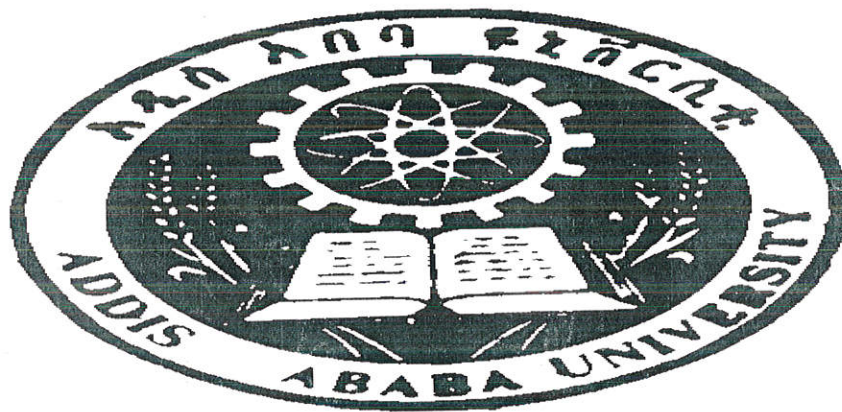


Evaluation of Human Resource  
Development Practice in the  
Commercial Bank of Ethiopia

By: Andinet Nigatu  
July 2008

Advisor: Worku Mekonnen(PhD)



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# Evaluation of Human Resource Development practise in the Commercial Bank of Ethiopia

Prepared in partial fulfilment of the  
Requirements of Masters of Business  
Administration

By

Andinet Nigatu

ID No. GSR/7555/97

Advisor

Dr. Worku Mekonnen



Faculty of Business and Economics  
Addis Ababa University

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## ABSTRACT

*The study is intended to identify major problems in the human resource development (HRD) practice of the Commercial Bank of Ethiopia (CBE) and suggest possible solutions. The study partly confirmed the findings of previous researches in that it reveals that the CBE's HRD function has problems such as inappropriate need assessment, poor participation of line managers and trainers in design of HRD programs, absence of learning and behavioral evaluation, and lack of knowledge and skills on the part of trainers. The study also found out that there is management commitment towards employee training and development and there are also improvements in the HRD process like consultation of line managers during trainees' selection, revision/updating of some training programs and sponsoring employees in various educational programs.*

*Finally the study, to help the Bank improve its HRD activities, proposes such recommendations as aligning the HRD function with corporate objectives as well as other HR functions; enhancing participation of line managers and trainers in the whole HRD process; developing the capacity of trainers and the training and development (TDD) staff, employing different HRD techniques such as on-the-job training and coaching; revising the trainers' remuneration package; and developing a framework of measuring learning outcomes and behavioral changes.*



## Acronyms and Abbreviations

1. HRD: Human Resource development
2. CBE: Commercial Bank of Ethiopia
3. HR: Human Resource
4. HRM: Human Resource Management
5. OD: Organization Development
6. TQM: Total Quality Management
7. SOES: State owned enterprises
8. IT: Information Technology
9. CATS: Customer Accounts and Transfer Services
10. TS: Trade Services
11. TDD: Training and Development Division
12. OJT: on -the-job training
13. t & d: training an development
14. ETC: Ethiopian Telecommunications Corporation
15. EEPSCO: Ethiopian Electric Power Corporation
16. EAL: Ethiopian Airlines
17. EMI: Ethiopian Management Institute
18. TOTs: Training of Trainers
19. EAFS: Ethiopian Academy of Financial Studies
20. AACCC: Addis Ababa Chamber of Commerce



# CHAPTER I: INTRODUCTION

## 1.1 Background

Organizations' success depends largely on how they deploy and manage the available resources: human, material, finance and information. Since the utilization of other resources highly depend on the most important resource i.e., employees, their efficient and effective management often determines the attainment of organizations' objectives. Employees, as the most vital resource, need to possess the necessary skills, knowledge and attitude in order to contribute to the attainment of organizational objectives.

Human Resource Development (HRD) is one of the mechanisms to ensure that employees have acquired the desired skill, knowledge and attitude for achieving the required level of performance. The basic objective of human Resource development is to develop the knowledge, skills, and attitudes of employees for more effectiveness in their present jobs as well as preparing them for future assignments. As skill and knowledge can easily become obsolete due to environmental factors (Mengginson, 1981:204), employees should be continuously trained and undergo relevant development schemes so as to cope up with fast changing business world.

Heavy investment in HRD through education and training has enabled many East and Southeast Asian countries to achieve significant economic growth. Indeed, sufficient evidence has shown that the rate of economic development is positively correlated with investment in HRD. The success of many corporate



businesses has also been related with their commitment to develop their workforce.

In Ethiopia the period following the downfall of the Dergue is characterized, among others, by several reforms that aimed at introducing market economy. Due to this transition the state owned enterprises that once enjoyed monopoly in business, have realized that they have to cope with the conditions of a free market, if they are to survive in business. Realizing that the period ahead requires skilled employees and competent managers, these entities started to increasingly invest in training and development activities. Many businesses, both private and public, embarked structural studies, that resulted in emergence of separate training and development units.

The Commercial Bank of Ethiopia (CBE), the nation's largest commercial bank, is among the public enterprises that has undergone structural reorganization during the period under discussion. Although the Bank's commitment for employee training and development could be traced many years back, the practice has showed tremendous improvement during the post liberalization period. As a result of the restructuring efforts, for example, the former training section is upgraded to its current division level status. The annual training and development budget is also increasing from year to year.

In line with this, the study examined the practice of human resource development in the CBE and evaluated its contribution towards the Bank's performance.

## 1.2 Statement of the problem

There is sufficient literature to affirm that developing people have powerful contribution to organizations in terms of productivity, performance, knowledge development and organizational progress. It is with this understanding that businesses in Ethiopia, both private and public are investing in employee training and development programs. The Commercial Bank of Ethiopia is no exception to this scenario. Especially since the 1990s the Bank has made huge investment on training and development with the objective of improving the skills and knowledge of employees in the banking operation, developing desirable attitude and behavior of managers and meeting future requirements of skilled manpower.

However, the Bank's human resource (HR) function in general and its training and development activities in particular have been beset by a number of obstacles which constrained its effectiveness and alignment to the corporate business strategy. One indicator of the ineffectiveness of the Bank's training and development efforts is the operational discrepancies that, in spite of the huge investment in technical (banking) trainings, are increasing both in terms of volume and type. The Bank's Internal Audit Department recently reported that there is what it referred as "grave" violation of operational procedures across the Bank. This puts a big question mark on the effectiveness of technical trainings, which are basically aimed at familiarizing trainees with operational policies and procedures. This may also imply the ineffectiveness of other behavioral training interventions, which by virtue of their design are expected to bring desired

behaviors and attitude such as not tolerating mistakes and value for quality of work.

Although some of these discrepancies may occur when managers were trying to be flexible and please customers, there is no doubt that the majority have to do with lack of knowledge of procedures or positive attitude. The fact that the volume of such discrepancies has been increasing for the last many years and the management was unable to control the situation also implies the weakness of the Bank's development scheme. So where is the contribution of the training and development endeavors?

Besides, various studies conducted on the Bank's HRD function (Chanyalew, 2003), (Tilahun, 2005) have commented that training and development programs were not based on 'felt-needs' of the operational organs. The student researcher also observed that there is no indication that trained and developed employees are promoted to positions of higher responsibilities, while results of performance appraisal are totally ignored as sources of HRD needs. In such a case it is difficult to relate HRD efforts with the Bank's performance.

On the other hand there is a tendency on the part of private banks to recruit employees of the CBE. They justify their strategy by asserting that CBE's staffs are highly developed and they are getting them sans investment. The ever increasing employee turnover also suggests that the Bank's training and development package is not regarded by many employees as a powerful benefit. So, why this 'training institute' of the country's banking sector do not seems benefiting from its millions of birr it invests in employee development?



Thus, the study is intended to analyze the practice of human resource development in the Commercial Bank of Ethiopia (CBE) and evaluate its contributions towards employees' personal development and the Bank's performance. The study has tried to identify and describe major problems pertaining to the Bank's human resources development practice and suggest possible solutions to alleviate drawbacks. In so doing the Bank's training and development policy; HRD need identification; training and development design; implementation and finally evaluation criterion are examined. Specifically the study tried to seek answers to the following basic questions:

- What are the human resource development policies and objectives of the CBE? Are they relevant (inline with) to the Bank's strategic direction?
- What methods, approaches, techniques and procedures of human resource development are being used in the CBE?
- To what extent the HRD practice of the CBE has been contributing to the overall performance of the CBE?
- To what extent the HRD practice of the CBE is supporting or deterring the overall change being implemented in the CBE?
- What does utilization of training budgets and other resources over the last five years looks like?
- Finally, how the contribution of training and development towards effective performance has been evaluated in CBE?



### 1.3 Methodology

Both primary and secondary data were used in the course of conducting the study.

The primary data is obtained through:

- 112 questionnaires distributed to employees working at 5 branches in Addis Ababa as well as 4 head office organs. The branches are selected based on their size and volume of transaction as per the Bank's branch grading, while head office organs that are core to the Bank or that deal with strategic issues are selected. Sample size is determined based on convenient sampling by considering time and other resources available for the student researcher, while it is distributed to branches and head office organs on the bases of the number of professional and clerical staff in each unit as shown in table 1 below.

*Table 1: Sample number considered from branches and Head office organs*

	<b>Branch/ Department</b>	<b>Questionnaires distributed</b>	<b>Questionnaires Collected</b>
1	Finfine Branch	10	8
2	Gofa Sefer Branch	15	11
3	Bole Branch	20	20
4	Megenagna Branch	15	14
5	Arat Killo Branch	10	10
6	Employment Division	10	8
7	Corporate Credit Department	20	16
8	Corporate Assessment Department	15	15
9	Accounts Analysis Division	10	10
	<b>Total</b>	<b>125</b>	<b>112</b>

- Interviews are conducted with the following officials of the CBE:
  - ✓ Manager– Training and Development Division,
  - ✓ 2 Senior HR Officers (Training and Development) and,

✓ Branch managers (of Bole Branch and Megegnagna Branch)

Data from secondary sources such as reaction evaluation of sample trainings, annual reports of the CBE, and the Training and Development Division; the Bank's policy and procedure manual; the 10th collective agreement, studies and journals are also used.

The data gathered in the manner described above is analyzed through statistical measures such as averages, percentages and trends. Data interpretation is supported by tables, diagrams and graphs. Further more, descriptive analysis is employed for qualitative data.

#### **1.4 Scope and Limitation**

HRD involves a range of learning strategies and techniques intended to help individuals, groups and organizations realize their full potential in working towards corporate goals. It includes job related trainings, management trainings, vocationally oriented education, Coaching/mentoring, self development, and all learning that enables individual and organizational growth. The study does not, however, cover all strategies to HRD. Rather it focused on trainings, education and planned development strategies. Other learning possibilities will be broadly discussed.

The CBE having about 8 thousand employees and 201 branches across the country is the largest bank in Ethiopia. Thus, studying the CBE could reveal more accurate result if representative sample from the branches and offices in all directions is taken. However the study, due to time and other resources constraint, is limited to

5 branches in Addis Ababa and 4 head office organs. Hence its conclusions drawn based on the perceptions of the training and development staff and employees may not be accurate.

### 1.5 Organization of the paper

The paper is organized into four chapters. The first chapter is introduction while the second chapter presents review of related literature. The HRD practice of the CBE is discussed in the third chapter. Finally the fourth chapter summarizes the major findings and recommendations for the drawbacks in the Bank's HRD practice.



## CHAPTER II: LITERATURE REVIEW

### 2.1 Meaning and Development of Human Resource Development (HRD)

A sense of history is vital in seeking to understand the human condition. The same is true of the history of HRD's present role in organizations. Understanding the history of HRD is an aid to our reflection on the kind of future role it might fulfill. According to S. Saiyadian the beginning of training could be traced back to the Stone Age when people started sharing knowledge through signs and symbols. Then training as field developed a business profile in both the USA and the UK during the Second World War as training officers came into being as a distinct category of staff.

However the term 'HRD' first came into common use in the USA in the 1970s, having somewhat generalized focus. It was, then, defined by Nadler, quote by Harrison (2000, p8) as "A series of organized activities conducted within a specified time and designed to produce behavioral change".

By the early 1990s the HRD field had developed in the USA into a recognizable profession having a more strategic orientation. Since then and even earlier, various writers and scholars have been defined HRD from different perspectives. Let see some them. Hall, an American writer, as cited by Harrison (2000, p7), defined HRD as integral to an organization's strategic progress. He said "Strategic HRD is the identification of needed skills and active management of learning for the long-range future in relation to explicit corporate and business strategies"



Joy-Matthews et al (2004, p6) described the term HRD as an integrated and holistic, conscious and proactive approach to changing work-related knowledge and behavior, using a range of learning strategies and techniques. Using the term employee development to refer HRD, Harrison (2000, p1) defined it as a process to help people acquire and maintain the competence and competent that will:

- Improve performance, quality, customer service and long-term organizational progress;
- Aid recruitment and retention, and stimulate and support continuous individual development;
- Help to enhance the skill and knowledge base of the organization and of individual;

According to Moorby, as quoted by Gibb (2002, p 137-138) “The HRD function can be regarded as encompassing what is often described as training and development, the field of motivation and reward, job description and job evaluation, management and/or career development..... and the whole question of career management, recruitment and assessment at the organization level are other aspects that need to be included for completeness: change management and organization development.

Gibb (2002) defined what he termed as learning and development at work place in terms of three dimensions. For him learning and development is a process of observation, planning, action and review to manage the cognitive capacities, capabilities, and behaviors to enable and improve individual, team and organizational performance in work organizations.



He also argued that effective performance in work and organization require to some degree, the establishment or change of a combination of the three dimensions of learning and development: cognitive capacity, capabilities, and behaviors.

Despite the differences in terms and perspectives most of the above definitions have some common elements. First of all they describe HRD as a means to develop people either individually or collectively, in terms of their capabilities. The various approaches to HRD are also mentioned either explicitly or implied such as trainings, coaching/mentoring, vocationally orientation education, and all learning that enable individual and organizational growth. It is this broad scope of HRD that is used as a working definition for this paper. Further the following meanings of training, learning, education and development given by (Buckley and Caple, 2005, p2) will be used throughout this paper.

**Training:** refers a planned and systematic effort to modify or develop knowledge/skill/attitude through learning experience, to achieve effective performance in an activity or range of activities.

**Leaning:** is the process whereby individuals acquire knowledge, skills or attitudes through experience, reflection, study or instruction.

**Education:** a process and a series of activities which aim at enabling an individual to assimilate and develop knowledge, skills, values, and understanding that are not simply related to a narrow field of activity but allow a broad range of problems to be defined, analyzed and solved.



**Development:** is the general enhancement and growth of an individual's skills and abilities through conscious and unconscious learning.

## **2.2 The strategic role of HRD**

The practice of training and development can be described and analyzed in regards to the phases of a common process: need identification, training and development design, delivery and evaluation. The practice varies across organizations. These different patterns of practice can be described as different strategies; different kinds of policy for achieving major training and development goals. Gibb (2002, p133) described seven such strategies, namely; systematic training, business orientation, competency, continuous development, self development, and HRD. He also distinguished HRD from the other strategies by its explicit concern to better integrate learning and development with other aspects of HRM (horizontal integration) and with strategic management and organization development (vertical integration).

Given the fact that today's organizations are faced competition, turbulence and uncertainty; it is apparent that business strategies should link with any management priority, including the development of people. Having human resources managed in the context of organizational strategies and policies is necessary to develop strategic capability- that is achieve alignment of tangible and intangible assets and appropriate resource usage, determine competitive position and maintain stakeholders commitment. (Joy-Matthews, 2004, p8-9)

There is a considerable body of literature now to show the importance of linking HRD to organizational objectives. Quang and Dung (1998, p3-4) identified following purposes HRD:

- ✓ To remove performance deficiency, both current and anticipated,
- ✓ To make the current work force more flexible and adaptable,
- ✓ To increase the level of commitment of employees to the organization and to accentuate the perception that the organization is a good place to work. This in turn results in low turnover rate and less absenteeism thus increasing productivity.

Harrison (2000, p11) quoted Noel et al, who explain how HRD has become 'a strategic player' in the strategic change process. They proposed that HRD professionals must work with top management, focus on the organization's strategic initiatives and leverage the development of people to achieve these objectives.

As part of its strategic importance, the correlation between HRD and organizational performance has also been recognized. Buckley and Caple (2005) in explaining the benefit of training(narrower perspective) pointed out that effective training results in improved employee work performance and productivity, and greater customer satisfaction thereby contributing to the achievement of organizational objective. According to Flippo (1980, p181) planned development programs will return values to the organization in terms of increased productivity, heightened morale, reduces cost and greater organizational stability and flexibility to adapt to changing external requirements.

Joy-Matthews et al (2004) further explained HRD in the context of change. They stressed that organizations, who survive the ever-changing environment are those that are active and full of learning. This notion explains the concept of learning organization.

HRD, now a day, is firmly established on many corporate agendas, a situation that may have the following strategic implications (Ibid, p11).

- HRD enhances the attractiveness of the organization to potential employees or other stakeholders,
- In the age of flexible working practices, core workforce , through development, expand their capabilities,
- For peripheral or displaced employees, HRD enhances their personal capabilities,
- While large firms have traditionally provided the greatest activity, increasingly smaller firms with necessarily less formal approaches are demonstrating interest in HRD.

According to Mably et al (2000, p168-169) training and development has four strategic purposes.

1. Serving as a means to assess and address skills deficiencies in the organization and upgrading the skills base of managers,
2. Acting as a catalyst for change, which incorporates attempts to enhance skills,
3. To give the organization competitive edge, both through its content and the way they are delivered,



4. To encourage a learning climate in the organization. The trend is away from structured, taught courses and towards enhanced opportunities for self development through such methods as on-the-job training, task forces, strategic secondments, or computer based open-learning systems.

In recent years there has been a concerted attempt to demonstrate that investment in HRD leads to business benefits. Fox and Mcleay, as cited by Mably et al (2000, p168), for example, investigated a positive relationship between financial performance and the degree of integration between corporate strategy and the HRM function in practice particularly when the HRM focus was development, appraisal and career planning. A research by Winterson and Winterson , also cited by Mably et al (2000, p168-183), found out that competence-based management development had a quantifiable impact upon the business results of 16 UK organizations and the improvement is most significant where management development has been linked to organizational strategy.

Many researchers such as Huselid, and Guest also showed the importance of integrating HRD with HR practice in order to provide 'bundles' of practice that aid organizational performance (Harrison, 2000). These researches confirm that organizational performance will be enhanced by systems of practices that support each other and that have a mutually reinforcing effect on employee contributions to company performance. Hence, if HRD is to yield value to the organization, then it must support and be supported by other HR policies and practices that in their turn are well aligned with the organization's strategic goals rather than just with individual or team performance.

Based on this assertion Harrison (Ibid, p 17) proposed three strategic tasks for the training and development function:

- To identify and implement HRD programs that explicitly support strategic plans, thereby establishing a competitive advantage rooted in employee competence,
- To provide training that equips important managers to plan strategically, to think strategically and to understand key strategic issues,
- To become involved in the formulation of strategic plans, either directly through personal participation or indirectly through senior management.

### **2.3 Approaches to Human Resource Development(HRD)**

Managers, irrespective of their functional backgrounds and perspectives, should engage with HRD as an aspect of their function, while the role of HRD is supporting other management priorities. HRD can be approached from a number of general perspectives: strategically, individually, in terms of groups and change management, and in terms of business development. HRD has critical role in achieving a number of specific management disciplines. Joy-Matthews et al (2004) identify nine of these areas:

#### **a) Human Resources Management**

The following lessons are drawn from the practices of many excellent general companies for the role of HR in organization (Ibid, P 58 - 59).

- Partnership in strategy execution, creating the conditions for constructive dialogue of how to formulate and implement the organization's strategy;

- Operational expertise through efficiency, effectiveness and economy;
- Development of employees' contribution and ability to deliver result;
- Individuals and groups as agents of change.

These lessons imply the need to develop people; the practice of which will be influenced by factors like, the size and nature of the organizations, its status and history, other strategic concerns, its receptiveness to internal and external stimuli, and its readiness to utilize the available resources. HRD should add value and support the business through timely succession of human capability. For this to be achieved, though, HRD must link with other HR system such as recruitment, performance appraisal, diversity, rewards, and dispersion. Increasingly, HRD and other HR concerns are being decentralized and devolved to line management to improve efficiency and effectiveness.

#### **b) Performance Management**

Performance management, involves forming and implementing policy, setting goals/targets, assessing and recognizing performance, developing process for continuous improvement and establishing links between individuals and organizations. Performance Management requires an understanding of the learning needs of individuals and job specific needs, learning processes, different approach to learning and how individual job performance might be considered and developed.

HRD provides ways of releasing potential in performance, removing blockages to improve performance and promoting effort and energy from individuals. A gap in performance may be represented not only by the difference between what is



required and what is available in an individual case, but also by the difference between what is required and what an individual is capable of (Ibid, p. 62).

### **c) Organization Development**

Organization development (OD) is a concept concerned with enhancing the capabilities of the organization as a whole. It describes the need for organizations to change and become more adaptable and flexible in response to external influences such as accelerating technology, commercial, social and environmental changes. HRD fit into an overall strategy for organizational development, which represents a somewhat conventional view of change and involves the following interventions that are based on people learning in some way:

- Developing corporate missions and visions;
- Developing collaborative effectiveness and relations with work teams;
- Working to improve effectiveness between teams and departments;
- Emphasizing process rather than content;
- Reviewing and managing the values and beliefs within the organization i.e. its culture;
- Designing organization structures that support primary goals and operations.

### **d) Facilitating Learning**

HRD recognizes that the individual person, group, organization or community owns both the motivation to learn and the results of learning. Joy-Matthews et al (Ibid P.67) proposed the following general methods to help make use of the work place as a context for development:

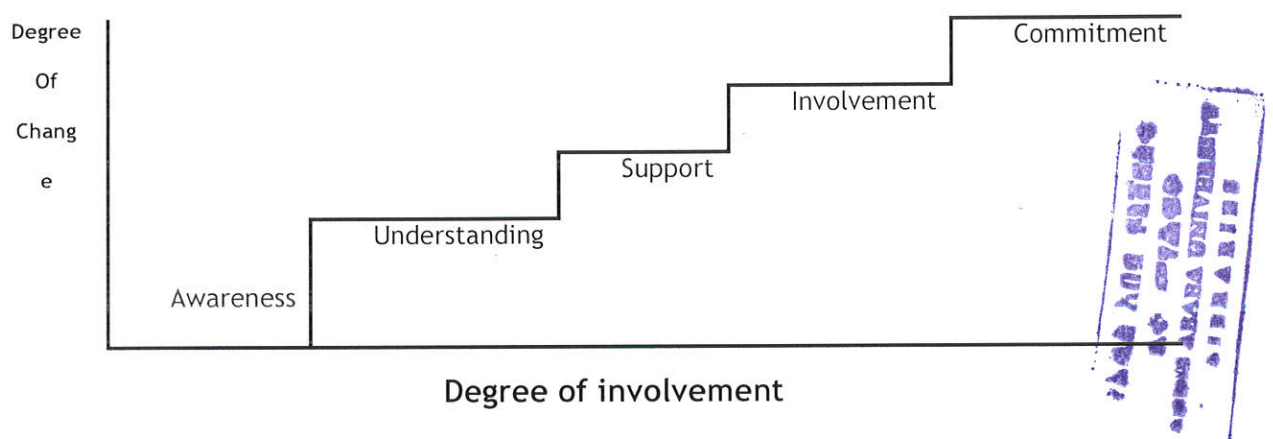
- Networking contacts, formal and informal relationships;
- Creativity;
- Proactively and;
- Critical reflection.

Managers, in addition to their normal and managerial responsibilities, need to attend to the immediate and future development needs of different people.

### e. Communication

In communication (conversations, meetings, briefings, negotiations, presentations, reports, etc), people learn about others' perspectives and intentions. The quality of communication can be enhanced with an understanding of our own as well as the other party's learning preferences.

Qurik (1996) identified 4 communication objectives (awareness, understanding, support, involvement, commitment) having associated needs and formulated a framework that shows how these needs can be addressed, which is referred by Joy-Matthews et al(Ibid,p)



According to this framework communication influences, and is influenced by the speed and urgency of change.

#### **f. Quality Management**

Quality concepts: TQM, continuous improvement and excellence involve, among others education and training, which HRD supports.

#### **g. Project Management**

The biggest variables in any project are people, implying the existence of learning at its core. People learn to use the tools and techniques, while project managers, teams and stakeholders learn how to achieve the aim of any one project. They also learn from risk management and continually improving project management through feedback, and reviewing successes and mistakes. HRD can support these learning

- Organization can learn to become better at project management by capturing and learning from experience;
- The skilled project manager recognizes that he/she does not know all the answers, but coaching members of the team will mean that solution to problem will be discovered by the team;
- Teams work better in an atmosphere of trust and confidence; working effectively as team involves skills and knowledge that can be learned;

Controlling projects and risk management is facilitated by regular communication and review. Such reviewing with project teams and stakeholders are important factors for success

#### **h. Training**

Several authors define training as a systematic process. Buckley & Caple (2004, P5) for example defined training as “planned and systematic effort to modify or

develop knowledge/skill/attitude through learning experience, to achieve performance in an activity or range of activities” However, contemporary training approach takes a substantially developmental approach, where learners also have a responsibility for their development. Here people learn in a variety of ways,

## **2.4 The Practice of Human Resource Development in the Ethiopian banking sector**

In this section we discuss empirical findings on HRD practice in Ethiopia particularly on the banking sector. We start our discussion by citing some important findings of researches conducted in other countries and then refocus to the Ethiopian case.

Quang and Dung (1998) in their study on HRD practice of Vietnamese state Owned enterprises (SOEs), describe many of the enterprises as in ownerless” (vo chu) situation even after liberalization. They also identify the following deficiencies of the SOEs’ HRD practices.

- ✓ The strategic role of HRD is not recognized by the enterprises’ management,
- ✓ Lack of integration between HR activities,
- ✓ Absence of replacement planning,
- ✓ Training programs do not focus on improving efficiency and productivity.

According to the writers these problems are associated with the centrally-planned economy that lasted for decades, which was characterized, among others, by government subsidy, frequent restructuring, and little concern for development.

Refer back to the reign of the military regime; we can see the above problems also reflect the situation of many of the SOEs in Ethiopia. Although many things have been changed since the opening up of the economy for private players, the legacy of the Dergue era still prevail and many public institutions, regardless of the type of business they are engaged in, are facing problems with regards to HRD.

The banking sector, the backbone of the country's economy and the better in terms of focus on human resources, also shares these problems of ineffective HRD practice. One positive aspect in this regard is that many banks like some of the big institutions in other sectors, have shown some sort of commitment towards HRD by establishing a separate unit solely responsible for HRD (Yohannes, 2005), (Yaschilal, 2006), (Tilahun, 2005), (Mulugeta, 2003). However their practice can be said deficient and ineffective owing to the following.

- ✓ Training is often taken as the only HRD approach, while other development approaches are ignored. Almost all banks, for example, do not have management succession planning and planned development schemes;
- ✓ Training programs have common shortcomings such as inappropriate need identification, poor design, and absence of effective evaluation mechanism/criteria;
- ✓ The HRD practice in these banks is not integrated with other HR functions such as recruitment, reward, performance appraisal;
- ✓ Training programs do not reflect the banks' corporate objectives.

We can see that the above findings are consistent with the problems of SOEs in Vietnam as identified by Quang and Dung. Building on the above problems common to all banks, Chanyalew (2003) argued that the CBE's HRD practice has the following problems:

- ✓ Lack of formalized training and development policy;
- ✓ Less learner(trainees) participation in setting up training programs;
- ✓ Weak training and development need assessment;
- ✓ Lack of competent trainers (facilitator).

However he argued that the management of the Bank has shown commitment to invest in training and development activities. Employees' support for the banks HRD practice is also raised as a positive aspect.



## **CHAPTER III: DATA INTERPRETATION AND DISCUSSION**

In this chapter the data gathered through the structured questionnaire, and reaction evaluation of sample trainings is summarized in tables and then discussed along with the result of the interview held with the Training and development officials. It starts with highlights on the background of the CBE and its HRD function.

### **3.1 Background of the CBE and its HRD function**

Modern banking in Ethiopia began in 1905 when the bank of Abyssinia was first established in Addis Ababa through 50 years franchised agreement with the National Bank of Egypt which was owned by the British. After working for about half its contractual period, it was liquidated in 1931 and sold for shareholders of the newly established bank named "The Bank of Ethiopia". The State Bank of Ethiopia again supplanted the Bank of Ethiopia in 1942, which combined the central and commercial banking operations, (Belay, 1987:53).

The CBE was legally established in 1963 as Share Company to takeover the commercial banking activities of the State Bank of Ethiopia and compete with other banks. On Jan.1, 1976 Addis Ababa Bank was created by a merger of the former Banco De Roma and Banco De Napoli as per proclamation number 69/1975. The CBE has been further reshaped when it was merged with Addis Bank in 1980. During the period between 1981 and 1993 the CBE has enjoyed a monopoly era dominating the banking business all over the country. However,

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following the redirection of the economy in 1994 and emergence of private banks, CBE's monopoly position in the country relinquished. Since the year 1994 the bank had to go through several changes to cope with the environmental turbulence created by the country's policy redirection. Accordingly the bank undertook a major organizational restructuring and redefined its vision and mission as follows.

- **Vision statement:** "To become a world-class Commercial Bank".
- **Mission statement:** "We are committed to maximizing shareholders value through enhanced financial intermediation and unparalleled customer satisfaction. We deploy highly motivated, skilled and disciplined employees capable of providing banking products and services that meet international best practices and standards".

The organizational structure of the CBE and that of the Training and Development Division (TDD) looks like the following.



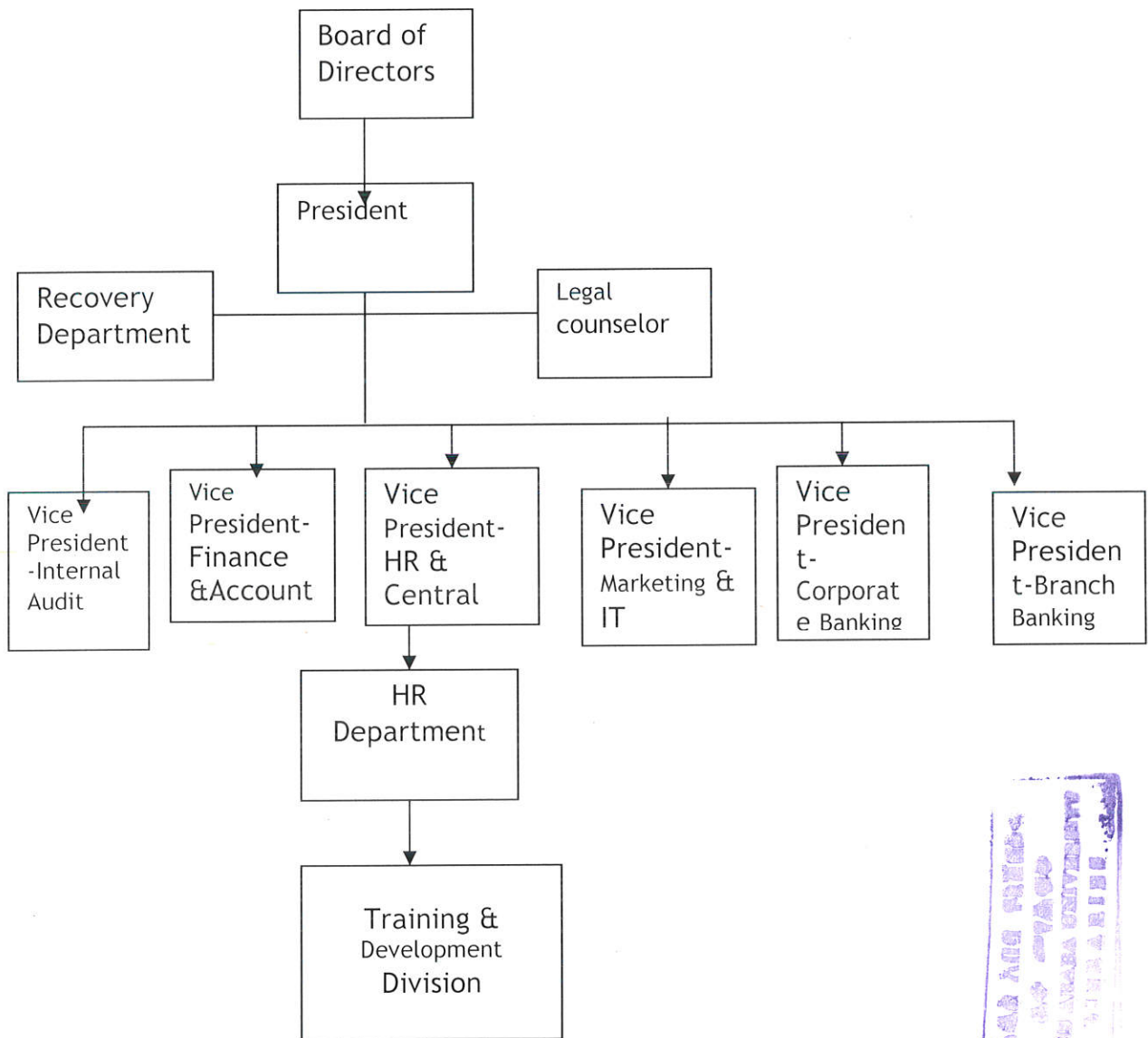


Fig. 1: Organizational Structure of TDD

Presently CBE, having 201 branches across the country, is the leading commercial bank. It has corporate objectives of maintaining leadership in commercial banking securing sustainable business growth, profitability and being competitive in the market with meeting its social obligation of cultivating and developing banking culture in Ethiopia.

The total work force of the bank is estimated at 8,000. Almost all non-managerial employees of the Bank are members the Bank's labor union. Through this union employees interact with the management; it is their collective agreement with the management that has been serving as guidelines for training and development activities of the bank.

The major services that Bank renders are Customer Accounts and Transfer services (CATS), Trade services (TS) and Credit services. Currently, the trade service, which includes services related to International banking operations, are the most productive and generate the highest proportion of the bank's corporate income. The Bank's profitability and the volume of its credit facility is also increasing while the ratio of non-performing loans has drastically declining to the level of international standard.

Formalized training and development function in the CBE like many other organizations in Ethiopia is a recent phenomenon, which could be traced about two decades ago. The bank during this short period has made continuous investment on training and development with the objectives of developing and up grading the employees' skills as well as attracting new ones. With the increasing concern for employee training and development a separate section was formed in

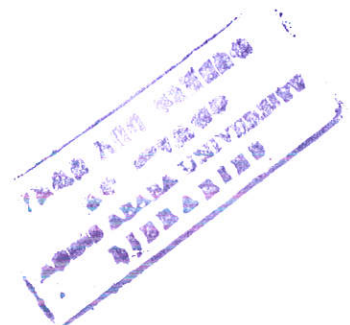
early the 1990s (G.C), which has been continually up graded both in terms of status and autonomy.

With introduction of the overall change in late 2003 and the subsequent restructuring, the unit has been restructured to take the Current form as Training and Development Division (TDD), having the responsibility of planning, coordinating, and supervising the over all training and development programs of the Bank. Presently TDD has total of 9 professionals and 2 staff workers: the division manager, 2 senior HR officers, 6 HR training officers, 1 secretary and 1 machine Operator (printer).

### **3.2 Training and Development policy of the CBE**

Usually corporate polices of organizations emanate from the top management. Based on the corporate policy various divisions, sections, units of the organization set their own derivative policies. The Bank's training and development policy, which is adopted for the sake of simplicity, is stated as follows:

“The Bank recognizes that its competitive position and prosperity largely depends on the knowledge, skills and expertise of its human resources. The management of the Bank is committed to continuously invest in the development of its staff to meet job requirements and career aspirations of individuals. Everyone in the organization is encouraged and given the opportunity to develop his/her skills and knowledge to the maximum of his/her capacity. The aim of human resources training and development is to bring a desirable behavior and enhance the effectiveness and efficiency of the Bank through:



- a) Training employees to achieve maximum effectiveness in the shortest time span possible;
  - b) Developing a multi-skilled workforce capable of operating flexibly and responding rapidly to changes in business and organizational needs or skill requirements;
  - c) Improving performance on employees' present jobs;
  - d) Ensuring that the best use is made of the natural abilities of employees by developing their skills and capabilities for their benefit and the organization;
  - e) Developing commitment to the Bank by:
- 3) Development and training is a continuous and systematic process. All training shall be based on the identification of training needs and cater to improve efficiency of the organization and the individual employee.
  - 4) The relevance of training is directly proportional to the extent to which it contributes to achieving the strategic objectives of the Bank.
  - 5) The best training takes place in the 'real' situation, i.e. in the normal course of work through training on the job, coaching, counseling and self-managed projects. This means that line managers have the main responsibility for training their staff, with the support and guidance of Human Resources Department.
  - 6) The best form of development is self-development and the Bank's training policies are designed to help staff to improve their own performance and to develop their own skills and knowledge.



- 7) To ensure that development and training programs make a proper contribution to improving the Bank's performance a continuous process of evaluation takes place on the basis of which changes are made to increase relevance and effectiveness".

From the above we can summarize the Bank's HRD policy based on the following elements of any policy statement.

- **Aim:** to bring a desirable behavior and enhance the effectiveness and efficiency of the Bank.
- **Justification:** The Bank's competitive position and prosperity largely depends on the knowledge, skills and expertise of its human resources.
- **Priorities:** everyone in the organization is the target, which means there is no priority.
- **Approach:** Formal training, on-the-job training, coaching, counseling and self-managed projects as well as self development.

Besides, the prevailing collective agreement manual like its predecessor has been serving as a guideline on how to conduct training and development programs particularly on scholarship and formal education.

### **3.3 General trends of human resource development in the CBE**

In this section the general trend of the Bank's HRD activities over the past five years is discussed based on the Bank's training and development annual reports. Accordingly each year's performance in the following four categories of training and development programs is discussed in light of the actual number of employees trained vis-à-vis the respective plan.

- Technical (banking) trainings,
- Employee development programs,

- Management development programs,
- Information technology(IT) and computer trainings,
- Continuing education,
- Short term trainings abroad,
- Post graduate studies( both local and abroad)

Although the above categorization as used in the Bank needs further discussion, it is used here just to ensure consistency with the information available and thereby avoid ambiguity. Hence the performance of the Bank's HRD function for the five years period from 2003/2004 - 2007/2008 is summarized in table 2, while table 3 presents budget utilization for the same period.

*Table2: training and development performance the CBE (2003/04-2007/08)*

Ser. No.	Type of training Program	2003/04		2004/05		2005/06		2006/07		2007/08 (9 months)	
		plan	Actual	Plan	Actual	plan	Actual	plan	Actual	Plan	Actual
1	Technical Training	685	533	630	535	410	440	976	1105	1132	1094
2	Employee Development	733	676	330	265	365	742	973	1521	712	688
3	Management Development	376	349	381	291	190	60	312	431	526*	546*
4	Computer Training and IT	635	529	290	394	165	282	806	910	247	134
6	Short Term Training	10	0	10	0	0	0	0	6	0	0
7	Post Graduate Studies	8	6	8	9	0	3	15	10	0	0
8	Continuing Education	0	0	0	0	0	0	100	100	100	100
9	Other	0	0	0	0	0	93	0	0	0	0
	<b>Total</b>	<b>2447</b>	<b>2093</b>	<b>1649</b>	<b>1494</b>	<b>1130</b>	<b>1620</b>	<b>3182</b>	<b>4083</b>	<b>2717</b>	<b>2562</b>
	<b>% of performance</b>	<b>86%</b>		<b>91%</b>		<b>143%</b>		<b>128%</b>		<b>94%</b>	

\*Both plan and actual figures of management development include short term trainings abroad and postgraduate studies.



Table 3: Budget utilization for the years 2003/04-2007/08

Year	Plan budget (in birr)	Budget utilized (in birr)	% Utilized
2003/04	4,764,016.00	2,403,025.87	50%
2004/05	5,966,037.00	1,831,313.00	31%
2005/06	3,910,500.00	1,268,215.89	32%
2006/07	5,710,559.35	2,552,211.68	45%
2007/08	2,369,434.00*	1,743,326.99*	74%

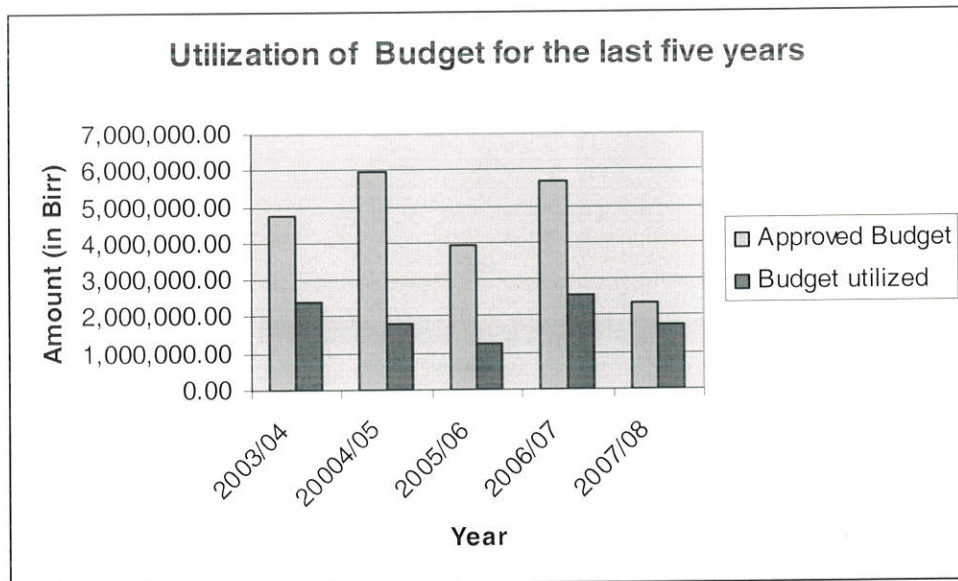
\* nine months figures

As Table 2 and the accompanying chart 1 on the next page shows the Bank trains a considerable number of its employees in various training and development programs. The number of employees trained on annual basis has also been increasing except the decrease observed between the years 2004/05 and 2005/06. This decrease, according to the Training and Development Division (TDD) is due to the introduction of the overall change program. At the time when the overall change was embarked, the primary focus was on revising the human resource function; while the training and development programs have been deliberately reduced to allow the experts to focus on the BPR project. The TDD had also been engaged with arranging seminars and other programs related to the transformation.



*Chart 1: Number of employees trained during the last five years (2003/04-2007/08)*

The huge amount allotted for training and development through out the five years period, as depicted under table 3 above and chart 2 below is an indication of the Bank's commitment towards developing its work force. However the trend in budget utilization is not satisfactory indicating the less concern of the Bank's management to monitor execution of its action plan. The poor budget utilization may be due to either the inappropriate need assessment, which can also be observed in the underperformance of planned programs as depicted in table 2 or error in cost estimation for individual trainings. The tendency to add a certain contingency amount on every program's cost estimate unrealistically stretches the total budget. It is advisable here for the Bank to estimate the cost based on what each program will actually require while cushion is to be added on the total budget.



*Chart 2: Budget utilization for the period 2003/04-2007/08*



However, the Bank attributes the significant deviation in budget utilization to the following reasons:

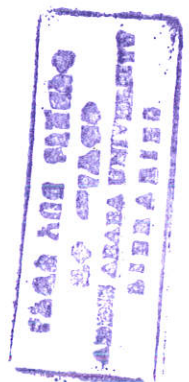
- Some trainings were not conducted due to lack of appropriate trainers or external training providers,
- Opportunities for some short term trainings abroad were declined by the Bank for reasons like huge cost involved and not having relevance,
- The plan for postgraduate studies was not fully executed since the Bank's nominees failed to secure acceptance from the concerned universities,

It is quite clear that failure to conduct planned trainings will definitely affect performance as in the case under discussion. However the reasons sited does not explain what really caused 'the low performance'. First of all why the Bank declines execution of plan that once it approved? This takes us back to our previous assertion: in appropriate need identification, which is discussed in the next section. The Training and Development Division might be suggesting to address needs that the management did not feel as critical, which may imply

absence of training and development alignment with corporate strategies. Another inference from tables 1 and 2 is the over emphasize given to technical trainings as evidenced by the proportion of employees trained in training and development programs under each category. On the other hand plans for management development programs have not been well executed. The following points are raised by the bank as reasons for the poor performance in management development programs.

- Lack of appropriate training providers particularly for some high level programs,
- Some programs are highly expensive to attend especially those that are not locally available.

From further look at the Bank's annual reports it seems also that the Bank's training and development activities are not focused on core areas. Although it is improving during the last two years, trainings for support staff constitute significant portion of total events conducted. Only 46 (56%) of the 102 respondents to the structured questionnaire believe that training and development activities in the Bank are focused on areas that could make a critical difference to the Bank's ability to achieve its goals. It is clear that having capable managers and leaders enhances the Bank's ability to its goals. This suggests that management development programs should be given due emphasis.



### 3.4 The characteristics of the respondents

Before presenting and analyzing the data gathered using the data collection instruments, let us classify the 112 respondents to the structured questionnaires by sex, academic qualification, job category and place of work. Although a total of 112 questionnaires were collected there are questions, which some respondents have not answered. Hence the total number of responses varies between questions.

Table 4: Classification of respondents by education and sex

Educational status	Number of employees		
	Male	Female	Total
High school complete	-	-	-
Certificate/Diploma	12	18	30
First Degree	50	32	82
Second Degree and above	-	-	-
<b>Total</b>	<b>62</b>	<b>50</b>	<b>112</b>



As table 4 above shows respondents for structured questionnaire are 112 employees working at different level. Out of these 62(55%) are males while the rest 50(45%) are females. The majority of them (82 or 73%) are first degree holders, while those with certificate/diploma level qualification constitute 27%. This proportion reflects the profile of the CBE's work force, which is increasingly being dominated by staff with first degree level qualification. Of the total respondents 70(63%) are between the age of 26 and 35 years, while only 6(5%)

are above the age of 45. Young employees below the age of 25 and those who are between the ages of 35 and 45 years account 16% each.

As far as their place of assignment is concerned (table 5), 81(74%) of the respondents are from six branches while 29(26%) are head office staff. As approximately similar proportion of the Bank's total work force is working at branch level, the sampling is a good representation of the reality.

Table 5: Classification of respondents by place of work

<b>Category of work place</b>	<b>Number of respondents</b>	<b>Percentage</b>
Head Office core areas	18	17%
Head Office support areas	21	19%
<b>Head Office total</b>	<b>29</b>	<b>26%</b>
Branches managerial	11	10%
Branches non-managerial	70	64
<b>Branches total</b>	<b>81</b>	<b>74%</b>
<b>Total</b>	<b>110</b>	<b>100%</b>

Lastly looking at the respondents' service in the Bank (table 6) the majority of them (43%) have served between 5 to 10 years followed by the 21% share of respondents who have less than 5 years of service. On the other hand those who have served the Bank between 16 to 20 years constitute only 7%.

Table 6: Classification of respondents by service year

Service in the CBE	Number of respondents	Percentage
Less than 5 years	24	21%
5 to 10 years	48	43%
11 to 15 years	22	20%
16 to 20 years	8	7%
Above 20 years	10	9%
<b>Total</b>	<b>112</b>	<b>100%</b>



### 3.5 Discussion of CBE’s Human Resource Development practice

The Bank’s Training and Development Division is responsible for the planning and administration of the Bank’s HRD activities, ranging from job-specific to management development programs. In this section the CBE’s human resource development practice is critically examined based on the Bank’s Training and development process that involves need identification, design and development, delivery and evaluation. Before going into the details discussion, however, it is worth discussing the general perception of employees about the Bank’s HRD function based on the result of perception survey (part II of the structured questionnaire) administered to the same respondents.

The survey result summarized in table 7 indicates that the respondents’ ratings for many of the items are inclined to the right, that is, either agree or strongly agree. This implies that employees have more or less positive perception about the CBE’s HRD function in such areas as management’s commitment, line

managers' role in T & D activities, and T & D's contribution to performance. However, close look at the bottom half of the survey instrument we can pinpoint exceptional figures, which may imply the following.

- Employees are suspicious about the competence and motivation of the T & D staff as can be inferred from the summarized result of item 7, where only 42 respondents (40%) agree or strongly agree that the TDD staffs are competent and credible.
- Again employees do not agree that the TDD staff strive for innovatively design and deliver training and development programs. This is evidenced by the survey result of item 8, where only 28 or 26% believe otherwise.
- 48 (45%) of the respondents believe that the Line managers are ineffective in supporting employees' self learning and development.



Table 7: Summary of survey result (respondents' perception on the Bank's HRD function)

	Item	Number of respondents					Total
		Strongly disagree	Disagree	unsure	Agree	Strongly agree	
1.	There is strong commitment to training and development (T&D) across the Bank.	6 6%	29 28%	24 23%	39 37%	6 6%	104 100%
2.	T & D is seen to have vital role to play in supporting and improving employees' performance.	2 2%	11 10%	10 9%	60 55%	27 24%	110 100%
3.	Managers play the main role in T & D of their staff.	5 5%	10 9%	10 9%	44 42%	37 35%	106 100%
4.	T & D plans arise out of business goals and targets and are regularly revised to take account of change.	4 3.5%	16 15%	20 18.5%	52 48%	16 15%	108 100%
5.	T & D makes a major contribution to the overall performance management process.	4 4%	14 13.5%	14 13.5%	52 50%	20 19%	104 100%
6.	T & D activities are regularly shown to have added value to individual & team performance.	3 3%	12 12%	9 9%	68 66%	10 10%	102 100%
7.	T & D operations and resources are well managed. Those with T & D responsibility are fully competent and have high credibility in the work place.	6 6%	22 21%	34 33%	34 32%	8 8%	104 100%
8.	HRD staffs are always working for better and innovative ways of designing delivery HRD programs.	10 9%	23 21%	47 44%	24 22%	4 4%	108 100%
9.	All employees play an active part in identifying and thinking of how best to meet their own T&D needs.	8 7%	38 35%	30 28%	20 19%	12 11%	108 100%
10.	T&D activity is focused on areas that will make a critical difference to the Bank's ability to achieve its goals.	6 6%	24 23.5%	26 25.5%	37 36%	9 9%	102 100%
11.	Employees are encouraged to improve their own and other employees' performance.	4 4%	30 28%	16 15%	42 39%	16 15%	108 100%
12.	Managers are effective in supporting the development of their employees through self development and learning.	16 15%	32 30%	12 11.5%	34 32%	12 11.5%	106 100%
13.	Employees' contribution to the Bank is recognized	8 8%	16 15.7%	20 19.7%	40 39%	18 17.6%	102 100%

### 3.5.1 HRD Need Assessment

The Bank's training procedure manual stipulates that every training and development effort must be based on learning need that is identified through mechanisms such as job analysis, results of performance appraisal and skill/knowledge surveys. It also stipulates that line managers have the primary responsibility of identifying the learning needs of employees under their domain.

However, the actual practice is still following the traditional 'menu' like need identification process. To be specific the training and development need identification follows the following steps:

- Training and Development Division (TDD) provides bank units with list of trainings to select from,
- Bank units, based on the 'menu', propose number of trainees that they found relevant for them and forward to the TDD,
- The TDD compile the data, make adjustments based on its capacity and draw annual plan,
- When executing the plan the TDD invites bank units to nominate trainees for the training based on the number that they have proposed,
- The TDD again compiles the list of trainees collected from various bank units, make adjustments and decide on who should attend.

Annual plans drawn in the manner described above could not be said to really reflect the learning needs of individuals, as well as the business objectives of the Bank, leaving the contributions of HRD programs at the mercy of luck. In other words the inappropriate need identification process means that there is

weak alignment of training and development goals and objectives with the Bank's business objectives.

Neither line managers nor employees participate in need assessment as stipulated under the procedure. Line managers' nomination is not specific about who needs what? This is also consistent with the findings of the questionnaires according to which 88 respondents (80%) said that they have never been asked about their developmental needs.

Absence of well established HRD database and Lack of awareness among the line managers as to training and development need identification are just two of the various reasons cited by the Bank for the poor need identification. The Fact that the Bank's training center is in distant with the human resources information System (HRIS) is also another reason that impede access to employees electronic file, which could be a good source of information for the purpose of need identification. Another issue in relation to need assessment and of course which is related to the whole HRD process of the CBE is the disjointed relationship that exists between the Training and Development Division (TDD) and other HR functional units. This situation can be explained by the loose links between training and development activities with other HR outcomes such as recruitment and promotion plans and succession planning, which could be important inputs for HRD plans.

### 3.5.2 Design and Development

The discussion in the previous section indicates that the Bank follows inappropriate HRD need identification process. Hence it becomes apparent that HRD programs designed based on wrong needs could not make impact on learners' abilities except the unplanned and unsought learning that may be achieved in any event. This, however, does not lessen the need to examine the subsequent steps (processes) that are also equally important. The design phase is discussed in this section while program evaluation will be addressed in the forthcoming section. The researcher prefers to discuss the three most important and related areas of the Bank's program design and development phase: Need categorization, Content specification and material preparation, and selection of trainers.

#### a) Need categorization

Properly identified HRD need represents the overall need that should be addressed through appropriate approaches and methods. It is of course necessary to identify which part of the total need is to be addressed in a given period (obviously plan year) and through a given approach. This is due to the limitations that restrict organizations' capacity to deal with the entire need, as well as the necessity to address HRD needs through appropriate and effective mechanisms. It is this process of 'classifying candidates' based on their need in the CBE that we discuss here.

The Bank's practice in this regard does not follow the procedures and can be said inappropriate. The Training and Development Division, based on the plan



number, requests bank units to nominate candidates for a given training program to be executed. The list forwarded by units, then is adjusted to the required planned number in consultation with the units. Consultation here, one of the positives sides of the Bank's practice, refers to allowing line managers to have a say on who from among their nominees to be given priority to attend the training in case when some nominees need to be excluded due to capacity limitations. The problem, however, is that line managers' nomination lacks objectivity and seen by employees as arbitrary and prejudiced. Although the majority of the respondents believe that employees are selected for trainings based on some sound grounds like performance problem, potential for promotion and change of work methods, about 18%(18 respondents) still are either not clear about it or believe that nomination is basically based on friendship and relationship with line managers.



Two deficiencies of the need assessment are worth discussing here. First, as discussed in the previous section the need assessment does not permit to identify employees' long run developmental needs. Only those needs that can be treated with short term skill development trainings can be identified. Secondly, even these needs are addressed in 'a prescription for all' approach. That is to say classroom trainings are used regardless of the nature of the learning need and the existence of a relatively effective approach. This weakness in selection of suitable instructional media defeats suitability to composition of trainees, instruction content and learning objectives.

Citing some facts from the Bank's HRD practice could help elaborate the situation. First, a significant number i.e., 54 respondents (49%) rate 'Picking up

skills on-the-job' as the most widely used approach while only 6 or 11% rate formal trainings as primary approach. The On-the-job approach, here, refers to unplanned learning that takes place when junior staffs learn from their relatively senior colleagues. Because on-the-job training is not being used as separate HRD approach, the Bank is unable to capitalize on this effective learning opportunity in spite of the Bank's HRD policy which emphasizes OJT as the principal learning approach. Other developmental approaches like job rotation also share the above reality. Secondly, the Bank attempts quite often than not, to address some learning needs through short-term trainings where long-term developmental approaches especially formal education could have been more appropriate. A Plan to conduct training on micro economics, which is too much to be addressed through short-term training session is just one among the many.

Further more little attempt has been made to categorize employees with learning needs based on such factors as the specific skill or knowledge deficiency they have, their experience and educational background. Absence of categorization may result in poorly homogeneous group in a given session, which in turn impedes learning effectiveness. Is it not easier and effective to transfer knowledge and skill to trainees who have relatively similar deficiencies or background? Of course it is. Having homogeneous group also facilitates setting of learning objectives, determining content (coverage), and of course program evaluation. Besides, pre-course tests that are provided by the procedure as a means to categorize trainees are hardly used by the Bank to measure knowledge, skills and attitudes of participants.

Concerning formal education the Bank tries to develop its work force by sponsoring a given number of employees in educational programs ranging from high school education to second degree level qualification as well as language studies. Let us focus on educational programs from diploma to second degree levels as these are the most relevant. From the sample employees who respond to the questionnaire 28(25%) are currently attending first degree programs, 6 of whom are sponsored by the Bank. The Bank's effort in this regard has some drawbacks that are discussed in the following paragraphs.

First, the Bank has limited the number of employees to be sponsored in diploma and first degree programs at 100 per year. Previously the Bank used to determine the number of employees for enrollment in higher education on a relatively appropriate way, by analyzing the demand (requirement) for people with a given qualification vis-à-vis the staff with the respective qualification, prospective graduates within the Bank, new recruits and other factors. This practice, however, has been halted very recently when after the Bank, based on the provisions of the collective agreement, sponsors a total of 100 employees (60 for degree and 40 for diploma) per year.

Secondly, the selection criteria for sponsorship is not clear as to what the Bank wants to benefit by sponsoring employees in formal educational schemes. For instance the opportunity for sponsorship in continuing degree program for operational staff is limited to Management, Accounting, and Economics owing to their relevance for the Bank. But this 'relevant-irrelevant' categorization needs further clarification. For example why Economics is considered relevant for the Bank and why not other fields like Business Education? Which of the

two, for example, is close to banking and the financial sector? I do not intend, however, to discuss this controversial issue. But one problem is clear here: a tendency to evaluate the relevance of courses by relating their content (courses) with the learners' job or banking in general. Formal educational programs, irrespective of their content and relationship with learners' job, should be seen as developmental approaches which help to develop the learner's ability to analyze and understand (learning capacity).

#### **b) Content specification and material preparation**

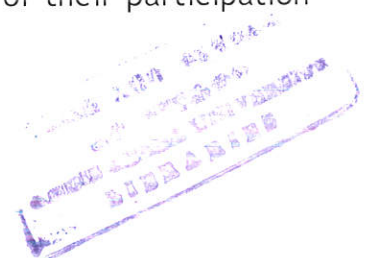
Content and training materials play a significant role in enhancing the quality of any training and development programs. It is with this understanding that the Bank's training and development procedure stipulates that learning materials shall be prepared and regularly updated based on the results of need categorization and the objective of the specific training and development event. That means whenever a training program is to be conducted, learning materials need to be designed (revised) based on the profile of participants and learning objectives.

Going some years back and referring the Bank's practice one can realize that this was not the case. Unless the program is to be run for the first time, the Bank was using materials that have been prepared about a decade ago. With the implementation of the redesigned Customer Account and Transfer Service (CATS) procedure, however, the content and as a result the materials of trainings related to this banking operation are changed. On the other hand other programs like Supervisory Management and Branch Management trainings depend excessively on materials of external trainers/ training institutions.

This, according to the Training and Development Division, is due to the reluctance of trainers particularly internal ones to participate in material updating. This in turn has its cause in the unattractive remuneration package (as compared to the industry average). While internal trainers earn birr 65 per hour the rate for external trainers range from birr 125 to birr 150 depending on the trainers' qualification. The remuneration for external trainers may also be negotiated with the approval of the top management. The Bank justifies such lower package for internal trainers by asserting that every staff member of the Bank has the responsibility to train and develop fellow staff member. According to the Bank the remuneration is intended not to compensate trainers for what they might do, but just to motivate them to exert extra effort in making programs effective. However, it should be noted that the problem has been felt by the Bank in terms of outdated content and materials and hence a mechanism has to be devised to mitigate it; improving the remuneration package being one of the many alternatives.

The fact that only 28 of the 108 respondents or 26% believe that the Bank's training and development staff work for better and innovative ways of designing training and development programs also indicates the flaws in program design . This also questions the capacity of the training and development staff to actively participate in the process of training design and material preparation.

The other important ingredient in the design of HRD programs is participation of line managers, who are the first to feel skill, knowledge, and attitude deficiencies of their staff. As their expectations from their staff need to be reflected in the content of the program, the importance of their participation



in the training and development process, from the need identification to the evaluation, is unquestionable. In our case, the responsibility of designing/revising trainings, if any, has been rested on trainers (facilitators) whereas line participation was insignificant. However the situation has shown improvement during the last few years particularly with the redesign of the training and development function. This fact is well reflected in the result of the structured questionnaire wherein 82 Of the 106 respondents or 77% believe that line managers play significant role in relation to the training and development of their staff. Since the majority of trainers are operational managers, their concerns and diverse needs can in some way be represented in the design of training and development activities.

#### **c) selection of trainers**

It is a known fact that the success of any training and development program largely depends on, among others, the quality of facilitators that constitutes knowledge of the area of the training as well as facilitation skill. The CBE deploys both internal and external trainers to facilitate its training programs. Most of the time Internal trainers are given priority particularly for technical trainings and as long as they are qualified for other trainings as well. They are believed to have a good understanding of the Bank's overall operation and hence can integrate their delivery with the Bank's cultural values. Mostly external trainers take on other training programs such as customer service and supervisory management. The Bank resort to external trainers for either of two reasons: lack of qualified trainers internally and when new know-how, experience and knowledge is sought.

Both internal and external trainers are selected by Manager-Training and Development and the Human Resource officer in charge of coordinating the event, who jointly nominate candidate trainers and select 'the best'. Candidates are usually evaluated based on practical experience, experience in training delivery and academic qualification. Recommendation of candidate's immediate supervisor is also of use in making selection decision.

However the selection process is too subjective and does not follow formally defined procedure, which has long been recognized by the Bank as hindering assignment of qualified trainers. Attracting best trainers has become difficult for the Bank due to absence of formally defined criteria and competitive trainers' fees. It also results in dependence on few trainers who regularly conduct training sessions, and ambiguity among the Bank staff as to the training and development activities.

The existing trainers' fee (table 8) for internal trainers is Birr 65 per hour irrespective of the trainer's position, qualifications, and the type of training. All employees of the Bank including the staff members of the Training and Development Division are entitled to this remuneration package. On the other hand training fee for external trainers (table 8) is laid down based on trainer's qualification. Accordingly trainers with educational qualification of first and Masters Degrees earn Birr 125 per hour, whereas for those who have PHD level qualification the rate is Birr 150 per hours.

Besides, remuneration for some trainings may be negotiated and fixed based on contractual agreement with external trainers. The market dictates such

arrangements especially when the training is highly specialized and the benefit that could be entrusted to the Bank is convincingly significant. In such a case the fee may be in lump sum.

**Table 8: Existing Trainers' Remuneration structure of the CBE**

Trainers' Category by Educational Qualification	Rate per-hour (In Birr)	
	In-house trainers	External trainers
Diploma	65.00	-
First Degree	65.00	125.00
Second Degree	65.00	125.00
PHD and above	65.00	150.00

Table 9 compares the fee structure of the CBE with that of the selected six institutions (financial and non financial) namely Ethiopian Telecommunications Corporation, Ethiopian Electric Power Corporation, Ethiopian Management Institute, Dashen Bank, Bank of Abyssinia and Ethiopian Airlines.

**Table 9: comparison of CBE's Remuneration Packages with selected organizations**

Category	Institute	Internal Trainers			External trainers		
		Min Rate	Max Rate	Av.	Min Rate	Max Rate	Av.
Banks	CBE	65	65	65	125	150	137.5
	Dashen Bank	35	35	35	Based on Negotiation		
	Bank of Abyssinia	80	80	80	150	250	200
Public enterprises	ETC	18	53	31	75	250	163
	EEPCO	20	20	20	60	75	68
	EAL	-	-	-	175	225	200
Training Institute	EMI	-	-	-	120	135	128

Source: Proposal on trainers' fee revision, CBE, December 2006

From the above comparison the Bank's trainers' remuneration package especially for external trainers is found to lower than the average fee being paid by the Banking sector, the Ethiopian Air Lines and Ethiopian Telecommunication Corporation. As a result trainers, especially internal trainers are not interested to participate in training delivery due to the lower remuneration package. Hence the remuneration structure should be improved so that it reflects the trends and the prevailing situations in the market (the economy in general and Banking sector in particular). This could enable the Bank to employ capable and qualified trainers and thereby improves training quality.

Meanwhile, from the result of reaction evaluation of sample trainings, trainers in the CBE are supposed to lack presentation skill and poorly prepare for trainings. These problems are also accepted by the training and development officials. Hence, in minimizing these capacity limitations of internal trainers the Bank arranges training of trainers (TOTs) for existing and potential trainers as well as the training and development staff.

In any case there is high dependence on internal trainers and the Bank justifies it with the following rationales.

- ✓ external trainers are constrained by unfamiliarity with Banking operations and related issues,
- ✓ Trainees often hesitate to openly discuss the Bank' sensitive issues with external trainers, thereby impeding the learning process.



The other scenario is when the Bank buys the services of external training providers that manage delivery of trainings by using their own facilities. Institutions such as the Ethiopian Academy of Financial Studies (EAFS) and the Ethiopian Management Institute (EMI) have long years of working relationship with the Bank. The Bank also sends its employees to training events that the Addis Ababa Chamber of Commerce (AACC) organizes. Universities/colleges (both local and abroad) could also be cited as developmental partners to the CBE.

### **3.5.3 Delivery of HRD programs**

The focus of the discussion of HRD delivery is on short term trainings, the primary learning approach in the Bank. Here we critically analyze the methods and other contextual factors that may have impact on the learning process.

The most frequently used mode of training delivery, based on the data gathered through interview, is classroom lecture supplemented with handouts, exercise and real life case. However, the majority of the respondents (54 or 49%) to the questionnaire said that they learn primarily by picking up skills on the job from experienced staff. This conflicting scenario implies the ineffectiveness of Bank's classroom trainings. For the 40 or 36% of the respondents, on the other hand, most of their learning comes from the skill based training programs that they have attended. The on-the-job (OJT) learning indicated here is of course the informal or unplanned one, while OJT as a separate method is not being used on a planned manner. Once it was a common practice to plan OJT programs as a supplement to classroom sessions (especially of Domestic Banking course)

but the practice was terminated owing to its ineffectiveness. Trainees, according to the TDD, had been abusing time allotted to OJT programs for personal businesses.

The banking environment, characterized by synergistically related tasks that require team effort, facilitates learning on the job. Hence the Training and Development Division in collaboration with line managers should make use of this opportunity by reinstating OJT programs both as a supplement to classroom sessions as well as a separate learning approach. Of course proper planning and close follow up are fundamental to achieve effective learning. Besides computer aided training method is used in delivering computer and Information technology related trainings.

The reaction evaluation of sample training programs also indicates that delivery of training and development programs in the CBE is constrained by some common but critical problems such as:

- Trainings lack real life as trainers devote much of their time on theory than practical examples. This problem may be mitigated through appropriate OJT programs,
- Most of the trainings suffer from time constraint, as a result of which trainees could not question and discuss on issues of high importance,
- Lack of preparation and adequate knowledge on the part of trainers, as a result of which they tend to overemphasize areas where they are better on while ignoring or rush-over areas where they not prepared but that are highly relevant for the achievement of the course objective.

- Poor presentation skill, which often results in boring sessions and hinder two-way communication,
- Absence of instructional plan to guide delivery of trainings and evaluating their effectiveness.

Another important ingredient for the success of any training and development program is the extent to which trainees, upon return from trainings, apply the knowledge and skill that they have acquired. This could only be achieved if trainees are supported and encouraged to do so. The CBE's situation in this regard is not also without pitfalls. Employees, upon return from training and development programs, do not have sufficient time to reflect and plan improvements as evidenced by the opinion of 70 or 67% of the respondents. An almost equal proportion (66 or 62 %) of the respondents has also revealed that their immediate supervisors do not support and encourage them to implement new ideas and methods that they have learned. Here it is important to affirm that knowledge/skill; particularly job specific ones may be unlearned with in short period of time if they are not facilitated or supported through on the job application. This seems one of the reasons for the ineffectiveness of the Bank's training and development activities as evidenced by the huge operational errors reported annually by the Bank's internal auditors. Of course some of the challenges in delivering programmed learning may be consequences of inappropriate need assessment or bad design rather than flaws in the delivery itself. Still some of the challenges may be inherent in the cognitive capacities, capabilities and behaviors of learners. In any case the problems could be better

addressed by knowing them in advance and try to use the information while delivering.

#### **3.5.4 Evaluation of HRD programs**

Evaluation, the final link in chain of the learning process, is the most important step and at the same time the most likely to be neglected or underdone. CBE's training and development procedure has tried to follow the common framework suggested by Hamblin (1974) and Kirkpatrick (1967). It stipulates that training and development programs shall be evaluated in a process that includes reaction, learning, and behavioral evaluation. Evaluation of the impact of trainings on organizational performance is not included, however.

Let us now look at the actual practice of HRD evaluation in the Bank. The Bank undertakes reaction evaluation at the end of training programs. Standardized questionnaire are administered to solicit trainees feelings and reactions to the program during closing sessions. The questionnaire include items such as trainees' rating of the overall training program, time allotted for the program and relevance of topics vis-à-vis learning objectives. Apart from the questionnaire, suggestions and comments that trainees forward during discussion sessions are also used.

Information gathered in such a manner is then summarized by the program coordinator and reported to Manager- Training and Development, who in turn circulates it among the human resource officers for notation. The result of reaction evaluation is used to make necessary corrections for better

future programs with regards to program duration, coordination, better trainers, refreshment service and the like.

The Bank also undertakes during-the-training evaluation through program coordinators, who try to evaluate the delivery in terms of trainers' presentation, course coverage, the extent of discussion and trainees' participation achieved and other factors. Coordinators, if necessary, intervene in the delivery process to encourage trainees' participation and to suggest corrections on trainers' approach, pace, coverage of relevant issues and the like. Although, it is very helpful and encouraging the effectiveness of this evaluation approach is somehow constrained by the following problems.

- Absence of instructional plan, which impede evaluation of course coverage and trainers pace vis-à-vis time allotted to the program,
- Some trainers are not happy with coordinators' intervention or involvement in the delivery process.

As discussed in the previous section trainers' disinclination to prepare instructional plans is partly due to the unattractive remuneration package. But both the above problems may also imply lack of awareness on the part of trainers about the essence of training and development function. Trainers in the CBE seem to regard preparation of instructional plan as something out of their duty as trainers, while they are unable to recognize the role of the training and development staff beyond event coordination. As per the provisions of the training and development procedure with regard to duties of trainers, internal trainers like external ones are made to sign contractual agreement according to which they are obliged, among others, to prepare

instructional plans and submit to the TDD ahead of the trainings. However except very few external trainers this crucial element is ignored by the majority of trainers, while TDD is hardly enforcing the provisions of the procedure and contractual agreements.

Although the Bank's attempt to evaluate training and development programs through reaction and during-the event evaluations deserves some sort of acknowledgement, such 'happy sheets' approach alone could do little to ascertain the effectiveness of HRD activities. First whether some level of learning took place and then whether trainees' are changed in terms of their performance behavior should be evaluated. Secondly, the impact of the change in performance behavior on organizational performance needs to be ascertained. While this last stage is quite difficult to measure, learning and behavior evaluation are not impossible.

In some training events there were attempts to evaluate learning by administering two different tests, one at the beginning and the other at the end of training events. The results of the two tests are then compared to see whether learning has really occurred. However, this good start has not been sustained and rolled out to other programs. On the other hand behavioral and impact evaluations have never been attempted. One reason for these is the fact that the Bank, being huge with about 8 thousand employees trains thousands every year, which makes such evaluation difficult with the capacity of the TDD. The second reason cited by the Bank is the difficulty to engage trainers in the process of evaluation, who given



the unattractive remuneration, are reluctant to devise evaluation instruments as well as participate in the entire process.

### **3.6 HRD and the ongoing change**

The CBE, as part of the nation wide institutional building effort, is in a transformation process aimed at enhancing its service quality to the 'level of best banking practice'. As part of this transformation process study has been initiated to reengineer the Bank's key operational processes, which is partly finalized and the redesigned process is being implemented. The whole transformation effort has been linked with training and development and hence TDD has been organizing a number of events that can be categorized as follows:

- 5 to 9 days extensive programs on the essence of transformation and related government policies. Almost all CBE employees have attended these programs,
- Programs that are intended to develop the capacity of the Bank's management in order to lead the transformation process,
- Programs intended to equip members of the Business Process Reengineering (BPR) study team on how to undertake Business Process Reengineering (BPR). Besides the study team has visited different foreign banks. The visits were intended to import the practices of these developed banks.
- Lastly, with the introduction of the redesigned processes of Customer Accounts and Transfer Services (CATS) and Trade Services (TS), the bank is undertaking training programs on the redesigned processes. As of May 30, 2008 a total of 404 employees from 13 branches have attended these trainings.

## CHAPTER IV: CONCLUSION AND RECOMMENDATION

### 4.1 Conclusion

From the discussion in the previous chapter the following conclusions are drawn, which show the strengths as well as the weaknesses of the CBE's HRD function.

- The CBE has formalized training and development policy as well as well framed procedure to guide its training and development activities. The presence of these HRD basics guides and facilitates running of HRD programs.
- There is management commitment to train and develop employees when seen from the number of employees trained during the last five years (2003/04 and 2007/08) and the corresponding huge budget allotted for training and development activities. However management pays less attention to the monitoring of action plans as learnt from the poor budget utilization
- The CBE has qualified and competent staff (the majority having first degree level qualification) when compared with other banks in the industry. The Bank could employ these highly competent employees as internal trainers.
- Employees have more or less positive perception about the CBE's HRD function with regards to management's commitment, line managers' role in t & d activities, and t & D's contribution to performance.

- Line managers are consulted while employees are selected for training and development events. Although the consultation is limited to allowing line managers to prioritize their nominees for training, it could be used to foster line involvement in all HRD decisions.
- Formal education is used as a developmental approach. The Bank sponsors employees in educational programs ranging from high school education to second degree level qualification as well as language studies based on the provisions of the collective agreement agreed upon between the Bank's management and the labor union.
- The Bank's work environment facilitates employees' learning skills and knowledge on the job. This unplanned learning could be used to reinstitute on-the-job training on planned and controlled manner.
- The Bank attempts to evaluate training and development programs through reaction and during-the event evaluations, which could be used as a spring board for devising learning and behavioral evaluation mechanisms.
- Training and development has instrumental role for the Bank's transformation process.

Despite the above strengths and the management's commitment, the effectiveness of the Bank's HRD function is being hampered by the following problems, which are mainly explained in terms of inconsistent application of policy and procedures.



- There is inappropriate need assessment, which does not reflect the learning needs of individuals, units and the Bank. Weak employees' and line managements' participation, absence of well established HRD database, are some of the reasons for the inappropriate need identification. The need assessment does not help identification of employees' long run developmental needs. The inappropriate need identification process means that there is weak alignment of training and development goals and objectives with the Bank's business objectives in spite the attempt.
- There is high dependence on classroom trainings while other HRD methods like OJT, job rotation are totally ignored. Hence the attempt to address learning needs through inappropriate approaches results in ineffective and inefficient training programs.
- Utilization of HRD budget is unsatisfactory implying the inappropriate need assessment and the resulting underperformance of planned programs. It also implies erroneous estimation of training costs.
- CBE's option for external training service is restricted as partners such as the Ethiopian Academy of Financial Studies (EAFS) and the Ethiopian Management Institute (EMI) are reducing their training offers.
- Little has been done with regards to management development while technical trainings are overemphasized as evidenced by the number of employees trained in technical training vis-à-vis management

development programs. This is partly due to lack of appropriate training providers as indicated above.

- The role of the Bank's Training and Development Division (TDD) as owner of the Bank wide learning process has been impeded by the unit's capacity limitations. This is evidenced by weak participation of the TDD staff in training design, delivery and evaluation.
- There is capacity limitation on the part of Line managers, who lack awareness about employee training and development. As a result line managers are ineffective in identifying learning needs of staffs under their domain, and have problems in supporting employees' self learning and development.
- There is no formalized trainers' selection criteria. This hampers employment of competent trainers thereby affecting the quality of training and development programs.
- The trainers' remuneration package is unattractive when compared to the practice of other banks and the market in general. The package could not enable the Bank to attract qualified trainers as well as to engage them in various HRD activities such as preparation of instructional plan, material preparation and evaluation of training and development programs.
- Lack of preparation, adequate knowledge and Poor presentation skill of internal trainers is also found to affect delivery of effective trainings.

- The Bank, due to absence of a mechanism to measure effectiveness of training and development programs, is unable to assess the return from its training and development investment. Evaluation is limited to soliciting trainees' reaction to events while learning, impact of training programs on individuals as well as on the Bank's performance has never been assessed.

## **4.2 Recommendation**

In order to mitigate the problems/weaknesses identified in the previous section while capitalizing on the strengths the following are suggested.

- The Bank should practically align the training and development function with its corporate objectives. This could be achieved partly by enhancing Training and Development Division's participation in corporate planning process.
- A mechanism has to be devised for designing programs based on learning needs and objectives and thereby to improve effectiveness of training and development programs. Enhancing trainers' and line management's participation in the design as well as evaluation of training and development programs is of paramount importance.
- Training provision should be driven by properly identified organizational and individual needs than the prevailing 'menu' based training need identification.

- On-the-job training should be reinstated along with other HRD approaches such as job rotation, coaching and mentoring to better address learning needs with appropriate approaches.
- The Training and Development Division should be empowered as to staff development issues such as deciding on external training offers, planning and arranging on-the-job trainings.
- The Bank should have permanently employed trainers, whose responsibilities include among others designing and evaluation of training and development programs. This could help achieve better motivation of trainers to actively participate in the entire HRD process.
- Trainers should be trained and developed through TOTs in order to enhance their skill in need assessment, program design, delivery (presentation) and evaluation.
- Employees and managers must be encouraged to develop their and their colleagues' skills and knowledge. Availing facilities like Internet service for employees' use could help here.
- Effective method for training cost estimation has to be devised and implemented. This could help in achieving better accuracy in budgeting and thereby improves budget utilization.
- The Bank should design structured and transparent criteria for selecting employees for sponsorship in educational programs, which could avoid



possible ambiguity among the Bank staff as to the training and development activities.

- The existing trainers' fee should be revised in such a way that it reflects the market situation; motivates trainers to actively participate in the design and evaluation of training and development programs as well as attracts competent trainers.
- Structured trainers' selection criterion has to be designed that enable the Bank to attract and employ qualified and competent trainers both from internal and external sources.
- A framework for evaluation of training and development should be devised that enable the Bank to measure learning outcomes as well as changes in performance behavior.

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# Annexes



## **ANNEX I**

**Addis Ababa University**  
**School of Graduate Studies**  
**MBA Program**

**Questionnaire to be filled by employees of the Commercial Bank of Ethiopia**

Dear respondent:

This questionnaire is intended to gather relevant information for MBA project entitled "**Human Resources Development (HRD) Practice in the Commercial Bank of Ethiopia**". The Major objective of the study, by MBA prospective graduate, is to assess the Bank's HRD system and to identify problems that obstruct its effectiveness. To fulfill this objective, hence, your response as employee of the Bank is recognized to be highly important.

Therefore, I appreciate if you could take few minutes of your time to complete the questions provided in this questionnaire. The instrument has three parts. Part I seeks for respondents' personal information. Part II and III consist of questions that are designed to solicit respondents' understanding and perception about the Banks HRD function.

Meanwhile I assure you that your response will be used for the intended Project only and will not in any way be accessed by the Bank. Therefore feel free and forward your genuine response, which undoubtedly will have invaluable contribution for the success of the study.

**Thank you,**

**Andinet Nigatu**

**091-165-25-57(Mobile Tel.)**

**PART I: Personal Information**

1. Sex

Male

Female

2. Age

18-25

35-45

26-35

Above 45

3. Marital Status:

Married

Single

Widowed

Divorced

4. Educational Qualification

High school complete

Certificate or Diploma

First degree

Second degree

PhD

5. Service in the Bank

Less than 5 years

16-20 years

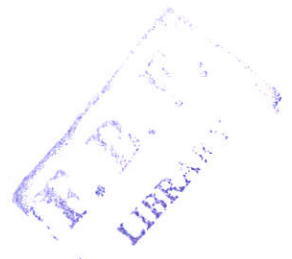
5-10 years

above 20 years

11-15 years

6. Current position \_\_\_\_\_

7. Place of Work \_\_\_\_\_



**PART III: Questions on the CBE's human resources  
development activities/system**

1) In your opinion what do you think is the place of Training & Development in the bank?

It is peripheral to the business

It is business - led

It is strategically focused

2) Training & Development seen financially by management as:

A cost to the business, one of the first that can be cut back in contingency

An essential 'bottom line' business cost

Investment essential to the future of the business

3) Whose responsibility, do you think, is training & development in the CBE?

Training & Development staff

Line managers

Top management

Employees

Others, specify \_\_\_\_\_



4) Which of the following best explain the focus & propose of training & development in the CBE?

- Ad hoc purposes with no systematic focus
- Job related, to improve current performance & prepare for specific changes.
- Continuous improvement of the performance of individuals, teams, & the Bank
- Build a climate of self-initiated learning & development

5) What are the main modes of training & development delivery in the Bank? Rank if you can.

- \_\_\_\_\_ Picking up skills on the job from experienced individuals
  - \_\_\_\_\_ Formal and knowledge based courses (Education)
  - \_\_\_\_\_ Skill and knowledge based trainings that are systematically designed
  - \_\_\_\_\_ Others, please specify
- 
- 

6) How many trainings have you attended during this fiscal year?  
Can you specify?

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7) Are currently attending formal educational programs?

YES

NO

8) If your answer to question 7 is yes, please specify

1st degree program with the Bank's sponsorship

Diploma program with the Bank's sponsorship

Self sponsored 1st degree program

Self sponsored diploma program

2nd degree with the Bank's sponsorship

Self sponsored 2nd degree

9) Taking your experience of attending training and development programs, how often you are told about training objectives and why you are selected for training?

Almost always

Rarely

Often

None of the times

10) Again taking your experience of attending training and development programs, what do you think are the basis for selecting employees for training and development events?

Employee's skill/knowledge/ attitude deficiency

Employee's Performance problem

Employee's potential for promotion

Change in work procedure, system and technology

Others, specify \_\_\_\_\_

11) Have you, upon returning from training, been given adequate free time to reflect and plan improvements in your work place? YES  NO

12) Does your manager/immediate supervisor provide you the right kind of climate to implement new ideas and methods that you acquire as a result of attending trainings?

YES  NO

13) What do you benefit from the Bank's training and development activities?

Enhanced motivation/satisfaction

Acquired new skills/knowledge

Improved flexibility

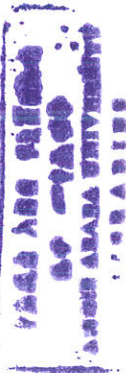
Change in work procedure, system and technology

Other, specify \_\_\_\_\_  
\_\_\_\_\_

14) Have you ever been asked about your learning needs and preferences (needs for special trainings, formal education etc.)?

YES  NO

15) If your answer to question 15 is YES, specify when and by whom? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



16) What do you think is the major objective of the Bank's sponsorship for higher education?

- To develop management successors
- To prepare employees for higher responsibilities
- To Improved employees learning skill

Others, specify \_\_\_\_\_



**PART III: Questions related to employees' perception on the CBE's  
human resources development activities**

Indicate the extent to which you agree or disagree with each of the following statements about your understanding of CBE's training and development (T&D) function by putting a tick (✓) in the space provided.

Item	Strongly disagree	Disagree	Unsure/ don't know	Agree	Strongly agree
There is strong commitment to T & D across the bank					
T & D is seen to have a vital role to play in supporting & improving employees' performance					
Managers have the main role to play in relation to the training & development of their staff.					
T & D plans arise out & the bank's business goals and targets, and are regularly revised to take account & change.					
T & D makes a major contribution to the overall performance management process.					
T & D activities are regularly shown to have added value to the performance of individuals, and teams.					
T & D operations and resources are well managed. those with T & D responsibility are fully competent and have high credibility in the work place					
HRD staffs are always working for better and innovative ways of designing & delivery training programs and other learning experiences.					
All employees play an active part in identifying and thinking of how best to meet their own T & D needs.					
T & D activity is focused on areas that will make a critical difference to the bank's ability to achieve its goals.					
Employees are encouraged to improve their own and other employees' performance.					
Managers are effective in supporting the development of their employees through self development and learning					
Employees' contribution to the Bank is recognized.					



**PART III: Questions related to employees' perception on the CBE's  
human resources development activities**


Indicate the extent to which you agree or disagree with each of the following statements about your understanding of CBE's training and development (T&D) function by putting a tick (✓) in the space provided.

Item	Strongly disagree	Disagree	Unsure/ don't know	Agree	Strongly agree
There is strong commitment to T & D across the bank					
T & D is seen to have a vital role to play in supporting & improving employees' performance					
Managers have the main role to play in relation to the training & development of their staff.					
T & D plans arise out & the bank's business goals and targets, and are regularly revised to take account & change.					
T & D makes a major contribution to the overall performance management process.					
T & D activities are regularly shown to have added value to the performance of individuals, and teams.					
T & D operations and resources are well managed, those with T & D responsibility are fully competent and have high credibility in the work place					
HRD staffs are always working for better and innovative ways of designing & delivery training programs and other learning experiences.					
All employees play an active part in identifying and thinking of how best to meet their own T & D needs.					
T & D activity is focused on areas that will make a critical difference to the bank's ability to achieve its goals.					
Employees are encouraged to improve their own and other employees' performance.					
Managers are effective in supporting the development of their employees through self development and learning					
Employees' contribution to the Bank is recognized.					



## Statement of Certification

This is to certify that Andinet Nigatu has carried out his project work on the topic **“Evaluation of Human Resource Development Practice in the Commercial Bank of Ethiopia”** under my supervision. In my opinion, this work qualifies for submission in partial fulfillment of the requirements for the award of Degree of Masters of Business Administration.

Signature  \_\_\_\_\_

Worku Mekonnen (PhD)

Project Advisor



## Statement of Declaration

I declare that this project work is my original work. It has not been submitted for any degree/Diploma in any University. I have undertaken it independently with the advice and suggestions of my advisor for the project, Dr. Worku Mekonnen. In carrying out of the project work I have different sources and materials, which have been appropriately acknowledged.

Signature \_\_\_\_\_



Andinet Nigatu

