

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS & ECONOMICS
DEPARTMENT OF PUBLIC ADMINISTRATION AND DEVELOPMENT
MANAGEMENT**

**PRACTICE OF POSITION CLASSIFICATION AND COMPENSATION
MANAGEMENT DURING RECRUITMENT AND PROMOTION:- THE
CASE OF ADDIS ABABA CIVIL SERVICE AGENCY, BOLE AND KOLFE-
KERANYO SUB-CITIES**

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SUBMITTED TO:

SCHOOL OF GRADUATE STUDIES

ADDIS ABABA UNIVERSITY

**FOR MASTER OF ARTS DEGREE IN PUBLIC MANAGEMENT AND
POLICY**

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JUNE, 2014

ADDIS ABABA, ETHIOPIA

DECLARATION

I declare that the research entitled **“PRACTICES OF POSITION CLASSIFICATION AND COMPENSATION MANAGEMENT DURING RECURITMENT AND PROMOTION: THE CASE OF ADDIS ABABA CIVIL SERVICE AGENCY, BOLE AND KOLFE KERANYO SUBCITIES”** is my original work and has not been presented for a masters degree in any other university, and that all sources of material used for the project have been very well acknowleged.

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SCHOOL GRADUATE STUDIES OF ADDISABABA UNIVERSITY

PRACTICES AND CHALLENGES OF POSITION CLASSIFICATION AND COMPENSATION MANAGEMENT DURING RECURITMENT AND PROMOTION: THE CASE OF ADDIS ABABA CIVIL SERVICE AGENCY, BOLE AND KOLFE KERANYO SUBCITIES.

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ACKNOWLEDGEMENTS

Most things are not done by one person only, so as this paper is done by the help so many people around me.

My first gratitude goes to my advisor Prf. C.D. Dash and Ato Bikila Hurissa for their professional advice from te beginning till te end. Next, Ato Seid who works and W/t Leyila Juhar wo helped me to collect questionnaires from my respodents and to Ato Moges Abayneh that helped me to collect different related literature books. Deserve special thanks from me.

The last but not the least my heartfelt thanks goes to my dear husband AtoMenilkChanyalew for his unlimited encouragment through out my Master's Degree studies.

List of Figures and Tables

Fig 2.4.2 Best practice on Recruitment	26
Table 1.1a levels and grades in 10 September 1966.....	10
Table 1.1b levels and grades for special position in 10 September 1966.....	12
Table 2.6.2 Types of Compensation.....	33
Table 4.2.1 Gender distribution of respondents.....	46
Table 4.2.2 Age Distribution.....	46
Table 4.2.3 Percentages on years of service.....	47
Table 4.3.2 Close ended questions of Employee.....	47
Table 4.4.2Closed Ended Questions to say Yes, No, No Idea at all.....	49
Table 4.4.1 Close ended questions.....	57

LIST OF ABBREVIATIONS

PSC (Public Service Commission)

CPA (Central Personnel Agency)

HR (Human Resource)

NPM (New Public Management)

NGOs (Non-Governmental Organizations)

FCSC (Federal Civil Service Commission)

FCSA (Federal Civil Service Agency)

F.D.R.E (Federal Democratic Republic of Ethiopia)

HRM (Human Resource Management)

A.ACS (Addis Ababa Civil Service)

SPA (State Personnel Action)

GTP (Growth and Transformation Plan)

ABSTRACT

The aim of this exploratory research is to see the practices and challenges of “Position Classification and Compensation Management” during recruitment and promotion

The objective of this study is to assess practice and challenges of position classification and compensation management during recruitment and promotion in Addis Ababa Civil Service Agency, Bole and Kolfe-Keranyo Sub-cities.

The researcher used simple random technique to collect the required information and the sample size was finite one hundred in number. Out of this total forty five were managers from different departments who work in Addis Ababa Civil Service Agency and the rest fifty five were from employees who work in respective institutions.

After the researcher got the required data the problem were diagnosed in the analysis. In presenting the given problem the researcher used different tools like tables and percentages to present the result.

On the basis of data analysis the following conclusions have been made:-

- All employees and managers are not apply about the existing mandates this leads to corruption.
- The given problems cannot be solved by the existing proclamations and laws that are not practicable.
- The requirement of training in those government institutions.
- Different employees retention schemes have to be developed.

Finally, the researcher give some sort of recommendations; compensations and job classifications are heart beat of human resource management have to be give very serious

attention; up to date compensation packages, giving effective training and creation of good working environment around those institutions.



Addis Ababa University

College of Business and Economics

Department of Public Administration and Development Management

Dear respondents,

I am a postgraduate student at Addis Ababa University College of Business and Economics in the field of Public Administration and Development Management. In partial fulfillment of award of MA in Developmental Management, I am doing a study on “practices and challenges of Position Classification and Compensation Management during recruitment and promotion” a case of Addis Ababa Civil Service Agency, Bole and Kolfe-Keranyo Sub cities.

In this endeavor, your willingness to complete the questionnaire will be much appreciated, as the information obtained will assist the researcher to evaluate the challenges and its impacts of the given problem.

Thank you in advance for your cooperation!

Hanna Tamirat

ANNEX A

Demographic Data:-

I. Please use a thick \surd mark on the box provided

1. Gender

Male

Female

2. Age

18-24 Years

25-30 Years

31-35 Years

36-40 Years 41-45 Years

46-60 Years

3. Years of Service

1month-5 Years

6-10 Years

11-14 Years

15-20 Years

Above 21 Years

4. Department

Human Resource Department

Other Department

6. Job Category

Managerial Professional/Expert/Officer Other clerical Non-clerical

Job Classification and related Compensation packages on Recruitment and promotion

I. Please indicate the extent to which you agree or disagree with each of the following statements:-

No.	Question	Strongly Disagree (1)	Disagree (2)	Uncertain (3)	Agree (4)	Strongly Agree (5)
1.	Addis Ababa Civil Service Agency's proclamation on Job classification and compensation packages are based on labor market and it is fair					
2.	The promotion criteria are clear for those internal employees					
3.	If that so, internal employees are happy by the given mandates of promotion					
4.	The given mandates of the Agency on compensation packages are lead to corruption					
5.	Those promotions proclamations are strictly adhered by the agencies and its related offices					

II. Please answer each of the following questions by saying "Yes" or "No" opinion if the response is out of this Select "No Idea" :-

No.	Question	Yes	No	No Idea
1.	Is that the Agency/Bole/Kolfe-Keranyo sub cities face challenges on recruitment and promotion?			
2.	Does the Agency/Bole/Kolfe-Keranyo sub city try to manage those problems related to compensation packages?			
3.	Can we say those packages given are enough for the			

	new comers and the existing ones?			
4.	Can we say only the packages are driven for the employees to stay on those government offices?			
5	Do you think the government gives attention(focus) to this problem?			
6	Can we say the revision at different times that the government has made give solution for the existing problem?			
7	Can you say the qualification posted on vacant post have really been filled by the candidates?			
8	Does the existing mandate have a sort of flexibility i.e. this can be happen during promotion time?			
9	Can we say the employees who execute I.e recruit and promote activity have required qualification?			
10	Does the practical problems on position classification and related compensation are solved by the exist mandates?			
11	Can you say that every employee perform according to his/her potentials?			
12	Can you say the existed environment in those government offices is favorable to employees?			
13	Job classifications systems are involved based on sector (field of work) are they fair?			
14	If those offices strictly adhere to given proclamation on promotion can they get the needed human labor in the market?			
15	Can you say that delay by government offices results in the inefficient staff retained on those offices?			

III. Please answer the following open-ended questions in detail

12. If your answer for no. 4 question "No" what are the other reasons to stay to those government offices in addition to compensation packages?
-

-
13. If the answer for question 6 “No” what should be done by the responsible body to have competent and qualified staff?

14. If your answer for no. 9 question is “Yes”, what is the reason for the unproductive performance of the new comers or employees who get promotion?

15. If your answer for no. 9 question is “No” why does the government give to them that position?

16. How do you recommend to improve the given mandates and environment around government offices?

ANNEX B

Interview with employees and managers in Human Resource Department of Addis Ababa Civil Service Agency

1. Do you think the existing position classification and compensations are as per with the labor market?
2. The given policy on the promotions is really workable in accordance to promotion policy as a whole?
3. If a person qualified for particular position but the mandates involve certain criteria that a person need to full fill what has to be done in your department?
4. Does your this department have enough capacity and required skills to discharge recruitment and promotion activity effectively?
5. What are the challenges of job classification during recruitment and promotion in those A.A Civil Service Agency?
6. As human resource specialist what solutions these department suggest to come up with real solution for those government offices?
7. Do you think that the existing employees really have required competencies as per the work requirements?
8. On what basis the revision of compensation packages is to be done?
9. Do you think that the given mandates are involved according to standard strategies of position classification and compensation packages?
10. What flexibilities are done by the department itself during promotion?
11. Do you think that the Job classifications systems which exist in different sectors (field of works) are they fair?

Table of Contents

Examiner Certificate	I
Acknowledgement.....	II
List of Figures.....	III
List of Tables.....	III
Abbreviation.....	IV
Abstract	V
Annex A.....	VI
Annex B.....	X
CHAPTER ONE	3
INTRODUCTION	3
1.1 Background of Civil Service in Ethiopia.....	3
1.2 Background of the Study	12
1.3 Statement of the Problem.....	13
1.4 Objectives of the study	14
1.5 Research Questions	15
1.6 Scope of the Study	15
1.7 Significance of the Study	16
1.8 Limitation of the Study	16
1.9 Organization of the Paper.....	17
CHAPTER TWO	18
REVIEW OF RELATED LITERATURE	18
2.1. General Concept	18
2.2. Overview of Position (Job) Classification	19
2.3. Overview of Compensation Management	21
2.4. Overview of Recruitment	22
2.5. Overview of Promotion	27
2.6. Categories of Position Classification and Compensation	28
2.7. Advantages of Job Classification and Compensation	33

2.8. Policies and strategies Involved on Compensation, Recruitment and Promotion	36
CHAPTER THREE.....	42
Methodology	42
3.1 Research Design	42
3.2 Target Population	43
3.3 Sampling Technique.....	43
3.4 Sample and Sample Size	43
3.5 Data Collection Technique	44
3.6 Method of Data Analysis.....	44
CHAPTER FOUR.....	45
Presentation, Analysis and Interpretation of Data.....	45
4.1 Introduction.....	45
4.2 Respondents Related Information	46
4.3 Responses of Employees Bole and Kolfe-Keranyo Sub-cities on Job Classification and Related Compensation Packages on Recruitment and Promotion	47
4.4 Responses of Managers and Section Heads from HR and other departments on Job Classification and related Compensation Packages on Recruitment and Promotion.....	57
CHAPTER FIVE	67
Conclusions and Recommendations	67
5.1 Introduction.....	67
5.2 Summary of the Findings	67
5.3 Conclusions.....	69
References.....	73
Books & Manuals	73
Proclamation and Annual Report	74

CHAPTER ONE

INTRODUCTION

1.1 Background of Civil Service in Ethiopia

The establishment of modern state organizations in Ethiopia took place approximately 120 years late from that of Europe. For example, in Austria, the foundations of modern state administration were laid between 1749 and 1790 during Empress Maria Theresa. In Sweden, the separation of the central government into ministries and agencies dated back in the late 1600s. (Bahiru, 1991)

After the battle of Adwa, Ethiopian rulers understood that they were going to be a prey of colonialism, in the name of “civilization”, unless they proved to European powers that they were on the track of modernization. In 1907 Emperor Minilik I established seven ministries: Ministry of War, Ministry of Justice, Ministry of Pen, Ministry of Finance, Ministry of Commerce and Foreign Affairs, Ministry of Agriculture and Ministry of the Imperial Court under coated by Bahiru, 1991. According to Bahiru, 1991, the first ministries were established between a “dilemma of tradition and change”. This implies that these ministries were run by feudal lords and priests, with a slight of knowledge reading and writing obtained from church education.

After the Italian invasion early 1930, Emperor Hailesellassie restructured the government apparatus to curtail the power of the nobility and to strengthen the central authority of the monarchy. (Ministry of Civil Service Broacher, April, 2013) In 1960's with the support of the French, Emp. Hailesilassie established Central Personnel Agency (CPA) under proclamation no. 23 to administer government employees but under the

influence of Europeans; the established agency was structured under the principle of bureaucratic environment “a strictly defined hierarchy governed by clearly defined regulations and lines of authority”. The major characteristics of Bureaucracy are specialization of tasks, appointment by merit, provision of career opportunities for members, routine-zation of activities, and a rational impersonal organizational climate.

Even if the emperor was requiring civil service employees to declare their loyalties, it was the military junta that violated the autonomy and independence of the institution. Worse than the emperors time the measures taken by the military was the major cause for undermining professionalism in the civil service. This bureaucratic system was too archaic and non-responsive to the technological and social changes that had taken place for decades. The name changed to Public Service Commission (PSC) and become a bottleneck on the performance of other civil service organizations. This was why the incumbent government after replacing the military government, tried to use different reform tools to change and eliminate the red tapes and the redundant activities that have stifled the operation of the whole civil service. Rather it tried to make the civil service organizations as merit based, follow rules and regulations, routine-zation of tasks and impersonal organizational climate. (Ministry of Civil Service, 2013)

The then government also forced by the changes in office technologies at the international level and social, political and demographic changes at a national level, the restructuring of Ethiopian public organizations attempted to accommodate these new changes as these became crucial. Since 1980s, the trends of public administrations in developed countries have been towards transparency, accountability and result based performance evaluation of civil servants. In response to this, the current government of

Ethiopia has stopped using bi-annual horizontal salary increment believing that it can link with result based performance evaluation in all of its civil services; it needs transparent system, accountable management and measurable performance standards. In addition, result based control depends on the degree of decentralization of power, the use of information technology and the availability of skilled manpower. But the system failed to work because every organization has different mission, some organizations are amenable for measuring their results whereas it is not easy for other organizations to measure their results at organizational level. Therefore, it is remote at this time to measure the results of organizations leave alone to measure the results of individual employees that fall within the assessment power of the supervisor or the manager of the organization.

After the un-workability of result based performance evaluation to all organization there comes the New Public Management (NPM); it is about efficiency, effectiveness, accountability, transparency, fairness, equity, private firm like management, etc. Today, the bureaucratic civil service organization is giving ways to agile and flexible organizations that produces results and provides efficient services to citizens. Therefore, this is directly related to the current concepts of good governance that in turn are demanding for professionals and professionalism in the civil service.

In short a professional is a person who is educated and trained and who is competent, motivated and impartial that is a civil servant working in a system dedicated to serving the public interest. Professionalism is defined as “Meticulous adherence to undeviating courtesy, honesty, and responsibility in one's dealings with citizens' associates, plus a

level of excellence that goes over and above the commercial considerations and legal requirements.” (OECD Quoted by Bahiru,1997).

After a while the government of Ethiopia has scaled-up the salary of all civil servants more than three times to minimize the effect of inflation on the living conditions of civil servants. But there is a hypothesis that the information across the board salary’s increment exacerbates the inflation in the country. Hence, freezing the two years horizontal increment undermines the motivation of the civil service professional to act and behave professionally.

During this time a process of merging and unmerging of government organizations started. As a result a lot of civil servants were forced to leave their organizations. The adjusted salary in the public sector was not compatible to the salaries offered by NGOs and the rapidly increasing private sector organizations in the country could retain the experienced and qualified personnel. As professional employees were leaving the public sector for private and NGO sector for better payment many positions in the civil service offices became vacant, which brought intense competition among civil service offices themselves for experienced professionals. In general the low level of salary payment in the civil service sector, the better offer of the market and the free movement of labor had made civil service offices to loose many of their qualified personnel. This had forced agencies and regional bureaus to recruit low qualified personnel and fresh graduates. The frequent change of employees is also the main reason for loosing organizational memory and inability to establish organizational culture. In the year 2000, the statistics of the FCSC indicates that out of 2047 employees separated from their offices 916 (44.8%) left voluntarily.

In 1991, the government restructured its organizations so that it could accommodate the new political approach of federalism as well as the introduction of decentralization of power that was taking place in the structure of the civil service and the legal and political environments of the nation. The first structuring took place between 1992 and 1994 to allocate staff from the center to the newly formed regions. Later on, with the establishment of the F.D.R.E, the Federal Civil Service Commission under proclamation no. 8, 1995. After three years the name was changed by the House of People Representatives on October 1, 1998 proclamation no. 471/98 to Federal Civil Service Agency.

The FCSA as an organ of the Federal Government Administration is responsible in all matters related to organizational structure, salary increment, position classification, salary scale and exclusive right to issue regulation to Federal Civil Service Institution after approval by the Council of Ministries. There are two federal regions Addis Ababa and Dire-Dawa which have their own civil service agency like Addis Ababa and Dire-Dawa Civil Service Agency established in 1997. They have their own mandates to regulate employee's benefit and compensation matters but which does not contradict from the general proclamations; and are directly responsible to Ministry Civil Service.

From 1962/2007 the number of employees who work on civil service organization has grown from 46701 to more than 620,000 permanent and 12,216 temporary/contractual civil service employees throughout the country. For example in 2000, there were 25 ministries and authorities, and 22 board administered organizations under the federal government, about 42,000 permanent and 3,000 temporary civil servants. In addition,

federal states had around 58 different kinds of civil service offices with 302,000 permanent employees (FCSC, 2001b).

Review of proclamation on Job (Position) Classification, Recruitment, Promotion and Compensation Packages of Civil Services

As per Ethiopian proclamation quoted by Tesfaye, 2011 “Civil Servant” means a person employed permanently by federal government institution; provided, however, that it shall not include government officials like state minister, deputy director general and their equivalent and above; members of the House of Peoples’ Representatives and the House of the Federation; federal judges and prosecutors; members of the Armed Forces and the Federal Police including other employees governed by the regulations of the Armed forces and the Federal Police; and employees excluded from the coverage of this Proclamation by other appropriate laws.

Proclamation 419 of 1972 under sub article 18 the powers of central personnel agency currently the Ministry of Civil Service relate to:-

- Classify positions to service, grade and class and effectuate such classification be sending a notice of classification in the organization concerned;
- Consider, investigate and decide on requests by organizations for reconsideration of the classification under the foregoing sub-article and
- Develop, improve, apply supervise and maintain generally the position classification system in conformity with these regulation.

This ministry delegates to particular offices to classify particular categories of positions either generally or under stated circumstances. As per proclamation 419 of 1972

defines position classification means a system which analyzes individual positions in an organization on the basis of the duties and responsibilities and groups of similar positions together under common classes.

As per this proclamation positions shall be classified to service and grade on the basis of their:-

- Difficulty or complexity
- Extent of responsibility
- Requisite qualification

Types of position classification made by Central Personnel Agency and it was made by grand grouping called service under sub-article 5 (Procl. 419 of 1972)

- a. **Administrative Service**:- positions other than professionals or sub-professional which carry responsibility above the clerical level for administrative command, direction, coordination, or control, for administrative or organization of planning or analysis. It requires university degree or its equivalent.
- b. **Professional and Scientific Service**:- Position which carry responsibility for professional or scientific research, investigation, control, planning, advice, operation or scientific interpretation or application of professional knowledge. It requires university degree in a specific profession or scientific field appropriate for the position.
- c. **Sub-Professional Service**:- Positions (usually auxiliary to professional or scientific work) which are quasi-professional, sub-professional, or technical in nature (other than positions in the trades and crafts service).

- d. **Clerical and Fiscal Services**:- positions (except those belonging to the administrative service) the principal duties of which are relatively routine office work or similar work, having to do generally with such matters as records, files accounts, correspondence, typing operation of office machines and calculation.
(auxiliary to the Administrative Service)
- e. **Trades and Crafts Services**:- positions in occupations which traditionally have been considered as belonging to the skilled trades and positions in comparable trades more recently developed, such as the occupations of carpenters, brick masons, mechanics, metalworkers, plumbers, telephone linemen, or motor vehicle drivers.
- f. **Custodial and Manual Service**:- positions such as those of cleaners, laborer's, messengers, porters, guards, gardeners, waiters etc.

General Schedule of Services, Grades and Levels

Table 1.1a levels and grades revised in 1st June 1972

Levels	Administrative (AD)	Professional & Scientific (PS)	Sub-professional (SP)	Clerical & Fiscal (CF)	Trades & crafts (TC)	Custodial & Manual (CM)
I						1
II					1	2
III			1	1	2	3
IV			2	2	3	4
V			3	3	4	
VI			4	4	5	
VII			5	5	6	
VIII	1	1	6	6	7	
IX	2	2	7	7	8	
X	3	3	8			
XI	4	4	9			
XII	5	5				
XIII	6	6				
XIV	7	7				

In the classification processes, analysis of positions encountered reveals the existence of any position in a lower service which objectively is found to merit a higher grade than is shown for such service in the present schedule, the central personnel agency shall allocate such position to such grade, and include such grade in the schedule for that service.

There are also special salary schedule for classified status occupants not meeting criteria for general schedule pay. Under sub-article 23 (a & b) It designate:-

- a. Particular grades or classes within particular service which shall be included on such special schedule list.
- b. The general schedule criteria which must be met by any classified status occupant in-order to be paid the general schedule salary.

Finally, when we go to plus grade it means when the recognition of each hierarchical level in a chain of command, by allocation of each position in the chain to a grade higher than that of the preceding level would have effect of unjustifiably escalating grades of such positions the Ministry of Civil Service may allocate any such positions to a plus grade. Using the number of the grade to which the position would be properly allocable before consideration of the purely hierarchical factor, there will be added to such grade-number the symbol +. For pay purposes, there will be applied the same pay scale (including increment steps) as is regularly applied to a position of that grade in the service, plus "plus grade" differential in an amount equal to half the difference between the base pay of that grade, and the next higher grade, rounded up to the even dollar.

Special Schedule of personal sub-grade

Table 1.1b levels and grades for special position revised in 1st June 1972

Levels	Administrative (AD)	Professional & Scientific (PS)	Sub-professional (SP)	Clerical & Fiscal (CF)	Custodial & Manual (CM)
III-S					
IV-S			1S	1S	3S
V-S			2S	2S	4S
VI-S			3S	3S	
VII-S			4S	4S	
VIII-S	1S	1S	5S	5S	
IX-S	2S	2S	6S	6S	
X-S	3S	3S	7S	7S	
XI-S	4S	4S	8S		
XII-S	5S	5S	9S		
XIII-S	6S	6S			
XIV-S	7S	7S			

1.2 Background of the Study

Today more than ever, the most valuable and inimitable asset of any organization is its human resource. The Human resources is not only vital because an organization's profitability is dependent on it, but also because it comprises the largest fixed cost organization incurs. (Mahapatro, 2010) Explicitly the success of any organization in knowledge based economy is increasingly dependent upon the quality of the people they are able to attract (recruit), select, give competent benefit and retain. (Armstrong, 2009) Effective recruitment system consequently attracts or retains qualified and competent employees as a result every organization have to revise its position classification and compensation policies according to today business environment request. Position classification and compensation management asks an organization to have accurate and systematic knowledge, skills and experience. The two concepts interwoven each other if a given organization carefully conducted job classification then it goes to systematically align respective compensation scheme among positions.

Compensation management also linked with recruitment, retention, job satisfaction, reduction of turnover and to have internal and external equity.

The researcher tries to see the practice of job classification and compensation management during recruitment and promotion in Addis Ababa Civil Service Agency, Bole and Kolfe Keranyo Sub-Cities. In many governmental organizations we can see delay-ance in doing simple work that might be finished in fastest time; this comes from loss employee's job satisfaction around those offices.

1.3 Statement of the Problem

Job classification and compensation management have an impact on the mission and vision of any organization i.e. public or private. They are interwoven each other when certain organization revises its compensation strategies it has to be based mandated position classification otherwise it losses sense of fairness, equity (merit) finally it will end up negative impact on the final goal of the organization.

Government has many responsibilities more than maintaining law and order. To facilitate the expected results well oriented and knowledgeable staffs have to be there in its offices; however who work more than expected standards do not stay long in government offices. Fresh graduates join those offices as a transition this comes from lack of interest by given benefits packages i.e. compensation during recruitment and promotion. Employees with similar competency working in different organizations may earn different amounts of salaries and benefits which may create inequity. It is common to see organizations in same sector forwarding varying compensation packages.

In Ethiopia we have this kind of problem like government and private employees who work in the same sector are compensated differently. One of the reasons is that most government civil service offices are accustomed to use very outdated position classification and compensation policies which were decreed 38 years ago even if after that there are a lot of amendments but around the initials. The country's development lags backward; we can get in different offices discouraged employees that create inefficiency in using human labor. So the researcher starts to see the practice of position classification and compensation management during recruitment and promotion in Addis Ababa Civil Service Agency and two purposeful selected sub-cities i.e. Bole and Kolfe-Keranyo Sub-cities.

1.4 Objectives of the study

1.4.1 General Objective

The general objective for this research is to examine the practice of position classification and compensation management during recruitment and promotion in Addis Ababa Civil Service Agency, Bole and Kolfe-Keranyo Sub-cities.

1.4.2 Specific objective

In-order to realize the general objective of the research, this research tries to meet the following specific objectives:-

1. To see the fairness of those policies in-terms of Gender, ages, years of services and Sector,
2. To examine that the given qualification that the Agency asks and related professional experience on its vacant post i.e. internal or external are practicable,

3. To evaluate the employees who execute i.e. recruitment and promotion activity possess the required qualification,
4. To examine the feelings and job satisfaction of workers under civil service agency and the selected Sub-cities with respect of recruitment and promotion.

1.5 Research Questions

The aforementioned objectives of the research are expected to be met by seeking the answers to the following questions:-

1. Does the given mandate have fairness in-terms of Gender, ages, years of services and Sector?
2. Does the qualification posted on vacant post have really filled by the expected mandates?
3. Does the employees who execute i.e. recruitment and promotion are competent enough for this activity?
4. What action the agency and those selected offices proposed to retain hard or experienced workers in those offices?

1.6 Scope of the Study

The research deals position classification and compensation management in Addis Ababa Civil Service Agency, Bole and Kolfe-Keranyo Sub-cities during recruitment and promotion. To make it close to the reality it was good to list down all functions of human resource management in-order to have necessary information in connection to the topic due to time and lack of information the scope of the research was limited to two functions.

The two is selected because of recruitment process is the initial stage of human resource function, very wide and touched different portions. When we came to promotion it is a step that retains qualified and competent staff in those public offices. The study further limited to employees of Addis Ababa Civil Service Agency, Bole and Kolfe-Keranyo Sub-cities. This is also because it is the agency who gives mandates and control the execution process so different experience and observation may not be gained from other offices. But to see the practical part the researcher selects two Sub-cities. Given the aforementioned limitations, the researcher believes that the carefully selected functions and sources of data will bring a sound finding that will lead to a worthy generalization.

1.7 Significance of the Study

The research assesses the practice of position classification and compensation management during recruitment and promotion in Addis Ababa Civil Service Agency, Bole and Kolfe-Keranyo Sub-cities. The study is important for government bodies to take appropriate decision making i.e. to revise its classification system and compensation packages based on today's world economy. In addition to this the study might give recent information of those concepts to individuals who want to work on this topic.

1.8 Limitation of the Study

In Ethiopia, position classification and compensations are recurrent problems in all governmental regimes; so it needs serious attention. Within position classification

compensation management we do have different management functions out of those the study only focus on recruitment and promotion.

1.9 Organization of the Paper

The study is organized in such a way that, chapter one deals with The background of the Country Civil Service and related proclamation around Position Classification, Compensation, Recruitment and promotion, Background of the Study, Problem Identification, Objectives clarifies with General and Specific, Research Question, Scope of the Study, Significance of the Study, involved with different sub-sections and Limitation of the Study.

The related literature on General Classification, Compensation Management, Recruitment and Promotion issues was reviewed in chapter two. Research Methodologies were discussed in Chapter Three. The collected data Presented, Analyzed and Discussed in tabular form with their respective illustration were in Chapter Four.

In Chapter Five we have Introduction, Problem of Research, summary of findings, Conclusions based on findings were discussed. Finally possible policy recommendations were given.

Following chapter five, we have Bibliography listing books, proclamations and relevant literatures.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. General Concept

Attraction of human resources to an organization not only determines the future composition of the organization's workforce, but also the long-term ability of the organization to meet its strategic goals. A good recruitment procedure can function as a sieve or to filter people from the available talent pool. Attracting the right candidate is important not only in booming markets where organizations compete intensely for scarce talent, but also in declining markets where organizations have to sift through a large number of applicants who are vying for relatively fewer jobs. (Kraut 2010) If recruiting strategies don't help identify a sizable and suitable pool of talent and qualified personnel it will end up falling to the strategies of an organization. (Mahapatro, B.B., 2010)

Compensation strategies of organizations should have to be fair and equal, as a result it provides tangible rewards commensurate with person's skills. For example an individual who holds certain position has a lot of expectations in terms of form and amount of reward, which he/she should receive for the rendered service. As per Armstrong, 2009 the performance of a person as well as the decision to remain in the company is influenced by the level to which the given expectations are met.

A compensation management strategy also gives a message to employees about what the organizations believe to be important and worth encouraging. For employers, the compensation usually represents a sizeable proportion of operating costs and it represents only as a cost, while failing to consider the strategic benefits of a well-considered remuneration and benefits plan. (Faheem Ghazanfar, et al 2011).

An Employment Management Association report indicates that in 2009 on an average, organizations spend \$1,000 recruiting a nonexempt employee, about \$7,000 for an exempt employee, and over \$23,000 for executive-level employees in the external labor market. Recruiting efforts therefore have to be targeted toward attracting the right candidate, not only given financial implications, but also because they feed into consequent selection processes.

In this chapter, literature regarding job classification, compensation management, recruitment, promotion and related policies issues will be discussed

2.2. Overview of Position (Job) Classification

Position and Job classification are two terminologies in human resource management different in scope; the first one is broader than the latter but in various books they are used inter-changeably.

Generally Position classification is assigned duties and responsibilities to an appropriate job family and makes level within that family. Most management specialist referred it as job classification considering compensable factors used for job evaluation such as nature of work, freedom of action vested on a position, knowledge for that position, decision making made by the position, collaboration that position asks, span of control with in that position and the extent of that position impact in and outside the organization.

It is giving grade to specific job that are going to be worked. This can be go through by defining the type of work appropriate to each grade, and then each job is allocated into

the relevant grade based on an interpretation of the nature of the job compared to the grade definition. (Armstrong, 2009)

Position classification is the assignment of a position to an established, broad-based job that most closely matches the distinguishing characteristics of the position. (<http://hr.iu.edu/policies>, accessed December 1, 2013).

This system creates equity and flexibility during recruitment that cross-pond to its related compensation packages. In United States of America by Act of 1949 establish classification standards program for positions in the General Schedule, which states that:-

- Establishes the principle of providing equal pay for substantially equal work.
- Provides a definition of each grade in the General Schedule.
- Directs the Office of Personnel Management (OPM), after consulting with Federal agencies, to prepare standards for agencies to use in placing positions in their proper classes and grades.
- Standards issued by OPM shall:
 - Define the various classes of positions in terms of duties, responsibilities, and qualification requirements.
 - Establish official class titles.
 - Set forth the grades in which the classes of positions have been placed.

Based on this guidance, OPM has developed an occupational structure and classification system for positions included in the General Schedule.

Position Classification Standards provides background information and guidance regarding the classification standards for General Schedule work. It describes the fundamental policies which Federal managers, supervisors, and personnel specialists need to understand in using classification standards to determine the series, titles, and grades of positions. (U.S. Office of Personnel Management, 2009)

2.3. Overview of Compensation Management

The US term 'compensation' is sometimes used as alternative to reward but it seems to imply that work is an unpleasant necessity for which people have to be compensated rather than spending their time more profitably elsewhere. Compensation can be regarded as the fundamental expression of the employment relationship (employee vs. employer). According to Armstrong, 2009, it is the process an organization uses to compensate its employees in monetary and non-monetary ways to the mutual satisfaction of the organization and the employee.

Rewarding or compensating people involves compensation management processes concerned with the design, implementation and maintenance of reward systems that are geared to the improvement of organizational team and individual performance based on each classification of a job. It includes both financial and nonfinancial incentives.

Compensation management is give available tools to all employees to attract, retain, motivate and satisfy them. It is holistic in nature that consists of total reward approach that means we can't rely on one or two reward mechanisms operating in isolation, account is taken of every way in which people can be rewarded and obtain satisfaction through their work. In connection to the above, holistic nature of compensation

management is not only to make strategies on traditional, quantifiable elements like salary, variable pay and benefits, but also has to give more attention on intangible non-cash elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by the work itself and the quality of working life provided by the organization. (Faheem Ghazanfar, et al 2011).

Compensation management is concerned with the formulation and implementation of strategies and policies in order to reward people fairly, equitably and consistently in accordance with their value to the organization. (AIM Organizational Development Programme Workshop, 2004)

Compensation management needs policy that can be preceded by a given concerned body. In William Mary University, 2011 located at Virginia gives this policy to all employees who work in the state

1. Respects every employee's contribution
2. Recognizes individual performance
3. Promotes individual career growth and development
4. Bases salary on market ranges and
5. Is flexible. (William Mary University, 2011)

2.4. Overview of Recruitment

Recruitment is the process of acquiring applicants who are available and qualified to fill positions in an organization. (Decenzo et al, 2002) This definition deals a positive

approach of recruitment in generating an optimum number of job seekers at labor market who are competent and qualified for the vacant job.

Recruitment is the process of finding and engaging the people the organization needs, to mean that attraction of suitable candidates to vacant positions from inside or outside. (Armstrong's, 2006)

Allen, 2010 say recruitment is a process of finding and attracting the right candidates and encouraging them to apply for certain positions by giving them compensable benefits or reward based on job requirements.

Despite the importance of the recruiting function, a recent survey of 50 Chief Executive Offices (CEOs) of global organizations paints an-attractive picture. This survey indicates that even for top management-level recruitment, strategies are ad hoc, vague, and heavily reliant on subjective evaluations. The consequence is that about a third of new hires leave after three years of being with the organization. What is more surprising is the fact that most CEOs do not see the situation as it is. (Kraut, 2010)

Suboptimal recruitment, and the consequent unavoidable suboptimal hiring, especially at strategic levels and for key positions, can cause serious financial setbacks for an organization or, worse or ruin it. (Kraut, 2010)

2.4.1 Sources of Recruitment

Internal Source

This is a kind of recruitment involves filling of vacancies internally within an organization such as transfers or promotions and also requires seniority, skills and competence have

to be considered. As per Decenzo et al, 2002 puts that in selecting internal source we have to use the following techniques:-

- ✚ **Skill Inventories**:- Is a database consists list of employees with their respective specific skills. It is mostly used in recruitment of applicants for higher or executive level jobs;
- ✚ **Job Posting**:- on announced vacancy there is full details of vacant position i.e. duties and responsibilities are provided and any staff who feels he or she may have the necessary qualification may apply, this includes job advertisement and personnel records.
- ✚ **Present employees**:- In the form of promotion.

External Source

Open opportunity to people who are not members of the organization to apply for posted positions. There are different techniques to entertain this source:-

- ✚ **Employment Agency**:- Recruit employees under the instruction of organization and finally charge a fee.
- ✚ **Referrals from current employees**:- present employees refer applicants from outside the organization. It is an inexpensive and quick way to find people with required skills.
- ✚ **Educational Institutions**:- This includes schools, colleges and universities. In college and universities recruiting the organization sends an employee usually called a recruiter, to campus interview candidates and describes the organization to them.

2.4.2 Recruitment Process

Without limitation of the nature and size each organization i.e. small or large follows the listed process during its recruitment time steps:-

1. **Defining requirements** – preparing role profiles and person specifications; deciding terms and conditions of employment. The number and categories of people required may be set out formal human resource or workforce plans from which are derived detailed recruitment plans. More typically, requirements are expressed in the form of demands for people to create of new posts, expand into new activities or areas, or the need for a replacement. These short-term demands may put HR under pressure to deliver candidates quickly. Ibid

2. **Planning Recruitment campaigns covers:-**
 - The required number and types of employees for expansion or new developments and make up for any deficits;
 - The likely sources of candidates i.e. internal or external;
 - Plans for alternative Media (advertisement) i.e. newspaper, websites, etc;
 - How the recruitment program will be conducted (the process it involves during recruitment).

3. **Attracting Candidates**

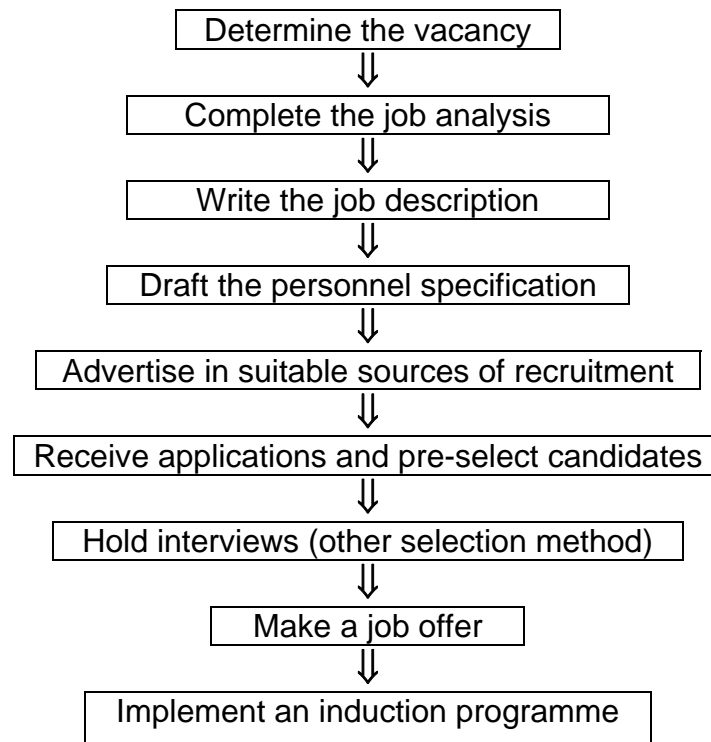
The first step in attracting candidates is to analyze recruitment strengths and weaknesses. The outcome of this analysis can be used to develop an employee value proposition and employer brand. Then reviewing and evaluating alternative

sources of applicants, inside and outside the company: advertising, e-recruiting, agencies and consultants. (Armstrong, 2009)

4. **Selecting candidates**

It involves deciding on the degree to which the characteristics of applicants in terms of their competencies, experience, qualifications, education and training match the person specification. Then screening applications, interviewing, testing, assessing candidates, assessment centers, offering employment, obtaining references; preparing contracts of employment. The aim of selection is to assess the suitability of candidates by predicting the extent to which they will be able to carry out a role successfully. Ibid

Fig 2.4.2 Best practice on Recruitment by (Decenzo et al, 2002)



2.5. Overview of Promotion

It is a reward for high-quality staff that clearly to the strategic goal of an organization. We can say it is intrinsic reward for past performance.

It is enabling employees of certain company to advance their carriers in accordance with the opportunity available and with their own abilities. Promotion is one of three types of placement decisions i.e. transfers and demotions. It occurs when an employee is moved from a job to another position that is higher in pay, responsibility or organizational level. Promotions may be based on merit (they occur based on superior performance of the employee in the current position) or based on seniority (for instance, the employee who has worked longer in the organization get the promotion). (Heraklion, 2005)

When promotions are not based on merit nepotistic take the place that invalidate selection devices such as interviews, personality tests, and even skill-based tests because the results cannot be compared to meaningful performance. We can see this problem in the Middle East and Africa for example U.S. troop surge into Iraq in late 2007. The surge may not have been successful had the army not realized the importance of nepotism in Iraqi tribal culture. Specifically, before and after the surge, U.S. General David Petraeus implemented a policy of offering work contracts to tribal elders (Sheikhs) in exchange for cooperation against Al Qaida in Iraq. (Kraut, 2010)

This can easily shows us that US use of local tribal Sheikhs instead of the centralized, merit-based bidding system used in the West. The army had realized that Sheikhs would only work with the United States if doing so could increase the Sheikhs' own

personal power, which they measured by the number of followers they could attract. The work contracts allowed leaders to attract and hire additional followers within their own tribe, solidifying their local status, and increasing the appeal of working with the United States. In contrast, nonmembers of the tribe were provided with little in the way of job offerings, special assignments, promotions, and subcontracts.

Another issue on promotion activities of managers is based on affiliations than merit i.e. use of local norms which cripple the company, since the senior management was seen as increasingly less capable and through the nepotistic system, even lacking the incentive to become capable. (ibid)

2.6. Categories of Position Classification and Compensation

Position classification is performed in large companies, civil service and government employment, nonprofit agencies, colleges and universities. Whereas smaller and medium sized companies and agencies uses informal type of position classification to generate a sense of fairness across equivalent employee jobs i.e. re-grouping similar positions in broadband way. A position's category determines which personnel policies and benefits apply to the position.

2.6.1 Categories of Position Classification

The position categories are varying in different country for example in Rhode Island classification gone through by three branches of service Classified, Unclassified, and Non-Classified. Within the Classified Service two categories are there Competitive and Non-Competitive.

Competitive Classified Positions:- are governed by competitive civil service examinations, which are open to those who satisfy the minimum requirement of education and previous experience. Competitive classified positions consist of all positions in the classified service except those assigned as noncompetitive classified positions and those specifically exempted by legislative act. Unless appointed from a list, employees hired into competitive positions are subject to civil service examination and must be reachable to retain their position.

Non-Competitive Classified Positions:- are defined by statute to include positions that require the performance of routine, laboring, custodial, or domestic tasks, or those positions that are subject to continuing supervision. Also included are positions that require licenses, certificates, or registrations. Many job classifications require that an employee hired into a non-competitive position must maintain the required license, certificate, or registration as a condition of continued employment.

Unclassified Position:- includes positions of trust in state government excepting classified and non-classified. Generally, the unclassified service includes employees of elected officials, courts, independent agencies, departmental directors, or public authorities and various positions of a policy making character.

Non-Classified Positions:-covered under contract terms for the Board of Governors for Higher Education (Higher Education/Colleges) and senior administrative staff as well as faculty.

In Portland the position classification are categorized by Classified Positions, Unclassified Positions, **Unclassified and Unrepresented and Unclassified and Excluded**

Classified Positions:- include those found in office support, technical support, campus safety, trades and maintenance.

Unclassified Positions:- faculty and academic professionals e.g. with duties in teaching, conducting research or providing public service, or Fixed term only and placed in job families such as Advisor/Counselor, Program Administrator, Instructional Specialist or Education Technology Specialist.

Unclassified and Unrepresented:- including professional academic or staff positions that are not ranked or tenured and are not represented by a collective bargaining agreement. Positions in this group include unrepresented administrative staffs who are employed under non-represented units: President's office, Finance and Administration, and Athletics.

Unclassified and Excluded:- These positions include professional staff in academic areas of the University who are excluded from the collective bargaining unit due to managerial, confidential or supervisory duties. (Finance and Administration, Portland, 2014

Around 2010 state of Utah involved a standard base of categorizing position on two ways:-

- a. Based on the position an individual occupies
- b. Based on Contribution levels, responsibility, expertise, and qualifications of a job. (Compensation and Classification Guideline Manual,2010, State of Utah)

Bases of the position an individual occupied can be categorized:-

Executive Employees (Public Safety Positions):- consists of senior level positions with primary responsibility for executive management in any organization which has a duty of establishing mission, vision and strategic direction. (ibid)

Administrative and Professionals:- Includes full and part time positions with primary responsibilities for implementing and managing the strategic directions of organization by establishing operational plans, processes and methods. It includes employees in recognized professional areas requiring advanced formal study and/or specialized experience. Typically, persons employed in such positions have a significant influence in developing departmental or County-wide policy.

Operational Employees (Trades and Labor Positions):- Responsibility for executing operational plans using established processes and methods includes skilled, semi-skilled, and unskilled positions. Employees in this class are involved in carrying out important tasks related to a variety of on-going maintenance duties, construction projects, and facility operation. Some positions are supervisory in nature often as a working supervisor or a first-line supervisor. (ibid)

Public Safety Positions:- This group of positions includes all certified staff within the Sheriff's Office. These positions are responsible for carrying out all law enforcement

functions under Country jurisdiction. A high degree of integrity and responsibility is a characteristic of this class. Employees may be exposed to potentially dangerous and life threatening situations.

Classification based on contribution levels, responsibility, expertise, and qualifications are:-

Level A:- Achieves operational objectives through performance of routine tasks & activities.

Level B:- Achieves operational objectives and solves problems using & applying established processes, methods and systems.

Level C:- Achieves operational objectives and solves problems using substantive experience & collaboration. Selects or recommends appropriate processes, methods or systems based on interpretation & analysis. Requires knowledge & skill gained through substantive work experience or specialized instruction, training or post-high school education.

Level D:- Achieves operational objectives by establishing methods & procedures using advanced knowledge, skills & professional expertise. This level includes positions in recognized professional areas requiring advanced knowledge and professional expertise gained through formal study, typically requiring an advanced degree and/or specialized experience.

Level E:- implements strategic direction through operational planning within unit (sub-group within major department or school) using advanced knowledge, skills and professional expertise gained through formal study and/or specialized experience.

Level F:- sets strategic direction or goals and operational objectives within unit using advanced knowledge, skills and professional expertise gained through formal study or specialized experience. Frequently/typically operates with a high degree of autonomy.

Executive Level:- sets the mission, vision, strategic direction and goals of the university or of a department or school, and serves as either a member of the President's senior leadership team or as a key advisor to the President and a member(s) of the senior leadership team.

2.6.2 Types of Compensation

As per Armstrong 2009 we have many types of compensation based feasibility, result it achieves, labor market, country economic status. They are transactional versus rational, Intrinsic versus extrinsic, and direct versus indirect.

- a. **Transactional**:- tangible rewards arising from transactions between the employer and employees concerning pay, base pay, contingent pay, employee benefits;
- b. **Rational**:- non-financial rewards, which include rewards from the work itself, intangible rewards concerned with learning and development and the work experience.
 - i. **Intrinsic rewards** may include praise for completing a project or meeting performance objectives, psychological and social forms of incentives.
 - ii. **Extrinsic compensations** are tangible and take both monetary and non-monetary forms.
1. **Direct compensation** Tangible component of a compensation program, whereby the employer exchanges monetary rewards for work done and performance results achieved such as base pay and variable pay.
 - **Base Pay** The basic compensation that an employee receives, usually as a wage or a salary. Many organizations use two base pay categories, hourly and salary (monthly), identified according to the way pay is distributed and the nature of the jobs. Hourly pay is the most common means and is based on time.
 - **Variable Pay (contingent pay)** another type of direct pay is variable pay, which

is compensation linked directly to individual, team, or organizational performance. The most common types of variable pay for most employees are bonuses and incentive program payments.

2. **Indirect compensation** commonly consists of employee benefit packages that can be monetary and non-monetary forms. Employees receive the tangible value of the rewards without receiving actual cash for example benefit like health insurance, family medical services, tuition fee, vacation pay, or a retirement pension regardless of performance. (Robert & John, 2006 & 2008)

Table 2.6.2 Types of Compensation

Compensation	
Direct	Indirect
Base Pay	Benefits
Wages	Medical Insurance
Salaries	Paid time off
Variable Pay	Retirement Pensions
Bonuses	Workers' compensation
Incentives	
Stock Options	

2.7. Advantages of Job Classification and Compensation

Company's classification system and compensation packages are basic for recruitment and retention strategy. The General Schedule position classification system is a tool in implementing a compensation system that helps ensure equity throughout an organization i.e. equal pay for substantially equal work and it is like law. As O'Neal

1998, stated, it has an advantage to address the issues created by recruitment and retention as well as providing a means of influencing behavior. It can help create a work experience that meets the needs of employees and encourages them to contribute extra effort, by developing a deal that addresses a broad range of issues and by spending reward dollars where they will be most effective in addressing workers' shifting values.

Without effective compensation management, workers could be overpaid or underpaid of Wage and salary programs should be designed to end up administrative inefficiency. (Heraklion, 2005)

As per Compensation & Classification Guide, 2005 & 2010, RRC Business Training, the following are reasons for the position classification system:-

- 1) To create an equitable country compensation scale and administrative system for all regular employees. This means ensuring internal and external equity. Sometimes these objectives conflict with one another, but we have to use trade-offs method.
- 2) To ensure that Country employees are paid fairly with respect to employees in comparable governmental entities.
- 3) To ensure that Country employees are paid fairly with respect to similar positions within the Country system i.e. similar jobs in the labor market (External Equity).
- 4) To ensure that all employees are being compensated fairly for the work expected of them or more demanding positions or better qualified people within the organization are paid more (Internal Equity).

5) To create a means by which new or revised positions can be appropriately placed within the system and compensated accordingly.

6) To provide employees with a clear understanding of the requirements of their positions and advancement opportunities (promotion) within the organization.

7) To enhance the employment relationship – the employment relationship created by reward strategy makes the maximum use of relational as well as transactional rewards and will therefore appeal more to individuals.

8) To answer individual needs there is flexibility on those strategies i.e. individuals based on their need bind individuals more strongly to the organization because they can answer those special individual needs. (Milkovich and Bloom, 1998)

9) To manage talent it also creates talent management by delivering a positive psychological contract and serve as a differentiator in the recruitment market which is much more difficult to replicate than individual pay practices. The organization can become an 'employer of choice' and 'a great place to work' thus attracting and retaining the talented people it needs. (Armstrong, 2009)

In general we can say position classification and compensation management has a role in:-

- Attracting good employees
- Retaining good employees
- Motivating employees

- Satisfying external requirements of both employees and the company simultaneously.

2.8. Policies and strategies Involved on Compensation, Recruitment and Promotion

Before going to the process of compensation, recruitment and promotion there has to be a well-articulated philosophy i.e. a set of beliefs and guiding principles that are consistent with the values of the organization and help to enact them. These include beliefs in the need to achieve fairness, equity, consistency and transparency in operating the reward system.

The philosophy of compensation management also recognizes that it must be strategic in the sense that it addresses longer-term issues relating to how people should be valued for what they do and what they achieve. Reward strategies and the processes that are required to implement them have to flow from the business strategy.

Compensation management have to be adopt a 'total reward' approach which emphasizes the importance of considering all aspects of incentives as a coherent whole which is integrated with other HR initiatives designed to achieve the motivation, commitment, engagement and development of employees. This requires the integration of reward strategies with other human resource management (HRM) strategies, especially those concerning human resource development so it is an integral part of an HRM approach to managing people.(Kraut, 2010)

The philosophy recognizes that if HRM is about investing in human capital from which a reasonable return is required, then it is proper to reward people differentially according to their contribution (i.e. the return on investment they generate).

The aims promotion policy of a company should enable the management to obtain the best talent available within the company to fill more senior posts and provide employees with the opportunity to advance their careers within the company, in accordance with the opportunities available (taking into account equal opportunity policies) and their own abilities. It is advisable to have a promotion policy and procedure which is known to both management and employees. (Armstrong, 2006)

The philosophy of recruitment affected by the business and HR strategies of the organization, the significance attached by top management, internal and external environment of the organization. The external environment includes the levels of pay in the labor market (market rates) and it is helpful to be aware of the economic theories that explain how these levels are determined. Ibid

Generally, HRM approach to the above activities has to be depended upon the following rules as a given denominators:-

- **Apply Equitably (Employment Equality)**:- workers have to be treated equally (appropriately) in relation to others within as well as out of the organization, this policy is under the cover of Acc 1970 “sought to address the issue of parity between the pay of men and women who were doing work of equal value in the same employing organization this does not necessary mean simply doing the same job, although that was the main concern in the early day when there were many

instances of such in-equitable treatment to be dealt with.” This law came into force in 1975 G.C.

Another issue on this equality is racial equality the Act involved in 1976 says unlawful discrimination with race, color, nationality or ethnic origin. The final issue on equality is disability Acts of 1995 related to disable people i.e. a person who have physical or mental impairment which has substantial or long-term adverse effect on a his/her ability to out normal day to day activity.

In connection with equality University system of Georgia in July 30, 2012 make a program of Wage and Salary Administration that co-exists with the position classification system to provide an equitable, competitive and consistent basis for paying employees. A wage and salary administration program will include a salary structure that serves as a logical and ordered framework that combines internal job relationships developed through the job evaluation and classification process with the internal and external prevailing market conditions as reflected by market salary analysis, and provides guidance for determining pay when certain job actions occur, including but not limited to, hires, promotions, reclassifications, and demotions.

- **Relativities between jobs**:- are measured as objectively as possible and equal pay is provided for work of equal value. Even though the type of work differ but their results to organization are equal in value have to be compensated equally.
- **Function consistently**:- decisions on pay do not vary arbitrarily and without due cause between different people or at different times. There are a number of role players in recruitment, promotion, and compensation process. This includes

employees, team members, line managers, human resource department. Out of those line managers, human resource department and professional human resource personnel are prominent on those functions. Mostly human resource department provides assistance to line managers like by making a committee directorate based human resource team and corporate based human resource or specialist team.

- **Operate Transparently**:- people understand how these processes operate and how they are affected by them. Every employee and management has to know the procedure companies undertake to handle those processes.
- **Design Effective System**:- that satisfy employee needs and reinforce job behavior in consistent organizational objectives i.e. contingent (operate flexibly) upon the situation people understand how processes has go through.
- **Reward People for the value they create**:-People feel that they are treated justly in accordance with what is due to them because of their value to the organization (Eliot Jaques 1961). It is proper to reward people differentially according to their contribution (i.e. the return on investment they generate).
- **Reward the right things to convey the right message about what is important in terms of behaviors and outcomes**:- This enables to develop a performance culture throughout the company.
- Help to attract and retain the high quality people the organization needs.
- **Develop a positive employment relationship and psychological contract**:- Focuses on the development of the skills and competencies of employees in order to increase the resource-based capability of the firm (pay for competency or skill)

- **Commensurate both business goals and employee values**:- as Duncan Brown (2001) emphasizes, the 'alignment of your reward practices with employee values and needs is every bit as important as alignment with business goals, and critical to the realization of the latter'

Even though, we do have the above policies but there are a case one organization make a contingent plan for those compensation strategies. To attract good employees organizations therefore have to offer competitive salaries that are market related to respond supply and demand. Organizations normally make use of wage surveys to establish what market-related salaries for their particular industry are. Although most job applicants are not aware of the exact salaries or wages offered by different organizations for similar jobs within the labor market, they do compare job offers and pay scales. Job applicants who receive more than one offer will naturally compare the offers in terms of what his take-home pay will be. (AIM Organizational Development Program Workshop Human Resource Management Participant's manual, 2004)

A strategy pay decision by the employer is choosing a general pay level for the organization that compare with other employers within the same industry and labor market i.e. management must decide whether to be a high pay level employer, a low pay level employer or a competitive pay level employer. A high pay level strategy may be chosen when management believes that if it maintains high salaries, the organization will attract and retain the best employees within the geographic area, industry or sector. Sometimes management will expect more from employees because the organization pays higher than average salaries. It may also happen that employees working for such an organization may become very frustrated and unproductive when they are unhappy

in the organization, but can't afford to leave since their organization pays the best salaries. This is known as the "golden handcuffs" Ibid

A low pay level strategy may be chosen because management decides to expect and live with the increased labor turnover and morale problems that may result. The savings in total personnel costs may be estimated to outweigh the disadvantages associated with low morale and high turnover. Employers may choose this strategy simply because the organization cannot afford to pay more. Small employers, those operating in highly competitive markets, and those that are in a labor intensive industry where there is also a good supply of labor, are likely to choose this pay level option. Ibid

A competitive pay level strategy may be decided upon when management believes that if the organization's pay level is competitive within the labor market, the employee problems associated with the low pay level strategy can be largely avoided. Most employers will try to remain competitive within the local labor market by offering salaries that are similar to those offered by competing employers. Ibid

Employees may quit when compensation levels are not competitive, resulting in higher turnover that means Reward desired behavior. Pay should reinforce desired behaviors and act as an incentive for those behaviors to occur in the future. Generally rational compensation system helps the organization obtain and retain workers at a reasonable cost and also avoids challenges imposed by the government and employees.

CHAPTER THREE

Methodology

Research methodology assists the researcher in deriving clear objectives from the research questions, specifying the source from which data is to be collected and considering the constraints of the study, which the researcher will inevitably have. (Saunders, et al 2000)

Accordingly in order to conduct the research at hand the researcher adopts the under mentioned methodology:-

3.1 Research Design

The study was designed to use the descriptive method to obtain information concerning the current status of the phenomena and to describe “what exists” with respect to variables or conditions in a situation. The researcher was used both primary and secondary data sources. The types of questions were open and close ended. The first one is through semi-structured questionnaire filled by randomly selected employees of the agency at all levels, Bole & Kolfe-Keranyo Sub-cities. The next was interview with randomly selected HR and different department managers of A.A Service Agency, simultaneously observation were go through. The secondary data were collected from related research documents, different year proclamations, reports, books, recent accessed website.

3.2 Target Population

It is complete collection of individuals, objects, measurements that have characteristics in common or totality of related observation in a given investigation. (Kinfе, 2002)

The populations for this study were employees and departments managers of the agency; employees of Bole and Kolfe-Keranyo Sub-cities. Numbers of employees in the agency are 400, Bole 800 and 850 in Kolfe-Keranyo Sub-cities.

3.3 Sampling Technique

Sampling is the process of taking a representative part from the given population. (Kinfе, 2002) The sampling technique for this research is the stratified random sampling and purposive sampling. Within strata respondents were selected using random and quota sampling. Department Managers, Section Head of the agency were selected and give to them high number of questionnaire by using purposive sampling because they are resource persons i.e. executors of civil service proclamations. Employees were selected from Bole and Kolfe-Keranyo Sub-Cities by using quota sampling. Then simple random sampling are used to select respondents from this employees and managers

3.4 Sample and Sample Size

Sample is a representative part of the population that is employed in analysis of data. (Kinfе, 2002) The sample size for this research is was finite population one hundred in number and sampling frame was Managers, Section Heads, and employees of two sub-cities. Out of one hundred forty five percent were given to Managers and Sections

Heads of the agency, 28 and 29 percent of employees from Bole and Kolfe-Keranyo Sub-cities respectively. The lion shares of the respondents are managers because they are the executers of the policies and related proclamations; so it is believed that they are the right people behind the problems.

3.5 Data Collection Technique

For the purpose of this research questionnaire, interview and observation methods were considered appropriate for data gathering tool.

In order to collect primary data researcher were apply:-

- Semi-structured questionnaire technique.
- Semi-structured interviews conducted with key resource persons (managers) holding different position in the meantime observations can be made during interviews with those selected ones.

Finally secondary sources of data such as: annual reports, brochures, monthly magazine, publications, books, different proclamations are used which have direct correlation with the study.

3.6 Method of Data Analysis

The data collected from primary data was presented in the manner of their response to listed questions with their status in those institutions i.e. employee and manager, then reviewed in the form of tables, percentages and charts. This enables the readers to compare the trend of distribution more vividly. The data collected from the primary and secondary data sources are analyzed using descriptive type of analysis.

CHAPTER FOUR

Presentation, Analysis and Interpretation of Data

4.1 Introduction

The respondents' opinions which were collected by using questionnaire and interview are analyzed and interpreted in this section of the study. The respondents were managers and employees of Addis Ababa Civil Service Agency, Bole, & Kolfe-Keranyo Sub-cities respectively. For analysis purpose the researcher first merged the sub-cities employees in one group. The responses of HR and other departments' managers of the Agency are presented in another group. Out of the total one hundred number respondents' fifty five employees are employee's two sub-cities. The rest forty five are from Addis Ababa Civil service different Department Managers. From total distributed questionnaires forty five and forty are collected from employees and managers respectively. The remaining fifteen and ten from employees' side and five from managers' side could not be collected. Because most of the employees and managers went for training and meetings. The types of questions were closed ended questions and open ended questions. Descriptive data analyses were involved. The analyzed results are presented in tables, percentages and charts followed by detail explanation in this chapter. And the presentation is also divided into sections on Demographic Information, Close ended question on Job Classification and related Compensation packages, on Recruitment and Promotion.

4.2 Respondents Related Information

Demographic information of respondents is presented by using the following tables and percentages

Table 4.2.1 Gender distribution of respondents

	Manager		Total	Employees		Total
	Female	Male		Female	Male	
No. of respondents	10	30	40	10	35	45
Percentage	25	75	100	22.22	77.78	100

Source: Own Survey 2014

The above table 4.2.1 indicates that 10 (25%) and 20(22.22%) are female managers and employees respectively. The rest 30 (75%) and 35(77.78%) are male managers and employees respectively; this indicates that female managers and employees are small in number when compared to male. In this give institutions females are not encouraged to recruit and promote, this contradicts Acc 1970 that says workers have to be treated equally (appropriately) in relation to others within as well as out of the organization. Armstrong, 2006 also adds promotion opportunities should be open to all, irrespective of race, creed, sex or marital status.

4.2.2 Age Distribution

Age	Manager		Employees	
	No. of Respondents	Percentage	No. of Respondents	Percentage
18-24 Years	-		25	55.56
25-30 Years	2	5	9	20
31-36 Years	6	15	4	8.89
37-42 Years	10	25	3	6.67
43-48 Years	17	42.50	2	4.44
49-60 Years	5	12.5	2	4.44
Total	40	100	45	100

Source: Own Survey 2014

4.2.3 Years of service Distribution

Years of service	Manager		Employees	
	No. of Respondents	Percentage	No. of Respondents	Percentage
Under 5 Years	-	-	25	55.56
6-11 Years	2	5	10	22.22
12-17 Years	8	20	3	6.67
18-23 Years	11	27.50	3	6.67
Above 24	19	47.70	3	6.67
Total	40	100	45	100

Source: Own Survey 2014

The above two tables' 4.2.2 and 4.2.3 depicts that at the beginning of recruitment age and years of service the number as well as their respective percentages of employees are the same i.e. many fresh graduates in government offices but after the years passes their number decreases throughout this distribution. This implies that employees join those government offices to get experience. Contrary to this when we go across to the above tables the number and percentages of managers increased. This indicates that someone who stays long in government offices whether he/she is efficient or not get the post of manager. This rule is the other way round of standard policies of recruitment and promotion strategies that says consistency, transparency and flexibility in doing the functions. (Armstrong, 2006)

4.3 Responses of Employees Bole and Kolfe-Keranyo Sub-cities on Job Classification and Related Compensation Packages on Recruitment and Promotion

Table 4.3.1 Close ended questions

No.	Question	Strongly Disagree(1)	Disagree (2)	Uncertain (3)	Agree (4)	Strongly Agree(5)
1.	Proclamation on Job classification and compensation packages are based on labor market.	12(26.67%)	15(33.33%)	12(26.67%)	6(13.33%)	
2.	The promotion criteria are clear for internal employees	16(35.56%)	13(28.89%)	9(20%)	7(15.56%)	
3.	If that so, internal employees are happy by the given mandates of promotion	14(31.11%)	12(26.67%)	10(22.22%)	7(15.56%)	2(4.44%)

4.	These promotion proclamations are strictly obeyed by the agencies and its respective offices	13(28.89%)	13(28.89%)	12(26.67%)	7(15.56%)	
5	The given mandates of the Agency on compensation packages lead to corruption	17(37.78%)	14(31.11%)	10(22.22%)	4(8.89%)	

Source: Own Survey 2014

Responses about Classification and Compensation packages are based on labor market were obtained from 45 respondents 12(26.67%) strongly disagree, 15(33.33%) of them disagree, 12(26.67%) uncertain about this issue and 6(13.33%) agree with statement number one. The above table implies that existing mandates do not have external equity. The logic is that country employees are paid fairly with respect to similar positions within the country system i.e. similar jobs in the labor market (External Equity).

Question number two Knowledge of internal staff members about promotion criteria responded like 16(35.56%) strongly disagree, 13(28.89%)disagree, 9(20%) uncertain and 7(15.56%)agree the issue. This implies most of the time the written proclamation about promotion are not followed by the officials rather by informal way of selection for promotion. Finally it creates dissatisfaction in those hard working and sincere employees.

The existed promotion proclamation are best for employees responded by 14(31.11%) strongly disagree, 12(26.67%) disagree, 10(22.22%) uncertain, 7(15.56%) agree, 2(4.44%) strongly agree. This implies that majority of the employees are not happy, it loss standard criteria of promotion which is merit and transparency.(Kraut, 2010)

Strict adherence of proclamations on promotion by the selected offices 13(28.89%) Strongly disagree, 13(28.89%) disagree, 12(26.67%) uncertain, 7(15.56%) agree. The

respondents said other informal things i.e. political affinity, favoritism, nepotism, corrupt practices take over the legal provisions. (Table 4.3.1;4)

Opinions of employees about the given Compensation packages lead to corruption 4(8.89%) strongly disagree, 4(8.89%) disagree, 10(22.22%) uncertain, 10(22.22%) agree and 17 (37.78%) strongly agree. As the percentage tells 60% of employees accept this idea as a strategy we can say that rational compensation system helps the organization obtain and retain workers at a reasonable cost and also avoids challenges imposed by the government and employees. (Table 4.3.1.5)

Table 4.3.2 Closed Ended Questions to say Yes, No, No Idea at all

No.	Question	Yes	No	No Idea
1.	Do the agency/bole/Kolfe-Keranyo sub cities face challenges on recruitment and promotion?	29(64.44%)	6(13.33%)	10(22.22%)
2.	Does the agency/bole/Kolfe-Keranyo sub city try to manage those problems related to compensation packages?	15(33.33%)	24(53.33%)	6(13.33%)
3.	Does those packages given are enough for the new comers and the existing ones?	7(15.56%)	28(62.22%)	10(22.22%)
4.	Do packages are driven for the employees to stay on those government offices?	5(11.11%)	35(77.78%)	5(11.11%)
5	Do you think the government gives attention (focus) to this problem?	9(20%)	32(71.11%)	4(8.89%)
6	Does the revision at different times that the government has made give solution for the existing problem?	8(17.78%)	31(68.89%)	6(13.33%)
7	Do the qualifications posted on vacant post have really been filled by the candidates?	14(31.11%)	21(46.67%)	10(22.22%)
8	Does the existing mandate has a sort of flexibility i.e. this can be happen during promotion time?	14(31.11%)	17(37.78)	5(11.11)
9	Does an employee who execute i.e. recruit and promote activity have required qualification?	21(46.67%)	18(40%)	6(13.33%)
10	Does the practical problems on position classification and related compensation are solved by the exist mandates?	14(31.11%)	25(55.56%)	6(13.33%)
11	Does every employee perform according to his/her potentials?	14(31.11%)	28(62.22%)	3(6.67%)
12	Does the existing environment in those government offices is favorable to employees?	9(20%)	29(64.44%)	7(15.56%)
13	Does Job classifications systems are involved based on sector (field of work) are they fair?	12(26.67%)	17(37.78%)	6(13.33%)
14	If A.A.C. Agency, Bole and K/Keranyo S/C strictly adhere to given proclamation on promotion can they get the needed human labor in the market?	12(26.67%)	26(57.78%)	7(15.56%)
15	Can you say that delay by government offices results in the	29(64.44%)	10(22.22%)	11(24.44%)

inefficient staff retained on those offices?			
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Source: Own Survey 2014 N= 45 (100%)

1. 64.44% responds that yes different kinds of problems occurred during recruitment and promotion, 6(13.33%) says that it is not that much challenging and 10(22.22%) do not have any idea on this matter. Since the proclamations on these matters are outdated it has so many challenges when we came to practice.

2. Most respondents say no 24 (53.33%) to this question because respective institutions except the A.A Civil Service Agency have not enough mandate to manage the packages. But A.A Civil Service Agency has power to pressure on those issues to the concerned body. The others say yes 15 (33.33%) depending on the range of the compensation and the rest 6(13.33%) responds by saying no idea.

3. Most of the respondents agrees that the given packages are not enough for the new comers and the existing ones, 7(15.56%) say yes it is enough for employee who work with on those government offices and finally 10(22.22%) we have employee do not have idea. This implies that the concerned body has to see this packages in-order to stay those effective workers in its offices.

4. 77.78% of employees respond that compensations packages are not the only driving force to stay in those government offices other constraints. The 11.11% gives yes response those competitive salary packages is the only reason for someone to stay in specific organizations and the rest 11.11% responds with no idea. Practically in-order to stay in once organization compensation packages are the only driven force rather other like working environment, transparency and freedom of actions.

5. Most of the employee 32(71.11%) say that government does not give any attention to those compensation packages of civil servants. 9 (20%) say that of course the government does but it is not that much complete for all sectors and some respond with no idea 4(8.89%). In fact position classification and compensation packages are key aspects for the existence any organization private or public. As Hirut G/Kidan, 2011 states in her research paper management of these two activities represents no only cost rather a message to employees about what the institutions believe to be important and encouraging.

6. 68.89% says that the revision on those respective mandates at different times are not responsive to today's world market and it is outdated. They added that when the government increases some Birr in salary it exacerbates the inflation in the country. But 17.78% say yes it has some sort of solution to the given problems.

7. 46.67% respond that all vacant posts have not really been filled by the candidates based on the qualification posted in advertisement as a result they are not filled by competent and efficient employee. Another group 14 (31.11%) say yes it is and the rest 22.22% could not give their opinion. Attracting the right candidates is important not only where organizations compete intensely for scarce talent but also in declining markets where organizations have to shift through a large number of applicants who are vying for relatively fewer jobs. If it is not done like this the strategies of an organization end up in failures.

8. 37.78% indicates that there is no flexibility during promotion time for example when someone promoted to next step if he/she does not meet the required time for that post

he/she has to wait until the time comes. Working by “acting” in that post has not get salary and other benefits. But the rest says 31.11% yes we can but it depends upon the authority of those offices and the type of promotion to be given. There are policies to reward people for the value they create or reward differently according to their contribution to the organization. In order to do this the organization should to have contingent policies i.e adopting flexible recruitment, selection and promotion methods to retain experienced and qualified people. (Armstrong, 2009)

9. As per the above data most of HR officers who are involved in the recruitment and promotion activities do not have the required qualifications. They lack professional knowledge and rather do with traditional way. Since human resource is valuable and inimitable asset of any organization, it has to be managed in a systematic way otherwise there will be losses in organizational memory and culture.

10. Above half of the responds answered that the practical problems on those issues are not solved by the present mandates. In order to solve practical problems every organization should revise its position classification and compensation policies according to today business environment request.

11. 62.22% say that since compensation packages are not competitive and market based most of the employees discourages to work energetically; but 31.11% says even if the compensation is not good we have to work to support society. As per AIM organizational development program, 2004 in order to attract and retain good employees organizations have to offer competitive salaries that are related to supply and remand.

12. One of reasons to stay in government offices is its environment out of total 64.44% responds it is not favorable for them to stay on those offices. But 20% respond that it is favorable for them. This indicates that the environments around government offices are not comfortable to the staffs.

13. Job classifications systems are based on different matters like sector (field of work), the qualifications for the given jobs and fairness etc. based on this 37.78% responded negatively, 26.67% said yes to the above statement. This indicates that job classifications loss fairness and consistency.

14. Since the law misses flexibility during promotion time 57.78% say that organizations cannot get qualified staff from the market. The rest say yes 12(26.67%) and no idea 7(15.56%).

15. Delay-ance in government offices results from inefficient staff retained in those offices: 29 (64.44%) says yes it is true. 10 (22.22%) say that even though delay-ance in those offices it is not only about inefficient staff but also due to the bureaucracy prevailing in each organization. The positive answers overweight because efficient and effective staffs leave those institutions offices.

4.3.3 Questions for open ended Responses

16. Reasons to stay in government office other than compensation packages are summarized in the following manner:-

- ❖ Lack of other opportunities in labor market;
- ❖ To acquire skill and knowledge (experience) for future carrier;

- ❖ Fear of job insecurity;

17. on the responsibilities of the concerned body in order to have competent and qualified staff in government offices as a solution the respondents give the following ideas:-

- ❖ Give sufficient training to all employees;
- ❖ Revise the provisions on compensations packages;
- ❖ Assign employees in the posts that is related to their professionalism/specialization;
- ❖ Avoid corruption and unfair job classification;
- ❖ Create conducive environment for work;
- ❖ Improve civil service package based on the employee profession and length of service;
- ❖ The young employees to acquire enough training in their colleges and universities
- ❖ Provide favorable conditions for workers especially for qualified workers.
- ❖ Improve leadership system and the environment of the organization.

18. The reason for the unproductive performance of the new recruits or employees who get promotion

- ❖ It might be social, economic and political environment of the country;
- ❖ The new comers do not have enough work knowledge or experience in their workplace;

- ❖ If the agencies/organization) have new and in-experienced employees it must arrange training program for short and long term;
- ❖ The responsible body should have to give great mandate for work first and build the good spirit of working environment relevant with accountability and transparency;
- ❖ Unproductive performance of the new comers because of not having the orientation of what to do and what are expected from them;
- ❖ Because since it is government organization, there is no accountability i.e. whether they work or not work they get monthly salary;
- ❖ Lack of appreciation of best performer are not rewarded, rather there are informal measures of workers i.e. political affiliation, relation to top management which influence service matters;
- ❖ Skill gap, aptitude, lack of ethics to serve the public;
- ❖ Promotion given through corruption, high educated people (Phds, MA or BA, etc) have a post of lower position than uneducated.

19. Qualification of employees who are involved in the process of recruitment or promotion Responses are summarized as under listed points:-

- ❖ Employees in government offices mostly are given a public office or position based of political affinity than merit;
- ❖ The persons who understands well known government policy and strategy are given promotions based required qualification;
- ❖ Employees having less qualification, professional experience are promoted.

- ❖ The potential of employees and the employees work performance are important for promotion.

20. Recommendation for improving the given mandates and environment around government offices are responded like as mentioned below:-

- ❖ Manage the setup of the civil service compensation package and promotion criteria for all employee;
- ❖ The given mandates must in confirmation with the policy of the government;
- ❖ Make favorable environment to the qualified workers including promotion based on experience and make good relation with leaders;
- ❖ Interference must be discarded from environment around government office and transparency should be practiced in all officials transactions;
- ❖ The promotion should be done based on required qualifications not through corrupt practices;
- ❖ Revise the proclamation to make it clear and workable so that employees may get initiated and have due commitment to serve the public at large;
- ❖ Promotion or compensation must be kept away from politics, government promotion or compensation proclamation and regulations must be rearranged in the context of the country's human resource needs' and employees' performance;
- ❖ All employees must have on-the-job training;
- ❖ Full office for workers and office equipment's should be provided;
- ❖ Since Addis Ababa Civil service agency nearer to the legislature body should transfer those problems of Kebeles and Sub-cities;

- ❖ Government should improve the environment of office, suitable and attractive;
- ❖ The government and the concerned authorities have to improve compensation package and motivational environment must be created;
- ❖ The government must give attention to the problems in office “Right people for right posts” principle must follow.

4.4 Responses of Managers and Section Heads from HR and other departments on Job Classification and related Compensation Packages on Recruitment and Promotion

Table 4.4.1 Close Ended Questions

No.	Question	Strongly Disagree(1)	Disagree (2)	Uncertain (3)	Agree (4)	Strongly Agree(5)
1.	Proclamations on Job classification and compensation packages are based on labor market.	17(42.5%)	13(32.50%)	7(17.5%)	2(5%)	1(2.5%)
2.	The promotion criteria are clear for internal employees,	4(10%)	6(15%)	9(22.5%)	15(37.50%)	6(15%)
3.	If promotion criteria are clear to staff members are happy by the given mandates of promotion.	15(37.50%)	9(22.5%)	4(10%)	6(15%)	6(15%)
4.	Those promotions proclamations are strictly adhered by the agencies and its related offices.	11(27.50)	13(32.5%)	10(25%)	6(15%)	
5.	The given mandates of the Agency on compensation packages lead to corruption.	9(22.5%)	18(45%)	9(22.50%)	2(5%)	2(5%)

Source: Own Survey 2014

Market based Job classification and compensation packages response are 17(42.5%) respondents strongly disagree, 13(32.50%) of them disagree, 7(17.5%) uncertain, 2(5%) agree about this issue and 1(2.5%) strongly agree to statement. Like employee response this group also shares that the above reason the law losses market orientation of compensation packages.

Response about Criteria of promotion clear to staff members are 4(10%) strongly disagree, 6(15%) disagree, 9(22.5%) uncertain about the issue, 5(37.50%) agree to the issue and 6(15%) Strongly agree. Since these respondents make the management group, even though the proclamation has its defects they feel that staff have knowledge of it very well. They feel that it is not fair.

About the happiness of the employees on promotion mandates 15(37.5%) strongly disagree, 9(22.5%) disagree, 4(10%) uncertain, 6(15%) agree, 6(15%) strongly agree. From total respondent managers 64% do not agree. This implies that mandates are not based on merit, fairness, standard of promotion policy.

Strict adherence to proclamations on promotion by A.A Civil Service Agency and its related offices questions the responses are: 11(27.5%) strongly disagree, 13(32.5%) disagree, 10(25%) uncertain, 6(15%) agree. 60% of total respondents indicate that strict adherence are lost in their institutions, and so many informal things are done to promote someone who do not fit into the required position. As a result of this efficient employees leave those institutions.

Response related to compensation packages which lead to corruption are: 9(22.5%) strongly disagree, 18(45%) disagree, 9(22.50%) uncertain, 2(5%) agree, 2(5%) strongly agree. Most of managers seem to be if someone salary is not enough for his/her day to day life, it should not lead him/her to steal. Rather he/she should find another source like finding part-time jobs.

Table 4.4.2 Closed Ended Questions to say Yes, No, No Idea at all

No.	Question	Yes	No	No Idea	Total
1.	Do the agency/bole/Kolfe-Keranyo sub cities	22(55%)	15(37.50%)	3(7.50%)	40(100%)

	face challenges on recruitment and promotion?				
2.	Does the agency/bole/Kolfe-Keranyo sub city try to manage those problems related to compensation packages?	20(50%)	15(37.50%)	5(12.50%)	40(100%)
3.	Does those packages given are enough for the new comers and the existing ones?	21(52.50%)	19(47.50%)	-	40(100%)
4.	Do packages are driven for the employees to stay on those government offices?	15(37.50%)	25(62.50%)	-	40(100%)
5	Do you think the government gives attention (focus) to this problem?	30(75%)	8(20%)	2(5%)	40(100%)
6	Does the revision at different times that the government has made give solution for the existing problem?	11(27.5%)	24(60%)	5(12.5%)	40(100%)
7	Do the qualifications posted on vacant post have really been filled by the candidates?	7.2(18%)	28(70%)	4.8(12%)	40(100%)
8	Does the existing mandate has a sort of flexibility i.e. this can be happen during promotion time?	23(57.5%)	17(42.5%)	-	40(100%)
9	Does an employee who execute i.e. recruit and promote activity have required qualification?	23(57.5%)	14(35%)	3(7.5%)	40(100%)
10	Does the practical problems on position classification and related compensation are solved by the exist mandates?	31(77.5%)	9(22.5%)	-	40(100%)
11	Does every employee perform according to his/her potentials?	6(15%)	31(77.5%)	3(7.5%)	40(100%)
12	Does the existing environment in those government offices is favorable to employees?	17(42.5%)	21(52.5%)	2(5%)	40(100%)
13	Does Job classifications systems are involved based on sector (field of work) are they fair?	15(37.5%)	22(55%)	3(7.5%)	40(100%)
14	If A.A.C. Agency, Bole and K/Keranyo S/C offices strictly adhere to given proclamation on promotion can they get the needed human labor in the market?	20(50%)	20(50%)	-	40(100%)
15	Delay in government offices results in the inefficient staff retained on those offices?	26(65%)	9(22.5%)	5(12.5%)	40(100%)

Source: Own Survey 2014 N= 40 (100%)

1. Half of the respondents 22(55%) agreed that the Agency faced challenges during recruitment and promotion. But 37.50% deny to any challenges.
2. As a manager most of them 20 (50%) respond positively on compensation packages solved by given institution based on given mandates. The rest 15(37.50%) and 3(7.50%) responded no and no idea respectively.

3. Question about Packages given are enough for the new comers and the existing ones 52.50% accept sufficiency of that packages that government gives and the rest 47.50% reject this idea.
4. 25 managers agree that packages do not motivate to stay in government offices, whereas 15 of them answered yes; it is the driven force to stay in government offices.
5. 75% respond yes about the government gives attention (focus) to this problem. The rest 20% and 5% answered no and no idea respectively.
6. 60% of managers' oppose the idea that the revision results solution because they face the reality being recruiter. 27.5% respond yes it gives solution for the existing challenges.
7. Most of the managers (70%) think that it does not fulfill the required qualifications posted, as a management specialist it leads to inefficiency and competency problem created in today's governmental institutions. The rest give their opinion as 18% yes and 14(35%) and no idea respectively.
8. On the promotion policy the law has some sort of flexibility 57.5% mentioned that part. But the rest 42.5% say we could not say that flexibility rather informal measurement like political affinity, relation-ship with management etc.
9. Most of managers' i.e 57.5% say yes it is a question of knowledge and qualification for those posts but others say we cannot conclude with this idea because there are some who have needed qualifications but overtaken by the others who have not.

10. 77.5% of managers face practical problems on the given position classification and compensation packages.

11. Since no one is happy with the given inefficient compensation packages and unfair job classification they do not perform according to their potentials. As a result of these 77.5% respondent managers do not support this statement and the rest 15% say they are doing their best.

12. Around 52.5% of managers says the environment in those government offices are not favorable to employees. But other managers (42.5%) say the government handles those unfavorable environments around offices very carefully.

13. Fairness of Job classifications systems are involves the field of work, majority of 55% managers say that there is no fairness in job classification in the agency which is not agreed by 37.5% of total managers.

14. 50% of managers say that proclamation provisions are adhered to and needed human resource can be found out from the market.

15. The lack of good management in those government offices is the result of inefficient staff retained on those offices. To this so as 65% of managers respond positively, 22.5% say "no" idea and 22.5% do not have any idea on this issue.

4.4.3 Open-ended Questions Managers and Section Heads In HR and Other Departments

16. Other reasons to stay in government offices in addition to compensation packages are:-

- Just to get experience and find other well-paid jobs in other organizations;

- Until finding out another better job opportunity;
- There is privilege like annual leave and other benefits;
- Learning opportunity,
- To obtain on-the-job trainings

17. The responsibilities of the concerned authority in order to attract competent and qualified staff for government's offices

- Revision of benefits and salary has to be paid on a regular basis
- Assess the labor market as exhaustively as possible to comply with a solution that keeps the employees in the organization relatively for longer period.
- Salary increase, facilitate conducive work environment, other benefits packages
- Try to modify the compensation package like salary increment, per diems and other payments

18. The reason for the un-productive performance of the new comers or employees who get promotion

- The dissatisfaction due to lower pays and lack of appropriate benefit packages. If benefits are not given better work should not be expected. "No wings, no flying".
- Low salary or uncompetitive salary does not motivate to work effectively;
- The promotion is given to a person not on his/her merit but on political considerations;
- Lack of training, effective job orientation advice and faulty performance appraisal end up in skill gap.

19. The reasons why the government offices assign officers who are not qualified, to process recruitment and promotion:-

- The government cannot get competent and qualified employees who can perform best due to lack of competitive system that promotes transparency, equity, fairness, merit and the like.
- The responsible government organization has to revise the job specification and try to fill those positions with competent and qualified candidates.

20. Recommendations for improving the existing provisions and environment in government offices

- Training and fair promotion proclamation has to be announced
- It has to draw lessons from other organizations in the country.
- Building organizational leadership
- Giving good salary, salary promotion, and education support, appreciable compensation packages throughout its civil service.
- Different out of date (outdated) proclamation should be revised and amended based on the best practices of different successful institution.

4.3.4 Interview Questions

The interviews were conducted with fifteen HR and other department managers and Section Heads but for analysis purpose the replies are listed below.

Existing position classification and compensations are based on labor market are negatively responded. Most of answers are negatively responded. The given policy on

the promotions is really workable in accordance to promotion policy as a whole. It was answered in two ways. The first one was negatively responded for the reason of the proclamation loss some sort of flexibility i.e. if a person has a quality of being promoted on a given post it will wait until that person's time in grade requirements fulfill. Another group responds with positively the proclamations makes a person to develop his/her capacity in-order to have or not to have the given position.

Question about person's qualification for particular position; the mandates involve certain criteria that a person needs to full fill the requirements of the department. Most departments who face this kind of problem decline the post and give it to someone who has the relatedness qualification. Sometimes the concerned department sends the case to higher responsible official to decide.

The challenges of job classification during recruitment and promotion in the A.A Civil Service Agency. The job specifications put strictly high academic qualification and experience requirements for the positions, the salary and benefits attached to these positions are not as such attractive to retain and attract the required work force. This restricts flexibility to manage those compensation packages and to give promotions that have sufficient knowledge for that specific job.

To come up with real solutions for those government offices some managers suggested the following:-

a) The jobs have to be classified in a way that address the real requirements to perform the jobs.

- b) The job specifications need a thoughtful thinking to determine the respective academic qualifications and experiences relevant to perform the jobs.
- c) The salaries and the benefits attached to the positions have to be as competitive.
- d) The promotion and employment criteria and the whole process have to be transparent and communicated well to all employees. So that they would develop confidence in recruitment and promotion activities.
- e) Career development plan has to prepared
- f) The specifications have to be revised
- g) Offices have to be given mandate to continually update the job classification and compensation packages.
- h) The capacity of the specialists needs to be developed so that they can easily respond to the changes.
- i) Different employees' retention schemes have to be developed so as to retain qualified and competent employees in the organization for a relatively longer period.

Competency of existing employees as per the work requirements question were answered totally by negative response but the respondents did not deny that there are some exceptional staffs that have special qualifications

Basis for revision of compensation packages is to be the compensation Management Strategy, Labor market request; the budget has also been taken into account in revision of compensation. Finally, job requirements have to be considered. Declining social

values (honesty, integrity, dependability, impartiality, and fairness are gradually disappearing from the public service (Agere and Mendoza, 1999:26). The respondents share this fairness issues in job classification systems.

CHAPTER FIVE

Conclusions and Recommendations

5.1 Introduction

In this chapter based on research collected data finding, conclusion and recommendations regarding the proclamation and policy are related to the topic of the research have been made.

The major problem was the researchers' inability to observe during interview because most selected interviewees were in hurry i.e. they responded very speedy as they had meetings most of the time. Another problem was the questionnaires distributed to respondents could not be collected on time because the selected ones were attending different trainings.

5.2 Summary of the Findings

In most of the questions the managers and employees of A.A Civil Service Agency, Bole and Kolfe-Keranyo Sub-cites responses are similar.

25% and 22.22% are female managers and employees respectively. 75% and 77.78% are male managers and employees respectively according to the research this tells us unequal job opportunity given. At the early age of recruitment number of employees are many when the time goes it decreased and we can get elders who take the manager post this indicates that there is no transparency of promotion criteria.

When we came to close ended questions on Job Classification and Compensation Management the market basement of these proclamations 60% and 75% of employees and managers are not agree with this. The proclamation losses external equity. On the

promotion issues like adherence, clearness and happiness are responded by most employees and managers on strongly disagree and disagree chose of answer. This indicates that the all promotion proclamation have to be revise based on standard policies i.e. merit, free of political affiliations, and transparent. When we came to corruption issues 37.78% & 22.22% employees are strongly agree and agree respectively. The reason for this, the income gained from the work is enough to run daily life. The responses of the mangers and Section heads are the reverse of the employees if some salary is not enough for his/her day to day he/she have find another way gaining income rather to still from the societies.

On the part of yes, no and no idea questions the challenges, management of problems, sufficiency of packages, revision got solutions, flexibility issues, are responded by employees in this way 64.44%, 33.33%, 15.56%, 17.78% and 31.11% responded yes, the rest percentage covered by no and no idea responses. This implies that proclamation related to this has to be revised to attain government goals. Based on the above points the managers responded of percentages are 55%, 52.50%, 27.5%, 57.5% are responded by "yes" the rest are no and no idea. The implications are almost the same.

On the part of open-end questions the researcher summarizes manager, Section Heads and employees answer. To stay government offices with these problems both responded that lack of job opportunity, to get experience, security. Solution to have competent worker to stay government offices by concerned body is to give sufficient training, avoid unfair job classification, favorable working environment, flexibility on its laws. Reasons for unproductivity performance of new comers or promoted person were

responded by lack of knowledge, lack of accountability, lack of proper appreciation method, lack of good spirit of work. Question of qualifications of those employees on the activities of recruitment and promotion most of them are not competent in running these activities rather they gain those posts in political affinity, do not have professional experience. Recommendations to the government or concerned body they give are there should be clear, transparent, favorable working environment, check and balance, updated proclamations around government institutions.

5.3 Conclusions

There are three types of questions open ended, close ended and interview questions. On the closed ended part in the category of job classification and related compensation packages questions like proclamation are based on labor market, knowledge of employees of those promotion criteria, satisfaction of employees on given mandates, mandates leading to corruption are raised for the respondents. From both sides i.e. manager and employee side they share the existing mandates which create various problems in their day to day working environment, no one is happy about the mandates, as a result of this it leads everybody to corrupt in his/her work either management-al corruption or work corruption. When we say management-al corruption it means that to promote someone not competent for specific position. Working corruption means related to the work itself when an employee asks the users to pay something to get services.

Another part of closed ended questions was the challenges of recruitment and promotion in those offices, their management to give solutions, sufficient compensations

packages for all employees, the willingness of the government to solve this problem, if it were revised what it results, the qualifications for those vacant posts which are really filled up by competent employee, the flexibility of the mandates, fairness of job classification in different sectors, delay in government offices by the inefficient staff. The questions related to these were answered by the respondents. All agreed that there are different problems on given mandates that can be solved by the government since there is big transformation in country plan. They all added that the given problems cannot be solved by the existing proclamations and laws that are not practicable.

Reason to stay in government offices are lack of other opportunities, stiff competition in the market, job security, freedom of time and minimum work burden. The responsibilities of the concerned body in order to have competent and qualified staff in government offices are sufficient training related to the work and the environment, up to date revision of compensation packages, strong communication with civil servants to have their opinion and finally to see the best performed organizations as a bench mark.

The un-productive performance of the new or employees who get promotion are due to different reasons like related proclamation is simple copy of other country's proclamation; social, economic and political environment of the country, lack of knowledge of new comers, lack of accountability and transparency, lack of appreciation, skill gap, promotion given through corruption, payment system, and weak job appraisal system.

The reasons of those employees involved in the process of recruitment and promotion activities are qualification problems of employees, assignments based on political

affinity than merit, positions and promotions are given to the persons who understands well known government policy and strategy not only by required qualification, lack of competitive system, transparency, equity, fairness and merit.

About recommendations for improving the given mandates and environment in government offices are responded in many ways to generalize Government should consider the environment of office, government offices always should be suitable and attractive for doing work, Addis Ababa Civil service agency must be responsible for Kebeles and sub-cities problems and should supervise to understand the problems since the agency is nearer to legislature body, should measure all jobs by their performances, should undertake revision of compensation package based on labor market, should fix merit criteria for promotion.

Finally, there comes an interview question to selected managers of A.A Civil Service Agency. They concluded that the existing classifications are not market oriented and promotion policy is not also workable. Sometimes promotion criteria are informal based on political affinity and relationship with the responsible managers and also it is not flexible.

A department's manager suggests that there can be the following solutions to government position classification and compensation management:-

- Jobs have to be classified and specifications have to be there.
- Salaries have to be attached with the respective positions.
- Specifications must include accountability.
- Different employees retention schemes have to be developed.

5.2 Recommendations

The government has to strengthen the management skill of its institutions and should focus in professionalizing the civil servants to achieve the country's Millennium Development Goals and also GTP. For this, researcher forwards the following policy recommendations to those responsible bodies:-

- ❖ Since Compensations and job classifications are life lines of human resource management these are to be given very serious attention;
- ❖ In-order to have competent in human resource management personnel the government should train first those human resource specialists academically and practically.
 - Academically means give them chance of obtain educational qualifications;
 - Practically means give them chance of training-on-job within and outside Ethiopia.
- ❖ Acquire of civil servants who are well oriented, self-confident, accountable to the public, honest, and knowledgeable.
- ❖ Develop and implement some code of conduct for the civil servants
- ❖ Avoid too much bureaucracy in the institutions and ensure neutrality of civil service to serve all parties irrespective of the political party in power.
- ❖ Update compensation packages including transport allowance, house allowance, children education allowance, etc. and include these in the updated manuals.
- ❖ Implement the existing proclamations, rules and laws strictly.

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