HUMAN RESOURCE DEVELOPMENT PRACTICE IN AMBO MINERAL WATER SHARE COMPANY

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Human Resource Development Practice on Ambo Mineral Water Share Company
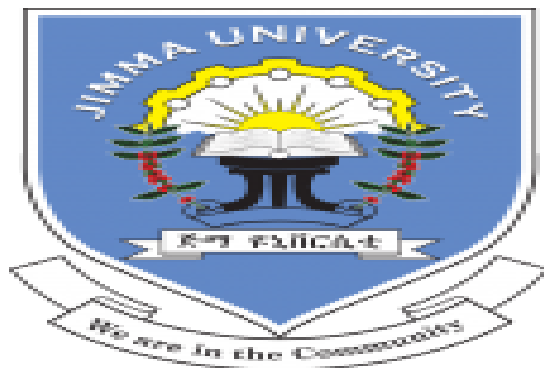
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DECLARATION

I hereby, declare that this work entitled **"Human Resource Development (HRD) practice: A Case Study on Ambo Mineral Water S.C."** is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged.

I have produced it independently except for the guidance and suggestion of the Research Advisors Ato Girmaw Assimie and Ato Kedir Abrahim. This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of Masters in Business Administration [MBA]

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Signature_____

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Abstract

HRD climate helps the employees to acquire required competencies that would enable them to execute their present or future expected roles and aids in developing their capabilities for better Organizational Performance. This study is aiming at investigating employee development practice in Ambo mineral water factory. The study is based on the responses sought from 48 managers, supervisors and employees of the company. The researcher used convenience sampling method to select target population, some qualitative and quantitative information was gathered using primary and secondary data. The primary data was collected through a well-structured questionnaire and secondary data were gathered from relevant literatures to achieve the intended objectives. Primary data is collected through questionnaire and the questionnaires relating to the HRD Climate developed by Rao and Abraham,1985 and the questionnaires relating Job Satisfaction developed by Daftuar, C.N,1997 was administered to the sample population and the secondary data collected through investigation of related literature.

The collected data is analyzed using descriptive statistics model SPSS version 20 and spread sheet. According to the descriptive analysis of this study the mean score of HRD practice of the organization is found in Moderate range. This indicates that Employees of the factory is moderately satisfied with existing HRD practice.

Key Words: HRD climate, the OCTAPACE culture, HRD mechanism, and Job satisfaction

ACKNOWLEDGMENT

Abbreviation and Acronyms

HR   Human Resource

HRD   Human Resource Development

HRM   Human Resource Management

SC   Share Company

ML   Milliliters

PLC   Private Limited Company

OCTAPACE   Openness, Confrontation, Trust, Autonomy, Proactive, Autonomy,

Collaboration and Experimenting

XLRI   Xavier Labor Relations Institute (India)

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CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Globalization dominates the competitive horizon and entails new markets, new products, new mindsets, new competencies and new ways of thinking about business. A major challenge for any organization in this era of international competition seems to be 'survival and sustainability' among cut-throat competition. It is increasingly argued that the organizations whose best able to meet the challenges will be those that can acquire and utilize valuable, scarce and inimitable resources (Barney, 1991). Human resources can fall into this category, particularly, if they are effectively deployed through appropriate human resource practices and management of organizational culture (Barney and Wright, 1998). Human resources being one of the important factors of production, HRD is needed to develop competencies of individual employees through its various interventions.

Human resources to day provide the greatest challenge as well as the opportunity to an organization. The people come to the organization with diversity of skills, needs, goals, and expectations. But at the same time, the employees today, are free, within limits, to leave the organization causing a significant risk to the organization incurring intellectual capital loss unless individual knowledge, is transferred, shared, transformed and institutionalized (Youndt, 2000).

It will depend on the policies of the management that the employees do not leave the organization. However, it is worth noting that sustainable competitive advantage is attained when the firm has a human resource pool that cannot be imitated or substituted by its rivals (Barney, 1991). This in turn requires Industries to look inward for the development of human resources. Further, to develop and maintain their competitive edge, the potential value of the employees needs to be increased by enhancing and linking their skills and capabilities in tune with the contemporary requirements of the market(Singh,2005).

The human resource development (HRD) has emerged as one of the most important function of human resource management which enables management to achieve its goals of productivity, efficiency and profitability and provides stability to the organization. "People" are the most important and valuable

resource for every organization. Dynamic people build dynamic organizations and effective employees contribute to the effectiveness of the organization. Competent and motivated people make things happen and help the organization to achieve its goals. Organizations, therefore, need to contribute to the dynamism, competency, motivation, efficiency and effectiveness of the employees continuously.

However, the development of human resources in an organization depends on the philosophy of the top management. The top management of an organization makes assumptions about the human resources. The organizational effectiveness will depend on the degree to which these assumptions are translated in to reality. A strong conviction of the top management that its people are significant assets of the organization and capable of being develop dis a pre-requisite of HRD which helps to attract, retain and develop people (Masri, 2009). Further, work relationships are guided by HR philosophy which creates enabling developmental climate of trust, team-spirit, openness, pro-activity and collaboration.

HRD is an instrument which improves the capacities and capabilities of the people in relation to the needs of the organization. It involves the creation of climate in which the flower of knowledge, skill, capabilities and creativity can bloom. It involves the processes through which the employees of an organization are prepared to give their best for organizational goals and involve optimal effectiveness in their jobs. It involves setting up of a system through which the employee capabilities and potentials can be tapped to the mutual satisfaction of the individuals and the organization (Jain et al,1995).

Top Management today are working in a volatile environment, they have to understand that healthy HRD practices can help to assimilate change in systems, structures, technologies, methods and environment. They must realize the significance of Human Resources in the organization. They must realize that, unless individual competencies are not enhanced, the organization cannot survive in the competitive market. There is need to share and disseminate knowledge at all levels in the organization. The people are to be treated as a crucial part of the organization. As such, their active involvement is required for the achievement of organizational goals. The management is facing a great challenge in retaining human resources. Sometimes, investment made in them seems to be wasteful. Effective HR policies can prevent loss due to brain drain for the organization (V.K Jain, 2013).

The policies and philosophy of the top management are therefore, quite significant in development of individual skills, knowledge and competencies. This will enhance organizational efficiency and overall productivity. But the HRD programs in an organization cannot be implemented without the commitment and willingness of the top management. The present study is an attempt to find out as to what extent the top management of organizations are committed to the development of human resources (V.K. Jain,2013).

According to Antomioni (1999), "the amount of effort people is willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied through HRD practice of the organization. On the other hand, individuals become de-motivated if they feel something in the organization prevents them from attaining good outcomes.

It has been suggested that the level of employees' satisfaction with the HRD practices are among the most important criteria to consider when assessing the HRD practices. (Hooi Lai Wan,2007). Employees' satisfaction with the organization HRD practices can be expected only when the practices incorporate employees' needs. Therefore, in assessing and improving the existing practices, the level of employees' satisfaction with the practices is worth to consider.

1.2. Historical Back Ground of Ambo Mineral Water Factory

Ambo Mineral Water has been bottled since 1930. The last emperor of Ethiopia used to travel here to drink the water, which has been described as "holy water (Tsebel)" by local residents per its prized status for having alleged curative properties. Local residents have stated that the water can improve digestion, be used as to ease rheumatism (disorder of muscle, joints, bones) and can cure illnesses of the stomach. Generations ago, local farmers noticed lost cattle drinking the water and the water is sourced from a thermal mineral spring that has significant amounts of "natural calcium, magnesium, potassium, bicarbonates and carbon dioxide". The water is naturally carbonated by the carbon dioxide at the source. The water is derived from a volcanic pressure from which it runs down a stream in a mountain environment, and is located in Ambo Senkele, Ethiopia. Ambo Senkele is approximately 115 kilometers from Addis Ababa.

Nowadays the company was purchased by SABMiller in 2009. In 2011, SABMiller invested around USD $20 million modernizing the bottling plant and operations. After these improvements, the plant produced 40,000 glass bottles hourly. Previous output was approximately 12,000 bottles per hour. In November 2014, Ambo Mineral Water was jointly purchased by SABMiller PLC and South West Development, with plans to join Coca Cola as SABMiller. During this time, it was announced that Coca Cola Company and Coca Cola Sabco were going to form a new company named Coca-Cola Beverages Africa.

Currently Ambo mineral water is exported to more than 10 countries they are Kenya, South Africa, Sudan, Saudi Arabia, the United Arab Emirates, England, Sweden, the United States and Toronto, Canada. It is bottled in 330 ML, 500 ML, 750 ML 1000 ML and 2000 ML bottles. The bottling plant operates 24 hours a day. And also, Ambo Mineral Water began to be packed in plastic bottles relatively recently, and prior to this was packed exclusively in glass bottles. New products called Circa was introduced since November 2014 were Ambo flavored water, which was formulated in several flavors, and Ambo Lite, a product with a lower mineral and carbonation content (https://en.wikipedia.org/wiki/Ambo_Mineral_Water).

1.3 Statement of The Problem

Human Resource Development is a continuous process which ensures the employee development in a systematic and planned manner. It aims at developing the competencies of the employees on the one hand and building organizational culture on the other to utilize these competencies and contribute to the organizational growth (Dr. V. K. Jain).

Business Industries needs to look inward for the development of human resources. Further, to develop and maintain their competitive edge, the potential value of the employees needs to be increased by enhancing and linking their skills and capabilities in line with the contemporary requirements of the market (Singh, 2005). The human resource development (HRD) has emerged as one of the most important function of human resource management which enables management to achieve its goals of productivity, efficiency and profitability and provides stability to the organization. "People" are the most important and valuable resource for every organization. Dynamic people build dynamic organizations and effective employees contribute to the effectiveness of the organization. Competent and motivated people make things happen and help the organization to achieve its goals. Organizations, therefore, need to contribute to the dynamism, competency, motivation, efficiency and effectiveness of the employees continuously.

So many research are conducted on HRD practice, among this a research conducted by Aruna Gumage to determine the Impact of HRD practice on organizational performance of small and Micro enterprise of Japan indicated that there is strong relationship between HRD practice and operational performance of the organization

An empirical investigation conducted by Ajat Solkhe on HRD climate and Job satisfaction shows that HRD climate has a definite impact on Job satisfaction which in turn leads to the increase on organizational performance

An Empirical Study by Mulatu Takele on Amhara and Benishangul Gumuz Regions, to examine employees' perception about HRD climate in relation to job satisfaction in the public sector (civil service organizations) of Ethiopia shows that the extent HRD climate and the HRD climate elements

are all below average, i.e., they are indicating the existence of very poor HRD climate in the selected bureaus or in the public sector of Ethiopia.

Therefore, this study will try to analyze the extent to which employees satisfied with different dimensions of HRD practices in Ambo Mineral Water Factory. To this end, the research will try to answer the following research question:

➢ What is the extent of HRD climate and Its elements perceived by employees and its relationship with Job satisfaction in the Ambo mineral water share company?

➢ What are the major issues in HRD practices which affect employees' satisfaction in the organization?

➢ What is the level of employees' satisfaction with the guidance, encouragement and support provided by their manager/supervisor for employee development?

1.4 Research Objectives

1.4.1 General Objective

The main objective of this study was to assess HRD practices of Ambo mineral water factory.

1.4.2 Specific Objectives

Specifically, the research was under taken to: -

➢ To examine the extent of HRD climate perceived by the employees in the Factory and identify the level of employees' satisfaction with the existing HRD Practice.

➢ To Determine the extent of compliance on HRD practice.

➢ To know employees' perception towards their managers/supervisors' support in provided guidance and encouragement for employees' development.

1.5 Significance of the Study

This study assesses the existing HRD practice in Ambo mineral water share company. The result of this project is significant in various respects. Firstly, the study draws some Suggestion and identify factors that influence employees' satisfaction on existing HRD practice of the Factory. It is expected that the management of the factory will take the necessary measures to enhance employee satisfaction on HRD elements after going through the findings and recommendations given by the researcher. Thus, it will give signal to the human resource management of the factory to take remedial action. Secondly Furthermore, the study will add to the existing literatures and may serve, as additional source for reference. Thirdly, it gives the researcher the opportunity to gain deep knowledge in contemporary practice of human resource development. And also helps the researcher to fulfill requirement for the partial fulfillment for master's degree in business administration.

1.6 Scope of the study

The scope of this thesis was mainly focused on assessing the existing Human Resource development practice in the Ambo Mineral Water Share Company. Among different variables of HRD components, this research was mainly focus on HRD Climate, HRD Mechanism, HRD Culture and their impact on Job satisfaction. Hence, it is intended to identify level of employee satisfaction on the existing HRD practice and to determine extent of compliance on HRD elements and draw suggestion based on finding of the research. Due to scattered geographical location of sales offices of the company the research conclusion drawn based on sample taken from on Ambo mineral water factory at plant level only.

1.7 Organization of the study

To examine HRD practice on Ambo Mineral Water Share company, this thesis is structured as follows. Chapter one is the introduction part which contains background of the study, historical background of the company, statement of the problem, research objective, significance of the study, scope of the study, and organization of the study. Chapter two presents a discussion on related literature review composed of theoretical and overview of HRD practice. Chapter two constitutes definition, concept, historical prospective, Theoretical foundation, Emergence (need), objective and benefits of HRD, philosophy and Components of HRD, HRD climate and Organizational culture and finally deals about future prospective of HRD. Chapter three outlined the research design, source and types data used in the research, sampling design, data analysis techniques and Ethical consideration. Chapter four presents the results and analysis from descriptive statistics like analysis of demographic characteristics, analysis of HRD climate analysis of HRD Mechanism, analysis of organizational culture and analysis of job satisfaction. Chapter five presents conclusion, recommendation of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Human Resource Development (HRD) is a subject fascinating paramount significance at all type of organization and it is much more of exceptionally important in a developing and the most of the organizations. The real-life experiences substantiate the assumptions that no matter how automated the activities of an organization may become, it is extremely challenging to manage it unless the human efforts are integrated with them. This realization has propelled HRD as a major area of study in recent years (Matthews et.al, 2000). The competitors can buy same or better machines or materials, but the difference between the high performing company and the one performing low lies in its people. An organization can rise only up to the level its people can take it to. HRD also associates the growth of the organizations with the development of its employees.

Human resource development is the process of developing the human resource working in an organization by modernizing their knowledge and upgrading their skills, attitudes and perceptions in order to meet out the changing trends of the globalized economy and also to utilize those developments for the attainment of the organizational goals (Michael, 1995). In the scenario of globalization and liberalization, it is extremely important to understand the real worth of the people in any organization. It is not sufficient to address people as the strategic asset of the organization but to believe that they are the real and the most important asset in any organization. People are not just the packet of acquaintance and skills but they are the free agents who are proficient of handling the competition and dynamism of this era with their potential and are capable of bringing massive values to an organization. HRD as an activity is extremely significant in achieving organizational excellence i.e. to excel with people, process and performance. To be a survivor in the present scenario of cut-throat competition, the organizations have to develop some appropriate HRD strategies to manage their work force in an organized manner and align their potential with that of their corporate missions and objectives (Deb, 2010).

Before going into the depth of the subject, it is worthwhile to comprehend the term clearly.

The term 'HRD" comprises of two words i.e. 'Human Resource' and 'Development' which has to be defined separately. 'Human resources' in a general way are the people and their characteristics at work either at the national level or organizational level. In the words of (Megginson, 1982) " From the national point of view, human resources are knowledge, skills, creative abilities, talents and attitudes obtained in the population; whereas from the viewpoint of the individual enterprise , they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes of its employees" and 'Development' is the acquisition of capabilities that are needed to perform the present job or the future expected job.

Human Resource Development aims at assisting people to acquire competencies that are being required to perform their duties in an efficient manner and to let the organization ripe the fruits of their know-how and talents. HRD is a process which is needed to make the people grow continuously and growth of people will ultimately lead to the growth and development of the organization (Rao and Pereira, 1986). It is the fundamental responsibility of HRD department to develop their manpower in a manner that could make them capable enough of handling the managerial obligations in a pervasive way and to sharpen their know-how in direction of meeting out the dynamic challenges of time (Michael,1995). Since, human resources are considered to be the lifeblood of any innovative enterprise, their development and growth will also become the concern of the organization they are working with. HRD as an activity and as a process plays a crucial and noteworthy role in identifying the hidden potential of the workforce employed in the said organization and to polish their skills, talents and technical knowledge in order to develop them and to prepare them for facing the challenges on their own. It aligns the goals of the individual human and of the organization for the sole purpose of their fulfillment. Human resource is the most vital resource of any organization and with the rapidly changing market conditions, rising expectations of employees, technological advancement and amendments in management systems have necessitated the acknowledgement of development aspect for human resource and to recognize the significance of their up gradation and progression (Rao,2005). Hence, we could say that HRD is an organized learning experience aimed at matching the need of the organization with those of the need of the individuals for career growth and development. It is a systematic process of producing behavioral changes in human workforce to develop their knowledge and skills to become capable of facing the competitive edge in today's globalized era.

2.2 Definitions of HRD

To appreciate the significance of the term 'HRD' many economists, thinkers, social scientists, and industrialists come forward to define the term from different aspects. Certain eminent definitions of HRD are: "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" (Kelly, 2001).

In the words of M.N. Khan "HRD is the process of increasing knowledge, skills, capabilities and positive work attitude and values of all people working at all levels in a business undertaking".

According to (Pareek, 1991), "HRD is a new systematic approach to proactively deal with issues, related to individual employees and teams, and organizations and a movement to develop organizational capability to manage change and challenge".

Sanker observes, "HRD is a development-oriented planning effort in the personnel area which is basically concerned with the development of human resources in the organization for improving the existing capabilities and acquiring new capabilities for achievement of the corporate and individual goals".

Dr. Len Nadler says, "HRD means an organized learning experience, with an objective of producing the possibility of performance change".

According to T.V. Rao, HRD is a continuous process to:

- Acquire or sharpen capabilities required to perform various functions associated with present and future needs of the job.

- Develop their general capabilities as an individual and enable them to exploit their inner potential.

- Develop a congenial organizational climate in which dyadic relationship and team collaborations among sub-units are strong and contribute to the professional well-being of employees.

Stewart and McGoldrick, 1996 wrote authoritatively in the HRD area, suggest that the question of what is HRD is not agreeable to any definite answer, therefore he offered a 'tentative' definition of HRD as follows: "Human resource development encompasses activities and processes which

are intended to have impact on organizational and individual learning. The term assumes that organizations can be constructively conceived of as learning entities, and that the learning processes of both organizations and individuals are capable of influence and direction through deliberate and planned interventions. Thus, HRD is constituted by planned interventions in organizational and individuals are capable of influence and direction through deliberate and planned intervention". With the advent of globalization, where mergers and acquisitions are taking place, there exists a difference among the perceptions and practices of HRD in different countries, there national culture is reflected in their thoughts having influence of their internal environment of their economy.

Therefore, the definition given by Swanson and Holton (2001) has been referred as the Western Definition of HRD which is- "HRD is a process for developing and unleashing human expertise through organization development and personnel training and development for the purpose of improving performance"

Since more and more organizations are going global and the whole world is emerging as one single economic market there is a need for a global concept of HRD which is applicable everywhere. In this regard G.N. McLean and L.D. McLean offered a definition which could be termed as the Global definition of HRD which is as follows: "HRD is any process or activity that, either initially or over the long term, has the potential to develop work based knowledge, expertise, productivity and satisfaction, whether for personnel or group/ team gain, or for the benefit of an organization, community, nation or ultimately, the whole of humanity". And all the national, Western and global definition gives birth to a new definition of HRD suggested by Lynham and Cunningham, 2004- "HRD is a process or processes of organized capability and competency-based learning experiences undertaken by employees with a specified period of time to bring about individual and organizational performance improvement, and to enhance national economic cultural and social growth".

2.3 Concept of Human Resource Development (HRD)

Human resource development is a people orientated concept that specializes in developing the capabilities, knowledge and abilities of employees. It pursuits at the general improvement of the human resource so that you can make contributions for the properly-being of the employees, agency and the society at huge.

The paradigm of HRM has undergone speedy transformation inside the ultimate decade, from comparative advantage to a state of continuous innovation, intelligent framework and strategic intent for competitive advantage. Today's personnel are more demanding and have high aspirations. They demand early up-gradation of their skills and competencies. This implies that the organizations should develop appropriate HRD policies and take care in formulating and implementing such policies by keeping in mind the objective of the firm and integrating those objectives with that of the organization (Deb, 2010).

Accordingly, HRD has proved and has been accepted widely as one of the most effective tools that ensure the overall development of the organization. It is a process which aims at developing the know-how and skills of the human resource in an organization and to upgrade their potential in order to make them competent enough to beat the competitive edge.

Development means improving the existing capabilities to the work force and helping them to acquire required capabilities for the achievement of corporate goals integrating those with the individual goals. HRD is a process, not merely a set of mechanisms. HRD is an area of study which is getting broader and broader with time. Many eminent writers have contributed in this regard and the concept is being getting wider. Hence, the diverse concepts of the subject also kept in vigilance the development aspect and embark on the importance of improvement of skills and talents, knowledge and working behavior of the human resource. Development is the acquisition of capabilities that are needed to perform the present job or the future job in well-organized manner.

2.4 Historical Prospective of HRD

The early part of the century witnesses a concern for improved efficiency through careful design of work. Emphasis of improved efficiency had been shifted to the availability of the managerial personnel and employee productivity during the middle of the century. Recent decades have focused on the demands for technical personnel, responses to the new legislation and regulatory framework of the government, increased concern for the quality of working, Total Quality Management (TQM), and a renewed emphasis on productivity. The term HRD has been growing at a very fast pace in the recent years. But the formal introduction of the concept was done by Prof. Len Nadler in 1969 in American Society for Training and Development Conference. The development of human resources in UK and USA was largely voluntary. The intended purpose of HRD efforts is to gain a competitive advantage in the market place through a superior workforce (Pattanayak, 2005). There are several trends from which the concept of HRD has emerged. Let us look into those trends more closely by examining the transformation of personnel function from one stage to another in a chronological sequence.

Table 1. Evolution of HRD in a Chronological Sequence

Concept	Description
The Commodity Concept	Human resource was referred as 'a commodity' to be bought and sold. Wages were decided on the basis of demand and supply forces. Government also did not care much about the work force at that time.
The Factor of Production Concept	Labor is treated as any other factor of production, viz; money, material, land, etc.
The Goodwill Concept	Welfare measures like safety, first aid, lunch room, rest room etc. These measures proved to be a source of boosting up the morale of workers, and enhancing their performance.
The Paternalistic Concept	Management must assume a fatherly and protective attitude towards employers. Paternalism does not mean merely providing benefits but it signifies to satisfy various needs of employees just as parents meet the requirements of the children.
The Humanitarian Concept	To improve the productivity, physical, social and psychological needs of workers must be fulfilled. Elton Mayo and some other along with him stated that money is less a factor in determining output, than group standards, group incentives and security. The Organization is a social system that has both economic and social dimensions.
The Human Resource Concept	Employees are the most valuable assets of an organization. There should be a conscious effort to realize organizational goals by satisfying needs and aspirations of employees

The Emerging Concept of HRD	Employees should be accepted as partners in the progress of a company. They should have a feeling that the organization is their own. To this end, managers must offer better quality of working life and provide opportunities to people to exploit their potential fully. There should be opportunities for self- fulfillment in one's work.

Source: Rao, V.S.P (2005), Excel Books, New-Delhi

From the Commodity concept, going through the factor of production, goodwill and paternalism, the era of concepts moves towards the humanitarian and human resource concept and finally reaching to the concept of HRD. Therefore, the above-mentioned table exhibits the chronological arrival of various concepts that have prevailed and are prevailing in the society at large. (Rao, 2005)

2.5 Theoretical Foundations of HRD

The field of Human Resource Development (HRD) in the organizational context has been borrowed from other disciplines such as Psychological theory, economic theory, and system theory. A theory is a general statement or set of related statements about cause and effect, actions and reactions. The main purpose of discussing these various foundations is to acknowledge the fact that HRD should continue to develop as a discipline and the integration of economic, psychological and System theories serve as a unique theoretical foundation of human resource development.

➢ **Economic Foundation of HRD: -** Business traced its roots in the early stages of human civilization in one form or the other and every business activity is necessarily an economic activity. To give and to take has been the two aspects over which the base of business lies. In the earlier period of time, it was carried out on individual basis, but with the passage of time it turns out in the shape of a formal and an organized structure, which is popularly known as an 'Organization'. The economic justification of having HRD in the organizational context is depicted below:

Figure 1: Economic Foundation of HRD


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                    ┌─────────────────────┐
                    │   Economic Theory   │
                    └─────────────────────┘
                      ↗                 ↖
┌────────────────┐   ┌─────────────────────┐   ┌────────────────┐
│  Human Capital │ → │   Human Resource    │ ← │  Organization  │
│                │   │     Development     │   │     Theory     │
└────────────────┘   └─────────────────────┘   └────────────────┘
        ↘                     ↓                     ↙
        ┌──────────────────────────────────────────────────────┐
        │ Performance Improvement in Organization, Community and │
        │                       Society                          │
        └──────────────────────────────────────────────────────┘
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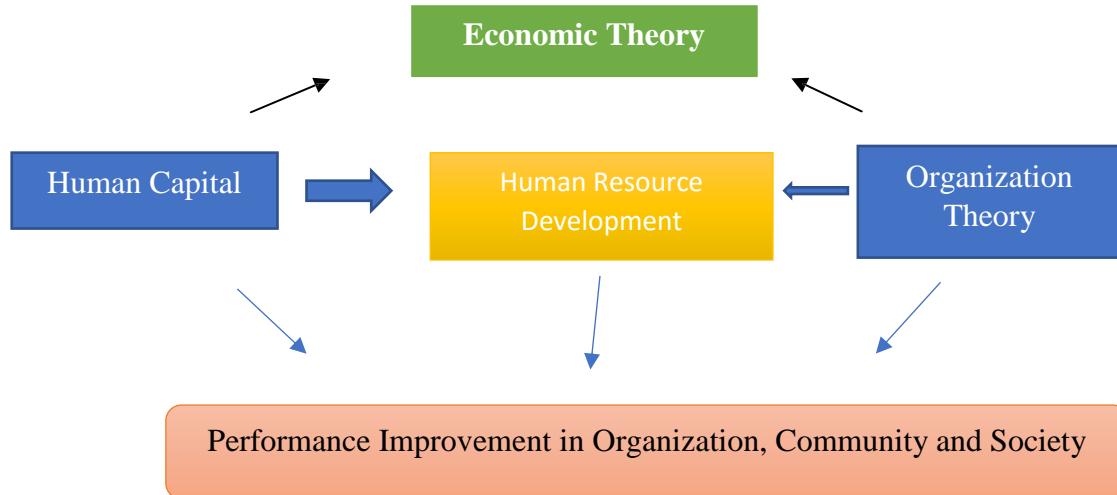
Source: Deb, 2010

An organization is an organic entity through which business is carried out primarily for achieving economic objectives of the organization. As could be seen from the above figure 2.1, it is being represented that the economic theory holds the epicenter position in the evolution of the concept of human resource development in context of an organization. Economics is the study of how scarce resources are optimally utilized and how these scarce resources are allocated. It consists of certain concepts of efficiency which could help in designing a framework for ensuring maximum societal well-being. Thus, economics is considered to be the theory of Human Behavior.

➤ **Psychological Foundation of HRD**: - From the organizational point of view, psychology is concerned about the individual behavior at work. For an organization to be effective and well-organized in the present competitive edge and global scenario, it must take great care of maintaining a cohesive working environment where the working conditions are integrated with the talents and skills of the human resource. The application of psychological tools to solve problems of the employees working in the organizations facilitates their integration with the organizational climate and results in enriched and enhanced performance.

Figure 2. Essentials of a Psychological Theory
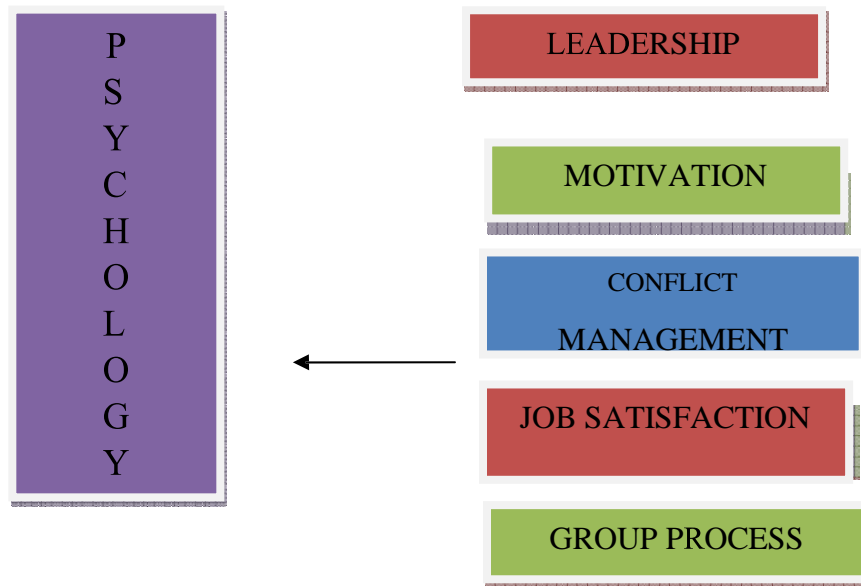
Source: Deb, 2010.

This theory operates at the individual level as well as at a group and at organizational level. It explains the way how the perceptions, attitudes, behavior of an individual can affect upon the technologies, internal sub-systems, processes, goals and objectives of the organization. Understanding the psychological perspective is critical to the organizational performance because it brings key skills and perspectives that effectively f a c i l i t a t e change in culture and shifts in strategy to address the complex challenges and risks facing organizations. To nurture the organizational effectiveness, there is a need to strike a balance between the individual needs and goals with that of the organization. Human considerations such as adapting with the dynamic changes of time, organizational decisions based on the performance of the employees, perceived equity has immense impact on individual performance and ultimately sways over organizational performance. The working environment should be so congenial that the employees working there should feel relaxed and satisfied.

> **Systems Foundations of HRD; -** Systems theory was founded by Ludwig von Bertalanffy, William Ross Ashby and others in the mid of 1940s-1970s on the principles from the fields of physics, biology and engineering and later on included further fields of philosophy, sociology, organizational theory, management and economics among others. It sees the world in terms of 'systems' where each system is a 'whole' that is more than the sum of its parts, but

also itself a part of larger system. System theory is the trans-disciplinary study of the abstract organization of phenomena, independent of their substance, type, or spatial or temporal scale of existence. Systems Theory or General system theory is an interdisciplinary field, which studies the systems as a whole. Since organizations interact with the external environment and maintain a synch between the internal affairs of the organization and the business environment, it is termed as an open system. This theory is based on the assumption that an organization or an individual cannot develop in vacuum, they have to expose themselves to the external world for growth and development. In the organizational context, HRD is a sub-system and a system of its own because human resources are the prime movers of all other physical resources and transform those input resources into valuable output in the form of product and/or services. This transformational process involves a host of human resource development processes, because of the reason that human efforts are required to augment the performance by familiarizing changes in human behavior. To describe the system model, this theory is tried to be expressed with the help of a diagrammatic model as below:

Figure 3. System Model of Organization
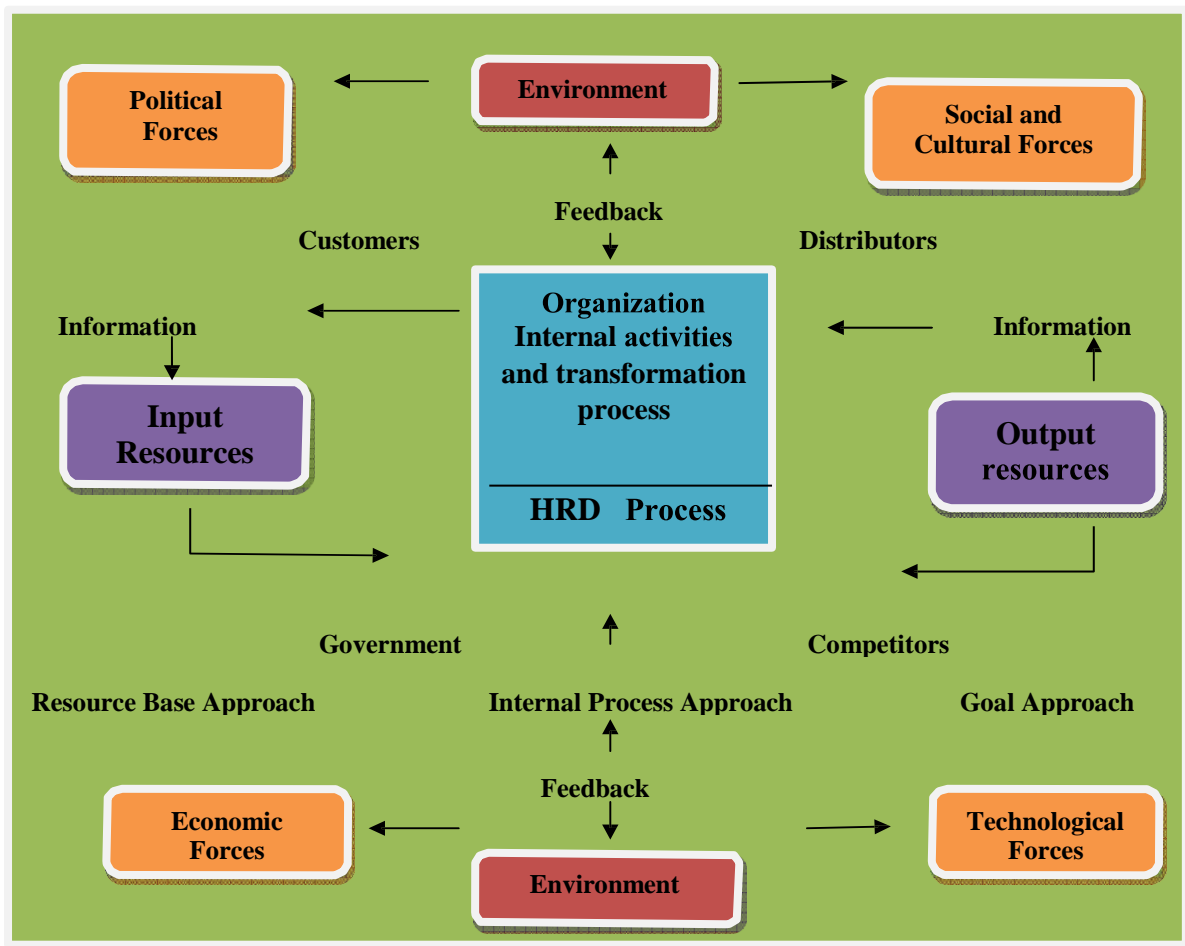
Source: Deb, 2010

As clearly shown from the above figure 3, an organization is the composition of various agents, viz; customers, suppliers, government, competitors and distributors and several approaches followed in the organizations viz; Goal approach, Resource Based Approach and Internal Process approach to achieve the organizational goals on a continuous basis. The focus of these theories is to maintain a continuous trend of development in the practices of HRD (Deb, 2010)

2.6 Emergence/Need of HRD

The subject 'HRD' is a new and emerging concept and is of topical interest with increasing importance. The government of many countries has recognized the relevance of HRD and has created a separate ministry under the control of a fully-fledged Cabinet of Ministers. The real strength of the country lies in the development of human mind and body (Gupta, 2008).

It was also rightly expressed by an eminent philosopher from China, Kuang Chung Trum during the period of 7th Century B.C. He said, "If you wish to plan for a year, sow seeds; If you wish to plan for ten years, plant trees; If you wish to plan a life time, development"

Since human resources is the life line of an organization and the process of developing this resource is highly significant for the managers to achieve the goals and targets of the organization. Therefore, HRD is needed by any organization that wants to be dynamic and a survivor in the present scenario of cut-throat competition. In the rapidly changing environment, organizations can scale new heights only through the effective and efficient use of human resources (Deb, 2010).

To keep the pace with the ever-changing environment, organizations must develop its people and allow them to grow. HRD system must be viewed as a total system interacting with other systems of an organization. Therefore, need of HRD arises to improve working life, to develop potential of employees and utilizing the human resource in an optimum manner to exploit their potential by availing opportunities for further development and growth. In a nutshell, HRD is needed because:

➢ It is helpful in creating a congenial environment and improves the working life of employees.
➢ It helps in facilitating effective communication to surface creative ability of employees in full swing,
➢ It enables the members to attain self-actualization through systematic process of development
➢ It facilitates tapping the present and future creative abilities of the people to utilize them for organizational development.
➢ It is helpful in accelerating the growth of employees and making them aware about their strengths and weaknesses, It is helpful in developing the skills of work force in a way to make them competent enough to exploit the available opportunities in an optimum manner (Sheikh, 2009).

2.7 Objectives of HRD

Human Resource Development is basically the process of developing the work force working in any organization by enhancing their knowledge and skills through proper training and guidance. It ultimately aims at achieving the organizational goals by combating them with the goals of the individuals working in an organization. There are certain objectives for implementing HRD in any organization which aims at developing (Rao, 2005):

➢ the capabilities of each employees as individuals;

➢ the capabilities of each individual employee in relation to his/her present job;

➢ the capabilities of each individual employee in relation to his/her expected future role;

➢ the superior-subordinate (dyadic) relationship;

➢ a cohesive and congenial atmosphere of working;

➢ collaboration among different units of an organization;

➢ to develop the constructive mind and overall personality of employees;

➢ the organization's overall health and self-renewing capabilities which in turn increase the organizational capabilities in a comprehensive manner;

➢ to humanize the work in an organization; and

➢ to ensure better quality work, higher productivity and higher profits.

2.8 Benefits of HRD

Henry Ford the pioneer in the field of management states, "*Take out my building, take out my machines and all capital but leave my men with me I will become Henry Ford again"* This statement of Henry Ford highlights that human resource plays a crucial role in an organization. Development of this resource is of absolute significance in   achieving the organizational goals and also to become capable of capturing the survivor position in this era of cut throat competition. HRD is considered as the key to higher productivity, better relations and greater profitability for any organization.

Here are some important benefits being discussed in brief which are the outcome of implementing HRD in any organization:

➢ HRD helps in identifying organizational goals through better understanding of employees,
➢ HRD fosters commitment through the communication of values,
➢ HRD facilitates dyadic relationship,
➢ It facilitates job enrichment through proper training and acquisition of new skills,
➢ HRD provides higher quality of work life through opportunities of a meaningful; career, job satisfaction and professional development,
➢ It focuses on need contentment through recognition and achievement. With appropriate HRD programme, people become more committed towards their job, people are assessed on the basis of their performance (Deb, 2010)
➢ HRD makes people more competent. It develops new skills, knowledge and attitudes of the people in the organization concerned,
➢ A congenial and a cohesive environment could be developed with the implementation of HRD programs,
➢ Employees found themselves more capable of handling competition,
➢ Proper HRD policies promote openness in the attitudes of the employees working in the organization, it contributes to the overall growth of the employees,
➢ Resources are utilized in an optimum manner,
➢ It helps in developing a sense of belongingness among the employees and increases the participation rate among them (Khorana et al, 2009).

2.9 Philosophy of HRD

Every organization that hires people to carry out its work, whether it is a business entity or non-business organization in every sphere of life, there are human and their efforts are needed to be integrated with other resources for accomplishing the task. This process of planning the development of HRD comprises of certain parts, and HRD philosophy is perhaps the most fundamental part of a HRD plan. It represents those beliefs, ideals, principles and visions etc. which are possessed by the management in respect to the development and growth of its employees. A well-established HRD philosophy plays two important functions. Firstly, it may give rise to one what may call 'style of management' i.e. the art of how management works in a particular situation depends upon the philosophy adopted. Secondly, philosophy makes the organizational goals more explicit and precise. There are certain beliefs that are commonly being practiced for the success of any HRD program; those ideals are discussed here below:

➢ Human beings are considered to be the most valuable asset of the organization.

➢ Human resource can be developed at any time and to an unlimited extent.

➢ It is very important to nurture the 'sense of belongingness' in the employees, so that they could feel committed towards their work and the organization.

➢ Employees are more committed towards the organization, where the management takes excessive care for the fulfillment of the basic needs and welfare of the employees.

In any organization where the employees are given the autonomy of working independently without any interference of superiors, employees are observed to be more responsible and devoted towards their work, they become very keen to render the best of their efforts.

➢ It is the foremost duty of every manager to discover the hidden potential of the employees and to utilize them in an optimum manner.

➢ The atmosphere of the organization should be congenial, healthy, and motivating, so that the workers could feel comfort while working.

➢ The higher the level of authority of a person, the more alert he should be while examining HRD functions in order to ensure its effectiveness.

➢ The HRD climate of the organization should be very cohesive.

➢ Perfect dyadic relationship should exist in the organization for smooth functioning of the

organization.

Therefore, to become effective and to employ efficient workers, the management should have better visionary ability to design the prospects for the growth of the employees by taking good care of their working conditions, providing them better welfare measures, by treating them humanely.

2.10 Difference between HRM and HRD

The discipline of HRD was developed because the human resource management function failed to meet the new challenges of the 20th century. Some of organizations have merely redesigned their personnel departments as HRD departments. But there are certain differences in both the areas:

- Human Resource Management (HRM) is viewed as a set of independent sub- functions while Human Resource Development (HRD) is seen as a system of a larger system in an organization.

- HRM is considered as mainly a service function enduring with the demands of the organization as and when they arise, but HRD is considered as a proactive function which forecasts the needs of the organization and keep itself prepared to face the unseen competition in an organized manner.

- HRM is a narrower concept which aims at developing and administering people only. HRD is a wider concept aims at developing not only its people but its whole organization.

- The main focus of HRM is on enhancing skills and increasing efficiency of people in the organization whereas HRD is based on the concept of building up the right organizational climate that could discover, nurture and utilize human capabilities in an optimum manner.

- In HRM, main motivators are salary, wage incentives and job simplifications. On the other hand, HRD relies on job enrichment, job challenge, informal organizational climate, autonomous work groups and creativity for motivating the work force in the organization.

- HRM is supposed to be the exclusive responsibility of the Human Resource (HR) Managers and their concerned department. But HRD is considered as the responsibility of all the managers in an organization. In fact, HRD aims at developing the capabilities of all the line managers to carry out various human resource management functions themselves.

- Under HRM, higher morale and satisfaction are regarded as the cause of improved performance. On the contrary, HRD perceives improved performances as the cause of improved job

satisfaction and morale of employees on work (Riasudeen, Paper Code MBHR 3001, pp 10-12)

2.11 Human Resource Development Climate and Organizational Culture

An organization's success is determined as much by the skill and motivation of its members as by almost any other factor. While this has always been true, recent changes focus attention on ways human resources development activities can be used to ensure that organizations have what it takes to successfully meet the challenges (DeSimone, Werner and Harris, 2002).

The human resource development climate of an organization plays a significant role in ensuring competency, motivation and development of its employees. Human resource development climate can be created using appropriate human resource development systems and leadership styles by top management. Human resource development climate is both a means to an end and an end in itself.

2.11.1 Definition of Climate

Perception about an organization's goals and about decisions that a manager should take to achieve these goals come not only from formal control systems but also through informal organization. Underpinning this prescription is a belief that organizations have the climate, and both the formal and informal structures combine to create what is called organizational climate.

The term climate is used to designate the quality of the internal environment which affects quality of cooperation, development of the individual, extent of member's dedication or commitment to organizational purpose, and the efficiency with which that purpose becomes translated into results. It influences morale and the attitudes of the individual toward his work and his environment.

Baumgartner (1971) viewed organizational climate as a product of leadership practices, communication practices and enduring and systematic characteristics of the working relationships among persons and divisions of any particular organization.

Hellriegel and Slocum (1974) define organizational climate as a "set of attributes which can be perceived about a particular organization and/or its subsystems, and that may be induced in the way that organization and/ or its sub- systems deal with their members and environment".

Ashton and Sung (2002) stated that High performance working practices supported the climate of the organization in a way which results in a working environment which not only provides the potential for developing the personality of the worker, but also raises the productivity of the

organization. Climate perceptions are psychologically meaningful, that people can agree to characterize a system's practices and procedures. By its practices and procedures, a system may create climates. People perceive climates because the perceptions function as frames of reference for the attainment of some congruity between behavior and the system's practices and procedures. However, if the climate is one which rewards and supports individual differences, people in the same system will not behave similarly. Further, because satisfaction is a personal evaluation of a system's practices and procedures, people in the system tend to agree less on their satisfaction than on their description of the system's climate concluded by Noorjahen (2007).

By its very nature, 'climate' cannot be described concretely. Some alternative characteristics are given below: -

- ✔   Strong and active commitment from senior management
- ✔   Commitment from employees to the organization's objectives
- ✔   The opportunity for managers to apply their own discretion at work
- ✔   The pursuit of continuous learning throughout the organization

Reicher's and Schneider (1983) outline a four-fold progress made in climate research. This approach is founded on perception and aids in the understanding of how work contexts affect behavior and attitudes. It provides an alternative to motivation theories as explanations for almost everything that people face while at work. What motivational persuasion fails to recognize is the key role these perceptions play in operational wing.

A second advance in climate research examines multiple levels of analysis. While motivations tend to concentrate on the explanations of phenomena from an individual's perspective, climate research tends to focus on aggregated or group level data to discover relationships between clusters of perceptions and organizationally relevant outcomes.

A third advance has been the explanation of the distinction between psychological climates and organizational climate. This distinction, first proposed by James and Jones (1974), and further clarified by Jones and James (1979), has gained general acceptance.

The fourth advance follows from the idea that people attach meaning to, or make sense of clusters of, psychologically related events. People in organizations encounter thousands of events, practices and procedures and they perceive these events in related sets.

HRD Climate is helpful in the fulfilment of committed goals of an individual, organization and society. It increases the capabilities and efficiency of an individual and is likely to reflect itself in the long run in the well-being of the individual, reputation of the institution and ultimately the well-being of the society. However, the nature of efforts and investments in developing human resources may vary from organization to organization depending on its need, nature of capabilities the organization wants to build up and the size of the organization.

Payne and Mansfield (1973) viewed HRD climate as a conceptual linkage between organizations and individuals that intervenes between specific situation attributes or events and individual perceptions, attitudes and behavior.

Pritchard and Marasick (1973) define HRD climate as a relatively enduring quality of an organization's internal environment, distinguishing it from other organizations, which:

    (a)   results from the behavior and practice of members of the organization especially in top management

    (b)   is perceived by members of the organization

    (c)   serves as a basis for interpreting the situation and

    (d)   acts as a source of pressure for directing activity.

2.11.2 Definition of Organizational Culture

Every organization has some characteristics which are common with any other organization. At the same time, each organization has its unique set of characteristics and properties. This psychological structure of organization and their sub-units is usually referred to as Organizational Culture.

Stephen P. Robbins, (1986) stated that "Organizational Culture is a relatively uniform perception held of the organization, it has common characteristics, it is descriptive, it can distinguish one

organization from another and it integrates individual, group and organization system variables".

2.12 Elements of Human Resource Development Climate

HRD climate is characterized by the tendencies such as treating employees as the most important resources, perceiving that developing employees is the job of every manager, believing in the capability of employees, communicating openly, encouraging risk taking and experimentation, making efforts to help employees recognize their strengths and weaknesses, creating a general climate of trust, collaboration and autonomy, supportive personnel policies, and supportive HRD practices. An optimal level of development climate is essential to facilitate HRD activities (Rao, T.V. and E. Abraham, 1986). The top management subscribing to these values is a starting point. When a critical mass internalized these values, there emerged a conducive climate for HRD. This positive HRD climate renders the existing systems more effective and makes the organizations more receptive to the introduction of relevant additional system (Athreya, M. B, 1988). A healthy HRD climate certainly bolsters the overall internal environment of the organization, fosters employee commitment, involvement and satisfaction with the job.

The elements of HRD climate can be grouped into three broad categories:

(1) General climate

(2) HRD (OCTAPACE) culture, and

(3) Human Resource Development mechanisms.

To begin with the general climate items, focus on the importance given to human resources development by the top management and line managers, in general. The OCTAPACE items deal with the extent to which Openness, Confrontation, Trust, Autonomy, Proactivity, Authenticity, Collaboration and Experimentation are valued and promoted in the organization. The items dealing with human resource development mechanisms measure the extent to which human resource development mechanisms are implemented seriously.

These three groups were taken with the following assumptions:

(1) a supportive climate overall is important for human resource development to be effectively implemented. Such supportive climates consist of not only top management and line management's commitment but also good personnel policies and positive attitudes towards development.

(2) an integrated look at human resource development and efforts to use as many human resource development mechanisms as possible will result in the successful implementation of human resource development. These mechanisms include: performance appraisal, potential appraisal, career planning, performance rewards, feedback and counselling training, employee welfare for quality work life, job-rotation, etc.

(3) OCTAPACE culture is essential for facilitating human resource development.

1. General Climate

The following factors work as an enabling force to enhance of human resource development climate:

- Top Management Style and Philosophy
- Personnel policies
- Positive Attitudes Towards Development
- Commitment of Line Managers

A) **Top Management Style and Philosophy: -** A development style, a belief in the capability of people, a participative approach, openness and receptivity to suggestions from subordinates are some of the dimensions that contribute to the creation of a positive HRD climate.

B) **Personnel Policies: -** Personnel policies that show high concern for employees and emphasis equity and objectivity in appraisals, policies that emphasis sufficient resource allocation for welfare and developmental activities, policies that emphasis collaborative attitude and trust among the people go a long way in creating the HRD climate.

C) **Positive Attitude Towards Development: -** A helpful and supportive attitude on the part of HRD and personnel people plays a very critical role in generating the HRD climate. If the personal behavior of any of these agents is not supportive, the HRD climate is likely to be vitiated.

D) **Commitment of Line Managers: -** The commitment of line managers to the development of their subordinates is a very important determiner of HRD climate. If line managers are willing to spend a part of their time for their subordinates, it is likely to have a positive impact.

2. HRD (OCTAPACE) Culture

HRD also aims at climate development. A healthy organizational climate helps in utilizing and enhancing employee competencies and developing employee motivation. A healthy climate is one which is characterized by:

A) **Openness:** Employees feel free to express their ideas and are willing to take risks, experiment with new ideas and new ways of doing things.

Openness can be defined as a spontaneous expression of feelings and thoughts, and the sharing of these without defensiveness. Openness is in both directions, receiving and giving. Both these may relate to ideas (including suggestions), feedback (including criticism), and feelings

B) **Confrontation:** Employees face problems and issues without hiding or avoiding them. The outcome of confrontation will be better role clarity, improved problem solving, and willingness to deal with problems and with 'difficult' employees and customers. There will be willingness of teams to discuss and resolve sensitive issues. The indicators, which are also outcomes, can be improved by periodical discussions with clients, bold action, and not postponing sticky matters.

C) **Trust and authenticity**: Employees and work groups trust each other and can be relied upon to do whatever they say they will do. It is reflected in maintaining the confidentiality of information shared by others, and in not misusing. The outcome of trust includes higher empathy, timely support, reduced stress, reduction and simplification of forms and procedures. Authenticity is the congruence of what one feels, says and does. It is reflected in owning up one's mistakes, and in unreserved sharing of feelings. The outcome of authenticity in an organization is reduced distortion in communication.

D) **Pro-activity:** Employees are action oriented and willing to take initiative.

E) **Autonomy:** Employees have some freedom to act independently within the boundaries of

their role/ job. Pro action means taking the initiative, preplanning, and taking preventive action, and calculating the payoffs of an alternative course, before taking the action

F) **Collaboration**: Employees collaborate with each other and have a feeling of belongingness towards the group and the organization.

G) **Experimenting:** Experimenting means, using and encouraging, innovative approaches to solve problems; using feedback for improving, taking a fresh look at hinges and encouraging creativity (Rao, 1991).

2.13 Principles of HRD

The major principles which should be kept in mind while framing the aspects of development of the human resource are as follows:

- **Principle of Development of Organizational Capability**

An ideal HRD system should be based on the principle of overall development of employees and the organization as a whole. The capabilities include overall development of the work force in all aspects, may it be technical, physical, psychological or moral development in an organized manner.

- **Principle of Potential Maximization**

HRD system must enable their employees to identify their hidden potential and make them competent enough to exploit their talent in an optimum manner so that they could contribute their efforts in attaining organizational goals.

- **Principle of Autonomy Maximization**

Autonomy is the degree of independence given to employees at work so that they could be able to tackle responsibility to some extent of what they are capable of handling. A proper HRD system must provide certain level of autonomy to its employees enabling them of handling duties on their own.

- **Principle of Maximum delegation**

Delegation of responsibilities means sharing responsibilities of authorities with subordinates so that a cohesive and a congenial environment could be developed in an organization.

- **Principle of Participative Decision-making**

Participation of subordinates must be encouraged by top level managers in an ideal HRD

system to create a comfortable working atmosphere where workers are free to discuss their ideas and always welcomed for suggestions.

- **Principle of Change Management**

Change is the only permanent thing in this universe but usually people resists change. To beat the competition an organization and its human resource should be as much flexible in getting itself adapt to the changing scenario of 21st century. A good HRD system must attempt to strike a balance between the organizational culture and the changing culture.

- **Principle of Periodic Review**

Review and renewal of HRD functions like training and development, career planning and development, performance and potential appraisal, counseling etc. of employees should take place regularly in an organization at certain periodic intervals. (Deb: 2010)

Thus, the principles that have been stated above must be kept in mind while framing a Human Resource Development system so as to have a proper and regular development of the human resource in an organization.

2.14   Critical Perception of HRD

Since HRD is all about developing the skills and knowledge of employees it is also backed by certain limitations and critical perceptions. Following are the different problems that have been traced through:

- It is too ambiguous, there is too much of uncertainty and doubts surrounding its benefits,
- Occasional training and guidance courses are all that are considered vital but programmers are often badly conceived and their quality, effectiveness and relevance are rarely established,
- In reality, training is done reactively out of fear, of the consequence of not doing it. Managers lack the tools and understanding for the implementation of planned approaches of learning,

- Long term effectiveness is difficult to evaluate, assessment is more likely to be linked to short term training results,

- Government and labor market aspirations to invest more in training and development of employees are met with skepticism. Organizations large or small, with and without explicit HRD practices are still prone to such damage of practicing it. Basically, they are the consequences of awful rather mismanagement, which HRD alone could not handle in solving it in any extensive manner. However, HRD could help by addressing specific ability needs, valuing learning with different aspects may it be a proactive and aligning manner, explicitly with strategy, demonstrating value added enhancing communications and enabling managers (Matthews et al, 2004).

2.15   Future Perspectives of HRD

With the advent of globalization, industries and firms are bound to face the challenges of the new times. To survive in this era of cut-throat competition, organizations requires bold, innovative and dynamic workforce otherwise, they are eased out of the main stream of management in the corporate world. It is the responsibility of the HRD strategists to have a farsighted vision in framing, formulating, and implementing such strategies which could exploit the opportunities available in present scenario to beat the competition. Looking one step ahead is the sign of a smart thinker; therefore, a HRD manager must broaden his horizons of creativity and innovations to trace out the better prospects for growth of HRD. Certain perspectives have been analyzed and discussed here. These are as follows:

- Advancement in Technology.

- New and Diverse customers.
- Changes in the sources of raw materials and financial resources.
- Corporate Restructuring and Modification in the structure of Industries.
- Changes in the regulatory framework of Government regarding corporate governance.
- Downsizing of enterprises, Mergers and acquisitions.
- Work simplification methods/ processes.
- Exploration of newer markets and alteration of existing markets.
- Diversification of products and services (Swarajayalakshmi, 2005).

Human resource constitutes the most valuable asset in the context of development and growth perspectives in any organization. Relative performances of nations, regions of economy, Industrial Sectors as well as corporate enterprises are critically linked to the quality of human contributions. Hence, it is the utmost responsibility of the HRD managers to look after the desired areas of concern for the persistence of development of skills and knowledge of the work force by making arrangements to make sure that these needed developments took place in a well-organized and cohesive manner.

CHAPER THREE

RESEARCH DESIGN AND METHODOLOGY

Under this chapter research design, Source and Type of data, data collection instrument, sampling design, data analysis techniques and Ethical consideration was discussed in detail.

3.1 Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Claire, 1962). The main objective of this study was to assess the Human resource development practice in Ambo Mineral Water Factory. Descriptive research design was employed for this research since descriptive research design is appropriate to describe existing HRD practices.

3.2 Source and Type of Data

3.2.1   Source of Data and Type Data

The description of participants should identify the number, source and characteristics of the sample. It defines the population from the sample is being selected. Thus, the major sources of primary information for the study were employees, Departmental Heads and, Managers of the factory. So as to perform this study, the first step was getting the total number of target population. The preliminary survey undertaken by the researcher indicates that there are 286 total populations were found at plant level of the organization and most of them are technical staff. The study was based on both primary and secondary data sources. In order to achieve the intended objectives of the study, the researcher was use both primary and secondary data source.

3.2.2 Data collection Instrument

The Primary data was collected through questionnaire and the questionnaires relating to the HRD Climate developed by Rao and Abraham,1985 and questionnaires relating to Job Satisfaction questionnaires developed Daftuar, 1997 was administered to the sample population. Questionnaires were distributed to the employees of the factory. This instrument consists of 38 questions on a 5-point scale ranging from 1 (Strongly disagree) to 5 (Strongly agree) to measure the elements of Human resource climate which can be grouped into three broad categories, i.e. HRD Climate, HRD Mechanisms and Organizational Culture. The Questionnaires relating to the Job Satisfaction Scale developed by C.N. Daftuar consisting of 19 items including which measure overall satisfaction with the company and overall satisfaction with the work was used for the purpose the variables were attitudinal and measured by using Likert scale with five response categories (strongly agree, agree, neither agree nor disagree, and disagree, strongly disagree). "The Likert scale method was preferred to make questions interesting to respondents and thereby enhance their cooperation, ultimately to ensure maximum response rate" (Robson Colin, 2002). And it proceeded by secondary data analysis through the detailed review of related literature. To this end; books, articles, journals, magazines and the Factory training and development policy documents were reviewed.

3.3 Sampling Design

Since obtaining a representative sample was a critical issue in order to draw valid interpretations about the population. The researcher was strongly being engrossed on getting relevant data concerning the human resources development practices of the organization. Based on survey conducted, Ambo mineral water factory consists 286 employees. As to the sample size determination, among different methods, the one which has developed by Carvalho (1984), was used. The method is presented in table below. By taking in to consideration the number of employees in each department (Production, Finance, HR and others,) the researcher was use Convenience sampling techniques.

Table 2. Sample Size Determination

Population size	Sample Size		
	Low	Medium	High
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	**20**	**50**	**80**
501-1200	32	80	125
1201-3200	50	125	200
3021-10000	80	200	315
1001-35000	125	315	500
35001-15000	200	500	800

(**Source:** J Carvalho, "Archival application of mathematical sampling techniques", Records Management 1984).

As indicated above the population size of the study is 286 which ranges between 281 – 500 according to Carvalho's sample size determination indicated in table 1.1. Thus, taking in to account a small population size variance and the cost of taking samples large sample and time consuming for large sample size, medium sample size was applied in accordance with the given population size. Therefore, the sample size selected for the study under consideration will be 50. The researcher was use Convenience sampling method to select the sample respondents. However, convenience sampling techniques lacks any clear sampling design, the researcher select sample according to their accessibility of sample.

3.4 Data Analysis Techniques

In order to assess Human resource practice in Ambo Mineral Water share company Data collected was evaluated and measured against the research to ensure their completeness, consistency, accuracy and relevance. The quantitative data related to demographic characteristics, educational status and service duration of respondents are analyzed though tabulation and percentages and the qualitative data acquired through questionnaires coded and processed by Statistical Package for Social Science (SPSS) Software version 20 and Micro soft spread sheet. After data are collected and processed the finding presented by using Descriptive statistical analysis techniques like mean, standard deviation, tabulation and percentages.

3.5 **Ethical consideration**

As this study required the participation of human respondents, thus, certain ethical issues were addressed. The consideration of these ethical issues was necessary for the purpose of ensuring the privacy as well as the safety of the participants. In order to secure the agreement of the selected respondents, the researcher describe the purpose, aim and importance of this study. By explaining these important details, the respondents were able to understand the importance of their role in the completion of the study. With this, the participants were not forced to participate in the research. The confidentiality of the participants was also ensured by not disclosing their names or personal information in the research. Only relevant details that helped in answering the research questions were included.

3.6 Reliability and Validity Test

3.6.1 Reliability Test

The reliability has two aspects, that is, stability (ability to produce consistent results over time despite uncontrollable testing conditions or state of the respondents) and consistency (homogeneity of the items in the instrument tapping the construct) (Opatha, 2002, Ndiyo, 2005, Baridam, 2008). According to Osuala (2005), a reliable measure is one that is consistent. And because it gives a stable measure of a variable, a reliable measure is precise. By convention, it was agreed that a lenient cut-off 0.6 is acceptable. The Cronbach's Alpha is used to test the degree of internal consistency of an instrument. The Cronbach' alpha for the study shows that 0.936. This suggested that there was a strong consistency of responses between the respondent's.

Table 3. Statistical analysis Reliability of the study

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.823	.936	57

Source – Own survey, 2017

3.6.2 Validity Test

Validity, refers to the extent to which the measurement measures what is intended to measure. In order to test validity of the measurement the researcher was use face validity test. The instrument was designed by taking in to consideration the basic questions and all items included in the questionnaires are directly derived from it and consistent with the objective of the study.

CHAPTER FOUR

RESULT AND DISCUSSION

4.1 Statistical analysis of Demographic Characteristics of Respondents

In accordance of sample size determination, among 50 questionaries' distributed to managers and employees of the factory 48(96%) questionaries' filled and returned with full information. The demographic characteristic of the respondents shows that out of 48 respondents 39(81%) are male and the remaining 9 (19%)are female. Regarding the age of the respondent's, the largest group (42%) was in 25-34 years' age group. The second largest group (38 %) indicated their age were between 36-45. The third and the fourth largest age group where as 15%(Age > 46) and 6% (Under 25 age) respectively. From this it is possible to infer that the workforce composition of the respondents is young and thus may require a strong HRD programs

Table 4. Statistical analysis of Demographic characteristics of respondents

Age	Male		Female			Total	Percentage
	Count	%	Count	%			
Under 25	2	4%	1	2%		3	6%
25-35	16	33%	4	8%		20	42%
36-45	15	31%	3	6%		18	38%
Greater than 46	6	13%	1	2%		7	15%
Total	39	81%	9	19%		48	100%

Source - own survey, 2017

Regarding the educational background of the respondents 47.9% (N=23) of the respondents were Diploma holder and 33.3% (N= 16) of the respondents were Degree holder and 14.6% (N= 7) of them are High school level and 4.2% (N= 2) above degree level respectively.

Table 5. Statistical analysis of Educational status of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High school	7	14.6	14.6	14.6
	Diploma	23	47.9	47.9	62.5
	Degree	16	33.3	33.3	95.8
	Above Degree	2	4.2	4.2	100.0
	Total	48	100.0	100.0	

Source – Own survey, 2017

The regarding service duration of the respondents, the majority respondents (n=36, 75%) of the respondents indicated that they have been working in the Factory between 6 to 10 years. However, (n=8, (16.7%) and (n= 4, 8.3%) of respondents indicated occupancy with the Factory of less than 3 years and 3-5 years respectively. The largest group (n=36, 75%) reported that they work in the factory between 6 to 10 years.

This indicates that nearly three fourth (3/4) of all respondents that they had been in this factory for more than 5 years. This also indicate the factory faces less turn over

Table 6. Statistical analysis of Service duration in the organization of respondents

	Frequency	Percentage (%)	Cumulative Percent
Valid Less than 3	8	16.7	16.7
3-5 years	4	8.3	25
6-10 years	36	75	100.0
Total	48	**100.0**	

Source – Own survey, 2017

Regarding the HRD Climate Survey developed by Rao and Abraham (1990) at Centre for HRD Xavier Labor Relations Institute (XLRI, India) to survey the extent to which a development climate exist in organizations, was used in the present study. This instrument consists of 38 questions on a 5-point scale ranging from 1 (Strongly disagree) to 5 (Strongly agree) to measure

the elements of Human resource climate which can be grouped into 3 broad categories, i.e. HRD Climate, HRD Mechanisms and Organizational Culture. Job Satisfaction Scale developed by C.N. Daftuar consisting of 19 items including which measure overall satisfaction with the company and overall satisfaction with the work was used for the purpose. The respondents were asked to rate each statement on a five-point scale ranging from 1 (Strongly disagree) to 5 (Strongly agree)

4.2 Statistical analysis of HRD Climate

In accordance with sample size determined 48 sample respondents fill the questionaries' with full information. Since the questionnaire used 5-point scale, average mean score of 3 around indicate a moderate tendency on that dimension. Scores around 4 indicate a fairly good degree of existence of variables and Score around 2 indicates there is bad climate in variables.

Examining the major components of HRD Climate results indicates that Among the General Climate Dimensions the mean score for Item No. 9 (3.979), No. 3 (3.729), No..2 (3.583), No. 6 (3.500) and No. 11 (3.458) was found to be higher than other items which indicates that People in this organization are helpful to each other, Development of the subordinates is seen as an important part of their job by the managers/officers, The top management believes that human resources are an extremely important resource and that they have to be treated more humanly. Senior officers/executives/Supervisors' in this organization take active Interest in their juniors(subordinates) and help them to learn their job and the psychological climate in this organization is very conducive to any employee interested in developing himself by acquiring new knowledge and skills. In contrary to this among the mean score of item No. 14 (3.021) employees are indifferent with People in this organization do not have any fixed mental impression/mental reservations about each other. And Item No. 5 (2.979) The top management Is willing to invest a considerable part of their time and other resources to ensure the development of employees are the lower mean score observed in the category. Here the overall mean score of HRD climate shows **3.399** which indicate the existence of Fairly Good degree of HRD Climate.

Item No.	Statement		Strongly Disagree	Dis Agree	Neutral	Agree	Strongly Agree	Cumulative	HMT (N=48) Mean	HMT (N=48) S. D
1	The top management of this organization goes out of its way to make sure that employees enjoy their work.	Count	5	6	13	18	6	48	3.292	1.1662
		%	10	12	28	37	13	100		
2	The top management believes that human resources are an extremely important resource and that they have to be treated more humanly.	Count		10	9	20	9	48	3.583	1.0280
		%		21	19	42	18	100		
3	Development of the subordinates is seen as an important part of their job by the managers/officers here,	Count		7	13	18	10	48	3.729	0.9783
		%		15	27	38	20	100		
4	The HR policy of the organization facilitate employee development.	Count	3	11	9	14	11	48	3.354	1.2504
		%	6	23	19	29	23	100		
5	The top management Is willing to invest a considerable part of their time and other resources to ensure the development of employees.	Count	5	12	12	15	4	48	2.979	1.1576
		%	10	25	25	32	8	100		
6	Senior officers/executives/Supervisors' in this organization take active Interest in their juniors(subordinates) and help them to learn their job.	Count	3	7	8	23	7	48	3.500	1.1109
		%	6	14	17	48	15	100		
7	People lacking competence in doing their jobs are helped to acquire competence rather than being left unattended.	Count	1	7	20	12	8	48	3.354	1.0051
		%	2	14	42	25	17	100		
8	Managers in this organization believe that employee behavior can be changed and people can be developed at any stage of their life	Count	3	13	11	9	12	48	3.333	1.2876
		%	6	27	23	19	25	100		
9	People in this organization are helpful to each other.	Count	1	3	9	15	20	48	3.979	1.0306
		%	2	6	19	31	42	100		
10	Employees in this organization are very informal and do not hesitate to discuss their personal problems with their super visors.	Count	2	12	8	17	9	48	3.396	1.1803
		%	4	25	17	35	19	100		
11	The psychological climate in this organization is very conducive to any employee interested in developing himself by acquiring new knowledge and skills.	Count	3	3	18	16	8	48	3.458	1.0516
		%	6	6	38	33	17	100		
12	Seniors guide their juniors and prepare them for future responsibilities/ roles they are likely to take up	Count	2	8	12	18	8	48	3.396	1.0907
		%	4	16	25	38	17	100		
13	The management of this organization makes efforts to identify and utilize the potential of the employees	Count	3	13	10	16	6	48	3.208	1.1606
		%	6	27	21	33	13	100		
14	People in this organization do not have any fixed mental impression/mental reservations about each other.	Count	1	15	17	13	2	48	3.021	0.9225
		%	2	32	35	27	4	100		
									3.399	

Table 7. Statistical analysis of General HRD Climate

Source – Own Survey 201

4.3 Statistical analysis of HRD Mechanism

The role of the HR department becomes pivotal in designing, developing and implementing effective policies, strategies and procedures of HRD mechanisms which help in creating positive perceptions in employees, thereby enhancing organizational commitment. Studies have positively linked ten dimensions of HRD climate, such as

- ✓ participation,
- ✓ succession planning (Promotion),
- ✓ counseling,
- ✓ Performance appraisal,
- ✓ training,
- ✓ organizational development,
- ✓ human resource information system,
- ✓ career planning, reward and welfare,
- ✓ job enrichment towards enhancing organizational commitment (Purang,2008).

This research also addresses majority of points indicated in HRD mechanism.

Item No.	Statement		Strongly Disagree	Dis Agree	Neutral	Agree	Strongly Agree	Cumulative	Mean	S. D
15	Promotion decisions are based on the suitability of the promote rather than on favoritisms.	Count	2	10	11	19	6	48	3.354	1.081
		%	4	21	23	40	12	100.0		
16	There are mechanisms in this organization to reward any good work done or any contribution made by employees.	Count	4	8	10	19	7	48	3.354	1.175
		%	8	17	21	40	14	100.0		
17	An employee is appreciated by his supervisors when he does good work.	Count	4	9	11	16	8	48	3.313	1.205
		%	8	19	23	33	17	100.0		
18	Performance appraisal reports in our organization are based on objective assessment and adequate information and not on any favoritisms.	Count	3	10	15	13	7	48	3.229	1.134
		%	6	21	31	27	15	100.0		
19	Employees are encouraged to experiment with and try out new methods and try out creative ideas.	Count	4	11	10	18	5	48	3.188	1.160
		%	8	23	21	38	10	100.0		
20	When any employee makes a mistake, his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him.	Count	3	12	12	16	5	48	3.167	1.117
		%	6	25	25	33	11	100.0		
21	Weaknesses of employees are communicated to them in a non-threatening way.	Count	5	9	16	11	7	48	3.125	1.196
		%	10	19	33	23	15	100.0		
22	When behavior feedback is given to employees they take it seriously and use it for development.	Count	3	9	11	18	7	48	3.354	1.139
		%	6	19	23	37	15	100.0		
23	Employees in this organization take pains to find out their strengths and weaknesses from their supervising officers or colleagues.	Count	2	9	15	19	3	48	3.250	0.97
		%	4	19	31	40	6	100.0		
24	When employees are sponsored for training, they take it seriously and try to learn from the programs they attend.	Count	3	8	12	18	7	48	3.375	1.122
		%	6	17	25	37	15	100.0		
25	Employees returning from training are given opportunities to try out what they have learnt.	Count	3	6	19	14	6	48	3.292	1.051
		%	6	12	40	29	13	100.0		
26	Employees are sponsored for training on the basis of genuine training needs.	Count	3	7	19	13	6	48	3.125	1.061
		%	6	15	40	27	12	100.0		
									3.260	

Table 8. Statistical analysis of HRD Mechanism

Source – Own survey, 2017

Among the HRD Mechanisms category the mean score for Item No. 24 (3.375), No. 15,16,22 (3.354), No. 17 (3.313) was found to be higher than other items which indicates that, when employees are sponsored for training, they take it seriously and try to learn from the programs they attend. Promotion decisions are based on the suitability of the promote rather than on favoritisms, there are mechanisms in this organization to reward any good work done or any contribution made by employees. When behavior feedback is given to employees they take it seriously and use it for development and an employee is appreciated by his supervisors when he does good work.

This shows that company is having a reasonable level of development orientation and employees are struggled with the same. On the other side, the employees were quite unsatisfied with respect to the Weaknesses of employees are communicated to them in a non-threatening way and Employees are sponsored for training on the basis of genuine training needs. (3.125).

The above table shows that the mean score of overall HRD mechanism is **3.260** This also indicates that there is availability of favorable HRD mechanism.

4.4 Statistical analysis of Organizational Culture (OCTAPACE)

Every organization has some characteristics which are common with any other organization. At the same time, each organization has its unique set of characteristics and properties. This psychological structure of organization and their sub-units is usually referred to as Organizational Culture. Stephen P. (1986) stated that "Organizational Culture is a relatively uniform perception held of the organization, it has common characteristics, it is descriptive, it can distinguish one organization from another and it integrates individual, group and organization system variables". HRD culture is essential for facilitating HRD climate. The HRD culture deals with the extent to which Openness, Confrontation, Trust, Autonomy, Proactivity, Authenticity, Collaboration and Experimentation (OCTAPACE) are valued and promoted in the organization. Among the OCTAPAC Values, the mean score for Item No. 38, (3.542), No. 29 (3.479), No. 27,30,31,32 (3.333) and Item No. 35 (3.208) was found to be Higher than other items which indicates that the organization's future plans are made known to the managerial staff to help them develop their juniors and prepare them for future, People in the organization trust each other, The organization ensures employee's welfare, Employees do not feel afraid about their expression of/or discussion of their feelings with their superiors, employees are encouraged to take initiative and do things on their own without having to wait for instructions from supervisors and Team spirit is of high order in this organization.

In reverse to this employee of the organization did not comfortable with Item No. 33(2.917), and No. 36 (3.083), which indicates that Delegation of authority to encourage juniors to develop handling higher responsibilities is n o t quite common in this organization and When problems arise, people discuss these problems openly and try to solve them r a t h e r than keep accusing each other behind the back.

The Cumulative mean score of organizational culture of the company shows that **3.241**. This indicates that the employees of the factory were Satisfied with existing organizational culture.

Item No.	Statement		Strongly Disagree	Dis Agree	Neutral	Agree	Strongly Agree	Comulative	HMT (N=48) Mean	HMT (N=48) S. D
27	This organization ensures employee's welfare to such an extent that the employees can save a lot of their mental energy for work purposes.	Count	0	13	12	17	6	48	3.333	1.0176
		%	0.0	27.0	25.0	35.0	13.0	100		
28	Job-rotation in this organization facilitates employee development.	Count	3	12	13	15	5	48	3.146	1.1107
		%	6.0	25	27	31	10	100		
29	People trust each other in this organization.	Count	4	5	11	20	8	48	3.479	1.1484
		%	8.0	10.0	23	41.7	17.0	100		
30	Employees do not feel afraid about their expression of/or discussion of their feelings with their superiors.	Count	6	7	11	13	11	48	3.250	1.3262
		%	12	15	23	27	23	100		
31	Employees are not afraid to express or discuss their feelings with their subordinates.	Count	2	11	14	11	10	48	3.250	1.1730
		%	4	23	29	23	21	100		
32	Employees are encouraged to take initiative and do things on their own without having to wait for instructions from supervisors.	Count	2	12	10	16	8	48	3.333	1.1547
		%	4	25	21	33	17	100		
33	Delegation of authority to encourage juniors to develop handling higher responsibilities is quite common in this organization.	Count	2	17	15	11	3	48	2.917	1.0071
		%	4	35	31	23	6	100		
34	When seniors delegate authority to juniors, the juniors use it as an opportunity for development.	Count	3	10	16	13	6	48	3.188	1.1043
		%	6	21	33	27	13	100		
35	Team spirit is of high order in this organization.	Count	5	9	11	13	10	48	3.208	1.2876
		%	10	19	23	27	21	100		
36	When problems arise, people discuss these problems openly and try to solve them rather than keep accusing each other behind the back.	Count	7	12	8	12	9	48	3.083	1.3657
		%	15	25	17	25	19	100		
37	Career opportunities are pointed out to juniors by senior officers in the organization.	Count	6	6	16	14	6	48	3.167	1.1910
		%	13	13	33	29	13	100		
38	The organization's future plans are made known to the managerial staff to help them develop their juniors and prepare them for future.	Count	2	6	13	18	9	48	3.542	1.0711
		%	4	13	27	38	19	100		
									3.241	

Table 9. Statistical analysis of OCTAPACE

Source – Own survey 2017

4.5 Statistical analysis of Job Satisfaction Analysis

Decades of research by psychologists and organizational behaviorists suggest that self-reported job satisfaction reflects two main factors: the feelings workers experience while actually on the job and a judgment about their employment situation, which reflects, in part, their expectations and aspirations. While job satisfaction can change if work circumstances change, a large component of reported job satisfaction also appears to be tied to workers' personality traits. Job satisfaction is typically gauged by a general question that asks people how satisfied they are with their work on the whole. Feelings at work are assessed by asking workers while they are on the job about their mood at that specific moment or by asking them to record their feelings in a diary. Factors like job security, pay and benefits contribute more strongly to reported job satisfaction than to the feelings experienced at work, while day-to-day features of the work environment, like the closeness of supervision, pressures to work quickly and social isolation, have a more depressing effect on feelings than on reported job satisfaction. (Demanding Work: The Paradox of Job Quality (Princeton University Press).

The item mean scores of the total sample of 48 respondents are presented in the following table. Since the questionnaire used 5-point scale, ranging from 1 strongly disagree to 5 strongly agree. Examining the scores of the individual items of the Job Satisfaction Scale, the researcher found that the mean scores of the items Item No.10 (3.813), Item No 5(3.646), Item No 9 (3.625) and Item No 2 and Item No 14,(3.604) are higher than other items in the scale which indicates that the employees are highly satisfied because their job provides them a feeling of accomplishment, The job provides the availability as well as adequacy of opportunities to do different things from time to time which make use of their abilities, The respondents are Happy with the way their co-workers get stand along with each other, My job provides adequate opportunities to be "somebody" in the community and whole the results showed that employees of the company are happy with the work and the organization in general.

In reverse to the above the mean score of Item No 6 (2.75) and Item No (2.938), shows that the respondents are not satisfied with statements which indicates that, employees of the factory are not happy with the organizational pay system and with General management of the company. Here the overall Job satisfaction mean score was **3.419** which indicate that job satisfaction level of employees of the factory is fairly good.

Item No.	Statement		Strongly Disagree	Dis Agree	Neutral	Agree	Strongly Agree	Com ulative	HMT (N=48)	
									Mean	S. D
1	My job provides adequate opportunities to do different things from time to time.	Count	3	9	6	20	10	48	3.521	1.2027
		%	6	19	13	42	21	100		
2	My job provides adequate opportunities to be "somebody" in the community.	Count	1	7	9	24	7	48	3.604	0.9837
		%	2	15	19	50	15	100		
3	My supervisor is quite competent in making decisions.	Count	3	6	12	19	8	48	3.396	1.1107
		%	6	13	25	40	17	100		
4	My Job provides for stable employment in suitable ways.	Count	4	6	9	18	11	48	3.542	1.2197
		%	8	13	19	38	23	100		
5	My job provides adequate opportunities to do something that makes use of my abilities.	Count	5	3	6	24	10	48	3.646	1.1938
		%	10	6	13	50	21	100		
6	My job provides fair Pay.	Count	8	16	8	12	4	48	2.750	1.2463
		%	17	33	17	25	8	100		
7	My job provides adequate opportunities for advancement on this job.	Count	2	12	12	17	5	48	3.229	1.0766
		%	4	25	25	35	10	100		
8	I'm happy with the working conditions.	Count	4	10	7	20	7	48	3.333	1.2087
		%	8	21	15	42	15	100		
9	I'm happy with the way my co-workers get along with each other.	Count	2	5	13	17	11	48	3.625	1.0842
		%	4	10	27	35	23	100		
10	My Job provides me a feeling of accomplishment.	Count	1	0	14	21	12	48	3.813	0.8565
		%	2	0	29	44	25	100		
11	I'm happy with the General management of the company.	Count	9	9	12	11	7	48	2.938	1.3362
		%	19	19	25	23	15	100		
12	I'm happy with my past advancements' in this organization.	Count	4	7	15	11	11	48	3.354	1.2312
		%	8	15	31	23	23	100		
13	There are adequate opportunities for future growth (in efficiency)	Count	5	5	13	19	6	48	3.333	1.1547
		%	10	10	27	40	13	100		

14	Social conditions are appropriate for the job within the organization	Count	3	4	12	21	8	48	3.521	1.0700
		%	6	8	25	44	17	100		
15	My work is suitably recognized in the organization.	Count	4	4	13	21	6	48	3.438	1.0897
		%	8	8	27	44	13	100		
16	I'm happy with the kind and amount of responsibilities assigned to me.	Count	5	4	9	22	8	48	3.500	1.1850
		%	10	8	19	46	17	100		
17	I'm happy with the Company's policies.	Count	8	5	9	18	8	48	3.271	1.3327
		%	17	10	19	38	17	100		
18	I'm happy with my work as a whole.	Count	7	1	9	21	10	48	3.542	1.2709
		%	15	2	19	44	21	100		
19	I'm happy with my company/organization as a whole.	Count	5	5	8	16	14	48	3.604	1.3004
		%	10	10	17	33	29	100		
									3.419	

Table 10. Statistical analysis of Job Satisfaction
Source – Own survey, 2017

CHAPTER FIVE
CONCLUSION AND RECOMMENDATIONS

This study provides information on the functioning of HRD mechanisms, prevailing organizational culture and nature of management support towards human resource development as well as level of job satisfaction of employees in the organization. The study also highlights the strengths and weaknesses of the existing HRD climate and job satisfaction in the organization. The study has provided useful inputs to the management to restructure its HRD functions and build a strong organization through employee's job satisfaction. Thus, on the whole, the researcher finds the existence of medium to good HRD Climate in the organization according to the perceptions of employees which has been proved using their individual mean value through the scale constructed for measuring the Item. The top management and line manager in general showed a favorable attitude towards HRD Policies and practices of the organization. They were over all satisfied with the developmental policies of the top management as well as contented with their work and the organization as a whole i.e. level of job satisfaction was also good which has been proved using their respective mean, standard deviation values.

However, the findings of the present study indicate that there is a still substantial scope for improvement in various aspects of HRD in the organization as well as factors influencing Job satisfaction. Some of these aspects along with broad suggestions are given below

5.1 General Supportive Climate

Surviving in current tremendous market competition is the basic issue for any business organization in current global market scenario thus in order to be survive and competent in the market, Ambo mineral water S.co' top management needs to pay attention for development of human resource in order to capacitate their current working force. According to this research, among the respondents the educational background of the employees of the factory, 62.5%(n=30) mainly falls in high school and under diploma level and Employees holds masters level and above constitutes only 4.2%(n=2). In general, this indicates the company should work strategically on employee development especially through education.

The statistical mean score of the respondents shows that People in the organization have mental impression/mental reservations about each other and it is not free from Biased Impression" (3.08), There for in order to avoid such cases, every decision regarding to the development of human resource should be clear and transparent to employees of the organization.

As analysis shows that the top management is willing to invest a considerable part of their time and other resources to ensure the development of employees that perception of employees on Item No.5 (2.9791) (The top management Is willing to invest a considerable part of their time and other resources to ensure the development of employees.) is significantly lower than group mean (3.399). Hence, it's a matter of concern for management of the factory and should be focused proper utilization of all allocated resource for employee development through policy formulation and implementation.

5.2 Functioning of HRD Mechanism

However, the overall mean score of HRD Mechanism (2.729) found in Good position there is also considerable room for improvement in the HRD mechanisms. The following measures are suggested for strengthening the HRD mechanisms in Ambo Mineral Water S.co.

The mean score of Item No.21 shows that 3.167 that lower than cumulative group mean 3.260, When the performance feedback provided by managers and supervisors it should be more fair and acceptable rather than becoming a threatening way. The task and target of the managers and supervisors need to be realistic, aimed at the company's objectives. To avoid any threatening performance, feedback the organization should adopt peer evaluation as a sub-system of employee evaluation and the organization should have standard for performance measurement. When any employee made a mistake, his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him/her.

To enhance job satisfaction of employees of the factory, performance appraisal reports in the organization should be based on objective assessment and adequate information and not on any favoritisms. And also, it is being suggested to the management of the factory encourage employees of the factory to experiment with and try out new methods and try out creative ideas.

However, the mean score of Item No.26 shows 3.125, which is in moderate group, It also indicate that there is need of improving the training need assessment and selection criteria of trainers.

5.3 HRD Cultural Dimension

The mean score of item no.33 (2.917) reflects that there is no mechanism to delegate authority to juniors in order to handle higher responsibility. As a result, it may negatively influence the satisfaction and confidence level of employees. Hence, it is advisable to the management to create OCTAPACE Climate where the employees get autonomy which helps them confident in their future responsibility.

In the same line, it is being suggested to the management of the factory to formulate and implement job rotation policy among the employees in various department which may help the interested stake holders to overcome boredom and monotonous and also helps the managers to exploit hidden performance of the workers. This can also consider as a powerful tool in the hand of management to increase the level of satisfaction among the un satisfied employees.

Management should also draw its attention towards bringing good trust among Employees which can improve team approach to problem solving.

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Appendix 1

QUESTIONNAIRE TO BE FILLED BY EMPLOYEES, SUPERVISORS and MANAGERS

JIMMA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMIC

DEPARTMENT OF MANAGEMENT

The purpose of this questionnaire is to asses Human Resource Development Practice in Ambo mineral water company as fulfillment of the requirement for the completion of MBA. So, I kindly request your sincere cooperation, because your cooperation is very important to accomplish the study. Your information will kept confidentially.

Instructions

1. No need of writing name
2. put "✓" mark in the given box provided and write in the spaces given.
3. you can choose one of alternative given

I, Personal information

1. Sex: Male ☐ Female ☐

2. Age: <25☐ 25-35☐ 35-45 ☐ >45☐

3.Eduatioal status: - High school ☐ Diploma ☐ Degree ☐

  Above degree ☐

  Other _____

4. Service year in the organization: - < 3 years☐ 3-5 years ☐ 5-10 year

Components	Item No.	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
HRD Climate	1	The top management of this organization goes out of its way to make sure that employees enjoy their work.					
	2	The top management believes that human resources are an extremely important resource and that they have to be treated more humanly.					
	3	Development of the subordinates is seen as an important part of their job by the managers/officers here,					
	4	The HR policy of the organization facilitate employee development.					
	5	The top management Is willing to invest a considerable part of their time and other resources to ensure the development of employees.					
	6	Senior officers/executives/Supervisors' in this organization take active Interest in their juniors(subordinates) and help them to learn their job.					
	7	People lacking competence in doing their jobs are h2elped to acquire competence rather than being left unattended.					
	8	Managers in this organization believe that employee behavior can be changed and people can be developed at any stage of their life					
	9	People in this organization are helpful to each other.					
	10	Employees in this organization are very informal and do not hesitate to discuss their personal problems with their super visors					
	11	The psychological climate in this organization is very conducive to any employee interested in developing himself by acquiring new knowledge and skills.					
	12	Seniors guide their juniors and prepare them for future responsibilities/ roles they are likely to take up					
	13	The management of this organization makes efforts to identify and utilize the potential of the employees					
	14	People in this organization do not have any fixed mental impression/mental reservations about each other.					

HRD Mechanisms	15	Promotion decisions are based on the suitability of the promote rather than on favoritisms.					
	16	There are mechanisms in this organization to reward any good work done or any contribution made by employees.					
	17	An employee is appreciated by his supervisors when he does good work.					
	18	Performance appraisal reports in our organization are based on objective assessment and adequate information and not on any favoritisms.					
	19	Employees are encouraged to experiment with and try out new methods and try out creative ideas.					
	20	When any employee makes a mistake, his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him.					
	21	Weaknesses of employees are communicated to them in a non-threatening way.					
	22	When behavior feedback is given to employees they take it seriously and use it for development.					
	23	Employees in this organization take pains to find out their strengths and weaknesses from their supervising officers or colleagues.					
	24	When employees are sponsored for training, they take it seriously and try to learn from the programs they attend.					
	25	Employees returning from training are given opportunities to try out what they have learnt.					
	26	Employees are sponsored for training on the basis of genuine training needs.					

Organization Culture	27	This organization ensures employee's welfare to such an extent that the employees can save a lot of their mental energy for work purposes.					
	28	Job-rotation in this organization facilitatesemployee development.					
	29	People trust each other in this organization.					
	30	Employees do not feel afraid about their expression of/or discussion of their feelings with their superiors.					
	31	Employees are not afraid to express or discuss their feelings with their subordinates.					
	32	Employees are encouraged to take initiative and do things on their own without having to wait for instructions from supervisors.					
	33	Delegation of authority to encourage juniors to develop handling higher responsibilities is quite common in this organization.					
	34	When seniors delegate authority to juniors, the juniors use it as an opportunity for development.					
	35	Team spirit is of high order in this organization.					
	36	When problems arise, people discuss these problems openly and try to solve them r a t h e r than keep accusing each other behind the back.					
	37	Career opportunities are pointed out to juniors by senior officers in the organization.					
	38	The organization's future plans are made known to the managerial staff to help them develop their juniors and prepare them for future.					

Compo nents		Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Job Satisfaction	1	My job provides adequate opportunities to do different things from time to time.					
	2	My job provides adequate opportunities to be "somebody" in the community.					
	3	My supervisor is quite competent in making decisions.					
	4	My Job provides for stable employment in suitable ways.					
	5	My job provides adequate opportunities to do something that makes use of my abilities.					
	6	My job provides fair Pay.					
	7	My job provides adequate opportunities for advancement on this job.					
	8	I'm happy with the working conditions.					
	9	I'm happy with the way my co-workers get along with each other.					
	10	My Job provides me a feeling of accomplishment.					
	11	I'm happy with the General management of the company.					
	12	I'm happy with my past advancements' in this organization.					
	13	There are adequate opportunities for future growth (in efficiency)					
	14	Social conditions are appropriate for the job within the organization					
	15	My work is suitably recognized in the organization.					
	16	I'm happy with the kind and amount of responsibilities assigned to me.					
	17	I'm happy with the Company's policies.					
	18	I'm happy with my work as a whole.					
	19	I'm happy with my company/organization as a whole.					

Appendix 2

	Item No.	Statement	Sum	HMT (N=48)	
				Mean	S. D
HRD Climate	1	The top management of this organization goes out of its way to make sure that employees enjoy their work.	48	3.292	1.1662
	2	The top management believes that human resources are an extremely important resource and that they have to be treated more humanly.	48	3.583	1.0280
	3	Development of the subordinates is seen as an important part of their job by the managers/officers here.	48	3.729	0.9783
	4	The HR policy of the organization facilitate employee development.	48	3.354	1.2504
	5	The top management Is willing to invest a considerable part of their time and other resources to ensure the development of employees.	48	2.979	1.1576
	6	Senior officers/executives/Supervisors' in this organization take active Interest in their juniors(subordinates) and help them to learn their job.	48	3.500	1.1109
	7	People lacking competence in doing their jobs are helped to acquire competence rather than being left unattended.	48	3.354	1.0051
	8	Managers in this organization believe that employee behavior can be changed and people can be developed at any stage of their life	48	3.333	1.2876
	9	People in this organization are helpful to each other.	48	3.979	1.0306
	10	Employees in this organization are very informal and do not hesitate to discuss their personal problems with their supervisors	48	3.396	1.1803
	11	The psychological climate in this organization is very conducive to any employee interested in developing himself by acquiring new knowledge and skills.	48	3.458	1.0516
	12	Seniors guide their juniors and prepare them for future responsibilities/ roles they are likely to take up	48	3.396	1.0907
	13	The management of this organization makes efforts to identify and utilize the potential of the employees	48	3.208	1.1606
	14	People in this organization do not have any fixed mental impression/mental reservations about each other.	48	3.021	0.9225
Average Mean score of HRD Climate				**3.399**	
HRD Mechanism	15	Promotion decisions are based on the suitability of the promote rather than on favoritisms.	48	3.354	1.0816
	16	There are mechanisms in this organization to reward any good work done or any contribution made by employees.	48	3.354	1.1758
	17	An employee is appreciated by his supervisors when he does good work.	48	3.313	1.2056
	18	Performance appraisal reports in our organization are based on objective assessment and adequate information and not on any favoritisms.	48	3.229	1.1344
	19	Employees are encouraged to experiment with and try out new methods and try out creative ideas.	48	3.188	1.1606
	20	When any employee makes a mistake, his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him.	48	3.167	1.1172
	21	Weaknesses of employees are communicated to them in a non-threatening way.	48	3.125	1.1962
	22	When behavior feedback is given to employees they take it seriously and use it for development.	48	3.354	1.1391
	23	Employees in this organization take pains to find out their strengths and weaknesses from their supervising officers or colleagues.	48	3.250	0.9785
	24	When employees are sponsored for training, they take it seriously and try to learn from the programs	48	3.375	1.1228
	25	Employees returning from training are given opportunities to try out what they have learnt.	48	3.292	1.0510
	26	Employees are sponsored for training on the basis of genuine training needs.	48	3.125	1.0619
Average Mean score of HRD Mechanism				**3.260**	

Organizatinal Culture	27	This organization ensures employee's welfare to such an extent that the employees can save a lot of	48	3.333	1.0176
	28	Job-rotation in this organization facilitates employee development.	48	3.146	1.1107
	29	People trust each other in this organization.	48	3.479	1.1484
	30	Employees do not feel afraid about their expression of/or discussion of their feelings with their superiors.	48	3.250	1.3262
	31	Employees are not afraid to express or discuss their feelings with their subordinates.	48	3.250	1.1730
	32	Employees are encouraged to take initiative and do things on their own without having to wait for instructions from supervisors.	48	3.333	1.1547
	33	Delegation of authority to encourage juniors to develop handling higher responsibilities is quite common	48	2.917	1.0071
	34	When seniors delegate authority to juniors, the juniors use it as an opportunity for development.	48	3.188	1.1043
	35	Team spirit is of high order in this organization.	48	3.208	1.2876
	36	When problems arise, people discuss these problems openly and try to solve them rather than keep accusing each other behind the back.	48	3.083	1.3657
	37	Career opportunities are pointed out to juniors by senior officers in the organization.	48	3.167	1.1910
	38	The organization's future plans are made known to the managerial staff to help them develop their	48	3.542	1.0711
Average Mean score of HRD Organizational Culture				**3.241**	
Job Satisfaction	1	My job provides adequate opportunities to do different things from time to time.	48	3.521	1.2027
	2	My job provides adequate opportunities to be "somebody" in the community.	48	3.604	0.9837
	3	My supervisor is quite competent in making decisions.	48	3.396	1.1107
	4	My Job provides for stable employment in suitable ways.	48	3.542	1.2197
	5	My job provides adequate opportunities to do something that makes use of my abilities.	48	3.646	1.1938
	6	My job provides fair Pay.	48	2.750	1.2463
	7	My job provides adequate opportunities for advancement on this job.	48	3.229	1.0766
	8	I'm happy with the working conditions.	48	3.333	1.2087
	9	I'm happy with the way my co-workers get along with each other.	48	3.625	1.0842
	10	My Job provides me a feeling of accomplishment.	48	3.813	0.8565
	11	I'm happy with the General management of the company.	48	2.938	1.3362
	12	I'm happy with my past advancements' in this organization.	48	3.354	1.2312
	13	There are adequate opportunities for future growth (in efficiency)	48	3.333	1.1547
	14	Social conditions are appropriate for the job within the organization	48	3.521	1.0700
	15	My work is suitably recognized in the organization.	48	3.438	1.0897
	16	I'm happy with the kind and amount of responsibilities assigned to me.	48	3.500	1.1850
	17	I'm happy with the Company's policies.	48	3.271	1.3327
	18	I'm happy with my work as a whole.	48	3.542	1.2709
	19	I'm happy with my company/organization as a whole.	48	3.604	1.3004
Average Mean score of HRD Job Satisfaction				**3.419**	