



# **St. Mary's University School of Graduate Studies**

**A Research on:**

**ASSESSMENT OF HUMAN RESOURCE DEVELOPMENT CLIMATE  
in Ethiopian Road Construction Corporation**

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**ASSESSMENT OF HUMAN RESOURCE  
DEVELOPMENT CLIMATE IN ETHIOPIAN ROAD  
CONSTRUCTION CORPORATION**

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**A THESIS SUBMITTED TO St. MARY'S UNIVERSITY  
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**ROAD CONSTRUCTION CORPORATION**

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## **ACRONYMS/ABBREVIATIONS**

**ASTD**-American Society of Training and Development

**ERCC** -Ethiopia Road Construction Corporation

**ERA** -Ethiopian Roads Authority

**HRD**-Human Resource Development

**HRM**-Human Resource Management

**ICT** - Information Communication Technology

**MoT** - Ministry of Transport

**OCB**-Organizational citizenship behavior

**OCTAPAC**- Openness, Confrontation, Trust, Autonomy, Pro-activity, Authenticity&  
Collaboration

**RBV**- Resource-Based View

**SPSS**-Statistical Package for Social Science

**VRIN**- Valuable', 'Rare', 'Inimitable' and 'Non-substitutable

**VTI** - Voluntary Turnover Intentions

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## ***ABSTRACT***

*The purpose of this study is to assess the HRD climate in Ethiopian Road Construction Corporation. HRD climate is the best tool which helps the employees to acquire required competencies for improving work life balance that would enable them to enhance their productivity for better organizational Performance. The descriptive research design was under taken with the help of the semi-structured questionnaire to conduct the research. The research had done based on the responses of the various levels of employees working in the corporation. The data was planned to collect from 80 (38.5%) of the population by using self-administered questionnaire and 6 interviewed officials and senior professional employees. The final response rate was 73(91.3%); based on this the analysis is carried out. The findings revealed that the general HRD climate conduciveness prevailed was moderately good i.e. 3.03 (60.64%). According to the employees response the OCTAPAC culture is found at low level i.e. 2.76 (55.66%). Besides, the implementation methods employed in HRD mechanisms were found at very low level i.e. 2.72(54.4%). Good part of ERCC regarding HRD climate was that top management understands the importance of human resource and tries to translate that realization into day to day practice and HR policies. There is a conducive human resource development climate to any employee interested in developing oneself by acquiring new knowledge and skills. There is also a keen interest of top management in HRD. In conclusion, the overall HRD climate of ERCC is found at 2.84 (56.8%) which is not encouraging. Despite of some positive in general HRD climate to take up in a highly professional manner, the OCTAPAC culture and HRD mechanisms employed need creativeness in a systematic way.*

**Key Terms:** *HRD climate, General HRD climate, OCTAPAC culture, HRD mechanisms*

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

The human resource development climate /HRD/ plays a significant role whether the human resource development efforts are successfully maximized for the desired performance improvements of employees in an organization. A number of studies indicated that employees are referred as the 'Human Capital' of an organization, which plays a big role for both its survival and success through providing a competitive advantage (Crook, Todd, Combs, Woehr and Ketchen, 2011; Hatch and Dyer, 2004; Barney, 1991). The human capital consists of the amalgamation of skill, knowledge, or experience and competencies that an employee of an organization has. These components of the human capital are organization's specific and intangible assets that are not easily imitable by other competitor employers and hence a source for prospective long-term competitive advantages (Afiouni, 2007). As an influential movement within strategic management endeavors known as the *Resource-Based View* (RBV), tries to explain the basis of sustainable competitive advantage (Wernerfelt, 1984). RBV is a theory which proposes that an organization should obtain resources that are 'Valuable', 'Rare', 'Inimitable', and 'Non-substitutable'. Possessing these so called VRIN characteristics gives organizations the aptitude to generate a competitive advantage and subsequently reach a higher organizational performance level.

Organizations sustain their competitive advantage through their human resource if and only if they go in line with the demands of the concurrently changing world through the development of their work force. That is, if they respond to the skill, knowledge and technological gaps of their employees. In the organizational context, HRD is a process through which the employees of an organization are assisted for a continuous and planned way to:

- (i) acquire or sharpen their capabilities required to accomplish various functions associated with their current or expected future roles;
- (ii) improve their overall capabilities as individuals and enrich and exploit their own intrinsic potentials for their own and/or organizational progress processes; and

- (iii) develop an organizational culture whereby supervisor-subordinate relationships, team-spirit and collaboration among sub-units are getting stronger and contribute towards professional well-being, productivity, motivation and pride of employees (Woodal, 2001; Rao,1985).

The HRD climate of an organization plays a very important role in ensuring the competency, motivation and development of its employees. This can be created by using appropriate HRD systems and leadership styles of top management. It is both a means to an end as well as an end in itself.

The term 'climate' is used to, designate the quality of the internal environment which conditions in turn the quality of cooperation, the development of the individual, the extent of member's dedication or commitment to organizational purpose, and the efficiency with which the purpose becomes translated into results. Climate is the atmosphere in which individuals help, judge, and reward, constrain and find out about each other. It influences morale and the attitudes of the individual toward his work and his environment.

A supportive or positive HRD climate solidifies existing human resource systems more effective, makes organizations to be a learning environs and more receptive to the inculcation & advancement of additional supportive system. Organizations differ in the extent to which they have these tendencies. Some organizations may have some of these tendencies, some others may have only a few of these and a few may have most of these. The active resource of an organization is a human resource. Other resources remain inactive unless there are competent people to utilize the available resources for the production of goods and services (ibid). Human brain has a great energy to think and act in a productive way. Hence, competent and qualified human resource is a key factor of organizational success. In this regard, the emergence of human resource development plays a vital role in enhancing the entrepreneurial skill of people.

Human Resource Development is a process of developing competencies, knowledge, skill and attitudes of people in an organization "*Human resource development is the study and practice of increasing the learning capacity of individuals, groups, collectives, and organizations through the development and application of learning-based interventions for the purpose of optimizing human and organizational growth and effectiveness*".

The people become human resource only if they are competent to accomplish organizational activities. Therefore, human resource development ensures that the organization has such competent human resource which is significantly important to achieve its desired objectives. HRD conveys the required knowledge and skill to employees through effective arrangement of training and development programs. It is important for organizations to understand the dynamisms in human resource and human resource management, and attempt to cope with changing situation so as to deploy its employees' potentials effectively and efficiently (Chalofsky, 1992:179).

HRD is a conscious and proactive approach which is applied by employers that seeks to capacitate employees through both training and development endeavors to provide their maximum to the organization and to fully use their potential to develop themselves.

Recognizing the importance of HRD, the Ethiopian Road Construction Corporation has developed strategic human resource development plan, reengineered the various processes of its human resource management systems, and allocated budget for developing its human resources. However, there are some symptoms that indicate dissatisfaction of employees on HRD climate employed such as unfriendly work relationship among employees and management, poor performance management, negative rumors of employees and an increased employee turnover. To this end, the study tried to assess the HRD climate of the corporation in order to identify major problems and to foreword possible solutions for further improvement.

## **1.2. ERCC'S Organizational Profile**

The history of Ethiopian Road Construction Corporation /ERCC/ is a part of the history of Ethiopian Roads Authority /ERA/ and hence can be traced back to the early 1950s. During the 1936-41 Italian occupation, road building in the country has increased significantly though it somewhat stagnated immediately after liberation. Following the eviction of the Italian occupiers, the Imperial Government of Ethiopia was convinced that a road agency solely responsible for restoring and expanding the road network throughout the country had to be established. In line with the government's market-led policy and in view of building the local private construction sector, the objective of the authority was confined to develop and administer highways, and to ensure the standard of road construction.

ERCC is the outcome of the decentralization and commercialization strategies, which have been implemented for more than a decade, plus the institutional capacity building efforts of the Road Sector Development Program. The restructuring of ERA and its split into two distinct and independent bodies, the Regulatory (as ERA) and the Operational (ERCC) is also recommended by the business process reengineering study of the Authority.

As a result, the Ethiopian Road Construction Corporation has been established by the Council of Ministers Regulation No. 248/2011 with the main objectives to function on a profit basis, like any state enterprise, bidding for road project contracts against both local and international construction companies and plays a cost reducing and a pace maker role in the industry. With its current set up, ERCC has head office and well established equipment maintenance center in Addis Ababa. Besides to this; it has 10 road maintenance projects and 5 road construction projects, which are strategically located all over the country (ERCC Magazine, 2012).

### **1.3. Statement of the Problem**

The competitive advantage and success of an organization is determined by the skills, ability, competencies and motivation of its employees. Well-motivated and competent employees are the greatest assets of an organization. Human resources development plays an indispensable role to have skillful, competent, motivated and productive employees. As described by Burke and Cooper (2005), human resource development strives to have competent human resource. It develops the knowledge, skill and ability of employees.

HRD helps employees to be competent and effective in accomplishing tasks as per the stated job requirements. It creates opportunity for career development which constitutes personal development endeavors through an appropriate fit between training and development opportunities based on employee's needs. Trained and efficient employees in an organization are committed towards their job which is possible through human resource development. Besides, if employees are supplied with proper training and development, they will have more dedication to their work and their organization (Baruch, 2004).

Human Resource Development facilitates the planning and management of change. It manages conflicts through improved labor management relation and develops organizational health, culture and environment which help for an effective management of change. It also provides opportunities for training and development, trainings and development programs are tools of it. In the case of performance improvement, HRD brings the necessary skills and abilities which are required to perform organizational activities. Consequently, employees can contribute for a better performance for their organization which again leads to a greater organizational effectiveness (King 2003; Baruch, 2001).

Given the opportunities of Human Resource Development, providing the proper type of Human Resource Management (HRM) climate in general and HRD climate in particular is so crucial. In organizations, employees can be supported to make their full contribution to their potentials, so as to achieve the objectives of their organization, and thereby exert their maximum effort to make an organization more productive. To meet this purpose, a welcoming HRD climate is tremendously important. Therefore, maintaining attractive and friendly human resource management and development climate is essential for facilitating human resources development, and thereby resulting in employee job satisfaction.

Literatures attempted to explain the effect of human resources development climate upon human resource performance. For instance, Pattanayak (1998) described that HRD climate affects employees' performance by:

- (i) defining the incentives that confronts the individual;
- (ii) placing constraints and challenges on the individual's freedom to choose; and
- (iii) Supplying source of reward and punishment. Furthermore, Gonzalez (1999) stated that organizations should realize that the nature, particularly the health level of the HRD climate determines employees' ability to sustain high performance.

The importance of people and the challenge of developing them make out a strong case for the evaluation of HRD climate prevailing in business organizations in the current dynamic and volatile environment.

In line with this, ERCC has passed through wider ranges of HRD programs, restructuring, and reforms in order to create conducive human resource development climate. However, the context of human resource development climate in the Corporation has lacking scientific evidence. This means, regarding the HRD climate level of the corporation one cannot find any evidence unless the assumptions given by an individuals. Its practice shows that, there are different HRD programs conducted each year based on needs collected from work units annually. The implementation of the programs are mainly in cooperation with Ethiopian management institute for management and professional staff trainings, Alemgena Training Center for technician and operational trainings and for administrative support staffs in-house trainings are used. According to the evidences from respondents for interview, during the need assessment specific knowledge, skill or attitude gaps are not properly identified. Similarly, the training programs do not properly designed to solve specific performance deficiencies of employees. Rather it is designed at general level of the job titles. Besides, even though there is an attempt to assess the feedback and impacts of delivered training programs, there is no integrated and continuous program evaluation and impact assessment so as to improve the training programs of the corporation.

There are some indicators for the dissatisfaction of employees on HRD climate employed in the corporation, such as unfriendly work relationship among employees and management, shortage of managers coaching and counseling effort, increased negative rumors of employees, poor performance management and reward system, presence of employees accusing each other behind the back and an increased employee turnover. Therefore, the main intention of this study was to assess the existing HRD Climate of the corporation.

#### **1.4. Research Questions**

The study was guided by the following key research questions:

1. What does the general human resource development climate of the corporation look like?
2. How far congenial is the human resources development culture of the Corporation?
3. What are the human resource development mechanisms of the corporation?

#### **1.5. Objectives of the Study**

The general objective of the study was to assess the human resource development climate and related challenges in Ethiopian Road Construction Corporation.



Based on this general objective, the following were specific objectives of the study.

- ✓ To assess the general human resource development climate of the Corporation,
- ✓ To examine the human resource development culture of the Corporation,
- ✓ To investigate the human resource development mechanisms of the Corporation, and
- ✓ To assess the HRD Climate and its challenges.

## **1.6. Significance of the Study**

An organization's success is determined as much by the skill and motivation of its members as by almost any other factor. While this has always been true, recent changes focus attention on ways human resources development activities can be used to ensure organizations have what it takes to successfully meet the challenges (Desimone et. al. 2002).

This research study aimed to investigate the overall human resource development climate of the corporation. This will enable the corporation to identify the most effective ways of closing human resource development quality gaps and help to choose which gaps to focus on. This can be achieved by measuring the employee expectations and performance on the various human resource development quality dimensions. It plays a role in identifying their present situation and future strategies for providing better service to customers and will help to diagnose the problems, gaps and then ultimately solutions to fill the gaps between employee expectation and perception of management responsible for HRD.

The study has drawn some conclusions and identified main challenges in area of HRD climate of the Corporation. Thus, the findings of the research can help the Corporation:

It helps to acquire knowledge about the HRD Climate.

- ❖ to better diagnose the human resource development climate of the corporation;
- ❖ gives signal to the human resource management of the corporation to take remedial action, and
- ❖ It can also serve as a reference for further studies in related issues.

## **1.7. Delimitation/ Scope of the Study**

The study focused on the assessment of human resource development climate dimensions in ERCC. The corporation has eleven divisions at head office, five road construction and ten road maintenance projects which are operating all over the country.

Due to its number of projects and geographical dispersion, the data collection for the research was delimited to the eleven divisions found at head office Addis Ababa, one road construction project (Chanco Debra Becho), one road maintenance project (Alemgena Road Maintenance). Since the main focus of the research was on the human resource development climate of the corporation, it is assumed that the HRD Climate practice mainly understood and practiced by the staffs of the corporation at head office. The student researcher has taken the sample respondents about 65% from corporation head office and the remaining 34% from the two projects. The sample respondents comprise only managerial and senior professional employees of the corporation who are working on a permanent basis. It was also decided for the simplicity and reliability of data that was collected.

The result of this study was mainly based on the opinion and ideas of the respondents who were selected randomly. Though, HRD climate is contesting issues which deserve time series data collection, the data collection for this study delimited to the opinion of respondents which is collected once. The study had delimited to descriptive method by using a systematic random sampling.

Most of the studies conducted on current literatures of HRD shows that its scope is characterized by a view that HRD is too amorphous. Its amorphous nature made very difficult to clearly determine the scope and boundaries. Therefore, due to all the possible constraints explained above, though, HRD Climate covers training and development, organizational development, and career development, the student researcher has delimited the scope of the study to formal training and development climate of the corporation.

## **1.8 Operational Definitions**

**HRD-** is the study and practice of increasing the learning capacity of individuals, groups, collectives, and organizations through the development and application of learning-based interventions for the purpose of optimizing human and organizational growth and effectiveness.

**Climate-** is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organization conduct themselves with outsiders

**General HRD Climate-** The general climate deals with the importance given to human resources development in general by the top management and line managers

**Mechanisms-** HRD Mechanisms takes into account performance appraisal, potential appraisal, career planning, performance rewards, feedback and counseling, training, employee welfare, quality of work life, job rotation, self-renewal and institution building.

**OCTAPAC-** the extent to which openness, confrontation, trust, autonomy, pro-activity, authenticity and collaboration are valued and promoted in the organization.

## **1.9 Organization of the Paper**

This research paper is organized in to five chapters. The first chapter deals with the introduction part which encompasses the background of the study, the statement of the research problem, objectives of the study, significance of the study, scope of the study and limitations of the study.

The second chapter deals with the review of related literature. Chapter three focused on the research methodology, data collection and procedures, sample and sampling techniques, where as the fourth chapter presented the result analysis and discussion of the data. Finally, conclusions and recommendations were presented under fifth chapter.

## CHAPTER TWO

### REVIEW OF THE RELATED LITERATURE

#### 2.1. Introduction

Increasingly, more importance is being given to “people” in organizations. This is mainly because organizations are realizing that human assets are the most important of all assets. This emphasis can also be partly attributed to the new emerging values of humanism and humanization. Moreover, with the increased emphasis on creativity, and autonomy, which people are increasingly acquiring and enjoying in the society, the expectations of people are fast changing. People cannot be taken for granted any more (Gupta, 2001).

As indicated above, organizations seek to optimize their workforce through comprehensive development programs not only to achieve organizational goals, *but also most importantly, to satisfy and retain their workforce*. To accomplish this undertaking, companies will need to invest resources to ensure that employees have the information, skills and competences they need to work effectively and meet employees need for growth and development. Although development of human resource has been in existence in one form or another since the beginning of civilization, a planned and systematic approach to HRD in the corporate sector emerged in the late half of the 20th century.

The aim of the researcher is to lay out the foundation for the development of the study in this chapter. And therefore, the primary purpose of this chapter is pointed towards providing readers with the theoretical understanding of the assessment of the human resource development climate. Review of up-to-date related literatures regarding definitions, theoretical framework, importance, characteristics, components, measuring, HRD & communication, factors contributing, challenges and empirical studies on HRD climate will be conducted.

## **2.2. Definitions and Concepts of HRD Climate**

### **2.2.1. Human Resource Development**

Kuchinke, (2001) has put it in seemingly simple but in fact highly loaded words; Human Resource Development (HRD) is an emergent field that builds upon multiple disciplines including psychology, business, and education. The HRD field, although well established in practice, has had only a brief formal existence in academia in comparison to many other disciplines (Swanson and Holton, 2001). When examining the theories of HRD, Weinberger (1998) had clearly been reporting definitions in the field as early 1970. Only recently has HRD been identified as a field in academia.

Key definitions have a variety of underlying theories including psychological, systems, economic, philosophical, human performance, organizational performance, and performance system. While a wide variety of perspectives in the field of HRD can provide a view that is not limiting, it can also create too broad a field of study that is hard to define. According to Swanson & Holton's study HRD has been defined as "...process for developing and unleashing human expertise through organization development, and personnel training and development, for the purpose of improving performance" which included system, psychological, and economic as underlying theories in the framework for HRD (Swanson & Holton, 2001).

HRD has been also defined in various ways. Chalofsky (1992) defined it as "the study and practice of increasing the learning capacity of individuals, groups, collectives, and organizations through the development and application of learning-based interventions for the purpose of optimizing human and organizational growth and effectiveness."

Armstrong and Baron, on their own, had defined HRD as the provision of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance (Armstrong and Baron, 2002).

McLean and McLean's definition to HRD is "any process or activity that, either initially or over the long term, has the potential to develop ... work-based knowledge, expertise, productivity and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation, or, ultimately, the whole of humanity" McLean and McLean (2001).

According to the American Society of Training and Development (ASTD), HRD is the integrated use of training and development, organizational development, and career development to improve individual group, and organizational effectiveness. Society 'is faced with new challenges and changes daily which increase the need to provide employees with appropriate learning experiences (<http://www.astdcascadia.or>).

Moreover, HRD helps organizations provide learning related to the goals of the organization and to its employees. This learning is accomplished by providing training, education, and development. Thus, HRD is considered to be one of the major functions of Human Resource Management. The HRD area consists of three primary functions training and development, organizational development, and career development. It is critical that the HRD function recognizes its value to the organization in relation to the strategic planning process and the opportunity to provide a true competitive advantage to the organization through its sustained and continuous development of its most important asset its people.

### **2.2.2. HRD Climate**

HRD climate is an integral part of the prevailing HRD climate which may include characteristics such as: importance given to human resource, openness of communication, encouragement given to risk-taking and experimentation, feedback given to employees to make them aware of their strengths and weaknesses, a general climate of trust, faith in employee's capabilities, employees' tendency to assist and collaborate with each other, team spirit, tendency to discourage stereotypes and favoritism, and supportive personal policies and practices. For a positive HRD climate to prevail within an organization, it must be built on eight important culture characteristics identified by Rao and Abraham (1990). These characteristics are: Openness, Confrontation, Trust, Autonomy, Pro-action, Authenticity and Collaboration (OCTAPAC). However, organizations differ in the extent to which they are able to align with these characteristics.

Climate is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organization conduct themselves with outsiders. (It is provided by an organization.) HRD Climate is an integral part of organizational climate. It is the perception the employee can have on the developmental environment of an organization (Rao & Abraham, 1986).

HRD climate can be defined as perceptions the employee can have on the human resource developmental environment of an organization. This developmental climate will have the following characteristics (ibid):

- A tendency at all levels starting from top management to the lowest level to treat the people as the most important resource, to be open in communications and discussions rather than being secretive (fairly free expression of feelings),
- A perception that developing the competencies in the employees is the job of every manager/supervisor,
- Faith in the capability of employees to change and acquire new competencies at any stage of life, encouraging risk-taking and experimentation,
- Making efforts to help employees recognize their strengths and weakness through feedback, and a general climate of trust,
- A tendency on the part of employees to be generally helpful to each other, collaborate with each other, and team spirit,
- The tendency to discourage stereo types and favoritism supportive personnel policies,
- Supportive HRD practices including performance appraisal, training, reward management, potential development, job-rotation, career planning, etc.

HRD climate contributes to the organization's overall health and self-renewing capabilities, which in turn increase the enabling capabilities of individual, pairs, team and the entire organization.

HRD, as a concept, demands a specific and congenial climate to take root or it can be said that its success in an organization depends to a large extent on the existence of the favorable climate. HRD climate is the perceptions that the employees have about the policies, procedures, practices, and conditions which exist in the working environment. The HRD Climate survey instrument developed by T.V. Rao and E. Abraham has conceptualized HRD Climate under three dimensions of general climate, OCTAPAC culture and implementation of HRD mechanisms. The general climate deals with the importance given to human resources development in general by the top management and line managers. The OCTAPAC items deal with the extent to which openness, confrontation, trust, autonomy, pro-activity, authenticity and collaboration are valued and promoted in the organization.

Openness is there when employees feel free to discuss their ideas, activities and feelings with each other. Confrontation is bringing out problems and issues in open with a view to solving them rather than hiding them for fear of hurting or getting hurt. Trust is taking people at their face value and believing what they say. Autonomy is giving freedom to let people work independently with responsibility. Pro-activity is encouraging employees to take an initiative and risks. Authenticity is the tendency on the part of people to do what they say. Collaboration is to accept interdependencies, to be helpful to each other and work as teams. HRD mechanisms measure the extent to which HRD mechanisms are implemented seriously. These mechanisms include performance appraisal, potential appraisal, career planning, performance rewards, feedback and counseling, training, employee welfare for quality work-life and job rotation (Rao & Abraham 1986).

## **2.3. Theoretical Framework of HRD Climate**

### **2.3.1. Concepts of HRD Climate**

In the 21st century companies will succeed only if they are able to attract the best talent in the market place and develop it. Today technology can become obsolete, assets value may depreciate but only human capital that forms a strategic resource for organizations is the only winning formula through great talent and innovation. People make the difference. The most differentiating factor amongst companies is their people. So HRD is increasing its scope to retain and develop the human capital. The committed employee will contribute for the accomplishment of organizational goals and identify himself with goals of organization. Companies are constantly striving to develop and make their employees committed (Podsakoff et al. 2000).

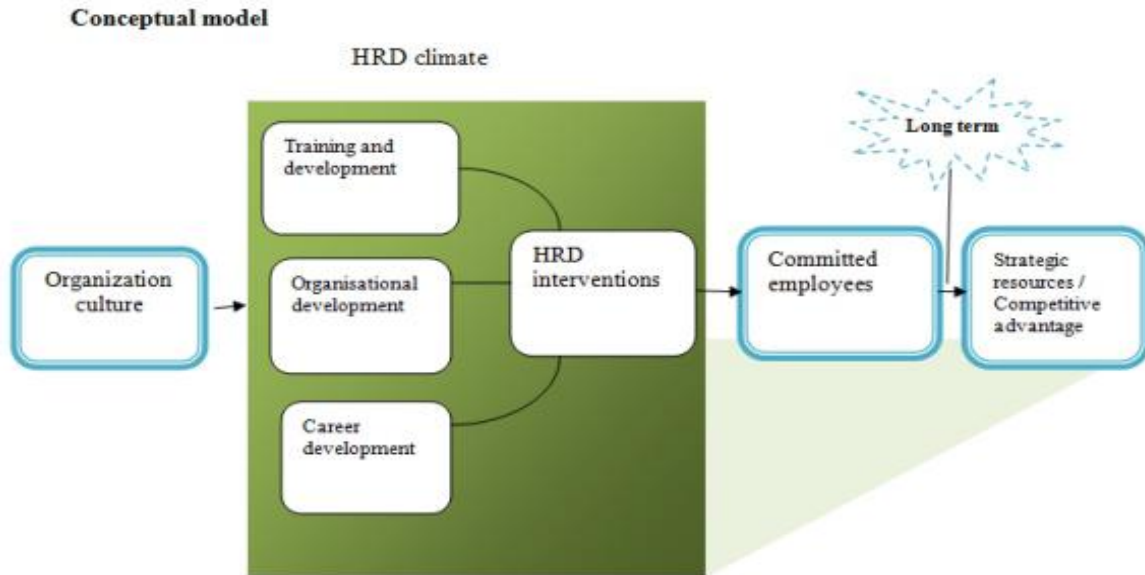
The role of HR for effective facilitation of organizational commitment by providing learning capabilities and by psychologically empowering managers becomes an imperative. It is an antecedent of citizenship behavior and intention to stay with or leave organizations. The HRD Climate has a significant impact on Organizational Citizenship Behavior (OCB) and Voluntary Turnover Intentions (VTI) (Akinyemi Benjamin 2012). (David Giaouque, et al, 2010) stated in their study as 'organizational support', 'procedural justice', as well as the perception of the organizational reputation seems to have strong relations to affective organizational commitment. HRD is tantamount to building competence, commitment and culture. The concept of HRD deals with many facets of development of individuals including their physical, intellectual, emotional, political, and spiritual aspects.



In essence, HRD is tantamount to building competence, commitment and culture (Rao, & Abrham, 1990).

### 2.3.2. Conceptual model of HRD Climate

The following conceptual model is developed to clearly understand the role of HRD in creating competitive strategic resources for organizations.



Source - V. Rama Devi, KLU Business School, KL University, 2012

**Figure 2.1:** Conceptual model of HRD Climate

Most of the researchers have followed the typology, 'HRD Climate Survey' as developed by Rao and Abraham (1986). It had 38 items grouped under three categories: General Climate, OCTAPAC Culture and HRD Mechanisms to assess the level of HRD Climate. The General Climate items deal with the importance given to human resource development in general by the top management and line managers but also concerns good personnel policies and positive attitudes towards development. OCTAPAC Culture depicts the degree of Openness, Confrontation, and Trust, Autonomy, Pro-action, Authenticity, Collaboration and the extent to which these values are promoted in the organization.

HRD Mechanisms takes into account performance appraisal, potential appraisal, career planning, performance rewards, feedback and counseling, training, employee welfare, quality of work life, job rotation, self renewal and institution building, personal growth laboratories and worker education programmes, quality circles ,task forces, and assignment groups, managerial learning network, organizational development etc. In the later days, researchers have made subtle changes to the instrument to fit their study. Later the researches shifted from not only analyzing the factors that contributed to the HRD Climate in an organization, but also on the effect that the climate had on the effectiveness of the organization.

HRD focuses on changing or improving the knowledge, skills, and attitudes of individuals. Training typically involves providing employees the knowledge and skills needed to do a particular task or job, though attitude change may also be attempted. Developmental activities, in contrast, have a longer-term focus on preparing for future work responsibilities while also increasing the capacities of employees to perform their current jobs.

The researcher had conducted the study based on the conceptual framework discussed above by delimiting to the training and development aspect of the framework. Besides, the researcher has developed his own framework based on this theoretical framework.

### **2.3.3. HRD and HRD Climate**

As Wilson (2005), indicated in his study, the concept of “Human Resource Development “was growing as an influential discipline or professional field of practice since its introduction; increasingly becoming critical to the survival and success of all organizations. HRD is not synonymous with training, (Nayak, Ganihar, and Shivanand, 2007) but beyond training. Various management scholars defined HRD, but Rao (1991) provided a clear and comprehensive definition based on organizational and national contexts. In organizational context as a process by which the employees of an organization are continuously helped in a planned way to:-

- acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;

- develop their general capabilities as individual and discover and exploit their own inner potentials for their own and/or organizational development purposes; and,
- Develop an organizational culture in which supervisor subordinate relationships, team work, and collaboration among subunits are strong and contribute to the professional wellbeing, motivation and pride of employees.

In a national context as a process by which the people in various groups are held to acquire new competencies continuously so as to make them more and more self-reliant and simultaneously develop a sense of pride in their country. Such self-reliance and sense of pride could be developed through a variety of interventions taken at national, regional and organizational levels, where government departments play an important role as agents of HRD at the national level; and the HRD department at organizational levels. The conventional implication with which the term 'climate' has been used in literature is 'organizational climate', but the concept of climate with specific reference to the HRD context (i.e. HRD climate) was introduced by Rao (1996). Since then, HRD climate as a concept has gained greater significance and now it is viewed as an important tool of motivating and developing employees in an organization. HRD climate is an integral part of the prevailing wider organizational climate, (Rao and Abraham, 1986; Akinyemi and Iornem, 2012) that refers to the perceptions about the prevailing conditions within an organization which affects the life of employees (work and personal life) and the activities within the organization (Sharma and Purang, 2000, and Srimannarayan, 2009).

#### **2.3.4. Human Resource Development Culture**

In an organization the extent to which the HRD climate exists can be assessed based on HRD climate elements called the General climate, the “OCTAPAC” culture and the HRD mechanisms. The General climate items deal with the importance given to HRD in general by top management. The OCTAPAC culture deals with the extent to which openness, confrontation, trust, autonomy, pro-action, authenticity, and collaboration are valued and promoted in an organization. HRD mechanisms facilitate favorable HRD climate in an organization, and they measure the extent to which HRD techniques are implemented seriously, (Rao and Abraham, 1986; Rao, 1991; Nayak, Ganihar and Shivanand, 2007).

### 2.3.5. Human Resource Development Mechanism

HRD Mechanisms takes into account performance appraisal, potential appraisal, career planning, performance rewards, feedback and counseling, training, employee welfare, quality of work life, job rotation, self-renewal and institution building, personal growth laboratories and worker education Programmes, quality circles, task forces, and assignment groups, managerial learning network, organizational development etc. Some of the major HRD Mechanisms or tools are presented below as briefly as possible:

- *Performance Appraisal*: it is used to as a mechanism to understand the difficulties /weaknesses of the subordinates help/ encourage the remove all these and realize these. Other objective is to identify their strengths and weaknesses of the subordinates too and to provide a positive environment and help them to understand their positive attitudes.
- *Career planning*: In HRD, corporate strategies and business expansion plans should not be kept secret. Long term plans of the organization should be made transparent employees. Most individuals want to know their career growth and other possibilities. Hence the managers should transform the organization plans to the employees, thus making way for the employees to plan their growth possibilities accordingly.
- *Training*: The training is directly linked with the career growth and appraisal of the employees as such. Employees are given on the job training as well as off the job training.
- *Potential Appraisal and Development*: The capabilities should be developed within the employees to grow/perform new roles & responsibilities by themselves continuously. Systems, creating new roles and assigning new responsibilities.
- *Reward*: Rewarding employees is a significant part of HRD. By this the organization helps in motivating & recognizing the employee talents as such. It also helps in communicating the values of the organization also (<http://mbaseminars.blogspot.com>).
- *Employee Welfare*: HRD systems focus on employee welfare and quality of work life by continually examining employee needs and meeting them to the extent possible.
- *Organization Development*: A continuous effort is maintained to maintain the development of the organization as whole. This may be mainly through research methods and all, where in possible development in specific areas may be reviewed and corrective action may be taken.

- *Feedback and performance coaching*: This is the responsibility of the supervisors to continuously providing feedback, coach and counsel employee performance and provides necessary suggestions to improve them (<http://mbaseminars.blogspot.com>).

## **2.4. Importance of Human Resource Development Climate**

Stating the major purpose of HRD, Sampson (2005) stressed that “it is to change behavior through training and other incentives.” It also viewed that developing employee' skills on the job, including interactive skill results in favorable impact on the level of morale, which, in turn, enhances commitment to the organization. As a function within an organization, HRD provides opportunities for an individual worker to improve current and future job performance, while simultaneously best utilizing human capital in order to improve the efficiency of the organization itself. As a function within an organization, it “plays a principal role in enhancing the long-term sustainability of organizations and has the potential to help cultivate organizations that positively influence individuals, communities, society, and the environment” (Hatcher, 1999).

HRD climate is characterized by the tendencies such as treating employees as the most important resources, perceiving that developing employees is the job of every manager, believing in the capability of employees, communicating openly, encouraging risk taking and experimentation, making efforts to help employees recognize their strengths and weaknesses, creating a general climate of trust, collaboration and autonomy, supportive personnel policies, and supportive HRD practices. An optimal level of development climate is essential for facilitating HRD activities (Rao & Abraham 1986). The top management subscribing to these values is a starting point. When a critical mass internalized these values, there emerges a favorable climate for HRD. This positive HRD climate renders the existing systems more effective and makes the organizations more receptive to the introduction of relevant additional system (Athreya 1988). A healthy HRD climate certainly bolsters the overall internal environment of the organization, fosters employee commitment, involvement and satisfaction with the job.

HRD Climate is extremely important for the ultimate achievement of the business goals. The positive HRD climate renders the existing systems more effective and makes the organizations more receptive to the introduction of relevant additional system.

An organization that has better HRD climate and processes is likely to be more effective than an organization that does not have them. In addition, HRD climate has been reported to be a significant predictor of managerial effectiveness in a study conducted in Madhya Pradesh State Electricity Board (MPSEB) (Narayan & Rangnekar, 2008).

## 2.5. Characteristics of Human Resource Development Climate

Human Resource Development Climate is an overall feeling that is conveyed by the physical layout, the way employees interact and the way members of the organization conduct themselves with outsiders. To survive, it is very essential for an organization to adopt the change in the environment and also continuously prepare their employees to meet the challenges; this will have a positive impact on the organization. To develop HRD Climate the following efforts are required:

- *Top to Bottom effort:* An organization is considered to be a complete one after including top authority to bottom line of workers. And whenever we talk about development at organizational level, effort is needed from top level to bottom level. Top authority should not have thinking in their mind that their task is to only take decisions but they should also emphasized on proper implementation of decision by adopting various controlling technique. Bottom level workers should have loyal mind-set towards their organization. Bottom level workers have to work with dedication. They should have realization that organization is their organization.
  - *Motivator role of Manager and Supervisor:* Manager and Supervisors have to help the employees to develop the competencies in the employees. To help the employees at lower level they need to updated properly and they need to share their expertise and experience with employees (<http://www.citehr.com>).
  - *Faith upon employees:* In the process of developing HRD Climate employer should have faith on its employee's capabilities. Means whatever amount is invested that should be based on development of employees. Top management should trust the employees that after making huge effort to develop employees, employees will work for the well being of organization and for human being also.
- Free expression of Feelings :* Whatever top management feels about employees they have to express to employees and whatever employees think about top management it must be expressed in other words we can say that there should not be anything hidden while communication process.

- *Feedback:* Feedback should be taken regularly to know the drawbacks in system. This will help to gain confidence in employees mind. Employee will trust on management and he/she can express his/her opinion freely which is very good for HRD Climate. Feedback will help to remove the weakness.
- *Helpful nature of employees:* Whenever we talk about 100% effort then we have to talk about employees' effort too. Nature of employees should be helping for management and for its colleagues. They should be always ready to help to customers too.
- *Supportive personnel management:* Personnel policies of organization should motivate employees to contribute more from their part. Top management's philosophy should be clear towards Human Resource and its well being to encourage the employees.
- *Encouraging and risk taking experimentation:* Employees should be motivated by giving them authority to take decision. This concept is risky but gradually it will bring expertise in employees to handle similar situation in future. It will help to develop confidence in employees mind. Organization can utilize and develop employees more by assigning risky task.
- *Discouraging stereotypes and favoritism:* Management needs to avoid those practices which lead to favoritism. Management and Managers need to give equal importance. Those people who are performing good they need to appreciate and those who are not performing well they need to be guided. Any kind of partial behavior should be avoided.
- *Team Spirit:* There must be feeling of belongingness among the employees, and also willingness to work as a team <http://www.citehr.com>.

## **2.6. Components of Human Resource Development Climate**

In relation to the human resource development climate, organizational climate consists of the following components:

- *Organizational Structure:* An organization's structure is actually a 'snapshot' of a work process, frozen in time so that it can be viewed. The structure enables the people's energy to be focused towards process achievement and goal achievement. Employee must have a clear definition of not only the work structure but also the role used to organize the work.

If the structure and the role is not clear, people will not know what the work process is, who is responsible for what, whom to go for help and decision, and who can assist in solving problems that may arise.

- *Organizational Culture:* Organizational culture is the pattern of beliefs, knowledge, attitudes, and customs that exists within an organization. It may result in part from senior management beliefs or from the beliefs of employees. Organizational culture can be supportive or unsupportive, positive or negative. It can affect the ability or willingness of employees to adapt or perform well within the organization. The most effective work culture is one that supports the organizations HR strategies by aligning behaviors, processes and methods with the desired results. It is not just achieving results but the methods through which they are achieved that are critical to long-term success. Before any HR strategy is designed there must be a clear understanding of the organization, its current values, its structure, its people as well as its goals and vision for the future.
- *HR Processes:* The HR system of an organization should be comprehensive enough to take care of employees from the time they join till the time they leave. Their demands must not be ignored, but a feeling of belongingness be created. Process should be very clear and impartial, so that employee's faith in organization. From recruitment to retirement whole process should be according to employees' expectation and ability of employer. Looking at the organizational climate, which means taking a closer look at what is happening in and around in the HR scenario of the various organization. It is essential to work on because directly or indirectly this environment affects the organization and the employee (<http://www.scribd.com>).

## 2.7 Measuring of Human Resource Development Climate

The following factors are used to measure organization's HRD Climate:

- *Economic condition:* An organization's economic condition influences its culture in several ways. The more prosperous an organization is, the more it can afford to spend on research and the more it can afford to risk and be adventurous.
- *Leadership Style:* An organization's leadership style plays a profound role in determining several aspects of its culture.



An authoritarian style may make the organization's culture characterized by high position structure, low individual autonomy, low reward orientation, low warmth and support and so on, or it may be opposite, like goal directed leadership.

- *Managerial assumption about human nature:* Every act on the part of the management that involves human beings is predicated upon assumptions, generalizations and hypotheses relating to human behavior. There are two theories of behavior (Theory X and Theory Y). Organizations should consider these theories in their decisions.
- *Managerial values and philosophy:* This is the feeling of managers about norms and values of what is good and what is poor as management practice. There are few dimensions on which it can be checked. Their self-awareness, risk-taking, participation, bureaucracy, equity, employee's security and growth.
- *Organization size:* Small organizations have fewer levels of management; these are generally more amenable to democratic and participative functioning than big organizations. More open communication system in small organizations. Hence these organizations have a different type of climate than what are in big organizations. <http://www.scribd.com>.

## **2.8. Factors Contributing to HRD Climate**

The following factors may be considered as contributing to HRD climate:

- ❖ *Top Management Style and Philosophy:* A developmental style, a belief in the capability of people, a participative approach, openness and receptivity to suggestions from the subordinates are some of the dimensions that contribute to the creation of a positive HRD climate.
- ❖ *Personnel Policies:* Personnel policies that show high concern for employees, that emphasize equity and objectivity in appraisals, policies that emphasize sufficient resource allocation for welfare and developmental activities, policies that emphasize a collaborative attitude and trust among the people go a long way in creating the HRD climate.
- ❖ *HRD Instruments and Systems:* A number of HRD instruments have been found to generate a good HRD climate. Particularly open systems of appraisal with emphasis of counseling career development systems, informal training mechanisms, potential development systems etc. contribute to HRD climate.

- ❖ ***Self-renewal Mechanisms:*** Organizations that have built in self-renewal mechanisms are likely to generate a positive HRD climate.
- ❖ ***Attitudes of Personnel and HRD staff:*** A helpful and supportive attitude on the part of HRD and personnel people plays a very critical role in generating the HRD climate.
- ❖ ***Commitment of Line Managers:*** The commitment of line managers to the development of their subordinates is a very important determiner of HRD climate.
- ❖ ***Individual Initiative & Reward System:*** The degree of responsibility, freedom and independence that individuals have and reward allocations are based on employee performance.
- ❖ ***Direction & Risk Tolerance:*** The degree to which the organization creates clear objectives and performance expectations. And the degree to which employees is encouraged to be aggressive, innovative and risk-seeking.
- ❖ ***Management Support & Integration:*** The degree to which managers provide clear communication, assistance and support to their subordinates. And the degree to which units within the organization is encouraged to operate in a coordinated manner.
- ❖ ***Control & Identity:*** The number of rules and regulations and the amount of direct supervision that is used to oversee and control employee behavior. And the degree to which members identify with the organization as a whole rather than with their particular workgroup or field of professional expertise.
- ❖ ***Conflict Tolerance & Communication Patterns:*** The degree to which employees are encouraged to air conflicts and criticisms. And the degree to which organizational communications is restricted to the formal hierarchy of authority. <http://www.scribd.com>.

## **2.9. Challenges in HRD Climate**

The future looks even more exciting and threatening. Organizations are gearing up for the difficult times ahead by tapping into all the resources at hand. Organizations realize that their people or employees would be one of the prime resources for establishing a competitive edge in the future. Consequently, organizations would require workable strategies to align the individual talents/strengths of their people towards business goals. This is where Human Resources professionals can play a deciding role. They have to face newer challenges, take up different, unprecedented roles and in the process help the business achieve its goals (Hassan, et al, 2006).

The human resource function is also changing and HR leaders are under more pressure than ever to demonstrate results from their workforce practices and policies. Business leaders recognize the link between business performance and the people within their organization. And they understand that people-related issues need to be at the heart of the boardroom agenda. As a consequence, HR managers are being encouraged to implement people strategies that support the organization's business objectives and increase accountability and transparency around people management and reporting. The following issues are the main challenges of HRD climate that faced organizations: outsourcing, international mobility, talent shortages, new labor laws, globalization, shifting demographics, an ageing workforce, poor leadership style, poor communication skill, lack of commitment at all levels of managers regarding to human resource development, no buy-in and support from senior management, HRD is not seen as an organizational priority, lack of overall career planning and pathing for officials, ad hoc selection of courses and service providers, poor implementation of policies and strategies, lack of well organized performance management system, where, how, and for whom, people work is, in turn, transforming company structures and cultures. <http://www.pwc.com>.

## **2.10. Empirical Evidences on HRD Climate**

Empirical studies have confirmed the fact that an open culture, a learning climate and provision of training and development opportunities are important for today's workforce. For example,

Recently, studies conducted on HRD climate's contribution to the organizations are revealed overall health. The overall research results showed that HRD climate affected the performance of the employees as well as organizations. As Bhardwaj and Mishra (2002) pointed out in their study of HRD climate on senior, middle and lower level managers in one of India's largest multi-business companies managers in general show a favorable attitude towards HRD policies and practices of the organization as well as satisfied with the developmental policies of the top management and happy with the prevailing HRD climate in the organization. In their study, they concluded that public organizations compared to private organizations perceived less efficient because of nepotism, arbitrariness in union management relations, inexperienced managers, lacking adequate management system, and influence by the government and political forces.

Creation of a supportive environment is an effective alternative suggested by Rao (1996) to foster the growth of individuals in organizations. Some of the factors identified by him in this regard include personal desire among individuals to grow, opportunities for interaction, assimilation of experience and capability to assess one's potentialities. As also explained in his study of Peter M. Senge (1990), the influence of structure on the behavior of people is indicated. According to him, people, however different, will produce similar results when placed in the same system. He perceived structure as a key factor that influences behavior. While describing the HRD in Indian organizations; Gupta (2001) concluded that the focus of HRD in Indian organizations is on the development of the competencies of people. It also emphasizes the development of an organizational climate that would facilitate and sustain the process of employee development and commitment. Salokhe and Chaudhary (2010) have conducted a study of the HRD climate in selected banks in the Kolhapur district of Maharashtra. It revealed the existence of a remarkably good HRD climate in the scheduled, co-operative and public sector banks there. There was no substantial variation in the perception of HRD climates across the different cadres of employees.

Alphonse (2000) analyzed the HRD climate in a hospital by assessing the top management's belief in HRD, superior-subordinate relationship, personnel policies, team-spirit, employee development, training, employee initiatives and management encouragement. This study used the HRD Climate Scale developed by T.V. Rao. A study done by Rao in 1999 regarding the HRD climate in 41 organizations revealed that the general climate in the organizations is average. A general indifference on the part of the employees towards their own development was found to be the reason for this. The lack of support to the employees post training is a major hurdle in applying what they had learnt. This in turn affects the career development of the employees. It was noted that the top management in most of the organizations is doing routine things. The other impediments of HRD highlighted in the study are the lack of opportunities for transfer of training skills and career development. Yet, the same study suggests that the employees in these organizations were serious about the training, the performance appraisal system was objective and the management was concerned about human resources.

The study made by Venkateswaran (1997) also indicated the importance of HRD Climate.

The study was based on the responses of 132 executives of a large PSU and concludes that early identification of human resource potential and development of their skill represents two major tasks of human resource development. This can be achieved only when conducive HRD climate prevails. The study found that the existence of favorable HRD climate in the organization has highly contributed.

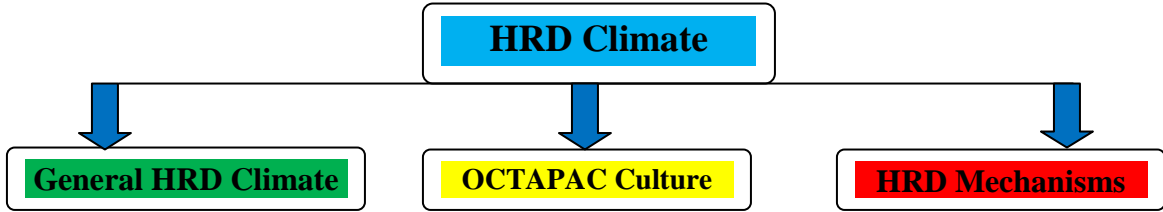
Accordingly, Krishna and Rao (1997) carried out a comprehensive empirical study organizational and HRD Climate in BHEL: The study revealed that it encouraged middle and senior managers to experiment with new methods and try out creative ideas. Sharma and Pooja Purang (2000) showed in their study about Value Institutionalization and HRD Climate: A Case Study of a Navratna public sector organization, found a positive relationship between value institutionalization and HRD climate in a large public sector organization, In other words, a better and more ethical environment of the organization shall lead to a better HRD climate for the organization. In their study of Value institutionalization and HRD climate: A case study of Public sector organization, surveyed middle level highlighted a better and more ethical environment of the organization shall lead to a better HRD climate for the organization.

Purang (2008) in her study concluded that a favorable HRD climate influences directly the behavior of managers in an organization that creates sense of belongingness in them and that enables them to perform well. Hassan (2006) found that HRD practices have been promoted its climate which in turn to quality of the employees. Emphasis on HRD climate perception results into several positive individual and organizational outcomes such as higher performance, high quality individual and organizational problem solving; and enhanced career plans and employability. A study of Rao and Abraham (1999) observed that HRD climate is a powerful intervening variable in translating HRD practices into profit. The study was found that organizational climate was influenced the organizational success variables which included effectiveness, job satisfaction, organizational commitment and intention to quit. Moreover, climate of reward and participation emerged as the best possible predictor of effectiveness.

In addition, according to the study conducted by Srimannarayana (2009) on human resource development climate in manufacturing sector, having aims to explore extent of HRD climate prevalent in manufacturing organizations in India is as follows.

Based on the information collected from 726 employees working in 18 organizations in manufacturing sector, the study has found that the overall HRD climate prevailing in the sector was of moderate level only. Training and performance appraisal appear to be more mature practices rather than career planning, rewards and employee welfare. At last of the study, also it appeared that the organizations focus more on business rather than people. Ultimately, the researcher suggested that the organizations may introduce fair employee welfare programmes and reward systems to improve employee satisfaction levels and subsequently to gain advantage from the satisfied workers to increase productivity.

### Conceptual Framework Model



Source: Self developed

Figure 2.2: Conceptual framework for HRD Climate

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This chapter presents the research methodology employed. It discusses the research technique used in the study and the reasons for selecting such a technique. This includes the research design, sample size and sampling technique, data source and collection method, procedure of data collection, method of data analysis and questionnaire reliability test was presented.

#### **3.1 Research Design**

The research employed descriptive method because the study intended to find out how the employees perceived and interpreted the problems they encountered in implementing skills and knowledge acquired from training and development programmes. In addition, this method helped the researcher to highlight the general HRD climate, OCTAPAC culture & HRD mechanisms employed in human resource development climate of the corporation. Further, it provided an accurate account or characteristics of phenomena and the situation under study, as well as providing data to allow for in-depth probe into the problems affecting the designing and implementation of HRD Climate in the corporation.

In order to make it suit to the collection of the required information from a larger sample and make the analysis easier, the study was used a quantitative method by incorporating a qualitative item in to the questionnaire. Thus, data was gathered from sample management staff and professional employees via self-administered closed ended questionnaire and structured interview. As Zikmund (2000) defined, survey is a research technique in which information is gathered from a sample of people by the use of a questionnaire.

According to Saunders et al (2007), in terms of time horizon, research design can be classified under longitudinal or cross-sectional. A cross-sectional design focuses on a particular phenomenon at a specific period of time. In this case, one sample of a population can be taken and studied at a particular time as in a single cross-sectional study or two or more samples of a target population could be studied once as in multiple cross-sectional study (Malhorta & Birks, 2007).

On the other hand, longitudinal study is a study where a particular phenomenon is studied at different period of time. In this study, the researcher had used a cross-sectional study because data were collected from a cross-section of management staff, and professional employees of Ethiopian Road Construction Corporation in one go.

### **3.2. Data Sources and Instruments of Data Collection**

The study had used both secondary and primary data sources. The secondary data were collected via detailed review of related literature i.e. books, articles, journals, magazines, bulletins, documents on training and development in corporation and many other relevant written publications. The researcher used primary data that was collected via questionnaire and interview. The decision to select the two instruments was arrived at after carefully considering their advantages and disadvantages and the population size for each category. As the research was intended to investigate the human resource development climate from management and employees' perspective, a set of questionnaire was distributed to management staff and professional employees of the Corporation. In addition, four purposively selected management staff and two professional employees were interviewed. The questionnaire used by the researcher with some adaptation was developed by the Centre for HRD, Xavier Labour Relations Institute (XLRI) developed a 38-item HRD climate questionnaire to survey the extent to which development climate exists in organizations.

The Likert type point was preferred in order to make questions interesting to respondents and thereby enhance their cooperation, ultimately to ensure maximum response rate. The questionnaire statements were developed and evaluated on a 1-5 Likert scale , where '1' indicates strongly disagree with the statement, '2' disagree, '3' neutral, '4' agree and '5' refers to strongly agree with the statement. Besides, interview was conducted with Human Resource Management Division Manager, Road Construction Division Manager, and Road Maintenance Division Manager assuming that they may have a shortage of time to go through a questionnaire. In addition, Human Resource Development and Performance Management Team Leader, and 2 senior professional employees were interviewed.



### **3.3 Sample and Sampling Techniques**

In order to ensure fair representation of the targeted population, a systematic random sampling method was used. However, four officials and two key senior professional employees were selected in purposive sampling for interview in need of getting more relevant and professional information on various issues regarding HRD Climate of the corporation.

The sample frame selected for the study composed of the management staff and professional employees of the Ethiopian Road Construction Corporation. ERCC has 11 divisions at head office of Addis Ababa, 10 road maintenance and 5 road construction projects in different areas of the country.

Due to the working nature of the corporation, the road construction and maintenance projects are spread all over the country. The student researcher had projected to collect data from the head office and two major projects' management staff, and professional employees. The data that was intended to be collected comprised of 50 (62.4 %) employees from head office where the researcher is currently working at, from which 48 (60%) of employees had responded. Also, because of the formerly notified situations, it was difficult for the researcher to have enough time and budget to access all of the corporation's projects. Therefore, one road maintenance project i.e. Alemgena was intentionally selected and questionnaire was distributed to 17(21.3%) employees where 13 (16.3%) had answered the questionnaires. In addition, one road construction project i.e. Chanco Derba was selected for its easy access and questionnaires were distributed to 13 (16.3%) employees where 12 (15%) of management staff and professional employees had responded.

The respondents were selected randomly based on their list that was taken from human resource management division. The data was collected only from permanent management staff and professional employees. Because, the permanent staff members have meaningful understanding about HRD performance in the corporation. Furthermore, in order to triangulate the collection data the researcher used questionnaire, interview and personal observation for this research. In order to determine a sufficient sample size, a systematic random sampling was applied. Because of the above mentioned hurdles, namely time and budget constraints, the researcher was forced to take a scientifically acceptable but financially and time-wise approachable number of respondents to go through with the survey conducting.

According to the data provided to the researcher from the HR management division, there were 206 employees at the three selected offices. To be precise, the head office had 136 employees; Alemgena had 37 and Chanco Debra had 33. These employees were management staff and professional employees. The researcher had then calculated how many respondents would make the required 38.5 percent and had found out that 80 people are required. Then, the researcher distributed 80 questionnaires among the three selected offices of the corporation. The distribution number was; head office had supplied with 50 respondents, Alemgena had given 17 employees and Chanco Derba had provided the left 13. From all 80 distributed questionnaires 73 (91.3%) had been returned. The remaining 7 questionnaires had not been returned. As to the interview, 6 employees were chosen. Four of them from management officials and two of them from senior professionals had conducted the interview and all six interviews had been conducted successfully.

**Table 3.1:** Sample frame and proportionate sampling

| <b>Strata</b>         | <b>Head Office</b> | <b>Alemgena</b> | <b>Chanco Derba</b> | <b>Total Population</b> | <b>Sample size</b> |
|-----------------------|--------------------|-----------------|---------------------|-------------------------|--------------------|
| Management Staff      | 30                 | 11              | 7                   | 48                      | 19                 |
| Professional Employee | 106                | 26              | 26                  | 158                     | 61                 |
| <b>Total</b>          | <b>136</b>         | <b>37</b>       | <b>33</b>           | <b>206</b>              | <b>80</b>          |
| Sample Size           | 50 (62.4%)         | 17 (21.3%)      | 13 (16.3%)          |                         | <b>80 (38.5%)</b>  |
| Actual Response       | 48 (60%)           | 13 (16.3%)      | 12 (15%)            |                         | <b>73 (91.3%)</b>  |

(Source: ERCC Human Resource Division, February, 2014)

### 3.4 Procedures of Data Collection

The researcher required permission from the corporation and after permission was approved, the questionnaires were distributed to the respondents, interviews were made and their feedback was gathered. As to my research assistants, at the Head office the researcher, as he himself is working there, had the opportunity to follow up on each and every one of the questionnaires spread out. At Alemgena project and Chanco Derba project offices, the administration team members had been helping out me in distribution & collection of the questionnaires.

For the interview purpose, all the interviewees were contacted and time schedule was prepared. Then, the interview was conducted by the student researcher himself and there were no any other type of brain storming sessions has been conducted.

### **3. 5. Methods of Data Analysis**

The data analysis for the research was descriptive type. The student researcher had examined the collected data in order to find and construct, themes and patterns that can be used to describe and explain the phenomenon being studied.

Descriptive statistics analysis was applied for the presentation, interpretation and discussion parts on various dimensions of the evaluation system. Frequency tables, charts, graphs, figures and percentages were used as appropriate to analyze, interpret, tabulate and present the result of the study. The data gathered through questionnaires was coded, entered into computer and analyzed and presented in the form of charts, diagrams, and tables by using SPSS Statics version 20 and Stata 11 soft ware. The results of the interview questions were integrated to the responses of management and employees through questionnaires and were analyzed accordingly. Finally, conclusions were made based on the results/findings of the study and recommendations were forwarded on the basis of the data analyzed.

### **3.6 Ethical Consideration**

Regarding ethical consideration an attempt was made to ensure all respondents to keep their identity and responses as confidential; so that all the information was given in full confidence. The questionnaire was distributed based on willingness of each respondent. In addition, the purpose of the questionnaire and interview was clearly indicated beforehand within questions. Moreover, face to face discussions were made with open ended questions.

### **3.7 Reliability of Questionnaire**

Alpha (Cronbach's) reliability scale was used for this research study. According to Babin & Griffin (2009), when alpha values for pilot data test in a certain questionnaire are  $>0.7$ , the questionnaire is considered to be a reliable and no further action with item deletion was required. Hence, the following table indicates the reliability determination statistics made for the pilot-test.

The reliability scale result is .888 which indicates that there is a very high internal consistency.

**Table 3.2:** Reliability sample testing scale

| <b>Case Processing Summary</b>                                 |                       |    |       |
|--|-----------------------|----|-------|
|  |                       | N  | %     |
| Cases  | Valid                 | 10 | 100.0 |
|  | Excluded <sup>a</sup> | 0  | 0     |
|  | Total                 | 10 | 100.0 |
| a. List wise deletion based on all variables in the procedure. |                       |    |       |

| <b>Reliability Statistics</b> |            |
|-------------------------------|------------|
| Cronbach's Alpha              | N of Items |
| .888                          | 38         |

**Source:** SPSS version 20

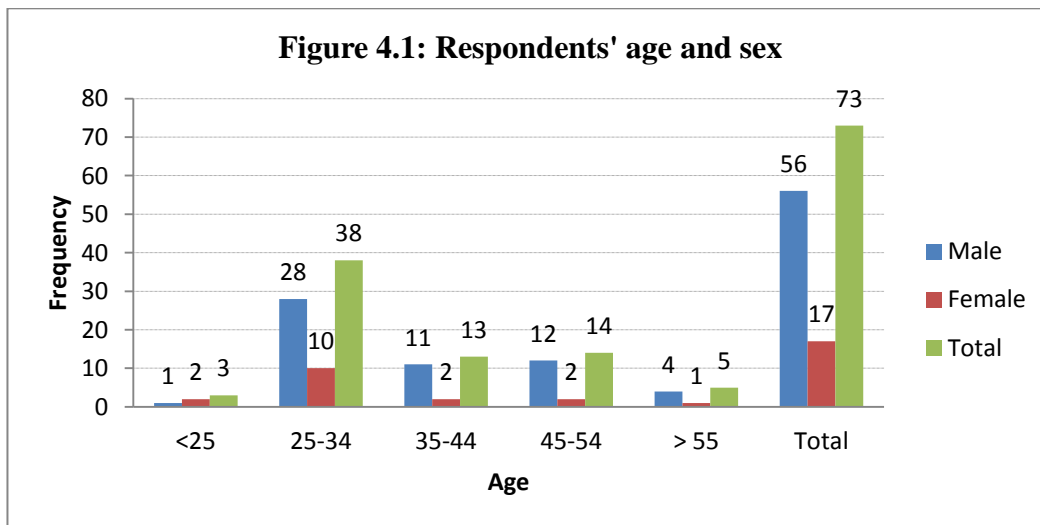
## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

*This chapter is meant for presenting, analyzing and interpreting the data and findings of the study. It consists of seven sections. The first section presents and describes the relevant respondents' demographic characteristics while the second investigates the general human resource development climate of the Ethiopian Road Construction Corporation (ERCC). The third section explores the level of conduciveness of the human resources development culture in the Corporation. The fourth and fifth sections investigate the human resource development mechanisms and the major challenges of HRD climate in the Corporation.*

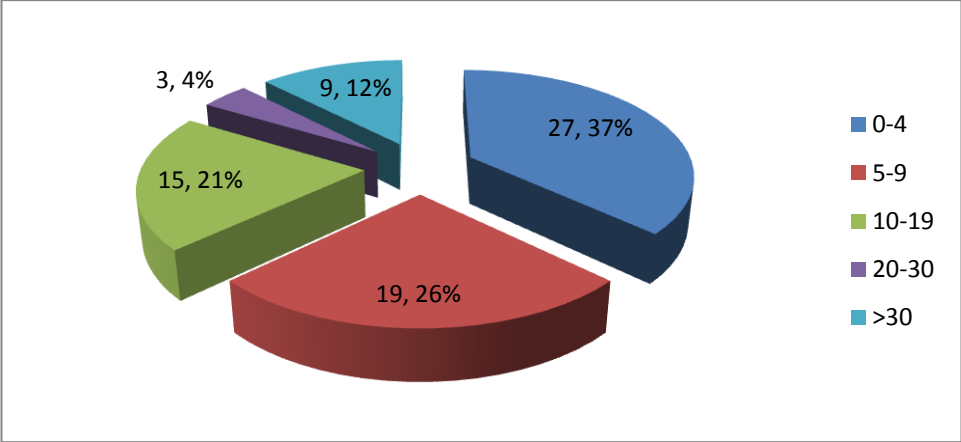
#### 4.1 Respondents' Demographic Characteristics

The information generated to address the stated research objectives is solicited from respondents with diverse demographic characteristics. The first part of the questionnaire consists of the demographic information of the participants. This part of the questionnaire requested a limited amount of information related to personal and professional characteristics of respondents. Accordingly, the demographic variables about the respondents were summarized and described in different figures and tables. These variables include: age, sex, number of service years of the respondents in the corporation, the highest educational level achieved, field of specialization, place of work and whether the respondent sponsored for the last two years.



Source: Survey data

As indicated in Figure (4.1), about 56 (76.7%) of the respondents were male and the remaining 17 (23.3%) of the respondents were female. This implies that the majority of the respondents were males than that of females. Regarding respondents' age, the largest group 38 (52.1%) was found between 25-34 years age group. The second largest group 14(19.2%) indicated their age were in the 45-54 age group where as 13 (17.8%) and 5 (6.8%) indicate their age were in the 35-44 and under 55 age groups respectively. On the other hand, 3 young individuals (4.1%) were reported below 25 years of age category. From this it is possible to infer that the workforce composition of the respondents is found in young and middle age group which may require a strong HRD programs to enhance their productivity effort.



Source: Survey data

Figure 4.2: Respondents' work experience

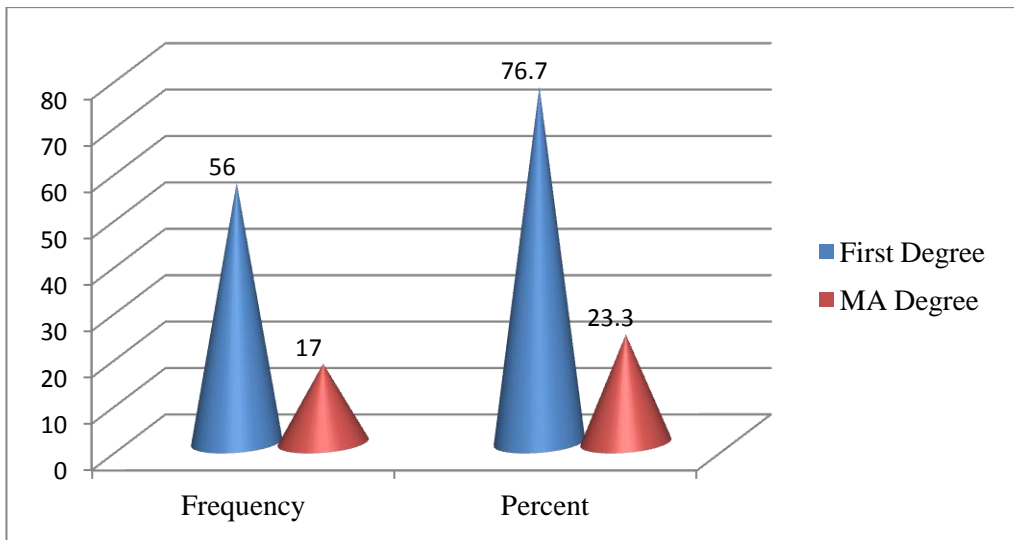
As it is shown in Figure 4.2, the majority of the respondents 27(37%), indicated that they have been working in the Corporation from 0 and 4 years. However, 19 (26%) and 15 (20.5%) of respondents indicated tenure with the Corporation of between 5 and 9 years and 10-19 years respectively. On the other hand, only 3 (4.1%) individuals indicated that they had been working in the corporation from 20 to 30 years and 9 (12.3%) indicated that they had served for more than 30 years.

As it is displayed in Table 4.1, 27 (37 %) of the respondents were professionals specialized in civil engineering, whereas 23 (31.5%) and 11 (15.1%) were in management and in accounting respectively. The remaining 7 (9.6%) and 5 (6.8%) of the respondents were professionals in mechanical engineering and in economics respectively. This indicates that the majority of the respondents were from the field civil engineering due to the organization's job nature.

**Table 4.1** Respondents’ professional specialization

| Specialization         | Frequency | Percent |
|------------------------|-----------|---------|
| Civil Engineering      | 27        | 37.0    |
| Accounting             | 11        | 15.1    |
| Management             | 23        | 31.5    |
| Economics              | 5         | 6.8     |
| Mechanical Engineering | 7         | 9.6     |
| Total                  | 73        | 100.0   |

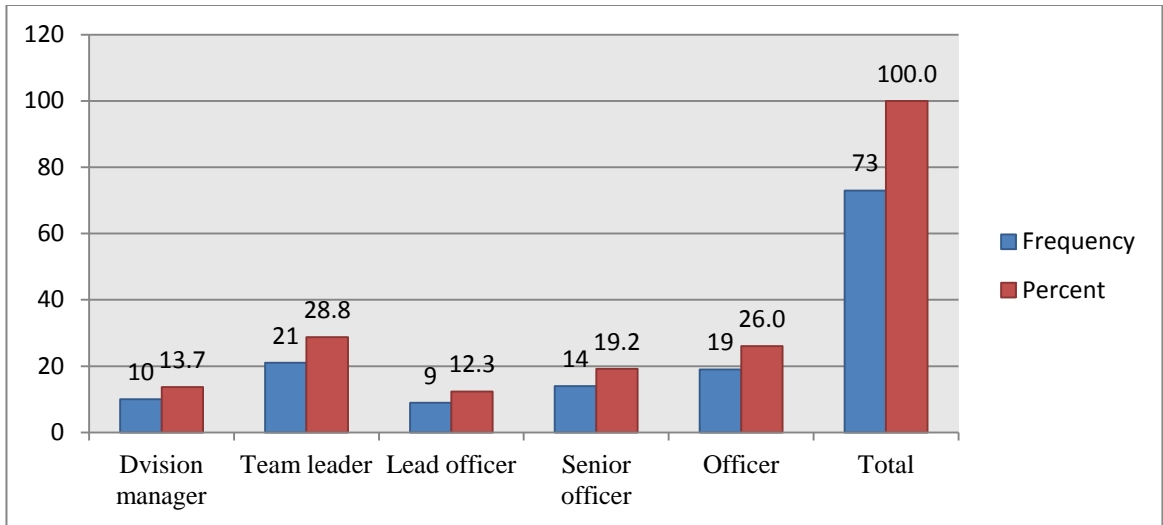
Source: Survey data



Source: Survey data

**Figure 4.3:** Respondents’ educational profile

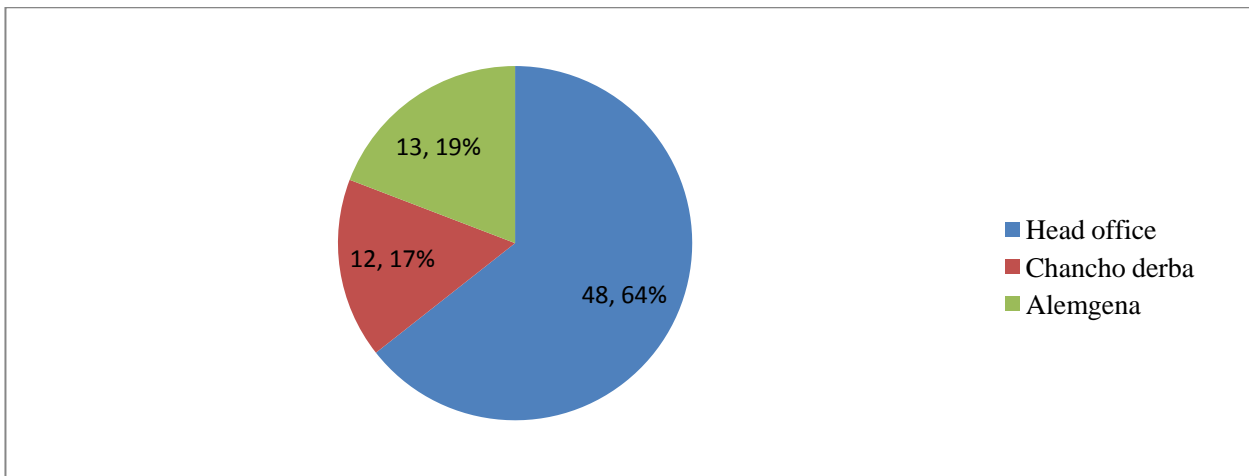
As one can observe from Figure (4.3), on the basis of educational qualification, the majority of the respondents are first degree holders which is 56 (76.7%) whereas 17 (23%) of the respondents were masters degree holders. No respondent had the degree of PhD. Thus, to satisfy and retain employees’, ERCC must induce employees that the corporation is the best place to develop their education and career.



Source: Survey data

**Figure 4.4:** Respondents by job position

As displayed in the above figure (4.4), 21 (28.8%), were team leaders, 19 (26%), were officers, 14 (19.2%), were senior officers, 10(13.7%) were division managers, and 9(12.3%) were lead officer by position respectively.



Source: Survey data

**Figure 4.5:** Respondents by work place

As one can observe from figure 4.5, the largest group of respondents 47 (64 %) were from the head office whereas 14 (19%) were from Chancho Derba Road Construction Project and 12 (16%) were from Alemgena Road maintenance Project.



**Table 4.2:** Sponsorship provided for training and education.

| Sponsorship | Frequency | Percent |
|-------------|-----------|---------|
| Yes         | 50        | 68.5    |
| No          | 23        | 31.5    |
| Total       | 73        | 100.0   |

**Source:** Survey data

Table (4.2) show that about 50 (68.5%) of the respondents were sponsored by the corporation to attend any training or educational programs and the remaining 23 (31.5%) of the respondents were not sponsored to attend any training or educational programs by the corporation for the last two years. This implies that the corporation is well doing in providing training and development programmes to enhance the capability of its human resource.

#### **4.2 General Human Resource Development Climate of the corporation**

Based on the response gathered from the employees of the corporation, since the questionnaire was designed by using Likert Scale and almost all the statements were measured on a five point scale with 1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5=Strongly Agree. The information obtained from the questionnaires were summarized and discussed in the following manner.

In order to discuss the prevailing general HRD climate of the corporation, 11 items were identified from the questionnaire and the scores on responses of the sampled employees in the corporation has been calculated. Means and percentage score of the Corporation has been presented. To gather more information about HRD Climate of ERCC both structured and unstructured interview questions were developed, forwarded and a face-to-face interaction was made with respondents according to the schedule of an appointment which took 20-25 minutes with each interviewee. The interview question part contains six questions which are attached in Appendix 'B'. Interviewees' responses to the questions were depicted briefly together with the closed ended questions as follows.

**Table 4.3: General Human Resource Development Climate**

| S/N | Item   | Mean | Percent |
|-----|--|------|---------|
| 1.  | The management of the corporation does effort to make sure that employees enjoy their work by creating conducive human resource development policy, rules & regulations. | 3.08 | 61.6    |
| 2.  | The management believes that human resources are an important resource and that they have to be treated more humanly.  | 3.14 | 62.8    |
| 3.  | Development of the subordinates is seen as an important part of their job by the managers/officers.  | 3.07 | 61.4    |
| 4.  | The management is willing to invest their time and energy including other organizational resources to ensure employees' development.                                     | 3.27 | 65.4    |
| 5.  | Managers in the corporation believe that employee behavior can be changed and people can be developed at any stage of their life.  | 3.27 | 65.4    |
| 6.  | There is a conducive human resource development climate to any employee interested in developing oneself by acquiring new knowledge and skills.                          | 3.53 | 70.6    |
| 7.  | My supervisor advices me on how I can develop my career within the corporation.  | 2.79 | 55.8    |
| 8.  | My work is intellectually stimulating and challenging.   | 3.07 | 61.4    |
| 9.  | There are many opportunities in my work to explore and try out new ideas.  | 2.9  | 58      |
| 10  | The management encourages employees to actively make suggestions about work improvement and used in practice.  | 2.74 | 54.8    |
| 11. | The Corporation has good performance counseling practices which help me to improve my performance.   | 2.49 | 49.8    |
|     | Dimension Mean & Percent   | 3.03 | 60.64   |

**Source:** Survey data

As indicated in Table 4.3, the overall general HRD climate prevailing in the corporation mean score is 3.03 (60.64 %). The highest mean score 3.52 (70.6%) was recorded on the item, namely, 'there is a conducive human resource development climate to any employee interested in developing oneself by acquiring new knowledge and skills'. This was followed by 'the management is willing to invest time and energy including other organizational resources to ensure employees' development and managers in the corporation believe that employee behavior can be changed and people can be developed at any

stage of their life' which were rated as equally 3.27 (65.4%). The other factor on which the corporation scored good mean score 3.14 (62.8%) which is regarding the way how human resource treated by the management.

Thereby, it can be stated that the general HRD climate prevailing in the corporation is moderately good. The dimensions like enjoyment of employees in performing their jobs; management's belief about the importance and the treatment of human resources; manager's belief about the development of people at any stage of their life; investment to ensure development of employees, opportunities for employees to explore and try out new ideas, supervisors advice employees to develop their career and conducive psychological climate in the corporation, appeared to be at mean value from 2.74-3.08 level (54.8%-61.6%).

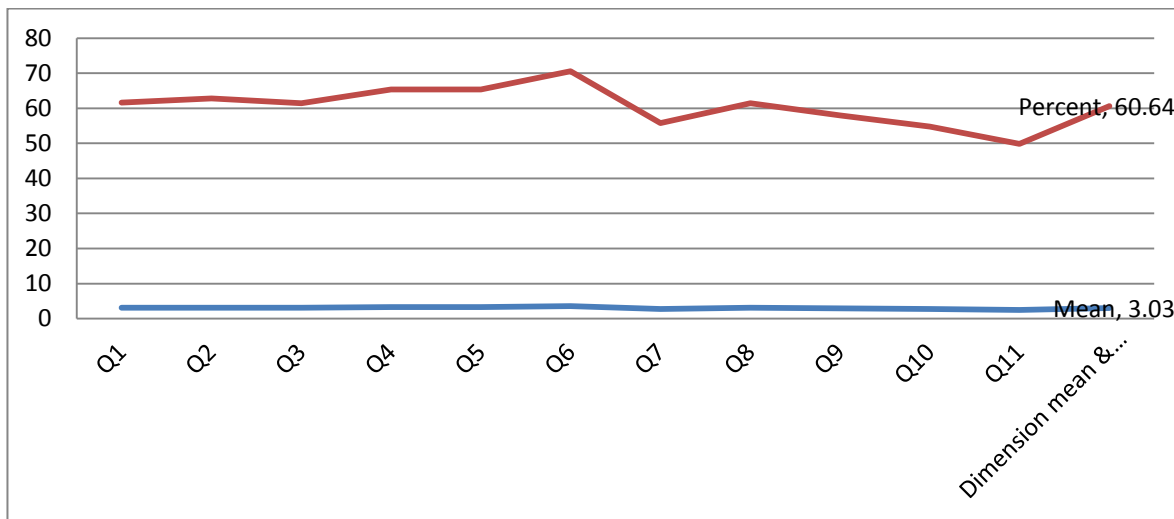
In relation to making sure that employees enjoying their work almost all of the respondents of open ended question argued that there is fair management involvement in making work enjoyable as employees have high expectation from management, and the rest few replied that not enough effort is made in this case. So, a continuous improvement in redesigning of jobs required in order to make their job enjoyable. Concerning whether the management believes that human resource is an important and has to be treated more humanly, all of the respondents argued that there is good situation. The management has made good effort in understanding the importance of human resource and actually translates that realization into day-to-day practice and HR policies. Interestingly, among the items that aimed at assessing the general HRD climate that scored mean value was 'the performance counseling practices which focuses on helping employees to improve performance' which was 2.49 (49.8%).

Similarly, it is also supported by responses of interview in which all respondents replied as the policy, rules and regulations employed by the corporation can be rated good. But it may require some improvements in order to ensure its cope ability with the continuously changing environment. With the opportunities provision of employees to develop job-related knowledge and skills; according to the past experience of the corporation shows, employees are usually getting opportunities to develop their knowledge and skill by getting hired on low level job titles like helper. When an employee assigned as helper he/she will work the equipment operator, technician or on other jobs.

Then through time the employee will be trained and prepared to overtake the position. Besides to this, other respondents have said that there is a continuous new skill development and skill gap improvement as training provided at Alemgena Training & Testing Center.

In making effort to develop subordinates, respondents argued that for HRD climate to be positive or encouraging there is an effort that top management to understand the importance of HR designing and implementing different programs. In this regard, most of the corporation management is willing to invest their time and energy to ensure employees' development. There is also an involvement of top management and middle level management in HRD efforts. Though, there is an effort to let and communicate the future plans of the corporation to help their juniors and prepare them for future, most of the respondents argued that, due to the organization's fast structure and other reasons, it is difficult to say that most of the employees well understood the future plan of the corporation.

The main short coming raised by the respondents in relation to general human resource development climate is the absence of well designed and integrated system of performance counseling practices which helps to improve performance. Concerning this issue, all the respondents replied that the corporation needs to give attention in order to redesign and improve the whole performance management system of the corporation.



Source: Survey data

Figure 4.6: General HRD Climate

### 4.3 The OCTAPAC Culture of the Corporation

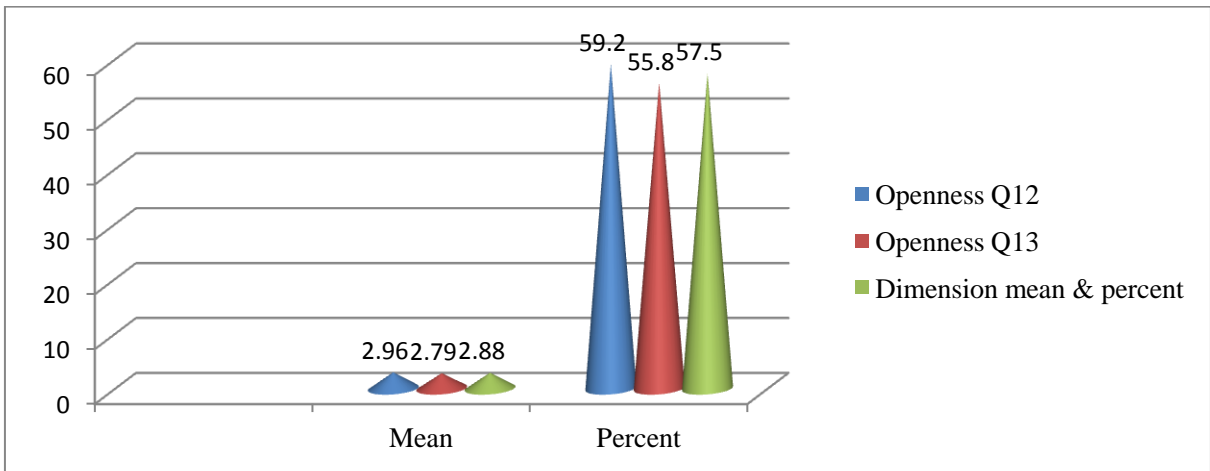
The HRD Climate culture has many constituents. Among all of them OCTAPAC culture is most popular concept to build climate. OCTAPAC culture includes Openness, Confrontation, Trust, Autonomy, Pro-activity, Authenticity, and Collaboration. It is essential for facilitating human resource development. The summary of data analysis conducted in relation to OCTAPAC is shown in Table 4.4 below.

**Table 4.4:** Openness

| S/N | Item   | Mean | Percent |
|-----|--|------|---------|
| 12. | Employees are not afraid to express or discuss their personal problems with their superiors. | 2.96 | 59.2    |
| 13. | People in this corporation do not have any fixed mental impressions about each other.        | 2.79 | 55.8    |
|     | Dimension Mean & Percent   | 2.88 | 57.5    |

Source: Survey data

As portrayed in table (4.4), among the HRD Cultural dimensions or OCTAPAC values, the overall mean score for openness is 2.88 (57.5%) which clearly shows that most of the people given a low level value in the corporation while some respondents given a very low value. As indicated in open ended question response, some of the respondents argued that employees do not hesitate to express their feeling and their personal problems with their superiors too.



Source: Survey data

**Figure 4.7:** Openness

Few of the respondents argued that most of the employees do not express their feelings openly rather than taking things behind the back. And similarly, most of the respondents indicated that, employees do not express their personal problems with their superiors. Its contributing factors were “employees are not afraid to express or discuss their personal problems with their superiors” 2.96 (59.2%), followed by “people in this corporation do not have any fixed mental impressions about each other” 2.79 (55.8%). Openness exists when employees feel free to discuss their ideas, opinions, and feelings with each other. In this case the openness culture of the corporation was rated as a low level.

**Table 4.5: Confrontation**

| S/N | Item   | Mean | Percent |
|-----|--|------|---------|
| 14. | Employees in this corporation make an effort to find out their strengths and weaknesses from their supervising officers or colleagues. | 2.61 | 52.2    |
| 15. | When problems arise, people discuss these and try to solve rather than keep accusing each other behind the back.                       | 2.52 | 50.4    |
|     | Dimension Mean & Percent   | 2.57 | 51.18   |

**Source:** Survey data

As shown in Table 4.5, the mean score for confrontation 2.57 (51.18%) shows that most of the respondents given a low level of confrontation culture in the corporation. Making an effort to find out their strengths and weaknesses from their supervisors, and facing and not shying from problems parameters were given low rating i.e. 2.61 (52.2%) and 2.52 (50.4%) respectively. Responses for an open ended question shows, all of the respondents argued that there is low level confrontation. Facing and not shying from problems, and facing challenges in the work situation parameters are not well practiced by the employee of the corporation. Few of the respondents argued that, we should find the solution is the most widely shared belief by most of the employees in the corporation and passing the buck tactfully whenever there is a problem is a belief of few of the employees.

Surfacing problems is not enough; we should find the solution is the most widely shared belief in the corporation. And pass the buck tactfully whenever there is a problem is beliefs that most people feel that only a few or none have this belief. By confrontation problems and issues are brought out into the open with a view to solving them rather than hiding them for fear of hurting or getting hurt. Accordingly, the confrontation culture of the corporation is rated as a low level.

**Table 4.6: Trust**

| S/N | Item  | Mean | Percent |
|-----|---|------|---------|
| 16. | People lacking competence in doing their jobs are helped to acquire competence rather than being left unattended.                 | 2.88 | 57.8    |
| 17. | When any employee makes a mistake, supervisors friendly treat and help him/her to learn from such mistakes rather than punishing. | 2.9  | 58      |
| 18. | People trust each other in this corporation.  | 2.82 | 56.4    |
|     | Dimension Mean & Percent  | 2.87 | 57.4    |

**Source:** Survey data

As it is indicated in Table 4.6, trust as a parameter was given a low mean rating by the respondents. Most people believed that parameters like “when any employee makes a mistake, his/her supervisor friendly treat and help him/her to learn from such mistakes rather than punishing or discouraging him”, which scored 2.9 (58%) followed by “people lacking competence in doing their jobs are helped to acquire competence rather than being left unattended” 2.88 (57.8%) and “people trust each other in this corporation” 2.82(57.4%) are given low value respectively. According to interview response, most of the time employees who made mistake are friendly treated and helped to learn from it rather than punishment. In addition, respondents argued; in most cases people trust each other in this corporation. Trust is taking people at their face value and believing what they say. The trust dimension culture of the corporation is rated as a low level.

**Table 4.7: Autonomy**

| S/N | Item   | Mean | Percent |
|-----|--|------|---------|
| 19. | Employees are encouraged to take initiative and do things on their own without having to wait for instructions from supervisors. | 2.62 | 52.4    |
| 20. | Delegation of authority to encourage juniors to develop handling higher responsibilities is quite common in this corporation.    | 2.79 | 55.8    |
| 21. | When seniors delegate authority to juniors, the juniors use it as an opportunity for development.                                | 3.16 | 63.2    |
|     | Dimension Mean & Percent   | 2.86 | 57.13   |

**Source:** Survey data

As one can see from Table 4.7, it's clearly evident that autonomy is the parameter which is given similar dimensions a low value in the corporation. People believe that a good way to motivate employees is to give them autonomy to plan their work. Most of the people believe that "seniors delegate authority to juniors" is the highly value in the corporation which is 3.16 (63.2%). "Delegation of authority to encourage juniors to develop handling higher responsibilities" and "encouraging employees to take initiative and do things on their own without having to wait for instructions" was given low value. The response of interview conducted shows, all of the respondents argued that there is no as such good effort in encouraging employees to experiment with new methods and try out creative ideas. Likewise, an effort made to encourage employees to take initiative and do things on their own is not enough. Rather, employees are encouraged to do thing according to the rules, procedures and instructions provided. Interestingly, the effort made to delegate authority to juniors is more encouraged in practice of the corporation. Autonomy is giving freedom to let people work independently with responsibility. The autonomy dimension culture mean value of the corporation 2.86 (57.13%) which is low level.

**Table 4.8: Pro-activity**

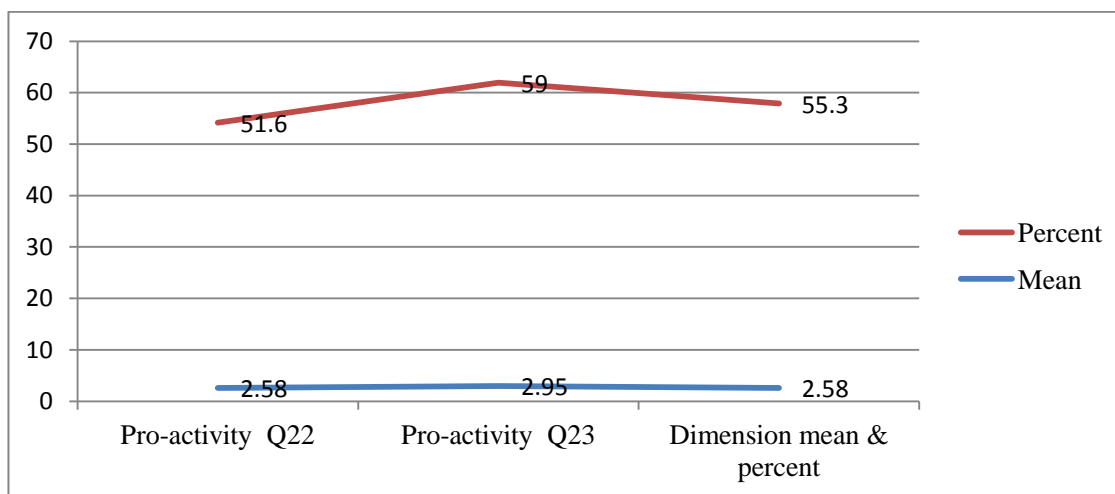
| S/N | Item   | Mean | Percent |
|-----|--|------|---------|
| 22. | The management makes efforts to identify & utilize the potential of employees. | 2.58 | 51.6    |
| 23. | Employees encouraged experimenting new methods and trying out creative ideas.  | 2.95 | 59      |
|     | Dimension Mean & Percent   | 2.58 | 55.3    |

**Source:** Survey data

As shown in Table 4.8, it is clearly evident that most of the people in the corporation believe that being proactive is a very low valued parameter. "Employees are encouraged to experiment with new methods and try out creative ideas", and "the management of the corporation makes efforts to identify and utilize the potential of the employees" were given a mean score value of 2.95 (59%) and 2.58 (51.6%) respectively which is rated as slightly low value. As most of the respondents argued in an open ended question, the effort made to identify and utilize the potential of the employees and encouraging employees to experiment with new methods and trying out creative ideas in general very is low.



Pro-activity is encouraging employees to take initiative and risk. In relation to pro-activity culture the corporation is rated a very low level i.e. 2.58 (55.3%).



Source: Survey data

Figure 4.8: Pro-activity

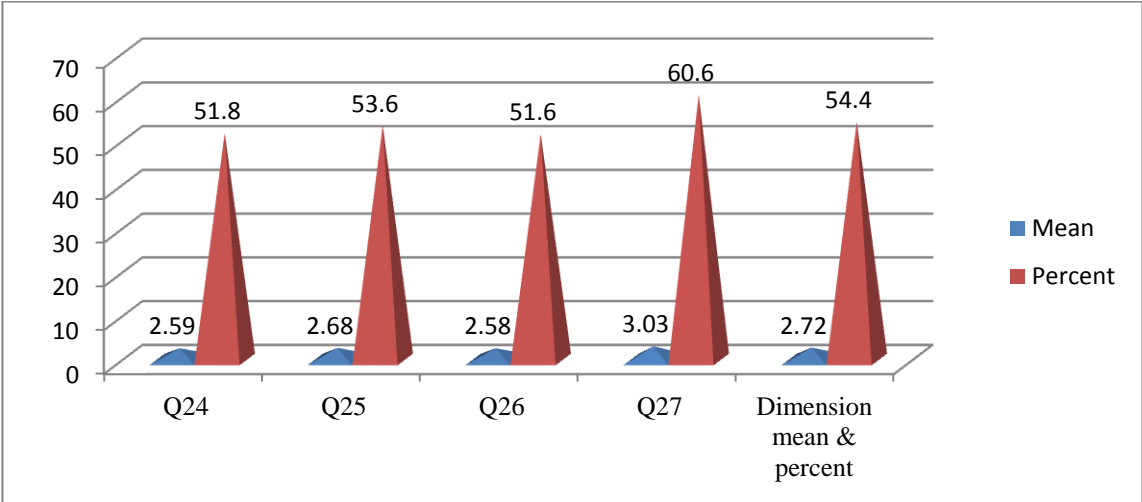
As we can see from the Table 4.9, the mean value of the authenticity culture dimension shows that it is given a rather low value in the corporation. Among the items under this dimension 'employees are sponsored for training programmes on the basis of genuine training needs' scored the highest value i.e. 3.03 (60.6%).

Table 4.9: Authenticity

| S/N | Item  | Mean | Percent |
|-----|---|------|---------|
| 24. | When behavior feedback is given to employees they take it seriously and use it for development.                     | 2.59 | 51.8    |
| 25. | When employees are sponsored for training, they take it seriously and try to learn from the programmes they attend. | 2.68 | 53.6    |
| 26. | Employees returning from training programmes are given opportunities to try out what they have learnt.              | 2.58 | 51.6    |
| 27. | Employees are sponsored for training programmes on the basis of genuine training needs.                             | 3.03 | 60.6    |
|     | Dimension Mean & Percent  | 2.72 | 54.4    |

Source: Survey data

Parameters like “employees returning from training programmes are given opportunities to try out what they have learnt”, “when behavior feedback is given to employees they take it seriously and use it for development” and “when employees are sponsored for training, they take it seriously and try to learn from the programmes they attend” are beliefs that are given a fairly low value which is 2.58 (51.6%), 2.59 (51.8%) and 2.68 (53.6%) respectively. As all respondents replied in their interview response, when behavioral feedback is given to employees, usually, they take and use it for development. But, in some cases employees take issues and interpret in a wrong way. Besides to this, when employees are sponsored for training, most of the time, they do not take it seriously and try to learn from it. While trainings are designed on the basis of genuine training needs initiated from work units. Authenticity is the tendency on the part of the people to do what they say. Regarding the authenticity culture dimension of the corporation, it is rated as fairly low value i.e. 2.72 (54.4%).



Source: Survey data

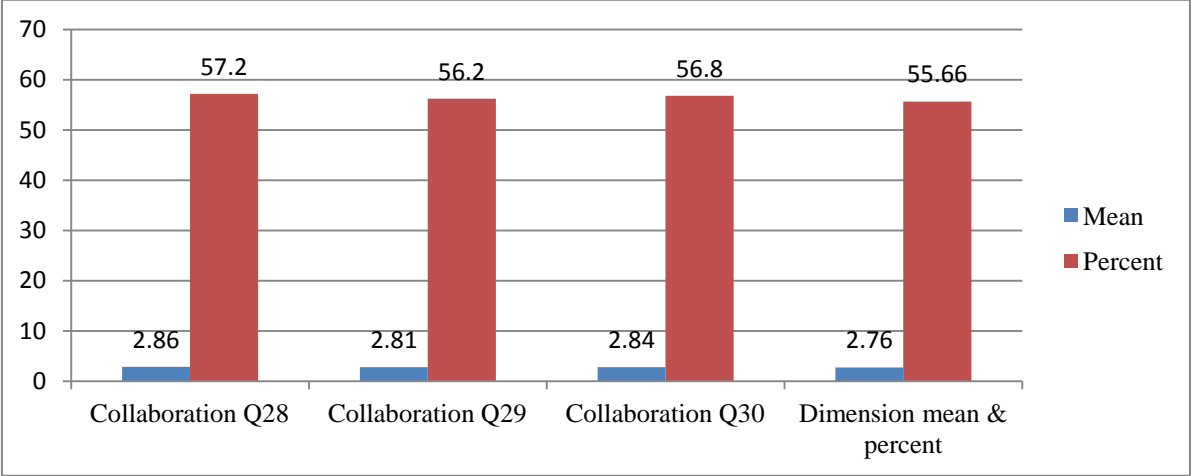
Figure 4.9: Authenticity

Table 4.10: Collaboration

| S/N                      | Item  | Mean | Percent |
|--------------------------|---|------|---------|
| 28.                      | People in this organization are helpful to each other.  | 2.86 | 57.2    |
| 29.                      | Team spirit is of high order in the corporation.  | 2.81 | 56.2    |
| 30.                      | The corporation’s future plans are made known to the managerial staff to help them develop their juniors and prepare them for future. | 2.84 | 56.8    |
| Dimension Mean & Percent |   | 2.84 | 56.73   |

Source: Survey data

As indicated in Table 4.10, most respondents agreed that collaboration is a low level culture in the corporation. The most contributing items are “people in this organization are helpful to each other” 2.86 (57.2%), “the Corporation’s future plans are made known to the managerial staff to help them develop their juniors and prepare them for future” 2.84 (56.8%) and “team work and team spirit” 2.81 (56.2%), are given low value respectively. Collaboration is to accept interdependencies, to be helpful to each other, and work as teams. In terms of collaboration, the corporation rated a low value i.e. 2.84 (56.73%).



Source: Survey data

Figure 4.10: Collaboration

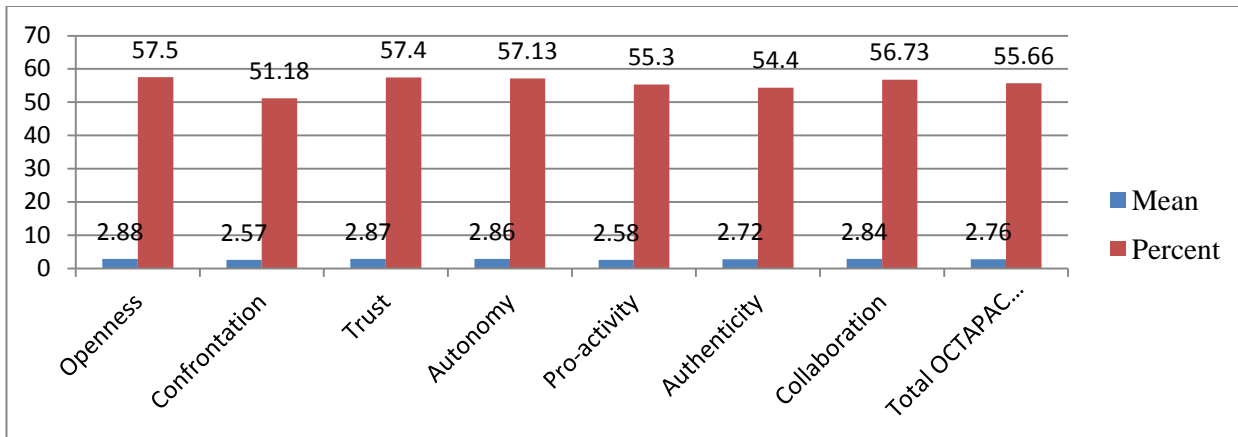
As indicated in Table (4.11), the overall OCTAPAC Culture of ERCC is low with 55.66% (mean score: 2.76). As indicated in an open ended questions responses, most of the respondents argued that, the interesting culture of the corporation mainly employees are highly helpful to each other. This is due strong attachment made when they live together in road construction projects which is very far from their residence and family. Even though, employees are helpful to each other in the social aspect, the team spirit culture of work is not well developed in the corporation.

**Table 4.11:** OCTAPAC Culture dimension mean and percent

| S/N | Item                                   | Mean | Percent |
|-----|--|------|---------|
| 1.  | Openness                               | 2.88 | 57.5    |
| 2.  | Confrontation                          | 2.57 | 51.18   |
| 3.  | Trust                                  | 2.87 | 57.4    |
| 4.  | Autonomy                               | 2.86 | 57.13   |
| 5.  | Pro-activity                           | 2.58 | 51.6    |
| 6.  | Authenticity                           | 2.72 | 54.4    |
| 7.  | Collaboration                          | 2.84 | 56.73   |
|     | Overall OCTAPAC Culture Mean & Percent | 2.76 | 55.66   |

**Source:** Survey data

As indicated in Table 4.11 and graph 4.13 of overall parameters of OCTAPAC Culture show that the mean of all the parameters as a whole lies between 2.57 and 2.88 which signifies on average parameters valued as low level of culture. The climate is favourable in terms of employee being handled with care by seniors as they understand the mistake and take reasonable disciplinary action such as punishing or discouraging. Among the dimensions of the culture, openness occupied first place with 57.5%. This is followed by trust, autonomy, collaboration, authenticity, pro-activity, and confrontation. Among the entire dimensions of OCTAPAC culture, confrontation relatively secured the lowest score. There is a fairly open discussion culture on problems and solution. However, having supportive climate from employees and management regarding work team spirit is not yet well adopted in the organization's culture which can help employees to be proactive in self development.



Source: Survey data

**Figure 4.11:** OCTAPAC Culture dimension mean and percent

Good part of ERCC regarding HRD was that top management understands the importance of human resource and actually translates that realization into its day-to-day practice and HR policies. In this regard, ERCC has a good base and all it needs to do is built upon its strong foundation. It also shows that there is an involvement of top management and mid level management in HRD efforts. However, despite the support from seniors, employees seem to have dependent attitude or have high expectation from their seniors about self development and they expect to be looked after rather than being proactive themselves.

#### 4.4 Human Resource Development Mechanisms

Successful implementation of HRD involves taking an integral look and making efforts to use as many mechanisms as possible. Training, performance appraisal, feedback and counseling, performance rewards, potential appraisal, career planning, employee welfare, and job rotation are some of the HRD mechanisms. The implementation of HRD mechanisms was examined in the context of ERCC. The items indicated in the following table were aimed at measuring the extent of implementing HRD mechanisms used in the corporation.

**Table 4.12:** Human Resource Development Mechanisms

| S/N | Item   | Mean | Percent |
|-----|--|------|---------|
| 31. | Seniors guide their juniors and prepare them for future responsibilities/roles they are likely to take up.                               | 2.89 | 57.8    |
| 32. | Promotion decisions are based on the suitability of the promotee rather than based on any favoritism or partiality.                      | 2.77 | 55.4    |
| 33. | There are mechanisms in this organization to reward any good work done or any contribution made by employees.                            | 3.04 | 60.8    |
| 34. | When an employee does good work his/her supervising officers take special care to appreciate it.   | 2.71 | 54.2    |
| 35. | Performance appraisal reports in this organization are based on objective assessment and adequate information and not on favoritism.     | 2.5  | 50      |
| 36. | Career opportunities are pointed out to juniors by senior officers in the corporation.   | 2.63 | 52.6    |
| 37. | This organization ensures employee welfare to such an extent that the employees can save a lot of their mental energy for work purposes. | 2.89 | 57.8    |
| 38. | The human resource development methods employed in the corporation facilitating the employee development.                                | 2.99 | 59.8    |
|     | Dimension Mean & Percent   | 2.8  | 56.05   |

**Source:** Survey data

As shown in Table 4.12, the analysis of the responses indicated that a lower degree of implementation of HRD mechanisms with a mean score of 2.8 (56.05%) was prevalent. Among the items discussed under this section, the mechanisms used to reward good work done or contributions made by employees scored good which is 3.04 (60.8%); followed by ‘The human resource development methods employed in the corporation is facilitating employee development’ 2.99 (59.8%), ‘Seniors guide juniors and prepare them for future responsibilities’ and ‘Ensuring of employees welfare to such an extent that the employees can save a lot of their mental energy for work purposes’ which are both rated equally 2.89 (57.8%).

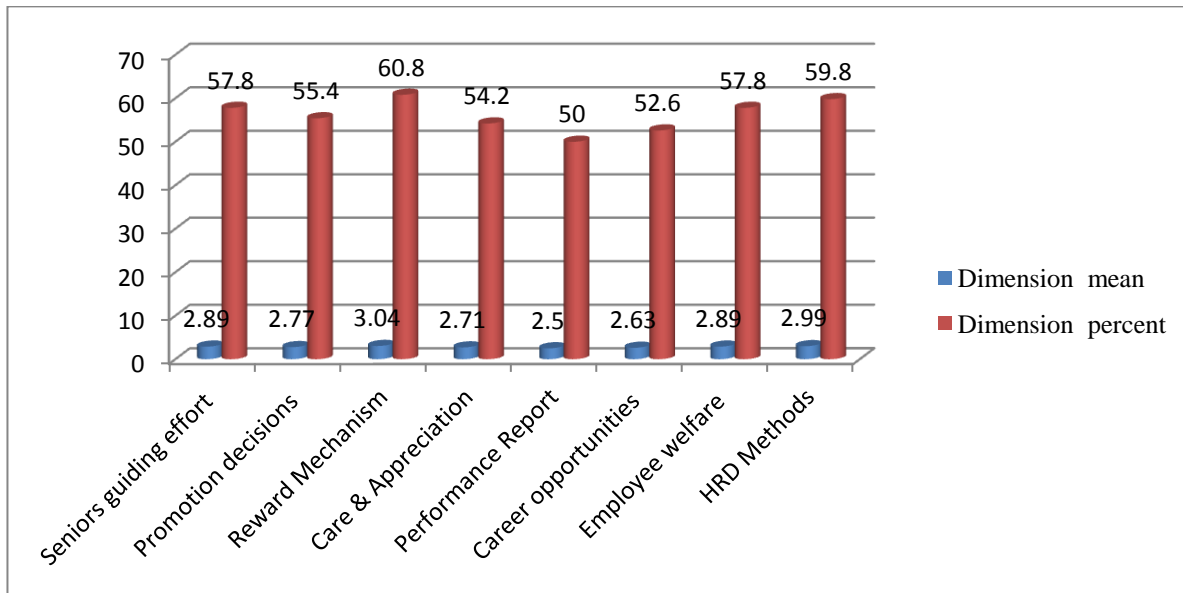
However, 'Performance appraisal reports', 2.5 (50%), 'Career opportunities', 2.63 (52.6%), 'Taking special care to appreciate employees for good performance', 2.71 (54.2%), and 'Basis of promoting employees to higher positions' 2.77(55.4%) are the major concerns for the respondents which are rated as lower values respectively.

As revealed in an interview response, most of the respondents argued that, there is a good effort in which seniors guide their juniors and prepare them for future responsibilities. Specially, heavy equipment operators, truck drivers and technicians are playing a great role in this regard. Concerning promotion decisions, usually decisions are made based on the suitability of the promotee by fair and clear competition. However, to some extent there is a trend of making decisions based favoritism. There are mechanisms to reward good work done or contributions made in the corporation, but it does not well designed and organized in some cases. The performance appraisal system employed is the main problem among the critical problems that currently existing. It is not well designed and implemented.

The analysis of data revealed that relationship between seniors and juniors is cordial and often they are helpful to each other. Juniors get guidance from their seniors and done their jobs in cooperative manner. However, the team spirit culture among the employees and supervisors in general is very low in the corporation. The results also indicated that employees are quite satisfied with the learning and training programmes and also they are getting adequate scope for applying knowledge after completion of training. However, the study found that the management of the corporation do not concerned for career development of subordinates by giving them higher responsibilities without close supervision as well as delegation of authority is being given to the potential employees according to the corporation policy.

Career planning and development can become an effective tool for development of the employees and a key factor in HRD system. It seems that the corporation did not place adequate processes in career planning for employees. Reward systems are designed to attract, retain, motivate and maintain high standards of performance. Recognizing and rewarding employee performance is one of the aspects of HRD.

In ERCC, the score value of the item related to reward system has been calculated as 54.2% i.e. a lower situation has been prevalent with regard to mechanisms to reward good work done or contribution made by employees and taking special care to appreciate it by supervising officers. It seems that the corporation does not ensure employee welfare to such an extent that employees can save a lot of their mental energy for work purposes.



Source: Survey data

**Figure 4.11:** Human resource development mechanisms

The mean score of the item pertaining to performance appraisal has been calculated as 2.5 (50%), which indicated the lowest level of all mechanisms. Pointing out career opportunities to juniors by senior officers, informing about future plans of organizations that have bearing on career opportunities, and lack of enough efforts to identify and utilizes the potential of employees were the concerns of the respondents.

The study shows also that implementation of training and development effort was good. However, most of the respondents in the corporation mentioned that the performance appraisal reports in their units were not based on objective assessment and adequate information and to some extent based on favoritism; weaknesses of employees are not communicated to them in a non-threatening way. Feedback communicated is not taken by the employees seriously and not used it for development.



In general, the analysis indicated that there is a very low rate implementation of HRD mechanisms in the corporation. Comparatively speaking, it appears that training and development are evolved and matured in the organizations to some extent, whereas performance appraisal and feedback, rewards, employee welfare, and career planning are not that much matured. Therefore, improvements are required in implementation of all HRD mechanisms.

#### **4.5 HRD Climate Related Problems in the Corporation**

The main problem areas in the HRD cultural dimensions identified in the survey are:

- Indifference on the part of employees to find out their strengths and weaknesses from others and make use of them for their development;
- Lack of conducive behavioral feedback provision to employees in which they can take it seriously and use it for development;
- Dissatisfaction of the employees on the basis of promotion decisions and employee's welfare activities;
- Lack of employees learning seriously from training programmes whenever they are nominated; and limited opportunity to apply their knowledge to work after attending training;
- Lack of proper career opportunities for employees in organizations;
- Be deficient in appreciating for those who are performed good and poor performer need to be guided; and
- Lack of good team spirit prevailing among employees.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS & RECOMMENDATIONS**

#### **5.1 Summary of Findings**

The overall HRD Climate mean score of the corporation is 2.84 (56.8%) which indicated the existence of a just above average degree of HRD Climate. Examining the three major components of HRD Climate i.e., General Climate, OCTAPAC Culture, and HRD Mechanisms findings of the research are summarized as follows:

In the first category of general climate, most of the items have shown an average response, but interestingly (item no.6), with a mean score of 3.53 (70.6 %) has shown a good state of conducive human resource development climate to any employee interested in developing oneself by acquiring new knowledge and skills. The overall general climates mean score counts to be 3.03 (60.6 %), which reveals more than an average. Since the HRD Climate was found at low favorable there is need to improve the HRD Climate of the corporation.

The OCTAPAC culture dimension of HRD Climate was found to score 2.76 (55.66 %) and the lowest was mean value indicate the need to create a culture of openness, trust, collaboration, autonomy, confrontation. Thus a climate promoting confrontation and authenticity should be developed. When analyzing item-wise responses, the confrontation culture was found to have the lowest mean score 2.57 (51.18 %) which clearly has an implication for the managers to improve this culture. Also the mean score on the authenticity was found to be low 2.72 (54.4 %) which clearly suggests the need to give more freedom to the employees so that they can experiment with their creative ideas that will ultimately result in innovations and better performance of the firm. HRD mechanism overall stands at mean score 2.8 (56%) which revealed a low value of its working among the employees. Item no. 33 with mean score 3.04, indicated relatively a good mechanisms existing to reward good work done or contribution made by employees.

As it is seen in the findings, the confrontation and trust of employees revealed in the corporation was at low level. Confrontation is facing each other to solve any interpersonal problems.

If confrontation is high in the corporation's climate, people feel open to speak or talk regarding their problem without any fear. Managers should encourage confrontation to that extent so that it maintains a peaceful atmosphere in order to help employee solve the problems in the work area. Trust is another important factor to manage organizational climate. When trust among the employees is low it results in negative feelings to each other.

As indicated in the findings, the effort made to enhance the training and development program design and implementation was low. Thus one can see that the authenticity of employees is low. If the authenticity of employees is high, they will be genuine and honest to their work. They love to work within that atmosphere and contribute to organizational productivity. In contrary, if it is low people will not be trustworthy to the organization and not honest to their job. Pro-activity brings good and healthy way of solving problems. If pro-activity among employees is high then the outcome will be positive. People are matured in their behavior and contribute to maintain a matured organizational climate. They take initiative to any new and innovative idea taken by the organization. They will not resist to change and will benefit the organization by their positive contribution. But if pro-action is low among employees makes people an unhealthy atmosphere by focusing on their own personal problem. By the same fashion, the effort made to identify and utilize the potential of the employees and encouraging employees to experiment with new methods and trying out creative ideas in the corporation is low.

As it is seen in the findings, the autonomy of employees was found at low level. High autonomy in an organization results in increase of sense of responsibility among individuals. Employees feel belongingness to their organization enjoying power. But if it is low they avoid responsibility and feel low in performing their various assignments. As the result shown, employees are helpful each other, but the team spirit of work is not good. Higher degree of collaboration brings coordination and a friendly atmosphere in the organization. People feel connected to each other. But if collaboration decreases within the organization, the behavior of the employees does not remain friendly. It may also bring a competitive mentality among them.

## 5.2 CONCLUSION

In conclusion, the overall HRD climate of the corporation is not encouraging. The human resource development policy, rules & regulations of the corporation is moderately good, but it needs to be improved. The management is good in understanding the importance of human resource and actually translates that realization into day-to-day practice and HR policies. There is a keen interest of top management in HRD and there is a high trend of helping each other and there is a conducive human resource development climate to any employee interested in developing oneself by acquiring new knowledge and skills. The corporation needs to make effort to properly communicate its future plans to help and prepare junior employees for future. Also provision of training opportunities and organizational belonging of employees was high. The HRD climate of the corporation can be concluded as low level. Thus, it is required to enhance & improve.

Promoting a real HRD climate in any organization is imperative to have the prevalence of general supportive climate not only by damage of the support and commitment of the top management, line management but immensely good supportive personnel policies and positive attitudes are equally important towards such development. The general climate therefore, is a combination of a support from all the concerned quarters via from the management people working in different levels, good supportive personnel policies and practices as well as the positive attitudes towards the development of the people in the corporation.

In order to improve the quality human resource, HR department should attempt to improve the HRD Climate of the corporation, specially the support from top management and line managers through fair and successful implementation of the HRD mechanisms; like career planning, performance appraisal, training, job rotation and potential appraisal and social welfare were found to most significantly require attention and improvements from the management. Fair performance appraisal and feedback should be provided to the employees fostering learning and growth of employees. Appreciating good performance helps boost up the confidence of employees and enhances their motivational level resulting in them giving their heart and soul to work resulting in high performance levels.

On the whole, putting together all the three categories of HRD Climate, the study found that people in the corporation are helpful to each other;

juniors see opportunity for development when seniors delegate authority to them; top management's belief about the importance of human resources and personnel policies since HRD climate contributes to the overall health and self-renewing capabilities of the individuals, pairs and team of the entire corporation. However, in generally, low level of HRD climate prevailed in the corporation. The most important factors contributing to this situation seems to be: HRD mechanisms are not much helpful for employee development; indifference on the part of employees to find out their strengths and weaknesses from others and make using for development; dissatisfaction of the employees on the basis of promotion decisions; lack of good team spirit prevailing among employees; lack of employees learning seriously from training programmes and lack of proper career opportunities in the corporation.

What the researcher would like to imply through his research is the fact that without its employees, an organization would be an empty shell even if it has all the material and financial grace it could achieve. Not only having the required amount of employees would ensure the continued existence of the organization. It will have to be able to attract the best in the business. Even having the best employees would not solve the problem most organizations face, the loss of the talent of their employees. What an organization needs to accomplish in order to maintain and retain its employees with their full talents is to develop their human resource. Human capital -management is the new word of this time. Without developing its human resource and managing their talents carefully through creating a conducive and satisfactorily appropriate environment for its employees, an organization can never accomplish the goal it needs to achieve in order to survive in today's tough economy. The managerial philosophy, the management system, organizational culture and mechanisms used in talent attraction, management and retention employed will be the factors that will determine the future of the existence of the organization.

### 3.3 Limitations of the Study

The researcher understands that constraints are expected while doing researches and would like to address them as such. The major constraints faced by the researcher whilst conducting this study were time, budget and the non-availability of adequately published and documented data about human resources development climate by the organizations which would have been useful if found. The other main constraint was that even the data found it was not adequate.

### 3.4 Recommendations

Based on the findings and conclusions, the following recommendations were forwarded to alleviate or at least to minimize currently encountered problems in the corporation with related to HRD Climate.

- ☞ To improve the HRD climate in the corporation, employees have to create close relationship, common understanding, trust, openness, belongingness, and commitment for the achievement of the objectives of the individuals, organization as well as the need of the society. According to changing environment, necessary changes should be introduced in HR policies and practices to encourage the employees to contribute their best to the corporation.
- ☞ The managers and supervisors should help the employees to develop their competencies. Because, to help the employees at lower level they need to be updated properly and need to share their expertise and experience with employees.
- ☞ In the process of developing HRD Climate, the corporation should have faith on its employee's capabilities. Top management should trust the employees that after making huge effort to develop employees, employees will work for the well being of corporation and for human being also.
- ☞ There should not be anything hidden while communication is made between the management and the employees. Clear communication process will highly help to establish the HRD Climate.
- ☞ The management should take feedback regularly to know the drawbacks in its system. This will help to gain confidence in employees mind. Employees will trust the management and they can express their opinion and freely which is very vital for HRD Climate development and help to avoid the weaknesses.
- ☞ The performance appraisal and feedback system should be improved to be more fair and acceptable rather than becoming a threatening one. To avoid threatening condition of performance appraisal system, the corporation should adopt self and peer evaluation as a sub-system of performance evaluation.
- ☞ Human resource policies of the corporation should motivate employees to contribute more from their part. Top management's philosophy should be clear towards human resource and its well being to encourage the employees.

- ☞ Management needs to avoid those practices which lead to favoritisms. Those people who are performing good they need to be appreciated and those who are not performing well need to be guided.
- ☞ The management should inculcate team spirit among the employees; help employee by consultations, and developed and implemented reward system to appreciate the contributions of employees.
- ☞ Employees should know that they are the key resources of any organization and bases to ensure congenial HRD climate in their organization so that they have to develop belongingness about their organization; trust among each other as well as with the organization; understand thoroughly the corporation's existing and future plans and make themselves aware and committed for significant contribution;
- ☞ Employees should also be encouraged to experiment with new methods and try to come out with creative ideas; take initiative to do things without waiting for instructions from supervisors; whenever the problems arise discuss the problems openly and try to find the solutions together rather than accusing each other, and express and discuss the feelings with the superiors in a friendly manner without any fear and hesitation.
- ☞ Employee's welfare activities and career opportunities should be improved to increase the interest and trust of employees which would help to maximize performance and satisfaction level of employees.

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# **APPENDICES**

**A-C**

**St. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**MASTERS OF BUSINESS ADMINISTRATION (MBA) PROGRAM**

***Questionnaire to be filled by staff of Ethiopian Road Construction Corporation***

***Dear Respondents:-***

I would like to express my sincere appreciation for your generous time and honest and prompt responses.

***Objective of the Questionnaire:***

This questionnaire is designed to collect information about the Human Resource Development Climate of the Ethiopian Road Construction Corporation. The information shall be used as a primary data in this research which being conducted as a partial requirement of the student researcher's study at St. Mary University for completing his MBA specialized in Human Resource Management. The researcher will be willing to submit a copy of his final report to ERCC when it is ready. Thus, he wants to get your permission for collecting the necessary information even when it is meant for academic use. Therefore, your genuine, honest, and prompt response is a valuable input for the quality and successful completion of the research project.

***General Instructions:***

- There is no need of writing your name.
- In all cases where answer options are available please tick (✓) in the appropriate box.

***Confidentiality:***

This research would like to assure you that this research is only for academic purpose authorized by the St. Mary University. No other person will have access to data collected. In any sort of report I might publish, I will not include any information that will make it possible to identify any respondent.

**Part I: Participant Information**

1. Sex:        Male            Female
2. Which of the following age categories describes you?  
     Under 25     25-34        35-44        45-54        Above 55 years
3. Number of years you have worked for the corporation:  
     0-4        5-9        10-19            20-30            Above 30 years
4. Educational Qualification:  
      Technical school graduate     Masters Degree  
      College Diploma                       PhD  
      BA/BSc Degree
5. Your field of specialization in terms of highest educational status \_\_\_\_\_
6. Your current position (job) in the corporation \_\_\_\_\_
7. In which division/project are you currently working? \_\_\_\_\_
8. Have you ever been sponsored by the corporation to attend any training or educational programs outside the corporation for the last two years?    Yes

**Part II: Questions related to HRD Climate**

Listed below are statements about the Human Resource Development Climate of the Corporation. Please indicate your level of agreement with the statements so that your answers to these questions will enable the researcher to assess what you think about the human resource development climate in your corporation.

| S/<br>N   | Questions  | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|--|-------------------|----------|---------|-------|----------------|
| <b>General Human Resource Development Climate</b> |  |                   |          |         |       |                |
| 1.  | The management of the corporation does effort to make sure that employees enjoy their work by creating conducive human resource development policy, rules & regulations. |                   |          |         |       |                |
| 2.  | The management believes that human resources are an important resource and that they have to be treated more humanly.  |                   |          |         |       |                |
| 3.  | Development of the subordinates is seen as an important part of their job by the managers/officers.  |                   |          |         |       |                |

| S/<br>N                                   | Questions   | Strongly<br>Disagree | Disagree | Neutral | Agree | Strongly<br>Agree |
|---|---|----------------------|----------|---------|-------|-------------------|
| 4.  | The management is willing to invest their time and energy including other organizational resources to ensure employees' development.            |                      |          |         |       |                   |
| 5.  | Managers in the corporation believe that employee behavior can be changed and people can be developed at any stage of their life.               |                      |          |         |       |                   |
| 6.  | There is a conducive human resource development climate to any employee interested in developing oneself by acquiring new knowledge and skills. |                      |          |         |       |                   |
| 7.  | My supervisor advices me on how I can develop my career within the corporation.   |                      |          |         |       |                   |
| 8.  | My work is intellectually stimulating and challenging.  |                      |          |         |       |                   |
| 9.  | There are many opportunities in my work to explore and try out new ideas.   |                      |          |         |       |                   |
| 10.                                       | The management encourages employees to actively make suggestions about work improvement and used in practice.                                   |                      |          |         |       |                   |
| 11.                                       | The Corporation has good performance counseling practices which help me to improve my performance.  |                      |          |         |       |                   |
| <b>Human Resource Development Culture</b> |   |                      |          |         |       |                   |
| 12.                                       | Employees are not afraid to express or discuss their personal problems with their superiors.  |                      |          |         |       |                   |
| 13.                                       | People in this corporation do not have any fixed mental impressions about each other.   |                      |          |         |       |                   |
| 14.                                       | Employees in this corporation make an effort to find out their strengths and weaknesses from their supervising officers or colleagues.          |                      |          |         |       |                   |
| 15.                                       | When problems arise, people discuss these and try to solve rather than keep accusing each other behind the back.                                |                      |          |         |       |                   |
| 16.                                       | People lacking competence in doing their jobs are helped to acquire competence rather than being left unattended.                               |                      |          |         |       |                   |
| 17.                                       | When any employee makes a mistake, supervisors friendly treat and help him/her to learn from such mistakes rather than punishing.               |                      |          |         |       |                   |
| 18.                                       | People trust each other in this corporation.  |                      |          |         |       |                   |
| 19.                                       | Employees are encouraged to take initiative and do things on their own without having to wait for instructions from supervisors.                |                      |          |         |       |                   |
| 20.                                       | Delegation of authority to encourage juniors to develop handling higher responsibilities is quite common in this corporation.                   |                      |          |         |       |                   |
| 21.                                       | When seniors delegate authority to juniors, the juniors use it as an opportunity for development.   |                      |          |         |       |                   |
| 22.                                       | The management of the corporation makes efforts to identify and utilize the potential of the employees.   |                      |          |         |       |                   |

|   |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
| 23.   | Employees are encouraged to experiment with new methods and try out creative ideas.  |  |  |  |  |  |
| 24.   | When behavior feedback is given to employees they take it seriously and use it for development.  |  |  |  |  |  |
| 25.   | When employees are sponsored for training, they take it seriously and try to learn from the programmes they attend.                      |  |  |  |  |  |
| 26.   | Employees returning from training programmes are given opportunities to try out what they have learnt.                                   |  |  |  |  |  |
| 27.   | Employees are sponsored for training programmes on the basis of genuine training needs.  |  |  |  |  |  |
| 28.   | People in this organization are helpful to each other.   |  |  |  |  |  |
| 29.   | Team spirit is of high order in the corporation.   |  |  |  |  |  |
| 30.   | The corporation's future plans are made known to the managerial staff to help them develop their juniors and prepare them for future.    |  |  |  |  |  |
| <b><i>Human Resource Development Mechanisms</i></b> |  |  |  |  |  |  |
| 31.   | Seniors guide their juniors and prepare them for future responsibilities/roles they are likely to take up.                               |  |  |  |  |  |
| 32.   | Promotion decisions are based on the suitability of the promotee rather than based on any favoritism or partiality.                      |  |  |  |  |  |
| 33.   | There are mechanisms in this organization to reward any good work done or any contribution made by employees.                            |  |  |  |  |  |
| 34.   | When an employee does good work his/her supervising officers take special care to appreciate it.   |  |  |  |  |  |
| 35.   | Performance appraisal reports in this organization are based on objective assessment and adequate information and not on favoritism.     |  |  |  |  |  |
| 36.   | Career opportunities are pointed out to juniors by senior officers in the corporation.   |  |  |  |  |  |
| 37.   | This organization ensures employee welfare to such an extent that the employees can save a lot of their mental energy for work purposes. |  |  |  |  |  |
| 38.   | The human resource development methods employed in the corporation facilitating the employee development.                                |  |  |  |  |  |

### **Part III. Additional Questions**

1. What are the real problems that you observe regarding human resource development climate of the corporation? \_\_\_\_\_

4. Would you please suggest if there is anything to be changed with regard to the current human resource development climate of the corporation?

\_\_\_\_\_

\_\_\_\_\_



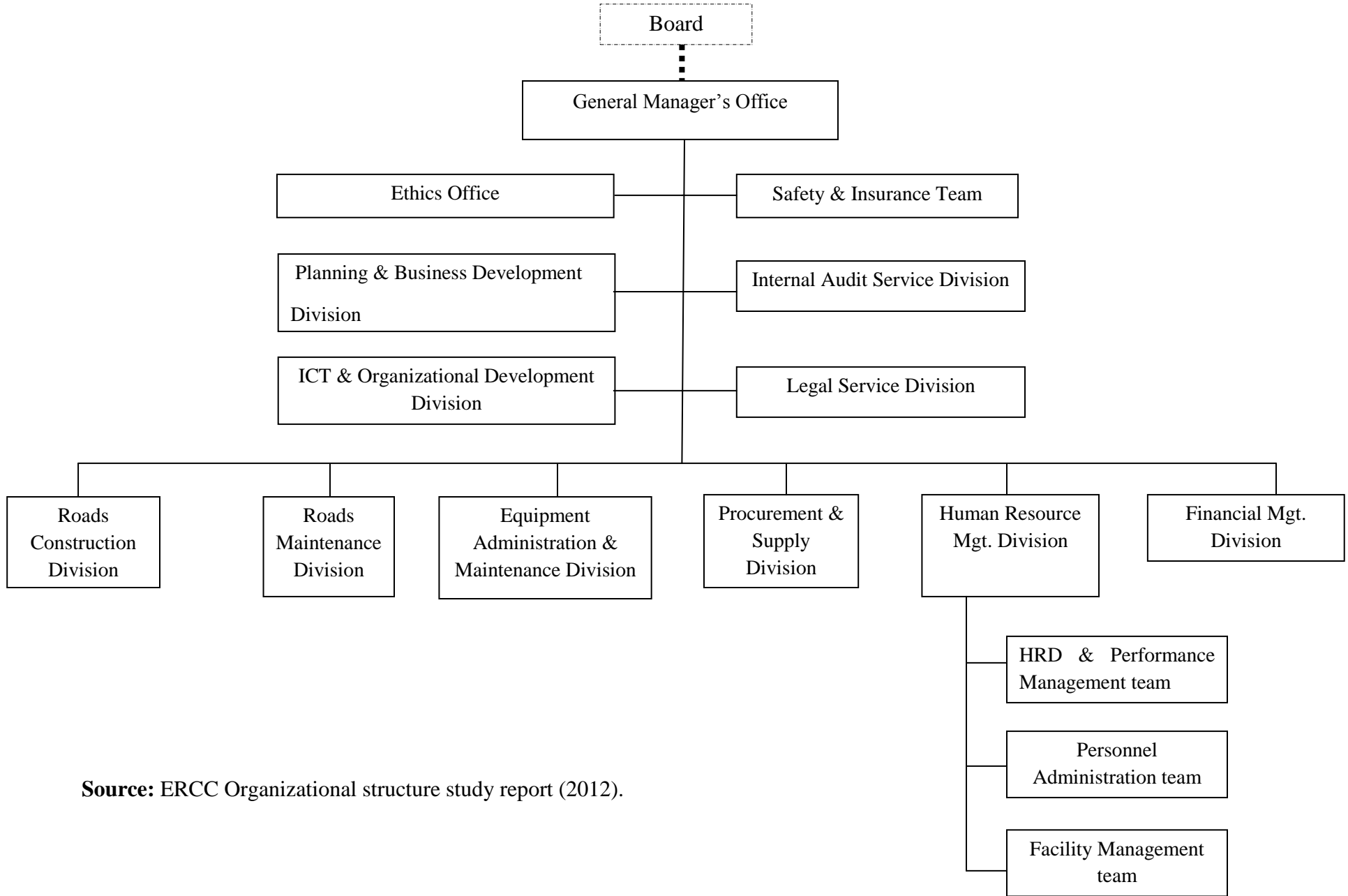
*Appendix B. Interview Question*

**INTERVIEW QUESTIONS**

**This interview questions will be answered by purposively selected respondents**

1. How far the human resource development policy, rules & regulations of the corporation conducive enough?
2. How employees are getting opportunities to develop job-related knowledge and skills?
3. How do you evaluate the general human resource development climate of the corporation?
4. How do you see the OCTAPAC Culture situation in the corporation?
5. What are the human resource development mechanisms are employed in the corporation?
6. What are the prevailing challenges in the corporation in relation to HRD Climate?

*Appendix C. Ethiopian Road Construction Corporation Organizational Structure*



**Source:** ERCC Organizational structure study report (2012).

## **DECLARATION**

I, Wakjira Yilma, declare that this work entitled “**Assessment of Human Resource Development Climate at Ethiopian Road Construction Corporation (ERCC)**” is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of the Research Advisor.

This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of Master of Business Administration [MBA] specialization in Human Resource Management.

By: WAKJIRA YILMA DADI

Signature\_\_\_\_\_

Date\_\_\_\_\_

## **ENDORSEMENT**

This is to certify that this project work, “**Assessment of Human Resource Development Climate at Ethiopian Road Construction Corporation (ERCC)**” undertaken by Wakjira Yilma for the partial fulfillment of Master’s of Business Administration [MBA] at St. Mary University, is an original work and not submitted earlier for any degree either at this University or any other University.

**Research Advisor**

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*Worku Mekonen (PhD)*

*Date*