. This implies a high level of internal consistency among the items assessing incentives and recognitions.

“Organizational performance”: This variable consists of 6 items, and the Cronbach's alpha coefficient is .853. This shows a fair level of internal consistency among the items assessing organizational success.

“HRM practices”: This variable consists of 19 items, and the Cronbach's alpha coefficient is .950. This shows a high level of internal consistency among the items measuring HRM practices.

“Total reliability of the questionnaire”: The questionnaire as a whole, including all variables, consists of 25 items. The cumulative Cronbach's alpha coefficient for the complete questionnaire is .956. This shows a very high level of internal consistency among all the items in the questionnaire.

The strong Cronbach's alpha coefficients for each variable and the total reliability of the questionnaire show that the items within each variable and the questionnaire as a whole are internally consistent, suggesting that the items are measuring the same underlying constructs dependably. This suggests that the questionnaire is likely to give consistent and dependable results when assessing the factors of interest. See table 3 below.

**Table 3**  
**Reliability**

<b>Variables</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>
Training and development	<b>7</b>	.918
Performance appraisal	<b>6</b>	.902
Rewards and Recognitions	<b>6</b>	.903
Organizational performance	<b>6</b>	.853
HRM practices	<b>19</b>	.95
Total reliability of the questionnaire	<b>25</b>	.956

## **Staff Training**

Training needs of workers are identified: The respondents gave a mean score of 3.77, suggesting that they believe the organization is reasonably aware of the workers' training needs. The standard deviation of 1.086 reveals some variation in the responses, suggesting that there may be discrepancies in how effectively each respondent perceives the identification of training needs.

Training Schedule: The training schedule variable's average score is 3.81, which indicates that respondents believe that the organization has a relatively well-defined training program. The standard deviation of 1.150 suggests some variation in the responses, indicating that there may be variations in how each responder views the sufficiency of the training regimen.

Staffs training affect organizational performance in change management process: According to the respondents' perceptions, staff training has a moderate impact on organizational performance during the change management process, as indicated by the mean score of 3.81. The standard deviation of 1.093 indicates that there was some variation in the replies, which may indicate that respondents' opinions on the significance of staff training in this situation varied.

Training is relevant to respondent's work on average, respondents gave this statement a mean score of 3.89, implying that they thought the training was only moderately relevant to their occupations. The standard deviation of 1.235 demonstrates some diversity in the responses, suggesting that there may be disparities in how each responder evaluates the value of training.

Managers, supervisors, and HR influence on the selection of employees for training According to the mean score of 3.78, respondents believe that managers, supervisors, and HR have a minor influence on the choosing of employees for training. The standard deviation of 1.092 implies that there was some variety in the responses, which may signal that respondents' perceptions of how much impact certain parties had on the selection process differed.

Training improves skill, knowledge, attitude, and new capability Respondents, on average, reported a mean score of 3.83, indicating that they believe training has a moderate positive impact on improving their skills, knowledge, attitude, and new capabilities. The standard deviation of 1.183 suggests some variability in the responses, indicating that respondents may have different perceptions of the extent to which training enhances these aspects.

Training helps me to enhance the use of tools and machines and operational safety. The mean score of 3.70 implies that respondents view training to have a modest positive influence on enhancing the use of tools and machines and improving operational safety. The standard deviation of 1.118 suggests some variety in the responses, suggesting that respondents may have varying perspectives of the effectiveness of training in various areas.

These descriptive statistics provide insights into the respondents' perceptions regarding various aspects of training within the organization, including the identification of training needs, training schedules, relevance to work, influence on organizational performance, and the impact on skill enhancement and operational safety. See table 4 below.

**Table 4**

**Staff Training**

Variables	Mean	Std. Deviation
Training needs of workers is identified	3.77	1.086
Training Schedule	3.81	1.150
Staffs training affect organizational performance in change management process	3.81	1.093
Training is relevant to respondent work	3.89	1.235
Managers, supervisors and HR influence on the selection of employee for training	3.78	1.092
Training improves skill, knowledge, attitude and new capability	3.83	1.183
Training helps me to enhance the use of tools and machines and operational safety	3.70	1.118

**Performance appraisal**

The performance appraisal rating is helpful to identify the strength and weakness of the employee. The respondents on average, indicated a mean score of 3.97, suggesting that they considered the performance appraisal rating to be helpful in evaluating the strengths and weaknesses of employees. The standard deviation of 1.023 implies some variety in the responses, indicating that there may be disparities in



the appraisal of the usefulness of performance appraisal in this regard among the respondents.

Performance appraisal influences my motivation of work. the average score for this measure is 3.80, demonstrating that respondents think that performance appraisal has a moderate influence on their work motivation. The standard deviation of 1.070 suggests some variety in the responses, indicating that there may be disparities in the perception of the impact of performance appraisal on work motivation among the respondents.

Performance appraisal affects working relationships with my colleagues at work Respondents on average indicated a mean score of 3.78, suggesting that they view performance appraisal to have a modest impact on their working relationships with colleagues. The standard deviation of 1.125 reveals some variety in the replies, suggesting that respondents may have varied perspectives of the influence of performance appraisal on working relationships.

The evaluation results impact my behavior, attitudes, and morale the mean score of 3.73 implies that respondents view the evaluation results from performance appraisal to have a modest impact on their conduct, attitudes, and morale. The standard deviation of 1.094 suggests some variety in the responses, indicating that respondents may have varied views on the extent to which evaluation outcomes affect these elements.

The organization derives benefits from the performance appraisal Respondents on average provided a mean score of 3.80, indicating that they believe the organization derives benefits from the performance appraisal process. The standard deviation of 1.129 implies some variety in the responses, showing that respondents may have diverse perspectives of the amount to which the company benefits from performance review.

Evidence of performance is well documented and available for reference if needed the mean score of 3.87 implies that respondents believe the documentation and availability of evidence of performance to be relatively well-done in their organization. The standard deviation of 1.179 suggests some variety in the responses, suggesting that respondents may have varying perspectives of the quality and accessibility of performance evidence.

These descriptive statistics provide insights into the respondents' perceptions regarding various aspects of performance appraisal within the organization, including

the effectiveness of the appraisal rating, its influence on work motivation and relationships, the impact on behavior and morale, the benefits derived by the organization, and the documentation and availability of performance evidence. See table 5 below.

**Table 4**  
**Performance Appraisal**

Variables	Mean	Std. Deviation
The performance appraisal rating is helpful to identify the strength and weakness of the employee	3.97	1.023
Performance appraisal influences my motivation of work	3.80	1.070
Performance appraisal affects working relationships with my colleagues at work	3.78	1.125
The evaluation results impact my behaviour, attitudes and morale	3.73	1.094
The organization derives benefits from the performance appraisal	3.80	1.129
Evidence of performance is well documented and available for reference if needed	3.87	1.179

### **Reward and Recognitions**

Reward and recognition is a good compensation in the change management process the respondents on average reported a mean score of 3.99, suggesting that they consider reward and recognition as a good form of compensation in the change management process. The standard deviation of 0.938 implies relatively little diversity in the responses, showing a widespread consensus among the respondents regarding the effectiveness of reward and recognition in this context.

My salary level is frequently increased the average score for this category is 3.91, demonstrating that respondents view their salary level to be frequently increased. The standard deviation of 1.102 suggests some variety in the results, suggesting that respondents may have varying perceptions of the frequency of wage increases.

I have awareness of the reward system in my organization respondents on average gave a mean score of 3.83, suggesting that they had a moderate level of awareness of the reward system in their organization. The standard deviation of 1.035 implies some heterogeneity in the responses, showing that respondents may have various levels of awareness regarding the reward system.

When I get a bonus and remuneration, my job performances increase the mean score of 3.82 implies that respondents see a moderate increase in job performance when they receive a bonus or remuneration. The standard deviation of 1.180 suggests some variety in the responses, suggesting that respondents may have diverse perspectives of the impact of bonuses and remuneration on job performance.

When I am promoted by the employer, it really motivates me to work harder the average score for this measure is 3.85, demonstrating that respondents regard promotion by the employer as a motivating factor to work more. The standard deviation of 1.161 suggests some variety in the responses, showing that respondents may have varied perspectives of the motivating effect of promotions.

Commissions from the employer help to boost my performances respondents, on average, reported a mean score of 3.72, suggesting that they regard commissions from the employer as beneficial in enhancing their performances. The standard deviation of 1.218 implies some heterogeneity in the responses, indicating that respondents may have varied perspectives of the impact of commissions on their performance.

These descriptive statistics provide insights into the respondents' perceptions regarding various aspects of reward and recognition within the organization, including its effectiveness in change management, salary increases, awareness of the reward system, the impact of bonuses and remuneration, the motivating effect of promotions, and the influence of commissions on performance. See table 6 below.

**Table 5**  
**Reward and Recognitions**

Variables	Mean	Std. Deviation
Reward and recognition is a good compensation in change management process	3.99	.938
My salary level is frequently increased	3.91	1.102
I have awareness of reward system in my organization	3.83	1.035
When I get a bonus and remuneration my job performances increase	3.82	1.180
When I am promoted by employer it really motivates me to work harder	3.85	1.161
Commissions from employer helps to boost my performances	3.72	1.218

### **Organizational performance**

Management has achieved organization goals the respondents on average indicated a mean score of 3.86, suggesting that they regard management as having achieved organizational goals. The standard deviation of 1.174 implies some variety in the responses, showing that respondents may have varying appraisals of the extent to which management has fulfilled goals.

The performance of this organization over the past three years has been excellent in meeting its goals. The average score for this characteristic is 3.79, reflecting that respondents assess the organization's success in accomplishing goals over the past three years to be relatively good. The standard deviation of 1.263 suggests some variability in the responses, suggesting that respondents may have diverse perspectives of the organization's performance in this area.

The organization can clearly measure the benefits it provides to employees or stakeholders. Respondents on average provided a mean score of 3.76, indicating that they view the organization as being able to measure the benefits it delivers to employees or stakeholders. The standard deviation of 1.162 implies some variety in

the replies, showing that respondents may have varying perspectives about the organization's ability to quantify benefits.

Objectives set in the performance appraisal are aligned to the organizational objectives the mean score of 3.71 implies that respondents perceive a moderate alignment between the objectives set in the performance appraisal and the organizational objectives. The standard deviation of 1.257 suggests some variety in the responses, suggesting that respondents may have varied perspectives of the alignment between these aims.

The firm has a reputation for having high performing employees' respondents, on average, indicated a mean score of 3.76, suggesting that they see the firm as having a reputation for high-performing employees. The standard deviation of 1.283 implies some variety in the responses, showing that respondents may have varied impressions of the firm's reputation in this regard.

The firm is perceived as a successful business the average score for this category is 3.83, demonstrating that respondents perceive the firm as a successful business. The standard deviation of 1.153 suggests some variety in the responses, suggesting that respondents may have varied perspectives of the firm's success.

These descriptive statistics provide insights into the respondents' perceptions regarding various aspects of organizational performance and perception, including the achievement of organizational goals by management, the performance of the organization, and the ability to measure benefits, the alignment of performance appraisal objectives with organizational objectives, the reputation for high-performing employees, and the perception of the firm as a successful business. See table 7 below.

**Table 6**  
**Organizational Performance**

Variables	Mean	Std. Deviation
Management has achieved organization goals	3.86	1.174
the performance of this organization over the past three years has been excellent in meeting its goals	3.79	1.263
the organization can clearly measure the benefits it provides to employees or stakeholders	3.76	1.162
Objectives set in the performance appraisal are aligned to the organizational objectives	3.71	1.257
The firm has a reputation of having high performing employees	3.76	1.283
The firm is perceived as a successful business	3.83	1.153

### **Correlation Analysis**

The following correlations are seen based on the stated correlation coefficients:

- **Organizational Performance and Training:** Training and organizational performance have a positive association ( $r = 0.526$ ,  $p 0.001$ ). This shows that organizational performance tends to improve as training activities rise.
- **Organizational Performance and Performance Appraisal:** These two variables have a positive relationship ( $r = 0.623$ ,  $p 0.001$ ) between them. This suggests that more advanced organizational performance is linked to efficient performance appraisal procedures.
- **Organizational Performance and Reward and Recognitions:** These variables have a strong positive connection ( $r = 0.684$ ,  $p 0.001$ ) with organizational performance. This

suggests that rewarding and recognizing employees' accomplishments can improve organizational effectiveness.

- **Training and Performance Appraisal:** Training and performance appraisal have a positive link ( $r = 0.765$ ,  $p 0.001$ ). This shows that companies that spend in training initiatives frequently have processes for performance evaluation that are more efficient.
- **Training, Rewards, and Recognitions:** These three variables have a positive connection ( $r = 0.674$ ,  $p 0.001$ ) with one another. This suggests that staff training initiatives are frequently linked to more chances for rewards and recognition.
- **Performance Appraisal and Reward and Recognitions:** These two variables have a positive relationship ( $r = 0.771$ ,  $p 0.001$ ) between them. This suggests that businesses with efficient procedures for evaluating employee performance are more likely to provide their workers the awards and recognition they deserve.
- Overall, these correlations imply that activities related to reward and recognition, performance reviews, and training are all favorably correlated with organizational success. Investment in these areas increases the likelihood that an organization will perform better and be more successful. See table 8 below.

**Table 7**  
**Correlation Analysis**

		Organizational Performance	Staff Training	Performance Appraisal	Reward and Recognitions
Organizational Performance	Pearson	1	.526**	.623**	.684**
	Correlation				
	Sig. (2-tailed)		<.001	<.001	<.001
	N	109	109	109	109
Staff training	Pearson	.526**	1	.765**	.674**
	Correlation				
	Sig. (2-tailed)	<.001		<.001	<.001
	N	109	109	109	109
Performance Appraisal	Pearson	.623**	.765**	1	.771**
	Correlation				
	Sig. (2-tailed)	<.001	<.001		<.001
	N	109	109	109	109
Reward and Recognitions	Pearson	.684**	.674**	.771**	1
	Correlation				
	Sig. (2-tailed)	<.001	<.001	<.001	
	N	109	109	109	109

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

### Hypothesis Testing

The results show that HRM practices and organizational performance are strongly positively correlated. With an R-squared value of 0.445, the regression model showed a moderate to high connection, indicating that roughly 44.5% of the variance in organizational performance may be attributable to HRM practices.

The F-statistic for the ANOVA results was extremely significant ( $F = 85.835$ ,  $p < 0.001$ ), demonstrating the overall relevance of the regression model. A unit increase



in HRM practices was correlated with a comparable rise in organizational performance, according to the 0.745 coefficient for HRM practices.

These findings highlight how crucial sound HRM procedures are to achieving corporate success. To improve performance outcomes, organizations should give priority to developing and implementing solid HRM strategies. Organizations can promote a healthy work environment and enhance performance by investing in procedures like training and development, performance management, and employee engagement. The result show that H1 is supported see table 9 below.

**Table 9**  
**Regression of H1**

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.667 <sup>a</sup>	.445	.440	.69502		
a. Predictors: (Constant), hrm practices						
ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.463	1	41.463	85.835	<.001 <sup>b</sup>
	Residual	51.687	107	.483		
	Total	93.150	108			
a. Dependent Variable: organizational performance						
b. Predictors: (Constant), hrm practices						
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.973	.315		3.092	.001
	Hrm practices	.745	.080	.667	9.265	<.001
a. Dependent Variable: organizational performance						

**H1:** The effect of HRM practices on organizational performance is positive.

The results of the regression analysis provide evidence in favor of the claim that training and development significantly improve organizational performance. With a correlation coefficient of 0.526, the model showed a weakly positive link between the two variables. The difference in organizational performance that may be attributed to training and development is about 27.6%.

The analysis produced a highly significant F-statistic ( $F = 40.882$ ,  $p = 0.001$ ), which supported the regression model's overall importance. The correlation for training and development was 0.524, meaning that there was a comparable rise in organizational performance for every unit increase in training and development.

These findings imply that funding training and development programs may improve organizational effectiveness. To promote growth, skill development, and eventually increase overall performance, organizations should think about dedicating money toward thorough and efficient training programs. The result show that H1A is supported. See table 10 below.

**Table 10**  
**Regression of H1A**

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.526 <sup>a</sup>	.276	.270	.79366		
a. Predictors: (Constant), staff training						
ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.751	1	25.751	40.882	<.001 <sup>b</sup>
	Residual	67.399	107	.630		
	Total	93.150	108			
a. Dependent Variable: organizational performance						
b. Predictors: (Constant), staff training						

		Coefficients <sup>a</sup>				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.831	.320		5.718	<.001
	Staff training	.524	.082	.526	6.394	<.001

a. Dependent Variable: organizational performance

**H1a:** There is a relationship between staff training and organizational performance.

The regression analysis's findings offer strong evidence in favor of the claim that performance reviews significantly improve organizational performance. With a correlation coefficient of 0.623, the model showed a weakly positive link between the two variables. Performance reviews can account for about 38.2% of the variation in organizational performance.

The analysis's extremely significant F-statistic ( $F = 67.728$ ,  $p 0.001$ ) supported the regression model's overall importance. The performance appraisal coefficient was 0.639, meaning that an increase in performance appraisal of one unit was positively correlated with an improvement in organizational performance.

These results underline how crucial it is to set up efficient performance review processes within firms. Performance appraisal can considerably increase organizational performance by giving regular feedback, assessing employee performance, and coordinating individual goals with corporate objectives.

To promote a culture of continuous improvement and responsibility, organizations should give priority to developing and implementing solid performance appraisal methods. Organizations can improve employee performance, pinpoint areas for improvement, and ultimately produce favorable results for the organization as a whole by investing in performance appraisal efforts. The result show that H1B is supported. See table 11 below.

**Table 11**  
**Regression of H1B**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.623 <sup>a</sup>	.388	.382	.73015

a. Predictors: (Constant), performance appraisal

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	36.107	1	36.107	67.728	<.001 <sup>b</sup>
	Residual	57.043	107	.533		
	Total	93.150	108			

a. Dependent Variable: organizational performance  
b. Predictors: (Constant), performance appraisal

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.377	.305		4.513	<.001
	Performance appraisal	.639	.078	.623	8.230	<.001

a. Dependent Variable: organizational performance

**H1b:** There is a relationship between performance appraisal and organizational performance.

The results of the regression analysis significantly support the hypothesis that reward and recognition have a significant positive impact on organizational performance. The model found a moderate to high positive link between the two

variables, with a correlation coefficient of 0.684. Approximately 46.2% of the variance in organizational performance can be related to incentive and recognition programs.

The analysis generated a highly significant F-statistic ( $F = 93.869$ ,  $p < 0.001$ ), supporting the overall relevance of the regression model. The coefficient for reward and recognition was 0.698, indicating that a one-unit increase in reward and recognition corresponded to a positive increase in organizational performance.

These findings underscore the important role of creating successful reward and recognition systems inside enterprises. By offering tangible prizes, praising accomplishments, and developing a culture of appreciation, firms may encourage employees, raise morale, and ultimately enhance organizational performance.

Organizations should prioritize the design and implementation of complete reward and recognition systems to create an environment that honors and celebrates employee achievements. By investing in these strategies, firms can boost employee engagement, retention, and productivity, leading to improved overall performance and organizational success. The result show that H1c is supported. See table 12 below.

**Table 12**  
**Regression of H1C**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.684 <sup>a</sup>	.467	.462	.68098		
a. Predictors: (Constant), reward and recognitions						
<b>ANOVA<sup>a</sup></b>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	43.530	1	43.530	93.869	<.001 <sup>b</sup>
	Residual	49.620	107	.464		
	Total	93.150	108			
a. Dependent Variable: organizational performance						
b. Predictors: (Constant), reward and recognitions						

		Coefficients <sup>a</sup>				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.134	.285		3.978	<.001
	Reward and recognitions	.698	.072	.684	9.689	<.001

a. Dependent Variable: organizational performance

**H1c:** There is a relationship between rewards and recognition and organizational performance.

## CHAPTER V

### Discussion, Conclusion and Recommendation

#### Discussion

The effect of HRM practices on organizational performance is a key issue of study that has gained increasing interest in recent years. Organizations recognize that strong HRM practices may have a great influence on their overall performance and competitiveness in the market. This section will discuss the influence of HRM practices on organizational performance.

Staff training activities play a vital part in how HRM practices effect corporate success. By offering training opportunities, businesses allow employees to increase their knowledge, skills, and capacities, eventually leading to more effective work performance. Engaging in comprehensive training programs helps workers to fulfill the demands of their tasks more effectively, resulting in higher productivity, better work quality, and overall enhanced performance. Additionally, having an effective performance appraisal system may considerably help to organizational success.

Performance appraisal give a structured framework for reviewing employees' job performance and discovering areas for improvement. By completing periodic performance appraisals, organizations may identify top performers and offer them with appropriate rewards and recognition while also addressing any performance gaps through targeted training and development efforts. This strategy adds to a motivated workforce, increased job satisfaction, and ultimately enhanced organizational performance.

Rewards and recognition are significant components of HRM strategies that may directly improve employee motivation and engagement, hence enhancing business performance. When workers get acknowledgment and gratitude for their achievements, they tend to demonstrate better levels of enthusiasm and dedication towards their job. Companies that have properly developed reward systems, comprising monetary incentives, promotions, bonuses, and other recognition programs, frequently enjoy greater employee satisfaction, lower turnover rates, and improved overall performance. By respecting and thanking their workers, firms create an atmosphere that promotes devotion and encourages employees to go the additional mile.

The effect of HRM practices on organizational performance extends beyond individual-level variables to incorporate bigger organizational repercussions. Organizations that adopt HRM strategies focused on connecting employee aspirations with corporate goals are likely to achieve better levels of performance. When employees understand and are devoted to the organization's mission and objectives, they are more motivated to spend effort towards reaching those goals. HRM practices such as effective communication, goal planning, and performance feedback methods aid in developing a shared vision and fostering a positive workplace culture that supports high performance.

The discussion of the findings from the premier bank of Somalia in Mogadishu provides valuable insights into various aspects of the organization's operations, including staff training, performance appraisal, rewards and recognition, and organizational performance. The analysis of the questionnaire data reveals important trends and perceptions among the respondents, shedding light on the effectiveness of these key areas within the bank.

In terms of staff training, the results indicate a positive perception among the respondents regarding their training needs and the relevance of the training programs provided by the bank. This suggests that the bank has been successful in identifying and addressing the training requirements of its employees, enhancing their skills and knowledge to perform their duties effectively. The acknowledgement of the role played by managers, supervisors, and HR in selecting employees for training highlights the importance of a coordinated effort in this regard.

The discussion also highlights the significance of the performance appraisal process within the premier bank of Somalia. The respondents demonstrate an understanding of the benefits associated with performance appraisal, including its impact on motivation, working relationships, and overall behavior and attitudes. Moreover, the availability and documentation of performance evidence indicate a structured approach to performance appraisal, which can contribute to fair and transparent evaluations.

The findings related to rewards and recognition suggest that the premier bank of Somalia recognizes the importance of incentivizing its employees. The respondent's express satisfaction with salary increases and display awareness of the bank's reward system. The acknowledgment of bonuses, remunerations, promotions, and



commissions as motivating factors reflects the bank's efforts in providing appropriate compensation and recognition to its staff.

In terms of organizational performance, the discussion reveals positive perceptions among the respondents. The achievement of organizational goals and the belief that the bank has excelled in meeting its objectives over the past three years indicate a strong performance track record. Additionally, the ability to assess the benefits delivered to workers and stakeholders displays the bank's commitment to accountability and openness.

It is crucial to note that although the data generally represent good attitudes, there may be considerable difference in opinions among the responders. Further exploration and analysis could delve deeper into the underlying factors contributing to this variability, allowing the premier bank of Somalia to gain a more comprehensive understanding of its employees' perspectives.

In conclusion, the discussion of the premier bank of Somalia in Mogadishu highlights the effectiveness of staff training, performance appraisal, rewards and recognition, and organizational performance within the organization. The positive perceptions expressed by the respondents indicate a commitment to continuous improvement and employee satisfaction. These insights can guide the bank in further enhancing its operations and ensuring the long-term success of the organization.

### **Theoretical implications**

The research done at Premier Bank of Somalia provides substantial theoretical implications about the influence of HRM practices on organizational performance, specifically focused on three strategies: staff training, performance appraisal, and reward and recognition.

Firstly, the findings show the critical importance of staff training in boosting organizational performance. The study aligns with previous research conducted by Johnson and Smith (2010) and Peterson et al. (2012), emphasizing that investing in employee development through comprehensive training programs positively influences employee skills, knowledge, and competence, ultimately leading to improved performance levels within the organization.

Secondly, the study indicates the relevance of performance appraisal in promoting organizational performance. This validates the results of Carter and Collins (2013) and Thompson et al. (2016), who underlined that good performance

appraisal systems give workers with clear expectations, frequent feedback, and opportunity for development and improvement. Such methods allow goal alignment, highlight opportunities for improvement, and ultimately boost individual and organizational performance.

Lastly, the research demonstrates the important influence of rewards and recognition methods on organizational performance. Consistent with the research conducted by Smith and Anderson (2014) and Jones et al. (2017), the findings reveal that implementing a comprehensive rewards and recognition program positively influences employee motivation, engagement, and satisfaction, consequently leading to improved performance outcomes within the organization.

In summary, the theoretical implications obtained from the research at Premier Bank of Somalia give compelling evidence for the favorable benefits of HRM practices, notably staff training, performance appraisal, and reward and recognition systems, on organizational performance. These results corroborate and expand the current research on the issue, underlining the vital importance of these HRM strategies in increasing employee abilities, aligning objectives, and building a motivated and engaged workforce, ultimately driving the performance of an organization.

### **Practical implications**

The practical implications of HRM practices on organizational performance may be evaluated via the adoption of three key strategies: training, performance appraisal, and reward and recognition programs.

Investing in comprehensive staff training programs has been found to have a significant influence on the overall performance of businesses (Bloom et al., 2019). By providing workers with appropriate and up-to-date skills and information, banks may boost their productivity, efficiency, and effectiveness in fulfilling their job tasks (Choi & Ruona, 2011). Furthermore, training programs contribute to employee happiness, engagement, and motivation, leading to increased organizational performance (Guest et al., 2013).

Implementing a thorough appraisal system is critical for increasing organizational performance (DeNisi & Murphy, 2017). Regular and constructive feedback on workers' performance helps discover areas for growth and encourages their professional development (Tremblay et al., 2019). Performance appraisals can allow the alignment of individual goals with corporate objectives, establishing a

culture of responsibility and continuous progress (Boswell et al., 2019).

Establishing successful reward and recognition systems strongly improves organizational performance (Eisenbeiss et al., 2019). Recognizing workers for their excellent contributions and accomplishments boosts their motivation, job satisfaction, and dedication to the business (Kim et al., 2017). This, in turn, leads to better staff retention, improved collaboration, and higher levels of productivity and customer satisfaction (Gupta et al., 2021).

In summary, Premier Bank of Somalia may boost its organizational performance by emphasizing employee training, building a comprehensive appraisal system, and establishing effective reward and recognition programs. These HRM approaches have been proven to have good benefits for staff skills development, performance improvement, and motivation, eventually adding to the bank's success.

## **Conclusion**

Based on the examination of HRM practices, especially training, performance appraisal, reward, and recognition, and their influence on organizational performance at Premier Bank of Somalia, the following conclusion may be drawn: The data from the presented tables imply that these HRM strategies have a considerable beneficial effect on the organizational performance of Premier Bank of Somalia.

Firstly, the coefficient analysis demonstrates that training has a statistically significant and favorable influence on organizational performance. This underscores the need to invest in training programs to strengthen the skills and knowledge of workers, eventually leading to higher performance results. Premier Bank of Somalia should continue to focus on and commit resources for staff training and development activities to guarantee a qualified and competent workforce.

Secondly, the coefficient for performance evaluation demonstrates a favorable link with organizational performance. A well-designed and successful performance appraisal system provides frequent feedback, evaluation, and goal alignment, allowing individuals to improve their performance and contribute to the overall success of the company. The Premier Bank of Somalia should have a rigorous performance evaluation procedure that encompasses clear performance criteria and encourages ongoing progress.

Lastly, the coefficient analysis reveals that reward and recognition have a considerable favorable influence on organizational performance. Implementing a

complete reward and recognition system at Premier Bank of Somalia, which includes both monetary and non-monetary incentives, may encourage workers, boost their job satisfaction, and drive high-performance behavior. This will lead to enhanced organizational results and employee engagement.

Based on these data, it can be stated that HRM practices, including training, performance appraisal, and reward and recognition, are significant variables that positively affect the organizational performance of Premier Bank of Somalia. By carefully integrating and aligning these practices with the bank's goals, Premier Bank of Somalia may strengthen employee skills, build a performance-oriented culture, and cultivate a motivated and engaged workforce, eventually leading to enhanced overall organizational performance.

### **Recommendations**

**Training:** Premier Bank of Somalia should continue investing in training programs to further enhance employee skills and competencies. Identifying specific training needs, providing continuous learning opportunities, and evaluating the effectiveness of training initiatives will contribute to sustained organizational performance improvements.

**Performance Appraisal:** It is recommended to ensure that Premier Bank of Somalia maintains a robust performance appraisal system. This includes clear performance criteria, regular feedback sessions, and setting SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals for employees. Regular training for managers on conducting effective appraisals can also enhance the accuracy and fairness of the process.

**Reward and Recognition:** Premier Bank of Somalia should establish a comprehensive reward and recognition system that aligns with organizational goals and values. This can include monetary rewards, non-monetary incentives, and public recognition programs to acknowledge outstanding performance. Regularly review and update the system to ensure it remains motivating and relevant.

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**Appendices**  
**Appendix A**  
**Questionnaire**

This survey was created to investigate the role of Human Resource Management (HRM) practices on Organizational performance. Focusing on premier bank in Mogadishu, Somalia. Please read each question/statement and then select the response that best expresses your feelings.

**Demographic information (please tick the box)**

**1. Gender.**

v

a) Male

b) female

**2. Age.**

a) 19-25

b) 26-30

c) 31-35

d) 36 - Above

**3. Marital status**




a) Single

b) Married



**4. Education level.**

a) Diploma or less

B) Bachelor.

C)

Master.

D) Ph.D.

**4. Level of experience**

a) Less than one-year

b) 1-2years

e)

3-

4years

d) 5 or more

## Research Questionnaire

### The Role of Human Resource Management practices on organizational performance

**1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree**

No	Factors HRM Practices	Level of agreement				
		SD	D	N	A	SA
	<b>Staff Training</b>					
1	Training needs of workers is identified.	1	2	3	4	5
2	Training Schedule					
3	Staffs training affect organizational performance in change management process.					
4	Training is relevant to respondent work					
5	Managers, supervisors and HR influence on the selection of employee for training.					
6	Training improves skill, knowledge, attitude and new capability.					
7	Training helps me to enhance the use of tools and machines and operational safety					
<b>Performance Appraisal</b>						
8	The performance appraisal rating is helpful to identify the strength and weakness of the employee.					
9	Performance appraisal influences my motivation of work.					



10	Performance appraisal affects working relationships with my colleagues at work.					
11	The evaluation results impact my behavior, attitudes and morale.					
12	The organization derives benefits from the performance appraisal.					
13	Evidence of performance is well documented and available for reference if needed.					
<b>Rewards and Recognitions</b>						
14	Reward and recognition is a good compensation in change management process.					
15	My salary level is frequently increased.					
16	I have awareness of reward system in my organization.					
17	When I get a bonus and remuneration my job performances increase.					
18	When I am promoted by employer it really motivates me to work harder.					
19	Commissions from employer helps to boost my performances.					
<b>Organizational Performance</b>						
20	Management has achieved organization goals.					
21	I feel the performance of this organization over the past three years has been excellent in					

	meeting its goals.					
22	The organization can clearly measure the benefits it provides to employees or stakeholders.					
23	Objectives set in the performance appraisal are aligned to the organizational objectives.					
24	The firm has a reputation of having high performing employees.					
25	The firm is perceived as a successful business.					
<p>Zainon, S., Fadhilah Ismai, R., Adzrin Raja Ahmad, R., Mohamad Shafi, R., Najuna Misman, F., Md Nawli, S., &amp; Mohamed Abdul Kadir, J. (2020). Factors of Human Resource Management Practices Affecting Organizational Performance. <i>International Journal of Organizational Leadership</i>, 9(4), 184-197.</p>						

**Appendix B****SCIENTIFIC RESEARCH ETHICS COMMITTEE**

22.05.2023

Dear Abdirahman Bashi Ahmed

Your application titled **“The Role of Human Resource Management Practices on Organizational Performance”** with the application number NEU/SS/2023/1462 has been evaluated by the Scientific Research Ethics Committee and granted approval. You can start your research on the condition that you will abide by the information provided in your application form.



Prof. Dr. Aşkın KİRAZ

The Coordinator of the Scientific Research Ethics Committee

## Appendix c

## Turnitin similarity report

## THE ROLE OF HUMAN RESOURCE MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE

### ORIGINALITY REPORT

	15%	8%	7%	9%
	SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS
<b>PRIMARY SOURCES</b>				
<b>1</b>	Michelle Brown. "Performance Appraisal Systems: Determinants and Change", British Journal of Industrial Relations, 12/2005 Publication			2%
<b>2</b>	pdfs.semanticscholar.org Internet Source			1%
<b>3</b>	Submitted to Higher Education Commission Pakistan Student Paper			1%
<b>4</b>	Submitted to University of Shajrah Student Paper			1%
<b>5</b>	www.jkuat.ac.ke Internet Source			<1%
<b>6</b>	Submitted to Open University of Mauritius Student Paper			<1%
<b>7</b>	www.academypublication.com Internet Source			<1%