

# **THE IMPACT OF HUMAN RESOURCE DEVELOPMENT ON ORGANIZATIONAL PERFORMANCE IN ETHIO TELECOM SOUTH WESTERN REGION**

A Thesis Submitted To The School Of Graduate Studies Of Jimma University  
Partial Fulfillment Of The Award Of The Degree Of Masters In Public  
Management (MPM)

BY: ABOMA TAMENE



**JIMMA UNIVERSITY**  
**COLLEGE OF BUSINESS & ECONOMICS**  
**MPM PROGRAM**

**MAY, 2016**  
**JIMMA, ETHIOPIA**

# **THE IMPACT OF HUMAN RESOURCE DEVELOPMENT ON ORGANIZATIONAL PERFORMANCE IN ETHIO TELECOM SOUTH WESTERN REGION**

A Thesis Submitted To The School Graduate Studies Of Jimma University Partial Fulfillment Of The Award Of The Degree Of Masters In public management

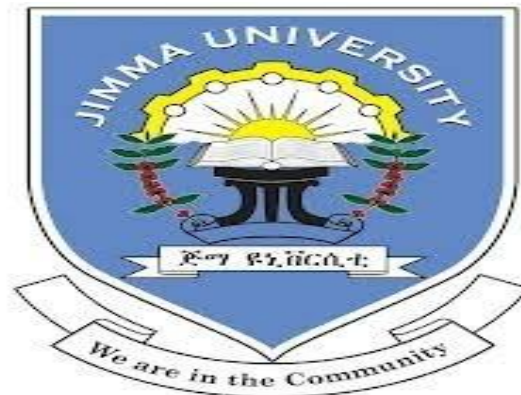
BY: ABOMA TAMENE

Under the Guidance of

Av Pandian (ph.D)

And

Mr. Megersa w. (MBA)



**JIMMA UNIVERSITY**  
**COLLEGE OF BUSINESS & ECONOMICS**  
**MPM PROGRAM**

**MAY, 2016**  
**JIMMA, ETHIOPIA**

**Jimma University**  
**College of Business & Economics**  
**MPM program**  
Board of Examination Thesis  
Approval Sheet  
Members of the Board of Examiners

	Signature	Date
External Examiner	_____	_____
Internal examiner	_____	_____
Advisor	_____	_____
Co- Advisor	_____	_____
Chair Person	_____	_____

May, 2016

Jimma, Ethiopia

## Certificate

This is to certify that the thesis entities “The impact of human resource development on organizational performance in ethio telecom south western region” Submitted to Jimma University for the award of the Degree in public management (MPM) and research work carried out by Mr. Aboma Tamene, under our guidance and supervision of Mr. Av. Pandian (Phd) and Mr. Megersa w. (MBA)

Therefore we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree of diploma.

Main Adviser’s Name

Date

signature

---

---

---

Co-Advisor’s Name

Date

Signature

---

---

---

## **Declaration**

I hereby declare that this thesis entitled “The impact of human resource development on organizational performance in ethio telecom south western region” has been carried out by me under the guidance and supervision of Av Pandian (ph.D) and Mr. Megersa.(MBA).

The thesis is original and has not been submitted for the award of degree of diploma any university or instructions.

Researcher’s Name

Date

Signature

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## **Acknowledgments**

Firstly, I am thankful to the Almighty God with whose grace; I could satisfactorily complete my research paper. Then, I am deeply grateful to my principal advisor Av. pandian (PhD) for his professional suggestions, guidance for the research paper, impossible to accomplish this research paper without his assistance.

Next, my special thank goes to my co-advisor Mr. Megersa W. for his valuable comments and significant suggestion during the research process, and for giving me reference materials and in general for his friendly support.

Above all I would like to express my gratitude to my mother Tigist Sitew for the endless love, warm support and the teaching on Human Dignity that she gave me through out of my life.

The acknowledgement can never be complete without mentioning the support I received from my friends Meba Hailu, Abel Addus and Ashenafi Adere always in my ecstasy, eccentricity, depression or exclamation, trials or tribulations.

Finally, I thank to all the persons who had been, who are and who will remain a part of my life.

Aboma Tamene

june, 2016

Jimma University

## **ABSTRACT**

*Organizations find it difficult to stay competitive in recent global economy. Importance of employee development program is growing for the organizations those pursuing to receive an advantage among competitors. This study had concentrated on human resource training and development factor influencing organizational performance at ethio telecom south western region. The aims of the study are to examine the how training and development affect performance of the organization and to point out the most significant factors that influence the performance of ethio telecom. The researcher had analyzed four training and development factor that influence organizational performance which is training and development need assessment, training and development design methods, training and development implementations, and training and development evaluation. A total of 146 questionnaires were distributed to 146 staffs at ethio telecom south western regional offices by hand and all 146 questionnaires were returned for analysis. The data had been analyzing by using Statistic Package for Social Sciences (SPSS). Research findings revealed there was significant relationship between training and development variables with organizational performance. The multiple regression results had shown that the independent variable which are training and development implementations, and evaluation are a significant predictor for organizational performance.*

<b>Contents</b>	<b>page no.</b>
CHAPTER ONE .....	1
INTRODUCTION .....	1
1.1 Background of the study.....	1
1.2 Ethio telecom profile .....	2
1.3 Statement of the problem.....	2
1.4 Objectives of the study .....	4
1.6 Significance of the study .....	5
1.7 Scope of the study .....	6
1.8 Methodology of the study.....	6
1.9 Definitions of key terms .....	6
1.10 Assumptions .....	7
1.11 Organizations of the chapters .....	7
CHAPTER TWO .....	8
REVIEW OF LITERATURE .....	8
2.1 An overview of human resource development.....	8
2.2 Historical perspective of human resource development.....	8
2.3 Human resource development in Ethiopian context.....	9
2.4 Concept of human resource development .....	10
2.5 Human resource development definitions .....	12
2.6 Components of human resource development practice.....	13
2.7 Process of human resource development .....	16
2.8 The benefits of training and development.....	25
2.9 Problems of human resource development.....	29
2.10 Theoretical models relating training to organizations' performance .....	30



2.11 Empirical reviews .....	33
2.12 A framework for analyzing the impact of training and development on organizational performance .....	36
CHAPTER THREE .....	38
RESEARCH DESIGN & METHODOLOGY .....	38
3.1 Introduction.....	38
3.2 Research design.....	38
3.3 Type of Study .....	38
3.4 Sample Size and Sampling Techniques .....	38
3.5 Population of the Study.....	39
3.6 Source of Data.....	39
3.7 Data Gathering Tools .....	40
3.7 Methods of Data Processing and Analysis.....	41
3.8 Ethical Considerations of the Study.....	41
CHAPTER FOUR.....	43
DATA ANALYSIS AND INTERPRETATIONS .....	43
Introduction.....	43
4.1 Overview of data collected.....	43
4.1.1 Rate of response .....	43
4.1.2 The respondent profile .....	44
4.2 Descriptive analysis.....	45
4.2.1 Effects of training needs assessments on Organizational Performance.....	46
4.2.2 Effects of training design methods on Organizational Performance .....	48
4.2.3 Effects of implementation of training on Organizational Performance .....	51
4.2.4 Effects of evaluation of training on Organizational Performance .....	53

4.2.5 Respondents view on the organizational Performance .....	55
4.3 correlations Analysis.....	57
CHAPTER FIVE .....	62
CONCLUSIONS AND RECOMMENDATIONS .....	62
5.1 Conclusions .....	62
5.2 Recommendations.....	64
5.3 Future research direction .....	65
REFERENCE.....	x
APPENDIX A.....	xviii
APPENDIX B .....	xxiv

<b>List of tables</b>	<b>page no.</b>
4.1 Response rate .....	44
4.2 Classification of Respondents based on gender.....	44
4.3 Classification of Respondents based on educational qualification .....	45
4.4 Classification of Respondents based on experience .....	46
4.5 Table need assessments on Organizational Performance.....	47
4.6 Influence of need assessments on Organizational Performance.....	48
4.7 Extent to which training design methods affect the Organizational Performance.....	49
4.8 Influence of training design .....	50
4.9 Extent of Effect of implementation of training on Organizational Performance.....	51
4.10 Influence of implementation of training on Organizational Performance .....	52
4.11 Extent evaluation of training affects Organizational Performance .....	53
4.12 Extent evaluation of training influence Organizational Performance.....	54
4.12 organizational Performance .....	55
4.13 Organizational Performance .....	56
4.14 Pearson correlation Coefficients.....	57
4.15 Model Summary.....	58
4.16 ANOVA.....	59
4.17 Coefficient Results.....	60

<b>List of figures</b>	<b>page no.</b>
2.7.5 Kirkpatrick model for evaluating T&D outcomes .....	24
2.8 The Benefits of Training and Development.....	30
2.12 A framework for analyzing training and development on organizational performance .....	38

## **Acronyms**

HRM - Human Resource Management

HRD – Human resource development

T&D – Training and development

TNA - Training needs assessment

TD – Training design

TI – Training implementation

TE –training evaluation

OP- Organizational performance

# CHAPTER ONE

## INTRODUCTION

This study focuses on the impact of human resource development on organizations' performance in ethio telecom south western region. This chapter includes background of the study, statement of the problem, objectives of the study, significance of the study, limitation of the study, organization of the study and definition of key terms.

### 1.1 Background of the study

Human Resources Development (HRD) as a theory is a framework for the expansion of human capital within an organization through the development of both the organization and the individual to achieve performance improvement. According to Nadler who coined the term” HRD is defined as organized learning experiences in a definite time period to increase the possibility of improving job performance and growth.”

McLean and McLean (2001) have offered the following global definition of HRD after reviewing various definitions across the world:

“Human resource Development is any process or activity that, either initially or over the longer term, has the potential to develop adults’ work based knowledge, expertise, productivity and satisfaction, whether for personal or group/ team gain, or for the benefits of an organization, community, nation or ultimately the whole humanity.” Another popular definition of HRD given by Patricia McLagan is “HRD is the integrated use of training and development to improve individual, group and organizational effectiveness.”

According to Rao and Pareek “HRD in the organizational context is a process by which the employees of an organization are helped in a continuous planned way, to:

1. Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;

2. Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own or organizational development purposes, and;
3. Develop an organizational culture in which supervisor-subordinate relationships, team work and collaboration among sub-units are strong and contribute to the professional well being, motivation, and pride of employees.”

Human resource development is the process of improving individual, group, and organizational performance through training, career development, and organizational development initiatives (Garavan, 2007; Nadler & Nadler, 2012).

## **1.2 Ethio telecom profile**

Ethiopian telecommunication corporation (ETC) is the oldest public telecommunication operator (PTO) in Africa. Proclamation No.49/1996 established the current legal structure of ETC in November 1996, along with a separate entity, the Ethiopian Telecommunication Authority (ETA). The former ETA had been responsible for the execution of both regulatory and operational activities, an arrangement that was established in 1981 under the ministry of transport and communications. Although the organization dates back to 1894, the first autonomous entity is considered to be the imperial board of telecommunication of Ethiopia (IBTE) established by proclamation 131 on October 15, 1952. While operating as IBTE, six significant revisions were undertaken in 20 years before renamed in 1975 as the Provisional Military Government of Socialist as ETA in January, 1991. After the downfall of the military regime in May 1991, the transitional government of Ethiopia issued the new economic reform in October 1992. The overall restructuring program change previously centralized command economy to a free market oriented one with the aim of making government owned enterprises more efficient and effective. The government is also given priority to the development of rural infrastructure (Bogale, 2005)

## **1.3 Statement of the problem**

Human resource being the most vital resource from other resources ,training and development is very crucial for the success of an organization because it motivate and increase the skill of employees and upgrade the ability of managers to perform their task . The quality of employees

and their development through training and development are major factors in determining long term goals .Training and development serves as a bridge and interface to the gap between employees knowledge and skills and what the job requires to perform effectively (Dessler,1994).Although the training and development program is undertake by the organization there are issues to be considered regarding the effective and efficient formulation and implementation of the program . In many parts of the world, either in private or public sector, the interest of providing training to their employees is increasing in unprecedented rate (Laird, 1983). This is mainly because organizations are concerned for improving quality, increasing productivity and reducing turn over and cost; besides the overall achievement of organizational goal. Additionally the ever - growing new technology, the social turbulence and the uncertainty about the future are some of the factors that push organizations to train their workforce. That is why now a day's training is considered as “a drug prescribed to organizations to overcome their problems” (Swist, 2001)

Despite the increasing effects on training of organizational employees by organizations, there is still limited literature on human resource development issues in developing countries (Debrah & Ofori 2006) and increasing concerns from organizational customers towards low quality services in the telecommunications sector. It is further worth noting that while much is known about the economics of training in the developed world, studies of issues associated with training and development in less-developed countries are rarely found. The existing studies in this relation (Harvey et al., 2002) have taken a general human resource management (HRM) focus creating a gap on issues such as the effect of training on employee and organizations performance. This study will contribute in minimizing this gap in the literature and thereby establish the basis to understanding of some aspects of human resource management in general and training in particularly in Ethiopia.

Since, every organization is made up of people developing their skills, motivating them to high level of performance and ensuring that they continue to maintain their commitment is essential to achieving organizational objectives (Abdullah, 2009). Once employees have been recruited and selected the next important step is to help them on converting their abilities into skills that contribute to the organizations' goals (Kebede & Sambasivam, 2013). To undertake this, the important issues should be taken in to account whether or not the need is assessed, an objective is



established, and the program is well implemented and close supervision and follow up in the proper functioning of HRD (Getahun, 2007).

Ethio telecom is one of such organization that has been participating in training and development of its employees for a long period of time. The researcher is aspired to investigate these training and development programs and their effect on organizational performance. Hence, the main reason that the researcher wanted to conduct this research was to investigate the impact of training on organizational performance in ethio telecom south western region. The study, therefore, focused on the major objectives stated below in the objective of the study section.

## **1.4 Objectives of the study**

### **1.4.1 General Objective**

- The main objective of the study was to investigate the impact of HRD on Organizational Performance in ethio telecom south western regional office.

### **1.4.2 Specific Objective**

- To examine the relationship between training and development needs assessment and organizational performance.
- To determine the relationship between training design methods and organizational performance.
- To investigate the relationship between training and development implementation and organizational performance.
- To examine the relationship between training evaluation and organizational performance.

## **1.5 Research questions**

- Does training and development needs assessment have a relationship with organizational performance?
- Does a training design method have a relationship with organizational performance?

- Does training and development implementation have a relationship with organizational performance
- Does management training evaluation have a relationship with organizational performance?

## **1.6 Significance of the study**

The research would not only add to works that have been done in this area, but also provoke further research into the training and development of members of both administrative and non administrative staff and its resultant effect on the achievement of the objective of ethio telecom company. It would benefit the ethio telecom in its effort to train and develop its employees. In detail, the study provides information on the relationship between HRD and organizational performance.

Thus, the importance of this research can be pointed out from different beneficiaries view:

- The primary importance of the study will assist the policy formulating bodies and decision makers to give due emphasis to HRD and devise different mechanisms in order to scale up and continuously upgrade the employees expertise to improve organizations' performance.
- The study areas will use it as a guideline to address problems and improve their understanding in the practices of HRD and other organizations which have similarity with the study organization can also extrapolate to the findings.
- Finally, it will be served as a reference for further researchers for those who have an interest in relation to this area and it helps the researcher to acquire knowledge and skills.

## **1.7 Scope of the study**

The researcher believes that the study would have a wider scope but the researcher is compelled to be confined to ethio telecom south western regional office. The study focuses only on one of the prominent activities of Human Resource Development that is Training and development which has high impact on achievement of the institution goals and objectives. Furthermore this study tried to assess Training and Development practices in relation to organizational performance.

## **1.8 Methodology of the study**

Any successful research rests upon an effective design of the research work. The design should be such that it tracks all the research questions that need to be answered. It also facilitates a framework for collecting and analyzing data in the light of identification of “causal connection between variables.” (Bryman & Bell, 2003:40). In the light of the present research intended to study the nature of relationship between HRD and its impact on the performance of the organization, the research design has been framed with a view to track the research Objective mentioned above. A detail of the research methodology is discussed in chapter three.

## **1.9 Definitions of key terms**

The following definitions of terms used in this study are adapted from related literatures and modified to suit the study.

- **Development:** means improving the existing capabilities to the human resources in the organization and helping them to acquire new capabilities required for the achievement of the organizational as well as individual goals
- **Human resource development (HRD):** is the process of improving individual, group, and organizational performance through training, career development, and organizational development initiatives (Garavan, 2007; Nadler & Nadler, 2012).
- **Organizational effectiveness:** Organizational effectiveness is defined as the ability of an organization to generate the outcomes the organization wants to full fill (Etzioni, 2012).

- Ethio telecom: is an integrated telecommunication services provider in Ethiopia.
- Training and development evaluation: Training and development evaluation is defined as a process to determine the value or meaning of a training program and its effect on an organization (Phillips, 2003)

### **1.10 Assumptions**

All research inquiries have certain assumptions, limitations, and delimitations (Leedy & Ormrod, 2012). Assumptions describe theoretical and methodological suppositions that are made by a researcher.

The following assumptions were present in the study:

- Participants are representative of the whole population;
- Participants answered the survey questions honestly;
- Participants took time to answer the survey questions accurately; and
- Participants understood the survey questions as intended;

### **1.11 Organizations of the chapters**

The study was organized in to five parts; the first chapter provides background of the study, statement of the problem and basic questions, objectives of the study, delimitation of the study, definition of key terms, and organization of the study. Chapter 2 provides literature review of the most important concepts of HRD and Organizations performance. This chapter will provide an insight into these concepts by focusing on previous research studies in this area and present review literature relevant to the study. Chapter 3 covers research design and methodology. Chapter 4 consists of analysis and interpretation of data. Finally chapter 5 addresses the summary, conclusion and recommendation.

# **CHAPTER TWO**

## **REVIEW OF LITERATURE**

### **2.1 An overview of human resource development**

Human Resource Development (HRD) is planned, continuous effort by management to improve employee competency levels and organizational performance through training, education, and development programs (Mondy and Noe, 1990). Training program is directed toward helping employees effectively perform their jobs after training, while developmental program helps the individual handle future responsibilities, with little concern for current job duties (Werther and Davis, 1996). It is a program focused on leadership competency and organizational issues. Education, on the other hand, is learning experiences that improve overall competence in a specific direction (Scarpello and Ledvinka, 1988). The term education mainly is associated with university or college programs in a particular field of study. Either in public or private organizations "non managers are much more likely to be trained in the technical skills required for their current jobs, whereas managers frequently receive assistance in developing the skills required in future jobs-particularly conceptual and human relations skills" (Stoner et.al., 1996). In the subsequent pages emphasis will be given to the discussion of employee training and management development programs.

### **2.2 Historical perspective of human resource development**

Rao (2005), the early part of the century witnessed a concern for improved efficiency through careful design of work. Emphasis of improved efficiency had been shifted to the availability of the managerial focused on the demands. These encompass technical personnel, responses to the new legislation and regulatory framework of the government increased concern for the quality of work. HRD has been growing at a very fast pace in the recent past. Formally it was introduced by Len Nadler in 1969 in American Society for Training and Development Conference (ASTDC). In public sector HRD as a concept it was introduced in 1980s (Rao, 2005). HRD focuses on the developmental aspect of HR with the pragmatic and a flexible approach.

Therefore, the intended purposes of HRD efforts are to gain competitive advantage through a superior workforce (Pattanayak, 2005).

As acknowledged by Rao (2005), HRD concept has passed the following seven chronological sequences.

- The first one is the commodity concept in which HR was seen as a commodity that could be bought and sold and wages were decided on the basis of demand and supply forces.
- Secondly, the factor of production concept that labour is treated as any other factors of production.
- The third one is the good will concept it states welfare measures like safety, first aid, rest room to boost up the morale of workers, and enhancing their performance in the organization.
- The fourth concept is the paternalist in which management assumes a fatherly and protective attitude towards employees and signifies to satisfy various needs of employees.
- Fifthly, the humanistic concept which deals about how to improve the productivity, physical, social and psychological needs of workers.
- The sixth concept is about human resource concept which considers employees as the most valuable assets of an organization and continuous effort to realize organizational goals and aspiration of employees.
- The last concept is the emerging concept HRD it states about how employees should be accepted as partners in the progress of an organization to have a feeling that the organization is their own.

### **2.3 Human resource development in Ethiopian context**

The Federal Civil Service Proclamation No. 515/2007 indicates that, in Ethiopia under capacity building HRD needs consorted and integrated efforts which are taken as critical to enhance the capacity of the civil service to implement government policies and strategies effectively and efficiently. HRD is the major task for scaling of best practices and to promote activities in the public service delivery system. To establish government structures with strong implementing

capacity needs continuous HRD for implementation of the Civil Service Reform Program (CSRFP) at all levels of the government structure is important issue (Adebaby & prinks, 2010).

In Ethiopia various measures including legislative frameworks and establishing modern HRD systems planned to be in use to upgrade the implementation capability of the civil service on top of the leadership development programs. Hence, HRD program enables civil servants responsive to public demand to implement government policies in effective manner (MoFED, 2011). According to MoFED (2012) survey some of government institutions have shown gains in efficiency and effectiveness. However, most institutions are at earlier stage and need more interventions due to low level of HRD.

## **2.4 Concept of human resource development**

Human resource development is a major function of human resource management. It consists not only of training and development but also individual career planning and development activities, organizational development, and performance appraisal (Bras and Rodrigues, 2007; Mahapatro, 2010). Training and development lies at the heart of any continuous effort to improve employee competency and organizational performance. Training is the process of providing employees with the knowledge, skills and abilities to perform their present jobs; and development refers to their growth and preparation for higher-level jobs. Development is the process of learning that enables employees to keep pace with organizational growth and change (Kirkpatrick, 2004). Some managers, however, use these terms interchangeably.

Human capital theory defines any expenditure on the training and development of human resources as an investment (Becker, 1962; Bras and Rodrigues, 2007). Human resource development assumes a direct connection between training and performance outcomes: learning, behavioral change and performance improvement (Becker and Gerhart, 1996; Santos and Stuart, 2003). Training and development programs are equally important for an organization and its employees (Wagar, 1997; Ballot et al., 2006). Effective programs bring positive changes in behavior, which lead to positive changes in the overall performance of the organization (Bedingham, 1997; Bras and Rodrigues, 2007; Mahapatro, 2010).

According to Becker (1993), the rationale for investing in employee training and development programs is that they reap benefits for the enterprise through higher productivity, and for employees through higher incomes. According to Subedi (2006), training is a source for improving performance, achieving better organizational goals, rewarding good performance and gaining promotion to higher positions. For these reasons training has become essential to the development of an organization's human resources (Bras and Rodrigues, 2007).

There are two main types of training program directly related to HCD: on-the-job training, and off-the-job training. On-the-job training means learning new skills and perfecting old ones while on the job (Becker, 1993; Dessler, 2009). This training occurs when employees work alongside experienced members of staff (Bras and Rodrigues, 2007). It is particularly beneficial for new employees. To begin with, incoming employees may simply observe their colleagues. They are often also given instruction manuals or interactive training programs to work through (Dessler, 2009). From the point of view of employee development, on-the-job training can be further split into two sub-categories: general training and specific training.

General training transmits knowledge that has a productive value across many different firms. It provides employees with skills that are useful in many firms besides the one providing it (Zula and Chermack, 2007). Controlling the benefit of general training should an individual leave the firm is therefore a problem (Becker, 1993; Bras and Rodrigues, 2007; Zula and Chermack, 2007). Specific training transmits knowledge that is relevant only to the firm in question, and would not be useful in other firms (Becker, 1993; Becker and Gerhart, 1996; Bras and Rodrigues, 2007; Zula and Chermack, 2007).

For this type of training employees are taken away from their place of work (Becker, 1993; Zula and Chermack, 2007). The training may take place at an agency or local college, although many larger firms also have their own training centres or colleges (Dessler, 2009). This type of training may be given in the form of lectures or self-study and can be used to develop employees' general skills and knowledge (Zula and Chermack, 2007).

According to Becker (1993), education, training and development-related programs have a positive effect on productivity. Individuals and enterprises will also benefit economically from investments in people. Managers and organizational leaders should think of training expenditure



as a source of competitive advantage (Bras and Rodrigues, 2007). An organization's success is associated with the quality of its human capital and well-performed practices of human resource management (Zula and Chermack, 2007).

It is therefore suggested that organizations must develop policies for retaining human resources. In other words, the risk of losing the benefit from an organization's training investment is minimal if it knows how to attract and retain qualified human resources (Becker, 1993; Becker and Gerhart, 1996; Zula and Chermack, 2007). Organization should develop ways to distinguish productive human resources from others (i.e., performance evaluation) and ways to be effective in their training programs (Bras and Rodrigues, 2007). The training and development of human resources is a costly investment but it will yield rich dividends in the long run. Its role and importance should therefore be recognized at all levels (Yadapadithaya, 2001; Brinkerhoff, 2006).

## **2.5 Human resource development definitions**

Different definitions of HRD enable one to fully understand the term and also to recognize the fact that different sources describe this term in different ways.

According to Nadler & Nadler (1990) HRD is organized learning experiences in a definite time period to increase the possibility of improving job performance growth. Wilson (1999) stated that HRD shall be taken to mean a process that includes the principles, methods and techniques used to assess and meet the learning and organization development needs of employees and their organizations. HRD has the goal of fostering long-term work-related learning in organizations for purposes for advancing individuals and organizations. Since 1991, the "Investors in People" initiative has been used increasingly by organizations to set goals for training and developing their employees. It has helped to prove that investments in human potential give payback in organizational performance (Mason, 1997).

The above definitions appear to have been developed from a theoretical perspective, albeit probably based upon observation and practice. McGoldrick & Stewart (1996) stated that in spite of all the definitions available,

“There are no universally accepted definitive statements of the meaning either of HRM or of HRD.” HRD is still a young discipline and still in the process of developing and finding a clearer identity for itself. What is clear from the definitions of HRD above and the contributory areas of training, education, development and learning, is that HRD refers to learning at the individual, group and organizational levels to enhance the effectiveness of human resources with the purpose of achieving the objectives of the organization.

"Human resource development is the study and practice of increasing the learning capacity of individuals, groups, collectives, and organizations through the development and application of learning-based interventions for the purpose of optimizing human and organizational growth and effectiveness" (Chalofsky, 1992).

From these definitions it is clear that terms such as "development", "education", "training" and "learning" are often used interchangeable. To understand the subtle differences, they need to be clarified.

## **2.6 Components of human resource development practice**

To achieve overall all-rounded improvement HRD is essential for corresponding the individual skill with organizational needs (Jacobs & Jones, 1995). HRD promotes dignity of employment in an organization and provides opportunities for teamwork and personal development need for a career development. Hence, Singh (2012) found that a well-planned system is a central part of HRD in every organization. HRD components which are important for better functioning of a given organization are the following:

### **2.6.1 Training and development**

A formal definition of training and development is any attempt to improve current or future employee by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge. While training is seen to be the process of imparting specific skills, development is said to be the learning opportunities designed to help employees grow. According to (Armstrong 2001) training is the formal and systematic modification of behavior through learning which occurs as a result of education,

instruction, development and planned experience. Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce (Stone R J. 2002). For training to have a better effect on performance, its design and delivery should be well executed.

Training remains a vital to enhancing employee performance. The organizational commitment or “the relative strength of an individual’s identification and involvement in a particular organization” (Pool & Pool, 2007) depends on effective training and development programs. According to these authors, organizations demonstrating keen insight make provisions for satisfying the training needs of their current workforce. Cheng and Ho (2001) indicate that adequate training produces marked improvements in employee communication and proficiency of performances as well as extending retention time. Moreover, when programs target communication skills with co-workers, there are significant increases in profit as well as a greater number of reported positive working relationships that are formed. Also, training and education have been shown to have a significant positive effect on job involvement, job satisfaction, and organizational commitment (Karia & Asaari, 2006). Moreover, poor performance reviews due to inadequate job training can produce employee dissatisfaction and conflict.

### **2.6.2 Career Development**

Kebede and Smbavasima (2013) argued that no HRD function can be acceptable to the people of any organization, if it fails to provide opportunities for individual employees to have bright career prospects. It is for the purpose of HRD integrating career planning and development with it. Proper career planning also leads to career development. It develops the career of every individual executive, which results in adequate growth of the career of every employee (Abdulahi, 2009). Hence, successful planning is closely linked with career planning and development (Van Dijk, 2004). Upton & Egan (2003) noted that career development focuses on the alignment of individual subjective career aspects and the more objective career aspects of the organization in order to achieve the best fit between individual and organizational needs as well as personal characteristics and career roles.

### **2.6.3 Organizational development**

It focuses on the performance of the organization as a whole (Singh, 2012). According to French and Bell (1999) it is a long-term effort supervised and assisted by top managers, to improve an organization's vision, learning, and problem-solving processes. As outlined by Singh (2012), this can be done through an ongoing, collaborative management of organization culture to enhance the effectiveness of an organization and the well being of the employees. Moreover, OD involves tasks that should be attended to both organizational variables (such as: structure and systems) and employees variables (such as: competence, skills and attitudes) (Vijay, 2007).

### **2.6.4 Performance appraisal**

According to Longenecker, (1997) performance appraisal is two rather simple words that often arouse a raft of strong reactions, emotions, and opinions, when brought together in the organizational context of a formal appraisal procedure. Most organizations throughout the world regardless of whether they are large or small, public or private, service or manufacturing, use performance appraisal, with varying degrees of success, as a tool to achieve a variety of human resource management objectives. Organizations use different tools and have a number of goals for performance appraisals, often resulting in some confusion as to the true purpose of performance appraisal systems. However, at its core, the performance appraisal process allows an organization to measure and evaluate an individual employee's behavior and accomplishments over a specific period of time (Wiese and Buckley, 1998). Yong (1996) defines performance appraisal as "an evaluation and grading exercise undertaken by an organization on all its employees either periodically or annually, on the outcomes of performance based on the job content, job requirement and personal behavior in the position". Therefore, HR development, begins with the orientation of new employees, HR training and development, and also includes the necessary information to accommodate technological changes. Encouraging development of all employees including supervisors and managers is necessary to prepare organizations for future challenges. Career planning identifies paths and activities for individual employees as they develop within the organization. Assessing how well employees are doing their jobs is the focus of performance appraisal (Mathis and Jackson 1997). Furthermore, (Gomez-Mejia et.al. 2003), stated that "performance appraisal as the process of identification, measurement, and

management of human performance in organization.” Therefore, to make these effective organizations should develop a system that serve as a tool to performance appraisal process.

## **2.7 Process of human resource development**

The process of HRD must be systematic and directed towards the accomplishment of some organizational objectives, such as efficient production method, improved quality of products or services and reducing operational costs. Systematic training is likely to make organization efficient and progressive (Rue and Byars, 1992). In the systematic approach to training first the job is analyzed and defined. Then the employees being considered for training are studied whether they satisfy the required standard. Next, training should be given and an appropriate record has to be kept. After that, the performance achieved must be measured and an attempt should be made to evaluate the cost of training compared with the benefits gained by the improved performance of employees (Graham, 1984; et al. 2001).

### **2.7.1 Training policy**

Policy is a general statement by senior management on how is it wishes certain situations to be deal with (Truelove, 1996). The importance of having a set down policy statement is that it helps to maintain a consistency of different training and development approach throughout the organization and ensures that the senior management’s philosophy put in to effect. All organizations may have polices with regard to the training and development functions. But not all have got these in a written form, and some of those which have do not widely publish them even within the organization (Truelove, 1996). According to Kenney etal (1979), as cited Bahiru Wondmeheh (2011), states that organizations have very different polices for gain the maximum benefit from training while in contrast there are still many organizations where the systematic approach is unknown and management do not accept responsibility of training. The majority of organizations lie somewhere between these extremes with training which is variable in quality, limited scope and to a greater or lesser extent.

Organization’s training policies represent the commitment of its directors to training and are expressed in the rules and procedures which govern or influence the standard and scope of training in the organization. Organization should have different policies for training depending

on the class or level of trainees or level of trainees to be trained. Trace (1984) pointed out that training policies are necessary to provide guidelines for those responsible for planning and implementing; insure that company's training resources are allocated to pre-determined requirement, provide for quality of opportunity for training throughout the organization. Most training and development programs that linked to strategic goal and organizations strategy can yield positive results for the organization (Trace (1984)). Therefore, by linking training and development programs; one determines organization needs that are essential to assist the organization with meeting its objectives. Those organizations which do not have a well implemented policy might be ineffective to address the problems of human resource training and development needs of the organization.

## **2. 7.2 Human resource training and development needs assessment**

Training needs is a gap that exists between requirements of given job and the actual performance of the trainees (Rudrabasavaraj, 1979). The rapid growth of science and technology changes the job from its original specification. In order to overcome problems caused by various reasons such as retirement, promotion, transfer and death through training and development programs (Milkovich and Glueck, 1985 et al.).

Assessing and identifying training and development needs includes organizational analysis, job analysis, and individual analysis (Bratten and Gold et al. 1994). Organizational analysis deals with identify the overall organizational need and change in strategies (Vohra, 2006).

As a detailed examination of the job, its components, its various operations and the conditions it has to be performed. Every job has the intended standard of performance. Knowledge of the task will assist in identifying what knowledge, skills and attitude the employee should have to perform the job adequately (Mathis and Jackson et al 1997).

Individual analysis is another component of diagnosing training needs. An individual obviously needs training when his or her performance falls short of standards that are when there is performance deficiency. Inadequacy in performance may be due to lack of skills or knowledge or any other problem. The problem of skills or knowledge can be remedied by training. Assessment of training must also focus on anticipated skills of an employee. The technology changes fast and

new technology demands new skills. This will help him or her to progress in his/her career path, to handle more challenging tasks which result to a better performance of the organization (Vohra, 2006).

### **2.7.3 Designing training and development programs**

Once an employee's training and development plan is drawn up it is then necessary to design the various training programs that will be offered. In each case then this involves setting instructional objectives, determining program content, and designating on training methods and techniques. The designing work may be done by specially designated training and development professionals especially for programs to be offered several items, or left to the individual instructors (Heneman et al., 1996).

Programs must be designed in a planned way in such a way that the objectives of the program could help organizations to grow, adapt to technological developments, fulfill social responsibilities and provide greater job satisfaction. Depending on the kind of needs to be addressed a number of TDP can be designed. Besides, it is important to design programs based on training and development principles (Megginson, 1981). According to Tracey 1984, the following principles of training and development have to be considered in designing programs. Training programs must be delivery system that is selected on the basis of training effectiveness, available technology, cost effectiveness and results, training programs must be validated to ensure effectiveness prior to full scale implementation, training programs must provide ample opportunities for trainees to apply and practice newly acquired knowledge and skills.

### **2.7.4 Implementation of training and development programs**

After need and objectives have been determined a program designed and trainees and trainers have been selected, the program is conducted or implemented. A perfectly conceived training program can fail if management cannot convince the participants of its merits, participants must believe that the program has value and will help their personal and professional goals (Glueck, 1982). In delivering the training and development contents the responsibility of implementing the program largely depends on the trainer. The trainer has to make appropriate decisions in arranging the training environments and seating condition to make trainees comfortable and

concentrate on learning (Harris, 1994). The training and development program should be according to the program design. Qualified trainers who have the abilities to deal with different people and situations are necessary for successful implementation process. Program implementation involves: Deciding the location and organizing training and other facilities, scheduling the training program, conducting the program and monitoring the progress of the trainers.

#### **2.7.4.1 Training and development methods**

Nadler (1984) noted that all the human resource development activities are meant to either improve performance on the present job of the individual, train new skills for new job or new position in the future and general growth for both individuals and organization so as to be able to meet organization's current and future objectives. There are broadly two different methods that organizations may choose from for training and developing skills of its employees. These are *on-the-job training* given to organizational employees while conducting their regular work at the same working venues and *off-the-job training* involves taking employees away from their usual work environments and therefore all concentration is left out to the training. Examples of the *on-the-job training* include but are not limited to job rotations and transfers, coaching and/or mentoring. On the other hand, *off-the-job training* examples include conferences, role playing, and many more as explained below in detail. Armstrong (1995) argues that on-the-job training may consist of teaching or coaching by more experienced people or trainers at the desk or at the bench. Different organizations are motivated to take on different training methods for a number of reasons for example; (1) depending on the organization's strategy, goals and resources available, (2) depending on the needs identified at the time, and (3) the target group to be trained which may include among others individual workers, groups, teams, department or the entire organization.

##### **a) On-the-job training**

It is having a person to learn the job by actually doing it (Dessler, 2005: Sims, 2006) whereas (Tennanat et al, 2002) defines on the job training as a method where the learner develops skills in the real work environment by actually using the machinery and the materials during training. (Coles,2000) concludes that it is an effective method, because the learners apply their training in



real-time rather than sitting in a classroom environment and forgetting what they have learned when they return to their work. However, off-the-job training provides opportunities to widen the boundaries of the teaching and can often be a useful initial step ahead of on-the-job training.

Van der Klink and Streumer, (2002) suggests that the frequent use of this type of training stems from three incentives, the favorable relationship between training costs and benefits, the responsibility to train just-in-time; and the expectation of apposite transfer of what was learned to the employees' work situation. However, Jacobs et al, (1995) investigated the costs and benefits of OJT. On the contrary the findings by Jacob indicate that OJT does not always result in favorable benefits. From the empirical data that are available, it is not possible to deduce whether OJT is an effective form of training, or what the factors that determine its effectiveness. The following are the methods used in training on the job employees.

Job rotation means moving trainees from department to department to broaden the understanding of all activities of the business and to test their abilities (Dessler, 2005). Similarly, Matthews and Ueno, (2000) argued that job rotation is the transferring of executives from job to job and from plant to plant on a coordinated, planned basis to get an holistic view of the activities of the organization. The benefits of job rotation are that it provides a variety of job experiences for those judged to have the potential for added responsibilities. It can therefore be seen that job rotation serves the purpose of breaking down departmental provincialism-the feeling that only my department is important and others' problems are not worthy of my concern. Furthermore Job rotation injects new ideas into the different departments of the organization (Matthews and Ueno, 2000). Lecture method involves trainers communicating through spoken word what they want the trainees to learn (Noe, 2005). Class room lectures are used in many organizations to impart information to trainees. Classroom lectures are oral presentations covering particular topics and concepts. The advantages of lecture method is that it is quick and a simple way to provide knowledge to large groups, least expensive, less time consuming way to present a large amount of information effectively and in an organized manner and can be applied to large groups of trainees. Similarly lecture method as its own limitations like communication of learned capabilities is primarily one-way-from the trainer to the audience and Lecture method tends to lack participant involvement and feedback to gauge whether learners have understood or not.

In computer-based training (CBT), the trainee uses computer-based and or DVD systems to interactively increase the knowledge or skills (Dessler, 2005). Computer-based training services are where an employee learns by executing special training programs on a computer relating to their occupation. CBT is especially effective for training people to use computer applications because CBT program can be integrated with the applications as they learn. CTB can take a variety of forms: Some employers have formed software libraries containing copies of different tutorial programs that trainees can check out to work on at home. Other companies have staffed computer labs where employees can drop by to practice, with personal assistance available if needed. Still other organizations conduct online training, installing learning software on workstation computers, which allows employees to switch back and forth between job applications and training programs as their workload demands (Sims, 2006). CBT programs have practical advantages. Interactive technologies reduce learning time by an average of 50%. In addition it's cost effective once designed and produced, and encourages instructional consistency, mastery of learning, increased retention, and increased trainee motivation (Sims, 2006).

#### b) Off-the job training methods

Classroom training approaches are conducted outside of the normal work setting. In this sense, a classroom can be any training space set away from the work site, such as the organization cafeteria or meeting room (Sims, 2006). Conducting training away from the work setting has several advantages over on –the-job training. First, classroom setting permit the use of a training technique, such as video/DVD lecture, discussion, role playing simulation. Second the environment can be designed or controlled to minimize distractions and create a climate conducive for learners. Smith,(2000) suggests that this method develops learners who are inquisitive (have flexible thought processes, and are open to new ideas,), guide learners through the process of learning and applying effective oral and written communication skills, encourage learners to acquire the skills required to function in work environment.

Electronic learning or e learning is a type of education where the medium of instruction is computer technology. No physical interaction may take place in some instances. E-learning is used interchangeably in a wide variety of contexts. In this scenario training is the action of

teaching and training through instruction, observations, or processes focused on providing needed skills and knowledge to meet immediate business goals (Berge, 2008). Simulation is a reproduction of an event or an item. But true simulation has a specific goal in mind-“to mimic, or simulate, a real system so that we can explore it, perform experiments on it, and understand it before implementing it in the real world.” Simulation makes imitated situations available to the learner to practice and hone necessary skills, rather than having them jump into the real experience-where a ‘do-or-die’ mentality can often make the individual nervous and unconfident. Simulation is a necessity when it is too costly or dangerous to train employees on the job (Dessler, 2005). Role playing had its origin in psychotherapy, but it has found wide use in industry for improving sales, leadership, and interviewing skills, as well as other skills. (Maier,1983), this was supported by (Dessler, 2005) when he wrote in his book that the aim of role playing is to create a realistic situation and then have the trainees assume the parts of specific person in that situation.

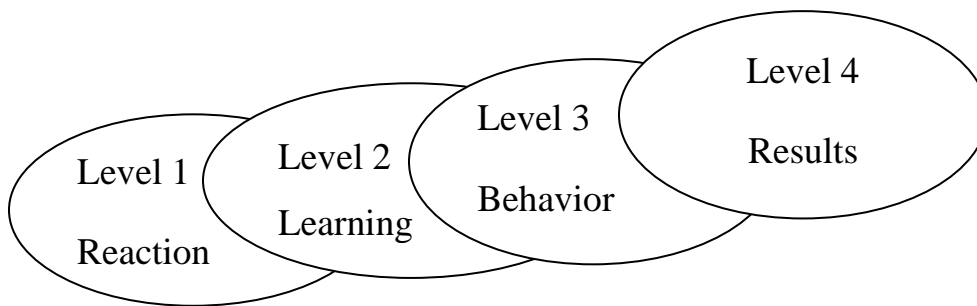
### **2.7.5 Evaluating Training and Development Program**

Evaluation is trying to assess whether or not T&D efforts are producing relevant and valued output through an efficient and well managed process (Hackett, 1997). Albahussain (2000) defines it as “assessing the validity and adequacy of the T&D objectives, appropriateness of the content of the program, the instructional approach and techniques used in reaching the objectives, the material used content of the program and the instructors and the methods used in training”. Regarding the last definition, Beevers and Rea (2010) state that T&D evaluation is likely to include validation which concerns whether T&D objectives have been achieved, but evaluation includes other factors like `the value of money`. Therefore, Beevers and Rea (2010) state that a useful way of viewing evaluation is by recognizing four main purposes of evaluation, prove, to demonstrate that T&D has worked and it has had the desired outcome; control, to check and ensure that T&D initiatives are being delivered in the way that is required; improve, to explore and identify how T&D programs can be adapted and improved, and learn, to aid and reinforce individual learning.

Traditionally, organizations have mainly focused on evaluating the T&D performance on activities or processes (such as number of participants, courses, and hours). This method of

assessment ignores the role of T&D efforts in performance improvement, cost reduction, or fulfillment of T&D goals (Robinson and Robinson, 1989; GAO, 2004). On the other hand, in 1959, Kirkpatrick introduced his ideas regarding techniques for evaluating T&D programs, to describe how training would lead to learning, which would lead to on-the-job application, in turn leading to desired results. These ideas were modified later to become Kirkpatrick's model for evaluating T&D effectiveness at four levels as shown below:

**Figure 2.7.5 Kirkpatrick model for evaluating T&D outcomes**



Source: Kirkpatrick and Kirkpatrick (2009)

- Level 1: the reaction level, refers to the trainees' reaction to their T&D experience, and should reflect the participants' reaction to the content of the program, method, general learning conditions and the degree to which the objectives of the program have been achieved (Buckely and Caple, 1990). Such information could be collected through a questionnaire, feedback forms, on-line evaluation or verbal reactions.
- Level 2: the learning level refers to the degree to which participants acquire the intended knowledge, skills and attitudes based on their participation in learning events. Thus, this level seeks to establish whether trainees did actually learn. There are many different measures of learning performance including, for example, paper-and-pencil tests, learning curves and job components (Goldstein, 1974).
- Level 3: the behavior level, the measurement of the extent to which trainees apply what they learned during T&D programs on the job. At this level, the assessment of the effectiveness of learning moves from the program context into the work environment, in

other words, how well has the T&D program enabled the trainee to perform certain duties, tasks and responsibilities to the required standards?

- Level 4: the result level; also known as organizational level. It refers to the measurement of the targeted outcomes that occur as a result of the learning events. At this level the value of T&D needs to be viewed from a wider and long –term perspective, as the organization needs to know what organizational improvements and results T&D has brought (Buckley and Caple, 1990). Some of the results that could be examined include productivity, cost, profit, turnover, absenteeism, complaints and morale.

Devins and Smith (2010) argue that Kirkpatrick`s model is a systematic route for gathering data, allowing the purpose of T&D evaluation to be met, but its effectiveness is clearly linked to activities which could identified and completed within a limited time. On the other hand, various HRD involves a variety of activities at work and beyond. Furthermore, there is a time-lag between any learning event and its use. Another difficulty arises from diverse variables that affect learning at work, which may not be related to the program or the trainee, like the management requirement and/or learning culture. Moreover, Beevers and Rea (2010) added that other models of evaluation could include Return on investment (ROI) which refers to a measure of the financial impact of T&D activities on the organization. In other words, it is concerned with comparing total T&D costs with derived benefits. The difficulty of this model refers to the complicatedness of transferring the T&D efforts as well as the T&D results -which may vary from change in behavior, to acquisition of new skills or knowledge- to monetary value (GAO, 2004). Whereas, ROI explores quantitative factors and specifically financial return, the Return on expectation (ROE) is another model for evaluating T&D that is more concerned with stakeholders` satisfaction and whether T&D initiatives have met the expectations of learners, managers, customer or other related stakeholders. It is more concerned with intangible and relatively longer term benefits of T&D. Finally, it is important to recall that the evaluation is part of a T&D cycle whose components are dynamic and flow into others (Beevers and Rea, 2010). Thus it is crucial to consider evaluation as something to be done on an ongoing basis and as a fundamental part of continuous improvement that could affect and amend, before or following any of the T&D stages.

## **2.8 The benefits of training and development**

Both individuals and organization benefit from training and development programs. Some of literatures are views below:

### **2.8.1 Individual Benefits from Training and Development Program**

#### **2.8.1.1 Career Competencies**

Employees get a lot of benefits from the employee training and development program. They learn the soft and technical skills as required by their jobs (Dobbs 2000). Professional which are placed in the industry of information technology, identify that knowledge is authority and they required to retain their abilities and talent according to current requirement of the market. Most of the employees recognize the importance of training program and would like to increase their salary (Dillich 2000). Young professionals with entrepreneurial ambitions know that they have shortage of experience and money; hence they attempt to join companies which provide training programs to prepare their employees for the betterment of future (Feldman 2000). Employee development program help employees to survive in the future and develop their abilities to cope with new technologies.

It is compelling for workers to appraise their profession capabilities to sustain their employment. Due to this situation numerous employees have rehabilitated their attitude to acquire promoted inside their organizations to work and develop out of the organization (Feldman 2000). Employees understand that training program can directed to superior duties and higher remuneration (Fenn 1999). Furthermore, helping workers to improve their skills and knowledge to cope with the future requirements, lead to job satisfaction.

#### **2.8.1.2 Employee Satisfaction**

Employees have no feeling about their organizations, if they think that their organizations are not caring about them (Garger 1999). Companies which are willing to spend money on their employees, give value to work with those companies, even though that investment eventually benefits the organization (Wilson 2000). Companies which are providing the training and development programs for their employees are achieving high level of employee satisfaction and

low employee turnover (Wagner 2000). Training increase organization's reliability for the reason that employees recognize their organization is spending in their future career (Rosenwald 2000).

Loyalty with the organization cannot be calculated but it is substantial to intrinsic reward that employee feel. Employee feels comfortable and wants to stay with their organization, when they feel they are putting their efforts and skills in the bottom line for their organization (Logan 2000). Employees who are satisfied with their jobs, believe that their work has a purpose and important for their organization (Moses 2000). Usually the best performers do not leave a job for the purpose of financial benefits. Though salary and benefits plays an important part in selecting and retention of the employees, employees are always observing the opportunities to acquire novel skills, to get the encounter of different duties, and looking for personal and professional development (Wagner 2000). Therefore, nourishing these requirements facilitates in figure up confidence, self-esteem and job gratification in employees (Nunn, 2000).

### **2.8.1.3 Employee Performance**

Training effects on behavior of employees and their working skills which resulted in enhanced employee performance and further constructive changes (Satterfield and Hughes 2007) that serves as increase employee performance (Kraiger 2002). Arthur et al. (2003) revealed that in distinction with no-training or pre-training conditions; training had commonly positive result on job-related performance. However, dissimilarities in positions of effect sizes were not big, the efficiency of training vary regarding the training transfer technique and the skill being trained. Benefits of training program are also related to technical skills of the employees.

## **2.8.2 Organizational Benefits from Training and Development Program**

### **2.8.2.1 Market Growth**

Employee development programs are important for any organization to stay solvent and competitive in the market. Though it is expensive for the organization to spend the money on their employees but this investment is positive for the organizations to hold the place in the market. American Society for Training and Development mentioned two motives that are significant for employee's knowledge, first employees identify the worth of training and marketable by organization and second CEOs of the companies understand that how fast

information is transferring in current business environment (Fenn, 2000). Greengard (2000) described that organizations are required to develop and maintain such learning environment for the employees that expand the knowledge of organization and competitive ability. However, employee training programs derived through a high price, but have a positive impact on return-on-investment.

Furthermore, employee training and development programs not only increase the profit of organizations but also provide difference within their native market. Organizations can practice training and development opportunities to support them available to the current employees, perspective employees, plus clients of the organizations assists employees to recognize their characters and established that it has prepared people as superior contributors to business (Petrecca 2000). Lastly, organizations can utilize employee training and development programs to improve their appearance as best employer in the job market.

### **2.8.2.1 Organizational effectiveness**

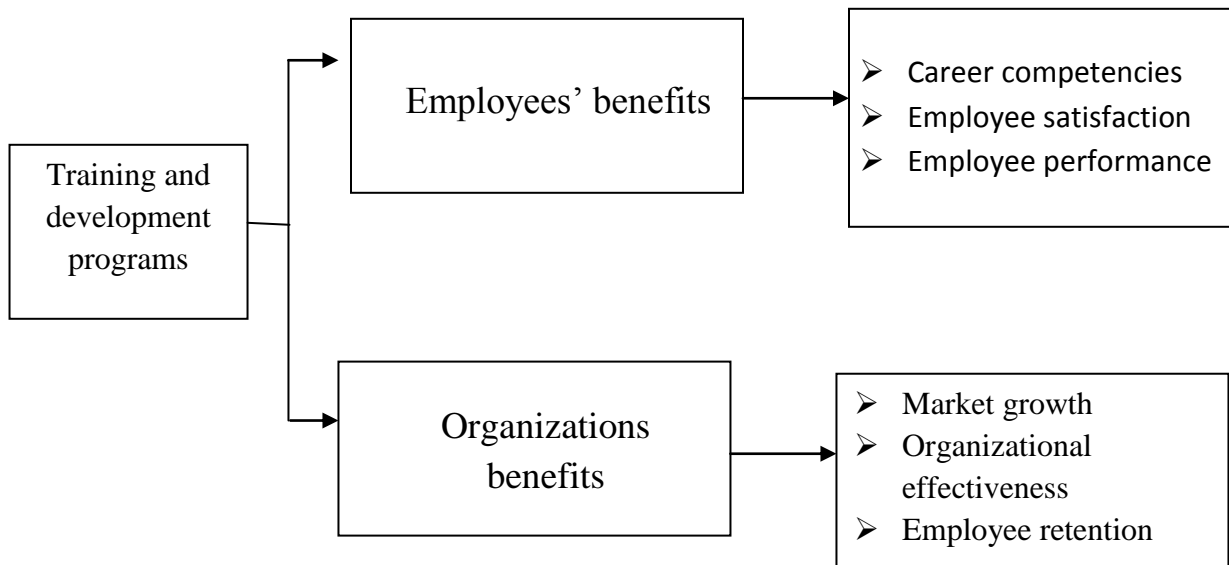
Training has been defined as mainly contributing factor to the organizational effectiveness (Schuler and MacMillan 1984). Exploration on this topic recommends that investment in training and development program can be justified by the impact it creates to developed individual and organizational effectiveness (Bartel, 2000). Furthermore, the earlier researches have mentioned causation between training and effectiveness of the organization (Blundell, Dearden, Meghir and Sianesi, 1999). Bartlett (2001) recommends that one of the glitches that is usually problematic to identify, is proposing an effective calculation of performance of the organization. Blundell et al. (1999) supported this by describing that lack of suitable data and methodological difficulties prevents the adequate assessment of impact of human capital appreciation and performance of organization. However, there is an increasing factor that Human resource management practices impacts on attitudes and work-related manners (Allen et al., 2003). To evaluate the effectiveness of training and development program it has been advised that check directly the relationship of training and organizational commitment. Further it has been revealed as certainly correlated to the efficiency of the organization (Bartlett 2001).



### **2.8.2.1 Employee Retention**

Companies should realize that experienced employees are important assets and companies have to suffer the challenge for retaining them (Garger 1999). Therefore, companies which are providing training and development programs to their employees are getting success in retaining them. Sears has established that in localities where manager provide help to their employees to develop professionally, turnover is almost 40-50 percentage fewer than those stores where association with the managers does not available (Logan 2000). On other side, numerous employees participate in employee training programs are not assured of a conventional association between programs and employee retention (Rosenwald 2000); several managers found that positive learning atmosphere directed to higher retention rates (Dillich 2000). Organizations that are offering employee development programs are getting success with retaining employees. An effective design of training program can also increase retention among employees. Employee retention is a volunteer move by organizations to create an environment which involves employees for long term (Chaminade 2007). For the description of more effective retention, researchers have recommended that organizations may contain with training and development program that classifies volunteer assignments, requirements, and expectations (Seigel and DeLizia 1994). “To retain employees, organizations need to think seriously about their investment in training and development” (Leonard, 1998). Though numerous persons involved with employee training and development programs are not assured of a direct association between the programs and employee retention (Rosenwald 2000). However, specific numbers of managers discover that a constructive learning environment pointed to higher retention rates (Dillich 2000).

**Figure 2.8 the Benefits of Training and Development**



## **2.9 Problems of human resource development**

HRD activities in organizations can be influenced by different factors. HRD efforts are subject to certain common mistakes and problems. Most of the problems are resulted from inadequate planning and lack of coordination of efforts. According to (Mathis and Jackson, 1997) the common problems in HRD are inadequate needs analysis, trying outdated programs or training methods, abdicating responsibility for development to staff, trying to substitute training for selection, lack of training among those who lead the development activities, using “courses as the road to development”, encapsulated development attitude of managers, availability of resources and financial problems.

The attitude of managers is one of the crucial factors in HRD. Mabey, Graham and Storey in Melaku (2004), states that “management tends to regard training as an operative expense rather than investment. Top level management makes decisions regarding the allocation of resources for training and development programs. Besides, support from top-level management is crucial in integrating training and development activities in the strategic plan. “In general if top-level management have no willingness and does not provide the necessary support it would be difficult to expect positive out comes from training and development programs or to initiate a program.

The other constraint to training and development is the availability of resources. HRD is an expensive activity that requires expenditure of resources in terms of money, materials and facilities, times and personnel. Organizations that have considerable shortages in either of their resources face problems to conduct HRD programs. It is one of the problems that affect HRD. In the case of Ethiopia it is caused mainly by budgetary constraints (Getachew, 1998).

## **2.10 Theoretical models relating training to organizations' performance**

The knowledge and skills of workers acquired through training have become important in the face of the increasingly rapid changes in technology, products, and systems. Most organizations invest in training because they believe that higher performance will result (Alliger, et al. 1997, Kozlowski, et al. 2000). However, the theoretical framework for the relationship between training and firm performance has been subject to considerable debate. Devanna, Formbrun and Tichy (1984) proposed a model which emphasizes the interrelatedness and coherence of human resource management (HRM) policies and performance. According to their model, training and other HRM activities aim to increase individual performance, which is believed to lead to higher firm performance.

Guest (1987) developed a theoretical framework to show how HRM policies can affect human resources and organizational outcomes. The strength of Guest's model is it is a valuable analytical framework for studying the relationship between HRM policies and organizational performance, because it expresses pathways for more careful, clear and ease of empirical testing. He saw commitment as a vital outcome, concerned with the goals linking employees with firm performance as the goal of quality is important to ensure the high quality of products and services. Therefore, training and development policy play an importance role in HRM and contribute to improved strategic integration, employee commitment, flexibility and quality. HRM outcomes can then lead to high job performance, high problem solving activity, high cost effectiveness, and low turnover, reduced absences and fewer grievances.

Another theoretical framework which emphasizes the interrelatedness and the coherence of HR practices, firm strategy and firm level outcomes is presented by Wright and McMahan (1992). They present six theoretical models from the fields of organizational theory, finance and

economics. Three of them (resource based view of the firm, cybernetic systems, and behavioral perspective consider the relationship between training and firm performance.

The First is the resource based view. Firm resources include physical capital, human capital and organizational capital that enable the firm to improve its efficiency and effectiveness. Its resources determine the strength of a firm in the long term. In order for a firm's resources to provide sustained competitive advantages, however, they must have four attributes:

- Valuable,
- Rare,
- Imperfectly imitable, and
- Cannot be replaced with another resource by competing companies (Barney 1991).

Therefore, human capital is a primary source of sustained competitive advantage to a firm because apart from the four listed criteria it cannot be duplicated or bought in the market by competitors. Applying the resource based view to training suggests that training can provide knowledge and skills for employees and in turn this may lead to high firm performance.

The Second is behavioral perspective models. Employee behavior plays an important role as a mediator between strategy and firm performance (Schuler & Jackson 1987, Schuler 1989). The models do not focus on knowledge, skills or abilities of employees, but focus only on employee role behaviors because the employee's attitudes, behaviors and commitments could affect the firm performance. Thus, the employee role behavior can be instrumental in the creation of a competitive advantage. HRM practices can be considered as an option to promote the role behavior more efficiently and effectively, especially HR training policy.

Third, a popular theoretical model applied to HRM literature is a cybernetic model of HR systems. It is based on the general systems models and includes input from the environment (i.e., inputs of HR knowledge, skills, and abilities), throughput (HR behaviors) and output systems (productivity, sale, job satisfaction and turnover). When the model is applied to strategic HRM, Wright and Snell (1991) focus on two major responsibilities: competence management (deals with individual skills required to implement a given organizational strategy) and behavior management (activities that seek to agree and coordinate attitude and behavior of individuals for

organizational strategy and goals). Therefore, training will improve knowledge, skills, abilities and the behavior of employees. This in turn leads to positive organizational outcomes.

Recently, an excellent analytical framework, which uses a multi level approach to training, has been offered by Kozlowski and Klein (2000). The multi level model bridges the gap between theoretical models of training needs assessment, design, and evaluation, and the higher levels at which training must have an impact if it is to contribute to organizational effectiveness (Kozlowski & Salas 1997). The model is focused on training transfer and is embedded in two distinct transfer types: horizontal and vertical transfer. Horizontal transfer concentrates on traditional models of training effectiveness. Kozlowski and Klein (2000) proposed 'top down contextual effects' which they described as a group and organizational factors, that can have direct and moderating effects on learning and transfer. These effects have been the source of recent theory and research addressing the influence of organizational factors on motivation to learn, transfer, and training effectiveness at the individual level of analysis. Vertical transfer examines the link between individual training outcomes and organizational outcomes. There are two distinctive forms of vertical transfer processes composition and compilation. Composition concentrates on individual contribution at the same content, while compilation focuses on individual contribution at the different or diverse content.

To summarize, these authors have put training on a set of HRM policies and consider training as an important and vital policy for improving knowledge, skills, attitude and motivation of employees. Second, the HR system is a complex set of policies designed to manage labor in the organization and integrate into organizational strategy in order to create high performance for an organization. Third, this review of theoretical models linking training to firm performance also suggests that it is explicitly recognized that no organization can attain its goals or organizational strategy without labor that has the right knowledge, skills, abilities, behavior, and attitudes. Therefore, training plays an important role in improving the quality of employees directly and effecting on firm performance through HR outcomes. Finally, organizational researchers studying training and organizations performance need to consider the impact of various dimensions of employee training programmers, the type of training methods and design, the type of employees trained, and time spent by employees in training on the topic of organization performance.

## 2.11 Empirical reviews

Benefits of training and development can be viewed from two major perspectives by different researchers. These empirical literature reviews are discussed below:

### 2.11.1 Benefits of training for individuals

There is documented evidence that training activities have a positive impact on the performance of individuals. Training activities can also be valuable regarding other outcomes at individual (e.g., attitudes, motivation, and empowerment).

Training effects on performance may be subtle (though measurable). In a qualitative study involving mechanics in Northern India, Barber (2004) found that on-the-job training led to greater innovation and tacit skills. Tacit skills are behaviors acquired through informal learning that are useful for effective performance. Regarding innovation, trained mechanics learned to build two Jeep bodies using only a homemade hammer, chisel, and oxyacetylene welder. Regarding tacit skills, Barber noted that the job of a mechanic requires “feel” to be successful. Specifically, trained mechanics developed an intuitive feel when removing dents—a complex process particularly when the fender is badly crumpled. As a result of informal training, one of the mechanics had a “good feeling of how to hit the metal at the exact spot so the work progresses in a systematic fashion” (Barber 2004).

Benefits of training are also documented for technical skills. For example, Davis & Yi (2004) conducted two experiments with nearly 300 participants using behavior modeling training and were able to improve computer skills substantially.

More recently, Taylor et al. (2005) conducted a meta-analysis including 117 behavior modeling training studies. They ascertained that the largest effects were for declarative and procedural knowledge ( $d$ s around 1.0 resulting from comparing training versus a no-training or pre test condition). Declarative knowledge is knowledge about “what” (e.g., facts, meaning of terms), whereas procedural knowledge is knowledge about “how” (i.e., how to perform skilled behavior) (see Aguinis 2009, Kraiger et al. 1993). The overall mean effect on changes in job behavior was  $d = 0.27$ . However, Taylor et al. (2005) reported substantial variance in the distribution of effect

sizes, indicating the need to investigate moderators of the relationship between behavior modeling training and outcomes.

In addition, training may enable consistency in performance across conditions. For example, Driskell et al. (2001) conducted a study including 79 U.S. Navy technical school trainees who performed a computer-based task. Trainees participated in a stress-exposure training session. This training exposes trainees to information regarding stressors (e.g., noise, time urgency), to the stressors, and how these stressors are likely to affect performance. Results showed that training was beneficial in that trainees performed well under a novel stressor and when performing a novel task. Thus, stress training helps maintain performance consistency. Performance consistency may also result from enhancing trainees' self-efficacy or self management skills.

Frayne & Geringer (2000) conducted a field experiment in which they administered self-management training (lectures, group discussions, and case studies) to 30 salespeople in the life insurance industry. Results showed that salespeople who participated in the training program demonstrated higher self-efficacy, outcome expectancy (e.g., "I will increase my sense of accomplishment"), and objective outcomes (e.g., number of new policies sold) as well as subjective job performance (i.e., sales managers' ratings of each salesperson's performance). Training-related performance improvement was sustained over a 12-month period after training ended.

There are also documented benefits of training for managers and leaders. Collins & Holton (2004) conducted a meta-analysis of the benefits of managerial leadership development programs including 83 studies published between 1982 and 2001 (see also Cullen & Turnbull

2005). they found that mean *ds* (comparing training with no training) ranged from 0.96 to 1.37 for knowledge outcomes and from 0.35 to 1.01 for expertise/behavioral outcomes. Knowledge was defined as principles, facts, attitudes, and skills measured using both subjective (e.g., self-reports) and objective (e.g., standardized tests) measures. Expertise/behavioral outcomes were defined as changes in on-the job behavior and were also assessed using both subjective (e.g., peer ratings) and objective (e.g., behavioral) measures.

### **2.11. 2 Benefits of training for organizations**

Fewer than 5% of all training programs are assessed in terms of their financial benefits to the organization (Swanson 2001). The picture changes among companies recognized for their commitment to training. Specifically, the majority of organizations measure training impact at some level of organizational effectiveness (Paradise 2007, Rivera & Paradise 2006). Typical organizational performance measures in this latter sample include productivity improvement, sales or revenue, and overall profitability. Overall, research regarding organizational-level benefits is not nearly as abundant as the literature on individual-level benefits. Not only have there been relatively few empirical studies showing organizational-level impact, but those studies that have been done typically use self report data and unclear causal link back to training activities (Tharenou et al. 2007).

Ubeda Garc'ia (2005) conducted a study including 78 Spanish firms with more than 100 employees. This study related organizations' training policies (e.g., functions assumed by the training unit, goals of the training unit, nature of training, and how training is evaluated) with four types of organizational-level benefits: employee satisfaction, customer satisfaction, owner/shareholder satisfaction, and workforce productivity (i.e., sales per employee). Results suggested that training programs oriented toward human capital development were directly related to employee, customer, and owner/shareholder satisfaction as well as an objective measure of business performance (i.e., sales per employee).

Guerrero & Barraud- Didier (2004) administered a questionnaire to 1530 human resource directors working in large companies in France and collected financial information from the companies' financial directors or through databases approximately one year later. Five questions in the survey addressed the extent to which the company implemented training practices. The survey also included questions about social and organizational performance including work climate, employee attendance, quality of products and services, and employee productivity. Results showed that 4.6% of the variance in financial performance was explained by training (via the mediating role of social and organizational performance).

Finally, Mabey & Ramirez (2005) conducted a study including 179 firms in the United Kingdom, Denmark, France, Germany, Norway, and Spain. Human resource managers or



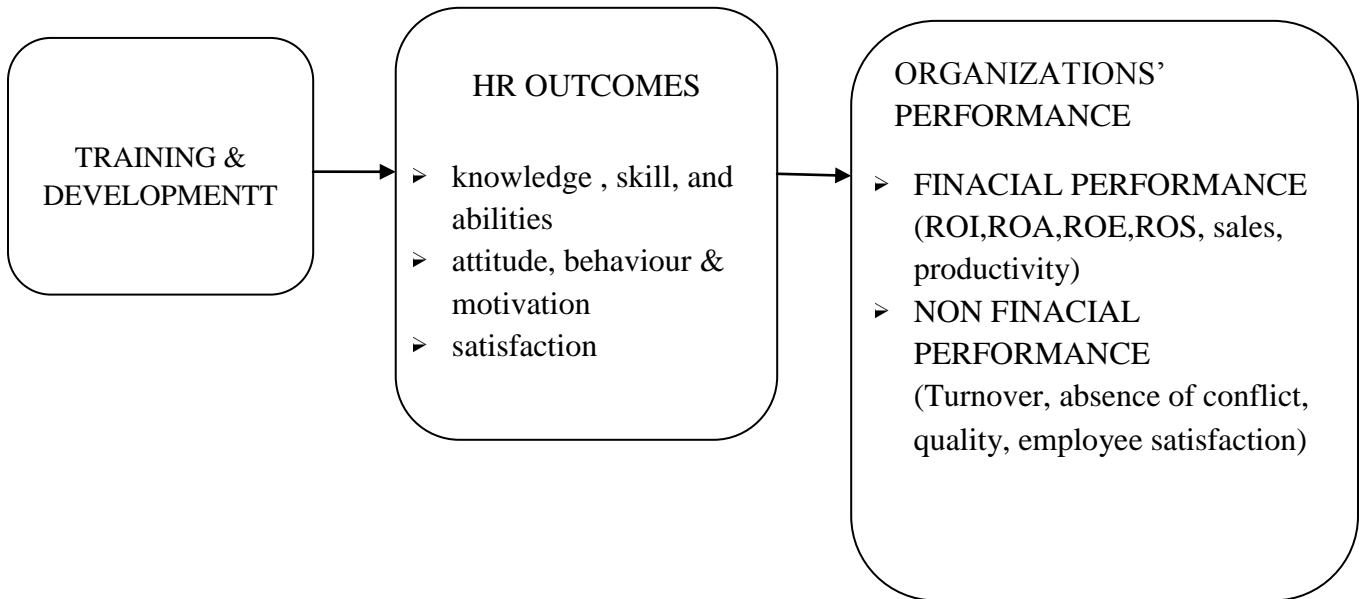
equivalent and line managers completed a survey on training practices. Financial data were gathered from the Amadeus database; a two factor measure of financial performance was computed based on (a) operating revenue per employee and (b) cost of employees as a percentage of operating revenues. Results indicated that the manner in which management development was implemented accounted for substantive variance in the financial performance measure. Specifically, firms with line managers reporting that management development programs are valued were more likely to have a positive relationship between management development and financial performance.

## **2.12 A framework for analyzing the impact of training and development on organizational performance**

Kozlowski, et al. (2000) suggests an approach to organization improvement and development based on enhancing the knowledge, skills and attitudes or abilities of the workforce. This paradigm may be accomplished through training activities. From this perspective, training is effective to the extent that it directly contributes to the strategy, objectives, or outcomes central to organizational effectiveness. The theoretical frameworks are not, however, adequately addressed in current models. Thus, a theoretical model is proposed in the hope that it will assist in understanding the relationship between training and organizations' performance.

To contribute to the theoretical literature, a theoretical framework was developed and proposed to fulfill the requirement for analyzing training and organizations' performance issues. This framework is shown in Figure 2.12. The Figure is based on the fundamental premises of training processes, HR outcomes and firm performance. Training is predicated on contributing to higher level group and organizational objectives, results and performance. A number of HR outcomes and firm performance, which are important in analyzing the relationship, are enumerated in the second and third box. Attention is drawn to some of the critical variables. It shows that training affects the overall knowledge, skills, abilities, attitudes, behaviors, and motivation of employees. HR outcomes have a direct impact on organizational performance.

**Figure 2.12 a framework for analyzing training and development on organizational performance.**



# CHAPTER THREE

## RESEARCH DESIGN & METHODOLOGY

### 3.1 Introduction

This chapter included research methodologies used in this research including research design, type of the study, sample size and sampling techniques, population of the study, source of data, method of data processing, and ethical considerations. The purpose of this research design is to provide a clear and completed description of the specific steps employed in this research.

### 3.2 Research design

This is a descriptive research study that shows the correlation between independent and dependent variables that aims at explaining the training and development factors influencing organizational performance..

### 3.3 Type of Study

For the purpose of this research, the co relational type of study has been chosen in analyzing process based on Independent Variable; identify any significance influence on the relationship with the Dependent variable.

### 3.4 Sample Size and Sampling Techniques

The sample size to collect data through questionnaire for this research was determined by using Yamane's (1967) formula.

$$n = \frac{N}{1 + N(e^2)}$$

Where:

n = the sample size

N=the study population

e = the level of precision

1 = designates the probability of the event occurring

Therefore:

$$n = \frac{N}{1+N(e^2)}$$
$$n = \frac{510}{1+510(0.07*0.07)}$$
$$= 146$$

Therefore, 146 respondents were used as sample for this study to gather data through questionnaire.

### **3.5 Population of the Study**

The sources of data for the study were both primary and secondary. Regarding the primary source, data was collected for one hundred forty six employees out of five hundred and ten as a random from ethio telecom south western region holding different job roles including 18 managers, 13 supervisors, 52 professional and 63 sales persons.

### **3.6 Source of Data**

The sources of data for this research were both primary and secondary sources. Primary data was collected from 146 employees of ethio telecom south western region selected using the sample size formula. The study employs the random sampling technique in which the researcher collect data from the sources which is most conveniently available to the researcher. An interview was conducted to purposive selected directors and top management officials to support the results obtained from the questionnaires. Moreover, secondary data was gathered from relevant documents such as articles, journals, published and unpublished theoretical literatures and empirical studies.

### 3.7 Data Gathering Tools

In order to find data on impact of HRD on organizational performance, a questionnaire were developed to collect data on the variables which are Training and development need assessment, training and development design, training and development implementation, training evaluation, and organizational performance.

To allow more ease to respondents and introductory letter were attached with the questionnaire (Appendix A). The letter introduced the researcher and the purpose of research and also ensures the anonymity of the respondent's personal information will be treated as completely private and confidential.

The survey questionnaire is composed into three parts. Part one about respondent demographic. Part two about training and development and organizational performance. In part two the respondent needed to use 5 likert scales.

Table 3.1 distribution of variables

<b>Variable</b>	<b>Items</b>	<b>Scale</b>	<b>Sources</b>
Training need assessment	5	5 likert scales	Khan (2010)
Training design	5	5 likert scales	Khan (2010)
Training implementation	5	5 likert scales	Khan (2010)
Training evaluation	5	5 likert scales	Khan (2010)
Organizational performance	9	5 likert scales	Smith & Blum (2001)
Effect of training and development on organizational performance	5	5 extent scale	Self developed

The researcher had used 29 items from these sources which are modified to the environment of the study organization and 5 were self developed. The scale's alpha reliability in this study is tested using pilot test and computed using spss 20.0 and the result was 0.804. And also open ended interview questionnaires were developed since it helped to support the data that collected through questionnaires.

### **3.8 Data collection procedures**

Data were collected from primary sources. It was collected using questionnaire. The structured questionnaire was completed by the employees of ethio telecom south western regional offices. The variables were measured using Likert scale with five response categories (strongly disagrees, disagree, neutral, agree, and strongly agree). Permission for the survey was granted by ethio telecom south western regional office administration. After permission granted, the questionnaires were distributed to the respondents during working days of the week, it took a week and half to collect back all the distributed questionnaires. Then the collected data was sorted and prepared for analysis.

### **3.9 Methods of Data Processing and Analysis**

In this research descriptive and inferential statistics were used for the analysis of the data. Descriptive statistics employed to find the mean and standard deviation of data through frequency tables, descriptive statistics. Regression analysis was also used to check the strength of relationship among variables. In regression analysis t-test was used to find the level of significance and r-square test was used. R-square test were used to show that how much dependent variable is affected by the independent variable. Finally, the results were discussed and interpreted to draw important conclusions and recommendations.

### **3.10 Ethical Considerations of the Study**

In the first place, the department approved the thesis proposal. In addition, the researcher followed scientific and logical procedures in every stage of data collection processes. Accordingly, the respondents were introduced about the purpose of the study then informed approval from the respondents and responsible officials of the organization was obtained to discuss with and interview them about the subject under study. Therefore, on the basis of these

ethical principles, efforts were made and confidentiality would be assured and kept throughout the process of this research work.

# CHAPTER FOUR

## DATA ANALYSIS AND INTERPRETATIONS

### Introduction

This chapter outlines the results of data analysis obtained from data collected from respondents. The main purpose of this study is analyzing the impact of HRD specifically training and development on organizational performance in ethio telecom south western region.

### 4.1 Overview of data collected

#### 4.1.1 Rate of response

In this study, the respondents were chosen from the staffs who work at ethio telecom south western regional office. A total of 146 questionnaires were distributed to the respondent by hand for indirect channel department, direct channel department, operation and maintaining, fixed access networking, sourcing and facilities department, finance department and human resource department. And, all 146 questionnaires were returned back to researcher.

**Table 4.1 Response rate**

	<b>Total</b>	<b>%</b>
Questionnaire distributed	146	100
Questionnaire returned	146	100



#### 4.1.2 The respondent profile

This section presents the finding about the respondents profile in terms of their gender, marital status and year of experience.

**Table 4.2 Classification of Respondents based on gender**

<b>Gender</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Male	119	81.5
Female	27	18.5
TOTAL	146	100

Demographic questions were asked in order to know profile of the respondents of this study. From table 4.2, there are 146 respondents were asked the question of gender in which have to categories male and female respondents first 119 male respondent mark in first category in percentage 81.5% in second category female respondent are 27 in percentage 18.5% female participated.

**Table: 4.3 Classification of Respondents based on educational qualification**

<b>Qualification</b>	<b>No of Respondents</b>	<b>Percentage</b>
Certificate	25	17.1
diploma	37	25.3
graduate	68	46.6
Post graduate and above	16	11
Total	146	100

Demographic questions were asked in order to know profile of the respondents of this study. From table 4.1, there are 146 respondents ask the question of qualification in which have to categories certificate, diploma, graduate and post graduate above. Respondents first 25 certificate respondent marks in first category in percentage 17.1% in second category diploma respondent are 37 in percentage 25.3% next category graduates participated are 68 accounts for 46.6% and last category post graduate and above 16 respondents 11% in percent.

**Table 4.4 Classification of Respondents based on experience**

<b>Experience</b>	<b>No. of Respondents</b>	<b>Percentage</b>
>3Years	43	29.4
3-5 Years	49	33.6
6-10 Years	34	23.3
Above 10 Years	20	13.7
Total	146	100

It is inferred from the above table that 29.4% of the respondents have less than 3years of experience, 33.6% of the respondents possess 3-5 years of experience, 23.3% of them have 6-10 years of experience and 13.7% of the respondents are above 10 year experianced.

## **4.2 Descriptive analysis**

Descriptive analysis such as means and standard deviation were obtained for the interval scaled independent and dependent variables.

### Abbreviations used in the data analysis

TNAQ – training need assessment questionnaires

TDQ – training design questionnaires

TIQ – training implementations questionnaires

TEQ – training evaluation questionnaires

OPQ – organizational performance questionnaires

#### 4.2.1 Effects of training needs assessments on Organizational Performance

The researcher sought to investigate the influence of training needs assessment on organizational performance in ethio telecom south western region. To achieve this, the respondents were required to indicate to what extent training assessment needs affect the organizational performance. The summary of the findings is as presented in Table 4.5

**Table 4.5 respondents view on Effects of training need assessments on Organizational Performance**

	Frequency	Percent
Very large extent	24	16.4
Large extent	74	50.7
Moderate extent	28	19.2
Less extent	8	5.5
No extent	12	8.2
Total	146	100.0

Majority of the respondents 50.7% indicated that training needs assessment influenced organization performance to a large extent. This was followed by 19.2% of respondents who indicated that

training needs assessment influenced organization performance to a moderate extent, 16.4% indicated a very large extent, and 8.2% indicated no extent while the rest represented by 5.5% indicated a less extent. This means that, majority of the respondents believe that need assessment is important part of training and development which could potentially support the organizations performance.

The study also wanted to find out the Influence of training needs assessment on Organizational Performance. The study aimed at finding out the influence of training needs assessment on organizational performance in ethio telecom south western region. The statements were on a scale of 1-5 where 1=strongly disagree, 2-disagree, 3-neither agree nor disagree, 4=agree and 5=strongly agree. The findings are summarized in Table 4.6

**Table 4.6 Influence of need assessments on Organizational Performance**

<b>Items</b>	<b>Mean</b>	<b>SD</b>
TNAQ1	4.02	0.415
TNAQ2	3.37	0.602
TNAQ3	2.09	0.341
TNAQ4	4.28	0.203
TNAQ5	3.06	0.441
Total	3.364	0.400

From the findings shown in table 4.6 the respondents agreed that Training and development needs assessment had been identified through analysis of the task/ job performance deficiency of employees (4.28). The further agreed that the organization performed frequent human resource training and development need assessment as shown by a mean of 4.02. They neither agreed nor disagreed on whether the trainees' capability and level of motivation was considered in

prioritizing needs (3.37). They also did not agree or disagree on whether training and development needs assessment had been identified through analysis of the plan and objectives of the organization (3.06). They however disagreed that the human resource department identifying the training and development needs of individuals and the office wasted time (2.09). This implies that training and development need assessment is very crucial in organization performance in ethio telecom south western regional offices.

In addition to this, the human resource department managers were also asked to explain whether training need assessment has been done to figure out whether the employees of the organization needed an enhancement in skills and knowledge to do their job effectively and efficiently in accordance with the organizations' primly set goals, and from the interview, the manager explained that there are times where formal training need assessments were held regularly in the organization, but usually the training and development need assessment comes with new set of rules and procedures of newly introduced goods or serviced Or in times of mass new recruitment.

#### **4.2.2 Effects of training design methods on Organizational Performance**

The study further required to investigate the influence of training design methods on organizational performance in ethio telecom south western region. To achieve this, the respondents were required to indicate to what extent training design methods affects the organizational performance in ethio telecom south western region. The summary of the findings is as presented in table 4.7

**Table 4.7 Extent to which training design methods affect the Organizational Performance**

	<b>Frequency</b>	<b>Percent</b>
Very great extent	41	28
great extent	56	38.4
Moderate extent	25	17.1
Less extent	16	11
Very low extent	8	5.5
Total	146	100

From the findings shown in Table 4.7 38.4 % of respondents indicated that training and development plans and designs affected the organizational performance to a great extent. 28% indicated a very great extent effect, 17.1 indicated a moderate extent effect, 11% said it affected to a low extent while the remaining 5.5 % it affected to a very low extent. This is to show that training and development plans and designs had an effect on the organizational performance.

The study aimed at finding out the influence of training and development plans and designs on organizational performance in ethio telecom south western regional offices. The statements were on a scale of 1-5 where 1=strongly disagree, 2-disagree, 3-neither agree nor disagree, 4=agree and 5=strongly agree. The findings are summarized in table 4.8.

**Table 4.8 Influence of training design methods on Organizational Performance**

<b>Items</b>	<b>Mean</b>	<b>SD</b>
TDQ 1	4.21	0.347
TDQ 2	3.42	0.155
TDQ 3	4.05	0.137
TDQ 4	4.32	0.136
TDQ 5	4.26	0.483
Total	4.052	0.252

From the findings shown in table 4.8 the respondents agreed that the main focus of the training program was to introduce new methods, procedures, etc., to employees and officials (4.32) they also agreed that inventory streamed in regularly (4.26). They further agreed that Training program was developed to improve performance deficiency of employees and officials (4.21) and that the objectives of the training and development programs were clearly and precisely indicated the expected outcomes 4.05. They neither agreed nor disagreed on whether training and development objectives had been set before preparing and implementing the program (3.42). This implies that training and development design methods is managed accordingly and therefore translating to organizational performance.

The interviewees responded that training design is formulated by well trained trainers either from inside the organizations that have long year of experience with the subject matter or from the external experts who are qualified to give the training programs. The design is usually set to be catchy by the trainers in which they could grasp the skills and know ledges easily and apply it on their job right away.

### 4.2.3 Effects of implementation of training on Organizational Performance

The study further found it necessary to investigate the influence of implementing of training and development on organizational performance in ethio telecom. The findings were as discussed in the subsections herein. The researcher required the respondents to indicate to what extent methods of implementation training and development programs affected the organizational performance of in ethio telecom south western regional offices. The summary of the findings is as presented in Table 4.9

**Table 4.9 Extent of Effect of implementation of training on Organizational Performance**

	<b>Frequency</b>	<b>Percent</b>
Very large extent	33	22.6
Large extent	65	44.5
Moderate extent	23	15.7
Less extent	21	14.4
Very low extent	4	2.7
Total	146	100

From the findings shown in Table 4.9 65(44.5%) of respondents indicated that implementation training and development affected the organizational performance to a Large extent. 33(22.6%) indicated a Very large extent effect, 23(15.7%) indicated a moderate extent effect, 21(13.9%) said it affected to a less extent while the remaining one (2.7 %) it affected to a very low extent. This implies implementation training and development that had an effect on the organizational performance.



The study also aimed at finding out the influence of implementing of training and development on organizational performance of ethio telecom south western region. The statements were on a scale of 1-5 where 1=strongly disagree, 2-disagree, 3-neither agree nor disagree, 4=agree and 5=strongly agree. The findings are summarized in Table 4.10.

**Table 4.10 Influence of implementation of training on Organizational Performance**

<b>Items</b>	<b>Mean</b>	<b>SD</b>
TIQ 1	4.43	0.673
TIQ 2	2.02	0.353
TIQ 3	3.45	0.375
TIQ 4	2.12	0.811
TIQ 5	2.11	0.501
Total	2.826	0.543

As shown in Table 4.10, the respondents agreed with the statements that the trainer clearly described what to expect from the presentation (4.43). They neither agreed nor disagreed whether the practical activities of the training and teaching methods were useful (3.45). They disagreed with the statement that the training program did not accommodate different learning styles (2.12), the training session is not flexible and did not include variety of energizers (2.11) and the training they took part uses different media of training (2.02). This implies that implementation stage of training and development programs are very critical and contribute significantly to organization performance in ethio telcom the south western region.

The human resource manager also claimed on the interview that, Implementation of training and development is according to the design and the nature of training. This stage of training and development is the largest investment of all training and development parameter. The manager

also noted both on job and off job training methods are given in the organization but off job training is the most common once in the selected organization.

#### 4.2.4 Effects of evaluation of training on Organizational Performance

The researcher required to investigate the influence of evaluation of training and development programs on organizational performance in ethio telecom south western regional offices. To achieve this, the respondents were required to indicate the extent at which evaluation of training and development programs have an effect on the organizational performance. The summary of the findings is as presented in Table 8.

**Table 4.11 Extent evaluation of training affects Organizational Performance**

	Frequency	Percent
Very great extent	49	33.6
great extent	69	47.2
Moderate extent	16	11
Less extent	8	5.5
No extent	4	2.7
Total	146	100

The findings in Table 4.11 shows that 47.2% indicated that evaluation of training and development programs influenced organizational performance to a very great extent. 33.6% indicated that it affected to a very great extent. 11 showed an effect of moderate extent 16%, 5.5% showed an effect of low extent while 2.7% indicated that it did not affect at all.

The study further found out the influence of evaluation of training and development programs on organizational performance in the private sector basing on certain contract management statements. The statements were on a scale of 1-5 where 1=strongly disagree, 2-disagree, 3-

neither agree nor disagree, 4=agree and 5=strongly agree. The findings are summarized below in table 4.12

**Table 4.12 Extent evaluation of training influence Organizational Performance**

Items	Mean	SD
TEQ 1	3.21	0.129
TEQ 2	2.31	0.165
TEQ 3	4.11	0.240
TEQ 4	2.29	0.147
TEQ 5	3.17	0.376
Total	3.018	0.212

As shown in table 4.12 the respondents agreed with the statement that training and development program evaluated in terms of changes in work behavior (4.11). They neither agreed nor disagreed on the statement that the organization kept records of all training and development programs (3.21) and the office had a scheme by which the outcomes or the effects of training and development program is evaluated (3.17). They however disagreed with the statement that the organization evaluated the training and development program at every steps of the program (2.31) and training and development program evaluated to improve achievement of learning objectives (2.29). This means that even though training and devaluation is evaluated in terms of work behavior, the lesser stepwise evaluation affects the improvement of achievement of learning behavior.

Information obtained from the interview reveal that, the human resource manager measure training and development effect on employees' performance. The selected organization has adopted sound methods to evaluate the effectiveness of their training programs. Training in this organizations, like in any other organizations, aim at improving the job performances of skills

deficiency employees or introducing new rules and procedures by improving through developing their job related skills. If a given training results in job related skills of the skill-deficiency employees, thus their job performance, it said to be an effective which enables the achievement of the organizations' set goals.

#### 4.2.5 Respondents view on the organizational Performance

The study sought to establish the organizational performance of ethio telecom south western region. The findings are summarized in the table below in table 4.13

**Figure 4.13 organizational Performance**

	<b>Frequency</b>	<b>Percent</b>
Greatly improved	33	22.6
improved	89	60.9
constant	18	12.3
deteriorated	6	4.1
Greatly deteriorated	0	0
Total	146	100

From the findings, 60.9% of the respondents gave feedback that the performance has improved, 22.6% indicated that it has greatly improved, 12.3% said that it was constant, 4.1% said that it had deteriorated while none indicated to it having greatly deteriorated.

The study required the respondents to rate the trend of the given factors of organizational performance in ethio telecom south western regional offices. The statements were on a scale of 1-5 where 1=strongly disagree, 2-disagree, 3-neither agree nor disagree, 4=agree and 5=strongly agree. The results are summarized in table 4.14.

**Table 4.14 Organizational Performance**

<b>Items</b>	<b>Mean</b>	<b>SD</b>
OPQ1	4.21	0.760
OPQ2	4.36	0.089
OPQ3	4.14	0.179
OPQ4	4.01	0.322
OPQ5	3.46	0.057
OPQ6	2.43	0.671
OPQ7	4.11	0.089
OPQ8	4.06	0.179
OPQ9	3.31	0.322
Total	3.78	0.279

As shown on table 14, the respondents gave feedback that there was a decrease in employee turnover (4.36) and Employee satisfaction has increased (4.21), the number of services/products has increased (4.14), Sales have increased (4.11), achieved the desired Quality of service and product (4.06), and customer complaints have reduced (4.01). Increase in profit and firm's overall market share remained constant with 3.46 and 3.31 respectively. However the Sales have increased as shown by a mean of 2.43.

The interview also shows that, Organizational performance in the selected organization is measured periodically by comparing its current achievement with the primarily set goals with specific time of the year. These set goals are mainly related to profit, customer satisfaction, goods and services, sales and etc...Therefore, according to the interviewee, if the organization

achieves its set of goals at each and every evaluation accordingly with the time table, then the organization is said to be in the right truck of successful performance.

### 4.3 correlations Analysis

Pearson correlation was used to measure the degree of association between variables under consideration that is independent variables and the dependent variables. Pearson correlation coefficients range from -1 to +1. Negative values indicates negative correlation and positive values indicates positive correlation where Pearson coefficient <0.3 indicates weak correlation, Pearson coefficient >0.3 and <0.5 indicates moderate correlation and Pearson coefficient >0.5 and <.7 indicates strong correlation and Pearson correlation above 0.7 indicates very strong correlation.

**Table 4.14 Pearson correlation Coefficients**

	Training needs assessment	Training design	Training implementation	Training evaluation	Organizational performance
Training needs assessment	1				
Training design	0.63	1			
Training implementation	0.551	0.451	1		
Training evaluation	0.611	0.391	0.413	1	
Organizational performance	0.511	0.524	0.614	0.713	1

\*. Correlation is significant at the 0.05 level (1-tailed).

The analysis above shows that training and development evaluation has the strongest positive (Pearson correlation coefficient =.713; P value 0.000) influence on organization performance. In addition, training and development needs assessment, design and implementation are positively correlated to organization performance. The correlation matrix implies that the independent

variables are very crucial determinants of organization performance as shown by their strong and positive relationship with the dependent variable; organization performance.

### Model Summary

Regression model is used here to describe how the mean of the dependent variable changes with changing conditions. Regression Analysis was carried out for focus on training and development needs assessment, design, and implementation and organization performance. To test for the relationship that the independent variables have on organization performance, the study did the multiple regression analysis.

**Table 4.15 Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
<b>1</b>	0.937	0.878	0.789	0.5273

The four independent variables studied explain 87.8% of the organization performance as represented by the  $R^2$ . Therefore, this means that other factors not studied in this research contribute 12.2% of the organization performance. This implies that these variables are very significant therefore need to be considered in any effort to boost organization performance in private sector in ethio telecom south western regional offices. The study therefore identifies variables as critical determinants of organizational performance.

**Table 4.16 ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.534	4	1.267	9.475	.0179a
1 Residual	9.307	141	2.327		
Total	3.465	145			

**NB:** F-critical Value 88.33 (statistically significant if the F-value is less than 88.33: from table of F-values).

**a. Predictors: (Constant),** training need assessment, training and development design methods, training and development implementation, training and development evaluation.

The significance value is 0.0179 which is less than 0.05 thus the model is statistically significant in predicting how training and development needs assessment, design methods, and implementation and evaluation programs influence the organization performance in ethio telecom south western regional offices. The F critical at 5% level of significance was 3.23. Since F calculated is greater than the F critical (value = 9.475), this shows that the overall model was significant.

The study ran the procedure of obtaining the coefficients, and the results were as shown on the table below.



**Table 4.17 Coefficient Results**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.147	1.2235	1.615	0.367	1.147
Training Need assessment	0.752	0.1032	0.152	4.223	.0192
Training design method	0.487	0.3425	0.054	3.724	.0269
Training implementation	0.545	0.2178	0.116	3.936	.0251
Training evaluation	0.439	0.1937	0.263	3.247	.0454

Multiple regression analysis was conducted as to determine the relationship between organization performance and the four variables. As per the SPSS generated table above, the equation ( $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$ ) becomes:

$$Y = 1.147 + 0.752X_1 + 0.487X_2 + 0.545X_3 + 0.439X_4$$

Where Y is the dependent variable (organizational performance),  $\beta_0$  is the regression constant,  $\varepsilon$  is the error term,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ , and  $\beta_4$  are the coefficients of independent variables, X1 is training and development needs assessment, X2 is training and development design methods, X3 is training and development implementation, and X4 is training and development evaluation.

According to the regression equation established, taking all factors into account (training and development needs assessment, training and development design methods, training and development implementation and training and development evaluation) constant at zero, organization performance will be 1.147. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in training and development needs assessment will lead to a 0.752 increase in organization performance; a unit increase training and development design methods will lead to a 0.487 increase in organization performance, a unit increase in training and development implementation will lead to a 0.545 increase in organization performance and a unit increase in training and development evaluation will lead to a 0.439 increase in organization performance. This infers that training and development needs assessment contribute most to the organization performance followed by implementation. At 5% level of significance and 95% level of confidence, training and development needs assessment had a 0.0192 level of significance, training and development design methods showed a 0.0269 level of significance, training and development implementation showed a 0.0251 level of significance, and training and development evaluation showed a 0.0454 level of significance hence the most significant factor is training needs assessment.

# CHAPTER FIVE

## CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Conclusions

The four training and development independent variables studied explain 87.8% of the organization performance as represented by the  $R^2$ . This therefore means that other factors not studied in this research contribute 12.2% of the organization performance. This implies that these variables are very significant therefore need to be considered in any effort to boost organization performance in ethio telecom south western regional offices. The study therefore identifies training and development variables as critical determinants of organization performance.

Based on the findings from the study the following conclusions were drawn in relation to the initial objectives of the research.

**Objective 1:** To examine the relationship between training and development needs assessment and organizational performance.

The study had shown that there is a positive relationship between Training and development needs assessment and organizational performance, as the results obtained in study showed that there exist significant positive correlations (0.511) between training and development need assessment and organizational performance. This is presented by training and development needs assessment was systematically conducted in the organization.

**Objective 2:** To determine the relationship between training design methods and organizational performance.

The study had shown that there is a positive relationship between training planning and design methods and organizational performance, as the results obtained in study shows that the way training and development is planed or designed were found predicting 0.524 of the perceived organizational effectiveness. The training and development programs delivered had objectives that were set by the training and development coordinators with participation of the employees. Therefore it did realize the reality of the needs and interests of employees

**Objective 3:** To investigate the relationship between training and development implementation and organizational performance.

The study had shown that there is a positive relationship between training and development and organizational performance, as results obtained in study indicated that are significant correlations with (0.614). Majority of the respondents believed that the main focus of the programs was to introduce new methods, procedures, etc. to employees and managers. Majority, of the respondents also asserted that the main focus of the TDPs was to improve the performance of employees and managers to achieve effective performance through work productivity and individual also will more cleared with their responsibilities with the job scope and they can perform well and also will be affect to the organizational performance.

**Objective 4:** To examine the relationship between training evaluation and organizational performance.

The study had shown that there is a positive relationship between training and development evaluation and organizational performance, as results obtained in study had indicated that are significant correlations with (0.713). Among all the variables, training and development evaluation had a major influence on organizational performance. This is because it was found that human resource development departments had well organized system of keeping records of training and development programs delivered and majority of the respondents also confirmed that there were systematic practices of evaluating the effectiveness of training and development programs conducted in the organization.

Generally, this study had indicated the importance of human resource development practices specifically training influencing organizations' performance. The research also demonstrated that HRD practice have been shown to be the important elements related to organizational performance.

## 5.2 Recommendations

Based on the findings of the study, the following suggestions are forwarded:

- The organizations should give a chance for employees to participate in the designing and development of the organization training. This can help the organization to easily understand the need and want of employees regarding the training and development which contributes much to the effectiveness of employees' performance and ultimately the organizations performance.
- One of the strongest and positive training and development parameters in the organization is its evaluation that strongly affects organizational performance, to enhance evaluation; feedbacks from employees on training should be collected before and after training. This will enable the organization to improve their current and future training programs.
- Since delivery style is a good predictor to improve employee's performance training providers should be conscious about the deliver style. To make this happen the trainers should understand the meaning of learning principle, they should use different learning style to capture the attention of different type of learners, and the training materials should be adequate and necessary.
- Finally, since training and development was found to be a positive predictor of organizational performance, the managements and CEOs of any organization should engage in increasing the qualities and quantities of the training program so as to increase their employees' performance and ultimately organizations' performance.

### **5.3 Future research direction**

This research is conducted to examine the impact of training and development on organizations' performance on ethio telecom south western region.

these area of human resource development can be viewed from different angles it would be good for other researchers to conduct research paper by using other variables like performance appraisal, human resource development climate, career development etc. . . other than the once used in this research. Further, it would be good for other researchers to compare the private and public sector human resource development programs and its effects on both employees as well as on organizations.

## REFERENCE

- Abdullah, H. (2009). Major challenges to the Effective Management of Human Resource Training and Development Activities. *The Journal of International Social Research*
- Ahuja K. . (2006). *Personnel management* .
- Albahssain S. (2000). *Human Resource Development: An Investigation Into the Nature and Extent of Training and Development in the Saudi Private Manufacturing Sector*, PhD Thesis, University of Bradford .
- Alemu, K. (1990). “Needs Assessment”. *Proceedings of the Seminar on Manpower Development for Industry*. Addis Ababa: Addis Ababa University-Ministry of Industry Cooperation Programmer.
- American Society of Training Directors,
- Armstrong M. . (1995). *A handbook of personnel Management Practices* .
- Armstrong, M. (2001). *Essential Human resource Management Practice: A Guide To People Management*.
- Arthur WJ, Bennett WJ, Edens P, Bell ST. (2003). Effectiveness of training in organizations: a met-analysis of design and evaluation features. *Journal Applied Psychology*. 88:234–45.
- Barber J. (2004). Skill upgrading within informal training: lessons from the Indian auto mechanic. *International Journal of Training and Development*, 8:128–39
- Bartel, A.P. (2000). Measuring the Employer’s Return on Investment in Training: Evidence from the Literature. *Industrial Relations*, 39, 3, 502–524
- Bartlett, K.R. (2001). The Relationship between Training and Organizational Commitment: A Study in the Health Care Field. *Human Resource Development Quarterly*, 12, 4, 335–352.
- Beevers K., Rea A. (2010). *Learning and Development Practice*, London: CIPD. .

Berge. ( 2008). human resource management .

Blundell, R., Dearden, L., Meghir, C. and Sianesi, B. (1999). Human Capital Investment: The Returns from Education and Training to the Individual, the Firm and the Economy. Fiscal Studies, 20(1): 1-23.

Bratten, J. and J. Gold, 1999. Human resource management: Theory and Practice, 2<sup>nd</sup> ed.Hampshire: Macmillan.

Buckley R., Caple J. (1990). The Theory and Practice of Training .

Buckley, W. a. (1998). a view on human resource management and challenging issue.

C., R. G. (1989). Training for Impact.

Campagna F. (1998). “Program implementation and monitoring” In Procopenko Joseph(ed.) Management of Development: A guide for the profession. Geneva International Labour office.

Chalofsky, N. (1992). A unifying definition of the human resource profession. Human Resource Development Quarterly.

Chaminade B (2007). A retention checklist: how do you rate? [Www.humanresourcesmagazine.co.au](http://Www.humanresourcesmagazine.co.au). Accessed, 28 November, 2007

Cheng E. W. L.,& Ho D. C. K. . (2001). The influence of job and career attitudes on learning motivation and transfer.

Coles M. . (2000). “Virtual universities Are just The Job”.

Collins C., Buhalis G. and Peters F. ( 2003). “Enhancing SMTEs business performance through the internet and e-learning platform,” Education and Training.

Dessler G. (2005). Human Resource Management.

Devanna, M. A., Fombrun, C. & Tichy, N. . (1984). A framework for Strategic Human Resource Management. In Strategic Human Resource Management .



Devins D. and Smith J, J. Holden R. Iles, P. Stewart, J. and Beardwell, J. . ( 2010). Evaluation of HRD In Gold, Human Resource Development: Theory and Practice.

Dillich, S. (2000, August 4). Corporate universities. *Computing Canada*, 26 (16), 25.

Dobbs, K. (2000, April). Tires Plus takes the training high road. *Training*, 37 (4), 56-63.

Dyler, L., & Reeves, T. (1995). Human resource strategies and organization performance: what do we know and where do we need to go? *International Journal of HRM*, 6(3), 656-671

F., C. (1998). "Program implementation and monitoring" In Procopenko Joseph(ed.) *Management of Development: A guide for the profession*. Geneva International Labour office.

F., Y. (1999). Inflation of subordinates' performance ratings: Main and interactive effects of Rater Negative Affectivity, Documentation of Work Behavior, and Appraisal visibility *Journal of organizational Behavior*.

Feldman, D. (2000, May). The Dilbert syndrome: How employee cynicism about ineffective management is changing the nature of careers in organizations. *American Behavioral Scientist*, 43, 1286-1301.

Fenn, D. (1999, February). Corporate universities for small companies. *Inc*, 21 (2), 95-96.

San Francisco, CA: Berrett-Koehler Publishers

Garavan, T. (2007). A strategic perspective on human resource development. *Advances in Developing Human Resources*, 9(1), 11-30. Etzioni, 2012 Phillips, 2003

Garger, E. M. (1999, November). Goodbye training, hello learning. *Workforce*, 78 (11), 35-42.

Getachew Minas. (1998). " Human resource management in the Ethiopian public sector" in Senait Seyoum and Alemayehu Seyoum (eds.): *Human Resource Development in Ethiopia*. Proceedings of the Seventh Annual Conference on the Ethiopian Economy.

Getahun, T. (2007). Employees' opinion about human resource development practices of national bank of Ethiopia: a case study.

Goldstein I. . (1974). Training: Program Development and Evaluation.

Gomez Mejia, Luis R. Balkin, David B, and Cardy, Robert L. . ( (2001).). Managing Human Resource.

Greengard, S. (2000, June). Going the distance. *Workforce*, 79 (6), 22-23

Grobler P., Warnich, S., Carrell, R., Elbert F. and Hartfield D. (2004). Human resource management in South Africa 3rd edition.

Grobler, P., Warnich, S., Carrell, M.R., Elbert, N.F. and Hatfield, R.D. . (2006). Human resource management in South Africa.

Hackett P. (1997). Introduction to Training, London: CIPD. .

Heneman, H. P. (1996). Personnel/human resources and management, 4th ed.

Heneman, H., P. D. Schwab, J. A. Fossum and L.D. Dyer., ( 1996). Personnel/human resources and management, 4th ed.

Hussey, D.E. . (1985). “Implementing corporate strategy and change: using management education and training”, Long Range Planning.

J.P., W. (1999). Human Resource Development: Learning and Training for Individuals and Organisations. .

Karia, N., & Hasmi Abu Hassan Asaari M. H. A. H. . (2006). The effects of total quality management practices on employees’ work-related attitudes.

Keeny J. (1979). Manpower Training and Development (2nd .ed).

Kenney. (1992). Management Made East .

Kirkpatrick, D. (1959). Techniques for evaluating training programs. *Journal of the*

Kirkpatrick, D. (1967) Evaluation of training. *Training and Development Handbook*.

Kirkpatrick, D., & Kirkpatrick J. (2006). Evaluating training programs (3rd ed.). San

Kotler P. & Armstrong G. (2002). Marketing: An introduction.

Kozlowski SWJ, Brown KG, Weissbein DA, Cannon-Bowers JA, Salas E. (2000). A multi-level perspective on training effectiveness: enhancing horizontal and vertical transfer. In *Multilevel Theory, Research, and Methods in Organizations*, ed. KJ Klein, SWJ Kozlowski, pp. 157–210. San Francisco, CA: Jossey-Bass

Kraiger K. (2002). Decision-based Evaluation. In *Creating, Implementing, and Maintaining Effective Training and Development: State-of-the-Art Lessons for Practice*, ed. K Kraiger, pp. 331–75. San Francisco, CA: Jossey-Bass

Laird, Dugan (1983). *Approaches Training and Development*. Massachusetts: Addison Wesley Publishing Company

Laird, Dugan (1983). *Approaches Training and Development*. Massachusetts: Addison-Wesely Publishing Company

Leonard, Bill. (1998). *HR Magazine*, July 1998, vol. 43 Issue I, p. 22-25.

Lipsey R. G . (1989). *Introduction to Positive Economics*. .

Logan, J. K. (2000, April). Retention tangibles and intangibles: More meaning in work is essential, but good chair massages won't hurt. *Training and Development*, 54 (4), 48-50

Longenecker. ( 1997 ). a critical study of HRM practices.

Longenecker. (1997 ).

Longenecker. (1997 ). a critical study of HRM practices.

Maby C., G. Salamn and J. Storey. ( 1998). *Strategic human resource management*.

Mason, D. (1997). *Achieving Investors in People*. UK: Pearson Professional Std. .

Mathis, R. L. and J. H. Jackson. (1997). *Human resource management, 8th ed* .

Mathis, Robert L. Jackson John H. . (1997). *Human Resource Management 8th ed*. .

McCourt W. & Derek E. . (2003). *Global Human Resource Management: Managing People in Developing and Transitional Countries*.

- McGoldrick, J. ( 1996). Human Resource Development: Perspectives, Strategies and Practice.
- Megginson, L. C. (1981). Personnel management: A Human Resource Approach.
- Melaku Dires. (2004). The practice and problems of human resource training and development in some federal ministries in Ethiopia. A.A.U: MA Thesis (Unpublished).
- Miles R.E. and Stone. (1984). “Designing strategic human resources systems”, Organizational Dynamics.
- Milkovich, G. T. and J. W. Bourdea . ( 1991). Human resource management, 6th ed. .
- Minas, G. (1998). “ Human resource management in the Ethiopian public sector” in Senait Seyoum and Alemayehu Seyoum (eds.): Human Resource Development in Ethiopia. Proceedings of the Seventh Annual Conference on the Ethiopian Economy. .
- Monappa, A. a. (1999). Personnel management, 2nd ed.
- Mondy, R. Wayne & Noe, Robert M. . ( 1990). Human Resource Management.
- Moses, B. (1999, February 1). Career planning mirrors social change. The Globe and Mail [On-Line]. Retrieved January 18, 2001
- Nadler L. (1984). The Handbook of Human Resource Development.
- Nadler, L. &. (1990). The Handbook of Human Resource Development. New York: Wiley.
- Nadler, Z., & Nadler, L. (2012). *Designing Training Programs* (2nd ed.). Hoboken, NJ: Taylor and Francis  
New York, NY
- Noe A. R. (2005). Employee Training and development.
- Noe, R., & Tews, M. (2012). Realigning training and development research to contribute to the psychology of competitive advantage. *Industrial & Organizational Psychology*
- Nunn, J. (2000, September/October). Career planning key to employee retention. *Journal of Property Management*, 65 (5), 20-21

- P., H. (1997). *Introduction to Training*, London: CIPD. .
- Pearson, R. (2010). *Statistical persuasion: how to collect, analyze, and present data-- accurately, honestly, and persuasively*. Los Angeles, CA: Sage.
- Petrecca, L. (2000, May 1). Agencies teach skill building. *Advertising Age*, 71 (19), 12
- Pool S., & P. (2007). A management development model. *Journal of Management Development*.
- Rao, P. S., & Salunkhe, U. (2013). 21st century HRD issues - Challenges for the future. *Aweshkar Research Journal*, 15(1), 39-47.
- Rao, T. (1985). *Integrated human resource development system*. The 1985 Annual:
- Rao, T., & Abraham, E. (1986). Human resource development climate in Indian organizations. *Recent Experiences in Human Resources Development*, New Delhi, Oxford & IBH, 70-98.
- Robinson G. and Robinson C. ( 1989). *Training for Impact*.
- Rosenwald, M. (2000, October 15). Working class: More companies are creating corporate universities to help employees sharpen skills and learn new ones. *Boston Globe*,
- Rudrabasavaraji, M. N. (1979). *Dynamic personnel administration: Management of Human Resources*, 2nd ed.
- Rue, L. W. and L. L. Byars. ( 1992). *Management: Skills and Application*.
- Scarpello, Vida G. and Ledvinka, James. (1988). ). *Personnel/Human Resource management*.
- Schuler, R.S., and MacMillan, I.C. (1984). Gaining Competitive Advantage through Human Resource Management Practices. *Human Resource Management*, 23, 3, 241–255
- Sims R. Ronald . (2006). *Human Resource Development: Today and Tomorrow*.
- Smith A., E. . (2000). Applying Knowledge-Enabling Classroom and In the Workplace. *Journal of Workplace Learning*.

- Stone, J. ( 2002). Human Resource Management: A Critical Text.
- Stoner, James A. F. (1996). Management.
- Stoner, James A. F. (n.d.). Management fo human resource.
- Stoney J., A. F., Freeman E. & Gilbert, D. A. (1995). Management.
- Swist, Jeannette (2001). Conducting a Training Needs Assessment. [WWW.amxi.com](http://WWW.amxi.com).
- Tichy, N.M., Fombrun, C.J. and Devanna. ( 1982). “Strategic human resource manageme”, Sloan Management Review.
- Torrington D., Hall L. & Taylor S. . (2005). Human Resource Management .
- Trace, w. R. (1984). Designing Training and Development Systems.
- Tracey, W. R. ( 1984). Designing training and development systems.
- Truelove. (1996). Administration of training 3rd. ed.
- Turell, M. (2000). Training analysis: A guide to recognizing training needs.
- Van der Klink R.M. and Streumer J.N . (2002). Effectiveness of On-the-Job Training. Journal of European Industrial Training.
- Vohra, M. (2008). Management training and development.
- Wagner, S. (2000, August). Retention: Finders, keepers. Training and Development, 54 (8), 64.
- Werther, W. B. (1996). Human Resources and Personnel Management.
- Wilson, C. (2000, July 26). More companies recognize the impact of learning centers. St. Louis Post-Dispatch, C8.
- Wood F. & Sangster A. . (2002). Business accounting 1 .

# **APPENDIX A**

**Jimma University**

**College of business and economics**

**Department of Management**

**Masters in Public management Stream**

Dear Respondent,

This letter is an introduction to the main reason as to why your participation in this questionnaire is required.

This study is a research study on the thesis title Impact of HRD on organizational performance: in ethio telecom south western region. It is in partial fulfillment of one of the requirements for the attainment of the award of masters in public management from Jimma University from where I am currently taking on my studies.

My research project endeavors to generate knowledge to be utilized in understanding HRDs' impact on organizations' outcome. The study specifically focuses on determine how training and development affect organizations' performance. As a representative of your company, your views are of importance in my study and I would appreciate you responding to this questionnaire. This is purely for academic purpose and your response will be kept confidential and anonymous.

Thank you for your time, co-operation and contribution to my study. I shall be pleased to send you a copy of the findings of the study if you desire so.

Aboma Tamene

**Part one**

Circle the number in the box provided against your choice

**Demographic Data**

1. Female  Male  Gender:
2.  $\geq 58$   48-57  38-47  28-37  18-27  Age:
3. Educational Second degree  First-degree  Diploma  Certificate  background:
4. Terminal degree,  other (specify)

**Part two**

Circle the number provided against your choice for each questions

1. Effects of training need assessments on Organizational Performance
  1. Very large extent
  2. Large extent
  3. Moderate extent
  4. Less extent
  5. No extent
  
2. Effects of training design methods on Organizational Performance
  1. Very great extent
  2. Great extent
  3. Moderate extent
  4. Less extent
  5. No extent
  
3. Effects of implementation of training on Organizational Performance
  1. Very great extent
  2. Great extent
  3. Moderate extent
  4. Less extent
  5. No extent



4. Effects of evaluation of training on Organizational Performance

1. Very great extent
2. Great extent
3. Moderate extent
4. Less extent
5. No extent

5. Organizational performance in the last three years

1. Greatly improved
2. Improved
3. Constant
4. Deteriorated
5. Greatly deteriorated

**Part three**

The rating for every test has to be done based on a scale from 5 to 1 as given below:

**Agreement scale**

- 1- Strongly disagree
- 2- Disagree
- 3- Neither
- 4- Agree
- 5- Strongly agree

NO.	QUESTIONS	Scale				
		1	2	3	4	5
<b>Training and development Need assessment</b>						
1.	My office conducted human resource and development needs Assessment.					
2.	The human resource department identifies the training and development needs of individuals and the office.					
3.	Training and development needs assessment had been identified through analysis of the plan and objectives of the organization					
4.	Training and development needs assessment had been identified through analysis of the task/ job performance deficiency of employees.					
5.	The trainees capability and level of motivation was considered in prioritizing needs					
<b>Training and development design</b>						
1.	My office prepared training and development program plans for its employees and managers					

2.	The training and development objectives had been set before preparing and implementing the program					
3.	The objectives of the training and development programs were clearly and precisely indicated the expected outcomes.					
4.	The main focus of the training program was to introduce new methods, procedures, etc., to employees and officials.					
5.	Training program was developed to improve performance deficiency of employees and officials.					
<b>Training and development implementation Methods</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	The trainer clearly described what to expect from the presentation					
2.	The practical activities of the training and teaching methods were useful					
3.	The training I took part uses different media (videos, charts, diagrams, games etc...)					
4.	The training program I received did not accommodates different learning styles					
5.	The training session is not flexible and did not include variety of energizers					
<b>Evaluating Training &amp; development Programs</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	My organization kept records of all training and development programs					
2.	My organization evaluated the training and development program at every steps of the program					
3.	In my organization training and development program evaluated in terms of changes in work behavior					
4.	In my office training and development program evaluated to improve achievement of learning objectives					

5.	The office had a scheme by which the outcomes or the effects of training and development program is evaluated					
<b>Organizational performance</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Employee satisfaction has increased					
2.	Employee turnover has decreased					
3.	The number of services/products has increased					
4.	Customer complaints have reduced					
5.	Profit has increased					
6.	Sales have increased					
7.	The number of employee's involvement has increased					
8.	achieving the desired Quality of service and product					
9.	Firm's overall market share has increased.					

## **APPENDIX B**

### **INTERVIEWS**

1. How does the organization trace the need for training and development?
2. How does the organization implement training and development programs?
3. How does the organization design training and development programs?
4. How does the organization evaluate the effectiveness of training and development programs?
5. How does organizations' performance evaluated?