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**ASSESMENT OF HUMEN RESOURCE DEVELOPMENT PRACTICES
AND CHALLENGES IN COMMERCIAL BANK OF ETHIOPIA: A
CASE STUDY OF NORTH ADDIS ABABA DISTRICT**

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**Assessment of Human Resource Development Practices and
Challenges in Commercial Bank of Ethiopia: A Case Study of North
Addis Ababa District**

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This is to certify that the thesis prepared by Selamawit Dender entitled “Assessment of Human Resource Development Practices and Challenges In Commercial Bank Of Ethiopia:”, which is submitted in Partial Fulfillment of the Requirements for the Degree of Masters in Public Management and Policy (MPMP), complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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DECLARATION

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ABSTRACT

This study was undertaken to assess human resource development practice and challenges in Commercial Bank of Ethiopia (CBE) North Addis Ababa District. Both primary and secondary data were collected. Primary data collected through questionnaires and interview. The questionnaire was distributed to 358 employees of the bank working in North Addis district in which 322 completed and returned. Questionnaire was distributed to the employees on the basis of simple random sampling based on respondents willingness and cooperation and convenience sampling techniques were used to select managers and HR experts for interview. Data analyzed using descriptive statistics based on qualitative and quantitative method of research design. The findings revealed that CBE has strength in assign competent trainers and allocate adequate facilities for training and development. Nevertheless, the bank has major weakness especially with regards to training need assessment, and training design and evaluation. Further, the opportunities were not given to employees to participate in the training and development practice program. Lack of proper implementation of career development, lack of clarity of performance evaluation criteria and manager related problems are the most serious problem identified at CBE. The researcher recommends that training needs assessment, design and evaluation techniques should be modified and applied. Proper career development and performance appraisal should be practice. Finally top management should support each human resource development activities to achieve its objective effectively.

Keywords: Commercial Bank of Ethiopia, Career Development, Performance Appraisal, Training and Development

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ACRONYMS

BSC	Balance Score Card
CBE	Commercial Bank of Ethiopia
CBT	Computer-Based Training
CD	Career Development
CSM	Customer Service Manager
CSO	Customer Service Officer
HR	Human Resource
HRD	Human Resource Development
KSA	Knowledge, Skills and Ability
OJT	On – the - Job - Training
PA	Performance Appraisal
TD	Training and Development
TNA	Training Needs Assessment

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The environment in the twenty-first century is very challenging and stiff competition. Organizations are giving high consideration to resources in order to create competitive advantage against competitors. Organizational resources are divided in two parts namely tangible and intangible resources. Human resources are among the intangible resources since they are less visible and more difficult for competitors to understand, purchase, imitate, or substitute for competitors and the only source of sustainable competitive advantage (Harris, 2008). Beattie (2002) claimed that people are the basic source of differentiation and sustainable competitive advantage to business institutions.

According to Haslinda (2009) , human resource is organizations greatest assets because without it, everyday activities such as managing public service, communication and dealing with customers could not be completed. This shows that the employees and the potential they possess are key drivers of the organizations success. Moreover, Kebede and Sambasivam (2013), in their findings indicated that organizational change impacts not only the organization's activities but also employee's knowledge and competencies.

According to Jacobs and Jones (1995), human resource development (HRD) is a continuous process which matches human knowledge and skill with organizational objectives. Charles (2006), argued HRD as the integrated use of training and career development efforts to improve individual and organizational effectiveness. HRD also develops key competencies that enable individuals to perform current jobs and that will allow them to adapt quickly to new challenges and opportunities (Anyim et al., 2011).

According to Werner and Desimone (2006), HRD practices such as training and development, career development, organizational development and performance appraisal are vital to every organization.

According to Stephen (2009), the main purpose of HRD is to develop employee's skills and competences in line with organizational objectives and there need to be a feasible transfer of development programs in to workplace. A study by Andersen (2007) stated that learning organizations have become kind of collective term for development strategies that attempt to create consistence between employee's competence and development of institutions.

Holton (2009) examined HRD as the combination of training and development, organizational and career development efforts that help to improve organizational effectiveness. Thus, the complexity nature of the entire globalization process, gave rise to lead dependence on HR which is creative factor of new value to the public.

Wachira (2012) identified critical challenges hindering HRD in the continent like: paying attention for professional development, allocating sufficient budget, aligning HRD to strategic priorities, promoting Learning culture. Besides, Habib (2012) outlined challenges of HRD in Africa as developing comprehensive HR strategy, promoting a positive working environment, accepting modern technological changes and promoting positive work force attitudes.

In case of Ethiopia, the government recognizes that good sector policies depend on building HR capacity if it is to be implemented successfully at proposed time. In 2001, the country launched a broad National Capacity Building Program (NCBP) which is an extremely wide ranging and encouraging program which needs commitment from all public sectors to upgrade employees potential (Adebabay & Perkins, 2010). The government identified inter-dependent programs which led to the creation of a Federal Ministry of Capacity Building (FMCB) to coordinate and provide strategic guidance to the overall programs especially, HRD. However, as an empirical study conducted by Gebrekidan (2011), the Ethiopian civil service faces inefficiency and poor service delivery resulting from limited focus on HRD.

Commercial Bank of Ethiopia was established in 1942. CBE pioneer to introduce modern banking to the country. It has 1250 branches stretched across the country as of June 30th 2017. The bank plays a catalytic role in the economic progress development of the country. Currently the bank has more than 15.7 million account holders and combines a wide capital base with more than 34,000 talented and committed employees. It is the largest bank in the country in terms of capital, asset and number of branches. It launched on Saturday

December 2, 2017 its 75th Anniversary by holding Anniversary Walk that started from the historic Arada Branch (former State Bank of Ethiopia) and ended at the head office of the Bank. Its vision is becoming one among the world class Bank by the 2025. To achieve its mission, CBE designed HR strategies and programs that aligned with organizational objectives. CBE establish excellence center and HRD is considered crucial to make considerable contribution to the creation of knowledgeable and skillful employees so as to widen service delivery to the public. Though CBE established Human Resouce Development, it is not practice well and going as planned (from 75th years Anniversary report CBE). Therefore, the purpose of this study is to assess HRD practices and challenges in commercial bank of Ethiopia.

1.2. Statement of the problem

In today's competitive world, HRD is the fundamental factor for achieving organizational objectives and becoming international discourse (Ashkezari & Aneen, 2012). Based on HRD-South Africa (2013), discussion countries should practice a systematic strategy for HRD in support of development. This is because the growing complexity of the workforce accelerated through the dynamic impact of globalization on national economy has just the quest of HRD at the center of public policies and development strategies. Similarly, Livingstone and Raykov (2005) supported that learning and development of employees is the key factor for the expansion of the global economy and innovation in the public sector. According to Kebede and Sambasivam (2013), human knowledge increasingly becomes a crucial factor for competitive success understanding factors that contribute knowledge to workplace environment are essential to every organization.

Since, every organization is made up of people developing their skills, motivating them to high level of performance and ensuring that they continue to maintain their commitment is essential to achieving organizational objectives (Abdullah, 2009). Once employees have been recruited and selected the next important step is to help them on converting their abilities into skills that contribute to the organization's goals (Kebede & Sambasivam, 2013). To undertake this, the important issues should be taken in to account whether or not the need is assessed, an objective is established, and the program is well implemented and close supervision and follow up in the proper functioning of HRD (Tamrat, 2007).

However, ineffective practice of HRD can result different problems such as reduced employees' aspiration to learn and apply new skills, decrease employees productivity, low morale, higher employee turnover and low performance of organizations (Edgar & Geare, 2005).

Problems in HRD systems appear when the capacity building practices are failed to accommodate the organizational and employee's needs. Therefore, in improving organizations and employee's satisfaction is vital through upgrading the skills, knowledge and attitudinal behavior of employees in the organizational setting is vital (Edgar & Geare, 2005).

Organizational effectiveness largely depends on the ability to acquire effective and efficient use of the existing work forces. This is because human resource is a strategic asset for the success of the organization. This can be achieved through appropriate training and development programs that can respond to the changing environment. Training programs have to be designed carefully if the intended goals are to be achieved and evaluated. In designing the training program, issues like analysis of training needs, training content, selection of trainers, trainees, the training facilities and environment and training methods should be given serious attention for the learning process to be effective and successful. Evaluation of the training program also needs to be carried out to obtain feedback for further improvement in designing training programs (Dalziel, S. 1997).

Based on first quarter evaluation session of the bank held from October 26 to 28, 2017 at Mekele, the capital of Tigray Regional state, the following points were mentioned as the bank weaknesses. Narrow organizational structure, high staff turnover, inappropriate service delivery, trainings conducted were not based on needs assessments, no impact assessment exercise, inability to avail updated information and documentation to interested bodies are some of them.

Accordingly, this study will aim at asses the human resource development practices and challenges in Commercial Bank of Ethiopia With reference to North Addis Ababa District.

1.3. Basic Research Questions

This study will revolve around the following questions:

1. To what extent employee training and development process is carried out systematically in CBE North Addis Ababa District?
2. How much the performance appraisal practice is sound enough to properly evaluate employees' performance in CBE North Addis Ababa District?
3. Is there proper career development practice in CBE North Addis Ababa District?

1.4. Objectives of the Study

1.4. 1. General Objectives

The overall objective of the study were to assess the existing Human Resource Development Practices and Challenges Prevailing in Commercial Bank Of Ethiopia.

1.4. 2. Specific Objectives

The specific objectives of the study include:

1. To assess the Training and Development Practices in CBE North Addis Ababa District.
2. To assess the Performance Appraisal Practice in CBE North Addis Ababa District.
3. To assess the Career Development Practice in CBE North Addis Ababa District.

1.5. Significance of the study

The findings of this study serve the following purpose.

- It identify the weaknesses and strengths related to Human Resource Development practices in CBE and help the bank to improve the way it conducts human resource development activities
- It will serve as a secondary source for those researchers who want to make further study on the area
- It will serve as guideline to address problems and improve their understanding in the practices of HRD and other organizations which have similar problems can also extrapolate its findings.

- It helps the researcher to acquire knowledge and practical experience in HRD.

1.6.Scope of the study

This study tried to assess human resource development practices and challenges specifically focused on training and development, career development and performance appraisal practices and challenges only. It was limited to commercial bank of Ethiopia particularly in North Addis District and Head Office HRD. The rationale to give emphasis on North Addis District is in terms of man power and financial aspects that it have high record (the first when we compare to other district). Particularly, HRD department set the objective, design the strategy, involving in the implementation of HRD components and also plays supporting role by conducting training, guidance and counseling concerning HR manual, issuing human resource management manual, handling complaints, updating and supervising the 15 districts in performing the HRM functions it was selected as the study area.

1.7.Limitation of the study

The work load of respondents at work place was made the study very challenging for the respondent to give adequate information based on questionnaires in time and to return them for the researcher. This further reduced the return rates, and may affect the quality of the findings.

1.8.Organization of the study

The general report of the study have five chapters. The first chapter addresses introduction part of the study that include background of the study, statement of the problem, basic research questions, objective of the study, significance of the study, scope and limitation of the study and organization of the paper. While the second chapter present theoretical and empirical review of the related literature. The third chapter deals with Research Methodology it include Research approach and design, Population, Sample size and sampling procedure, data sources and data collection method, and data analysis method. The fourth chapter involves data analysis and interpretation based on the actual result with the objectives, collected data and literature facts, to find out the solution to possible gaps. The final chapter is the fifth chapter, which summery, conclusion and recommendation.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter, presents about different concepts so as to give comprehensive understanding about HRD. Accordingly, theoretical overview raises historical perspective, components, processes, principles, a strategic perspective, challenges of HRD and also empirical evidences inrelation to the subject under study are discussed.

2.1. Theoretical Overview

Human resource management is one of several important functions in most companies. Other functions include accounting and finance, production and operations, research and development, and marketing. Keep in mind that although human resource management practice (such as Training and Development, Career Development and Performance appraise) can help companies gain a competitive advantage, the company needs to produce a product or provide a service that customers value (Raymond, 2013).

2.1.1 Overview of Human Resource Development

Many scholars provide different definitions to the term human resource development (HRD). According to the definitions of Megganson (1981), human resource development is the systematic process of education, training and growing by which a person learns and applies information, knowledge, skills, attitudes and perceptions. On the other hand Hailesillassie (1999) defined human resource development as planned continuous effort by management to improve employee competency level and organizational performance through training, education and development programs. Moreover, development refers to teaching managers and professionals' the skills needed for both present and future.

According to Harris, Werner and Desimone (2006), HRD can be defined as “set of systematic and planned activities designed by any organization to provide its members with the necessary skills to meet the current and future job demands.” HRD activities should began when an employee’s join an organization and continue throughout his/her career, regardless of whether that employees is a manager or a semi-skilled worker must respond to job changes

and integrate to long term plans and strategies of the organization in order to ensure the efficient and effective use of resources.

According to Singh (2012), HRD implies that the talents and energies of employees in an organization as potential contributors in turn this has a critical role for the creation and realization of the organization's visions and goals. HRD is continuous process with a set of systematic and planned tasks in which organizations design to provide its members with opportunity to learn necessary skills to meet short and long term organizational goals (Harris et al., 2006). Bhupendra (2009) also indicated that, HRD as a systematic and planned activity includes training and development, career planning, and performance appraisals for organizational development. Similarly, Harris (2008) described HRD as well organized learning activity to improve organizational performance and personal growth organized by an organization.

Furthermore, Deb (2010) stated that it is not sufficient to address people as strategic asset of the organization but to believe that they are the real and the most important asset of any organization and employees with their potential bringing oversize value. Hence, to be survivor in the present scenario of competition, the organizations have to design some appropriate HRD strategies to build their workforce in the organized manner.

2.1.2 Components of Human Resource Development Practice

HRD components which are important for better functioning of a given organization are the following:

2.1.2.1 Training and development

According to Khan (2012), training involves providing the employees the knowledge and skills needed to a particular current job or task while development is preparing employees for future work responsibilities, increasing capacities and help them to perform their current job. Training is a process to change employees' behavior at work through the application of learning principles. This behavioral change usually has a focus on knowledge or information, skills or activities, and attitudes or belief and value systems. Training is the systematic development of the attitude, knowledge and skill behavior pattern required by an individual in order to perform adequately a given task or job (Anderson, 2000).

Development is much broader than training and usually has a longer term focus. It is concerned with the enhancement of an individual's personal portfolio of knowledge, skills, and abilities (competencies). Development activities can be determined by both the needs of the organization and the needs of the individuals (e.g. attending a series of management development workshop in preparation for future promotion may be part of an organizations strategy for succession planning and therefore can be beneficial to both parties). Training focuses on work, education focuses on the whole person, and development is often a mix of two of these (Toni, 2002).

2.1.2.1.1 Systematic Approach to Training

From the broadest perspective, the goal of training is to contribute to the organization's overall goals. Training programs should be developed with this in mind. Managers should keep a close eye on their firm's goal and strategies and orient their training accordingly (Uday et al 2013). Unfortunately, some organizations fail to make the connection between training and organization goals. As a result, training programs are often misdirected, poorly designed, and inadequately evaluated not to mention a waste of money. It is all too common for employees to be sent on training courses as a result of an attractive brochure arriving on a manager's desk without considering the real needs of the employee or the implications of the training. A systematic approach is best explained through an analysis of the training cycle (John 2005). According to George et al (2013), to insure that a firm training and development program investment has the maximum impact on the organization overall achievement as possible, a strategic and systematic approach should be used that involves four stages:

Stage 1: Assessing the training needs

The first step of vital importance in human resource development (HRD) is 'the identification of needed skills and active management of employee learning for their long-range future in relation to explicit corporate and business strategies'. For training to be effective it is therefore necessary to discern the training needs not only of the individual and the group but how their needs fit the overall organizational objectives. Many organizations invest considerable resources in training and development but never really examine how training and development can most effectively promote organizational objectives, or how development activities should be altered in the light of business plans. The training need assessment process must be focused, goal directed, and tuned with the achievement of the business needs in cost-effective way. Training need assessment helps to; pinpoint if training

will make a difference in productivity and the bottom line, decide what specific training each employee needs and what will improve their job performance, and differentiate between the need for training and organizational issues (Uday et al 2013). To make the training, development, and delivery easier, one has to have detailed knowledge about the requirements of the organization.

Stage 2: Planning/Designing the training

TNA is one process for determining the degree to which employees possess the necessary KSA to carry out the strategies then training can be designed in alignment with the strategic plan (Nick et al 2013). Once the training needs have been determined, the next step is to design the training program. Experts believe that the design of training programs should focus on at least four related issues: the training instructional objectives, “readiness” of trainees and their motivation, principles of learning and characteristics of instructors (George et al 2013). The systematic approaches of training tell as whatever the case the training design should analyze the specification of audience to alter the content, material and method of training that match to the target group. Well-analyzed training plan focused on achieving the training objectives (Nick et al 2013).

Stage 3: Implementing the training

A major consideration in choosing among various training methods is determining which ones are appropriate for the KSAs to be learned. For example, if the material is mostly factual, methods such as lecture, classroom, or programmed instruction may be fine. However, if the training involves a large behavioral component, other methods such as on-the-job training, simulation, or web or computer-based training (CBT) might work better (George et al 2013). Regardless of the type of training done, a number of approaches and methods can be used to deliver it and whatever the approach used, a variety of considerations must be balanced when selecting delivery methods like, nature of training, subject matter, training resources, geographical locations, time, number of trainees etc. to be the method effective (Robert et al 2009).

Stage 4: Evaluating the training

Evaluation of training compares the post-training results to the pre-training objectives of managers, trainers, and trainees. The most common rationale for not conducting training

evaluations is that “formal evaluation procedures are too expensive and time-consuming, and no one really cares anyway” (Nick et al 2013, p. 334). Training, like any other HRM function, has to be evaluated to determine its effectiveness. To evaluate training, you must systematically document the outcomes of the training in terms of how trainees actually behave on the job and in terms of the relevance of that behavior to the objectives of the organization (Wayne, 2003).

2.1.2.2 Career Development (CD)

Kebede and Smbavasima (2013) argued that no HRD function can be acceptable to the people of any organization, if it fails to provide opportunities for individual employees to have bright career prospects. It is for the purpose of HRD integrating career planning and development with it. Proper career planning also leads to career development. It develops the career of every individual executive, which results in adequate growth of the career of every employee (Abdulahi, 2009). Hence, successful planning is closely linked with career planning and development (Van Dijk, 2004). Upton & Egan (2003), noted that career development focuses on the alignment of individual subjective career aspects and the more objective career aspects of the organization in order to achieve the best fit between individual and organizational needs as well as personal characteristics and career roles.

2.1.2.3 Performance appraisal (PA)

It is an important part of HRD, which enables organizations to understand where their employee stand, what is expected from them, what they actually do, where they lack capacity and how they can be updated (Boswell, 2002). PA is a review and an assessment of an employee’s performance of assigned duties and responsibilities. PA serves several purposes in the organizations for instance; it provides tools for acknowledging good performance, identifying areas in need of improvement and providing guidelines to justify management decisions (Akuoko & Baffoe, 2012). Therefore, PA is more than simple checklist actions whether activities are performed or not that organizations sought to review their effectiveness and make further management decisions.

2.1.2.3.1 Performance Appraisal Processes

According to Islam and Rasad (2005), employees' performance management techniques should have to consider the following areas in order to come up with good performance appraisal techniques.

1.Employee Participation: In any case, if the employees perceive the appraisal system as biased, unfair and lacks rigors, then it is unlikely that they will accept the outcomes of the system. Participation gives an opportunity to the employees to raise their voice into the appraisal process. Performance standards, criteria for evaluation and the evaluation form itself all can be developed with the help of employees (Islam et al 2005).

2.Developing Performance Standards: When developing standards, they must be essential to measure the job duties and responsibilities. In addition, participation of employees will make the standard reliable, valid, fair and useful performance standards (Islam et al 2005).

3.Goal Setting: Setting goal specifically performance measurement goal will motivate employees and create appraisal satisfaction, especially when the criteria's are specific, measurable, moderately challenging and acceptable (Islam et al 2005).

4.Sound Performance Appraisal Interview: The appraisal interview must be conducted properly in order to get the most out it. The interviewer must be aware about sensitivity to employee needs for privacy and confidentiality. It is of utmost importance to provide undivided attention during the interview and reserve adequate time for a full discussion of the issues. Moreover an open ended question increase participation of employees in the evaluation processes (Islam et al 2005).

5.Self-Evaluation: Self-evaluation provides employees an opportunity to systematically assess their performance. Studies have indicated that self-evaluation increases employees' perceived fairness on the appraisal process. Employees can evaluate themselves by completing their own appraisal form and presenting the draft for discussion with the evaluator (Islam et al 2005).

6.Management Feedback: Management’s feedback is required for a common sense reason. When the employees do good jobs, they expect a pat on their backs (positive feedback); on the other hand, if the poor performers do not receive any constructive feedback which tells them to improve, they will think that the present level of performance is accepted in the organization and they may not put extra efforts to improve (Islam et al 2005).

7. Develop User-friendly Procedure: Performance criteria and rating procedures should be simple enough and they should be well understood by the raters and rates. Performance criteria should encompass the key aspects of employee’s job. If any key aspect is ignored, then it sends the message that is unimportant and can be ignored. The criteria used should be specific and directly related to the job (Islam et al 2005).

8.Evaluator Training: The person who conducts the appraisal exercise should receive extensive training in goal setting, setting performance standards, conducting interviews, providing feedback, avoiding rating biases, etc. In particular, top management must be aware about the competency level of the raters (Islam et al 2005).

9.Revising Performance Appraisal Process: The performance appraisal result should be revised by the responsible department in order to assure that the process and practices are in line with the rule and regulation of the organization. By revising the process any bias or subjectivity can be avoided and a good performance appraisal technique will be implemented (Islam et al 2005).

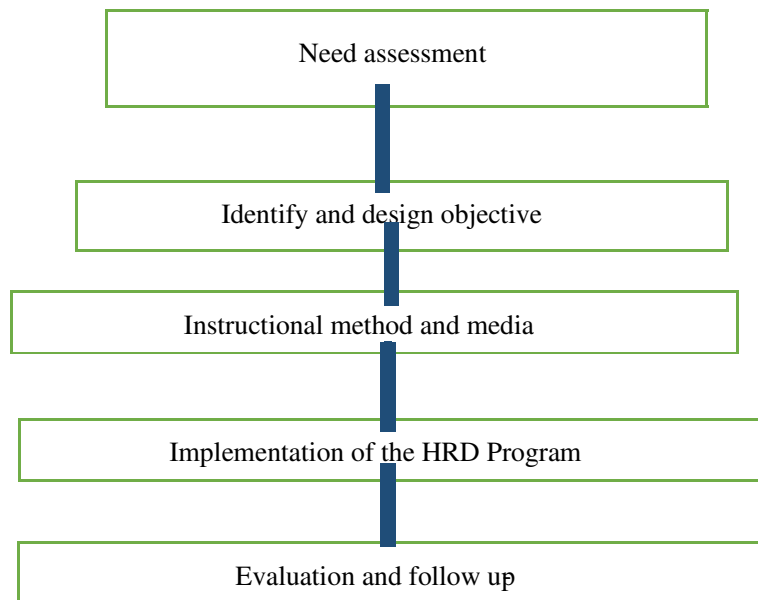
2.1.3. Strategic Perspective of Human Resource Development

HRD is seen as the human capital that organizations should protect core competencies through investment in training and development because the value of employees to the organization is pertained to the uniqueness and value of their capabilities and skills (Sambasivam & Kebede, 2013). HRD is well achieved through a strategic approach, a position consistent with resource based and human capital strategies to meet organizational goals (Lepak & Snell, 1999). This enables organizations to mix different knowledge components, connect previous and current knowledge and combine internal and external knowledge to ensure sustained and continuous competitive advantage (Davenport, 2003).

2.1.4. Processes of Human Resource Development practice

As revealed by Harris et al. (2006), in today's changing environment, employees at all levels need additional capacity building and opportunity to managers to develop their management thinking. In this respect, organizations are required to be engaged in continuous employees' management development programs. Harris et al. (2006) identified five HRD processes which encompass needs assessment, identify and design objectives, implementing actual programs and conducting evaluation and follow up.

Figure 2.1.Steps in the human resource development process (modified)



Needs assessment: this is the first task that organizations to identify human resource development needs (Charles, 2006). Since human resource development is a need-oriented effort, determining the level, type and duration of the training and development is of prime importance at this stage of the process (Bhupendra, 2009). Therefore, the dominant framework for identifying organization's HRD is needs assessment focusing on organizational analysis, task analysis and person analysis.

Identify and design objectives: Once HRD needs are clearly identified, the next process is to establish objectives. An objective is a specific outcome that the employee capacity building program is intended to be achieved (Scarpello & Ledvinka, 1988).

Instructional method and media: The instructional method and media depend on the program content and in turn developed by human resource development need identification and established objectives (Werther & Davis, 1996). The objective is to teach specific skill, provide needed knowledge, or try to influence attitudes the content, method, and media must match with the job requirement of the organization and the learning style of the participant.

Implementation of the HRD Program: As Harris et al. (2006), HRD program is aimed at enabling organizations to achieve objectives and the program is set up after having clear-cut objectives in mind. Moreover, providing answers to questions like what skills are going to be taught, what kind of employee development is sought, what long or short term objectives are proposed will determine the design and details of the programs (Chatterjee, 1990)

Evaluation and follow-up: Is the final phase of HRD program to verify the success of the program, i.e. whether employees in the program do the jobs for which they have been equipped (Bhupendra, 2009). It is most commonly interpreted in determining the efficiency and effectiveness of a program in relation to the desired goals and objectives. HRD is doing an investment in people to update their competence (Ahuja, 1998). As indicated by Milkovich and Boudreau (1991), the major reason for management investment in HRD program is that to capacitate employees to perform better to meet organizational objectives. Therefore, evaluation is a crucial mechanism to assess the effectiveness and efficiency the organization.

2.1.5. Principles of Human Resource Development

The principles stated below must be kept in mind while framing a HRD system so as to have a proper and regular development of the human resource in every organization.

Development of organizational capability: according to Deb (2010), the whole the development of employees and the organization are the basis of ideal human resource development system. The competencies include overall development of the work force in all

aspects, such as: technical, psychological, physical or moral development should be in an organized manner.

Potential maximization: HRD system plays an important role to identify the employees hidden potential that enables them to be competent enough to utilize their ultimate knowledge that can help to achieve organizational objectives (Habib, 2012).

Autonomy maximization: this is the degree of independence offered to employees at work so that they could be able to handle their responsibility to some extent. A proper HRD system must provide certain level of autonomy to its employees enabling them of handling duties on their own (Singh, 2012).

Participative decision-making: according to (Habib, 2012) this shows that top managers should encourage the participation of their subordinates in the system of human resource development to create favorable working environment where the employees are free to discuss their issues and their suggestion should be welcome.

Change management: as to this principle though usually people resist change, it is the inevitable thing in this universe. To be tough in the competition an organization and its human resource need to be as much flexible in getting itself adapt to the changing scenario. The balance between the organizational culture and the changing culture is maintained through good HRD system (Deb, 2010).

Periodic Review: according to Sorab (2006), this indicates that training and development, career planning and development, performance and potential appraisal, counseling as HRD functions that should be reviewed and renewed regularly at certain periodic intervals to capacitate the employees in an organization.

2.1.6. Challenges for Human Resource Development

An emerging knowledge economy creates major challenges for HRD in the organizations. According to Uday et al (2013), there are different challenge that make a training program ineffective and block the organization not to obtain necessary result from the program. These include, Lack of management commitment, inadequate budget for training, Graduates with inadequate planning, Large-scale poaching of trained personne, No help to workers displaced because of downsizing and Lack of assistance from organized labor unions.

John Sullivan with his magazine has explained the top 50 challenge with performance appraisal. He categorized them as, most serious performance appraisal problems, process related problems, instrument (form) problems, manager/execution problems, employee/subject problems and timing issues. With his explanation he has clearly shown us that evaluating employee performance has many dimensions of difficulties which need to give serious attention. (<http://www.tlnt.com>) Some of these performance appraisal problems those related with this study are briefly discussed in the following section;

Infrequent feedback: - feedback is given at the time of conducting performance result, but feedback need to be given at formal interval before conducting performance appraisal result.

Non-data-based assessment: - most performance appraisal processes are subjective due to not having pre populating forms with data to evaluate individuals. Decision made based on such subjectivity leads to poor performance appraisal process and creates bias among the individuals.

Lack of accountability: - most of the time managers are not accountable for their in accurate feedback or for making mistakes. If an individual keep silent with the wrong feedback given by his immediate supervisor no one will ask the supervisor his/her reason for the wrong feedback. In practice the supervisor is asked when the question is come from the individual.

No second review: - in most organization performance appraisal is conducted by a single supervisor and conducted to the individuals. Since performance appraisal is conducted for the benefit of both individual and organization; to get accurate and fairness result a second review is necessary.

Doesn't address diversity: - all too often, the same appraisal form is applied to a large but not homogeneous group of employees (i.e. all hourly, all exempts, all managers etc.). As a result, the assessment form does not fit the job.

The factors are all equal: - most forms treat all assessment factors as if they are of equal importance. Instead, they should be weighted based on their relative importance in a particular job.

Managers are not trained: - in most organizations, managers are not trained on how to assess and give honest feedback. If the process includes a career development component, it is even more likely that managers will not know how to enhance the career path of their employees.

Managers don't know the employee: - managers of large and global organizations, as well as newly hired and "transferred in" managers may be forced to do appraisals on employees they barely know. Recently promoted managers may be forced to assess their former friends and colleagues.

One-way communication: - some managers simply give the employee the form to quickly sign and they don't even solicit feedback. Many employees are intimidated by managers and the process, and as a result, they say nothing during or after the appraisal.

Self-assessment is not possible: - Generally employees do not have a chance to evaluate themselves. It is possible to say that this practice is not implemented yet. But giving a chance to self-assessment will create a smooth environment and end up with good performance appraisal result.

One-way process: - in most cases, employees do not have information about the factors on how they will be evaluated. Managers conduct the evaluation process in one way. There is no formal and informal communication between employees and managers prior to conducting the appraisal.

2.2. EMPIRICAL STUDIES

A study by Swarajya (2005), entitled with human resource development in selected public enterprise in India has dedicated the knowledge in and often neglected area human resource development in public sector enterprises. The researcher has assessed the efficiency of human resource development processes undertaken in the selected study areas. The study identified the key problems occurred in the course of implementation of HRD programs and ascertained the attitudes of employees towards these programs. The study found that no much worthwhile work was done in the study areas for developing and upgrading the competencies, skills, knowledge, abilities, experience, welfare, motivation, career development of employees.

Sundararajam (2009) has observed the emerging trends of human resource development practices on the basis of survey of employees working in few cooperative organizations the overall HRD climate as neither good nor bad. The study identified that the employees shown unfavorable attitude towards human resource development policies and practices. The researcher said that HRD climate should be improved in the competitive environment. As the overall conclusion indicated by the study human resource has not been properly implemented.

Study survey conducted by Shefali and Thakr (2007) , towards performance appraisal as tool of human resource development in few organizations. The researchers have found certain weaknesses and strengths of the system. They suggested that some measures for achieving the objectives of performance appraisal system. They stated that many of public organizations have tailored their appraisal systems efficiently manage the performance of human resource development in the era of intense competition; however, many changes have not been made in the system. The only changes that have been made by the organizations were the introduction of self-appraisal system according to the observations taken by the researchers.

Pooja (2008) has also done on empirical study on the dimensions of human resource development climate enhancing organizational commitment in public organizations to measure human resource development climate in terms of various dimensions like participation, succession planning, training, performance appraisal in relation to organizational commitment. The study found out that the positive perception of employees increases the performance of organizations.

Kayani (2008) has identified the challenges of human resource development to pace with globalization based on the following points: performance appraisal, induction in -service education, organizational difference, service stature difference. As the study stated, limited performance appraisal, unclear human resource development strategies, organizations difference capability in induction in -service education and learning are major challenges. Major findings of the study revealed, that experience difference, organizational difference, working in unisex or coeducation, service stature difference have a significant impact on human resource development climate.

Study has also conducted by Kebede and Sambasivam (2013), with the objective of investigating the strategic orientation, practices and managers awareness towards the concepts of HRD in Ethiopia. In doing so, the researchers tried to analyze the data that have been collected in the study areas. The findings of the study revealed that the managers of organization as aware of career development as the component of human resource development.

Birhane (2016) conducted a study on training and development practice of commercial bank of Ethiopia. He argued that without analyzing training needs periodically it is difficult to select who is going to train and what objective to achieve. In addition to that to achieve the objective of the training there should be designed training program that are appropriate and suitable for the trainees as well as the bank. Successful implementation of training program depends on selecting the right program for the right people under the right conditions. Training can be provided by the supervisor, a lead worker, and in different types of training methods like CBE used mainly, lecture/formal courses and job rotation. He also suggests evaluation of training is the final phase to the systems approach to training and the determination of the extent to which the training

activities have met their goals. And he try to list out different evaluation point such as tangible results produced in terms of productivity, response time, cost saving, quantity and quality of performance. But he mentioned there is absence adequate training evaluation system in the bank and in the result that affect the performance of the organization.

2.3 Conceptual Framework

Human Resource Development is set of systematic and planned activities designed by organization Harris et al(2006). Accordingly the HRD components are interrelated each other. The performance of the individual is used to identify the gap that must be improve and give guideline to assess the training need. The need assessment is the first task that organizations to identify HRD needs (Charles, 2006).

As per the banks HRD procedure , training or development should be given when there is a need. A need existes when a work performance problem can be traced to a knowledge or skill deficiency. Represents a gap b/n the capabilities of an employee and requirements of the job. Therefore performance analysis is one of the method forassessing training and development need.

Based on the literature reviewed above, I proposed the following Conceptual Framework of the bank Human Resource Development Practice.

Figure 2.2: Conceptual framework



Source: Developed by the researcher

CHAPTER THREE

RESEARCH METHODOLOGY

The purpose of this section is to provide a description of the research design, population and sampling technique, types of data and instruments of data collection, procedure of data collection and method of data analysis and Ethical consideration.

3.1. Research Design

Research Design constitutes the blue print for the collection, measurement, and analysis of data. Hence the study employed a descriptive research type in order to describe the assessment of the Human Resource Development Practice of CBE based on the collection of detailed and factual information. The researcher used both qualitative and quantitative method of research design for data collection as it is helpful to extract multitude of data. Quantitative data is usually gathered using questionnaires while qualitative data is gathered employing semi structured interview and from document (Saunders et al. 2009, p.154). After data collection, the data was analyzed, compared and interpreted so as to address the research questions.

3.2. Population and Sampling Techniques

The sources of population were current management and non-management staff member of North Addis district Commercial Bank of Ethiopia. Simple Random sampling technique were used in order to select samples from the existing management and non-management employees of the bank from North districts found in Addis Ababa. North Addis district was selected as sample population. Out of total of 3056 employees of the districts sample size 358 management and non-management employees has been selected by using simple random sampling technique; Whereas the interview were conducted with only 6 manager and expert of human resource department of CBE.

A formula has been used to take a sample from the population that considers the confidence levels and margins of error. As per the total population size, the study was adapted $\pm 5\%$ precision level and 95% confidence level.

$$n = \frac{N}{1 + Ne^2}$$

n= Number of samples

N=Total population

e=error tolerance

$$n = \frac{3056}{1 + 3056 * 0.05^2} = 358$$

Therefore, 358 respondents was used as sample for this study to gather data through questionnaire

3.3. Sources and methods of Data Collection

The sources of data collection for this research were both primary and secondary data sources. The primary sources of data was collected through observation, semi- structured interview and questionnaire. On the other hand the secondary data obtained from consulting relevant documents such as books, articles, annual reports and bank records .The secondary data sources used to complement the primary data and the information is related to human resource development practices in Commercial Bank of Ethiopia.

Questionnaires: in this study structured questionnaire prepared in the form of Likert scale was used to collect the required data in relation to practice of Training and Development, Career Development, Performance Appraise and challenges of HRD from the sample respondents. Such data collection instruments were developed in order to gather large data and avoid pressure on the respondents (Creswell, 2003).

Interviews: In-depth interviews were conducted with the Human Resource Development department from learning and development manager and expert, career development manager and expert and performance management manager and expert. The participants were selected through judgmental method because of their closeness to execute the issues.

3.4.Methods of Data analysis

Non parametric data is performed on the data obtained from the questionnaire, by means of statistical application. Descriptive statistics such as Tables, charts, and descriptive explanations were used to report on the sample data. Then the study was presented by using tables and graphical presentation of data like pie charts and column.

3.5 Ethical Considerations of the Study

In this study, ethical issues take into consideration. The respondents were assured that the response they give as used with complete confidentiality of the research and the participants were informed about the purpose of the questioner by the researcher .The researcher also take individual responsibility for the conduct of the research by adhering to the time schedule agreed upon with the research advisor and department. The researcher was open and honest when communicating with the respondent.

During the study strict compliance was ensured with regard to the guidelines stressing the need to define the objective of study and the advantage expected from participants, the rights of participants and how these were protected and kept confidential and getting the informed consent of participant during the process of interviews.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1. Introduction

This chapter provide the data analysis, results and discussion based on the data collected from target population.

Improved capabilities, knowledge and skills of the talented workforce proved to be a major source of competitive advantage in a global market. To develop the desired knowledge, skills and abilities of the employees, to perform well on the job, requires effective human resource development programs. This chapter thoroughly analyzed the data gathered from the sampled respondents on the assessment of human resource development practices and challenges in Commercial Bank of Ethiopia. The findings of this research study and the subsequent evaluation carried out on the responses reflect the key areas of human resource development practice. Results of this study have important implications for human resource departments whether they are using effective human resource strategies such as Training and Development, Performance Appraises and Career Development.

Questionnaire was distributed to selected employees of the bank. Three hundred fifty eight hard copies of the questionnaires were distributed to the target respondents. Which 91% (322) were kind enough to fill and return the questionnaire and the rest 9 %(31) failed to return the questionnaire distrusted to them. There are four main departments of HRD in CBE are Learning and Development, Career Development Management, Performance Appraisal Management and Business Partners Department. Interviews conducted with each of the first three Department Managers and Team Leader. An interview has been conducted with 6 (six) human resource department head and team leader. As stated by Punch (2003), return rate of more than 80% increase confidence that the returned data correctly reflects the sample, which in turn, reflects characteristics in the population from which the sample was drawn. Having this, the return rate of 91% in the above table implies the sample is representative of the population under study.

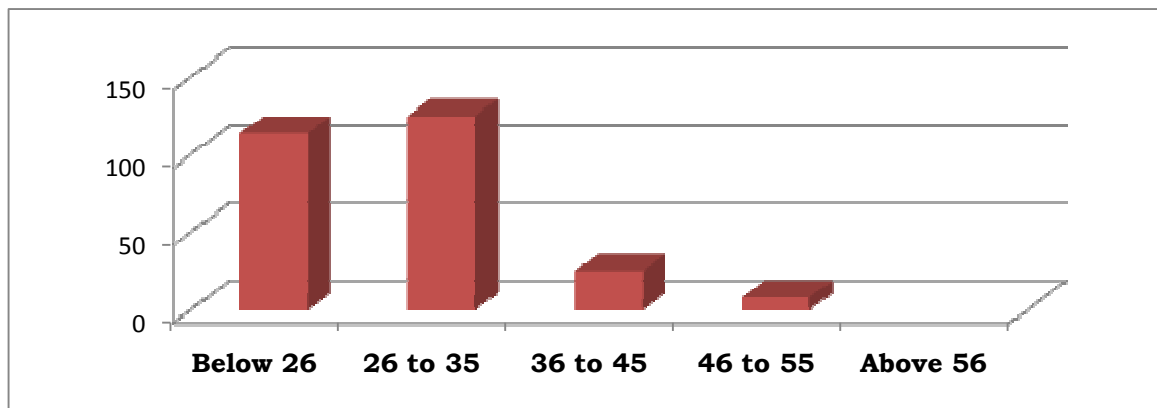
This chapter focuses on presents general characteristics of respondents' analysis and interpretation of the data collected through questionnaire and interview. The analysis of the data

is processed in line with basic research question and objective of the study. Each assessment was looked at individually and descriptive statistics were computed for each. Tables, charts, and descriptive explanations were employed to illustrate data collected from the field to make the research findings more meaningful.

4.2. Demographics characteristics of respondents

This section presents the demographics characteristics of respondents on the basis of age, educational status, and year of experience and Current job positions in Commercial Bank of Ethiopia.

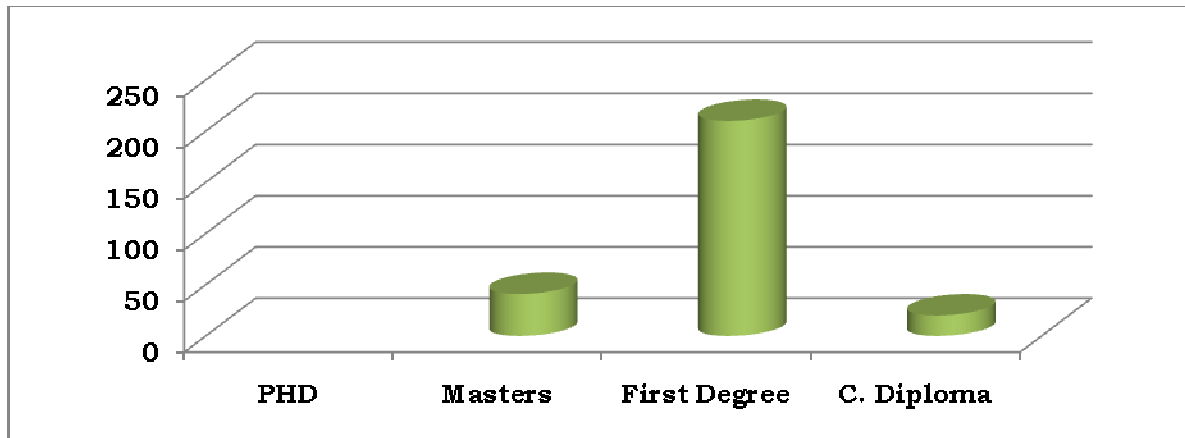
Figure 4.1 Age of respondents



Source: Own Survey 2018.

The study further sought to find out the age groups of the respondents represented. Figure 4.1 indicates that respondents with age of 26 to 35 formed the majority of the total, that representing 38.37 % (125) followed by 35.05 % (114) of respondents with age below 26. This indicates that the banks have a young and productive work force to be developed in the future through intensive training and development programs. Those aged 36-45 years were 7.74%(26), 46-55 years 2.58%(8) and those aged above 56 years were not present in this group of respondents. But 14.80% (49) respondents not informing their age.

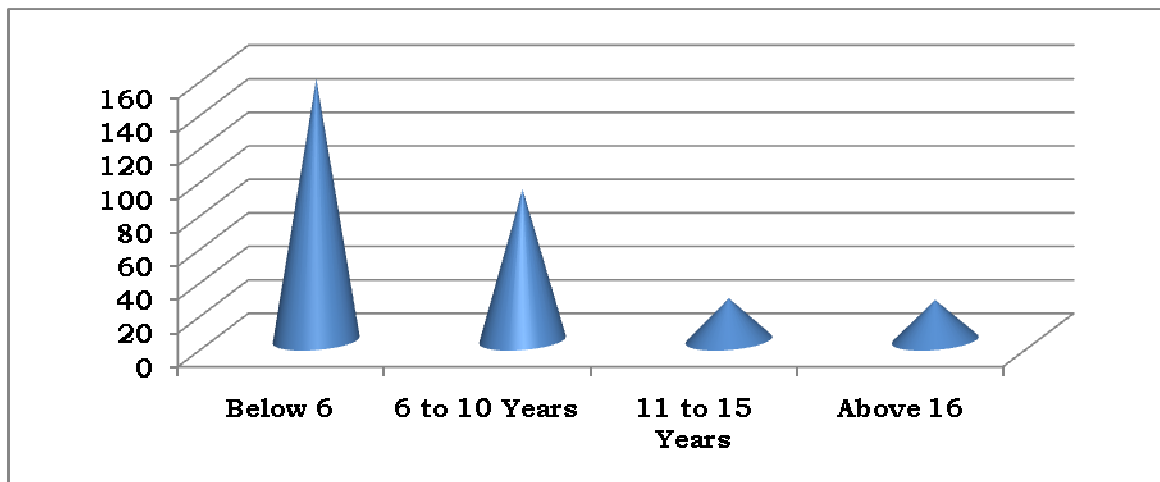
Figure 4.2 Educational statuses of respondents



Source: Own Survey 2018.

The study was also interested in finding out if the education level of the respondent influenced their opinions in any way. Figure 4.2 reveals that 77.49% of respondent employees had their highest level of education at the first degree level. While 15.12% of the respondent indicate their level of education were the Masters level. And also 7.38% of respondents had Diploma. This observation implies that most of staff of CBE had advanced their educational level to the undergraduate level and no one had PHD degree from the respondents of employees.

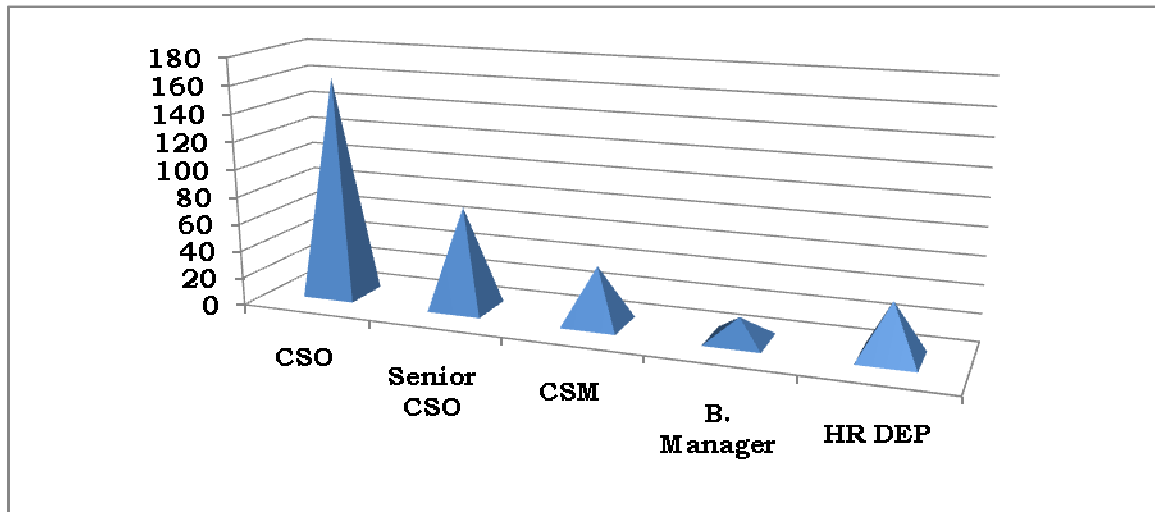
Figure 4.3 Years of service of respondents at CBE



Source: Own Survey 2018.

Regards to their experience in CBE figure 4.3 indicates, 53% (157) of employees have worked below six years in the company while 30%(91) have worked between six and ten years, 6%(25) of employees also have worked between eleven and fifteen years while 5% (24) has worked above sixteen years. Others 6%(25) of respondents were not willing to inform their years of experience at CBE. All of these general projections have significant implications for managing human resources, thereby increasing the importance of training and development.

Figure 4.4 Current job positions of respondents



Source: Own Survey 2018.

With regards to the current job position of respondents, figure 4.4 shows that majority (58%) of the sampled respondents were CSO (customer service officer), 24 % were senior CSO. However, 11 % were CSM (customer service manager) and 2 % of sampled respondents were Branch managers. Others 5% of respondents were HR Department. The results implies that majority of sampled respondents worked in the position of CSO.

4.3 Analysis of Human Resource Development Practices and Challenges in Commercial Bank of Ethiopia (CBE) in the case of North Addis Ababa District

In this section the core results of the study based on data collected from the samples are presented.

4.3.1 Employee Training and Development Process in CBE North Addis Ababa District

4.3.1.1 Training Needs Assessment

Training needs assessment is important because it helps determine whether training can correct the performance problem and it indicates that employees lack the necessary knowledge, skills, and attitudes (KSAs) to do the job and they require training. As a training professional, you will use Training needs assessment to ensure that you provide the right training to the right people.

Table 4.1 Respondent's View on the Bank's Training Needs Assessment

No	Question	Response	Frequency	%
1	Training Needs Assessment is Conducted Properly.	Strongly Disagree	-	-
		Disagree	167	52.03%
		Neutral	-	-
		Agree	155	47.97%
		Strongly Agree	-	-
		Total	322	100%
2	There is occasion that the bank employees participate in identifying the training needs.	Strongly Disagree	-	-
		Disagree	197	67.8%
		Neutral	73	22.5%
		Agree	28	5.90%
		Strongly Agree	22	3.70%
		Total	322	100%

Source: Own Survey 2018.

Based on the above table result the majority of respondents (52.03%) agreed that CBE does not properly apply training needs assessment to identify the employee's performance gap periodically. The interviewed manager also agreed with these employees and they ensure the bank use organizational training needs analysis every two year but the actual selection made

randomly and based on their work load instead of their performance gap. Whereas 47.97% responded accept there is training need analysis constitute by the bank.

As result obtained from respondents regarding training needs assessment indicates, training needs assessment is not properly apply by the bank and it is not showing as one process for determining the degree to which employees possess the necessary Knowledge, Skills and Ability to carry out the strategies. It gives an evidence for the bank to look back for its training needs analysis practices since it is the basis for other processes and it need to be revised because with regard to systems approaches of training the bank training needs assessment is not systematically determining what caused performance to be less than expected (gap) and it not ensures that your training focused on Knowledge, Skills and Ability the trainees really need.

To make the training and development delivery easier, one has to have detailed knowledge about the requirements of the organization. The process must be focused, goal directed, and tuned with the achievement of business needs in a cost-effective way (Uday et al 2013). Only 3.7 % of participants agreed that employees' strongly agree participate in identifying training needs of the bank. 5.9% of respondents also give their choice that the bank employees participate in identifying training needs agree. 22.5% of participants respond neutral. In other way, 67.90% employees were not agree on the bank employees participate in identifying training needs. This implies that the bank employees never collaborate with training stakeholders to identify the training needs. As a person prepares to rotate into a new job within the organization, there should be some documentation as to the job requirements (expected Performance). If these are not comprehensive enough, then an operational analysis needs to be conducted to determine the KSAs required. The employees and supervisor can then work together to identify the employee's KSA deficiencies related to the job (potential actual performance) and supervisors and trainees should be involved in determining the training needs because both are affected by the change (Nick et al 2013).

4.3.1.2 Training Design

According to Nick et al (2013), a training need assessment is one process for determining the degree to which employees possess the necessary KSA to carry out the strategies then training can be designed in alignment with the strategic plan.

Table 4.2 Respondent view on the bank training program

No	Question	Response	Frequency	%
3	The bank training and development plans are aligned with the result of training need assessment?	Strongly Disagree	30	7 %
		Disagree	102	34 %
		Neutral	111	37 %
		Agree	48	14%
		Strongly Agree	31	8 %
		Total	322	100%
4	The training program analyzes the specific levels of education, experience, and skills of the audience so as to ensure that the program is suited to them?	Strongly Disagree	40	11 %
		Disagree	51	15 %
		Neutral	123	41 %
		Agree	58	18 %
		Strongly Agree	50	15 %
		Total	322	100%
5	The trainers assigned by the bank possess proper skills and give effective training?	Strongly Disagree	34	9 %
		Disagree	47	14 %
		Neutral	72	23 %
		Agree	129	44 %
		Strongly Agree	39	10 %
		Total	322	100%
6	The bank always prepares adequate training facilities and budget?	Strongly Disagree	44	12.5%
		Disagree	61	18.8%
		Neutral	70	22.15%
		Agree	109	36.15%
		Strongly Agree	38	10.4%
		Total	322	100%

Source: Own Survey 2018.

As indicated in the Table 4.2 ,7 % of respondents strongly disagree that the Bank's training and development plans are aligned with the result of training needs assessment, while 34% of them

disagree about the relationship of the plan and training need assessment result. 37 % of the respondents not need to give any response about the issue. 14% of participant result implies that there is the slight agreement about the bank training plan alignment with the result of training need assessment. And also 8 % responses indicate the bank training and development plan strongly align with the result of training need assessment. The information that obtained from the above figure assure that the bank training design not based on the result of Training Need Assessment /TNA/. This statement can be supported by the above question respondent (employee) results. The training needs analysis results, along with organizational constraints and learning theories, are the inputs in to the design phase. From this it can be dedicated that the bank need realized systematic training approach to align the TNA result perfectly with the design phase to determine the objective, methods, facilities, locations, and trainers of training effectively otherwise the effectiveness of the training result get under question mark. But this contrary with interview result of Manger of Learning and Development Department and team leader (expert) of commercial bank of Ethiopia. According to the response of them Training Need Assessment is done every two year based on the performance of the employee and the objective of the organization. After assessing every level of employee's competence the learning and development department design a curriculum to close the employees competency gap. There is a critical gap, wide gap and narrow gap. The critical performance gap need fast measure to close the gap. And the others are continued regard to their urgency.

A total of 11% of participants strongly disagree that training program analyze the specific levels of education, experience and skills of the audience to ensure that the training program is suited to them. Similarly 15 % of respondents are disagree about the statement. The largest proportion of the respondents (41%) responded neutral. From all total respondents only 18 % slightly agree about the analyzing of specific levels of the audience that suited for the training program. 15 % of participants strongly agree that the bank training program analyze specific levels of employees regards their education, experience and skills to ensure suited training program for their levels. Effective training is not just running a lot of people through a lot of training programs. Instead, training is should be viewed as a set of integrated processes in which organizational needs and employee capabilities are analyzed. So the above result implies that most of the respondent has not any idea about the analyzing of specification to ensure suit training program and it slant to

slight agreement. The systematic approaches of training tell as whatever the case the training design should analyze the specification of audience to alter the content, material and method of training that match to the target group. Well-analyzed training plan focused on achieving the training objectives (Nick et al 2013).

The trainers should possess a reasonable knowledge of the organization and trainees. Such knowledge increase the credibility of the trainer and helps their answer questions that come up regarding integrating the training back in to the workplace (Nick et al 2013). Results indicate that a total of 44 % of participants agreed that the trainers assigned by the bank possess proper skills and give proper training. It implies the majority of respondents agree by the issue that practice in the bank. 23 % of respondents were neutral on the issue and 14 % also disagreed that the trainers give effective training by using proper skills. Only 10 % of participants respond strongly agree for proper trainer's assignment practice and their effective training based on the objective. Moreover, a total of 9 % participants strongly disagree that the bank maintains effective training by assigning trainers those possess necessary skills. Similarly the majority of respondents those give their idea through interview agree that the bank always try to assign the trainer who possess proper skills by using internal employees and by outsourcing mechanism if it is necessary and decisive. The above data implies that the bank practices regarding trainers were good.

According to the result, most of the responses agree criteria that share 36 % respondents from the total respondents while the next largest share lies in neutral that capture 22.15 %. Facility and budget are essential tools to make a training program effective. 18.8% and 12.5 % of participants respectively disagree and strongly disagree about the issue that the bank always prepares adequate training facilities. 10.4 % is the least share of the respondents that agree about the bank preparation of training facilities strongly. The majority of the interview respondents support that the bank has adequate training facilities to insure that the training programs going successfully and the bank provide enough budgets to achieve the training objectives. The bank has training center (Megenagna and Saris Excellence Center) to address effective training by providing modern training infrastructure in one area as well as to give comfortable training for employees. In addition to that the location of training select based on the nature of trainings.

4.3.1.3 Training implementation

Once training has been designed, the actual delivery of training can begin. Regardless of the type of training done, a number of approaches and methods can be used to deliver it and whatever the approach used, a variety of considerations must be balanced when selecting delivery methods like, nature of training, subject matter, training resources, geographical locations, time, number of trainees etc. to be the method effective (Robert et al 2009).Table 4.3 presents respondents view on the bank training implementation

Table.4.3 Respondents view on the bank training implementation

No	Question	Response	Frequency	%
7	The training and development method/technique used by the bank is effective?	Strongly Disagree	26	6.3%
		Disagree	54	16 %
		Neutral	84	27 %
		Agree	130	44 %
		Strongly Agree	28	6.7%
		Total	322	100%

Source: Own Survey 2018.

As the result from table 4.3, a total of 44 % of participants agreed that the bank training and development method is effective and 6.7 % of respondents also strongly agree about the effectiveness of the method. 27 % of response not decides to agree or disagree about the statement. While 16 % of response show disagreement and the rest 6 .3 % participants respond strongly disagree on the matter of the effectiveness of the bank training and development method. So by considering the above result the bank training method is productive.

4.3.1.4 Training Evaluation

Evaluation of training compares the post-training results to the pre-training objectives of managers, trainers, and trainees. The most common rational for not conducting training evaluations is that “formal evaluation procedures are too expensive and time-consuming, and no

one really cares anyway” (Nick et al 2013).so table 4.4 present the Respondent view on the bank training evaluation systems.

Table.4.4 Respondent view on the bank training evaluation systems

No	Question	Response	Frequency	%
8	The bank conduct formative evaluation to improve the training process?	Strongly Disagree	-	-
		Disagree	180	56.8%
		Neutral	-	-
		Agree	142	43.2%
		Strongly Agree	-	-
		Total	322	100%

Source: Own Survey 2018.

The result indicate that majority of total respondents that share 56.8% did not agree with the statement that the bank conduct formative evaluation to improve the training process. While 43.2% of respondents agree that the bank conducts post training evaluation systems. The analysis implies that the bank does not apply formative training evaluation to examine or improve the result in that target group. According to the information obtained from interview indicate that manger of learning and development department and expert agree in the absence of formative evaluation system that the bank used after training. And as per the interview response they frequently used BSC (now with last 9 month use performance management system even though not understand by employee) to assure whether the employees acquire necessary skills from training objective or not and to measure their performance and give additional support. Relating to this respondents know that the bank change management department is not persist in the bank post training support by minimized the communication problems, by participate in awareness creation process and by managing resistance that help to employees to handle the real work environment obstacles and to address the training objective after delivery. From this it can be inferred that the practice of training evaluation in CBE is poor when compared to systems approach to training process.

4.3.2. Career Development Practice in CBE North Addis Ababa District

No human resource development function can be acceptable to the people of any organization, if it fails to provide opportunities for individual employees to have bright career prospects. It is for the purpose of HRD integrating career planning and development with it. Proper career planning also leads to career development. It develops the career of every individual executive which results in adequate growth of the career of every employee (Kebede, 2013). Hence, successful planning is closely linked with career planning and development. In this section the study presents HRD practice from career development aspect based on the information obtained from the respondents.

Table 4.5 Respondents view on Career Development practice of commercial bank of Ethiopia North Addis Ababa District

No	Question	Response	Frequency	%
1	There is proper career planning and development	Strongly Disagree	97	31%
		Disagree	95	29.5%
		Neutral	-	-
		Agree	69	21.5%
		Strongly Agree	56	18%
		Total	322	100%
2	CBE is well in working to improve career development	Strongly Disagree	99	30.7%
		Disagree	96	30%
		Neutral	65	21.3%
		Agree	33	10%
		Strongly Agree	25	8%
		Total	322	100%
3	CBE integrates career development with it objectives	Strongly Disagree	61	18.9%
		Disagree	68	21.2%
		Neutral	73	23%
		Agree	63	19.4%
		Strongly Agree	57	17.5%
		Total	322	100%
4	The bank provides proper career counseling service that help employees for their career development	Strongly Disagree	120	37.2%
		Disagree	130	40.4%
		Neutral	72	22.4%
		Agree	-	-
		Strongly Agree	-	-
		Total	322	100%

Source: Own Survey 2018.

The above table 4.5 clearly shows that, career planning and development the respondents response Strongly Disagree 31 %(97), Disagree 29.5 %(95), Agree 21.5 %(69) and Strongly Agree 18 %(56). This imply that the majority (60.5%) of the respondents response Disagree. From this one can clearly infer that the Commercial Bank of Ethiopia was not in properly practice career planning and development as utmost importance for the growth of employees in accordance with the education, training, job search and work experience. This result contrary with response of manger of career development. According to the interviewee response of manger of career development of Commercial Bank of Ethiopia, the bank have proper career planning and development that enable the bank to achieve it vision of world class commercial bank by year 2025. But there is problem of successful practice (implementation). as per their response, now on implementation of new structure that solve career development problem of all staff of employee.

According to above table 4.5, total of 30.7 % of participants strongly disagree that Commercial Bank of Ethiopia is well to improve career development of employees. Similarly 30% of respondents are disagreed the statement. 21.3% of total respondents share neutral. From all total respondents only 10% agree about CBE is well to improve career development of employees. 8% of participants strongly agreed that the bank well to improve career development of employees. From this fact one can deduce that commercial bank of Ethiopia not in good position to consider continuous employees professional development to fill the existing gaps. This implies that commercial bank of Ethiopia have limitations in critically assess their effort to promote career development by any means to increase the satisfaction level of their employees.

Career development is key part of human resource development that can transform the organization into a human system by developing their commitment and integrating the individual employees with the organization. With regard to the integration of career development with organizational objectives total of 18.9% of participants strongly disagree that commercial bank of integrates career development with it objectives. Similarly 21.2% of respondents are disagreed the statement. 23% of total respondents share neutral. From all total respondents 19.4% and 17.5% agree, strongly agreed respectively about CBE is integrated career development with it objectives. From this analysis it can be deduced that the respondents were Disagree (40.1 %) with integration of career development with organizational objectives indicating that they are

dissatisfied with the case raised out. This result signifies that commercial bank of Ethiopia were lagging behind in linking the two things for the betterment of their performance.

As indicated in the table above 4.5, the respondents were asked to scale the measurement the existence of good counseling center that benefits all employees, 37.2% of respondents strongly disagreed and 40.4% disagreed while 22.4% is of the respondents Neutral about the issue. This depicts that the respondents were dissatisfied with the case described. This result support by interview result of career development manager and expert. According to their response commercial bank of Ethiopia not have good counseling center that benefits all employees but now on the implementation in two excellence center (Megnaga and Saris Excellence Center).

Kilam and Neeraj (2012), in his comprehensive investigation found that employees counseling as the determinant factor to build good HRD. As it is a process of dealing with the emotional problems and issues of the employees to make them feel light and relaxed at work. It can be expressed in terms of appraisal counseling, career counseling and disciplinary counseling. It is also being done to enable the employees to have positive attitude towards work and to improve their performance. However, commercial Bank of Ethiopia were reluctant in handling the psychology of the employees and making them happy at work so that they could feel gratified while working which ultimately leads to improved and enriched performance through counseling. Kilam and Neeraj (2012), in their depth assessment in public sector also found that career planning and development as the most important component of overall HRD system which helps in individual organizational goal integration. But in this study the bank from this ground displays that there are tasks still remain to be done.

4.3.3 Performance appraisal practice in CBE North Addis Ababa District

4.3.3.1 Employees Opinion on Performance Evaluation Criteria

Performance evaluation criteria need to in line with the goal and objective of the organization, it must be measurable, should be clearly stated and directly related to employees job duties and responsibilities. Since designing performance evaluation criteria is the first and core part of the evaluation process, giving serious attention to this issue will determine the effectiveness of the performance evaluation practices of the bank. In practice, many organizations use the same criteria to evaluate huge number of employees at the same weight. Using the same form with

equal weight makes the output of the performance evaluation result irrelevant and employees will be dissatisfied. In this respect, the opinion of respondents about the criteria used at commercial bank of Bank has been summarized and described in Table 4.6 below.

Table 4.6 Respondents Opinion on Performance Evaluation Criteria

No	Question	Response	Frequency	%
1	The Criteria's are in line with the bank goal and objective	Strongly Disagree	57	17.7%
		Disagree	58	18%
		Neutral	61	19%
		Agree	82	25%
		Strongly Agree	62	19.3%
		Total	322	100%

Source: Own Survey 2018

Based on the responses gathered from the employees of the bank, the researcher discuss the employees' attitude towards the performance evaluation criteria.

As we can see from the above Table 4.6., 44.3% of the total respondents agree that the criteria are in line with the bank goal; from this 19.3% response strongly agree, 19 % of the total respondents are neutral to the statement, but 35.7% of the total respondents disagree that the criteria are in line with the goal and objective of the bank; of which 17.7% of them strongly disagree. From the responses of employees we can conclude that commercial bank of Ethiopia performance evaluation criteria are in line with the bank goal.

4.3.3.2 Employees Opinion on Performance Appraisal Process at commercial bank of Ethiopia

In any organization, the performance evaluation process should include some basic guidelines. To mention, the evaluation processes should give employees awareness on how performance appraisal process is conducted, evaluators should assign time to interview employees to hear and address employees related issues, managers should give feedback during a job and at the time of conducting performance evaluation result, self-evaluation should be practiced by the employee

prior to conducting the final result and the final result need to be evaluate by independent party in order to assure faultlessness.

The following Table 4.7 shows the summery of the total respondents about the performance appraisal process conducted at commercial bank of Ethiopia

Table 4.7 Respondents opinion on Performance appraisal process

No	Question	Response	Frequency	%
2	Awareness of employees about PA process	Strongly Disagree	63	19.6%
		Disagree	61	19%
		Neutral	68	22.6%
		Agree	69	22.4%
		Strongly Agree	56	17.4%
		Total	322	100%
3	Manger Given time To interview employees to hear and address their problem	Strongly Disagree	65	20.2%
		Disagree	62	20.5%
		Neutral	67	21.2%
		Agree	65	20.1%
		Strongly Agree	58	19%
		Total	322	100%
4	Self-Evaluation is Allowed	Strongly Disagree	68	22.1%
		Disagree	69	22.7%
		Neutral	60	18.6%
		Agree	61	19%
		Strongly Agree	60	18.6%
		Total	322	100%
5	Feedback given during a job	Strongly Disagree	61	18.9%
		Disagree	83	25%

		Neutral	68	20.1%
		Agree	63	18.3%
		Strongly Agree	57	17.7%
		Total	322	100%
6	Results are revised by independent party	Strongly Disagree	66	20.5%
		Disagree	65	20.2%
		Neutral	68	21.1%
		Agree	61	19%
		Strongly Agree	58	18.2%
		Total	322	100%
7	Feedback Given at Conducting PA Result	Strongly Disagree	61	18.9%
		Disagree	59	18.1%
		Neutral	64	21%
		Agree	78	25%
		Strongly Agree	56	17%
		Total	322	100%

Source: Own Survey 2018

As we can observe from the above Table 4.7, 39.8 % of the total respondents agreed that employees are aware of how the performance appraisal process is conducted while 17.4% strongly agreed and 22.6% of the respondents are neutral to the issue. But a total of 38.6% of the respondents disagree the statement; from this 19.6% are strongly disagreed. Even if considerable numbers of respondents agree with the statement Commercial Bank of Ethiopia create awareness among employees towards how performance appraisal process is conducted it is not at the required level. This support by interview result of manager and expert of performance appraise manager because of the implementation of new system (performance management system) and hugeness of employee (more than 35,000) it difficult to create awareness in short time in each employee due to that their some gap in aware of how the performance appraisal process is conducted.

According to information gathered from respondents, a total of 40.7% disagree that managers are giving time to hear and address employees with performance related issue, while 39.1% of respondents agree. 21.2% of the total respondents are neutral. This implies that managers are not giving time to hear and address employees' problem, since this is one of the techniques that help managers to address sensitive and confidential information about employees that hinder their performance, managers are required to give time and full attention to interview and hear their employees. Easily by doing so, employee's performance will increase as well as organization performance.

On the other hand, 44.8% of the total respondents disagree that employees are allowed to evaluate themselves, where as 37.6% agree the statements. Only 18.6% of the total respondents strongly agree that self-evaluation is allowed in the bank. 13% are neutral. Self-evaluations help employees to perceive fairness on the evaluation process. It creates a chance to discuss evaluators with employee. As the above data shows, the level of self-evaluation practice at commercial bank of Ethiopia is poor, human resource department need to design a technique that employees will evaluate themselves.

A total of 18.9% of the respondents strongly disagree that feedback is given during a job, whereas 25% of the total respondents' disagree. However, 20.1% of the respondents are neutral to the statement "feedback is given during a job". But 36% agree that managers give feedback during a job, of which 17.7% are strongly agreed. This shows that, on average managers are not giving adequate feedback to employees on their performance. Giving feedback help employees to know their strength and to improve their weakness, if managers keep silent from giving feedback, employees will think that their present level of performance is acceptable in the organization and they may not put extra efforts to improve. 20.5% of respondents strongly disagree that the evaluation result is revised by responsible department, where 20.2% of the total respondents disagree with the statement. Only 18.2% of the total respondents strongly agree that the evaluation result is revised by responsible department and 19% agree the statements. 21.1% of the respondents are neutral to the item.

In order to assure that the performance evaluation process is in accordance with the rule and regulation of the bank and to avoid bias and subjectivity, independent department need to evaluate the performance evaluation result of employee prior to conducting to employees. The above results shows that commercial bank of Ethiopia does not in proper mechanism to revise performance evaluation result by independent department.

As it is possible to observe from the above Table, 17% of the total respondents strongly agree that feedback is give at the time of conducting performance Appraisal, only 25% of the respondents also agree with this statement, whereas a total of 37% disagree the item. Moreover, 21% of the total respondents are neutral. From the result we can see that feedback is given only the time of conducting performance evaluation. Even if giving feedback at the time of conducting appraisal is in accordance with the general rule, giving at that time only will affect employees as well as organizational performance since employee will not have a chance to improve their weakness at the right time. This result is supported by performance appraise management also, according to their response most of the manger focus on their target like deposit mobilization, foreign currency, electronic payment product e.t.c due to this they do not give time to give feedback to each employee because most of the time they are out of office for marketing .

In order to summarize, commercial bank of Ethiopia need to improve the performance evaluation processes. Since employees are not aware of how performance appraisal is conducted, managers do not give time to hear and interview employee about performance related issues, there is no independent department who revise the performance appraisal processes and one of the most required processes which are self-assessment is not practiced yet. Moreover, the frequency of feedback given during a job is not significant. In addition feedback is mostly given only at the time of performance appraisal conducted.

4.3.4 Challenges of Human Resource Development in CBE

This section assesses and examines the major challenges or constraints that hindered human resource development practices in commercial bank of Ethiopia. As it was revealed from the questionnaire, interview and other secondary sources there were some challenges that encountered in commercial bank of Ethiopian in the practice of human resource development as indicated below.

4.3.4.1 Challenges in Employee Training and Development

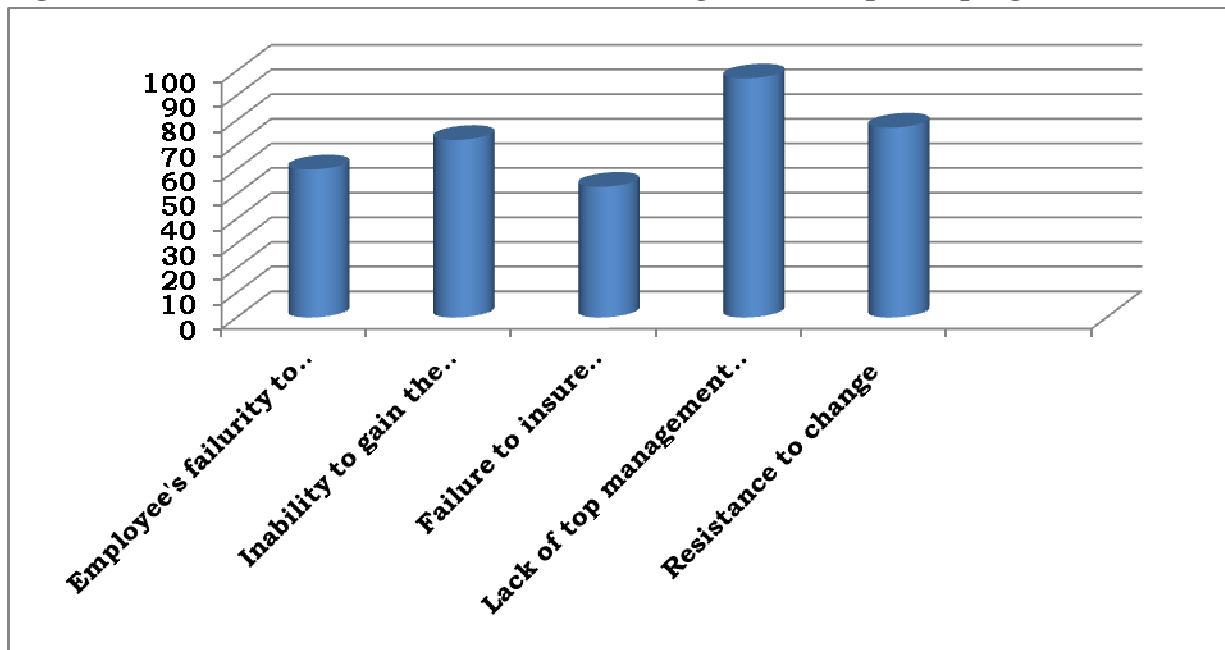
Table 4.8 Respondent View on Challenges Related To Training in the Bank

No	Question	Response	Frequency	%
1	Are there organizational factors that constrain the effectiveness of training and development of CBE?	Yes	207	66.79%
		No	115	33.21%
		Total	322	100%
2	If your answer is yes, indicate organizational factors. (Multiple answer allowed)	Employee's failure to understand the training needs of CBE.	40	15 %
		Inability to gain the understanding and acceptance of employees.	52	19.8%
		Failure to ensure that adequate resources required to implementing the training.	33	12.2%
		Lack of top management support for training and development.	77	28 %
		Resistance to change.	57	21 %

Source: Own Survey 2018.

Regarding the constraints of effective training, Result indicate that, the majority of the target samples representing 66.79% were responded there are factors that are constrain the effectiveness of the bank training and development. Whereas those who responded there is no any factor that constraint the effectiveness of the bank training and development practice constitute 33.21%. The training practice of CBE regarding the phase of systems approaches to training process is enclosure by constraints.

Figure 4.5 Factors those constrain effective training and development program



Source: Own Survey 2018.

From the total respondents those agree about the presence of Organizational constraints, 28% of participants inform lack of top management support is the factor for ineffective training practice in the bank. The management must be committed to impart three types of new skills, the ability to use new technology, the ability to maintain it, and the ability to diagnose system problems. The survival and growth of an organization becomes difficult when the management lacks commitment (Uday et al 2013). Resistance to change and failure to ensure adequate resources respectively share 21 % and 12% from the total respondent. Employee’s failure to understand the training needs also the other factor that share 14.8%. 19.8% of respondents also agreed by inability to gain the understanding and acceptance of employees were the main factor that creates

obstacles for the bank training and development programs. We should consider that this classified percentage includes respondents who give multiple responses for the single question. In addition to that some respondents inform other factors that constrain the bank effective training practice like, lack of matching the training with the real practice of work, always not sufficient organization, and training is not given for all employees equally, and dissatisfaction of employees. According to response of manger and team leader (expert) of learning and development department dissatisfaction of employee and turnover are the major challenge of CBE because of low salary compare to banking industry.

4.3.4.2 Challenges of Performance Evaluation

4.3.4.2.1 Employees Opinion on Performance Evaluation Problem

Performance appraisal need a strict evaluation process for the organization. Since it is the core point to identify the performance gap of the employee and input for the need assessment and design the objective of HRD. In individual need assessment present deficiencies in specific skills, knowledge & attitude. The indicator of training & development need is the low performance of employee record. Therefore performance analysis is one of the method for assessing training and development need.

In performance appraisal processes managers are expected to give positive feedback about employees' good performance and constructive feedback to improve poor performance of employees. Beside, managers need to be accountable for their wrong feedback and subjectivity.

The following Table shows us that to what extent these problems exist at commercial bank of Ethiopia.

Table 4.9 Respondents opinion on the most serious Performance appraisal problem

No	Question	Response	Frequency	%
8	Feedback given to employee	Strongly Disagree	74	23%
		Disagree	58	19%
		Neutral	66	21.5 %

		Agree	59	18.3%
		Strongly Agree	61	18.9%
		Total	322	100%
9	Managers are not Accountable	Strongly Disagree	57	17.7%
		Disagree	63	19.6%
		Neutral	68	21.1%
		Agree	67	20.8%
		Strongly Agree	63	19.6%
		Total	322	100%

Source: Own Survey 2018

The above Table indicates that the large number of respondents (42%) disagree with the statement “Feedback given to employee so that they know where they stand” and only 37.2% of the respondents’ agree. 21.5% of the respondents are neutral with the statement. Giving feedback is one of the core techniques that helps to improve employees’ performance and helps employees to know their strength and improve their weakness. Managers should give feedback at frequent interval. Moreover two way communication between employees and managers will be practiced. If managers are not at the required level to give feedback, employees will consider that their performance level is acceptable and enough to the achievement organization goal. The above Table indicates that commercial bank of Ethiopia bank managers are not at the required level to giving feedback. In order to improve employees’ performance managers need to increase frequency of giving feedback.

Since managers are not accountable for their wrong practice of performance evaluation process and feedback is not given to employees to strengthen employees’ performance and to give flash to their weak performance, we can conclude that commercial bank of Ethiopia is not in good practice of with performance appraise .

4.3.4.2.2 Respondents Opinion on Evaluation instrument and its contents

Instrument and its contents related problems are mainly related with the quality of the criteria to address employees’ diversity, their capability to measure the employees’ job duties and responsibilities specifically and weight differentiation given to each criterion.

The following Table shows that the level of instrument/form related problem of performance evaluation process at commercial bank of Ethiopia.

Table 4.10 Respondent opinion on Problems related to evaluation instrument

No	Question	Response	Frequency	%
10	There is equal weight of measurement to the factors	Strongly Disagree	58	18%
		Disagree	79	24.5%
		Neutral	57	18.7%
		Agree	60	18.6%
		Strongly Agree	64	19.8%
		Total	322	100%
11	It address diversity	Strongly Disagree	64	19.9%
		Disagree	80	25%
		Neutral	56	17.1%
		Agree	61	19%
		Strongly Agree	58	18%
		Total	322	100%

Source: Own Survey 2018

Analysis of the opinion revealed out that large number of the respondents (42.5%) disagree that the performance criteria are weighted equally, (i.e. there is weight differentiation), whereas 38.4% of the total respondents agree and 18.7% keep neutral This is a positive parts of the bank performance evaluation criteria, since weight should be given based on their relative importance in a particular job.

A significant number of respondents (44.9%) disagree that the criteria address employee diversity. Insignificant number of respondents agree the statement. Criteria should be directly related with employee job duties and responsibility. Commercial bank of Ethiopia evaluation criteria forms should be designed based on employees' job duties and responsibility. Since employees are doing different job, the evaluation criteria need to address employees' diversity.

In general, there is weight differentiation on performance evaluation criteria; this is a positive side of the evaluation criteria of the bank. But those criteria's do not address diversity of the employees. Since all employees are not doing the same job and they are not in the same position; performance evaluation criteria's need to addresses such diversities.

4.3.4.2.3 RespondentsOpinion on Employees Related challenge

Some of the factors categorized under employees' related problems of performance evaluation are; decrease of employees' morale due to unfair performance evaluation practices, retention of employees due to unfair performance result and unwillingness of managers to hear from their employees (i.e. Existence of one way communication only).

Below is a summary of employees' related problem of performance evaluation process at commercial bank of Ethiopia.

Table 4.11 Respondents opinion on Employees Related problem

No	Question	Response	Frequency	%
12	Employees are allowed to give feedback	Strongly Disagree	59	18.5%
		Disagree	70	22.7%
		Neutral	64	19.8%
		Agree	65	20.2%
		Strongly Agree	60	18.6%
		Total	322	100%
13	Employees Morale has been Decreases.	Strongly Disagree	50	15.5%
		Disagree	60	18.6%
		Neutral	67	20.8%
		Agree	78	24.3%
		Strongly Agree	67	20.8%
		Total	322	100%
14	Employees are leaving the bank.	Strongly Disagree	58	18%
		Disagree	60	18.6%
		Neutral	71	22%
		Agree	68	21.8%
		Strongly Agree	63	19.6%
		Total	322	100%

Source: Own Survey 2018

As can be seen from the above Table 11, 18.5% of the total respondents strongly disagree that employees do have a chance to give feedback at the time of evaluation (i.e. there is only one way communication). While 22.7% disagree the statement. On the other hand, 18.6% strongly agree and 20.2% agree the statement. But 19.8% are neutral to the item. In order to put two way communications in to practice, managers are responsible to give time to hear employees' feedback about evaluation process. From the above Table, it is clear that large number of respondents oppose the existence of two way communication.

In addition, 45.1% of the respondents agree that employees' morale has been decreased due to unfair performance evaluation practice by the bank; moreover 41.4 % of the total respondents agree that employees are leaving the bank due to unfair performance evaluation result. Whereas 34.1% Of the respondents disagree that employees morale decrease due to unfair performance evaluation result and 36.6% of them disagree that employees are not leaving the bank due to unfair result. Insignificant amount of respondents are neutral to the statements. This implies that employee releasing rate due to unfair performance result at commercial bank of Ethiopia is high. As a result of this, commercial bank of Ethiopia bank losses potential employees.

The above result support by response of manager and expert of performance management, as they respond in every quarter there large amount grievance come to performance management office. There is also high disagreement and conflict between branch manager and employee due performance score. Manager also say there are large number of employee leave the bank in 2017/18 due performance problem and salary.

In general, employees are not given enough time to give feedback at the time of conducting performance appraisal, moreover employees' morale has been decrease due to unfair performance evaluation result and they are leaving the bank.

4.3.4.2.4 Respondents Opinion on Managers related challenge

Manager's related challenges of performance appraisal are the most serious parts of performance appraisal processes. Most of the time employees are blaming their managers for their poor performance results. Practically there are many dimensions that managers can be a cause for ineffective performance appraisal practices. Some of them are, Lack of managers training,

managers do not know whom they evaluate, being managers the only person in the evaluation process and improper documentation of employees' performance record are some of the problem related with managers.

The following Table 4.12 shows the degree of managers related problem existence at commercial bank of Ethiopia.

Table 4.12 Respondents Opinion on Manager Related Challenge

No	Question	Response	Frequency	%
15	supervisors are the only person in the evaluation	Strongly Disagree	60	18.6%
		Disagree	72	23.4%
		Neutral	65	20%
		Agree	66	20.5%
		Strongly Agree	57	17.5%
		Total	322	100%
16	Manager are well trained	Strongly Disagree	63	19.5%
		Disagree	67	20.8%
		Neutral	70	21.8%
		Agree	65	20.2%
		Strongly Agree	57	17.7%
		Total	322	100%
17	Managers Keep File On Employees Work To Evaluate	Strongly Disagree	56	17.4%
		Disagree	80	25.7%
		Neutral	65	20%
		Agree	64	19.9%
		Strongly Agree	55	17%
		Total	322	100%

Source: Own Survey 2018

As the Table 4.12 indicates above, most respondents disagree that supervisors are the only persons in the evaluation process. 18.6% of the respondents' strongly disagree and 23.4% disagree with this statement. Whereas 20.5% and 17.5% of respondents respond agree and strongly agree respectively and 20% of respond neutral. Therefore, CBE needs to improve more

the practice of one person performance appraisal strategy. If this strategy is not completely changed to system like performance management system, commercial bank of Ethiopia performance appraisal strategy may influence by subjectivity and bias. According to interview result of department head and expert of performance appraisal management The appraisal method is not subjective it is based on data tracked by system and manually feed by the employees and manger which is expected from the employees .but the system implemented recently(less than 9 month) and each employee not exactly knew how input (type) data to the system and communicate with their supervisor the input (type) their work in system. This leads negative perception of employee to their supervisor.

On the basis of managers training, also 40.3% of the total respondents disagreed that managers are well trained to evaluate employees' performance. Where as 37.9% agrees the issue and 21.8 % are neutral to the statement. This indicates that managers training and development program based on performance assessment of employees is not satisfactory. If managers/evaluators are not well trained, they will face difficulties on how to enhance the career path of their employees and potential employees start to look for other opportunities in the market. This result is supported by interview of performance management department. Most of the branch manager and customer service manager focus on achievement of their target in deposit mobilization, electronic payment and foreign currency due to that they focus on training of those parts not the employee. Because of that even though performance department prepare a training of they are not participant well and practice it. But now performance department assign individual supervisor in each branch to support this problem.

Analysis of the opinion of the respondents revealed out that managers do not have trend of filing employees' performance record. Large number of respondents (43.1%) agree and 36.9% of respondents oppose this issue. 20% of the respondents are neutral to the item. From this, we can conclude that managers are not filing employees' performance record properly. This shows that managers are evaluating employees based on events that occur during last few months rather that the entire year. According to response of head of performance appraise management the above problem exist before the implementation of new performance management system but now everything record systematically by system itself and supervisor.

In order to summarize, there is high rate of manager's related problem at commercial bank of Ethiopia. In view of the fact that, Managers skill of evaluating employees is not supported by training or development program, managers do not keep employees performance record.

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS ,CONCLISION AND RECOMMENDATIONS

5.1. Summary of Findings

The purpose of this study was to assess human resource development practice of commercial bank of Ethiopia. The study focus on Training and Development , Performance Appraisal , Career Development Practice and Challenges that Impede Human Resource Development Practices in Commercial Bank Of Ethiopia.

Below are the summaries of findings itemized:

- ❖ Regarding analysis on the training needs assessment practice of the bank, majority response implies that the bank not follow systematic TNA and selection. The response of the interview also supports the absence of TNA and they justify employees' selection for training done based on their work load not their gap. Related to that they verify individual needs analysis is better or appraisal of performance is liable preliminary method of employees' selection to give a particular training if the bank uses organizational need identification.
- ❖ With respect to the alignment of TNA with training and development design ,the result inform that the majority of respondent not have any idea about the relationship to be the design based on assessment in particular training and development process and others believe there is not effective relation between the TNA and Design. So the result assure that the bank training design not formulate as the result of TNA.
- ❖ CBE has a good practice of assigning trainers those have good training skills based on the subject matter. Most of the respondents' agreement also assure that if it is necessary the bank could use outsource training system beyond itself. Similarly the majority of respondents those give their idea through interview agree that the bank always try to assign the trainer those possess proper skills by using internal employees and by outsourcing mechanism.

- ❖ Another good practice of CBE is preparation of adequate training facilities and budget that help to maximize the effectiveness of the training under implementation process. The majority of the interview respondents support that the bank has prepared adequate training facilities to achieve its objective (it build different Excellence Center in Megenga and Saris)
- ❖ With respect to training and development methods, majority of the respondents agree that the methods that the bank used are slightly effective because it apply based on the nature of the training.
- ❖ The respondents' views to evaluation of training, most of them agree that the bank has not formative evaluation system to improve the result of training. Similarly the interview response also support.
- ❖ Regarding analysis on the organizational issues that constraint the effectiveness of training and development at CBE, majority respondents agree that there are different obstacles that affect the objective of training beside the approach. Lack of top management support, resistance to change and inability to gain the understanding and acceptance of employees is the major organizational factors that affect the effectiveness of training.
- ❖ According to the information gathered from the respondents', performance evaluation criteria are in line with the bank goal and objective and point given to each criteria are in accordance with the general rule of performance evaluation criteria. But, these criteria are not specific and directly related with the employees' job and duties, they are not sufficient enough to measure the performance of an individual. Employees are not aware of how the performance appraisal process is conducted. Managers do not give time to hear and address employees' problem. There is no practice of revising the performance appraisal by independent committee. Self-assessment is not allowed. Moreover, the frequency of feedback given during a job is not consistent. In addition, feedback is given mostly at the time of performance appraisal only. Managers are not accountable and employees are not getting feedback frequently. Weight differentiation is given to each criteria. But the criteria's do not address employees' diversity, employees' morale has decrease and employees are forced to leave the bank due to unfair performance appraisal

practices Managers skill of evaluating employees is not supported by training or development program, managers do not keep employees performance record.

5.2. Conclusion

Based on the analysis and literature review of the following conclusions are made on Human Resource Development Practices of CBE.

CBE has its own training and development system which is almost similar to training and development process model that include training need analysis, training design, training delivery, and program evaluation but there is still a problem on proper implementation of the tasks. The findings reported in this study suggest that the process of training and development practice of the bank is not effective. More of results are broadly contradictory with prior literature on training and development process.

According to respondent's CBE does not properly apply training needs assessment to identify the employees work gap periodically.

The results that come from the questions on alignment of TNA with Training design indicate that an unsure of perfect design and respondent ensure that there is no productive participation of employees in the bank training planning, organizing and evaluating process. The design of training programs should focus on training instructional objectives, "readiness" of trainees and their motivation, principles of learning and characteristics of instructors. If it is not consider this, the bank miss cost effective manner, which is very important in the current competitive environment and the bank not validate its training plan contain actual issues and whether it based the TNA or not.

In addition to that respondents inform that there is some good practice of training facility preparation and trainers' selection but the response that come from interviewee assure the communication and awareness creation practice is very low in the step of design it also affect the transfer level of training in actual work environment.

The other phase of systems approach to training model is training evaluation, which is an important phase that helps to know and measure the result of the training and development. So the response shows there is no productive training evaluation practice in the bank and the bank change management also participates in some program under the level. It indicates the bank training and development process is below average.

Hence, the bank human resource development sub process being responsible to ensure and formulate the involvement of all concerned parties, integrate a system to monitor how things are going in relation to the system. For instance, perform extensive awareness creation activities on training stakeholders regarding the competency gap assessment, make sure that the design of a training program is based on the nature and types of the objective. Therefore CBE should attempt to improve it and must endeavor to ensure effective training and development practice across all departments.

Even if the majority of respondents are satisfied with the trainers' selection and capability, the bank has been doing its best to have outstanding trainers (internal and external) through developing clear and specific trainers' recruitment process guidelines.

It became clear from respondents that the major organizational issue that constrains the effectiveness of training and development at CBE is lack of top management support for the training and development program. Failing to minimize the training constraint can also be one cause for lowering of the training and development program's effectiveness.

Commercial Bank of Ethiopia had Career Development in principle, in order to create a motivated workforce, to enhance the capacity of both present and future knowledge and skills, to increase the ability and productivity of employees, increase optimum man-task relationship, to prepare employees to take higher assignments and to upgrade skills and prevent obsolescence. However, in practice explicit tasks were not done in relation to the issues described to promote HRD and to attain development goals.

Managers are not accountable to their wrong feedback, employees' morale will decrease and leave the organization. Moreover, the overall performances of the organization will decrease. In addition, if feedback is not given at the right time, the bank loses the benefit to get the most out of employees. The evaluation process is inclined to bias and subjectivity, since performance appraisal is done by managers. Moreover, two-way communication is not implemented well; hence managers do not know their employees.

5.3. Recommendations

Based on the findings and conclusions, the following recommendations are outlined for at least to minimize and improve the Human Resource Development Practice of CBE.

- ❖ Training and development activity shall be based on a systematically identified knowledge and skill deficit /performance gap/ so as it maximize the effort of the both the employee and organization.
- ❖ Branch managers, supervisors and training expert should be in stand to align and maintain the process of TNA when conducting of the training design.
- ❖ Ensuring adequate communication and awareness creation for training and development activities to reduce resistance to change
- ❖ The bank Training method utilization is good but it should based on the actual design of the training that formulate from TNA.
- ❖ Applying continuous evaluation of training in the bank should be one of the processes of training in order to make sure that the entire trainees understand the training given by using subjective and objective measurement.
- ❖ Change management should be participate in evaluation of the result to be ensure that the training transfer in actual work environment positively.
- ❖ Involving employees in all over training process activities to shall achieve the training objective easily.
- ❖ Management should also take into consideration there support in every training and development steps.
- ❖ CBE should also focus on individuals and satisfying their needs for career development. HRD is not all about providing training rather than it should aimed at matching the organizational need for HR with the individual needs for career development
- ❖ CBE should have no proper Counseling that support employees in improving their job performance.
- ❖ In order to improve the performance evaluation criteria, the human resource department needs to design specific and directly related criteria that can measure employees' job duties and responsibility specifically.

- ❖ The human resource department needs to create awareness among employees about how the performance evaluation process is conducted. Time need to be given to hear and address employee's related problems and allows employees to evaluate themselves
- ❖ The performance evaluation system of the bank should be designed in a way that feedback is given during the course of performing a job; the bank should avoid giving feedback at the time of conducting performance evaluation only. Feedback should be continuous.
- ❖ Managers need to be well trained in evaluating and giving feedback, do not evaluate alone. There should be independent department that control evaluators for their evaluation practice.
- ❖ Managers should keep file on employees' performance record, and there should be "benchmark" numbers to avoid managers' inconsistency
- ❖ Finally CBE should strictly see backward its human resource development guideline to realize its current practice and to alter its human resource development system in order to make its human resource development efforts effectively. Otherwise the bank can't get the expected benefit from it human resource.

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

Questionnaire to Be Filled By Employees of Commercial Bank of Ethiopia

Dear Respondents, I would like to express my deepest appreciation for your generous time, honest and prompt responses. This questionnaire is designed to gather data about human resource development practices and challenges in commercial bank of Ethiopia in case of North Addis Ababa District. The information will be used as primary data for the study entitled “Assessment of Human Resource Development Practices and Challenges in Commercial Bank of Ethiopia in case of North Addis Ababa District” which I am conducting as a partial fulfillment of Master’s Degree in Public Management and Policy at Addis Ababa University. The data you provide believed to have a great value for the success of this research. I confirm you that the information you provide will be used for academic purpose and analyzed anonymously through the authorization of the university. Therefore, I would like to assure you that you are not exposed to any harm because of the information you provide.

General Instructions

- ❖ Please don’t writing your name
- ❖ please tick (√) in the box that corresponds your choice
- ❖ For scale typed questions please tick your preferred level of agreement

Thank you!

Part I: Demographic Information

1. Sex: Male Female
2. Age: Below 26 26-35 36-45 46-55 Above 56
3. Marital status: Single Married
4. Education level: Diploma Bachelor Degree Master's Degree PhD
5. Work experience (in years): Below 6 years 6-10 years 11-15 years Above 16 years
6. Current position: Customer Service Officer (CSO)
- Senior Customer Service Officer (senior CSO)
- Branch Manager
- Customer Service Manager (CSM)
- Human Resource department (HR)

Part II: Human Resource Development Practices and Challenges in Commercial Bank of Ethiopia (CBE)

Please indicate your level of Agreement/Disagreement with statements in the box by putting a tick mark against the scale that best describes your choice:

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

Employee training and development process in CBENorth Addis Ababa District						
No	Items	Scales				
		1	2	3	4	5
1	Training needs assessment is conducted properly.					
2	There is occasion that the bank employees participate in identifying the training needs.					
3	The bank training and development plans are aligned with the result of training need assessment.					
4	The training program analyzes the specific levels of education, experience, and skills of the audience so as to ensure that the program is suited to them.					
5	The trainers assigned by the bank possess proper skills and give effective training.					
6	The bank always prepares adequate training facilities.					
7	The training and development method/technique used by the bank is effective.					
8	The bank conduct formative evaluation to improve the training process.					
Career Development System in CBE North Addis Ababa District						

No	Items	Scales				
		1	2	3	4	5
1	There is proper career Planning and Development.					
2	CBE is well in working to improve career development.					
3	CBE integrates career development with its objectives.					
4	The bank provides proper career counseling service that help employees for their career development.					

Performance appraisal practice in CBE North Addis Ababa District

No	Items	Scales				
		1	2	3	4	5
1	The Criteria's are in line with the bank goal and objective.					
2	Awareness of employees about PA process.					
3	Time is given to interview employees.					
4	Self-Evaluation is not Allowed.					
5	Feedback given during a job.					
6	Results are revised by independent party.					
7	Feedback is given at Conducting PA Result.					

Challenges(Problem) of Human Resource Development in CBE North Addis Ababa District

No	Items	Scales				
		1	2	3	4	5
1	Feedback given to employee.					
2	Managers are not Accountable.					
3	There is equal weight of measurement to the factors.					
4	It address diversity.					
5	Employees are allowed to give feedback.					
6	Employees Morale has been Decreases.					

7	Employees are leaving the bank.					
8	Manager avoid giving result which has a negative effect.					
9	Manager gives equal result to all.					
10	Different evaluation result among different department.					
11	Manager Evaluate Employee Who Do Not Know Them.					
12	Supervisors are the only person in the evaluation.					
13	Manager are well trained.					
14	Managers Keep File On Employees Work To Evaluate.					

15. Are there organizational factors that constrain the effectiveness of training and development of CBE?

1= Yes 2= No

16. If your answer is yes, indicate organizational factors. (Multiple answers allowed)

- Employee's failure to understand the training needs of CBE.
- Inability to gain the understanding and acceptance of employees.
- Failure to ensure that adequate resources required to implement the training.
- Lack of top management support for training and development.
- Resistance to change.
- Other.....
.....
.....

INTERVIEW QUESTIONS FOR HUMAN RESOURCE DEPARTMENT HEAD OF NORTH ADDIS DISTRICT

1. Do you think that Employee Training and Development Process in CBE North Addis Ababa District is carried out systematically?

1.1 Did you conduct proper Training needs assessment?

1.2 Did your Training and development objectives are designed based on training needs assessment results?

1.3 Did you allocated Adequate financial resources and facilities for employee training and development?

1.4 Did your trainers adequately competent to provide the required training?

1.5 Did you think training methods are suitable to the objectives of the training?

1.6 Did you properly evaluate outcomes of employee training and development programs?

2. Do you think that there is proper career development system and practices in CBE North Addis Ababa District?

2.1 Did you have proper career development planning?

2.2 Did you integrates career development with bank objectives?

2.3 Did the bank provides proper career counseling service that help employees for their career development?

3. How much the performance appraisal practice in CBE North Addis Ababa District is sound enough to properly evaluate employees' performance?

3.1 How is performance appraisal conducted at Bank?

3.2 What are the reasons/Purposes to conduct performance evaluation at commercial bank of Ethiopia?

3.3 Did you think that employees have good Awareness on Performance Appraisal Process?

3.4 What are the major problems and their consequences that your department is facing with respect to performance evaluation?

3.5 What measurements are taken in order to overcome the problems?

3.6 How are employees involved in the performance appraisal processes?

4. What are the major challenges that impede human resource development practices in commercial Bank of Ethiopia North Addis Ababa District while you practicing human resource development practice?

4.1 Resource related challenges

4.2 Management related challenges

4.3 Appraisers and appraises related challenges