

THE EFFECT OF TRAINING AND 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 master's in business
administration (MBA)

BY: ANDUALEM ALEBACHEW



**JIMMA UNIVERSITY
COLLEGE OF BUSINESS & ECONOMICS MBA
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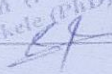
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I hereby declare that this thesis entitled The effect of human resource development on organizational performance in ethio telecom south western region has been carried out by me under the guidance and supervision of Zerihun A (Ph.D.) and Ms. Lelise N (MBA).

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ABSTRACT

The main Objective of the study are to investigate the effect of HRD on Organizational Performance in ethio telecom southwestern regional office. . The researcher had analyzed four training and development factor that influence organizational performance, which is training and development need assessment, training design methods, training implementations, and training evaluation. 146 questionnaires were distributed to 146 selected staffs from 510 Staffs at ethio telecom southwestern regional offices by using random sampling Technic and all 146 questionnaires were returned to me for analysis. The data had been analyzing by using Statistic Package for Social Sciences (SPSS).Descriptive and inferential method of data Analysis was used for the Analysis. 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. The organizations should give a chance for employees to participate in the designing and development of the organization training. Feedbacks from employees on training should be collected before and after training.

Key words: training need Assessment, Design, implementation, Evaluation Organizational performance.

Contents	Page No.
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.....	5
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.....	7
1.10 Assumptions	7
1.11 Organizations of the chapters	8
CHAPTER TWO	9
REVIEW OF LITERATURE.....	9
2.1 An overview of human resource development	9
2.2 Historical perspective of human resource development	9
2.3 Human resource development in Ethiopian context	10
2.4 Human resource development	11
2.5 Human resource development definitions	13
2.6 Components of human resource development practice	14
2.7 Process of human resource development.....	17
2.8 The benefits of training and development	27
2.9 Problems of human resource development.....	31

2.10 Relationship b/n training and organizations' performance.....	32
2.11 Empirical reviews	35
2.12 A framework for analyzing the effect of training and development on organizational performance.....	38
CHAPTER THREE	40
RESEARCH DESIGN & METHODOLOGY	40
3.1 Introduction.....	40
3.2 Research design	40
3.3 Type of Study	41
3.4 Population of the Study	41
3.5 Sample Size and Sampling Techniques	41
3.6 Source of Data	42
3.7 Data Gathering Tools.....	42
3.10 Methods of Data Processing and Analysis	45
3.11 Ethical Considerations of the Study	46
CHAPTER FOUR	47
DATA ANALYSIS AND INTERPRETATIONS	47
Introduction.....	47
4.1 Overview of data collected.....	47
4.1.1 Rate of response	47
4.1.2 The respondent profile	47
4.2 Descriptive analysis	49
4.2.1 Effects of training needs assessments on Organizational Performance	49
4.2.2 Effects of training design methods on Organizational Performance.....	52
4.2.3 Effects of implementation of training on Organizational Performance	54

4.2.4 Effects of evaluation of training on Organizational Performance.....	56
4.2.5 Respondents view on the organizational Performance	58
4.3 correlations Analysis	60
CHAPTER FIVE	66
SUMMARY OF MAJOR FINDING CONCLUSIONS AND RECOMMENDATIONS	66
5.1 Major findings and Conclusions.....	66
5.2 Recommendations.....	67
5.3 Future research direction	68
REFERENCE	69
APPENDIX A	77
APPENDIX B	82

FIGURE 2.1 KIRKPATRICK MODEL FOR EVALUATING T&D OUTCOMES	25
FIGURE 2.2 THE BENEFITS OF TRAINING AND DEVELOPMENT.....	31
FIGURE 2.3 CONCEPTUAL FRAMEWORK	39
TABLE 3.2 RELIABILITY MEASURE OF THE VARIABLES.....	45
TABLE 4.1 RESPONSE RATE	47
TABLE 4.2 CLASSIFICATION OF RESPONDENTS BASED ON GENDER	48
TABLE: 4.3 CLASSIFICATION OF RESPONDENTS BASED ON EDUCATIONAL QUALIFICATION.....	48
TABLE 4.4 CLASSIFICATION OF RESPONDENTS BASED ON EXPERIENCE	49
TABLE 4.5 EFFECTS OF TRAINING NEED ASSESSMENTS ON ORGANIZATIONAL PERFORMANCE	50
TABLE 4.6 INFLUENCE OF NEED ASSESSMENTS ON ORGANIZATIONAL PERFORMANCE	51
TABLE 4.7 EXTENT TO WHICH TRAINING DESIGN METHODS AFFECT THE ORGANIZATIONAL PERFORMANCE	52
TABLE 4.8 INFLUENCE OF TRAINING DESIGN METHODS ON ORGANIZATIONAL PERFORMANCE.....	53
TABLE 4.9 EXTENT OF EFFECT OF IMPLEMENTATION OF TRAINING ON ORGANIZATIONAL PERFORMANCE	54
TABLE 4.10 INFLUENCE OF IMPLEMENTATION OF TRAINING ON ORGANIZATIONAL PERFORMANCE ..	55
TABLE 4.11 EXTENT EVALUATION OF TRAINING AFFECTS ORGANIZATIONAL PERFORMANCE	56
TABLE 4.12 EXTENT EVALUATION OF TRAINING INFLUENCE ORGANIZATIONAL PERFORMANCE	57
FIGURE 4.13 ORGANIZATIONAL PERFORMANCE.....	58
TABLE 4.13 ORGANIZATIONAL PERFORMANCE	59
TABLE 4.14 PEARSON CORRELATION COEFFICIENTS.....	60
TABLE 4.15 MODEL SUMMARY	62
TABLE 4.16 ANOVA	62
TABLE 4.17 COEFFICIENT RESULTS	63

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

TNAQ – training need assessment questionnaires

TDQ – training design questionnaires

TIQ – training implementations questionnaires

TEQ – training evaluation questionnaires

OPQ – organizational performance questionnaires

CHAPTER ONE

INTRODUCTION

This study focuses on the effect of human resource development on organizations' performance in ethio telecom southwestern 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 (2001) 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.

Training is significant and an imperative tool for the organization to restore the performance of all the personnel for organizational growth and success. It is useful to both employers and employees of an organization. An employee will turn out to be more efficient and productive if he is trained well. Firms can create and enhance the quality of the present employees by providing widespread training and development. Training is important not only to expand productivity but also to motivate and inspire workers by allowing them know how essential their jobs are and providing them all the information they require to carry out those jobs (Anonymous, 1998). The general advantage received from employee training are: increased job satisfaction and increased motivation, morale, resulting in financial gain, increased efficiencies in processes, increased capacity to adopt new technologies and methods, increased innovation in strategies and products and reduced employee turnover.

McLean (2001) have offered that : 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.

Human resource development is the process of improving individual, group, and organizational performance through training, career development, and organizational development initiatives (Graven, 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. Jimma Branch Ethio telecome is one of the prominent Regional Office that Serve Telecom service for the community and the Regional Office is Prepared and give Training to the Employees that worked in the Organization. (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 (Swiss, 2001) 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 (Swiss, 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 (Deborah & 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 into 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).

However, in developing countries most organizations tend to give less emphasis for employees needs in HRD programs. Hooi Lai Wan (2007) Inadequate need assessment, outdated training and development methods, limited educational opportunities, unequal access to training opportunities, insufficient opportunities to learn skills that improve employees' chance of promotion, inadequate opportunity for career growth result employee dissatisfaction and in question organizations HRD practices. (Hooi Lai Wan, 2007). Ineffective practice of HRD can result different problems such as reduced employees' aspiration to learn and apply new skills, decrease employee's productivity, lower employee's morale, increase an operational error, higher employee turnover and low performance of organizations. (Edgar & Gear, 2005). Problems in HRD systems appear when the capacity building practices failed to accommodate the organizational and employee's needs. Therefore, in improving organizations and employee's satisfaction is vital through upgrading the skills, knowledge and attitudinal behavior of employees in the organization. (Edgar & Gear, 2005)

Ethio telecom is one of such organization that has been participating in training and development of its employees for a long period. The researcher is aspired to investigate these training, development programs, and their effect on organizational performance. The information reveals that the existing company HRD practices focus almost in technical staffs. However, other non-Technical Staffs also their own contribution for the success of the company. Hence, the main reason that the researcher wanted to conduct this research was to investigate the effect 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 effect of HRD on Organizational Performance in ethio telecom southwestern regional office.

1.4.2 Specific Objective

- To analyze and determine the effect of HRD implementations and HRD evaluation on organizational performance.
- To examine the relationship between HRD/ training and development needs assessment on organizational performance.
- To investigate the effect of HRD design and methods on 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 the research can be pointed out from different beneficiary's view:

- The primary importance of the study will assist the company training formulating dep't and decision makers to give due emphasis to HRD and devise different mechanisms in order to scale up and continuously upgrade the employee's 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 that have similarity with the study organization can 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 southwestern regional office. The study focuses only on one of the prominent activities of Human Resource Development that is Training and development, which has high effect 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. (Ryman & Bell, 2003:40). In the light of the present research will intended to study the nature of relationship between HRD and its effect 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 (Leedey & Ormond, 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 taking 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 three chapters; 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 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 (Mondi 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 page's 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, Len Nadler introduced it 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 based on demand and supply forces. Secondly, the factor of production concept that labor 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 employers 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 (CSRP) 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 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 lie 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. Training and development programs are equally important for an organization and its employees (Wagar, 1997). Effective programs bring positive changes in behavior, which lead to positive changes in the overall performance of the organization. Training is an investment in organizational personnel, and an investment in staff (stout, 2005). The best outcome that training can alone accomplish is increase in capability of employees (Brinkerhoff, 2006).

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 Cher Mack, 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 Cher mack, 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 Cher Mack, 2007).

For this type of training employees are taken away from their place of work (Becker, 1993; Zula and Cher Mack, 2007). The training may take place at an agency or local college, although many larger firms also have their own training centers or colleges (Dressler, 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 Cher Mack, 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 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 should 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 interchangeably. 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 that 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 because 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 organizationl (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. In addition, 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 could 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 (Abdullah, 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 wellbeing of the employees. Moreover, OD involves tasks that should be attended to both organizational variables (such as structure and systems) and employee's 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 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 Brays, 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).

The HRD process then is the HRD function of training, enhancing employees' skills, deploying competent workforce towards the company's competitive advantage, and positioning of company strategy towards competitive advantage through appraising performance and aligning company strategy towards this objective. It is also included in this process the critical examination of the business opportunities and determining key performance of new business objectives. In other words, the HRD process are also the company strategy towards its competitive advantage and this involve the training or career development, to organize skills enhancement and development training, the organizational development, to conduct research new business opportunities and orientation on performance requirements, and performance appraisers, for the evaluation of employee performance (Graham, 1984; et al. 2001).

2.7.1 Training policy

Policy is a general statement by senior management on how it is 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 into effect. All

organizations may have policies with regard to the training and development functions. However, not all have these in a written form, and some of those that have do not widely publish them even within the organization (Truelove, 1996). According to Kenney et al (1979), as cited Bahiru Wondmeneh (2011), states that organizations have very different policies 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.

Organizations 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; ensure 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 that 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 (Malkovich and Gluck, 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 need. 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 drowning 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. Specially designated training and development professionals especially for programs to be offered several items, or left to the individual instructors (Heneman et al., 1996) may do the designing work.

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 proved greater job satisfaction. Depending on the kind of needs to be addressed a number of TDP can be designed. Besides, it is important to be 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 (Gluck, 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 arraigning 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 to be able to meet organizations 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 organizations 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 Streamer, (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 appositive 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 a 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). Classroom 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 are 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 permits the use of a training technique, such as video/DVD lecture, discussion, and 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. However, 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). Alba Hussain (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, Beavers 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, Beavers 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:

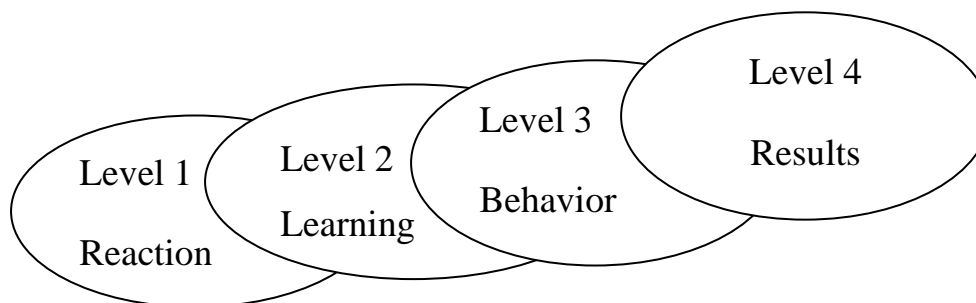
2.7.5.1 Kirkpatrick model for evaluating T&D outcomes

Dr. Donald Kirkpatrick (1924 – 2014) developed this model in the 1950s. The model can be implemented before, throughout, and following training to show the value of training to the business.

As outlined by this system, evaluation needs to start with *level one*, after which as time and resources will allow, should proceed in order through *levels two*, three, and four. Data from all of the previous levels can be used as a foundation for the following levels' analysis. As a result, each subsequent level provides an even more accurate measurement of the usefulness of the training course, yet simultaneously calls for a significantly more time-consuming and demanding evaluation.

Undoubtedly, the most widely used and in-demand method for the assessment of training in businesses nowadays is Kirkpatrick's system based around the four levels as guidelines. Many different types of companies have used the Kirkpatrick model for over 30 years as the major system for training evaluations. It is evident that Kirkpatrick's vision has made a positive effect to the overall practice of training evaluation.

Figure 2.1 Kirkpatrick model for evaluating T&D outcomes



Source: Kirkpatrick and Kirkpatrick (2009)

- 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 (Buckley and Caple, 1990). Such information could be collected through a questionnaire, feedback forms, on-line evaluation or verbal reactions.
- 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).

- 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?
- The result level; also known as organizational level. It refers to the measurement of the targeted outcomes that occur because 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.

Devin's 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, Beavers 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 (Beavers 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 many 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 (Fen 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 (Rosen Wald 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 play 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 (Krieger 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. However, 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 (Fen, 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 (Patricia 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

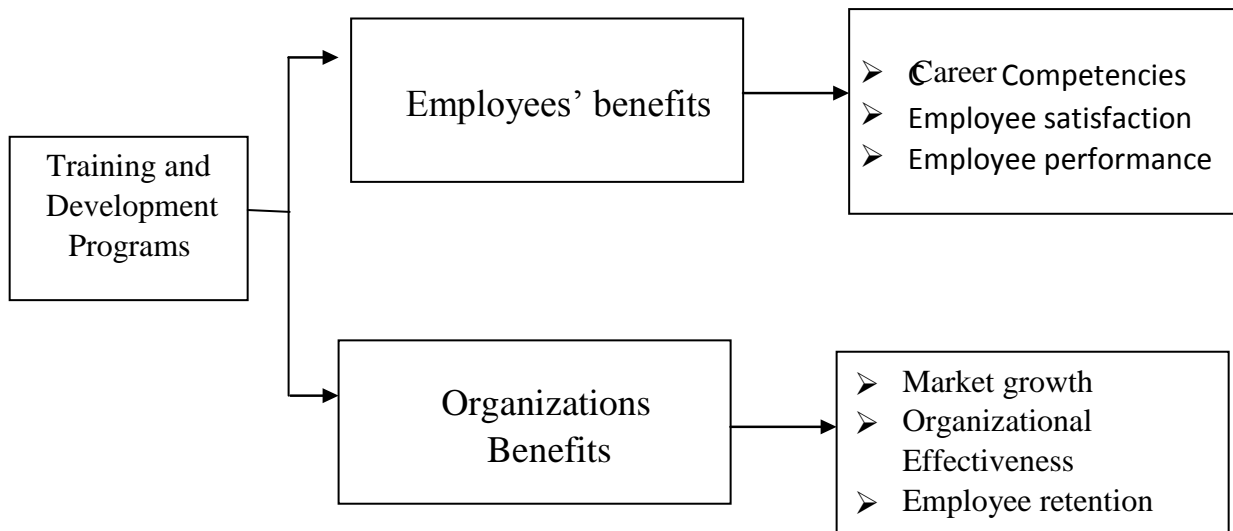
Training has been defined as mainly contributing factor to the organizational effectiveness (Schuler and MacMillan 1984). Exploration on this topic recommends that investment in training and development program can be justified by the impact it creates to developed individual and organizational effectiveness (Bartle, 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 (Rosen Wald 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 (Siegel and Deli Zia 1994). To retain employees, organizations need to think seriously about their investment in training and development (Leonard, 1998). However, numerous persons involved with employee training and development programs are not assured of a direct association between the programs and employee retention (Rosen Wald 2000). However, specific numbers of managers discover that a constructive learning environment pointed to higher retention rates (Dillich 2000).

Figure 2.2 the Benefits of Training and Development



Source: Dillich (2000)

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, Story and 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 outcomes 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 Relationship b/n training and 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 (Alleger, 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 can't 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, Kozlowski and Klein (2000) have offered an excellent analytical framework, which uses a multi-level approach to training. 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 programmes, 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. Because 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 (*ds* around 1.0 resulting from comparing training versus a no training or pretest

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 Agonies 2009, Krieger 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 d s (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 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 Garcia (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 effect 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.

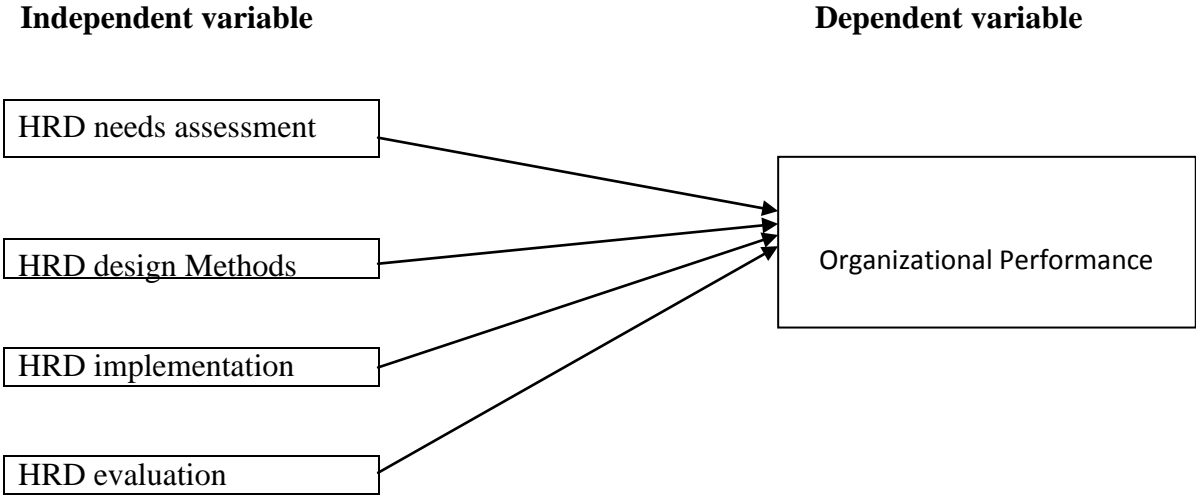
To contribute to the theoretical literature, a theoretical framework was developed and proposed to fulfill the requirement for analyzing training and organizations' performance issues. This framework is shown in Figure 2.12. The Figure is based on the fundamental premises of training processes, HR outcomes 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 effect on organizational performance.

2.13 Conceptual framework

The conceptual framework of this study is developed using the model presented below in figure 2.3.

Figure 2.3 conceptual framework



This model depicts HRD needs assessment have relationship with organizational performance, this model depicts HRD design have relationship with organizational performance, this model depicts HRD implementation have relationship with organizational performance and HRD evaluation have a relationship with 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

When the focus is on cause-effect relationships, the study can be explanatory explaining which causes produce which effects (Yin, 1994). Our concern in casual analysis is how one variable affects, or is „responsible for“, changes in another variable. The stricter interpretation of causation is that some external factor produces a change in the dependent variable.

Explanatory research which is grounded in theory is another research purpose type, and the theory is created to answer why and how questions. We are more interested in understanding, explaining, predicting and controlling relationships between variables than we are in detecting causes. Explanatory studies go beyond description and attempts to explain the reasons for the phenomenon that the descriptive study only observed. In an explanatory study, the researcher uses theories or hypotheses to represent the forces that caused a certain phenomenon to occur. Yin (1994) highlights that the boundaries between the categories are not always clear. The research purpose and research questions indicate that this study is mainly descriptive and explanatory, yet as exploratory in pilot test; this means that we are going to answer a „what“ question and also find out how causal relationship between independent and dependent variables in our conceptual framework will be established. That aims at explaining the training and development factors influencing organizational performance.

3.3 Type of Study

For the purpose of this research, the mean, standard deviation co-relational®ational 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 Population of the Study

The target populations of this study were permanent employees and managers in Ethio-Telecom, Southwest Region. According to Human Resource department of the Southwest Region (2019), there are 510 employees. These employees are working in different division and functional departments of the organization. The target employees would only permanent employees because they have consistent and accurate data about Training and Development in Ethio-Telecom, Southwestern region.

3.5 Sample Size and Sampling Techniques

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

$$n = \frac{N}{1 + N(e^2)} \quad \text{Where:}$$

n = the sample size

N=the study population

e = the level of precision

1 = designates the probability of the event occurring

Therefore:

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

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

3.6 Source of Data

The sources of data for the 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 determination 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 effect of HRD on organizational performance, a questionnaire was 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 was 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

Variable	Items	Scale	Sources
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. In addition, 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 employees of ethio telecom southwestern regional offices completed the structured questionnaire. 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 southwestern regional office administration. After permission granted, the questionnaires was 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. Validity and Reliability

3.9.1 Validity

Validity refers to whether an instrument measures what it was designed to measure; Hair et al. (2007) defined the validity as “the degree to which a measure accurately represents what is supposed to”. Validity is concerned with how well the concepts are defined by the measure(s). It also refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration. However, an instrument cannot measure the attribute of interest if it is unpredictable, inconsistent, and inaccurate. Leary (2004) mentioned about four types of validity: Internal validity, External validity, construct validity, and Statistical conclusion validity.

Internal Validity: is how the findings of the research match reality and as the researcher measure the things that are aimed to measure. As this specific study is cross-sectional field survey, this validity is addressed. Because cause and effect are measured at the time (Leary 2004). The other measure of internal validity is whether the finding shave strong foundation or not. Therefore, the finding in this specific study is strongly supported by the reality in the context and the general theory in the field.

External Validity: It refers to whether the observed associations can be generalized from the sample to the population, or to other people, organizations, contexts, or time (Leary, 2004). The more representative, the more confident we can be in generalizing from the sample to the population. Hence, the researcher addressed this validity by taking adequate sample that can represent the population.

Construct Validity: It examines how well a given measurement scale is measuring the theoretical construct that it is expected to measure. It can be classified as face validity and content validity. Face validity refers to is whether the instrument is measuring what it claims to measure. We use content validity when we want to find out if the entire content of the behavior/ construct/ area is represented in the test. We compare the test task with the content of the behavior. This is a logical, not an empirical one. Many constructs in social science research such as empathy, resistance to change, and organizational learning are difficult to define, much less measure. We can also assess the degree to which individual items represent the construct being measured, and cover the full range of the construct (content validity). In this study, the

researcher tried to address the construct validity through the review of literature and adapting instruments used in previous research and collect data to demonstrate that the empirical representation of the independent variable produces the expected outcome.

Statistical Conclusion Validity: It examines the extent to which conclusions derived using a statistical procedure is valid. Because qualitative research designs do not employ statistical test, statistical conclusion validity is not applicable. This type of validity was addressed through selection of the right statistical method used for measuring the variables. Since this specific study is quantitative, it is worthy full to consider the issue of statistical conclusion validity.

3.9.2 Reliability

Reliability refers to is whether an instrument can be interpreted consistently across different situations. Reliability differs from validity in that it relates not to what should be measured, but instead to how it is measured. Hair et al. (2007) defines reliability as the extents to which a variable or a set of variables is consistent in what it is intended to measure. Duffy, and Kilbourne (2001) asserted, Cronbach is α measure the consistency with which participants answers items within a scale. Duffy et al. (2001) further stated, a high α (greater than .60) indicates that the items within a scale are measuring the same Construct.

Table3.2 Reliability measure of the Variables

Scale	No of Items	Cronbach's Alpha
Training need Assessment	5	.863
Training Design method	5	.905
Training Implementation	5	.869
Training evaluation	5	.888
Organizational performance	9	.922

Source: Own Survey, 2020

3.10 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 use 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 was 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.

3.11 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 process. 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 the 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 effect 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

	Total	%
Questionnaire distributed	146	100
Questionnaire returned	146	100

4.1.2 The respondent profile

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

Table 4.2 Classification of Respondents based on gender

Gender	No. of Respondents	Percentage
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

Qualification	No of Respondents	Percentage
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 postgraduate and above 16 respondents 11% in percent.

Table 4.4 Classification of Respondents based on experience

Experience	No. of Respondents	Percentage
>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 experienced.

4.2 Descriptive analysis

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

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 southwestern 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 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. As we know the Training need Assessment is raised from the managers and other top-level employees in the organization, but the Researcher is prepared the questionnaires' that, is training need Assessment is affect the organization performance? The respondents answer as if in the above table so large extent mean that these factors are highly influenced the dependent variable and ells other by order. In addition, the HRD section made Survey analysis before the training is given at that time the employee is aware about the training assessment.

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

Items	Mean	SD
TNAQ4	4.28	0.203
TNAQ1	4.02	0.415
TNAQ2	3.37	0.602
TNAQ5	3.06	0.441
TNAQ3	2.09	0.341
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 southwestern region. To achieve this, the respondents were required to indicate to what extent training design methods affects the organizational performance in ethio telecom southwestern 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

	Frequency	Percent
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

Items	Mean	SD
TDQ 4	4.32	0.136
TDQ 5	4.26	0.483
TDQ 1	4.21	0.347
TDQ 3	4.05	0.137
TDQ 2	3.42	0.155
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 well-trained trainers formulate training design 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 knowledges 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

	Frequency	Percent
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

Items	Mean	SD
TIQ 1	4.43	0.673
TIQ 3	3.45	0.375
TIQ 4	2.12	0.811
TIQ 5	2.11	0.501
TIQ 2	2.02	0.353
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 telecom the southwestern 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.

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 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, 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, 3neither agree nor disagree, 4=agree and 5=strongly agree. The findings are summarized blow in table 4.12

Table 4.12 Extent evaluation of training influence Organizational Performance

Items	Mean	SD
TEQ 3	4.11	0.240
TEQ 1	3.21	0.129
TEQ 5	3.17	0.240
TEQ 2	2.31	0.165
TEQ 4	2.29	0.147
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), 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 employee’s 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 southwestern region. The findings are summarized in the table below in table 4.13

Figure 4.13 organizational Performance

	Frequency	Percent
Greatly improved	33	22.6
improved	89	60.9
constant	18	12.3
deteriorated	6	4.1
Greatly deteriorated	1	0.68
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 southwestern 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 4.13 Organizational Performance

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

As shown on table 4.14, 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 etc... Therefore, according to the interviewee, if the organization achieves its set of goals at each evaluation accordingly with the timetable, 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 indicate 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	0.787	1			
Training implementation	0.929	0.771	1		

Training evaluation	0.753	0.530	0.731	1	
Organizational performance	0.527	0.425	0.487	0.814	1

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

Correlations

		Training need assessment	Training design	Training implementation	Training evaluation	organizational performance
Training need assessment	Pearson Correlation	1	.787**	.929**	.753**	.527**
	Sig. (1-tailed)		.000	.000	.000	.000
	N	146	146	146	146	146
Training design	Pearson Correlation	.787**	1	.771**	.530**	.425**
	Sig. (1-tailed)	.000		.000	.000	.000
	N	146	146	146	146	146
Training implementation	Pearson Correlation	.929**	.771**	1	.731**	.487**
	Sig. (1-tailed)	.000	.000		.000	.000
	N	146	146	146	146	146
Training evaluation	Pearson Correlation	.753**	.530**	.731**	1	.814**
	Sig. (1-tailed)	.000	.000	.000		.000
	N	146	146	146	146	146
Organizational performance	Pearson Correlation	.527**	.425**	.487**	.814**	1
	Sig. (1-tailed)	.000	.000	.000	.000	
	N	146	146	146	146	146

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

The analysis above shows that training and development implementation has the strongest positive (Pearson correlation coefficient =.929; P value 0.000) influence on organization performance. In addition, training and development needs assessment, design and evaluation 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.

Thus, the significant relation between the variables indicates that having good in one will result being good in the other and vice versa.

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

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.841 ^a	.707	.699	.40758

a. Predictors: (Constant), training evaluation, training design, training implementation, training need assessment

The four independent variables studied explain 70.7% of the organization performance as represented by the R². This means that other factors not studied in this research contribute 29.3% 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 public sector in ethio telecom southwestern regional offices. The study identifies variables as critical determinants of organizational performance.

Table 4.16 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	56.549	4	14.137	85.100	.000 ^b
	Residual	23.424	141	.166		
	Total	79.973	145			

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

a. Dependent Variable: organizational performance

b. predictors: (Constant), training need assessment, training and development design methods, training and development implementation, training and development evaluation.

The significance value is 0.000 which is less than 0.05 thus the model is statistically significance 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 88.33. Since F calculated is greater than the F critical (value = 85.1), 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.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.409	.154		9.129	.000	1.104	1.714
	Training need assessment	-.088	.095	-.127	-.927	.356	-.276	.100
	Training design	.149	.049	.230	3.011	.003	.051	.246
	Training implementation	-.223	.089	-.318	-2.511	.013	-.399	-.048
	Training evaluation	.792	.055	1.021	14.369	.000	.683	.901

a Dependent Variable: organizational performance

To achieve the objectives of this study, the following four Alternative hypotheses were formulated for testing.

Ha1: The extent to which training need Assessment affects Organizational Performance is significant.

Ha2: The extent to which training design affects organizational performance is significant.

Ha3: The extent to which training& development implementation affects Organizational performance is significant.

Ha4: The extent to which training evaluation affects Organizational Performance is Significant.

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 ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$) becomes:

$$Y = 1.409 + (-0.088X_1) + 0.149X_2 + (-0.223X_3) + 0.792X_4$$

Where Y is the dependent variable (organizational performance), β_0 is the regression constant, ϵ is the error term, β_1 , β_2 , β_3 , and β_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 1.409. 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 -0.088 decrease in organization performance; a unit increase training and development design methods will lead to a 0.149 increase in organization performance, a unit increase in training and development implementation will lead to a -0.223 decrease in organization performance and a unit increase in training and development evaluation will lead to a 0.792 increase in organization performance. This infers that training and development evaluation contribute most to the organization performance followed by training Design. At 5% level of significance and 95% level of confidence, training and development needs assessment had a 0.356 level of significance, training and development design methods showed a 0.003 level of significance, training and development implementation showed a 0.013 level of

significance, and training and development evaluation showed a 0.000 level of significance hence the most significant factor is training evaluation.

CHAPTER FIVE

SUMMARY OF MAJOR FINDING CONCLUSIONS AND RECOMMENDATIONS

5.1 Major findings and Conclusions

According to the descriptive analysis of this research 62.4 percent agreed that there is good HRD practice in the organization. 67.1% believe that their organization have good HRD implementation practice. The majority 80.8% of the respondents also support the organization evaluate the HRD programs more effectively. More over the correlation used to measure the degree of association between two all variables. The person's correlation analysis showed that the four independent variables have positive influence on organization performance. Thus, the independent variables are very crucial determinants of organization performance as shown by their strong and positive relationship with the dependent variable organization performance. However, the relation between HRD implementation & evaluation to organizational performance was show the significant relationship.

The four training and development independent variables studied explain 70.7% of the organization performance as represented by the R^2 . This therefore means that other factors not studied in this research contribute 29.3% 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

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

To examine the effect between HRD needs assessment and organizational performance.

The study had shown that there is a positive relationship between HRD needs assessment and organizational performance, this is presented that HRD needs assessment was systematically conducted in the organization.

To determine the relationship between HRD design and organizational performance.

The study had shown that is significant relationship between HRD design and organizational performance in the study organization.

To investigate the relationship between HRD implementation and organizational performance.

The study had shown that there is significant relationship between HRD implementation and organizational performance in the study organization.

To determines the relation between HRD evaluation and organizational performance.

The study had shown that there is a positive relationship between HRD evaluation and organizational performance. Among all variables, HRD evaluation had a major influence on organizational performance. This is because it was found that human resource development departments has 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 HRD programs conducted in the organization.

Generally, this study had indicated the importance of human resource development practices specifically HRD need assessments, HRD design, training implementation and evaluation influencing organizational 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.
- 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.

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APPENDIX A
Jimma University
College of business and economics
Department of Management
Master's in Business Administration

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 effect 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 master's in Business administration 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 effect on organizations' performance. 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.

Andualem Alebachew

Part one

Circle the number in the box provided against your choice

Demographic Data

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

Part two

Circle the number provided against your choice for each question

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
	Training and development Need assessment					
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 trainee's capability and level of motivation was considered in prioritizing needs					
Training and development design		1	2	3	4	5
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.					
Training and development implementation Methods		1	2	3	4	5
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					
Evaluating Training & development Programs		1	2	3	4	5
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					
Organizational performance		1	2	3	4	5
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 employees '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 evaluate?