

**ASSESEMNETOF HUMAN CAPITAL DEVELOPMENT
ON ORGANIZATIONAL PERFORMANCE
A CASE OF ETHIOPIAN ELECTRIC POWER (EEP)**

BY

MISRAK WORKU

ADVISOR: ASRES ABITIE(PhD)

**June 2021
Addis Ababa, Ethiopia**



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**A Thesis Submitted to Addis Ababa University College of Business and
Economics School of Graduate Studies in Partial Fulfillment of the
Requirements for the Degree of Masters of Arts in Business Administration**

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ID No. GSD/0071/08

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Internal Examiner	Signature	Date

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of AsreseAbitie (PhD). All sources of materials used for the thesis has been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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Date: _____

ENDORSEMENT

I confirm that this thesis has been produced as per the standards of higher institutions and submitted to Addis Ababa University for examination approvable as a university advisor.

Advisor: _____

Signature: _____

Date: _____

ACKNOWLEDGEMENT

First, glory to God who gave a strength and courage in every step of my life. I would like to express my deepest gratitude to my advisor Dr. AsresAbitie for his valuable guidance and support in the preparation of this study. Furthermore I would like to acknowledge with much appreciation to my friends and colleagues for their full engagement in the distribution and collection of questionnaires and of course to all survey respondents for their willingness and participation in the survey.

ABSTRACT

This project examined the role of human capital development on organizational performance. The research design used was survey design; the population of this study consists of members of staff of Ethiopian Electric Power (EEP), while the sample size was 287 that responded to administered questionnaire. Data were collected using a structured questionnaire and analyzed using frequency tables and percentages. The findings of the study are that human capital development motivates workers; human capital development reduces high level of labor turnover; human capital development retains the best hands in the services of the organization; human capital development matches workers' ability with job requirements; human capital development enables workers meet and surpass set standards and that human capital development makes workers to be productive. The researcher suggests that Ethiopian Electric Power (EEP) management should continue to encourage human capital development and train and improve employees so that they can meet and exceed objectives.

Key terms: Human Capital Development, Ethiopian Electric Power, Organizational performance, Training & development, Skills, Knowledge development, Career Planning

List of Acronyms

HC	Human Capital
HCD	Human Capital Development
HCM	Human Capital Management
T& D	Training and Development
SPSS	Statistical Package for Social Sciences
EEP	Ethiopian Electric Power

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CHAPTER ONE

1. INTRODUCTION

This introductory chapter addresses the introductory part of the research. It basically includes the background of the study, a statement of the problem, objectives of the study, the significance of the study, scope and limitation of the study and organization of the paper.

1.1. Background of the Study

According Schultz (1993), the term “human capital” has been defined as a key element in improving a firm assets and employees in order to increase productive as well as sustain competitive advantage. To sustain competitiveness in the organization human capital becomes an instrument used to increase productivity. Human capitals refer to processes that relate to training, education and other professional initiatives in order to increase the levels of knowledge, skills, abilities, values, and social assets of an employee which will lead to the employee’s satisfaction and performance, and eventually on an organization performance. (Rastogi, 2000) stated that human capital is an important input for organizations especially for employees’ continuous improvement mainly on knowledge, skills, and abilities.

In current global market, companies are composed by competitors regardless of business. To develop a competitive advantage, it is important that organizations truly leverage on the workforce as a competitive weapon. A strategy for improving employees’ productivity to drive higher value for the organization has become an important focus. organizations seek to enhance their employees through comprehensive human capital development programs not only to achieve business goals but most important is for a long term survival and sustainability. To accomplish this undertaking, firms will need to invest resources to ensure that employees have the knowledge, skills, and competencies they need to work effectively in a rapidly changing and complex environment. In response to the changes, most firms have embraced the concept of human capital has a good competitive advantage that will enhance higher performance. Human capital development becomes a part of an overall effort to achieve cost effective and firm performance. Hence, organization need to understand human capital that would enhance employee satisfaction and improve performance. Although

there is a broad assumption that human capital has positive effects on firms' performance, the notion of performance for human capital remains largely untested.

Effective human capital development is a major prerequisite to equip employees to acquire relevant new ideas, competencies and adapt to a changing market, and effectively drive organizational competitive advantage in order to achieve the organizational goals.

Human Capital Development practice to be effective and resulted in employee satisfaction eventually retention, it must be perceived positively by employees. Employees' satisfaction relating to provision of training and development, increasing knowledge and skills, opportunities for growth and development within the organization and management's supervision and assistance are very important for successful human capital development practices. Simply providing training and development programs is not the key to better performance and employees' satisfaction. Organizations need to look into the needs of the employees' and ensure that human capital development practices are aligned with both company and individual goals. It has suggest that the level of employees' creationand improve skills and performance with the human capital development practices are among the most important criteria to consider when analyzing thehuman capital development practices. Ethiopian Electric Power (EEP) has Human Resource Training and Development department which are responsible formanaging the corporation's HCD practices and managing its training and development institution. Moreover, the Corporation also sends abroad some of its selected staffs, particularly, technical staffs for short term training. However, much of the corporation's HCD practices focused only in very limited areas. In general, this project tries to analyses HCD practices in Ethiopian Electric Power (EEP).

1.2. Statement of the Problem

Human capital development is a critical component of organizations' efforts to improve efficiency. However, nothing has been done to demonstrate the importance of employee development and retention. The majority of research has concentrated on training as the most important aspect of human capital development. Little has been accomplished or concentrated on labor markets, which could lead to people choosing to work outside the country if there are many trained people out there with fever jobs.

Empirical studies back up research results, showing clear ties between graduate jobs, including trained scientists and engineers, and the adoption and usage of high-level technology in the workplace, as well

as the level of investment in worker training and current technological trends (Pfau and Kay, 2002; Low and Kalafut, 2002). This confirms that more educated and professional workers can quickly embrace technology and integrate current labor trends, allowing them to compete effectively in competitive environments (Low and Kalafut, 2002). The desire to be inventive and imaginative on the job is influenced by both informal and formal education.

While it is widely assumed that human capital has a positive impact on firm performance, the concept of human capital performance is largely untested. As a result, the aim of this paper is to investigate the relationship between human capital and firm performance in EEP.

Workers' efficiency is decreasing, resulting in the organization's underperformance. This is due to the fact that most businesses do not send their employees on training because they do not have the financial resources to do so. Also, most businesses assume that employees are shady by default, and that when they return from training, they will leave to work for another company. For example, most government organizations do not provide effective and productive training to their workers due to the high cost of sending employees to quality training, resulting in low productivity.

Nonetheless, no company takes human resource development seriously, owing to a failure to recognize the fact that the business environment has become extremely active. As a result, only those organizations with the right informational needs in business times will survive in modern times with the right technical manpower. Failure to invest in training and development, particularly in modern organizations, would stifle growth, reduce efficiency, and make it difficult to compete in the marketplace. In light of the foregoing, the aim of this study is to look into the impact of human capital development on organizational success.

Organizations should come up with some effective strategies for investing in different aspects of human capital because it not only helps companies achieve greater efficiency but also ensures that firms remain competitive for long-term survival. Rather than treating workers as an expense, businesses should cultivate high human resource development practices. The point of human capital creation in most cases has been to improve the relationship between workers and managers in order to avoid situations where employees are dissatisfied with their employment, which may lead to a work stoppage.

Enhancing employee health in their jobs by improving their knowledge, abilities, capabilities, and other characteristics. There have been some disappointments and problems in Ethiopian Electric Power (EEP). Following these disappointments and concerns, there has been a lack of adequate human capital

growth. The system of hiring and training was ineffective. Inadequate competitors have been used to choke eligible competitors in many instances. Cost of investing in individuals and on deal turnover; esteem training included; effect of development anticipating benefit impact of performance assessment of employee evaluation on Ethiopian Electric Power Efficiency (EEP).

The definition of human resource growth and organizational success has been investigated in this paper. According to empirical studies, there is a connection between human capital development and organizational success. As we can see from the above gaps, the course of any future study was then invited to explain in depth how the relationship between human capital growth and organizational success can be improved, and this provides a research agenda for future studies.

According to EEP's human resource department, much of the organization's human capital growth activity is concentrated in a few departments, such as the ICT department and the power generation unit. As a result, the aim of this study was to look into the practice of human capital development in Ethiopian Electric Power (EEP) performance.

1.3. Research Questions

It is therefore critical to understand current skills and, depending on the organization's key objectives, what preparation is required to fulfill the development of the requisite skills for the achievement of the organization's goals. The study's main research question was how human capital components affect Ethiopian Electric Power Company's efficiency (EEP) performance.

In view of the above argument, the study attempted to address the following pertinent:

- What is the current status of the employee awareness towards the concepts of human capital development in Ethiopian Electric Power?
- How is the human capital development practice provided in Ethiopian Electric Power?
- What are the challenges and problems during the human capital development practice?
- How the perception of supervisors and employees' towards human capital development practice?

1.4. Objectives of the study

1.4.1. General Objective

The general objective of the study is to analyze of human capital development practice in Ethiopian Electric Power(EEP).

1.4.2. Specific Objectives

The specific objectives the study includes the following:

- To assess the current human capital development practice in Ethiopian Electric Power(EEP)
- To identify the challenges of human capital development practice and recommend the strategies to enhance its contribution.
- To highlight the needs of human capital development for improved organization performance.
- To recommend solutions believed to resolve the pitfalls identified.

1.5. Significance of the study

The Study is intended that the findings can help the organization to analyze and evaluate the effectiveness of the human capital development practice and to gain knowledge about the challenges which are affecting its effectiveness and they can use its findings and recommendations in the newly splitting companies. These findings could be used for correction of the current human capital development practice in a way that enables to increase performance of employees and achieve the objectives of the organization. Furthermore, the study may also serve as a source of reference for researchers to conduct further study in this area. Last but not least it serves as a partial fulfillment of the Master's Degree in Business Administration.

1.6. Definition of Key Terms

In order to avoid the difficulty in understanding the study, important terms associated with the research are briefly defined as follows

- **Ethiopian Electric Power (EEP)**

An organization, which has given the responsible to generating, transmitting, wholesale of electricity nation-wide and to neighboring countries.

- **Analysis:**

Means the process of studying or examining something in an organized way to learn more about it, or a particular study of something.

- **Human Capital**

Human capital is an important input for organizations especial for employees' continuous improvement mainly on knowledge, skills and abilities. (Rastogi, 2000)

- **Human Capital Development**

Human capital development is the process that relates to the development activities which an organization undertakes to equip and improves the skills, talent, competencies, knowledge and creative abilities of it workers.(Obiekwe, 2018)

- **Assessment:** - in this study, an assessment refers to the analysis of gathering and identifying information about the practices of human capital development in EEP.

- **Supervisor**

According to EEP's HR manual a supervisor is any officer who exercises control over one or more officers/employees on the various levels in the hierarchy of the organization being researched but he is not a management member.

1.7. Scope of the Study

The study's geographical scope is limited to Addis Ababa. Because of the small sample size of respondents and the fact that COVID-19 makes data collection difficult, this study has a significant limitation. Just a few employees working in Addis Ababa were included in the study. In the case of out-of-city branches, this will increase the time it takes to collect data and lower the quality of the data collected.

1.8. Organization of the Paper

The study is organized into five chapters. Accordingly, the first chapter deals with the introduction part of the study; the second chapter focuses on the details of related literature of the study; the third chapter discusses the details of the methodology of the study; the fourth chapter focuses on data presentation and analysis. Finally, chapter five presents the summary of the findings, conclusions and recommendations.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

The important literatures connected to the study issue are reviewed in this chapter. This entails presenting the theories and conceptual reviews that were employed in the research.

2.1. Theoretical Review

2.1.1. Definitions and Concepts of Human Capital Development

An organization's human capital is made up of the individuals who work for it and are responsible for its success. The presence of abilities is becoming increasingly linked to personal and monetary success. During periods of great economic activity, skilled employees might earn a higher wage. Unemployment is high across the world, and businesses are having trouble filling positions that demand specialized knowledge.

The notion of human capital dates from the XVIII century. He refers to the notion of a nation's riches, information, training, abilities and expertise in "An Inquiry into the Nature and the Causes of the Reich of Nations" in his book, Adam Smith. Adams said that developing human capital via education and training leads to a more prosperous company that adds to society's joint wealth.

Human Capital is a critical component in strengthening a company's assets and personnel in order to boost productivity and maintain a competitive edge. Sustaining competitiveness in the human capital organization is a technique for increasing productivity. Human resources refer to training, education and other occupational initiatives procedures in order to develop an employee's level of knowledge, skills, qualities and social assets that will provide happiness and performance to the employee and eventually a strong performance.(Schultz, 1993).

Human capital is a vital contribution to the business in particular for workers' ongoing progress, notably in knowledge, talents, capabilities and traits that enable personal social and economic well-being to be established.(Rastogi, 2000)

As cited by (Doucouliagos, 1997), Human capital is used to encourage employees, increase their commitment and generate research, development and ultimately cover the method in which new information for the economy and society in general may be generated.

At times, human capital may be assessed by years of schooling and can be enhanced through formal or informal education or training (Mathur, 1999). In this connection, human capital is not limited to formal schooling but also includes practical experience which takes place in the work and non-traditional administrations that promote the growth of killers. (Davidsson & Honig, 2003). Human capital comprises the intrinsic capacity and the expertise that people develop during their lives. He stated that as the amount of skills acquired by individuals during their lives largely depends on their beginning ability, this potential is an essential feature of the idea of human capital. (Laroche, et al., 1999).

Human capital symbolizes the combined intelligence, competence and competence in the company, which characterizes the organization (Mayo, 2001). The organization's human elements are those capable to learn, change, innovate and provide the creative impetus that is well motivated to assure the organization's long-term existence.

The pace of change that the average employee needs may increase to a minimum of three new skill sets. These indicate the rationality for the enormous investment in human capital, (Okemakinde & Olaniyan, 2008), advanced reasons for the need for human capital development as:

- A suitable piece of information previously collected in previous generations has to be provided for the current generation
- New generations must get new, existing knowledge to improve skills, introduce new processes and processes of production and social services •
- People should be encouraged through innovative techniques to produce completely new ideas, products, procedures and procedures, which will support a better education sector.

As noted by, (Davenport, 1999), People own intrinsic skills, habits, and personal energy, and the parts of the human capital they are bringing to work are they, not their employers, who own and determine when they are going to give this capital. In other words, people may choose, labor is a two-way exchange of value, not a single means of exploiting the asset of their owner.

Development of human capital is equally essential for improving operational effectiveness, efficiency and productivity and is thus an important task for management and leadership. The development of human capital refers to every effort made to get the talents, skills, information and attitudes essential for the person to develop technical, relational and conceptual capabilities which will enable him or her to perform assigned duties and responsibilities successfully. Organizations are nowadays being used to acquire competitive edge over competitors and for other good organizational results.(Marimuthu, et al., 2009)notes that "Companies are aimed not only at maximizing their employees to achieve economic goals but above all, long-term existence and sustainability". In addition, persistent development of human capital will boost productivity, profitability and long-term competitiveness (Oforegbunam & Okorafor, 2010); (Josan, 2013). The goal of development of human capital is to make the personnel tangible and to adapt them to the strategic goals of businesses.

The growth of the human resources of a company comprises providing chances for learning, training and development to enhance individual, team and performance outcomes.According to (Waddams, 2008), recruitment, support and investment of human capital via education, training, coaching, mentorship, internships, corporate development and human resources administration. Human capital development emphasizes the importance and vitality of the organization's future success in the development and progress of employees in business and enterprise. As stated by (Healthfield, 2011), Developing human capital as a structure to allow employees to grow personal and organizational talents, knowledge and talents. She says that Human Capital Development encompasses chances such as staff training, professional growth for workers, performance planning and monitoring, coaching, mentorship, estate planning, identification of important staff members, support for teaching and organizational growth.

Personal capital, which comprises knowledge, skills, competences and traits that enhance personal, social and economic well-being;(Orifa & Balogun, 2015) also (Udu & Ewans, 2016),Human capital as a resource collection that contains, among other things, individual experience, intellect, skills and information. Among others, these talents and know-how might be derived from natural resources, experience, training or formal education. In order for employees to be aware of evident issues stemming from society, continuously changing and complicated educational programs require leaders that aim for growth of human capital. Investing in development of human capital provides a permanent framework to increase operational flexibility and efficiency, vital to boost employment effectiveness.(Udu & Ewans, 2016).

Human capital development is an individual's process or any kind of support for acquiring abilities, knowledge and talents in carrying out a specific activity. The development of human capital is a process relating to education, training and other professional efforts with the goal of increasing employees' level of knowledge, qualifications, skills, values and social assets that would contribute to their happiness and results.(Marimuthu, et al., 2009).

Human Capital Development (HCD) includes training and other technologies to improve workplace happiness and finally and company performance degree of awareness, skills, qualifications, values and social assets. The fast growth of human capital development has resulted in a stronger focus on education.(Schultz, 1993).

Development of human capital is any activity leading to improved workforce quality (productivity), hence education is an essential component of the development of human capital. It refers to training for a person that increases his/her capability for economically valued tasks. (Rastogi, 2000).

Various human capital development strategies are available to enhance the productivity of employees, including training, assistance, guidance and advice. The practice includes recruiting, formation, counseling, mentoring, and engagement and performance assessment.

2.1.2. Benefits of Human Capital Development

Personnel and organizations gain from human capital advancements. It enables organizations, for their worldwide and foreign companies, to be creative and inventive in long-term survival(Grossman, 2000) contributes to organizational competencies, which fuels innovativeness and increase firms performance (Ndu, 2009).

Developments in human capital also increase organization's survival, efficiency and new understanding and higher organizational commitment(Cohen, 1983); (Olufemi, 2009); (Obiekwe, 2012). According to (McConnell, 2004) value organizations Human Research Training is seen by management as a strategy for developing long-term productivity growth and for solving different organizational difficulties. It allows administration to retain an organization-leaving workforce stock and assist workers in confronting newly produced technologies and reducing costs and repute for companies. (Frost, et al., 2000).

The development of human capital at the individual level assists an individual with learning, skills and attitudes essential to successfully accomplish work duties. It will also increase the quality of an individual human capital to help the individual performance to have a positive influence both at present

and in future on their productivity. It also leads to more flexibility and adaptation for employees and the improvement of individual skills (Marimuthu, et al., 2009).

(Obiekwe, 2012) Enhance the talent of the individual and make it easy for people to be more inventive, challenge current information, and try to build solutions based on their skills and knowledge to individual difficulties. (Brum, 2007) Argue that only companies with the finest trained staff can adapt and modify the most efficiently when the business environments change swiftly and unexpectedly. In addition, the development of human capital can result in better productivity on the basis of a person's acquired talents and talents and hence more likely to lead to high wages and status for a group of employees and community.

2.1.3. The Importance of Human capital

(Mouritsen, 1998), Acknowledged that high capital is a significant strategic asset of a firm. Constantly, companies today innovate goods, services and processes to respond to changing, competitive and vibrant surroundings and they lead to a better understanding, skills and creative people resources within the business to fulfill their objectives (Burund & Tumolo, 2004).

Human capital comes from the notion of human capital that refers to the information, attitudes and skills which are primarily created and appreciated for their efficient and productive possibilities (Baptiste, 2001). The economic worth of education means the worth of prior investments in people's capabilities, (Becker, 1964); (Schultz, 1961). The constant expansion of staff knowledge and abilities leads to anticipated productivity. Therefore, an organization should preserve its human capital assets so that brain drain is avoided.

For the favorable influence of human capital on company success, the following can be explained: First, talent can facilitate companies' business operations for improved strategic and operational efficiency (Norton & Kaplan, 2007). Secondly, organizational sustainability depends on the inventive capacity of the employee amid rising global competition. Continuous learning and personnel development promote knowledge transition into novel goods or services and develop the inventive capabilities of the company (Becker, 1964); (Mincer, 1974). Thirdly, the high-quality products and services that accompany skilled and outstanding personnel in companies keep current clients and grow new ones (Pennings, et al., 1998). Enterprises need to maintain and consolidate human capital via demanding and satisfactory work, growth and development opportunities, accomplishment appreciation and reasonable and equitable remuneration. (Roberts & Hirsch, 2005).

2.1.4. The Economic and Social Importance of Human Capital

Intelligence and human capital buildup has a direct impact on efficiency. Employees' training levels have directly improved their working lives in advanced nations, which are increasing the rise of gross domestic product. In the long run, economic growth will be affected by most of the social advantages resulting from the accumulation of humans such as excellent health, more urban jobs, less crime and more social connection (Carmeli & Schaubroeck, 2005).

In addition, a country's social capital enhances the wellbeing of society and directly impacts the efficiency of products and services. For instance, the high degree of trusteeship decreases the expenses of trade in society (Rastogi, 2002).

The focus of organizations, in particular human capital, is based on the concept that the market value of organizations, rather than tangible assets, rests on immaterial assets, especially human capital. It is part of this arrangement to engage and retain the top personnel in the company. Enterprises must boost the degree of organizational learning and develop the skill and capacity of people by encouraging them, creating, sharing and applied knowledge and transforming learning into a habit. (Stiles & Kulvisaechana, 2003).

2.1.5. The Purpose of Human Capital Development

According to Awan & Sarfraz studied human capital purpose on the company's performance through the moderating role of employee happiness with his work. The paper survey and results demonstrated that expenditures in human capital are strongly linked to company success and the happiness of employees mediates the connection between both variables. The results show that human capital is an organization's most precious and vital asset. It allows the firm to expand more effectively and efficiently and achieve its objectives. It also proves that education, training and skills have any bearing on company governance (Awan & Sarfraz, 2013).

In addition, companies understand that in order to address human resources problems appropriately with regard to new and increasing responsibilities and problems, they have to establish long-term and short-term solutions to meet the challenge of managing human resources today. Developing human capital involves recruiting, training/development and motivation for human resources.

2.1.6. Determination of Human Capital Development Need

Companies must guarantee the appropriate person is at the right moment in the appropriate role. The demand for and nature of human resources planning in leading organizations, as well as increased environmental instability, demographic shifts, technological developments and more worldwide rivalry are evolving.

Planning increases the connection between line managers and schedulers. Furthermore, firms are aware that they need to establish long-term and short-term solutions to appropriately manage human resources issues. Vetter (1967) Human Resources Planning is described as the management process through which the organization defines how it should go from the existing staff position to a desired position. By designing the correct amount and the appropriate sort of people at the appropriate time, the management works to get optimal long-term advantages for the business as well as the person. The wide context of organizational and strategic business strategy is contemporary human resource planning. This includes predicting future human resource demands for companies and how they are to be addressed. It comprises the definition of needs and the development and implementation of programs (staffing, evaluation, remuneration and training) to guarantee that employees have enough features and skills when they are required by the company. (Mills 1985). It can also include establishing and executing employee performance initiatives, or increasing employee happiness and engagement to raise corporate productivity, quality or creativity. In an enterprise with no staff involved in the planning strategy or the completion of a contract, little is done (Zenger & Lawrence, 1989) John O'Brien Vice President of human resources at Digital Equipment Corporation, Describes a connection between corporate and human resources plans as a means by which human resources and line managers work together to draw out business plans and assess human resource requirements. Examine growing difficulties with human resources and devise strategies to deal with them and support corporate strategies. According to O'Brien, These attempts arise when planners of human resources convince business planners that human resource is an advantage of the competition which may be increased profitably when handled wisely (Planning With Staff, 1984).

2.1.7. Methods of Human Capital Development

There are several approaches for the development of human capital. Human resources and their capital are to increase the performance of the individual's existing work, train new skills to create new jobs or

position in the future and generally expand individuals and organizations in order to fulfill their future aims.

A firm's human capital is among the most important factors of its performance. Development of human capital requires creating settings in which employees may learn and use new concepts, acquire new skills and enhance competences, attitudes and behaviors.

You may thus say that the development of human capital is focused on: talent management, change management, performance management, management of human resources, learning and development, planning for succession, strategic planning, planning of workforces and knowledge

Various approaches commonly apply to managers, professionals and other people. The method employed in development is frequently an issue of convenience, intensity and the organization's operational philosophy as literature shows varied techniques of developing human capital. (L.I.Nwaeke & Obiekwe, 2017).(Olufemi, 2009), identifies training and development, new learning paradigm, leadership roles and talent management. (Obiekwe, 2012), noted training and development, and mentoring as two major methods of human capital development. In the view of (Fryer, 1990), the key means of human capital development are coaching, experiential learning, lectures, role-playing, and audiovisual aids. Other ways include training/coaching, inducing/orienting, apprenticeship, demonstration, understudies, rotating jobs, self-evaluation and mentorship(Nwachukwu, 2006); (Olaniyan & L.B. Ojo, 2008).

2.1.8. The features of human capital

1. Creativity and innovation

The institution's existence rests on its reconstruction power. This reconstruction is achieved by bringing the objectives into line with the existing conditions and by enhancing the way these goals are achieved. Therefore, organization, as a not creative organization, must promote innovation and creativity. (Daft, 1998).

2. Knowledge and skill

It is not new that the company has significant human resources. Adam smith talked on the value and impact of knowledge and skills of employees on the company's product process and effectiveness (Smith, 1910). In addition, Smith said that training is a kind of human investment, supporting qualified and trained personnel.

Developing and allowing employees to take decisions will increase performance and minimize their opposition to corporate change (Thomas, et al., 1996).

Management of knowledge is an efficient area formed by several elements such as human resources, organizational growth, management style and IT, managerial credit, evaluating and valuing. (Bukowitz & R. Williams, 1999).

The management of knowledge is a process of possessing and utilizing trade knowledge to encourage innovation (Nonaka & Reinmoeller, 2000).

Knowledge and their management are always crucial, knowledge has built on economic growth and for product development, intellectual capital is crucial. For perception, description, and measurement of knowledge of economy and product, greater scientific attention is needed (Bontis, 1998).

3. Value added

Value-added human resources may assist the organization have balanced performance strategies and value added advantage. Employees can develop forecasts at various organizational levels, establish values, tasks and aims, develop and implement strategic plans in line with values. Value may be strengthened through staff motivation and training (Armstrong, 2008).

4. Competitive advantage

The firm must distinguish its goods from competitors by hiring trained and qualified workers more than the employees of the rivals to have a competitive edge. Talents like strong performance, adaptability, innovation and the capacity to provide customers with direct service are vital to developing a competitive edge for the company. (Armstrong, 2008) Intellectual capital, utilized as intangible assets, is more valued in-company operator. These capital resources are a key economic resource and directly compete on the market (Groves, 2002).

5. Increasing the customers satisfaction from the organization

The dedication of the client to a service company depends greatly on the client's employees. Service quality generates a good impact on our customers and improves their loyalty to the firm, which has a favorable financial impact on the business. (Zeithmal & Parasuraman, 1996). The commitment of the customer to the firm is defined by the behavior of the employee to that customer. Service firms must promote it, and the development of the connection will enhance customer loyalty to the company to become permanent clients (Yoon & Suh, 2003).

The assessment by the client of service will rely on the ability, mentality, expertise and expertise of workers, which will influence the future of the connection between the employees and their clients. (Gonzalez & Garazo, 2006).

In aiming to improve performance, human capital development plays an important role in organizations. But nothing has been done to indicate that workers need to be developed and maintained. Little was achieved or concentrated on human capital practice when we have many qualified workers in the company who have fewer occupations that can cause people to leave and work outside the company, as a result of most research on training as a major component of Human Capital Development. There has been very little talk regarding wages and framework in order to keep employees, in order for most organizations, their staff should grow just the same experience as they do, to practice their knowledge. In this regard, apart from training, as has already been emphasized, many should be examined in terms of skills, knowledge and competences.

The lot of firms emphasizes the development of human capital, reflecting the belief that aptitudes are identified in personnel capacities. This assists the department of human resources to change the requirements for (recruiting) and to retain (retain) the best personnel. It must also affect the skills and capacities of its workers by fostering personal and organizational development and establishing an atmosphere of support for the creation, sharing and use of information.

2.2. Empirical Review

In 1776, the source of human capital was the materialization of classical economy, and afterwards a scientific theory was formed. The HCI initiative was established for the first time by Adam Smith (1776), who stated that disparities in how people work at the various levels of education and training mirrored disparities in returns necessary to compensate for the price of attaining these talents in the wealth of nations. Economists such as Elliot (1991) developed the theory of human capital. He is concerned with human capital in terms of the quality, not quantity, of the labor supply. (Baron and Armstrong). After the demonstration of that concept as a theory, (Schultz, 1961) recognized the human capital as one of the important factors of national economic growth in the modern economy (Odhong, 2014).

(Michael & Zaid, 2014) The influence of human capital development on the Nigerian banking sector's organization, with a special focus on the State of Osun, was investigated. They used judgment and simple random sample procedures as a research tool for the analysis of questionnaires. The study concluded that there is an important link between the development of human capital and the

performance of banking organizations. The survey has also shown that Nigerian financial industry is employed to face the problems of dynamics in the economy in terms of knowledge, skills, behavior, competence and ability.(Michael & Zaid, 2014).

According to (Awan & Sarfraz, 2013),studied Impact of human capital on the company's success in mediating the satisfaction of its employee. The paper survey and results demonstrated that investments in human capital are strongly linked to company success and the happiness of employees mediates the connection between both variables. The results show that human capital is an organization's most precious and vital asset. It allows the firm to expand more effectively and efficiently and achieve its objectives. It also proves that education, training and skills have any bearing on corporate performance(Awan & Sarfraz, 2013).

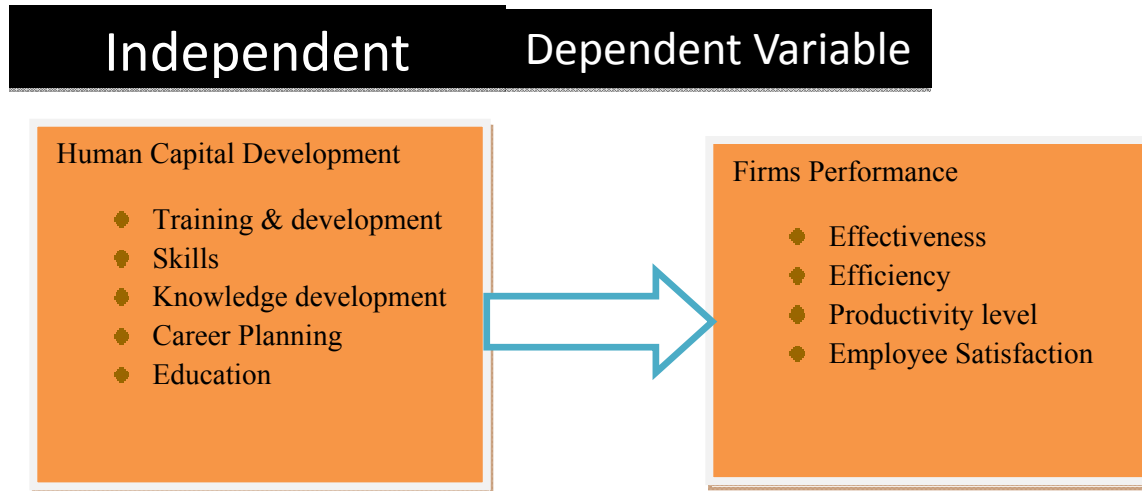
(Becker, 1964),proposes that HC may be grouped in two categories, General and Specific HC. General human capital is general and may be transferred across all sectors and companies. General human capital includes features of the family history, profession, age and gender. In contrast, particular human resources comprise previous knowledge, expertise, innovative attitudes, technology and managerial skills and special industry understand.

2.3. Conceptual Framework

The conceptual framework indicated below show both independent and dependent variables proposed by the study. Mugenda and Mugenda (2003), Defines the variable as a quantifiable feature assuming differing values between participants. They describe a dependent variable as one which depends on or is a result of another. The variable is defined as an independent variable preceding the dependent. The dependent variable, “performance of Ethiopian Electric Power EEP” is the subject of this study and is the one that is influenced by the independent variables (Training and development, skills, knowledge development, career planning and education). The relationship between Human Capital Development effectiveness and organizational performance has been extensively argued in many studies (ElhuseinAzhdar , 2004; Holman et al, 2003; Boxall and Purcell, 2003; Öz,celik and Aydinli, 2006). Human capital development has been demonstrated to be a suitable source of sustainably competitive advantage for every company. Development of human capital can impact the abilities of employees. This could be done by acquiring and developing the human capital of an organization, and thus achieving business goals.

The research variables were diagrammatically shown in order to highlight their link by displaying the influences of independent factors in this report on the dependent variable. The following conceptual framework was constructed to guide the research study based on a comprehensive theoretical and empirical examination.

Figure 2.1: Conceptual framework showing relationship between independent and dependent variables.



This model depicts Human Capital Development needs assessment have relationship with organizational performance.

Cole (2002) Human Capital Development has underlined that it is able to increase employees' strategic value and gain competitive advantages in a business. Human resources are as vital as employees, it might be said. Effectual application of the Human Capital Development strategies may arrange the full Human Capital Development actions for all workers to directly influence employee behavior and efficiency. (Huang et al, 2002). In order to acquire a competitive edge, performance may be described as an organization's capacity to efficiently manage accessible resources through numerous techniques. There can be two sorts of financial and non-financial performance(Hansen and Mowen, 2005). Performance is an important managerial component. The performance of a person or a team inside an organization is seen in terms of the authority and obligation to achieve objectives legally in accordance with moral and ethical standards. (Iswati and Anshori, 2007). Service strategy that uses customer feedback to improve quality and efficiency and which is accused of poor fixed line maintaining, pricing, distribution strategy, promotion strategy and staff strategy that include competent, competent staff and capable of providing services, understanding the service culture and pro indicates organizational performance. Services strategy the hypothesis and the connection of variables are based

on this. The conceptual framework is adapted from Kidombo (2009) on the study of Human Resource Management orientation and Strategic Responses to Environmental Change, Africa journal of Business and Economics. The study can be conceptualized as shown in figure below.

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1. Research Design

According to (Kothari, 2004), a research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data.

In order to show the existing phenomenon as it exists this research has been a descriptive nature. According to Brian Allison, (1995), a large proportion of all research is descriptive research. This is because a clear statement of ‘what is’ is an essential prerequisite to understanding ‘why it is so’ and ‘what it might be’. In a very real sense, description is fundamental to all research. Descriptive research sets out to seek accurate and adequate descriptions of activities, objects, processes and persons. Therefore, to better see the analysis of the company’s human capital development practice, the role of each identified analysis of variables is described in detail.

3.2. Sources of Data and Types

Quantitative and qualitative data are collected from different sources through various methods. Primary as well as secondary types of data were gathered for the analysis of the study. The importance of collecting and considering primary and secondary as well as qualitative and quantitative data are used to triangulate and supplement the diverse data generated from different sources which in return has use to make the data and the result of the research reliable. In order to gather reliable information, both primary and secondary sources were worked. The data were collected primarily from first hand sources through questionnaires and focus group discussions to achieve the objectives of the study. The secondary data sources were gathered from official statistical sources books, journals, internet sources, research findings of various scholars on the topic under investigation, and other publications.

3.3. Target population

A study population can be defined as the entire collection of cases or units about which the researcher wishes to draw conclusions. The population of interest for this research was all employees of Ethiopian Electric Power (EEP) in Addis Ababa. The number of population has to be determined by selecting the samples from the targeted head office permanent employees and line management.

Based on the company's HR as of June, 2020 there are a total of 7,336 permanent employees in the corporation; out of them the target populations for this research are 1023.

3.4. Sample Design and Size

The sample size was calculated by the researcher taking into account the scope of the study, sample sizes used in similar studies, the significance of the decision, and resource constraints. The sample size for distribution of the questionnaires was determined using a random sampling technique.

Purposive sampling is important when choosing HCD related professionals and experts. Random sampling approach is used to pick respondents at each stage in each HCD related professional and knowledge purposively.

Because of the population's homogeneity and the size of total employees found at each level of the company, 1023 head office employees and line management of survey respondents were chosen as representative of the total population in each purposively selected head office. The sample size was determined using the formula as it stated by Yamane (1967).

Where, n – designates the sample size the research uses.

N - Designates the total number of EEP's employees in select work processes.

e – Designates maximum variability or margin of error 5% (0.05).

1 – Designates the probability of the event occurring.

Sample size obtained as;

$$n = \frac{N}{1 + N(e)^2} = \frac{1023}{1 + 1023(0.05)^2} = 287 \text{ employees}$$

Therefore, 287 are considering being representative of the study population.

3.5. Instruments and Procedures of Data Collection

The data collection tools that were engaged in this study are questionnaire from primary sources of data and document analysis from secondary sources. The questionnaire used commonly to gather data for descriptive survey. The questionnaires were having structured with closed and open ended type. Accordingly, 5 point Likert scale items are prepare for respondents because it is helpful to choose one option from the given scaling that best align with their views. In addition to this, open-ended

questionnaire was conducted in order to give opportunities to express their feelings, perceptions, and intentions related to the human capital practice in the organization. The questionnaires are having different parts to obtain necessary information.

3.6. Validity and Reliability

To validate the study free from bias, the questionnaires were developed and forwarded for two subject matter experts in the organization and also my advisor to comment on the content as well the measurement incorporated were reliable and valid enhance reliability and validity. The researcher also utilized the Cronbach's Alpha model installed with the SPSS software application to determine the value as 0.86, which is supported many statistical literatures

3.7. Methods of Data Analysis

The data gathered from the questionnaire were entered and all the analyses were performed with the Statistical Package for the Social Sciences (SPSS version 20). Descriptive analyses were used to organize and summarize the demographic data of the respondents which include age, gender, educational level, and marital status. On the other hand, correlation analysis was used to see if there were any relationship between the independent and the dependent variable. In addition, correlation analyses were also used to know how much the independent variable has influenced the dependent variable. . After data has been present and analyze, the findings are used to draw the necessary conclusion and recommendations.

3.8. Ethical Consideration

The study was conducted by considering ethical responsibility. The researcher communicated to the respondents the purpose and aim of the study and the use of the information as well. Every respondent participate in the research willingly and involved in the study was entitled to the right of privacy and dignity of treatment, and no personal harm will be caused to subjects in the research. Information obtained will be held in strict confidentiality by the researcher. Moreover, participants will be notified not to disclose their names; and also assured anonymity of data. The following ethical considerations were at the base of this research. a) Fairness. b) Openness of determined. c) Disclosure of methods. d) Respect or the integrity of the individuals e) Informed willingness on the part of the subjects to participate voluntarily in the research.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

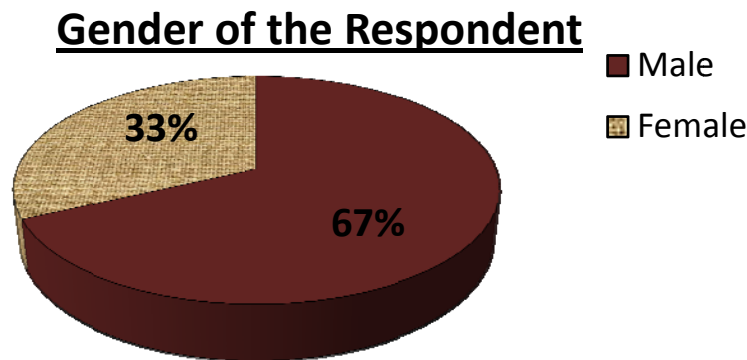
This chapter presents the results of the data analysis. The first section of this chapter provides the demographic profiles of the final survey respondents. The second part of the chapter deals with the analysis of the different questions in the questionnaire.

4.1. General Information about Respondents

The background characteristics of respondents as referred to in this section deals with the presentation on the overview and number of respondents who filled the questionnaire for the study. This part gave general information about respondents like gender, age, educational level, position, service year and qualification. The demographic information enabled to have a better understanding on the respondents and the topic.

The following figure shows the summary of the respondent's gender composition.

Figure 4.1 Genders of Respondents

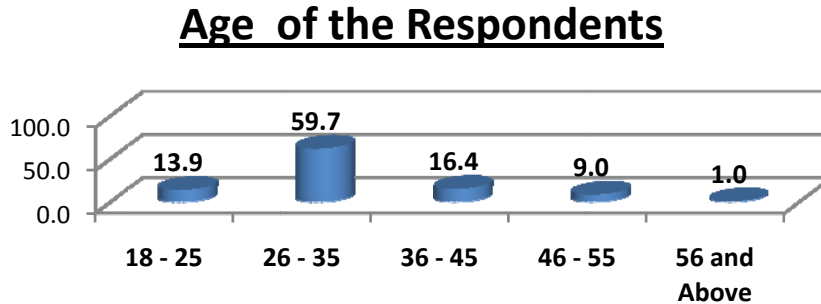


Source: Own Survey, January, 2021

As stated above in figure 4.1, about 67% respondents were male and the remaining 33% were female respondents. From this, it can be easily understood that the respondents' gender distribution has been dominated by male. This shows that the male is more than the female in the role of human capital development on organizational performance at Ethiopian Electric Power (EEP) in Addis Ababa. As well as human resource strategies and activities that are gender-focused represent an organization's attitude toward gender diversity. The signal causes employees to believe that the company promotes gender

diversity, resulting in a diverse workforce. As a result, a gender-diverse workforce gives a company a competitive advantage, which could lead to improved results.

Figure 4.2 Age of the Respondents



Source: Own Survey, January, 2021

As can be seen from the above figure 4.2 concerning age status, 59.7% of the employees were between age 26 and 35 and 16.4% are between 36 and 45. Furthermore, about 13.9% of the employees were between age 18 and 25. This indicated that the company’s staffed with young employees. In other words, most of the employees are belonging in the productive age group. This shown that most of them as a youth worker, the firm have the opportunity to make a huge difference in young people’s lives. Ethiopian Electric Power (EEP) can help to build these future generations into positive, active members of society and improve their quality of life. It means that, when shifts in age diversity and task types are taken into account, organizational efficiency does not generally decline with average worker age. We also discovered that the age diversity can boost productivity significantly, particularly in innovative and creative businesses.

Figure 4.3 Educational status of the Respondent by gender

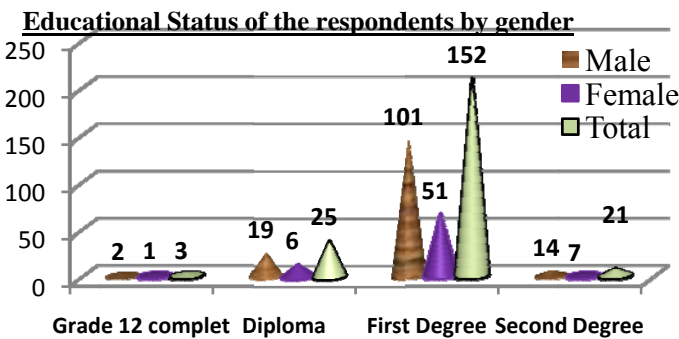
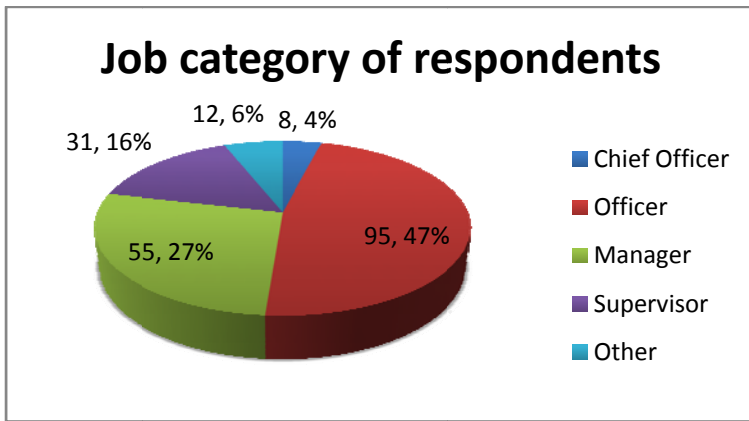


Figure 4.4 Job categories of Respondents

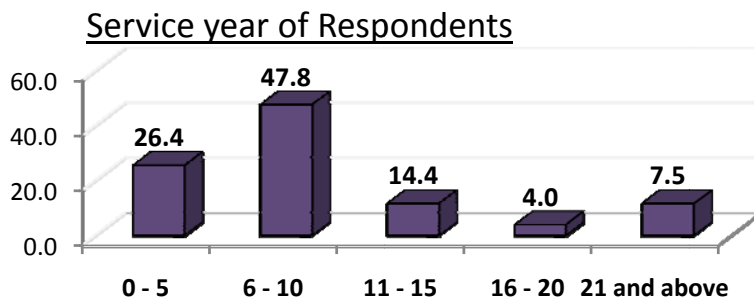


Source: Own Survey, January, 2021

As far as educational status of the respondents were concern, and stated in figure 4.3 above 152(75.6%) of the respondents were first degree holders (101 are male and the remains 51 are female), followed by diploma holders, 25(12.44%) out of them 19 were male and 6 were females. The remaining 21(10.45%), and 3(1.49%), of the employees have specialization at a master’s level and grade 12 completed respectively.

According to the data shown in the above figure 4.4, 95.47% of the respondents at the officer positions, 55.27% of the respondents are managerial position where as the 8.4% chief officer position and the remaining 12.6% in different position of employees. This will initially develop to assist facilities in improving cooperation between different organizational processes. The facility's management is typically delivery-focused, which ensures that certain procedures will be used to ensure that service is provided in the most effective manner possible in order to meet deadlines.

Figure 4.5 Service year of Respondents



Source: Own Survey, January, 2021

Concerning work experience of the respondents, as illustrated in figure 4.5 the majority of the respondents 96(47.8%) have 6 to 10 years of experience and the rest 53 (26.4%), 29 (14.4%), 8 (4.0%) and 7.5% have 0 to 5, 11 to15, 16 to 20 and above 21 years of service in the corporation respectively. In general, almost more 75% of the respondents were working for more than 5 years at the organization, which indicates their long period of experience and that contributes the reliability of the information they provide. This implies that they evolve as they mature, grow, and gain new experiences. Their experience, abilities, and desires, as well as their own beliefs and personality, are all subject to change. That all shifts including their perspective on themselves and the world around them. It was also discovered that experienced workers are able to increase the performance of operations in the field of business that they work in.

4.2. Data Analysis pertaining to the Human capital development practice

In this section, analyze employees' level of satisfaction regarding: Ethiopian Electric Power (EEP) commitment in providing Human Capital development practice awareness, training and development, and human capital development process are reviewed. Responses are measured on a five-point Likert scale with 1= Strongly Agree; 2= Agree; 3= neutral; 4=Disagree; and 5= Strongly Disagree. Mean score < 3.39 was considered as low, the mean score from 3.40 - 3.79 was considered as moderate and mean score > 3.8 was considered as high as illustrated by comparison bases of mean of score of five-point Likert scale instrument (Zaidat and Bagheri, 2009). The responses received on each statement are presented in tabular, graphical or chart form. As out of the distributed 287 questionnaires 201 (70%) were returned filled by the respondent. Therefore, the maximum 'frequency' column total cannot exceed 201 and the maximum 'valid percent' column total cannot exceed 100. The legends on the tables and charts are well defined for easy interpretation.

4.2.1. Employee Awareness towards the concepts of HCD

This part covers the data presentation and analysis on employees' awareness towards the concepts of human capital development and the current human capital development practice looks like. Having this lead, the statistical tools such as: mean and standard deviation are used to analyze the results for all sub constructs state in the below table.

Table 4.1 Respondents’ awareness of Human Capital Development

Statement	N	Mean	Std. Deviation
Awareness of present HCD practice with organizational objectives	201	3.4428	1.14802
Knowledge and development as a key HCD component	201	3.5025	1.07761
Engagement with HCD from the perspective of human resources	201	2.7960	1.18033

Source: Own survey, January, 2021

The Table 4.1 above, shown that the awareness of the employees’ towards HCD concepts. As per the respondents view concerning, whether the current human capital development practice is directly related to the objectives of the job and goals of the organization or not, the scored mean value of the employees’ awareness of human capital development from the objectives of the job and the goals of organization standpoint as indicted in the table above was 3.44 with a standard deviation 1.148. This indicates that the respondents moderate in both sides. We can conclude that the employees of the Ethiopian electric power (EEP) are moderately aware of the current human capital development practice directly related with the objectives of the jobs and the goal of the organizations and they have understanding of current HCD practice from the organization objectives of point of view. The implication is whenever the employees have understanding about human capital development they may upgrade themselves to enhance their skills, knowledge as well as improve organizational performance. As it is also evidenced in the Table 4.1 above, the scored mean value of the second sub-construct, i.e. employee awareness of human capital development from skills, knowledge and development viewpoint has 3.50, indicating that the respondents moderate on and feel all right with the case describe and the sub-construct’s standard deviation has 1.0776. The results of this analysis prove that respondents of Ethiopian Electric Power (EEP) were moderately aware of skills, knowledge and development as a component of human capital development. From this interpretation we can comprehend that the respondents have average understanding and knowledge about skills, knowledge and development from human capital development point of view that can result both individual and organizational improvement. This has also an implication to Ethiopian Electric Power(EEP) to link their plans with human capital development. Which is greatly contributes towards individual and organizational goal integration.

Table 4.1 above, displayed that the scored mean value for the third fourth sub construct i.e. measuring employees awareness of human capital development practice concept from human resource perspective has 2.796 with a standard deviation of 1.18, which signifies that the respondents disagree on in their responses. The scored mean value of this sub-construct points out that the respondents are not well equipped with the concept of human capital development as part of human resource development. Most employees of Ethiopian Electric Power (EEP) not understood that human capital development of employees as part of human resources development; however, some have understood it well. Thus, high proportions of employees of Ethiopian Electric Power (EEP) are unable to relate the human capital development process with the objectives of human resource development. With this lead, one can conclude that employees are not well aware of human capital development as a component of human resource development in this study. The implication of employees' not understanding human capital development is that it will have practical difficult enhance their creativity, knowledge and achieve organizational goals.

The information gathered through focus group discussions with key informants and focus group participants concerning their understanding about human capital development concepts confirmed that as they have not well awareness and understanding. This implies that they are not feel confident or on average about knowing what human capital mean, how can improve my knowledge, skills and experience towards enhancing organizational performance.

Generally, based on the findings one can infer that the respondents have aware with and but not have better understanding of human capital development practices that couldn't enable them better functioning of their respective work responsibilities. So it will be difficult for them to improve their ingenuity, expertise, and organizational objectives. High-quality goods and services are accompanied by skilled and preeminent human capital in companies, which help to retain existing customers while also attracting new ones. For this purpose employees should have a greater understanding of human resource development strategies, which would help them perform better in their respective employment.

4.2.2. Human capital development practice

This part presents and analyzes the human capital development practice of the organization.

Table 4.2 On-the-job training for human capital

Statements		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
The organization does a good job of providing the training	Frequency	50	71	40	25	15	201
	Valid Percent	25	35	20	12	7	100
Employees are given the opportunity to further their knowledge, skills and performance	Frequency	45	73	54	20	9	201
	Valid Percent	22	36	27	10	4	100
Employees normally receive the necessary training to do the job	Frequency	29	79	61	23	9	201
	Valid Percent	14.4	39.3	30.3	11.4	4.5	100

Source: Own Survey, January, 2021

Table 4.3 Descriptive statistics of items that assess employees' attitudes

Statement	N	Minimum	Maximum	Mean	Std. Deviation
The organization does a good job of providing the training	201	1	5	2.4229	1.20220
Employees are given the opportunity to further their knowledge, skills and performance	201	1	5	2.3731	1.07939
Employees normally receive the necessary training to do the job	201	1	5	2.5224	1.02017

Source: Own Survey, January, 2021

Concerning the question which has raise about the organization does a good job of providing the training need to improve job performance,55% of the respondents said that the organization doesn't have providing the training need to improve job performance as an organization as a whole and specifically for individuals. On the other side, 19% of the respondents has does a good job of providing the training need to improve job performance. Moreover, the remaining 20% of the respondent goes to

those who neither agree nor disagree on the presence of providing the training. Therefore we can say that effectiveness of the human capital development practice is affected because of lack of providing the training that employees need to improve their job performance.

Employees were asked if organization given the opportunity to further their knowledge, skills and performance and as a result 58% of the respondents replied that no given opportunity to further their knowledge, skills and performance. On the other dimension, 14% of the respondents believed that there exists an opportunity to further their knowledge, skills and performance. In addition, the remaining 27% of respondents are neither of the two sides. In other words, it indicates that very few employees feel the existence of the given opportunity to further knowledge, skills and performance. Hence, from this fact, we can understand that human capital development practice of Ethiopian Electric Power (EEP) is negatively affected by the absence of adequate given the opportunity to further their knowledge, skills and performance.

Similarly, majority of the respondents 39.3% disagree with the idea that the employees normally receive the necessary training to do the job while 14.4% of the respondent strongly disagree with the idea. 2.52 mean value of respondents also signifies that respondents are disagree with the idea. From these we can conclude that most the respondents are not satisfied with the organizations' commitment in given on the job training and support employees need to do their job effectively. As everybody seeks receive necessary training them satisfaction in his or her work being able to perform effectively and efficiently with their job. This shown that employees with insufficient training are more likely to have poor job results and higher levels of work-related stress. Employees who are dissatisfied and undervalued are more likely to look for prospects for advancement and growth elsewhere. Ethiopian Electric Power (EEP) has a legal duty as an employer to ensure that its workers receive proper health and safety training. If the company ignores this obligation, it can face legal consequences, as well as a rise in workplace injuries, lower employee morale, and increased absence.

Table 4.4 Employees' Attitude towards Human capital development practice

Statements		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Organization has active programs to upgrade employees'	Frequency	30	80	47	38	6	201
	Valid Percent	14.9	39.8	23.4	18.9	3.0	100
Employees receive the needed	Frequency	31	73	57	26	14	201

training about new technologies	Valid Percent	15.4	36.3	28.4	12.9	7	100
Equal access to job related training opportunities	Frequency	43	68	45	31	14	201
	Valid Percent	21.4	33.8	22.4	15.4	7	100
Management are highly committed to HCD	Frequency	42	74	46	31	8	201
	Valid Percent	20.9	36.8	22.9	15.4	4	100

Source: Own Survey, January, 2021

Table 4.5 Descriptive Statistics of Employees' Attitude towards Human capital development practice

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Organization has active programs to upgrade employees' skills	201	1	5	2.5522	1.05286
Employees receive the needed training about new technologies	201	1	5	2.5970	1.10986
Equal access to job related training opportunities	201	1	5	2.5274	1.18764
Management are highly committed to HCD	201	1	5	2.4776	1.04916

Source: Own Survey, January, 2021

As depicted in the above table 4.4, the question raised to assess if organization has been active programs to upgrade employees' skills knowledge and abilities process, majority of the respondents 54.7% have indicate that they didn't get any active programs to upgrade their skills, knowledge and abilities. On the other end, insignificant proportions of the respondents who represent 21.9% of the respondents have agreed that they have taken active programs the required level of training on the processes. Moreover, the other 23.7%of the respondents were neutral. Hence, it indicated that Ethiopian Electric Power almost doesn't have active programs to upgrade employees' skills, knowledge and abilities in the overall process of human capital development practice.

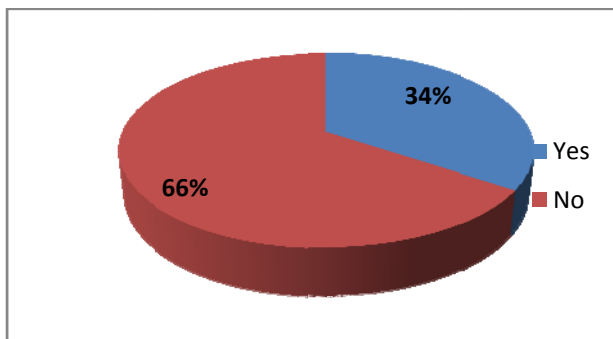
As can be identified in the above table, employees were ask whether they receive the needed training about new technologies to the extent which enables to conduct easy use the product and as a result 51.7% of the respondents indicate that they are not well received the needed training about new technologies. What is more explain the respondents' a mean value of 2.597 (see table 4.5) indicates most of the respondents have lower getting the needed training about new technologies. On the other

side, 19.9% of respondents agreed that they receive the needed training about new technologies in a manner which enables to properly the products to create new ideas or accomplish the objectives whereas the remaining 28.4% of responded neither agree nor disagree on the matter. Based on this fact, it is possible to say analysis human capital development practice is affected because of lack of receive needed training about new technologies.

Concerning employees' satisfaction with equal access to job related training opportunities, the mean value of respondents' response is 2.52 with standard deviation of 1.187. This indicates that still employees' level of satisfaction is less than the average regarding the equal access for training opportunities. From this one can conclude that in the eyes of respondents the organization is not doing justice in creating equal access to job related training programs for all employees.

In the table above 4.4 and 4.5, employees are ask whether their management are highly committed to human capital development practice. The majority 57.7%, mean of 2.47 with standard deviation of 1.05 of employees disagree, while 19.4% agree and 22.9% were indifferent. Based on the presented fact, larger proportion management are not committed to the development of human capital and not getting a regular discussion regarding their experience, knowledge and performance with their respective employees. Therefore, this may adversely affect the achievement of organizational performance.

Figure 4.6 Benefits of Human Capital Development



Source: Own Survey, January, 2021

As we can noticed from the above figure 4.6, (n=132, 66%) of the respondent were not benefited of human capital development practice and the remaining (n=69, 34%) had benefited from human capital development practice of the organization.

This means that the majority of Ethiopian Electric Power (EEP) workers has not benefiting from human capital development practices, so the organization can continue to practice human capital development to boost employee satisfaction, retention rates, and company culture. This implies that smart business leaders are realizing the value of human resource growth as a strategic advantage. According to the

data, EEP who do not prioritize commitment, well-being, company culture, and employee growth in their organizations perform less well.

4.2.3. Challenges of the Human Capital Development Practice

This part covered the presentations and analysis of problems which hinder human capital development practice in the organization.

Table 4.6 Challenges of human capital development

Statements		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Lack of alignment between human capital development practice and strategic priorities	Frequency	28	70	60	34	9	201
	Valid Percent	13.9	34.8	29.9	16.9	4.5	100
Absence of clear explanation about the HCD standards to the employees	Frequency	15	75	65	31	11	201
	Valid Percent	7.5	37.3	32.3	17.4	5.5	100
Lack of committed from management for successful implementation	Frequency	27	67	60	36	11	201
	Valid Percent	13.4	33.3	29.9	17.9	5.5	100
Training sessions are frequently organized within a year	Frequency	33	71	61	20	16	201
	Valid Percent	16.4	35.3	30.3	10	8	100
Accepting the challenges of modern technological changes	Frequency	41	68	59	23	10	201
	Valid Percent	20.4	33.8	29.4	11.4	5	100
Inaccurate human capital development practice	Frequency	29	80	52	33	7	201
	Valid Percent	14.4	39.8	25.9	16.4	3.5	100
Lack of emphasis for employees' participation in the human capital development process	Frequency	24	81	55	32	9	201
	Valid Percent	11.9	40.3	27.4	15.9	4.5	100
Creativity among employees is encouraged	Frequency	36	78	50	28	9	201
	Valid Percent	18	39	25	14	4	100

Source: Own Survey, January, 2021

As shown in the above table 4.6, regarding the problems which hinder analysis of human capital development practice, employees were asked if lack of alignment between human capital development

that there exists lack of integration between the human capital development and strategic priorities of the organization. On the other side, 21.4% of representatives have argued that there is the required level of alignment between the human capital development and strategic priorities of the organization. Apart from this, 29.9% of employees have taken neither of the two sides. Having these all facts in mind, we can deduce that majority of the employees are just feeling they are lack of alignment between human capital development and strategic priorities of the organization is observed. Consequently, 48.7% respondents have agreed strategic priorities of the organization.

As far as challenges related with human capital development standards concerned, the researcher has raised a question whether an absence of clear explanation about the human capital development standards to the employees is observe as a problem or not. Thus, 44.8% of respondents replied that there is lack of clear explanation about human capital development standards. On the other hand, 22.9% percent of respondents witnessed the existence of clear explanation regarding human capital development standards. Furthermore, 32.3% of respondents preferred to stay neutral on the matter. Considering these all facts, it is possible to say largest proportion of the employees believed that they are not getting a clear explanation on the existing human capital development standards.

As depicted in the above table 4.6, employees are also ask about the presence of lack of commitment from senior management for successful implementation of the human capital development practice. Therefore, the majority 46.7% of respondent have admitted that senior managements do not commit the required effort for an effective implementation of the human capital development process. On the other side, 23.4% of employees advocate that senior managements are committed for the successfulness of the system. Additionally, 29.9% of employees preferred taking the neutral side. Hence, since majority of the respondents believed that senior managements are not committed enough for an effective implementation of the HCD practice, we can infer that the company is not having the required level of commitment from the management in this regard.

So Ethiopian Electric Power (EEP) has a legal duty as an employer to ensure that their workers receive proper health and safety training. Ethiopian Electric Power (EEP) may face legal consequences if it ignores this obligation, as well as a rise in workplace injuries, lower employee morale, and increased absence.

As one of the challenges for human capital development practice, employees are request to show what they feel if they are accepting the challenges of modern technology changes. Hence, the majority 54.2% of respondents they are not accepting the challenges of modern technological changes within the

organization. On the contrary, 16.4% of respondents asserted that accept any technological changes in order to enhance individual and organizational performance. Finally, 29.4% of respondents did support neither of the two sides. Therefore, since majority of the respondents reflected the lack of accepting modern technological changes, it leads to say organization look into improve ore creative and effective method are required to assist them improving their processes. Improving process of means changing them or creating new one altogether and technology can assist in making this improvement.

Employees are ask if the performance human capital development practice are inaccurate and accordingly 44.2% of respondents replied as they are practice based on inaccurate human capital development. On the same case, 19.8% of the respondents argued that the human capital development practices are accurate. On the other dimension, 25.9% of the respondent preferred to put themselves at the middle of the road; they neither agree nor disagree on the issue. Considering the observation of majority of the respondents, it is possible to imply that human capital development practice of the organization is suffering from lack of accuracy. Inaccurate human capital development lower employees' productivity and organization performance.

As shown in table 4.6, the researcher raise question to see how much attention is given for participation of employees. Therefore, 42.2% of respondents have expressed their feeling as employees' participation is not considered as a crucial element for an effective human capital development practice. Apart from this view, few proportions of respondents 20.4% support presence of the required emphasis for employees' participation. In addition, 27.4% of the respondents advocated neither of the perspective. By implication, the company is almost not giving an emphasis for employees' participation to accomplish an application of human capital development process.

Concerning employees' satisfaction with creativity among employees is encouraged most of the respondents 57% have not encouraged about their creativity where as 18% of respondents encourage by supervisor. Apart from this, 25% of respondents in neutral. This indicates that creativity among employees' is not encouraged.

Ethiopian Electric Power (EEP)needs to pay attention to employees and help them feel important. This involves asking them how they are doing, thanking them for their efforts, and keeping commitments that the Ethiopian Electric Power (EEP) made to them. The more that Ethiopian Electric Power (EEP) can do to help employees increase their self-esteem and the feelings of self-efficacy they experience, the better able they are to contribute successfully. Because recognition is a key factor in employee

motivation and people like to hear words of praise from their boss. They also enjoy their manager offering sincere thank you to them for their approaches, accomplishments, and contributions.

Table 4.7 Descriptive Statistics of Items that measure Challenges of human capital development

Statement	N	Minimu m	Maxim um	Mean	Std. Deviation
Lack of alignment between human capital development practice and strategic priorities	201	1	5	2.6338	1.06304
Absence of clear explanation about the HCD standards to the employees	201	1	5	2.4826	.92787
Lack of committed from management for successful implementation	201	1	5	2.6866	1.08456
Training sessions are frequently organized within a year	201	1	5	2.5771	1.12039
Accepting the challenges of modern technological changes	201	1	5	2.4677	1.09096
Inaccurate human capital development practice	201	1	5	2.5423	1.04377
Lack of emphasis for employees' participation in the human capital development process	201	1	5	2.6070	1.03429
Creativity among employees are encouraged	201	1	5	2.4826	1.07747

Source: Own survey, January, 2021

As it can be clearly evidenced in the Table 4.7 above, different human capital development Challenges are illustrated which include: aligning human capital development strategic priorities, absence of clear explanation about human capital development standards, lack of commitment from management, training session frequently organized within a year, accepting challenges of modern technological changes, inaccurate human capital development practice , lack of emphasis for employees participation human capital development process and creativity among employees are encourage and with the total scored mean value of in between 2.46 -2.68 showing that the respondents answer the statements given with lower rating scale “disagree” and the standard deviation has in between 1.034- 1.120. From this one can understand that the sub-constructs indicated in the Table are key human capital development challenges of the Ethiopian electric power (EEP) that need to be overcome. From this fact it is possible to conclude that in the corporation there are challenges that hindered and constrained the efficiency and effectiveness of human capital development practices.

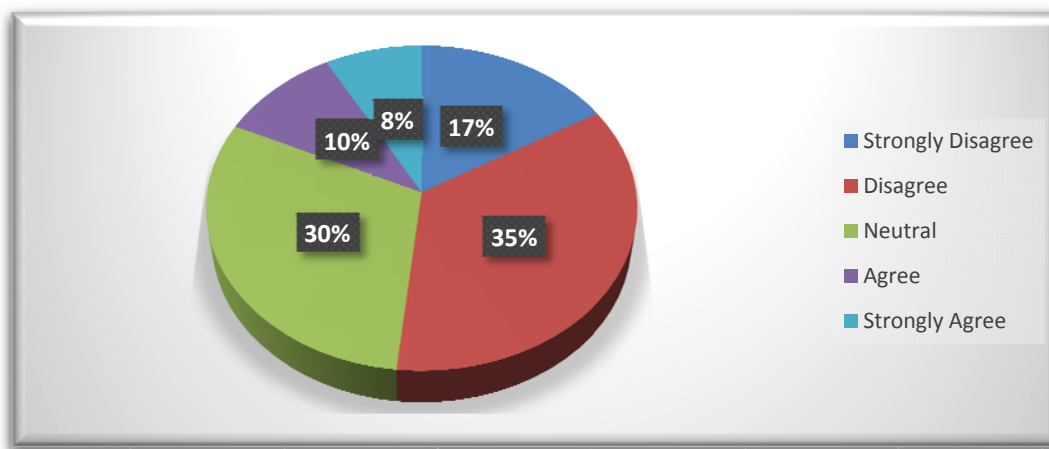
In addition, the information gathered through focus group discussion and as per human resource annual report documents confirmed that the similar findings with the information obtained through

questionnaire. In this regard, informers and discussants suggested that the challenges that encountered human capital development in their individual working Ethiopian Electric Power (EEP). Both informants and focus group participants have suggested some challenges or constraints that hinder their respective organization in the process of implementing human capital development. Some of these major challenges suggest are lack of sufficient budget for training and education, lack of accountability and transparency, lack of emphasis for professional development, accepting modern technological changes, creating an environment for attracting and retaining qualified personnel, insufficient managerial capacity building and lack of employees motivation are becoming great challenges for the effective practice of human capital development in Ethiopian Electric Power (EEP).

Employees of Ethiopian Electric Power (EEP) with insufficient training are more likely to have poor job performance and higher levels of work-related stress. Employees at Ethiopian Electric Power (EEP) who are dissatisfied and undervalued are more likely to look for advancement and growth opportunities elsewhere.

Employees of Ethiopian Electric Power (EEP) who have received inadequate training are likely to feel undervalued, resulting in lower organizational efficiency, commitment, and engagement. If all of your workers are making the same reckless mistakes and underperforming, it's time to evaluate the kind and quality of training Ethiopian Electric Power (EEP) provides.

Figure 4.7: Summary of employees' intention on training session towards the organization's training facility



Source: Own survey, January, 2021

Majority of the respondents 35% (n=71) disagree with the statement training sessions are frequently organized within a year. Whereas only 10% of the respondents are agree with the statement. This shows that employees' negative perception towards the organization commitment for training is not fully explained by poor internal facility of the corporation.

According to discussion conduct with head of the corporation's Training and Development team; in identifying training needs, Ethiopian Electric Power (EEP) uses organizational analysis where the need for a training program is identified by taking in to consideration of the corporation's short range and long range goals. Hence, skills and ability that can contribute to the achievement of organizational objectives are determined.

Additionally, task/job analysis is used to determine the skills and knowledge that jobs demand. According to the head, personal analysis is not being used in determining training and development needs, even though most literatures recommend as it is a main tool for integrating the organization's and employees' need for training.

It is natural that employees would like to have equal access to job-related training opportunities that would help them improve on their skills and enhance their development and growth. Denying employees of this would likely demoralize employees who would like to go for training. Beside, employees would view this as unfair organizational practices. With limited access to job-related training, employees may not be equipped with the necessary skills to do a good job. Probably, frustration may set in affecting the morale and productivity of employees.

4.2.4. General Perception towards the current HCD

This part covers the presentation and assess of overall perceptions of employees about the current human capital development practice.

Table 4.8 Perception towards the current HCD

Statements		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
HCD process taking place in the organization	Frequency	19	35	59	68	20	201
	Valid Percent	9.5	17.4	29.4	33.8	10	100
The HCD help to understand what is expected of the employee	Frequency	42	61	48	33	17	201
	Valid Percent	20.9	30.3	23.9	16.4	8.5	100

HCD helps employees' to create, increase knowledge and achieve goals	Frequency	23	70	67	28	13	201
	Valid Percent	11.4	34.8	33.3	13.9	6.5	100
HCD process encourages co-operation and team spirit	Frequency	6	43	69	65	18	201
	Valid Percent	3	21.4	34.3	32.3	9	100
Improvement of employees' performance	Frequency	25	33	63	64	16	201
	Valid Percent	12.4	16.4	31.3	31.8	8	100
Employees learn new working methods	Frequency	15	20	79	64	23	201
	Valid Percent	7.46	9.95	39.3	31.84	11.44	100

Source: own survey January, 2021

Table 4.9 Descriptive statistics for Perception towards the current HCD

Statement	N	Minimum	Maximum	Mean	Std. Deviation
HCD process taking place in the organization	201	1	5	3.1791	1.12595
The HCD help me to understand what is expected of me	201	1	5	2.6119	1.22420
HCD helps employees' to create, increase knowledge and achieve goals	201	1	5	2.6915	1.05564
HCD process encourages co-operation and team spirit	201	1	5	3.2289	0.98355
Improvement of employees' performance	201	1	5	3.0647	1.14052
Employees learn new working methods	201	1	5	3.2886	1.03746

As we observed from the table 4.8 above, the researcher has raised a question to assess the perception of the employees regarding the human capital development practice of EEP, therefore the first question has whether the HCD process taking place in the organization exactly enhance the employees' knowledge, skill and performance and the mean value of their response is 3.179 with standard deviation of 1.125 as a result 43.8% of respondents replied as it enhance their knowledge, skills and performance. On the other end, the 26.9% of employees argued that the existing human capital development process doesn't improve their knowledge, skills and performance. Moreover, about 29.4% of the respondents became neutral with the statement. Therefore, it is possible to claim that more than half of the respondents believe that human capital development process taking place in the organization exactly enhance the employees knowledge, skill and performance.

This demonstrates that in an economy where technology is king, workers must co-evolve, that is, cultivate the skills, beliefs, and viewpoints that mastery of these technologies necessitates. Workplace areas for stagnant, non-developing workers are almost likely to diminish in an era of growing automation of less skilled jobs and increasing reliance of high-skill occupations on rapidly evolving technology.

As it is possible to be seen from the above table 4.8, 51.1% of respondents do not understand what is expected of them from a human capital point of view. However, 24.9% of respondents reply positively for the statement that human capital development helps me to understand what is expected of me and which helps me to improve my performance and only 23.9% of them are on both sides of the statement. Thus, it is possible to say that a majority of the respondents were dissatisfied with the existing performance counseling practices of the corporation. From this perspective, the organization helps its employees' to create new ideas, accessing education and facilitating continuous training to increase their knowledge to achieving individual and organization goals.

Employees were asked if human capital development helps employees' to create, increase knowledge and achieve meaningful goals and the mean value of their response is 2.61 with a standard deviation of 1.224. Thus, 20.4% of respondents have agreed on the capability of the human capital development practice as a tool to develop and achieve meaningful goals. On the contrary, 46.2% of respondents asserted that the existing human capital development doesn't allow them to set and attain meaningful goals. On the other hand, 33.3% of respondents preferred to stay apart from these two sides; they neither agree nor disagree on the matter. Looking at the above figures, we can say that a larger proportion of the respondents have agreed that the current human capital development practice is not helping them to create, increase knowledge and achieve required goals. Therefore, the explanation indicates that the company has a lot to do in this area.

There is also a question which requested employees to reflect what they observed whether the current human capital development process encourages co-operation and team spirit. Consequently, the mean value of 3.22 and a standard deviation of 0.983, 24.4% of respondents replied that the system is not facilitating the presence of better cooperation and team spirit among employees. On the contrary, 41.3% of respondents are satisfied with the positive contribution of the current performance appraisal system towards better cooperation and team spirit. Moreover, 34.3% of respondents have taken neither of the sides.

Human capital development is useful not only to align employees' knowledge, skills and creativeness with the goals of organization; it is also used for the development of the capacity of the employees in order to make them more efficient and productive. Concerning contribution of the human capital development, the researcher has raised a question which deals about the perception of employees whether the human capital development practice ultimately results in improvement of individual's actual performance. Hence, with a mean score of 3.0646 standard deviation 1.14, 28.8% of respondents didn't believe that human capital development practice in this organization doesn't play a role on employees' performance improvement. On the other side, 39.8% of respondents are satisfied on the contribution of the human capital development process for the improvement of employees' performance. Furthermore, 31.3% of respondents preferred to be neutral on the issue. Therefore, the figure exposed that the practice of human capital to improve their job performance was not adequate enough.

Finally, a question has raised about employees' perception on whether the employees learn new working methods or not. As we can see the above table mean value 3.288 and standard deviation 1.037 the respondents are doesn't get any new working methods, 17.41% of respondents replied that the employees' doesn't learn new working methods. Apart from this, 43.28% of respondents argued that the current human capital development practice does have the capability to new working methods. In addition, 39.3% neither of the two viewpoints, rather they prefer to be neutral.

Furthermore, employees are given the chance to write down if they observe any other problems and their recommendation related with the human capital development practice in addition to the listed ones by the researcher. Therefore, the under mention points are just raised by the respondents as problems which are hindering effectiveness of the HCD process.

- The human capital development (HCD) practice is biased and subjective because of differences in understanding among managers towards the competency and also because of pessimistic and optimistic nature of supervisor different, political affiliations, race, religion and intimacy of the supervisor with subordinates.
- As most of my respondents are from outside engineering profession, three-fourth of respondents replied as they were not taken any training with in the last one year while the organization has minimum hour skill up-grading or refreshing training standards to be given per person per year.

- When employees have negative perception towards the organizations commitment for human capital development(HCD), as one might expect it makes employees to believe that the organization is not concerning for their development.

CHAPTER FIVE

5. SUMMARY, CONCLUSION, AND RECOMMENDATION.

Based on the results of data analysis and interpretation in the previous chapter the following summary major conclusions and recommendations are given.

5.1. Conclusion

Based on the data presented and analyzed in the study, the following particular conclusions are observe: Employees in the Ethiopian Electric Power (EEP) have a good awareness about human capital development practices related with the goals and objectives of the organization since they have understanding of the skills, knowledge and experience as crucial part of Human Capital Development (HCD). But most of them are not familiar with Human Capital Development (HCD) from human resource point of view creativity, competency training and development which are Human Capital Development (HCD) functions and they are able to relate them with human resource.

Respondents are not satisfied with the organization's commitment in providing training to do their job effectively. When employees have negative perception towards the organization's commitment for HCD, as one might expect it makes employees to believe that the organization is not concerning for their development. Furthermore, it reduces employees' creativity, skills and satisfaction. For this reason, some employees possibly think that the organization is not the best place to develop them.

With regard to the given opportunity to further their knowledge, skills and performance it has find that most employees didn't acquire any additional practice of enhancing their knowledge or performance.

As most of respondents are from outside engineering profession, three-fourth of respondents replied as they are not taken any training with in the last one year while the organization has minimum hour skill up-grading or refreshing training standards to be given per person per year. It indicates that the organization's training delivery is by far below even from its own minimum hour standard. In addition to this alternative options for training such as job rotation, job related and self-training system are very minimal in the organization. In addition to this, the organization is dedicated in providing induction and basic skill trainings, but not for extended trainings, special group trainings and Leadership & Development programs. This make the organization's training practices not able to cut across different levels (in experience) of staffs. It has shown in the analysis that respondents disagree that Ethiopian electric power (EEP) employees' receive the necessary training and training and development programs

focus only on some work units (mean=2.52). This implies that in the view of respondents the organization is not giving necessary training and fairly allocated across employees or work units in providing training. This can cause a feeling in employees as less worthy than those employees who are been given emphasis in the human capital development practices.

There are not active programs to upgrade employees' skills, knowledge and abilities. However, the organization has awareness on the role of human capital development on increase individual as well as organizational performance and development; practically there is almost no relationship between them.

With regard to management commitment to human capital development practice it has find that most respondents agreed management are not committed in the process of human capital development given on the job training that there are the availability of career advancement opportunities.

Concerning perception towards the current human capital development practice, it has investigated that negative perception towards HCD practice some of findings are:

- ✚ Human Capital Development help me to understand what is expected of me, majority of the respondents replies(51.1%) the HCD practice are unsystematically applied so employees confused by what is expected from their ide and what to do.
- ✚ The HCD helps employees' to create, increase knowledge and achieve goals with sharing of knowledge and information culture and team spirit, majority of the respondents observes the existing culture low (mean values of 2.69 and 3.229 respectively). So that, with the statement organization people shows little interest in each other's work.
- ✚ With regard to performance of employees improve after process of HCD is has find that negative. However most (31.3%) of the respondents are neutral with the statement. This indicates practicing human capital development with an organization is vital for increase creativity, skills knowledge and performance for long term survival and achieving organizational goals.

5.2. Recommendations

The following suggestions are made in a time of continuous change in an enterprise with its problems of survival and growth:

The research revealed a thorough understanding of human capital components and how they affect firm efficiency. This encourages managers to work hard to boost their companies' results, which can be accomplished by properly managing human capital components. As a result, management should step up efforts to promote a better understanding and acceptance of human capital components that improve Ethiopia Electric Power's (EEP) efficiency.

As a result, recognizing firm success in relation to human capitals should not be viewed as a phenomenon that simply adds 'more zeros' to a firm's profits; rather, it should be viewed as transforming the entire workforce into the most 'valuable assets' in order for the company to pave the way for greater achievements through innovativeness and ingenuity.

As a result, organizations should devise some successful strategies, especially in terms of investing in various aspects of human capital, as this not only leads to increased output but also ensures that businesses remain competitive in the long run.

Management should seek out and recruit a viable human resource composition that improves company efficiency in order to maximize the organization performance. As a result, management should concentrate on;

- Increased support for intellectual programs in the budget. As a result, the group will have the company's best interests at heart and will always buy from them as a way of repaying them.
- Human capital managers should ensure that the organization's human resources needs are properly diagnosed, determined, and assessed. This would ensure that the appropriate number and types of employees are chosen for training and development programs.
- There should be adequate and effective system of rewarding successful trainees. This includes promotion, advancement and status enhancement as well as increased responsibility. These will serve as encouragement for effective participation in staff training and development programs.
- The whole program should be well-thought-out and well-executed. This involves ensuring that the curriculum incorporates all of the information that workers are expected to know, as well as having quality individuals, sufficient and appropriate training facilities, and program regularity.

- There should be ongoing research into changes in the organizational climate that necessitate preparation, updating, and enhancing employee skills. As a result, the appropriate training and development plans can be planned and enforced to keep workers up to date with the latest trends.
- Ultimately, the programs should be carried out on a continuous basis to increase employee productivity, which is critical for long-term viability and development.

Ethiopian Electric Power (EEP) human capital development components and company performance were the focus of the study. New research is needed to see how to increase human capital in manufacturing industries, telecom businesses, and private sector banks, not just electric utility businesses. It is vital to do a thorough investigation into exactly "How to enhance human capital in manufacturing organizations, telecom companies, and private sector banks to sustain businesses." More study is needed to determine how human capital can be assessed throughout time and how the outcomes of the measurement may help organizations make better managerial decisions.

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APPENDIXES

Addis Ababa University
College of Business and Economics
Department of Management
MBA program
Questionnaire

Dear Respondents:

This questionnaire is designed to collect information about the analysis of human capital development practice at Ethiopian Electric Power (EEP). Moreover, the research will contribute towards the fulfillment of the researcher's Master's Degree in Business Administration (MBA). Your valuable support in responding to the questions raised is of paramount importance to the successfulness of this study. Hence, I kindly ask you in all regard to fill the questionnaire carefully at your best knowledge. The accuracy of information you provide determines the ultimate reliability of the study.

Note:

- Your answers will be strictly confidential and will only be used for academic purposes.
- HCD stands for Human Capital Development

General Instruction

- **There is no need to write your name**
- **Selecting more than one item in case of close ended question is possible.**

Thank you in advance for your cooperation and timely response!

Part One: Demographical Information - Please put 'X' in the box

- 1.1. Gender: Male Female
- 1.2. Age Group: 18 –25 26-35
 36-45 46-55 56 and above
- 1.3. Educational Status: Grade 12 Complete Diploma
 Degree Second Degree
 Other please specify _____
- 1.4. Which level are you belonging in? Chief Officer Officer
 Manager Supervisor
- 1.5. Your service year: 0 – 5 – 10
 11-15 16- 20 and above

Part Two: Please read each statement carefully and show the extent of your agreement on the statements by **circling** the numbers in the column using the following rating scale.

Where: 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

	STATEMENT	Rating				
I	Awareness towards the concepts of HCD					
1	I am aware of the current HCD practice is directly related to the objectives of the job and the goals of the organization	1	2	3	4	5
2	I know skill, knowledge & development as crucial part if HCD.	1	2	3	4	5
3	I am familiar with HCD from human resource point of view.	1	2	3	4	5
II	Human capital development practice					
4	The organization does a good job of providing the training I need to improve my job performance.	1	2	3	4	5
5	Employees are given the opportunity to further their knowledge, skills & performance.	1	2	3	4	5
6	Employees normally receive the necessary training to do the job.	1	2	3	4	5
7	My organization has active programs to upgrade employees' skills, knowledge and abilities.	1	2	3	4	5
8	Employees receive the needed training about new technologies	1	2	3	4	5
9	Equal access to job related training opportunities	1	2	3	4	5

10	Management are highly committed to human capital development	1	2	3	4	5
III	Challenges of human capital development					
11	Lack of alignment between human capital development practice and strategic priorities.	1	2	3	4	5
12	Absence of clear explanation about the HCD standards to the employees	1	2	3	4	5
13	Lack of committed from management for successful implementation of human capital development	1	2	3	4	5
14	Training sessions are frequently organized within a year	1	2	3	4	5
15	Accepting the challenges of modern technological changes	1	2	3	4	5
16	Inaccurate human capital development practice	1	2	3	4	5
17	Lack of emphasis for employees' participation in the human capital development process	1	2	3	4	5
18	Creativity among employees is encouraged	1	2	3	4	5
V	The needs towards the current HCD					
19	HCD process taking place in the organization exactly enhance the employees' knowledge, skill and performance	1	2	3	4	5
20	The HCD help me to understand what is expected of me.	1	2	3	4	5
21	Human capital development helps employees' to create, increase knowledge and achieve goals	1	2	3	4	5
22	HCD process encourages co-operation and team spirit	1	2	3	4	5
23	Performance of employees improve after process of the human capital development	1	2	3	4	5
24	Employees learn new working methods	1	2	3	4	5

Part Three: Additional Questions

1. In your opinion, do you think that employees are being benefited from human capital development practice of the organization?

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2. What are the challenges that you observe regarding human capital development practice of the organization?

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3. Would you please suggest the solution for the challenges mentioned above?

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4. What would you recommend to be done differently in the human capital development?

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Thank You Again!