

Good Governance Practices and Employees Job Performance in Federal Ministries of Ethiopia: The Mediating Role of Performance Management

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Abstract

The objective of the study is to examine the good governance practices and employees job performance with the mediating roles of performance management in Federal Ministries of Ethiopia. The study used explanatory research design with a quantitative research approach. To get adequate representation samples, the study included twelve (57%) of the twenty-one Federal Ministries of Ethiopia. Sampling over 50% is critical for accurately capturing variability within small, finite populations. The study employed Stratified Random Sampling, dividing the ministries into Economic and Infrastructure Development and Social and Institutional Governance. The sample size of 384 was calculated for each stratum using the Krejcie and Morgan formula with a 95% confidence interval and 5% margin of error. In general, the two group total samples were 768. From 768 survey questionnaires distributed and 736 collected for analysis. Mean and standard deviation were used to describe the practices of ministries in governance, performance management, and employees' job performance. In addition, path analyses were employed to examine the direct and indirect effects of governance and performance management on employees' job performance through Partial Least Squares Structural Equation Model software. The results indicated that the implementation of good governance, performance management, and employees' job performance practices was low in the Federal Ministries of Ethiopia. The path analysis confirmed that performance management serves as a mediating role in the relationship between governance and employee job performance. In particular, responsiveness, rule of law, transparency, and participation have a significant effect on employees' job performance indirectly through performance management. The analysis concludes that employee performance is strongly impacted by governance and performance management. To boost employees' job performance the Federal Ministries should focus on good governance and performance management practices to improve employee job performance.

Keywords: Good Governance, Employee Job Performance, Performance Management process, Rule of Law, Transparency, Accountability, Responsiveness

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1. Introduction

To realize an eloquent service delivery in the public service, ensuring good governance and proper performance management should materialize. The modern world is faced with challenges that are the result of the transformation of scientific and technological progress and the unsatisfied and new organizational and social needs (Sharifzadeh & Gholipour, 2003). To the reverse, production of public goods and services in public organizations are one of the most important challenges facing the public sector. One of the most important issues discussed in literature since 1980s onwards is the issue of good governance which is expressed in different principles since 19th century of Weberian Public Administration (Kovac, 2015). The effort towards meeting these indicators will not be possible with common structure and organizational procedures.

There are different views about the nature of organizational performance. Organizational performance can be viewed only as the record of the obtained results. Individually, organizational performance is the record of successes of an individual. Organizational performance should be defined as the results because the results have the strongest relationship with its strategic objectives, customer satisfaction and economic roles (Armstrong & Michael, 2004).

Organizations are established to accomplish their given mission and they have to formulate their goals and act to achieve the missions and vision. In order to achieve their mission, organizations are expected to cascade their goals up to individual's level; monitor and support that he/she is carrying out the given goals and objectives properly. Finally compare their performance with their plans, encourage those who have done better, build the capacity of those who are under their expected performance, and take other administrative measures. The reason is that in this global and competitive environment, organizations focus on the performance of individuals through managing performance. As defined by Aguinis (2013), performance management (PM) "is a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization. Performance management as an approach is creating a shared vision of the purpose and aims of the organization, helping each individual employee understand and recognize their part in contributing, to them, and in so doing manage and enhance the performance of both individuals and the organization.

If organizations are enabled to manage performance in a well-organized way at all levels, it is impossible to confirm whether an organization is on the right track and to cross check the performance of its respective employees.

Performance management can be described as a process by which organisations set goals, determine standards, assign and evaluate work, and distribute rewards (Varma et al., 2008). Therefore, it is vital for the supervisors and managers to make provision of information to the workforce in terms of their performance (Pulakos, 2019). The secret behind successful organizations is the good performance management system (PMS) and performance management is regarded as an essential tool of all types of organizations. Pulakos (2019) also agreed that, performance management can result in number of important outcomes for the employers, employees and the organization as a whole. That is why, the managers, directors and heads are required to pay special consideration to enhancing PMS.

The words "performance management" has, over the recent past, very popular. A true performance management system should comprise all end-to-end performance management process (Aguinis, 2013). In literature, there are various models and theories of performance

management. Each concept of performance management has its importance as a system for managing employee performance, and for integrating the management of organizational and employee performance. Performance management involves many stages of scrutiny, and is clearly linked to the evaluation of HR as well as performance of organizations. To achieve the required national and organizational goals by properly implementing performance management, improving the performance of individuals should be the main focus. However, organizations expected to create enabling conditions to properly achieve their intended goal. Among these, establishing good governance and clear and comprehensive performance management process are vital.

This study provides a significant originality by addressing both a theoretical gap and a crucial contextual gap. Theoretically, the study moves beyond the descriptive link between Good Governance and employee performance via the essential mediating role of Employee performance management. Contextually, the focus on the Ethiopian Federal Public Sector provides unique, primary empirical evidence critical for locally informed policy-making and delivering actionable, prescriptive recommendations for public administration management that cannot be obtained from existing international literature.

According to Mughal & Akram, (2014), for more productivity for business, it is necessary to identify the performance of individuals and provide improvement measures. Due to this fact, organization are developing and implementing the performance management systems according to their culture. For effectiveness of an organization, the implementation of PMS alone is not enough, and it is necessary to pay great attention to the implementation by formulating uniform guidelines and standards to implement the performance management. Accordingly, organizations become successful by managing performance properly and enhancing the performance of individuals. When performance management is done well, it leads to many desirable results. However, poorly designed performance management systems can easily cause more harm than good. A thoughtfully designed and implemented system allows for competitive advantages, from the maintenance of a committed, strategically aligned, and well-developed talent pipeline to the ability to make legally defensible and data-driven human capital decisions (Carr & Kline, 2016).

Ethiopian government has been engaged in several reform programs to improve the delivery of services within the civil service and greater emphasis was placed on the measurement of public service performance using the BSC tool, which aims to align individual and organizational performance (FCSC, 2021).

According to Tesfaye & Ataklit (2012), the main challenges of implementing performance management in Ethiopia were problem of identifying appropriate indicators to measure performance government's lack of capacity to make its public sector managers accountable for results, negative attitude and lack of motivation of employees towards the reform effort of the government, low capacities in management and systems and low retention capacity of civil service organisations. Due to these, challenges the Ethiopian civil service organisations have been succumbed once again into measuring activities and inputs instead of measuring results. Instead of setting key performance indicators and evaluating performance based on the same agreement, evaluation process was subjective and largely depended on the process owners, subjective measures during practice perceived to be largely influenced by political considerations (FCSC, 2021).

In general, Ethiopian governmental institutions are having trouble in implementing good governance and raising employee performance. Even though attempts have been made to put good governance practices into place, the anticipated results are still not obtained. Organizational

performance and employee's performance has also been inconsistent, which has resulted in low output and inefficiency. The goal of this study is to better understand how good governance influences both employee performance and performance management process in Federal public organizations. This study also helps to determine whether performance management can strengthen the link between good governance and employee performance is a challenge, as is figuring out how to use it. Hence the study tries to answer the following basic questions: 1) What is the status of good governance, employees' job performance and implementation of performance management practices in the studied Ministries? 2) What is the effect of good governance on employees' job performance? 3) What is the effect of performance Management on Employees' job Performance? And 4) Does performance management mediate the relationship between good governance and employees' job performance?

2. Review of Related Literature

The Weberian model of Public Administration of the 19th and early 20th centuries established the foundation of present-day bureaucratic systems (Weber, 1947). The structure emphasizes major principles of legality, fairness, accountability, and formal rationality and calls for a hierarchical structure that is guided by explicitly written out processes and rules (Stillman, 2010). Efficiency and effectiveness are ensured by specialization, division of labour, and merit-based recruitment and promotions (Du Gay, 2000). However, while stability and consistency are ensured by the Weberian model, its rigidity and possible failure to accommodate citizens' needs have been criticized (Denhardt & Denhardt, 2000).

New Public Management (NPM) emerged during the 1980s by challenging the traditional bureaucratic model by bringing market-oriented principles and an emphasis on efficiency and effectiveness in the provision of public services (Hood, 1991). The New Public Management supporter tried to measure performance, competition, and customer satisfaction with the principles borrowed from the private business world (Osborne & Gaebler, 1992). This approach was criticized by the opponents. NPM propagates efficiency and effectiveness by ignoring government commitment to social welfare and the upholding of the rule of law (Pollitt & Bouckaert, 2011).

The Good Governance model was well known during the 2000s. The framework highlighted major principles, including participation, transparency, and rule of law, responsiveness, accountability, effectiveness, and efficiency (World Bank, 1992; Kaufmann et al., 2010).

Expectancy Theory is one of the dominant models of motivation in performance management systems of an organization. Empirical research conducted by Chen et al. (2020) underscores the value of instrumentality and valence that are perceived at the digital reward system level, citing that open discussion of linkages between reward and performance elevates worker effort within mediated technologies at work. This portrayed pertinency of the theory in spite of changing technologies at the workplace.

The Balanced Scorecard model got recognition in various organizations. The model is continuously updated to align with a strategic vision, sustainability, and stakeholder communications. In addition, the model allows for comprehensive performance measurement aligned with corporate social responsibilities (Nørreklit et al., 2020). More recent meta-analysis verify that 360-degree feedback is still effective for developmental use when followed by coaching and follow-up interventions (Smither et al., 2020). All the same, its usefulness does depend on organizational culture and the quality of feedback. Smither et al. (2020) warns that poorly handled 360-degree processes could do harm by damaging trust and motivation and

stresses the imperative of confidentiality and constructive construction.

Management by Objectives continues to influence systems of performance management but with adaptations designed to make them more flexible. Hoque et al. (2021) detail that adding ongoing dialogue about performance rather than yearly reviews enhances responsiveness and employee empowerment of MBO systems. Such development is aligned with agile management practices widespread in organisations today (Hoque et al., 2021).

Bandura's Social Cognitive Theory identifies self-efficacy as a key predictor of job performance. Workers possessing high self-efficacy establish high goals and are resilient against setbacks for enhanced performance (new evidence by Stajkovic & Luthans, 2020). Recent studies verify that self-efficacy-boosting interventions enhance proficiency at tasks and adapting performances (Stajkovic & Luthans, 2020).

Equity theory explains work effort by analyzing input-output ratios of perceived fairness against those of other parties. Employees who feel that there is an inequity will reduce effort or performance as a way of restoring balance. Current evidence indicates that organizational justice has a large influence on motivation and voluntary effort, specifically organizational effort (Colquitt et al., 2019).

The Ability-Motivation-Opportunity Model indicates that work performance is driven by the abilities of workers, their motivation, and their opportunities for performance. Weak motivation or opportunity may cancel out high ability for high performance (et al., 2020). Current evidence Favours this model as an integrated model that relates human resource practices to outcome measures of performance by realizing coherence of these three factors (Jiang et al., 2021).

Conservation of Resource theory explains that workers will work hard to gain possession of valuable resources; stress occurs if resources are damaged or lost, affecting performance negatively. Hobfoll's (1989) theory has been extended recently to explain burnout and reduced job performance under resource depletion, particularly during crises like the COVID-19 pandemic (Halbesleben et al., 2021).

The empirical review of related literature also showed that relationship existed between good governance and organizational performance. Principles of good governance such as participation, rule of law, transparency, accountability, fairness and efficiency enable employees to be more effective and transparent in providing high quality services (Alaaraj, 2014). Marniati (2010) concluded that there is positive and significant correlation between transparency, accountability, responsiveness, fairness, and independency on performance of employees.

As Smither and London (2009) say, other things being equal, the greater the total degree of fit, among various components, the more effective the organization will be, or essentially the degree to which, work, people, structure, and culture are smoothly aligned will determine the organization's ability to compete and succeed. When alignment is low, there are many visible effects on employees, employers and customers. Wastage of time and energy are the most common effects of low alignment. If individuals have good alignment with an organization or its customer's additional energy is needed to reach the goals because time is often diverted to low or no value-added activities. This often creates stress (related to work life balance: perceptions of time wasted) and other dysfunctional outcome, ranging from poor performance to turnover.

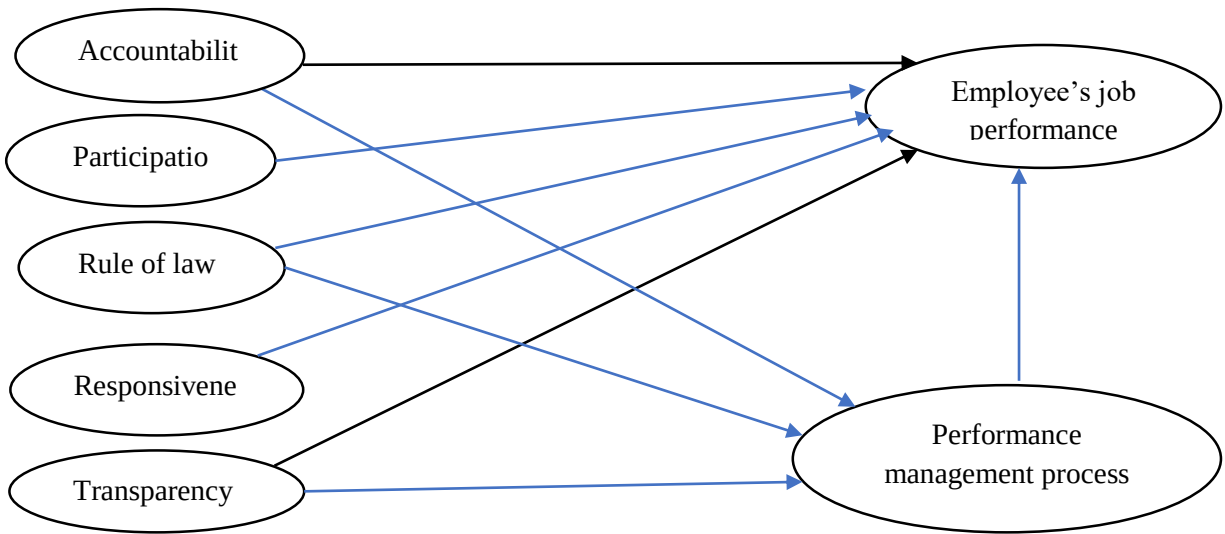


Figure 2:1 Conceptual framework

Source: adopted from World Bank, 1992, Sulaiman, 2018).

3. Methods

The study applied an explanatory and descriptive research design to investigate the effect of good governance practices in ministries on the performance of the staff, with the mediation effect of performance management. Descriptive phase was applied to carefully outline the governance, the performance management and the employee's performance practice in the selected federal ministries. At the same time, explanatory phase was utilized to study the cause-and-effect relationship between governance and employee's performance with the mediating effect of performance management.

Quantitative research approach was used to examine the relationships and the effect of independent variables on dependent variables (Creswell, 2023). This method helps to objectively estimate and is able to conclude from the samples to the larger population (Bryman, 2021). Furthermore, this promotes reliability and validity by reducing researcher bias (Saunders et al., 2022).

The study selected twelve Federal Ministries of Ethiopia out of the twenty-one. This is nearly 57% of the ministries included in a study. Such a strategic methodological decision is made to ensure adequate organizational representation and maximum validity. Sampling 57% significantly exceeds the common 50% threshold necessary for small, finite populations to capture variability (Singh & Masuku, 2014; Gould-Williams, 2003; Pourhoseingholi et al., 2013).

The Federal Ministries are divided into two categories based on the functional classification of the Ethiopian government. The division is as Economic and Infrastructure Development (10 Ministries) and Social and Institutional Governance (11 Ministries). Based on such categories, a Krejcie and Morgan (1970) formula was used, with a 95% confidence level and 5% margin of error. The study allocated 384 samples independently to each category, which is a total of 768 samples. Furthermore, to select respondents from the Ministries, a stratified proportionate

sampling technique was used, followed by systematic random sampling to get sampled respondents.

The data collection instrument is a survey questionnaire based on the dimension's good governance employees' job performance and performance management. Before the main study, a pilot test was carried out to make sure the questions were reliable and valid. The results from this test showed that the questionnaire was reliable and well-suited for collecting the information needed.

To analyse the collected data descriptive analysis such as percentages, mean and standard deviations were used. These analysis techniques were used to investigate the level of governance, performance management and employee's performance practices of the ministries. Inferential statistical methods were applied to test the postulated relationships among the variables through path analysis performed through the use of Smart PLS software to gauge both the direct relationship among employee performance and governance, and also the indirect relationship through mediation of performance management.

4. Data Analysis and Discussion

This section presents a thorough analysis of the study data, beginning with an overview of participants' demographic characteristics, description of governance principles, performance management and employees job performance through mean and standard dilation. The mean cutting point of Pihie & Akmaliah (2009) were used. In this cutting point a mean less than 3.40 is low, where as a mean between 3.40 to 3.79 is moderate and a mean above 3.79 is high. Finally, inferential statistics via Smart Pls was used to examine the effects of independent variables on the dependent variable.

Before analysis, the reliability of the survey instrument was assessed to ensure consistent measurement, with results confirming the internal consistency of all variables. Furthermore, the response rate of the questionnaire in which 768 distributed questionnaire 736 completed and returned and used questionnaire in which a strong response rate of 96%.

Table 4.1 Respondents' Sex, Experience, Educational Background and Ministries

	Labels	Frequency	Percent
Sex	Male	378	56
	Female	302	44
	Total	680	100
Experience	1-5	57	8
	6-10	253	36
	11-15	203	29
	>16	183	26
	Total	696	100
Educational Background	Diploma	34	5
	First degree	316	47
	Master's degree	314	46
	Ph.D.	15	2
	Total	679	100

Federal Ministries of Ethiopia	Ministry of Peace & Security	49	6.66
	Ministry of Revenues	53	7.20
	Ministry of Culture & Sport	60	8.15
	Ministry of Mining	31	4.21
	Ministry of Agriculture	95	12.91
	Ministry of Trade and Regional Integration	77	10.46
	Ministry of Transport	46	6.25
	Ministry of Education	55	7.47
	Ministry of Labor & Skill	46	6.25
	Ministry of Urban & Infrastructure	80	10.87
	Ministry of Innovation & Technology	32	4.35
	Ministry of Health	110	14.95
Total		736	100

Source: Field survey (2024)

As Table 4.1 indicated the samples of the study consisted of experienced and educated group of Ethiopian Federal Ministry employees, with a total sample size generally around 680 to 736 across the different categories. There is a slight gender skew, with 56% of respondents being male. Crucially, the workforce is mature, as 91% of participants report having six or more years of experience, with the largest single group (36%) having 6-10 years.

Table 4.1 also illustrated that the qualifications of respondents are with educational attainment, with 93% holding a university degree (First degree at 47% and Master's degree at 46%) and others are diploma. The participants were drawn from a broad range of ministries, with the Ministry of Health (14.95%) and the Ministry of Agriculture (12.91%) being the most represented, indicating that the study primarily sampled personnel from these large public service sectors.

Table 4.2 Good Governance Practice - Rules of Law (N=736)

Rules of law items	Mean	Std.
The organization consistently maintains legal and ethical standards in its decision	3.17	1.071
Employees believe that the organization places significant importance on maintaining legal and ethical integrity in its activities	3.16	1.064
All organizational decisions are in alignment with established laws and regulations.	3.07	1.027
There is a clear process for ensuring that all actions and policies within the organization adhere to legal requirements.	3.06	1.028
The organization shows a commitment to fair practices in all aspects of operations.	3.06	1.065
Grand mean	3.10	

Source: Field survey (2024)

The mean of each item and the grand mean of the rule of law dimensions of good governance range from 3.07 to 3.17, as indicated in Table 4.2. These results showed that the practice of the rule of law is below 3.40 mean cutting points (Pihie & Akmaliah, 2009). This indicates that the rule of law practice in the Federal Ministries of Ethiopia is at a low level. The implication of these findings for the Ministries indicated a need for review of their existing systems and practices in line with legal and ethical compliance.

Table 4.3 Good Governance Practice - Participation (N=736)

Participation items	Mean	Std.
Employees feel empowered to contribute to organizational decisions.	3.04	1.011
Organization values and encourages employee input.	3.03	1.032
Employees feel heard and valued in discussions shaping the organization's direction.	3.00	1.002
Employees have meaningful opportunities to contribute to decision-making	2.95	1.043
Clear mechanisms exist for employees to suggest and implement new ideas	2.94	1.02
Grand mean	2.99	

Source: Field survey (2024)

As indicated in Table 4.3, all the items of good governance participation dimensions range between 2.94 to 3.04. This indicated a low level of participation of employees in the decision-making process. In line with this, Smith, Jones & Garcia (2018) conducted a study on the impact of employee participation in decision-making processes, portraying that organizations required employees to participate to empower them to contribute meaningfully to organizational activities. Their findings revealed that organizations that actively encourage employees' input in shaping policies and procedures tend to foster a culture of openness and innovation and increase employees' job performance.

Table 4.4 Good Governance Practice - Transparency

Transparency items	Mean	Std.
The organization consistently shares its plans and strategies openly.	3.27	1.006
Information about organizational decisions and changes is readily accessible to all employees within the organization.	3.06	1.043
The organization fosters an environment of openness and honesty in operations.	3.02	1.025
Employees informed about key decisions that impact their role and responsibilities.	2.99	0.963
Decision-making processes with reasons behind are clearly & openly communicated to all employees.	2.87	1.025
Grand mean	3.04	

Source: Field survey (2024)

As Table 4.4 indicates, the mean of all items and the grand mean of the good governance aspects of the transparency practice are below 3.40. This result portrayed a critical need for the Ministries to re-examine and enhance their transparency practices. The implication of the results signals a need for the Ministry to address the problems in transparency.

Table 4.5 Good Governance Accountability Practice (N=736)

Accountability practice items	Mean	Std.
Employees have strong sense of responsibility among individuals for their actions	3.1	1.03
There are clear mechanisms to evaluate & track performance & accountability.	3.1	1.021
Organization of employees learns from errors and making corrections.	2.99	1.044
Organization of the employees established culture of accountability	2.93	1.053
Employees are consistently recognized for their contributions.	2.79	1.088
Grand mean	2.98	

Source: Field survey (2024)

The mean accountability practices, as indicated in Table 4.5, ranged from 3.1 to 2.79. The finding implies a low level of accountability practices in the Ministries. There is a clear requirement to strengthen mechanisms for learning from mistakes, implement a stronger culture of accountability, and improve the recognition and accountability of employees. In line with this, Lee et. al. (2021) concluded that organizational accountability is one of the most important pillars in enhancing performance and governance effectiveness.

Table 4.6 Good governance - Responsiveness Practice (N=736)

Responsiveness Practice Items	Mean	Std.
Employees are aware of the available procedures for lodging complaints.	3.19	0.985
The organization is adequately resourced to handle complaints timely.	3.07	1.001
The organization's system for handling employee complaints is easily accessible	3.04	0.993
Employees have access to various channels to voice their complaints	2.98	1.008
The organization handles and resolves complaints related to services effectively.	2.96	0.983
The programs offered by the organization align well with my needs and aspirations	2.93	1.008
The organization efficiently manages & resolves complaints timely.	2.87	1.025
The organization promptly addresses and meets my needs as an employee.	2.72	1.037
Grand mean	2.97	

Source: Field survey (2024)

The mean of responsiveness practice of good governance pillar as indicated in Table 4.6, ranges from 2.72 to 3.17. The findings illustrated that there is a demand for the Ministries to improve their responsiveness practices. Tackling such problems is essential for enhancing the culture of responsiveness, which in turn increase employee satisfaction, employee's engagement, and overall organizational performance. In line with this, Garcia & Johnson (2020) asserted that responsiveness of the organization helps to foster employee satisfaction and minimize turnover rates. In addition to this, Lee et al. (2019) concluded that organizations emphasizing responsiveness not only elevate employee morale and productivity but also promote an environment of transparency and accountability.

Table 4.7 Performance Management Practice (N=736)

Performance management practice Items	Mean	Std.
The organization's objectives are plainly communicated.	3.35	0.936
Employees feel capacitated to accomplish their performance plans	3.32	0.954
Performance objectives of employees are aligned with the strategic objectives.	3.25	0.941
Employees day-to-day work aligns with the performance objectives	3.24	0.963
Employees aware of the criteria used for assessing their performance.	3.23	0.948
Employees get a clear direction for executing their performance plans	3.22	0.95
Employees feel that the organization's strategic priorities are well-aligned with their day-to-day tasks and responsibilities.	3.18	0.993
There is effective two-way communication between employees and management regarding performance expectations	3.15	0.971
Employees actively involved in setting performance goals and objectives.	3.13	0.977
Employees feel motivated to improve their performance based on the results of the performance appraisal process.	3.05	1.043
Employees receive regular constructive feedback on their performance.	3.03	0.994
The performance evaluation process is fair and transparent.	3.02	1.009
Performance evaluations drive employee growth through feedback.	3	1.005
Employees receive adequate support to achieve performance objectives.	2.98	0.981
The appraisal process effectively rewards high performance.	2.8	1.108
Grand mean	3.13	

Source: Field survey (2024)

In Table 4.7, there are 15 items used to measure performance management. The items and grand mean found between the range of 3.35 and 2.8. This implied that there is a low level of performance management practice in the Ministries. The Ministries need to examine clearer performance targets, revise job roles, and offer regular feedback to ensure that tasks are aligned with performance objectives (Johnson & Lee, 2020; Brown & Smith, 2017).

Table 4.8 Employees Job Performance (N=736)

Employees job performance items	Mean	Std.
Employees work responsibly in line with their roles.	3.55	0.941
Employees actively plan & organize their work within the organization.	3.5	0.929
Employees are open to feedback and learning from it.	3.5	0.899
Employees are capable of coping with stress and adversities.	3.49	0.916
Cooperation is valued among employees of the organization.	3.47	0.978
Employees are flexible in adjusting work goals when necessary	3.43	0.923
Employees prioritize their work and act accordingly.	3.42	0.896
Employees are focused on achieving results.	3.41	0.91
Employees maintain up-to-date job knowledge.	3.38	0.912
Employees show initiative to accomplish tasks	3.36	0.972
Employees are customer-oriented	3.36	0.93
The organization's employees utilize available resources wisely.	3.35	0.968
Employees handle uncertain & unpredictable work situations adeptly.	3.3	0.905
Employees revealed an interest in involving challenging tasks.	3.27	0.981
They deliver high-quality work.	3.27	0.956
Employees properly communicate their ideas in the organization.	3.27	0.996
Employees maintain their job skills up-to-date.	3.26	0.932
Employees use innovative approach to solve difficult problems.	3.19	0.949
Employees illustrate creativity in their job.	3.12	0.946
Grand mean	3.36	

Source: Field survey (2024)

The employee's job performance, as indicated in Table 4.8, has a mixed result. The first eight items had a mean score within a range of 3.40 to 3.79. This revealed that employees believed that they were moderately satisfied with their performance. Nevertheless, in the other items, it is below the threshold of a mean of 3.40, which implies the need for specific interventions and implementation that may include empowering them by strengthening creative thinking. By prioritizing employees' capacity to handle uncertainty, develop creative solutions, and promote creativity. The Ministries need to develop excellence and efficiency in the provision of public services. Through the use of targeted training programs and the establishment of a conducive organizational culture, an environment can be created wherein employees can grow and contribute positively toward the attainment of organizational goals.

An Inferential analysis was also conducted to check the effects of the independent variables/ good governance/on the dependent variables /employee's job performance/ and the mediating roles of performance management on the relationship between good governance and employees job performance. Smart PLS 4.1 was used. The inner and the outer models were also tested and finally hypothesis tested.

Table 4.9 Construct Reliability and Validity

Variable	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Employees Job Performance	0.951	0.951	0.955	0.544
Accountability	0.830	0.855	0.882	0.604
Participation	0.883	0.883	0.914	0.681
Rule of Law	0.913	0.913	0.935	0.741
Responsiveness	0.914	0.915	0.930	0.625
Transparency	0.880	0.881	0.912	0.676
Performance Management	0.943	0.944	0.950	0.560

Source: Construct reliability and validity Test conducted by the author using SMART PLS Software

Table 4.9 shows that all variables demonstrate strong reliability and validity. Cronbach's alpha and composite reliability (rho_a and rho_c) values are all above 0.8, indicating high internal consistency. Average Variance Extracted (AVE) values exceed the 0.5 threshold, confirming good convergent validity for each construct. Overall, the measurement model is reliable and valid.

Table 4.10 Fornell-Larcker Discriminant Validity

Variables	Employees performance	Accountability	Participation	Rule of Law	Responsiveness	Transparency	Performance Mgt.
Employees performance	0.738						
Accountability	0.545	0.777					
Participation	0.508	0.730	0.825				
Rule of Law	0.490	0.701	0.732	0.861			
Responsiveness	0.536	0.767	0.687	0.658	0.791		
Transparency	0.494	0.791	0.774	0.749	0.726	0.822	
Performance Management	0.700	0.723	0.684	0.651	0.740	0.673	0.748

Source: Discriminant validity test conducted by the author using SMART PLS Software

Table 4.10 presents the Fornell-Larcker criterion to assess discriminant validity among the constructs. The diagonal values represent the square root of the Average Variance Extracted (AVE) for each construct, while the off-diagonal values indicate the correlations between constructs. Discriminant validity is established when each construct's square root of AVE exceeds its correlations with other constructs.

In this table, all diagonal values (ranging from 0.738 to 0.861) are greater than their corresponding off-diagonal correlations, confirming adequate discriminant validity. This indicates that each construct Employees Performance, Accountability, Participation, Rule of Law, Responsiveness, Transparency, and Performance Management is empirically distinct from the others in the model.

Table 4.11 R Square results of latent variables

Variables	R-square	R-square adjusted
Employees job performance	0.494	0.490
Performance Management	0.635	0.632

Source: R square & R square adjusted test conducted by the author using SMART PLS Software

As indicated in Table 4.11 the result of R square for employee job performance is nearly 50 percent. This indicated that accountability, participation, transparency, rule of law, responsiveness and performance management together explain 50 percent of employees job performance. On the other hand, nearly 64 percent of performance management explained by accountability, participation, transparency, rules of law and responsiveness.

The effect sizes and predictive relevance of the structural model were examined to assess the magnitude and predictive capability of the hypothesized relationships. The size of effect (f^2) of the Federal Ministries of Ethiopia responsiveness practice on performance management and of performance management on employees' job performance was established to be of medium size, indicating significant practical influence. Contrarily, the accountability, transparency, participation, and rule of law constructs had small effect sizes on both performance management and employees' job performance, indicating comparative modesty influence in these two relationships.

Further, the predictive redundancy (Q^2) for both employees' job performance and performance management was greater than zero. This indicates that the model has sufficient predictive relevance for such endogenous constructs that the structural model is capable of predicting adequate points of data that are not included in model estimation. These results, in general, support the strength of the model in predicting and explaining primary outcomes of organizational practices and employee performance.

As portrayed in Table 4.12, employee participation, accountability, responsiveness, and rule of law do not directly have an effect on employees' job performance. However, these dimensions have a positive and significant effect on the performance management of the organizations. Performance management also has statistically significant effects on employees' job performance and acts as a mediating role between the relationship of good governance and employees' job performance. One of the peculiar good governance dimensions of transparency has a positive and direct influence on employees' job performance.

Table 4.12 Hypotheses testing results

Hypotheses	Coefficients	P values	Decision
Accountability has significant effect on Employees job performance	0.065	0.218	Unsupported
Accountability has significant effect on performance management	0.222	0.000	Supported
Employees participation has significant effect on their job performance	-0.002	0.966	Unsupported
Employees participation has significant effect on performance management	0.171	0.001	Supported
Rule of law has significant effect on employees' job performance	0.050	0.277	Unsupported
Rule of law has significant effect on performance management	0.119	0.010	Supported
Responsiveness has significant effect on employees' job performance	-0.018	0.736	Unsupported
Responsiveness has significant effect on performance management	0.378	0.000	Supported
Transparency has significant effect on employees' job performance	-0.007	0.904	Unsupported
Transparency has significant effect on performance management	-0.007	0.886	Unsupported
Performance management has significant effect on employees' job performance	0.647	0.000	Supported
Performance management play a mediating role between the relationship of Accountability Employees job performance	0.143	0.000	Supported
Performance management play a mediating role between the relationship of participation and Employees job performance	0.111	0.001	Supported
Performance management play a mediating role between the relationship of rule of law and Employees job performance	0.077	0.012	Supported
Performance management play a mediating role between the relationship of responsiveness and Employees job performance	0.245	0.000	Supported
Performance management play a mediating role between the relationship of transparency and Employees job performance	-0.005	0.886	Unsupported

5. Conclusions

The good governance practices of the Federal Ministries of Ethiopia revealed a low performance status. Particularly in the rule of law, participation, transparency, accountability, and responsiveness practices. The cumulative evidence implies a systemic governance crisis that erodes organizational integrity and performance. Addressing this demands an immediate, high-

level institutional reform to promote a culture of compliance, capacitate employees, and establish strong, transparent, and accountable working systems.

The performance management of the Federal Ministries of Ethiopia is at a low standard. The low-level results of the mean signal that the current practices in performance management are less effective. Therefore, the Federal Ministries need to act to make the systems more reliable to check employees' performance and offer constructive feedback.

Employees' job performance in the sampled Federal Ministries showed that there is a need to capacitate employees and establish a supportive and creative organizational environment. To increase the employees' job performance, organizations need to focus on talent development.

Good governance dimensions, particularly employee participation, accountability, organizational responsiveness, and adherence to the rule of law, have a statistically significant and positive effect on performance management. This implies that improved performance management has a positive effect on employees' job performance.

The study concluded that performance management played a mediating role between the relationship of governance and employees' job performance. The implication revealed that any organizational strategy developed to enhance employee job performance should first need to strengthen governance dimensions, which leads to effective management, and then, better employee job performance.

6. Recommendations

The Federal Ministries have low status in practicing good governance dimensions particularly on the rule of law; hence, they need to review existing policies and procedures to identify gaps and areas for enhancement. Implementing clear policies and effective monitoring mechanisms can help raise compliance levels and ensure adherence to laws and regulations. The Ministries have also limited employees' participation in decision-making processes, so they are required to be transparent through the improvement of information access and open communications.

The Federal Ministries of Ethiopia better to undertake relevant changes to reinforce accountability and responsiveness. To enhance accountability, the Ministries are expected to establish clear roles, set measurable performance standards, and implement transparent monitoring and reporting systems. Furthermore, the Ministries better to actively develop a culture of answerability by promoting ethics and with consequences. To improve responsiveness, the Ministries expected to expand complaint handling systems and modernize handling procedures.

The Ministries also need to improve performance management to a considerable extent through critical review of processes carried out, applying specific training programs for employees and managers, and setting transparent parameters for performance appraisal. It is better to improve performance management to a considerable extent by giving first-list priority to continuous feedback and developmental opportunities. The ministries also need to enhance employees' job performance through developmental activities to enhance employees' abilities to handle ambiguity, foster creativity, and provide innovative solutions.

Accountability, employee participation, the rule of law, and responsiveness have a positive and significant effect on performance management. Hence, the Ministries need to improve performance management by enhancing accountability, employee involvement, maintaining the rule of law, and responsiveness practices. Performance management served as a mediating role between accountability, participation, rule of law, and responsiveness with employees' job performance. So, the ministries need to enhance employees' job performance by improving accountability, transparency, the rule of law, responsiveness, and performance management.

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