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HUMAN RESOURCE DEVELOPMENT IN COMMERCIAL BANK OF ETHIOPIA (CBE)

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Abstract:

Human Resource Development (HRD) can lead to the creation of good people and culture that makes the healthy and successful organizations. People constitute the source of competitive advantage for the organizations. Updating the capabilities and learning new skills is the need of the hour for the existing workforce in the rapidly changing environment. For creating a learning environment, the organizations are focusing on the Human Resource Development for building highly competent and committed workforce that can contribute to the growth and continuous development of the dynamic organizations. An organization can build the vital, purposeful and devoted workforce through the preeminent HRD climate creation. HRD climate in an organization depends upon the fulfillment of certain HRD objectives. The present article deals with determining the fulfillment of HRD objectives in Commercial Bank of Ethiopia (CBE). HRD objectives ensuring smooth and efficient working of the organization and enhancing organizational capabilities possess the highest Mean Values compared to the other overall HRD objectives of CBE indicating the better fulfillment of the respective HRD objectives.

KEY WORDS:

Commercial Bank of Ethiopia, Human Resource Development, HRD Objectives.

INTRODUCTION

Human resources are the greatest assets of any organization. The developmental climate in an organization helps the individuals to utilize their potential properly and contribute to the achievement of the goals of the organization, and thereby ensuring optimization of human resources. Human Resource Development (HRD) can lead to the creation of good people and culture that makes the healthy and successful organizations. The major function of HRD is to build the core competencies of every individual employee serving the organization. For creating a learning environment in the organizations, the forward looking organizations are focusing on the HRD. This in turn will build highly competent and committed workforce for the growth and continuous development of the dynamic organizations. An organization can build the vital, purposeful and devoted workforce through the preeminent HRD climate creation.

CONCEPTUAL FRAMEWORK OF HUMAN RESOURCE DEVELOPMENT:

According to Rao T. V. and Abraham, E. (1986) HRD climate is "an integral part of organizational climate. It is the perception of what the employees feel about the development environment of an

organization". Salokhe & Vidya, A. (2002) advocated that "the philosophy of HRD is to identify 'people' as the important and valuable resources, and they need to be developed in terms of their knowledge, skill and attitude for achieving their personal as well as organizational goals". "HRD deals with the provision of learning and development opportunities that encourage the achievement of business strategies and improvement of organizational, team and individual performance". (Armstrong, M. and Baron, A., 2002). Sydhagen, K. & Cunningham, P. (2007) opined that HRD is considered as the key factor for achieving the individual growth and organizational performance in the developing nations. The author felt that there was an immense need in the developing nation for HRD. Saxena, K. and Tiwari, P. (2009) established that the HRD climate leads to maximum contribution of employees to achieve the organizational objectives in an efficient manner. HRD is a crucial factor that paves the way to the growth and prosperity of the business enterprise (Rao, 1991). Development of employees makes them more productive and thereby enables the organizations to move towards the possibility of improving performance (Nadler, L. 1981; Pfeiffer, J. 1994).

OBJECTIVE OF THE STUDY:

The main objective of the study is to determine the extent to which HRD objectives are fulfilled in Commercial Bank of Ethiopia (CBE) and to understand the status of continuous improvement and competency development of employees in CBE.

METHODOLOGY

The present study is investigative in nature and seeks to evaluate the effectiveness of HRD climate in the branches of Commercial bank of Ethiopia present in the Dire Dawa District.

SAMPLE DESCRIPTION:

The universe for the study consists of 17 branches of Commercial Bank of Ethiopia namely Dechatu, Dire Dawa, Gelemso, Gode, Deghabour, Magala, Harar, Jegol, Haramaya, Chiro, Fugnanbira, Kebridar, Dedder, Hirna, Grawa, Toguchali and Jigiga. The total population in these 17 branches and the District Office consists of 461 employees categorized into clerical (277) and non-clerical (184) staff. The scope of the study is confined to ten branches namely Dechatu, Dire Dawa, Magala, Harar, Jegol, Haramaya, Chiro, Dedder, Hirna, Jigiga, and the District Office. Out of 10 branches and the District Office which consist of 371 employees categorized into clerical (242) and non-clerical (129) staff, the sample size of 190 consisting of clerical staff including managers was chosen using stratified disproportionate random sampling technique. Non-clerical staff was not included in the sample respondents as they constitute drivers, janitors, attendants, and servant maids. The details of the sample are provided in Table 1

Table 1 Details of Sample Branches of Commercial Bank of Ethiopia and sample respondents

S.No	Place	Branch Name	Grade	No. Of employees	Clerical staff	Non-clerical staff	Sample
1	Dire Dawa	District Office	Nil	30	21	9	13
2	Chiro	Chiro	3	27	18	9	14
3	Dire Dawa	Dechatu	3	37	25	12	19
4	Dedder	Dedder	1	17	8	9	6
5	Dire Dawa	Dire Dawa	4	82	57	25	50
6	Hirna	Hirna	1	17	7	10	5
7	Dire Dawa	Magala	2	28	18	10	14
8	Haramaya	Haramaya	2	26	17	9	14
9	Harar	Harar	4	52	36	16	28
10	Jijiga	Jijiga	3	40	28	12	22
11	Harar	Jegol	1	15	7	8	5
	TOTAL			371	242	129	190

DATASOURCES:

Both primary and secondary sources have been tapped for the research purpose. The primary sources of data were tapped to study the effectiveness of HRD Climate in the branches of Commercial Bank of Ethiopia in the Diredawa District. Annual reports of CBE, CBE Forum, Newsletters and Brochures and other information gathered from journals, magazines, web sites constituted the secondary sources of the data.

DATA COLLECTION INSTRUMENTS:

Both quantitative as well as qualitative data have been gathered through survey and personal interview method. The primary data is collected using a structured questionnaire designed for the purpose of the study and through interviews. The questionnaire is administered to 190 sample respondents including clerical staff and managers. The second questionnaire is a general one that covers information on the duties and responsibilities of the branch managers and their HRD practices for the maximum utilization and satisfaction of employees.

DATA ANALYSIS:

The data collected is analyzed using various statistical tools such as Mean and Discriminant analysis.

FULFILLMENT OF HRD OBJECTIVES IN CBE:

HRD climate in an organization depends upon the fulfillment of certain HRD objectives. They are: 1-Avoiding staff outmodedness, 2-Support total quality management, 3-Enrich organizational competencies, 4-Safeguard smooth and effectual working of the organization, 5-Improve innovative capabilities and aptitudes, 6-Encourage individual and group morale, a sense of accountability, friendly attitude and righteous relations, 7-Extend the cognizance of senior managers by giving them the chance to exchange their experiences both within and outside the organization, and 8-Build a climate that permits every staff to determine, advance and habit his/ her competences to a maximum level, for achieving both the individual and organizational results. On a scale of 4, the extent to which HRD objectives are fulfilled based on employees' perception is presented in Table 2.

Table 2 Branch-wise Mean Values of fulfillment of HRD Objectives in Commercial Bank of Ethiopia

S.NO	BRANCHES	HRD OBJECTIVES								Total
		1	2	3	4	5	6	7	8	
1	District office	2.08	2.23	2.23	2.46	1.77	2.38	2.15	2.08	2.17
2	Diredawa	2.22	2.38	2.38	2.46	1.98	2.06	2.02	1.90	2.18
3	Jijiga	1.95	2.41	2.27	2.00	2.36	2.50	1.91	2.23	2.20
4	Harar	2.32	2.64	2.61	2.68	2.18	2.39	2.21	2.61	2.46
5	Dechatu	2.32	2.21	2.42	2.68	2.00	2.32	2.00	2.16	2.26
6	Chiro	2.43	2.71	2.86	2.86	2.43	2.79	2.57	2.57	2.65
7	Haramaya	2.43	2.50	2.79	2.71	2.36	2.71	2.36	2.36	2.53
8	Magalla	1.86	2.07	2.07	2.36	2.00	2.14	1.86	1.86	2.03
9	Hirna	2.20	2.20	3.00	2.60	2.60	2.60	2.20	2.00	2.43
10	Dedder	2.67	2.33	2.50	2.50	2.33	2.67	2.00	2.33	2.42
11	Jegol	2.40	2.00	2.60	2.00	2.40	2.40	2.60	2.40	2.35

Note:

- 1- Avoiding staff outmodedness
- 2- Support total quality management
- 3- Enrich organizational competencies
- 4- Safeguard smooth and effectual working of the organization
- 5- Improve innovative capabilities and aptitudes
- 6- Encourage individual and group morale, a sense of accountability, friendly attitude and righteous relations
- 7- Extend the cognizance of senior managers by giving them the chance to exchange their experiences both within and outside the organization.
- 8- Build a climate that permits every staff to determine, advance and habit his/ her competences to a maximum level, for achieving both the individual and organizational results.

Table 2 shows the Branch-wise Mean Values of fulfillment of HRD Objectives in Commercial Bank of Ethiopia. It is understood that majority of the objectives (2, 4, and 6) possess high Mean Values in Chiro branch followed by Hirna (objective 3 and 5) and on the other hand the overall Mean Values of all the eight HRD objectives in the sample branches of CBE is high in Chiro branch followed by Haramaya.

Table 3

Fulfillment of Overall HRD Objectives in Commercial Bank of Ethiopia

S.NO	HRD OBJECTIVES	Mean Scores
1	Avoiding staff outmodedness	2.23
2	Support total quality management	2.39
3	Enrich organizational competencies	2.46
4	Safeguard smooth and effectual working of the organization	2.49
5	Improve innovative capabilities and aptitudes	2.14
6	Encourage individual and group morale, a sense of accountability, friendly attitude and righteous relations	2.36
7	Extend the cognizance of senior managers by giving them the chance to exchange their experiences both within and outside the organization.	2.12
8	Build a climate that permits every staff to determine, advance and habit his/ her competences to a maximum level, for achieving both the individual and organizational results.	2.19

From table 3, it is found that the HRD objectives ensuring smooth and efficient working of the organization and enhancing organizational capabilities possess the highest and similar Mean Values compared to the other overall HRD objectives of CBE.

DISCRIMINANT ANALYSIS

Opinion regarding fulfillment of HRD objectives may also depend on demographic variables of the respondents. The demographic variables include gender, age, marital status, educational qualifications, designation and experience. In order to ascertain the variables which are relatively better in discriminating between fulfillment of HRD objectives and non-fulfillment of HRD objectives, Canonical Discriminant analysis is used.

Table 4

Better Predictors of Satisfaction with Fulfillment of HRD Objectives

S.No.	Objectives	Predictors
1.	Avoiding staff outmodedness	Age and educational qualifications
2.	Support total quality management	Gender and Age of the employees
3.	Enrich organizational competencies	Age and Gender of the employees
4.	Safeguard smooth and effectual working of the organization	Experience and Designation of the employees
5.	Improve innovative capabilities and aptitudes	Marital status and Educational Qualifications of the employees
6.	Encourage individual and group morale, a sense of accountability, friendly attitude and righteous relations	Marital status and Age of the employees
7.	Extend the cognizance of senior managers by giving them the chance to exchange their experiences both within and outside the organization.	Marital status and Designation of the employees
8.	Build a climate that permits every staff to determine, advance and habit his/ her competences to a maximum level, for achieving both the individual and organizational results.	Marital status and Experience of the employees

Table 5

Mean Values for Continuous Improvement and Competency Development of HRD in CBE

S.No	Branches	Continuous improvement	Competency development	Over all Mean Scores
1	District Office	2.60	2.71	2.65
2	Dire Dawa	2.30	2.36	2.33
3	Jijiga	2.51	2.60	2.56
4	Harar	2.42	2.51	2.46
5	Dechatu	2.55	2.67	2.61
6	Chiro	2.53	2.68	2.61
7	Haramaya	2.53	2.68	2.60
8	Magalla	2.50	2.67	2.58
9	Hirna	2.51	2.64	2.57
10	Dedder	2.51	2.64	2.57
11	Jegol	2.52	2.66	2.59

Table 5 shows the Mean Values for Continuous Improvement and Competency Development of HRD in the sample branches of Commercial Bank of Ethiopia on a scale of 4. The Mean Values for Continuous Improvement of HRD is high in District Office followed by Dechatu and equal in Chiro and Haramaya and the Mean Values for Competency Development of HRD is high in District Office followed by Chiro and Haramaya equally while the overall Mean Values for Continuous Improvement and Competency Development of HRD in the sample branches of Commercial Bank of Ethiopia is high in District Office followed by Dechatu and Chiro equally.

CONCLUSION

“More value for organizational climate” has been the slogan that has been ingeminated by the employees. The workforce in the organizations have always been looking for enhanced quality of work life, efficient training and development plans, and so on for the better utilization of their potentials in order to achieve the strategic goals of the enterprise in the best manner. Successful organizations have realized about the importance of improving the effectiveness of HRD Climate through human resource development practices.

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