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EFFECTS OF HUMAN RESOURCE FACTORS ON PROJECT EFFECTIVENESS AND SUCCESS: A CASE OF AWASH BANK IFRS PROJECT

BY

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DECLARATION

I, the undersigned,declare that this thesis is my original work. All source of materials used for the thesis have been duly acknoweledged.I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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"A journey is easier when you travel together"

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ABSTRACT

Organizations are becoming Project-Based in order to continuously change their human resource management (HRM) practices in order to adapt and respond to changing and temporary work schedules. The objectives of research study were to, Determine the influence of management on project effectiveness and success of organization, assess impacts of staff welfare issues on project effectiveness and successes of organization, Determine the relationship between technical expertise and project effectiveness and success of organization, and Examine the effects of HR planning on project effectiveness and success of organization within awash bank on IFRS project.

The research design uses in the study was descriptive survey. The study was conducted in awash bank IFRS project.Where line managers, project line staffs and HRM are found. HR manager, line managers and project line staffs from the project was forming the respondents for the study, thus giving a total of 25 respondents. Out of 25 questionnaires that were distributed to HRM, line managers and project staffs 22 questionnaires were successfully completed and returned by respondents, thus giving questionnaires response rate of 88%. The completed questionnaires were coded, entered into the computer, organized and analyzed with SPSS. Descriptive statics were (percentage, frequency and mean) are used to convey the essential characteristics of the data for interpretation. Regression and correlation analysis were used to indicate whether a relation exists between these practice and effectiveness and success. The study establishes that management with staff welfare issues, technical expertise, planning has varying effect on organizational effectiveness and success to extent implementation of the practice. From the study finding it can be concluding that HRM practice have an effect on PBO effectiveness and success.

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LIST OF ABBREVIATIONS

ANOVA:	Analysis of Variance
CFA:	Confirmatory Factor Analysis
HR:	Human Resource
HRM:	Human Resource Management
MBA:	Masters in Business Administration
PBO:	Project Based Organization
SPSS:	Statistical Package for Social sciences

CHAPTER ONE

INTRODUCTION

1. Introduction

This chapter presents a brief of the background to the study, the research problem, the research objectives and questions, and also defines the scope of the study, benefits and limitations and delimitation of the study, significance of the study.

1.1. Background of the Study

In today's world companies, project-based forms of organizing are replacing ordinary line staff structures and divisional structures in a number of organizations and sectors of development growth industries to operate in projects on a continuous basis (Sydow, 2004; Whitley, 2006).

Most research into project-based organizations has concerning alternatives to functional structures, knowledge management processes, multi-project management, and the problems with inter-project learning and innovation processes (Soderlund, 2004). Recent research has emphasized the need for more studies focusing the "people side" of project management particularly the human resource management practices should have a great impact on the success of project-based organizations for example, Clark & Colling (2005) and Huemann. (2007) both call for more engagement between the disciplines of HRM and project management since organizing by projects imply a core mechanism for deploying human resources, and since the project-based organization have specific requirements regarding HRM. Packendorff (2002) address the situation for individuals in a projective society and argues that HRM procedures need to be readdressed since most of these procedures have been designed for permanent organizations where each individual has a position, not for project-based organizations where positions are non-existent or are changed all the time. Similarly, Engwall. (2003) point to the importance of more empirical research on the area, since project-based structures seem to affect people issues like hiring of staff, competence development, new career paths, and working-life issues (commitment, job satisfaction, time pressure, stress, etc).

In general, the above studies indicate that for the increasingly common project-based organizations, the people and their project knowledge are core assets, but the organizational

structure as such demands new ways of dealing with people issues. Increasing the ability to deal with people issues and HRM should therefore be core to the advantages of the firm, and for the well-being of the people working in it. This become an important concern for top managers in project-based organizations, which points to a need that connects competitiveness, capabilities as well as human resource management in the empirical domain of project-based organizing.

As already indicated, interest in project intensification and success (Soderlund and Bredin, 2006), project management and project-based organizations (Turner and Keegan, 2001; Gareis, 2005) has important in recent years and the reasons for this include the need for organizations to adopt appropriate structures to respond to the highly differentiated and customer oriented (Sydow , 2004) in organizations in the creative and innovational industries, high technology sector and professional and consulting industries. Interest has also increased of a tendency for organizations in all types of industries to take projects as a growing part of their operations even their first productive activity might be volume based or operations based (Sydow, 2004). Most writers differeciate between those companies that do most of their work in projects and or have a main emphasis on the project dimensions, and firms where the functional dimensions of organizational structure and processes dominate and projects take place in the back office to support the functionally based front office, (Turner and Keegan, 2001; Lindqvist, 2004).

In essence, what defines a company as project based is that it perceives itself as being project based and shapes its policies and practices for working, for organizational trend and for strategy towards the challenge presented by management by projects. Turner and Keegan (2001) defined a Project-Based Organization (PBO) as one in which the majority of products made or services delivered are against bespoke designs for customers. This implies that it is project-based perforce because of the customized nature of the demand from their customers. However, the corporate governance still needs to make the choice to adopt project-based ways of working as a strategic choice.

Gareis (2005) suggests that the PBO is such by choice. It is one in which the people of the organization: Define management by projects as their organizational strategy; apply projects and programs for the effectiveness of complex processes; manage a project portfolio of different internal and external project types; have specific permanent organizations like a project portfolio group or a project office to provide integrative functions; and view the organization as being

project-based. Therefore, specific competencies and skills are needed by project personnel to work together in projects. This may require the PBO to adopt training and development practices to develop employees capable of working in the project environment, which in turn may require it to adopt specific HRM practices in these areas matched to the management paradigm adopted. Organizations which perceive themselves as project-based and adopt management by projects as a strategic choice are subjected to these pressures.

However, they also need to recognize the pressures placed on the work experience of employees by the dynamic work environment, and adopt and adapt HRM and work practices that are sensitive to the human resource.

Thus the study will therefore set out to answer the following questions: What are the consequences for human resource management and how will it impacts on project effectiveness and success? It will also be important to find out HR departments are doing to build and improve human resource management to respond to the challenges?

1.2. Statement of the Problem

Human Resource Management (HRM) is the most crucial function in all organizations. It contributes to the success of the organization and creates competitive advantage for the organization. Project based Organizations exerts pressures on the employees by the very nature of their dynamic work environment which may affect project effectiveness and success. This requires the HRM to device unique ways and means of adopting and adapting to work practices that are sensitive to the human resource in PBO. The HR management and leadership practices, ways of handling worker's welfare issues, HR planning and employee's skills may determine how the worker copes with temporary work environment that makes workers to be uncertain about his/her future and leads to reduced motivation and thus project effectiveness and success. If these issues are identified and addressed and due attention given to them, project effectiveness and success will improve and organizations will do well in terms of improved sales, service delivery and profitability.

One of the main causes of project failure is the lack of effective human resource management practices (Berg & Karlsen, 2007; Ellemers, 2004; Schmid & Adams, 2008). The need for

effective human resource management (HRM) practices is accepted among academicians and practitioners of project management.

Studies in human resource management practice on project have concentrated on the content of human resource practices; there are those who focus on single or permanent organization or a combination of human resource management practices and examine their effects on various performance measures Bernadine, (2007); Hitt, Bierman and Kochar (2001) also studies the effects of the bundles or systems of human resource management practices on project performance but does not attempt to relate these practices to a particular service industry. Furthermore, such studies on human resource on project performance have been addressing the relationships between aspects of human resource management practices; for instance, on the relationship between human resource management practices, job satisfaction, organizational commitment. Packendorff (2002) address the situation for individuals in a projective society and argues that HRM procedures need to be readdressed since most of these procedures have been designed for permanent organizations, not for project based organization.

The objective of this study is to add to the existing body of project based organization HRM research by investigating how HRM practices influence project based organization effectiveness and success in Awash Bank IFRS project?

1.3. The Objective of the Study

This study was designed to investigating the effects of HRM practices on project-based organizational effectiveness and success.

The specific objectives will to:

1. Determine the influence of leadership and human resource management on project effectiveness and success of organization within Awash Bank, IFRS project.
2. Assess impacts of staff welfare issues on project effectiveness and success of organization within Awash Bank, IFRS project.
3. To determine the relationship between technical expertise and project effectiveness and success of organization within awash bank, IFRS project.

4. To examine the effects of HR planning on the project effectiveness and success of organization within Awash Bank IFRS project.

1.4. Research Questions

1. What is the influence of leadership and management on project effectiveness and success of organization within Awash Bank, IFRS project?
2. What are the effects of staff welfare issues on project effectiveness and success of organization within Awash Bank, IFRS project?
3. Is there a relationship between technical expertise and project effectiveness and success of organization Awash Bank, IFRS project?
4. What are the effects of HR planning on project effectiveness and success of organization within Awash Bank, IFRS project?

1.5. Scope of the Study

The study on effects of HRM practices on project-based organization on effectiveness and success was conduct in Awash Bank, IFRS project, it was surveyed on line manager, HR manager and project team line staffs were interviewed and questioned. This is primarily due to the fact that Awash Bank, have their own headquarter in Addis Ababa has a good representation of all the participants.

The study was delimited to only one service firm, Awash bank IFRS project in Addis Ababa due to time constrain and financial limitation, some of city branch and branches out of the city were exclude from it for project success. Data collection was delimited to only one project, IFRS project. The period within which the research must be completed for submission was about less than one academic year and COVID-19 also another problem.

1.6. Limitation of the study

In trying to investigate the causal relationship between HRM and organizational project effectiveness and success the study indirectly claimed that HRM practices data refer either to the same project effectiveness and success period (contemporaneous design) or the period just before

the project effectiveness and success performance period (predictive design). Furthermore, and due to the difficulty of collecting data from employees at lower managerial levels in awash Bank, this study did not interview the employees who actually experience the HRM practices and are so intimately involved in translating practices into project effectiveness and success. Thus, future research should not only interview managers but it should also consider the voices of employees.

The research was limited by the following points:

- The absence of adequate studies and organized data especially empirical literatures, both qualitative and quantitative data regarding the study variables (especially in the banking services project success), which would be useful to lay a more relevant factual base for the study.
- The respondents' unwillingness to fill the questionnaires due to lack of time, and lack of understanding the usefulness of the study.
- The results, therefore, were treated carefully and future research might be conducted with the general population. Secondly, respondents' difference in experience, economic level and geographical distribution might have results in responses of all the questions. Finally, since there is a limited research and literature in Ethiopian on project effectiveness and success on banking industries context the researcher was forced to build up on the theoretical literature reviews from different sources and on previous works in other countries.
- The sampling source came only from the respondents of one project of AB in Addis Ababa. The samples might not be generalized and not have fully display the project effectiveness and success.
- It was a researcher belief that the result set a realistic background for future researches on by providing insights into the study of the effect of HR practice on project effectiveness and success in banking services, in the study area.

1.7. Significance of the study

The study to providing insights on how use of projects affects the HRM- Organizational relationships. Its findings are important to the following groups: firstly, stakeholders in the Awash Bank, the results of the study form a vital tool in decision making with regard to the

practice of HRM, chief executive officers, and the boards of directors; Secondly, managers in other organization intending to use projects in most of their work, (PBOs); thirdly, the government agencies concerned with policy and decision-making affecting the way organizations source, utilize and dispose HRM. And lastly, the findings of this research do contribute to the existing body of knowledge of project.

1.8 Operational definition of concepts

Human Resource Management Practices: This refers to the total habitual or customary Actions or ways of performing roles/duties that are unique to the organization and directly or indirectly affect organizational success.

Organizational culture:

The collective behavior of humans who are part of an organization and the meanings that they attach to their actions and basically includes the organizational values, visions, norms, working language, systems, symbols, beliefs and habits.

Organizational effectiveness and success:

Refers to how an organization has achieved full self- awareness due in part to: leaders setting well- define goals for employees and outlining ways to efficiency execute those goals. Management implementing clear decision-making process and communication pipe lines. In order to achieve increased and sustainable results, organizational need to execute strategies and engage employees. Success is measured by analyzing where the organization is in regard to its goals and its mission

It comprises the actual output or results of an organization as measured against its intended outputs i.e. goals and objectives and it encompasses three specific areas of firm outcomes: financial performance (e.g. profits, return on assets and return on investment); product markets effectiveness and success (e.g. sales, market share) and shareholder return (e.g. total shareholder return, and economic value added).

Organizational structure:

The formal system of task and reporting relationships that Coordinates and motivates organizational members so that they work together to achieve organizational goals.

Project Based Organizations:

Refers to those organizations where people apply Projects and programs for the effectiveness and Success of complex processes (it's similar to Project Centered Organizations).

1.9 Organization of the Paper

The research document is organized into five parts. The first chapter is an introduction part in which the overview and background of the study, statement of the problem, objective of the study, research questions that the research is intended to answer, as well as significance and the scope of the study are discussed, it also provides definitions for key operational concepts. The second chapter deals with literature review on the areas of human resource and project effectiveness and success .The third chapter dealt with the research design and methodology. The fourth chapter is focused on the results presentation and discussions based on information obtained from primary data through questionnaire and secondary data from literature analysis. Lastly, the paper will be concluded in chapter five, which summarizes the main findings, draws conclusions and suggests recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter concerns on reviewing and identified studies and theoretical bases on HRM with a particular focus on Project based Organizations (PBO). It discussed specific features of PBO and how they affect HRM on project effectiveness and success thus creating certain challenges that are unique to these organizations. Finally, a conceptual framework has been developed to show the relationship between the dependent and the independent variables.

2.2 The Concept of HRM in PBOs

Human resource is one of the important resources for project effectiveness and successful development of every organization. Several researchers, have proven convincingly, that HRM is one of the most sensitive and important fields of action for the future success of project based organizations. Literature on project-based learning has also pointed to the important role of projects for learning and acquiring knowledge in the organization (DeFillippi, 2001). However, only modest attempts have been made to understand the competence issue and knowledge gap of HRM in PBOs (Soderlund, Bredin, 2006). However, competence issues within human resource management have been stressed in the literature (Lengnick-Hall, 2003). Heumann. (2007) suggests that specific characteristics of the project based organizations create specific challenges for HRM in that context, which are not widely recognized in the general management, HRM or project management (PM) literatures.

Researchers have started defining and analyzing the value of project management in organizations (Thomas and Mullaly, 2008). Although, organizations and management scholars have indicated that the adoption of "Managing by Projects" as organizational strategy in a company does have fundamental effects on supporting functions such as the Human Resource Management (HRM). Project based companies are still struggling to align HRM to the needs of project based companies. However, changing HRM approaches when developing into a Project based company seems to be often neglected in practice (Heumann, 2010) "Management by

Projects" is considered as the organizational strategy of the project-based company to meet their objectives as well as gaining a competitive advantage over their peers (Gareis, 2005).

The company applies temporary organizations such as projects and programs to perform business processes, when appropriate (Gareis & Stummer, 2008). Temporary structure such as projects and programs lead to organizational differentiation within companies, which therefore also require specific integration structures, such as, project portfolios, expert pool or a Project Management Office (Heumann, 2010). Therefore, specific competences, knowledge and skills are needed by the project personnel to successfully work together in projects. These may be formally supported by the organization or informally demanded by the nature of the project business (Heumann, 2007). Capacities such as competence tracking and competence development are considered core issues in HR organization. Knowledge, competencies, and skills developed by the project team members therefore need to be applied directly during the course of execution, thus facilitating its preservation within die organization following completion of the project, and thereafter, become available for use in subsequent projects. Owing to the limited scheduled time allocated for project execution, the speed of decision making is a crucial factor as it influences the effective actions and responses of distinct phenomena and problem solving. Therefore, knowledge gained and retained previously provides a means that allows project managers to employ a knowledge model and elucidate appropriate relations between the accessible knowledge and the current situation.

2.3 The Organizational HRM

Building on Brewster & Larsen (2000) arguments on HRM, that refers to the structures, processes and activities directed towards the management of the relation between individuals and their organizational context. The relationship in this context is professional work relation where the individual provides the organization with labor force, competence, knowledge and experiences.

This definition of HRM provides a number of interesting openings which makes it highly relevant for the purposes of this study. Firstly, HRM is not limited to the activities carried out by managers or an HR department the individual can also be an important player. However, "human resources defined as "the training, experience, judgment, intelligence, relationships, and

insight of individual managers and workers in a firm" (Barney, 2002) implies that it refers to the non-material capital provided by individuals to an organization, not to the individuals themselves. Managing these human resources then becomes basically about managing the interplay between the individuals providing the human resources and the organization receiving the human resources. This view clarifies the danger with considering HRM as the activities carried out by a personnel department or by managers.

Secondly, the organizational context is critical for the relation and thereby also for the management of the relation. This definition of HRM rests on the assumption of an active relation between individuals and their organizational context and logically, both parties in the relation influence the nature of the relation. Ekstedt (2002) argues that temporary organizational solutions are becoming more common and that an increased use of projects will also influence the contractual relations between organizations and the individuals Ekstedt (2002) points for example to an increased use of short assignments and temporary employment in organizations that rely heavily on project-based structures. Hence, this definition of HRM is highly adequate for the purposes of this study, since it highlights the importance and of course impacts of the organizational context on HRM.

Thirdly, the relation is between the organization and the individuals who contribute to the organization, not only between the organization and their permanent employees. In organizations that struggle for flexibility, the use of temporary labor increases (Estevao and Lach, 2000).

To summarize, the approach to HRM that is surmised in this study implies that the individuals as well as the organizational context actively influence one another, and have a responsibility for managing, their mutual relation. Moreover, this relation refers to the relation between the organization and all individuals contributing with their human resources, not only the permanent employees. Therefore, the changing nature of PBO makes them to have characteristic challenges that are not likely to be similar to those of the classical organization.

2.4 Definition of Project Based Organizations

This research centers on the project based organization as an organizational context for HRM. There are a number of different definitions and approaches in the literature of PBOs. These studies introduce some of these and then explain and argue for the approach taken in this study.

Some of the earlier works by Hobday (2000), position different ideal types of organizational forms along a scale with the pure functional organization at one extreme, the pure project-or organization at the other, and matrix organizations with various degrees of project based in between. The main factor for deciding on the project orientation in these typologies is the level of authority over personnel, finance, and other resources (Hobday, 2000). In the typology of Hobday, the PBO is accordingly defined as "one in which the project is the primary a unit for production, service, innovation, and competition", and where "there is no formal functional coordination across project lines".

Lindkvist (2004) suggests a broader definition and argues that "Firms that privilege strongly the project dimension and carry out most of their activities in projects may generally be referred to as project based firms. Similarly, Whitley (2006) describes the project based firm as a firm that "organizes work around relatively discrete projects that bring particular groups of skilled staff together to work on complex, innovative tasks for a variety of clients and purposes". However, these definitions are rather vague, particularly concerning the nature of the activities that are being carried out in project.

The definitions and approaches discussed above suggest that the structures used for carrying out core activities, the repetitiveness of project work, the permanency of the organizational framework, and the nature of employment are matters that stand out as being particularly important for what defines a project-based organization.

Hence, in this study, the following four features, in combination, are considered to define the project- based organization: The PBO is an organization that privileges strongly the project dimension concerning its core activities and carry out most of these activities in projects; In a PBO, project work is routine rather than the exception; The PBO is a permanent organizational framework in which temporary projects are embedded; In a PBO, people are employed or hired by the organization, not by individual projects.

Lastly, but also a very important point also to note, is the fact that the general project trend in the modern economy can also be described as consisting of two principal patterns of change in relation to the structuring of organizations;

(1) The new firms increasingly start off as project based organizations and

(2) The traditionally functional organizations change into relying more on project based structures. These two change patterns give rise to two different types of project based organizations, depending on their origins. The first type is original PBOs, which are organizations created as project based from the start and that hence have no history of organizing their core activities in functional structures which includes NGOs, consultancy firms and advertising agencies. The second type of PBOs is projective organizations, which implies that the organizations have gone through (or are still going through) a development from more functionally based to project based structures. Many engineering and high- service technology, product developing firms could be examples of such organizations.

2.5 HRM Challenges Facing Project Based Organizations

Project based human resource managers are accustomed to organized, predictable, logical, well structured, detailed, and standardized environment governed by objective rules and controllable variables (Srica, 2008). In contrast, projects tend to be characterized by crisis, uncertainty, and suspense, which combine to test the ability and effectiveness and success of the project managers in coordinating and controlling a diverse selection of functional specialists, over which they may have little direct authority (El-Sabaa, 2001). These contrasting positions could make effective leadership one of the most challenging areas to apply in project management (Irani, Sharif, & Love, 2005).

The project management literature has often ignored the importance of HRM, while ascribing importance to project management software tools, management processes and assorted "best practices" (Shenhar, 2001, Sumner, 2006). In addition, project managers have traditionally emphasized technical knowledge and skills as the key ingredients in managing projects (Berg & Karlsen, 2007). The growing importance of the organizational and human factors of project management, however, makes the requirement of leadership skills essential for the effective and success of management of projects (Sumner, 2006). Staffing and assigning appropriately skilled project resources present some of the most challenging areas within which to employ effective project management techniques (El- Sabaa 200). Financial institutions project managers, for example, have to combine technical knowledge and expertise with behaviors that call for effective multi-organizational teamwork and communication if successful outcomes are to be achieved (Turner & Muller, 2003).

Engle (2007) supports this position by pointing out that projects require process leaders, as projects are primarily an exercise in dealing with other people using the key skills that are best portrayed through leadership, organization, and communications. This means that the HR department must employ the best practices, for example recruitment, training and retaining to develop good leaders for project teams

The Project Management Institute (2008) identified development and management of the project team as core aspects of the human resource management competency in project management. Project teams consist of individuals from previously loosely coupled areas in an organization brought together to perform complex or specialized tasks of a multidisciplinary nature (Turner and Muller 2003). The short-term interaction of projects presents one of the greatest challenges to individuals managing performance within it (Turner & Muller, 2003). Projects involve undertaking a range of work activities for a finite period with one or more defined objectives (Turner and Muller 2003). Added to this is a project setting characterized by groups of individuals working together for short periods of time before being disbanded and redeployed elsewhere within the organization (Atkins and Gilbert 2003).

2.6 HRM Practices and Accumulation of Knowledge

This subsection will cover theoretical literature on HRM practices and how they impact on organizational effectiveness and success:

2.6.1 HRM Practices

In this study, human resource practices refer to a combination of individual skills and organizational routines (Huang, 200), which are routinely used as a part of the organization. These consists of three components: One, Culture which refers to the beliefs, values, norms and management style of the organization; Two, Organizational structure- job roles and reporting lines of the organization; Three, People- the skill levels, staff potential and management capability and; Four- human resources systems- the people focused mechanisms which deliver the strategy e. g. employee selection, communications, training, rewards and career development According to Huang (2000), HRM practices are one area that influence employee intention to leave, levels of job satisfaction, and organizational commitment. Bratton and Gold (2007), illustrates the function of human resource management as “the process of linking the human resource function with the strategic objectives of the organization in order to improve

effectiveness and success". They added that HRM is a managerial process requiring human resource policies and practices to be linked with the objectives of the organization in order to improve effectiveness and success". They added that HRM is a managerial process requiring human resource policies and practices to be linked with the objectives of the organization. Many other researchers have suggested that Company's HRM practices contribute to increased effectiveness and success and thus help it to grow and gain sustainable competitive advantage. These studies attempted to answer the question of whether or not human resource management practices have a crucial role in the creating a high financial performance, effectiveness and success and sustaining a competitive advantage in a fast changing environment.

Bratton and Gold (2007) define HR planning as the process of systematically forecasting the future demand and supply for employees and deployment of their skills within the objectives of the organization. Werner and Desimone (2006), human resource planning helps companies predict how changes in their strategy will affect their HR needs. Planning the workforce needs of any company is very critical and important especially in the rapid changes in external market demands. Koch and McGrath (1996) found a positive relationship between HR planning and labor productivity.

Staff welfare encompasses several factors; Participation and Involvement, Compensation and Benefits, Recruitment and Selection, Training and Development, and Participation and Involvement among others. Putting in place employee involvement program afford employees with opportunities to reflect their own attitudes and work experiences, as well as their own hopes for the future (Bratton and Gold, 2007). Batt (2002) states that high- involvement practices may influence organizational performance with the project effectiveness and success and that employees" involvement in problem-solving and self-directed project teams may increase autonomy and satisfaction from the reviewed literature, it is evident that an extensive body of literature about the impact of HR practices on firm effectiveness and success has emerged as a dominant research issue in the HRM field (Fey, 2000). The data from the reviewed literature indicate the dependency of firm success on the caliber of its employees and how effectively they are managed.

2.6.2 The Link between HRM in PBOs and Knowledge Management

The state of knowledge on knowledge management has evolved considerably over the past 20 years (Raub & Ruling, 2001). In the course of this evolution, processes of knowledge sharing have been brought to the fore as a key lever for the effective management of organizational knowledge. The notion of practice plays an important role in this context, as witnessed by the substantial literature on the transfer of best practices and strategic organizational practice (Probst. 2000).

Today's business environment is essentially knowledge based. While this may seem commonplace, it will be argued in this paper that human resource professionals may be surprised about the degree to which knowledge management affects their daily business and, vice versa, the degree to which HRM can play a substantial role in implementing and supporting knowledge management initiatives. The link between HRM and knowledge management becomes particularly obvious in the context of communities of practice – one of the most recently discovered and potentially most promising territories of knowledge management.

A comprehensive understanding of knowledge management, however, goes far beyond the information-based effects of technocratic approaches (North, 2000). An excessive focus on information technology has been exposed as running counter to the true intentions of knowledge management (Garvin, 2000). Viewed from a more holistic perspective, knowledge management involves all processes that contribute to improving the knowledge base of an organization. These include the definition of knowledge goals, the upgrading of the knowledge base through the acquisition or development of new knowledge, the sharing and use of existing knowledge and the evaluation of knowledge (Probst, 2000). In any case it implies continuous change and learning for the organization (Garvin, 2000) as well as lifelong learning for the individual (Read, 2001).

2.6.3 Benefits of Communities of Practice to HRM in PBOs

Communities of practice have been hailed as a way of "reinventing" companies and their alleged benefits span anything from strategy development, corporate growth through innovation and creativity, to better knowledge management (Wenger & Snyder, 2000). While some of these benefits are likely to remain elusive, communities of practice can indeed provide very real contributions at the level of human resource management. Moreover, a link between HRM and

communities of practice is likely to be mutually beneficial. The task of human resource managers may be facilitated by the activities of communities of practice; while at the same time human resource professionals may be able to play an important role for the development of new communities. The links between HRM and communities of practice are manifold. Potential benefits of communities of practice can be identified in most major HRM functions - internal and external staffing, evaluation and compensation and, finally, training and development

Communities of practice support staffing in two directions. Human resource managers can search communities of practice for appropriate candidates when a job opening occurs. Community media may also be used for precisely targeted job posting. Moreover, community membership is very much sourcing an indirect" job bidding process. Being a member of a community has a dual effect - it signals interest and expertise in a particular topic. Thus, community membership may be used as a tool for building the brand which can be called you, the characteristic organization. The combined effect of both processes is that internal transparency is increased and the supply and demand for internal staffing are more likely to meet beyond the internal staffing aspect, communities of practice can contribute to recruiting from external sources. Some communities of practice reach beyond the boundaries of a single organization. To include for instance, experts from research institutions or professional associations. Tapping these sources may not only generate substantial contributions to the communities but can also be exploited for detailed leads to potential recruits (Probst, 2000).

A second major contribution of communities of practice lies in the area of performance evaluation and compensation. Community members share an interest in a given topic and often display similar types of expertise. Thus, they are in an exceptionally good position to judge the quality of professional contributions made by their peers. Their judgment should certainly not replace traditional forms of performance evaluation. Once more, community based training should be seen as a complement to, not a replacement for, traditional training activities. Its benefits, however, are obvious. The attitude and intrinsic motivation of community members is likely to produce an extremely conducive atmosphere for learning. Learning from other experts in the domain involves contents and problems at the cutting edge of current developments while at the same time being extremely business-focused. The flexibility of communities of practice means that almost every training need can be catered to and even organization members with

peripheral areas of interest can find a forum for discussion and personal development. Finally, learning in communities liberates training resources that can be brought to bear on other target groups and on more fundamental issues (Economist, 2000; Fortune, 2000).

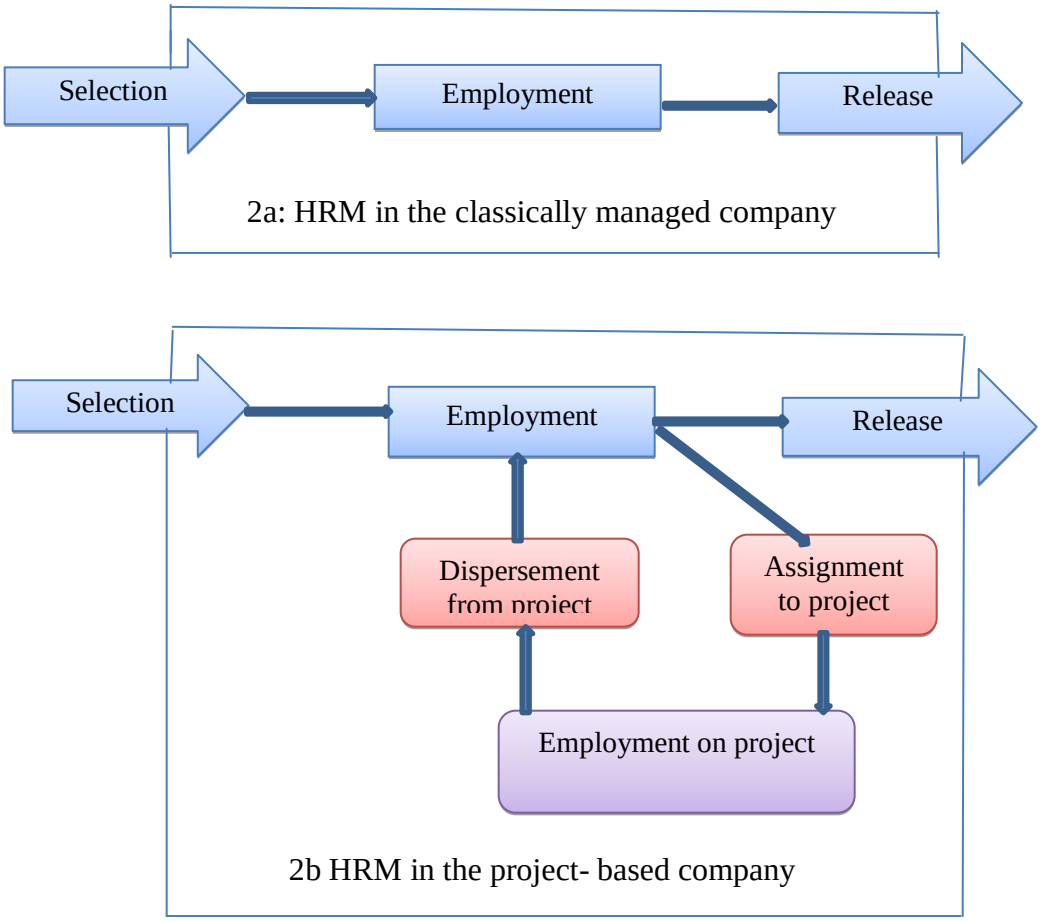
In a larger context, communities of practice create more interesting work environments. While this has a direct impact on the motivation and satisfaction of employees, it is also becoming an increasingly important argument for the recruitment of new employees and the retention of existing ones. Communities of practice may even turn out to be the ultimate weapon in the ever-fiercer competition for talented employees (Economist, 2000; Fortune, 2000) (Table 2 summarizes the benefits of communities of practice for HRM).

2.7 HRM in Project Based Organization and Generally Managed Organizations

HRM should be a core process in all organizations affecting the way they acquire and use human resources, and how employees experience the employment relationship, (Winstanley and Woodall, 2000). HRM is of strategic importance to all organizations, contributing to the success of the organization and helping to create competitive advantage, (Francis and Keegan, 2006). Thus HRM should be linked both vertically and horizontally with the strategy of the organization, vertically, so that HRM practices support the organization's strategy choices; horizontally, so that HRM practices support other operational practices under the umbrella of the strategy of the organization. Project based organizations adopt project based ways of working as a strategic choice, (Gareis, 2005), in response to their customers‟ demands for a particular products or services, (Turner and Keegan, 2001), and so the HRM practices and processes adopted by the organization should support that choice, and the HRM and project management practices and processes adopted should support each other.The conditions under which HRM emerges in the project based organization (Figure 2.1) may differ from those associated with mainstream HRM, which is shaped by the typically large, classically managed organizations, based on the Taylorian model of management, (Schuler and Jackson, 1996; Flood, 1996). The project based organization adopts temporary organizations in the form of projects and programs, and associated temporary work processes to deliver its products and services to its customers. This creates a dynamic work environment. Every time a new project or program starts or an old one finishes the HRM configuration of the organization needs to change. If the project based organization is to adopt HRM practices and process that support both vertically and horizontally

its strategic choice of project based working, they should be designed for that purpose. Project based organizations will require both additional and different HRM practices and processes than those suggested by the traditional approaches. They will require additional processes specific to the project and programs they adopt to undertake their work projects and programs are temporary organizations, and so HRM practices and processes required are specific to those organizations. They will also require different practices to deal with the dynamic nature of the working environment in the project based organization.

Figure 2.1: HRM in the project based company and HRM in the classically managed compan*M.huemann International journal of project management 25(2007)315-325*



Further, that dynamic working environment can create additional stresses on employees. For instance, work-loads can be difficult to predict, and they can lead to peaks for employees as the demands of projects for different clients‟ peak simultaneously. There can also be uncertainties about an employee's forthcoming working environment and the colleagues he or she will be engaging with, which can create additional stresses. Employee well-being and stability can be a significant issue in this context.

2.7.1 Challenges Faced by HRM in PBO from the Project Side

Although there is a lack of studies focusing on HRM, there are many arguments in recent project research that stress the need to study the effectiveness and success and challenges Project Based organizations face. The arguments can be classified according to their point of departure; a top-down perspective, i.e. the need for the company to manage the strategic resources effectively in order to stay competitive, or a bottom-up perspective, i.e. the concern for the individual project worker in a projective environment Mike Hobdays (2000) study of the effectiveness and success of project based organizations in managing complex products and systems gives example of arguments from a top-down- perspective Hobday reports that the project based organization he studied had created a "high pressured work environment that had left little space for formal training or staff development", and a "lack of incentives for human resource development". He also argues that project-based organizations can breed insecurity over career development because of the dispersion of technical leadership across projects.

Hobday is not alone in this concern; also the famous study of the Danish project Based Company Oticon (Larsen, 2002) point to changes in career structures in project Based organizations. Other researchers identify problems with staffing and resource allocation (Engwall & Jerbrant, 2003). One of Larsen (2002) main concerns in his case study of the project identification process is the difficulty to maintain the long-term technical learning process when the organizational structure promotes short-term objectives. Midler also points to the need for changes in people assessment and career management.

Researchers with arguments from a bottom-up perspective typically put the individual at the centre (Huemann, 2004; Packendorff, 2002). Packendorff (2002) argues that projects influence individuals in the modern society, not only at work, but also in their every-day life. According to

Packendorff, work in projects exposes individuals to time limits and requirements of "self-marketing". The work situation depends on the individuals‟ own priorities, which usually ends up affecting their personal life outside work. As pointed out, a common feature of modern organizations is the importance of the individual employees, their knowledge and their creativity. At the same time, precertification tends to increase the requirements on the individuals. Some researchers argue that the increasing ill-health in work life can be explained by the increased demands and responsibilities placed on employees and the lack of management and Researchers with arguments from a bottom-up perspective typically put the individual at the center (Huemann 2004; Packendorff, 2002).As it seems, many of the problems identified by project researchers are closely related to the management of the relation between the individuals and the organizations, the management of human resources. Some of them take the organizations‟ point of view, while others focus on the individuals‟ situation. Nevertheless, the researchers from the project based research do not link their studies to the HRM field of research in order to analyze the problems. The understanding of project based organizations‟ challenges would benefit significantly from studies focusing on the management of the relationship between the individuals and their organizational context. Of course, when focusing on the management of the relation between individuals and their organizational context, both the bottom-up perspective and the top-down perspective are central in order to grasp the challenges of PBOs. However, as a first step, I will delimit the analysis to a top-down perspective. In other words, the analysis takes its starting point in the need for companies to manage their strategic resources effectively in order to stay competitive.

2.7.2 Challenges Faced by HRM in PBO from the HRM Side

It is thought that HRM developed from traditional personnel management, or personnel administration, which was typically used to describe the work of the traditional personnel department (Redman & Wilkinson, 2001). This development implied an increased importance of strategic management of human resources as a way to success. The approach to HRM that this study relies on is that it essentially concerns the management of the relation between individuals and their organizational context. As Brewster & Larson (2000) put it, HRM has become "an institutionalized way of handling the central issues of selecting, appraising, rewarding and developing people" and it focuses "the interplay between people, tasks and organization". In this study, HRM is accordingly defined as the structures, processes and activities related to the

management of the relation between individuals and their organizational context.

HR departments and HR specialists have been subject to vast changes during the last ten years as indicated by scientific researches: many articles refer to “a dramatic upheaval of the personnel work”, changes in HR departments, the changing roles of HR specialists, outsourcing HR services, etc (Alsrup Badner, 2004; Hedlund & Åberg Aas, 2004). Moreover, numerous studies have reported on and analyzed these changes. One of the most referred researchers in this context is the American management researcher Dave Ulrich. He argues that HR specialists need to become strategic players and his typology of the HR department as strategic partner, administrative expert, employee champion and change agent has had considerable impact, both within the academic and the practical community of HRM (Ulrich & Beatty, 2001). This typology is useful in many ways, but it does not consider the organizational structure as an important context that affects and influences HRM. This seems to be an inherent weakness in the HRM field of research, where most of the research done overlook the influence of project based organization on HRM and not the other way round.

Other studies present case studies of project based organizations, but their focus is to examine relatively delimited parts of HRM-related areas, such as the development of core competencies and career development (Larsen, 2002). Although many of the problems and challenges identified as central for HRM in modern organizations seem to have been strongly related to the organizational structure, the impact of the continuously increasing use of project based structures is not the Centre of attention.

To summarize, these is an area that is identified by both the project based field of research and from the HRM field of research that needs further attention. Literature on projective and project based structures analyses project based context challenges in a field that is becoming increasingly common and adds to the general knowledge on human resource management in such organizations. However, this field of research typically misses out on the dimension of management that focuses on the relation between the individuals and the organization, even if some researchers point to important challenges for this dimension. The HRM literature, on the other hand, reflects the changing role of HRM and of HR specialists. Several studies also identify flexible organizational forms as a driving force for change and as a complicating circumstance for specific HRM-related issues. Nevertheless, these fields of research in general

do not explore projective and project based organizations as a basic context for these changes.

2.8 Firm Effectiveness and Success

The measurement of organizational effectiveness and success is not easy for business organizations with multiple objectives of profitability, employee satisfaction, service quality, productivity, growth, social responsibility and responsibility to adapt to the ever changing environment among other objectives. Although effectiveness and success has been traditionally conceptualized in terms of financial measures, some scholars have proposed a broader effectiveness and success construct that incorporates nonfinancial measures including among others market share, product quality, and company image.

Extant research findings have shown that perceived measures of effectiveness and success can be a reasonable substitute of objective measures of effectiveness and success (Wan-Jing & Tung, 2005) and have a significant correlation with objective measures of financial effectiveness and success. Additionally, cross-industry organizational effectiveness and success is influenced by external economic factors (Bamberger & Meshoulam, 2000), hence subjective evaluations may be even more appropriate than objective measures in this study. Studies by Wan-Jing & Tung, (2005) recognize the difficulty in obtaining objective measures of effectiveness and success and suggest asking managers to assess their own firms effectiveness and success relative to others in the same industry or sector. To minimize the effects of random errors, researchers have suggested the use of multiple items to assess effectiveness and success. Given this scenario, the researcher in this study has opted to use multiple items in order to assess the effectiveness and success of the PBO to be studied. These items relate to service quality, profitability and sales growth and suggest asking respondents to assess their own firms effectiveness and success relative to others in the same industry or sector. To minimize the effects of random errors, researchers have suggested the use of multiple items to assess effectiveness and success. Given this scenario, the researcher in this study has opted to use multiple items in order to assess the effectiveness and success of the PBO to be studied.

2.9 Empirical Review

Human Resource Management (HRM) is the most important function in all project based organizations. It contributes to the success of the organizations and creates competitive

advantage for the organization. The way HRM practices and policies take shape also affects the employees experiences of work and the employment relationship more so in the project based organizations, where management is by structures that are temporary and focuses on projects thus putting more pressure on the system with resultant challenges to which the HRM needs to respond.

Results from several surveys have confirmed that even the best-formulated projects may fail to produce superior effectiveness and success for the firm if the HRM lacks the necessary skills for successful implementation. A broad range of experiences are required for future project managers.

This study revealed some interesting trails concerning HRM in PBOs, such as which role and structure the HR department has in the organization, redistribution of HR responsibilities, and problems with increasing gaps between line managers and their employees operating in projects for project success and effectiveness.

In a case study of Volvo and AstraZeneca by Hedlund & Åberg Aas (2004), the analysis indicated some interesting patterns concerning structural effects on the HR organization and content effects on the HRM practice. As to structural effects, the HR departments seemed to have problems finding their role in relation to other players in the HR organization in the project-based context. The HR departments in both cases had been restructured, however, not following the same logic. Furthermore, the responsibilities within the HR organization were going through a transition where line managers were assuming increased HR responsibilities, thus in a way creating duplicate role play between the two offices.

Over the past three decades, a small but growing literature has emerged which empirically examines the association between human resource management (HRM) practices and organizational effectiveness and success. In fact, organizational effectiveness and success includes innovation, venturing and strategic renewal activities (e.g., Hedlund & Aberg Aas, 2004). Furthermore, organizational effectiveness and success may be internally or externally oriented (e.g., Soderlund & Bredin, 2006) and has both formal and informal aspects (e.g. Truss, 2001 2006). As a result, research that examines the contribution of HRM practice to organizational effectiveness and success varies widely in focus and specificity with respect to the

dependent variable. Therefore, this paper has attempted to summarize and organize the literature with the aim of identifying what is known and areas where future research can enhance our understanding. This summary will also make a contribution from the perspective of practice. As project based organizations increasingly employ practices relying upon human resources management and innovation (e.g., Meyer & Heppard, 2000) they need to identify the key HR drivers of these practices (e.g., Becker, Huselid, & Ulrich, 2001).

HRM research that addresses firm level outcomes tends to take one of two perspectives. Some researchers have focused upon individual HRM practices, such as compensation (e.g., Klein & Koslowski, 2000), while others have examined the influence of entire HRM systems (e.g., Laursen, 2002). The growing popularity of the systems perspective reflects interest in the impact that the HRM function, as a whole, can have upon organizational effectiveness and success.

Organizational effectiveness and success is an important aspect of firm performance that HRM practices are expected to influence. Organizational effectiveness and success is an important aspect of firm performance that HRM systems are expected to influence.

2.10 Research Gaps

HRM literature still gives greater attention to the management in routine organizations, although modern flexible organization forms have been discussed there (Volberda, 1998). In the project based management literature a very limited amount of research has considered HR issues (Wearne, 2000; Kloppenborg and Opfer, 2002). Conceptualizing HR in project context is still rudimental (Belout and Gauvrea, 2004).

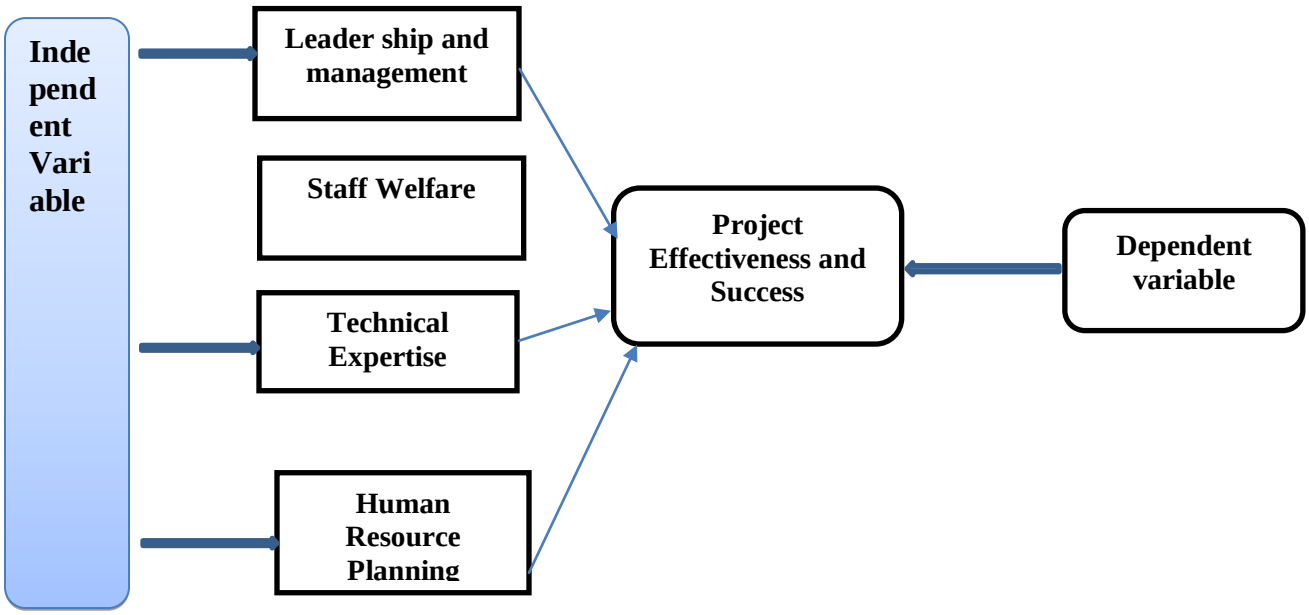
Where HR has been considered then it is mainly at the multi-project resource allocation perspective (Keegan and Turner, 2003). Based on prior research (Huemann, 2004; Gareis and Huemann, 2003) this study is undertaking a research project, which aims to identify effects of HRM factors on project effectiveness and success and needs for HRM in the project based organizations to adopt and adapt to ways that will realize better project effectiveness and success.

2.11 Conceptual Framework

A conceptual framework is a tool intended to assist a researcher to develop awareness and

understanding of the situation under scrutiny. It helps the research to explain the relationship among interlinked concepts such as the dependent and independent variables (Kombo, 2006). In this study, the researcher wishes to establish the effect and impacts of HRM practices on the effectiveness and success of PBO. The study is anchored on the contingency theory that argues that there is no one best way of doing things advocated by Lawrence and Lorsch (1967). The study is also based on the assumption that there are specific practices applied by HR managers in various PBO. Figure 2.2 below shows a diagrammatic representation of the relationship between the dependent and independent variables.

Fig. 2.2 Conceptual Frame Work



(Source: researcher, 2020)

This study supposes that HR systems in PBOs are often defined in terms of policies (e.g., staffing, job design, Leadership, management, planning, staff participation and involvement and so forth) and "system" refers to the particular array or combination of HR practices in an organization. These HR systems in turn directly influence what might be termed intermediate employment effectiveness outcomes such as ability, motivation, attitudes, and staff performance. These intermediate employment outcomes, in turn, are expected to influence business performance outcomes in the PBOs. However, how HR systems impacts on intermediate employment effective outcome is affected by factors termed as intervening variable such political climate.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discoursed sample size and sampling procedure, research instruments, method of data collection and analysis, the research design, target population, and location of study.

3.2 Research Design

The research design used in this study was descriptive survey, descriptive research as a characteristic process which focuses on answering questions such as who, what, when, where and how of the subject under investigation, and usually describes the present situation or providers of a process. Kombrabail (2005)

3.3 Location of the Study

The study was conduct in awash bank IFRS project in Addis Ababa Ras Aregay street near Bedelu building, Awash Tour kirkos sub city, and the central business district in the near future, and the banking industry call it finance road, a main route from the city center to Addis Ababa. It lies between the Coordinates of GPS 9.015, 38.7514 E.

3.4 The Target Population

The target population for the survey study comprised all the individuals and objects that the researcher used to reasonably generalize his findings (Mugenda, 2008). The target population was Awash bank IFRS project. Awash bank has its headquarters in Addis Ababa where line managers and HRM are found. Awash bank IFRS project has 4 sections of those operating in Awash bank IFRS project, each having 10 staffs a total of 40 populations. One HR manager for all and one-line manager from each section and also five-line staff from each section randomly selected for this study, thus giving a total of 25 respondents.

3.5 Sampling Method

To make the sample representative, I was dividing into three categories: HRM, Line Manager and Project line staff. A representative sample was randomly picked from each section according to the category's representation ratio to make a total of enough respondents. In each category, the head of HR will interview and line managers and project line staff was selected. One HR manager and one-line manager from each section and also five team leader from each section formed the respondents for this study, thus giving a total of 25 respondents, at least one HRM, and 6 from each section.

3.6 Data Collection Instruments

This study uses both primary and secondary data collection tools. The primary data were obtained from the field in the respective of awash Bank IFRS project using questionnaires. These were developed in a manner that captured all the key components of the research and clearly aligned with the objectives of the study. The secondary data comprised of comprehensive literature review from the various sources including books, referred print and electronic journals, Awash Bank annual and strategic reports, and reviews from relevant industry-related newspapers and magazines.

3.7 Data Collection Procedure

A letter of introduction was obtained from the Awash Bank Finance Department and training coordination to apply for research permit. Then, the participating Awash Bank Finance Department and training coordination were notified in writing for permission to conduct the research in their IFRS Project. Appointments were booked with the heads of HR and line managers and team leaders to explain the purpose of the study and request the respondents to fill in the questionnaires.

The researcher delivered the questionnaires in person to the respondents in order to increase the response rate. The respondents were allowed one 2weeks to fill the questionnaires and thereafter the researcher collected them for entry and analysis.

3.8 Validity

Validity is referring to how accurately a method measures what it is intended to measure and the extent to which the instrument used in research measures. The researcher ensured accuracy and consistency of the instruments through study. Piloting of the questionnaires was done in 25 randomly selected Awash bank IFRS project with three from each of the category. The results from the study are indicated in Table 3.1. Construct validity was examined by evaluating the percent of the total variance explained per dimension obtained by applying confirmatory factor analysis (CFA) (Joreskog and Sorbom, 2004). The percent of total variance explained values reported in Table 3.1, are much higher than 50.0% indicating acceptable survey instrument construct validity (Hair, 1995).

Table3. 1: Construct Internal Consistency and Validity

Variables/Constructs	***Cronbach alpha***	***% Variance Explained***
Staff Welfare	0.913	90.47
HR Planning	0.853	68.15
Leadership And Organizational Culture	0.91	89.37
Technical Expertise	0.849	67.74
Company Performance	0.896	69.27
Intervening Variables	0.715	61.26
Average	**0.856**	**74.38**

(Source: Research data, 2020)

3.9 Reliability

Reliability refers to the consistency or stability of the scores obtained from tests and assessment procedures. Data obtained from the study was used to determine the reliability of the instrument. Cronbach's α coefficient was used as survey reliability by measuring how well variables measures. Construct internal consistency was checked by computing Cronbach alphas. The figures in Table 3.1 indicate that the survey instrument was a reliable instrument for this study because all Cronbach alphas, except for the intervening constructs (0.715), are much higher than

0.85. Cronbachs alpha reliability coefficient normally ranges between 0 and 1 and it is used to determine the internal consistency or average correlation of items in a survey instrument to gauge its reliability. George and Mallery (2003) provide the following rules of thumb: "> 0.9 = Excellent, > 0.8 = Good, > 0.7 = Acceptable, > 0.6 = Questionable, > 0.5 = Poor, and <0.5= Unacceptable"

3.10 Data Analysis

Data analysis comprised of both the primary and secondary information. Once the questionnaires were received, they were cross-checked for accuracy. This was done by checking whether the responses are legible, all important questions have been answered, the responses are complete and whether all contextual information was included.

The questionnaires were coded, entered into the computer, organized and analyzed with a Statistical Package for Social Sciences (SPSS). Descriptive statistics such as percentages and means are used so as to convey the essential characteristics of the data for interpretation. At certain points cross-tabulation is used to analyze for variance in responses between the genders, HRMs and line managers and staff team to give better interpretation of data. Data is presented using tables and charts.

3.11 Variables of the Study

Review of literature indicates that Job Classification System; Compensation and Benefits System; Recruitment, Hiring, Transfer, and Promotion; Orientation Program; Policy Manual; Discipline, Termination and Grievance Procedures; Relationships with Unions and Labor Law Compliance by the HRM department in a PBO have an effect on the effectiveness and success of the company and are therefore designed to help the organization to achieve its corporate, business and operational objectives. These elements of the HRM function affects organizational effectiveness and success in terms of the attainment of the set targets.

However, in the process of strategy implementation, the independent variables are likely affected by among other factors technology, availability of adequate resources, level of management and employees training, and political-legal issues. These intervening variables had to be moderated so that they do not adversely affect the expected outcomes.

This study will examine whether there exists a relationship between human resource practices in PBO and the effectiveness and success of Awash bank IFRS project. The data will be collected primarily by a questionnaire developed from literature review (information on strategic HR effectiveness) and secondary data information sources (measures of effectiveness and success). The respondents will be asked to indicate the extent to which their PBO used the listed HRM practices: planning, recruitment and selection, training and development, participation and involvement, performance appraisal, and compensation and benefits. They will also be asked about the performance of the company and effectiveness and success importance of technical expertise in the achievement of the company's set targets.

3.11.1 Dependent Variable

In this study, two types of effectiveness and success measurement were collected. The first type includes the opinion of the respondents concerning rate of the company's effectiveness and success. The second type was implementation growth and applicable growth. These variables were separately used to determine both which was then compared for consistency.

3.11.2 Independent Variables

The items of the questionnaire were developed on the basis of literature review and study of previous questionnaires. A five point Likert-type scale was used as the response format for the variables, which were assigned values ranging from 1 being "Strongly disagree" to 5 being "Strongly agreed". The titles of the items were not revealed to the respondents. The items of the questionnaire were grouped into six HRM factors (see also Table 3.2)

Table 3.2. Operationalization of Variables

VARIABLE	INDICATORS	MEASUREMENTS
Demographic information	Age, Academic, Profession	Number in years, Highest academic and professional certificates
Planning	Existence of strategic Plans, Goals and Objectives	Implementation of plans and objectives
Leadership and management	Leadership styles, training, Orientation of new workers	Worker attitude to existing forms of leadership,
Staff Welfare	Workers participation in decision making, Compensation, Performance appraisal.	How often workers are involved in decision making, effectiveness appraisal records
Technical Expertise	Workers skills	Performance, effectiveness and efficiency of work done
Effectiveness and Success	Service delivery, Sales & profit growth (financial performance)	Service Sales in volumes, net profit trends, efficiency in delivery of services

CHAPTER FOUR

RESULTS PRESENTATIONS AND DISCUSSIONS

4. INTRODUCTION

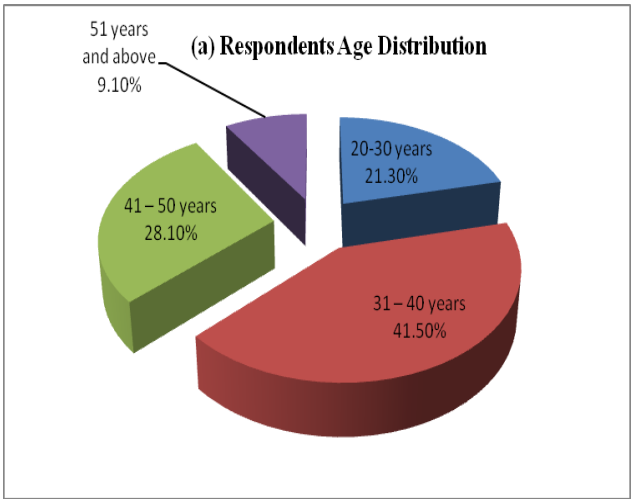
The study results are presented in six main sections namely: Demographic information of respondents, the effects of type of management performance on effectiveness and success, the effects of staff welfare issues on effectiveness and success, the effects of HRM planning on effectiveness and success, the effect of technical expertise on effectiveness and successes in PBO operating in Awash Bank, IFRS Project. The findings are discussed in the context of the study objectives. Recommendations to deal with future challenges facing the implementation of IFRS and other project in awash Bank and areas for further research are also given.

4.1. Demographic Information

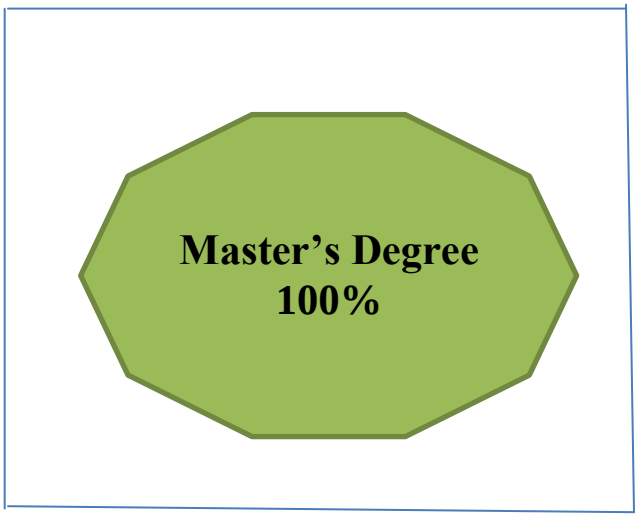
A total of 25 questionnaires were distributed to HRM, line managers and project line staffs of these 22 questionnaires were successfully completed and returned by respondents, thus giving questionnaire response rate of 88%. Figure 4.1(a, b and c) and table 4.1 shows the distribution of respondents by age, level of academic, length of service, gender, management level, salary and size of section. Of the 22 respondents, 15, (68.1%) were males and 7. (31.9 %) were females; hence the research sample met gender balance. Majority14, (62.80%) of the respondents were below forty years old. The distribution by education level shows that all respondents (100%) had a master's degree holder. On years of service majority (56.7%) had worked for their organizations for a period ranging from 3-10 years while 15.6% had worked for less than 3 years. Concerning the monthly salary, 1 respondent (1%) earned a salary of 47, 000, followed by a salary of 25,000-32,000 (79.40%) and 19000-24000 (19.6%). Table 4.1 also shows that 18.18% of the respondents were line managers while HRMs were 1%. The majority (80.82%) of the companies where the respondents were drawn from the project line staff.

Figure 4.1 (a, b & c): The Age, Academic level and Work Experience of the Respondents

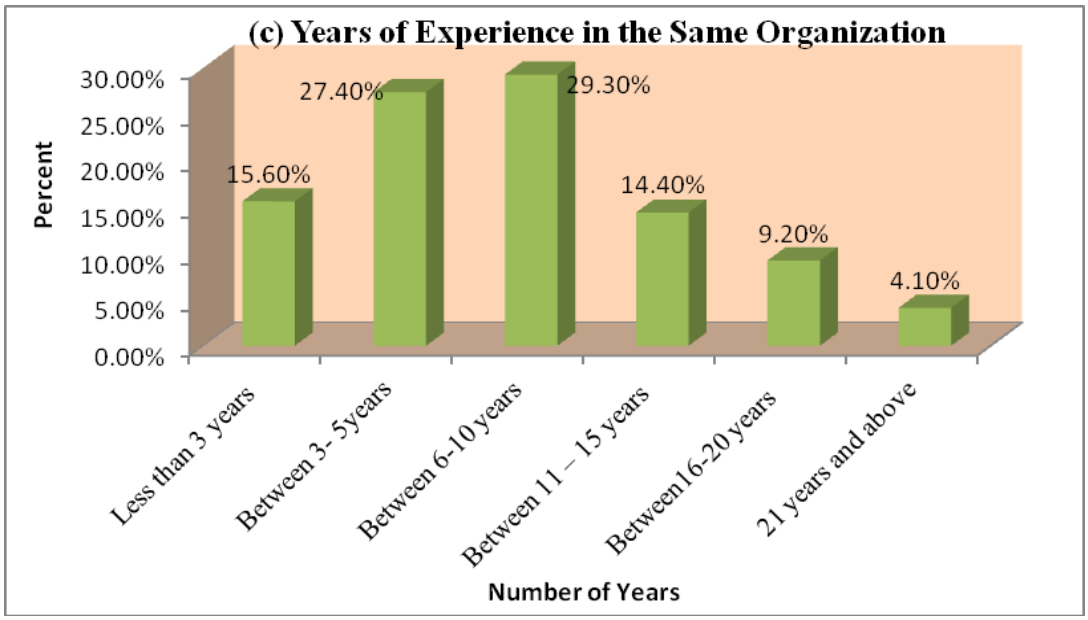
4.1a. Age category figure



4.1b Academic level



Source: (Survey data, 2020)



(Source: Survey data, 2020)

Table 4.1: Factors of Gender, Management level and Salary

Demographic Factor (N= 97)	Frequency	Percent
Gender		
Male	15	68.01
Female	7	31.9
Management Level		
Line Managers	4	18.18
Human Resource Management	1	1
Project Line Staff	17	80.82
Salary		
47,000	1	1
25000-32,000	17	79.40
19000- 24,000	4	19.2

Source: (Survey data, 2020)

These Demographic Profiles provides valuable comparative attributes within the project team. On age and experience data majority (29.3%) had an experience of 6-10 years within the same organization and that majority of employees are in their most productive age (majority 41.5% are 31-40 years old). On education, 100% have a master's degree and its indicating that the organization may be having encouraging staff skill.

4.2 The influence of leadership Management on Project Effectiveness and success

The respondents were asked about their opinions, on a five-point Likert scale, to indicate the extent to which they agreed or disagreed with statements concerning certain management issues in their organizations. The points ranged from 1 for strongly disagree to 5 for strongly agree. Responses to various statements were collapsed and a composite index (mean score) computed for each function (Table 4.2).

Table 4.2 shows that, almost all issues scored a mean of 3.47 and above indicating that the respondent's "agree" that indicator factors of management style are well-establish in their organization. The average mean was 4.367 ± 1.107, thus indicating that most respondents

either agreed "or strongly agreed to the management statements (Table 4.2) about their organization. To determine whether gender, line staffs and HRM had an effect on the responses, cross-tabulation was done and significance assessed using Pearson χ^2 (table4.2). The results indicate no significant difference between genders line staffs and HRMs

Table 4.7(a) shows the regression of the management indicator factors on the organization effectiveness and success. Results reveal a strong positive relationship (R= 0.745 & R^2= 0.566) between the overall management factors and the effectiveness and success of the firm, and thus, confirming the different past research findings, for example, those by Huselid (1995 and Youndt. (1996) which indicated that a relationship exists between management approaches of the staff and organizational effectiveness and success. Furthermore, Gardner (2001) and Purcell and Hutchinson (2007) argue that it is the style of management that transforms indented HR practices to actual HR practices that eventually impacts on organizational effectiveness and success.

Table 4.2: Management Approaches

Management Issues (N= 97)	Mean	STD DEV
1. Our organization learns from successes and failures on past projects	4.44	1.816
2. We encourage project teams and professionals to reflect on their own experiential learning	3.88	0.917
3. In our organization employees receive training in the beginning stage of the project	4.98	0.516
4. Our organization maintains an open door policy in dealing with the staff	3.47	1.927
5. Our organization has a good system of problem solving	4.46	0.892
6. In our organization employees are given time to adapt to the company's culture and to feel comfortable with the organization	4.97	0.574
Males	4.46	χ^2=0.37
Females	4.28	
Average Mean/ STD DEV	4.37	1.107

Source: (Survey data, 2020)

4.3 The Impacts of Staff Welfare Issues on Project Effectiveness and success

Concerning staff welfare issues, the respondents are of the opinion that most organization does not put employee issues on their priority list (Table 4.3). This study established that employees tended to be neutral about how the organizations have implemented welfare issues (average mean 2.958 ± 1.610). The study revealed that most organizations have not implemented worker's welfare issues and therefore, there appears between the management and the staff. However, when responses were compared between line staffs and HRMs, there was no significant difference (χ^2 = 0.058). The study also reveals a weak relationship (R= 0.594, R^2 = 0.352 and Pearson's correlation (r) = 0.482) between the staff welfare issues and organization effectiveness and success (Table 4.7(a)). The weak relationship may be explained by possibly the selection of indicator variables of staff welfare. This finding is contrary to other studies which indicate that management factors influences organization effectiveness and success in relation to employee's ability, motivation and opportunity to participate in decisions affecting the running of the organization (Appelbaum 2000; Wright and Gardner, 2003). It should be noted that benefits and promotion are dominant HRM practices purposively for compensation and incentives under the area of staff welfare. According to Lepak. (2006), an emphasis on promotion from within a company does provide a sense of fairness and justice among the employees and they feel more secure, thus the employees work best under this scenario.

Table 4.3: Staff Issues Implementation by Organization

Staff Welfare Issues (N= 97)	Mean	STD DEV
1. Staff Welfare (Participation and involvement)		
Employees in this job have a reasonable and fair complaint process	3.245	1.631
Professional staff are briefed about company's strategies	4.923	1.952
Employees are allowed to make many decisions in their job	2.364	2.013
Employees are often asked by their supervisor to participate in decisions	3.271	1.783
Superiors keep open communication with employees in their job.	2.141	1.211
2. Staff Welfare (Effectiveness and success Appraisal)		
The employees capabilities are viewed as the main source of competitive advantage	3.213	1.342
Employee input and suggestion are highly encouraged	3.021	1.526

Employees input and suggestions are highly implemented	1.967	0.924
The company places a great deal of importance on advantages when making promotion systems	4.137	1.982
The superior normally discusses the Effectiveness and success of his subordinates with them	3.423	2.004
3. Staff Welfare (Compensation)		
The company uses performance-based compensation to a large extent	1.788	1.211
Compensation practice is linked to firm's goals and objectives	2.374	1.783
Employees in this organization regularly (at least once a year) receive a formal evaluation of their Effectiveness and success	2.562	1.445
Job Effectiveness and success is very important in determining his earnings	1.677	1.004
Pay raises for employees in this organization are based on job Effectiveness and success (competencies, motivations and behaviors)	2.363	1.781
Qualified employees have the opportunity to be promoted to positions of greater pay and/or responsibility within the company	3.672	1.776
The company constantly reviews and updates the range of benefits to meet the needs of employees	4.151	1.998
Line Managers line staffs	3.172	χ^2 =.058
HRM	2.744	
Average Mean and STD DEV.	2.958	1.610

Source: (Survey data, 2020

4.4 The Influence of Technical Expertise on Project effectiveness and success

When respondents were asked, on a scale of 1-5, to rate the extent to which technical expertise influences the production variables (where 1= high extent; 2=moderate extent; 3=neutral; 4=low extent; 5=very low extent), very interesting results was obtained (Table 4.4). The Table reveals that employee's technical expertise affects work effectiveness and success, attainment of set targets and efficiency to a high extent while it affects effectiveness of productivity to moderate extent. According to this study technical expertise affects work efficiency more than all others on the list (mean of 1.37 ± 587) closely followed by attainment of set targets (mean 2.14 ±0.562) while effectiveness comes last with a mean of 2.64 ±0.862. Table 4.7(a) shows a regression and correlation between technical expertise and project effectiveness and success. The table reveals that there is a strong positive relationship (R= 0.84, R2= 0.706 Pearsons r= 0.817) between the

two. This indicates that employee skills have a strong positive effect on organizational effectiveness and success. Lepak. (2006) argues that employee's skill affects ability of the worker and these impacts on aspects listed in table below. In recognition of the importance of technical expertise in the effectiveness and success of organizations, Marchington and Grugulis (2000) argues that employees training process can make real difference in organizational effectiveness and success, by producing highly trained and skilled people, in an uncertain economic environment.

Table 4.4: Influence of Technical Expertise on Production

Effects of skill on (N= 97)	**Likert Scale (1= to a agree extent, 5= to a small extent)**					**Mean**	**STD DEV**
	1	2	3	4	5		
Effectiveness and success	43.4	34.6	22.0	0	0	2.31	0.516
Attainment of set targets	47.2	33.4	18.4	1.0	0	2.14	0.562
Timely attainment of set targets (Efficiency)	51.7	35.5	9.8	3.0	0	1.37	0.587
Productivity (Effectiveness)	37.3	42.1	16.8	2.8	1.0	2.64	0.862

Source: (Survey data, 2020)

4.5 The Effects of HR Planning on Project effectiveness and success

Table 4.5 gives results of respondents on scale of 1-5 (Where is 1= strongly disagre 2= disagree; 3=neutral; 4=agree; 5=strongly agree) which indicates their opinions on the different degrees of importance of the factors of planning. These responses were then collapsed and a composite index (mean score) computed for each planning factor to show the direction of their opinions. On average the results show that respondents agreed (mean =4.107 ±1.131) to the selected six statements on planning (see Table 4.5). The study also established that organizational effectiveness and success is closely related (R = 0.713) to HR planning (Table 4.7(a)). This is again supported by, analysis using Pearson's correlation which gives a fairly strong positive correlation (r= 0.653) (see Table 4.7(a)). According to Werner and De.Simone (2006), human resource planning helps companies predict how changes in their strategy will affect their HR needs. Planning the workforce needs of any organization is very critical and important especially in the rapid changes in external market demands experienced in today's world. Price (2004) in

their study also found a positive relationship between HR planning and labor productivity. In his study Price (2004) established that a company can achieve a competitive advantage and reach its goals by adopting an efficient usage of its personnel in planning. All these literature lends credence to the findings of this study.

Table 4.5: The Effects of Planning on Project Performance

Planning (N= 97)	**Mean**	**STD DEV**
Human resource department is an integral part of the company's strategic planning process	4.752	0.912
The formulation and implementation of human resource activities are in line with overall corporate strategy	4.174	1.251
The human resource department has an explicit statement of its mission and goals	3.271	1.302
The human resource management function is accorded an important role in the company	3.712	0.973
There exists a formal written HR plan based on the strategic needs of the firm	3.891	1.372
The HR head is involved in the strategic business planning process	4.839	0.977
Average Mean &STD DEV	**4.107**	**1.131**

Source: (Survey data, 2020

4.6 Organizations Effectiveness and success

To measure organization effectiveness and success respondents were asked to rate (on 1-5 likert scale, where 1= strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree) their perception on various development indicators about their organization's effectiveness and success e over the past two years compared to others in their industry. The results are shown in table 4.6. On average the respondent's "agreed" that they have realized positive growth in most of their operations. The greatest amount of growth had been realized in; HR system has directly contributed to the growth of the organization (4.97± 0.467), productivity efficiency has improved tremendously (4.85 ± 0.687), service sales has increased (4.83 ± 1.252), more timely in responding to situations and revision of error (4.79 ± 0.576), and there has been an increase in

productivity (4.78 ± 1.008). The most important finding is that almost all respondents "strongly agreed" that HR system has directly contributed to the growth of the organization (4.97± 0.467). These findings are in line with those of Purcell and Kinnie (2007) who used worker's perception to determine organizational effectiveness and success then compared the findings with those obtained from service sales growth within the same period. The two results compared very well thus indicating that people's perception can be used to determine organizational effectiveness and success.

Cross tabulation was done to determine whether there was a significant difference between line and HRMs. The results (Table 4.6) indicate a significant difference ($\chi^2 = 0.041$) between the two groups. On average, the line managers "agreed" that there has been a positive growth on indicator factors of effectiveness and success in the past two years while HRMs "strongly agreed" to these factors. There was also a greater variation in responses as indicated by variance analysis. This study is unable to explain the difference in responses given by these two groups.

Table 4.6: Organization Performance in the Last Two Years Comparative to Peers.

Statement on Performance Scored on a 1-5 Likert Scale (Note that 1= strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree) (N= 97	Average item score on a Likert Scale	
	Mean	STD DEV
We have developed faster	3.34	1.525
We are more efficient	3.67	1.241
We are more innovative	3.24	1.321
We offer better customer satisfaction	4.61	0.927
We deliver better quality service/products	4.34	0.897
Productivity efficiency has improved tremendously	4.85	0.687
Quality of work /range of services has increased	4.57	0.927
There has been an increase in productivity	4.78	1.008
Service Sales has increased	4.82	1.252
Net profits has grown	3.93	1.311
HR system has directly contributed to the growth of the co.	4.97	0.467
The employee attitudes is more positive today than before	4.75	0.516

More timely in responding to situations and revision of error	4.79	0.576
Production safety is much more improved than 2 years ago	4.42	0.814
Line Managers and line staffs	3.68± 1.021	$\chi^2 = 0.041$
HRMs	4.90± 0.351	
Average Mean/STD DEV	4.29	0.962

Source: (Survey data, 2020)

4.7 Regression and Correlation Analysis of the Determinants of Growth

Table 4.7(a) shows the regression of the HR practices on the effectiveness and success of the organization. Results reveal a positive relationship between the overall HR practices and the effectiveness and success of the firm. Table4.7 (b) shows positive inter-correlations among the variables representing the different HRM practices, namely; planning, staff welfare issues and technical expertise. The inter-correlation results suggest that the independent variables do work in together to bring about effectiveness and success. These findings are supported by different past researches done in this area. Purcell, (2003) argues that careful resourcing and staff development improve the necessary abilities and technical expertise of employees to do work, while adequate compensation- staff welfare acts as incentives to improve employee's attitudes to apply their technical expertise and abilities. They further argue that management that involves employees connects employees with decision-making so they stay with the organization. Therefore, HRM practices may be interpreted as engaging employees in discretionary behavior that is translated to improved organizational effectiveness and success. In investigating the HRM-effectiveness and success relationship, scholars such as Gardner , (2001), and Purcell and Hutchinson (2007) argue that in the HRM-effectiveness and success causal chain may exist a serial causation, from employee skills/technical expertise, to attitudes as a result of welfare issues such as compensation and then to behaviors that finally affect organizational effectiveness and success.

In other words, this result supports Purcell and Kinnie (2007) who assumes that only when all HRM outcomes, such as skills/technical expertise, staff welfare issues, and effective HR planning, are achieved can we expect higher organizational effectiveness and success. It also coincides with Price (2004) who argues that HRM practices influence organizational

effectiveness and success by creating a workforce that is skilled and has the right attitudes and behavior as a result of well implemented staff welfare issues.

Table 4.7a: Regression and Correlation between HRM Practices and Performance

	Statistics		Regression Analysis			Pearson's Correlation	
	Mean	STD DEV	R	R^2	R^2 adjusted	Pearson‟s‟ r	Sign. level 2 tailed
Management	4.367	1.107	0.745	0.566	0.561	0.681	0.038
Staff Welfare	2.958	1.61	0.594	0.352	0.357	0.482	0.049
Technical Expertise	2.115	0.632	0.84	0.706	0.704	0.817	0.018
HR Planning	4.107	1.131	0.713	0.514	0.509	0.653	0.042

Source: (Survey data, 2020)

Table 4.7b: The Inter-correlation among the Independent Variables

Independent Variables	Management		HR Planning	Staff Welfare	Technical Expertise
Management	Correlation	1.000	.839	.594	.746
	Significance (2-tailed)	.	.000	.000	.000
HR Planning	Correlation	.839	1.000	.745	.739
	Significance (2-tailed)	.000	.	.000	.000
Staff Welfare	Correlation	.594	.745	1.000	.784
	Significance (2-tailed)	.000	.000	.	
Technical Expertise	Correlation Significance (2-tailed	.746	.739	.784	1.000
	Significance (2-tailed)	.000	.000	.000	.

Source: (Survey data, 2020)

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5. Introduction

This chapter gives the summary of the study findings based on the survey study objectives which were to determine the influence of management, assess impacts of staff welfare issues, determine the relationship between technical expertise, examine the effects of HR planning on project effectiveness and success of Awash Bank IFRS project within Addis Ababa. The summary of the research findings is followed by the conclusion then recommendations and suggestions for further research.

5.1. Summary

This study realized a total of 22 respondents which gives a response rate of 88%. Of the 25 respondents, 15 (68.1%) were males and 7 (31.9%) were females. Majority (62.8%) of the respondents were below forty years old. all respondents (100%) had a master's degree, holders. On years of service majority (56.7%) had worked for their organizations for a period ranging from 3-10 years while 15.6% had worked for less than 3 years. Concerning the monthly salary, 1 respondent (1%) earned a salary of 47,000 followed by a salary of 25000-32000 (79.4%) and 19000-24000 (19.6%). The respondents consisted of 18.18% line managers and 1% HRM, The majority (80.82%) of the companies where the respondents were drawn from the project line staff.

The respondents were in agreement that their management strategy allows learning from successes and failures on past projects (mean 4.44 ±1.816), encourage project teams and professionals to reflect on their own experiential learning (Mean 3.88 ±0.917), their organization employees receive training in the beginning stage of the project (mean 4.98±0.516), their organization maintains an open door policy in dealing with the staff (mean3.47 ±1.927), their organization has a good system of problem solving (mean 4.46 ±0.892), and that their organization employees are given time to adapt to the company's culture and to feel comfortable with the organization (mean 4.97 ±0.574). Regression analysis between management and project effectiveness and success gave a positive causal relationship (R= 0.745). Also the Pearson's

correlation (r) is 0.681, thus indicating that management does influence the overall effectiveness and success of the organization.

This study established that employees were either “neutral” or “disagreed” with how their organizations have implemented welfare issues (average mean 2.958 ± 1.610). This view is better expressed by regression and correlation analysis. Regression results reveals a weak relationship (R= 0.594, R^2 = 0.352 and Pearson’s correlation (r) = 0.482) between the staff welfare issues and organization effectiveness and success.

According to this study, technical expertise affects work efficiency more than all others (mean =1.37 ± 587) closely followed by attainment of set targets (mean= 2.14 ±0.562) while effectiveness comes last with a mean of 2.64 ±0.862. This finding suggests that technical expertise has an influence on project effectiveness and success and thus on organization effectiveness and success. The regression and correlation analysis (R= 0.84, R2= 0.706 and Pearsons r= 0.817) also shows that there is an association between technical expertise and organization effectiveness and success.

HR planning is a key factor in organizational effectiveness and success as indicated by the study results. On average the results shows that respondents “agreed” (mean =4.107 ±1.131) to the selected six statements on planning: human resource department is an integral part of the company’s strategic planning process, the formulation and implementation of human resource activities are in line with overall corporate strategy, the human resource department has an explicit statement of its mission and goals, the human resource management function is accorded an important role in the company, there exists a formal written HR plan based on the strategic needs of the firm, the HR head is involved in the strategic business planning process. The study also established that organizational effectiveness and success is closely related (R = 0.713) to HR planning. Also analysis using Pearson’s correlation indicates a fairly strong positive relationship (r= 0.653 Concerning effectiveness and success. respondents “agreed” that there has been positive growth in most of the sectors of their operations in past two years, however, the greatest amount of growth has been realized in; HR system has directly contributed to the growth of the organization (4.97± 0.467), services efficiency has improved tremendously (4.85 ± 0.687), service sales has increased (4.83 ± 1.252), more timely in responding to situations and revision of error (4.79 ± 0.576), and there has been an increase in productivity (4.78 ± 1.008). The finding

indicated that almost all respondents “strongly agreed” that HR system has directly contributed to the growth of the organization (4.97± 0.467). It was also established that a significant difference (χ^2 = 0.041) exists between the line and HRMs responses. On average, the line managers “agreed” that there has been a positive growth on indicator factors of growth in the past two years while HRM “strongly agreed” to these factors. There was also a greater variation in responses as indicated by variance analysis (line manager STD DEV= 1.021 while HRM STD DEV= 0.351).

This result supports Guest (1997) who assumes that only when all HRM practices, such as technical expertise, staff welfare issues, and effective HR planning, are achieved can we expect higher organizational effectiveness and success. Furthermore, this finding coincides with Delery and Doty (1996) who argue that HRM practices influence organizational effectiveness and success by creating a workforce that is skilled and has the right attitudes and behavior. It also partially supports Guest (2001) for satisfaction and commitment and Boselie, (2003) for satisfaction and motivation. The result of this study that HRM practices fully mediate the HRM-effectiveness and success relationship is important.

5.2 Conclusion

From the results and discussion, it is well established that effective HRM practices will improve HRM outcomes. These results are very important because they indicate that HRM practices are influential in realizing the objectives of the HRM domains (Lepak, 2006) considering that the HRM input is crucial in the HRM-effectiveness and success relationship (which is founded on the resource-based view) that may be influenced by business strategies and other contingencies like management style (contingency theory), this study employed the three broad HRM domains of technical expertise to perform (resourcing and development), motivation to perform (staff welfare-compensation and other incentives), and HRM planning to perform (job design and resource utilization) (Appelbaum, 2000; Lepak., 2006) to predict performance in PBO. The results of the study revealed that HRM practices influence effectiveness and success, however, are moderated by managerial style (degree of decentralization), and organizational culture. From the foregoing the study can concluded that HRM practices does have an impact on organizational effectiveness and success.

However, from the design of this study, we cannot be able to certainly conclude whether the impact is direct or mediated through other HRM domains. Other researchers who have done substantial amount of work in this area, for example, Gardner. (2001) and Purcell and Hutchinson (2007) argue that it is the style of management that transforms indented HR practices to actual HR practices. Additionally, Purcell. (2003) and Purcell. (2004) support that it is the culture of the organization and the management style in general (but especially of the immediate line managers and team) that moderates the precise effects of the HRM policies.

The other issue that came out in this study is staff turnover demonstrated by a fairly high number of staff who has served the organization for 3 years. This may have impact on project implementation and success, thereby affect overall organizational effectiveness and success. Many large, established companies employs fairly standard practices for the traditional processes, within guidelines set by the central HR department (Purcell and Hutchinson, 2007). Purcell. (2004) the above view by recommending that project manager be appointed from within the business unit most affected by the project. If the project is taking place within that business unit, all project team members are sourced from there as well. Problems arise if a project requires a person from other business units because of a certain technical expertise which is key in project effectiveness and success.

Organizations should continue enhancing more the competence of its employees to attain better effectiveness and success goals. Thus, it is important to ascertain that the HRM function plays its full role in attracting, retaining, motivating and developing the human resources according to personal and group requirements, which will help the company to use effectively its human capital to develop and sustain a competitive advantage, as people remain the unique resource in the organizations.

5.3 Recommendations

It is true that, in the project-based organization, there are additional processes in HR management, as well as traditional processes which need to be applied differently. Furthermore, because the HR configuration of the organization changes with each new project, the HR practices in the project-based organization need to be much more invasive. Current practice is quite the opposite, with many project managers not paying much attention of it. Against this

background, this study proposes that the role of the HR department needs to be different from the classically-managed organization. To deal with the different application of traditional HRM processes, the HR department needs to ensure that the rules and guidelines where necessary are sufficiently flexible to deal with the different requirements of the project-based parts of the business. They also need to develop policies, standards, rules, and guidelines to deal with the additional HRM processes required by those parts. Thus it is not so much the role of the HR department that is different as it is the way that it implements that role.

It should also be appreciated that without proper HR policies, standards, rules, and guidelines to deal with the additional roles, organizations may not realize their objectives. Therefore, organizations must embrace the culture and practices that leads to good effectiveness and success. They must learn from the past experiences and enhance the management style that enhances the flexibility required to develop practices for organizational effectiveness and success.

Suggestions for Further Research

The relationship between company business and HRM practices is dynamic and need to be reviewed constantly. However, from the empirical standpoint, the causality effect between HRM practices and effectiveness and success is not clear since large companies with good effectiveness and success usually adapt HR practices of long-term perspective. Thus, the main question to ask is whether it is people who cause higher effectiveness and success, or it is high-effective firms that afford good people management which calls for deeper investigation to establish. And again, there is need to investigate how exactly HRM practices impact on effectiveness and success in Awash Bank IFRS project context, whether its effects are mediated through other employee's factors.

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APPENDIX

QUESTIONNAIRE

Dear respondent,

I am a Postgraduate student at Saint Mary's University undertaking a Master's degree in the department of Masters of Business Administration, in Project Management I am carrying out research on "Effects of Human Resource Factors on Project Effectiveness and Success: A case of Selected Organization in Awash Bank, IFRS Project, in Addis Ababa". In this regard your Organization has been identified as one of the PBO. Your participation in filling this questionnaire will be sincerely appreciated. Again, I would like to confirm that the information on this questionnaire is subject to data privacy and will be treated with utmost confidentiality for the purpose of academic only.

INSTRUCTIONS

Answer all questions as indicated by either filling in the blank spaces or ticking **(√)** *the option that applies.*

SECTION A: DEMOGRAPHIC DATA

1. What is your gender? [ ] Male [ ] Female

2. What is your age?

[ ] 20-30 years [ ] 31 – 40 years [ ] 41 – 50 years [ ] above 50 years

3. What is your highest educational certificate?

[ ] Diploma [ ] Bachelor Degree

[ ] Master's Degree [ ] PhD

Others (Specify)……

4. For how long have you worked in this organization?

[ ] Less than 3 years [ ] between 3- 5years [ ] 6-10 years

[ ] Between 11 – 15 years [ ] Between16-20 years [ ] >20 years

5. What is your Educational specialization?

[ ] Management [ ] HRM [ ] Accounting [ ] Sales & Marketing [ ] Engineering

6. What is your current position in the organization of current project?

[ ] Line Manager [ ] Human Resource Manager

[ ] Line staffs

7. What is your salary range?

Less than 45,001-50,000 [ ] 25,001-45,000 [ ] 19,000- 25,000 [ ]

8. What is the number of employees in your organization in IFRS project?

35-50 employees [ ] 50-60 employees [ ] 60-100 employees [ ] Over 100 employees [ ]

SECTION B: MEASUREMENT OF INDEPENDENT VARIABLES.

1. On a scale of 1-5, rate the extent to which you think the following HRM factors do affect effectiveness and success of Project Based Organization?

Note: A scale of 1-5 indicates your opinion on the different degrees of importance of the factor, **where is 1= strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree**

	(Where 1= strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree).				
	1	**2**	**3**	**4**	**5**
1. Staff Welfare (Participation and involvement)					
Employees in this job have a reasonable and fair complaint process					
Professional staff are briefed about company's strategies					
Employees are allowed to make many decisions in their job					
Employees are often asked by their supervisor to participate in decisions					
Superiors keep open communication with employees in them Job.					
2. Staff Welfare (Effectiveness and Success Appraisal)					
The employee's capabilities are viewed as the main source of competitive advantage					
Employee input and suggestion are highly encouraged					
Employees input and suggestions are highly implemented					
The company places a great deal of importance on merit when making promotion systems					
The superior normally discusses the effectiveness and success of his subordinates with them					
3. Staff Welfare (Compensation)					
The company uses effectiveness and success -based compensation to a large extent					

Compensation practice is linked to firms goals and objectives					
Employees in this job regularly (at least once a year) receive a formal evaluation of their effectiveness and success					
Job effectiveness and success is very important in determining his earnings					
Pay raises for employees in this job are based on job effectiveness and success (performance, competencies, motivations and behaviors)					
Qualified employees have the opportunity to be promoted to positions of greater pay and/or responsibility within the company					
The company constantly reviews and updates the range of benefits to meet the needs of employees.					
4. Planning					
Human resource department is an integral part of the company's strategic planning process					
The formulation and implementation of human resource activities are in line with overall corporate strategy					
The human resource department has an explicit statement of its mission and goals					
The human resource management function is accorded an important role in the company					
There exists a formal written HR plan based on the strategic needs of the firm					
The HR head is involved in the strategic business planning process					

5. Leadership and management

A. Instructions: Kindly indicate the extent to which the following are applicable to your organization on a scale of 1-5	Note that 1= strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree				
	1	2	3	4	5
Our organization learns from successes and failures on past projects					
We encourage project teams and professionals to reflect on their own experiential learning					
In our organization employees receive training in the beginning stage of the project					
Our organization maintains an open door policy in dealing with the staff					
Our organization has a good system of problem solving					
In our organization employees are given time to adapt to the company's culture and to feel comfortable with the organization					

B. What kind of leadership do you prefer in your organization? [ ] Delegation [ ] Supporting

[ ] Coaching [ ] Directing

SECTION C: TECHNICAL EXPERTISE

1. On a scale of 1-5, rate the extent to which technical expertise influences the following outcomes: (where 1= high extent; 2=moderate extent; 3=neutral; 4=low extent; 5=very low extent).

		1	2	3	4	5
1	Project effectiveness and Success					
2	Attainment of set targets					
3	Productivity (Effectiveness)					
4	Timely attainment of set targets (Efficiency)					

SECTION D: COMPANY PROJECT EFFECTIVENESS AND SUCCESS

Instructions: Kindly indicate the extent to which the following are applicable to your organization on a scale of 1-5	Note that 1= strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree				
	1	2	3	4	5
We are more innovative	☐	☐	☐	☐	☐
We offer better customer satisfaction	☐	☐	☐	☐	☐
We deliver better quality service/products	☐	☐	☐	☐	☐
Productivity efficiency has improved tremendously	☐	☐	☐	☐	☐
There has been an increase in service/productivity	☐	☐	☐	☐	☐
Service Sales has increased	☐	☐	☐	☐	☐
Net profits has grown	☐	☐	☐	☐	☐
HR system has directly contributed to the growth of the co.	☐	☐	☐	☐	☐
The employee attitudes is more positive today than before project	☐	☐	☐	☐	☐
More timely in responding to situations and revision of error	☐	☐	☐	☐	☐
Production safety is much more improved than before 2 years	☐	☐	☐	☐	☐

Thank you for your participation and cooperation