

**A Thesis on Assessment of the Human Resource Management  
Practices  
in  
Ethiopian Public Health Association (EPHA)**

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**Submitted to the Coordinator (Projects), School of Management  
Studies, Indira Gandhi National Open University, Maidan Garhi  
New-Delhi - 110 068**

**In Partial Fulfillment of the Requirements for the Master of Business  
Administration (MBA) in Human Resource Management**

**Advisor: Worku Mekonnen, PhD**

**Addis Ababa, Ethiopia  
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## CERTIFICATE OF ORIGINALITY

This is to certify that the project titled “**Assessment of the Human Resource Management Practices in Ethiopian Public Health Association (EPHA)**” is an original work of the student and is being submitted in partial fulfillment for the award of the Master’s Degree in Business Administration of Indira Gandhi National Open University. This report has not been submitted earlier either to this University or to any other University/Institution for the fulfillment of the requirement of a course of study.

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**SIGNATURE OF SUPERVISOR**

**SIGNATURE OF STUDENT**

Place: Addis Ababa, Ethiopia

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Date: October 2013

Date: October 2013

## IMPORTANT

The Bio data of the guide must be duly signed by him/her in original and must contain the following information:

1. Date of Birth
2. Full office and residential addresses along with contact telephone numbers.
3. Academic qualifications including year of passing.
4. Work experience along with designation and name of the organization.

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## **ABSTRACT**

Background: Human Resource (HR) is the most important asset for any organization and it is the source of achieving competitive advantage. Without having adequate human resource, the organization will be unable to achieve established goals and objectives. The main aim of this study is attempted to assess the Human Resource Management practices of the Ethiopian Public Health Association (EPHA).

Methods: using cross-sectional study design 66 participants would be recruited as a sample size using covenant sampling method.

Result : The findings show that there are gaps in HRM practices regardless of HR manager's high level of education in their respective job fields. On this ground, it has been concluded that EPHA managers and supervisors need additional HR related skills and knowledge to carryout HRM functions and therefore, an organized effort from the organization and other concerned bodies is of paramount importance to address this lack of HR management capacity.

Conclusion and recommendation: based on the findings of this study, recruitment, performance appraisal, training and development, and compensation were the main variables that attract, motivate and retain employees in organizations.

Therefore, EPHA should work toward improving the HRM practices to achieve the goal of the organization.

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## **Definitions of the key terms**

*Benefits* : Indirect financial and non-financial payments employees receive for continuing their employment with the company (Dessler, 2003, 527).

*Bonus* : A grant of money as a gratuity to works. A special earned payment based on for example production. Anything welcome that one receives over and above what is expected or usual (Webster, 1991, 110).

*Direct financial payments* : Pay in the form of wages, salaries, incentives, commissions and bonuses (Dessler, 2003, 529)

*Effectiveness*: Achievement of goals (Robbins, 1998, 23)

*Efficiency*: The ratio of effective output to the input required to achieve it (Robbins, 1988, 23)

*Employee compensation*: All forms of pay or rewards going to employees and arising from their employment (Dessler, 2003, 528).

*Human Capital (Resource)*: The knowledge, education, training, skills and expertise of a firms workers (Dessler, 2003, 530).

*Human Resource Management (HRM)* : Activities an organization conducts to use its human resources effectively and the aspects of management that concerns the coordination of all aspects of employment including hiring, training, compensating, motivating, disciplining, and all day-to-day interactions as well as rewarding and appraising (Dessler 2003, 530).

*Human Resource Planning (HRP)*: The process of deciding what positions the firm will have to fill, and how to fill them (Dessler, 2003, 90). It is also called employment of personnel planning.

*Human Resource Strategy*: It is defined as human resource strategy as the actions the HR manager and other company managers take to attain company's human resource goals.

*Indirect Financial Payment* : Pay in the form of financial benefits such as insurance (Dessler, 2003, 530).

*Job Analysis*: Developing a detailed description of the tasks involved in a job, determining the relationship of a given job to other jobs, and ascertaining the knowledge, skills, and abilities necessary for an employee to perform the job successfully (Robbins, 1888, 552).

*Job description* : A list of job duties, responsibilities, reporting relationships, working conditions, and supervisory responsibilities (Dessler, 2003, 531). The job description is a part of the job analysis.

*Management*: Individuals who achieve goals through other people (Robbins, 1998, 2).

*Management Development*: Any attempt to improve current or future management performance by imparting knowledge, changing attitudes, or increasing skills (Dessler, 2003, 531)

*Merit Pay* : Any salary increase awarded to an employee based on his or her individual performance (Dessler, 2003, 531).

*Recruitment*: The process of generating leads, inviting candidates, interviewing candidates, making offers, and hiring (Dessler, 2003, 98).

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1. Background of the Study**

Human Resource (HR) is the most important asset for any organization and it is the source of achieving competitive advantage. Without having adequate human resource, the organization will be unable to achieve established goals and objectives'; hence managing human resource is the key role of success of an organization.

The human resource management (HRM) practices covered in this chapter include the following. First subject is human resource planning (HRP) which covers the identification of HR needs in the organization as well as the designing of a plan to satisfy those requirements. It involves estimating of the required work force and the specific characters of the quality of employees needed.

The next subject will include the action of finding and engaging people required by the organization and then choosing the most appropriate candidates for employment, this is known as recruitment and selection (Armstrong 2010, 189-192).

The third topic is training and development of employees in the organization by which employees to improve their knowledge, skills and behavior. The other topic is performance management which presents the issues of finding ways to improve organizational, team and individual performance.

Compensation and Reward Management is the other topic which is closely related to the Performance Management. Reward can be financial or non-financial but altogether the objective is to motivate, attract and retain employees in organization. This means recognition and rewarding strategies and policies for successful performance in achieving the determined goals in individual, team or organizational level (Armstrong 2010, 247).

The empirical part of thesis is conducted through a qualitative and quantitative research. All employees of EPHA from low level to top level filled the questionnaire to discover the actual HRM practices.

The questionnaire for all employees was distributed to provide information about the administration and the execution of human resource practices in the organization.

Interviews and observation was also conducted to get reliable data. On the other hand, it was necessary to examine whether the employees a knowledge those activities and practices and if they were satisfied with them.

The main aim of this study is to search for the problems and challenges in the management of human resources, followed with possible solutions and improvement suggestions for the organization.

## **1.2. Statement of the Problem**

This study arises from the need to manage the human resource of Ethiopian Public Health Association more effectively. The rapid increases of competition, acute shortage of skilled manpower, competent and the corresponding increase in skilled manpower, the labor turnover and costs of employee replacement have forced the Ethiopian Public Health Association not properly handle its competent employees.

The above issues and problems demand that Ethiopian Public Health Association should continually assess its internal processes and capabilities if it is to remain competitive in the growing competitive environment. It can be said that human resource management can positively affect organizational performance and success. Besides, the human resource management practices' strategy also examined.

What makes the situations worse is that recruitment and selection of employees takes place not based on manpower planning but rather on the basis of solving immediate problems.

The other problem is that promotion is not based on performance, lack of transparency, weak follow up, and loose linkage between performance and reward are the problems seen in human resources management practices in EPHA.

**Research Questions:** This study mainly focused on the following basic questions

- Is recruitment and selection of employee' practice fair and transparent in EPHA?
- Is there training and development program in your organization and are you satisfied with it?
- What do employees expect from performance appraisal?
- What are the steps to be taken to remedy the turnover situation and retain employees in organization?
- Are you satisfied with current salary you earn in EPHA?
- What is the focus of human resource management practice should be in organizations?

Therefore, all important issues related to human resource management practices – human resource planning, recruitment and selection, training and development, performance appraisal, compensation and rewards practices in Ethiopian Public Health Association will be assessed.

In order to effectively investigate whether human resources are capable of contributing to competitive advantage, it is to examine human resource management practices within Ethiopian Public Health Association.

### **1.3. Objectives of the Study**

#### **1.3.1. General Objectives:**

The general objective of the study is to assess and analyze the overall procedures and constraints in the effective implementation of human resource management practices within EPHA.

#### **1.3.2. Specific Objectives**

- To investigate the extent of HRM practices in EPHA
- To assess the human resource management practices' problems in EPHA
- To identify the associated problems to be solved by EPHA'S management and the board of directors as well
- To suggest the HRM principles and practices that can further improve the effectiveness of the EPHA HR office.

### **1.4. Significance of the Study**

The findings of this study are considered important to provide insight into the various human resource management practices needed and give feedback and help EPHA to apply the recommendations.

The study can encourage using a well- designed human resource management practices to achieve its objectives. It will be useful to top management and human resource management officers and practitioners to design the HRM functions at organizational level in order to maximize productivity toward achieving its objectives.

Furthermore, this research paper can be useful for researchers and other readers who would like to know about the human resource management functions and practices issues for future research and the recommendations will be given to implement accordingly.

In addition, the study could serve as a reference to similar associations and others who want to benefit from the study as a whole.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 The Concept of HR and HRM**

Human Resource (HR) is the most important asset for any organization and it is the sources of achieving competitive advantage. Human resource is considered as the most important resource of the organizations and it became decisive for success of any organization (Werther and Davis, 1996).

Human Resource Management (HRM) function performed in organizations that facilitate the most effective use of people (employees) to achieve individual and organizational goals and objectives. Terms used interchangeably with HRM include personnel management, HRM and employee development. The term HRM has relatively adopted in business organizations in place of personnel management. HRM can be defined as the management of activities undertaken to attract, develop, motivate, and maintain a high performing workforce within the organization” (Harvey Bowin, 1996, P.6).

HRM refers to the policies and practices including HRP, job analysis, recruitment selection, orientation, compensation, performance appraisal, training development, and labor relation (Dessler, 2007). Dessler (1991) had made no differentiation between personnel management and HRM and saw that latter as a modern expanded version of the traditional personnel met due to technological change in the work environment and shift in societal values.

Torrington and Hall (1998) explained the difference between personnel management and HRM is considered as workforce centered whereas HRM as resource centered. There is no universal agreement on the meaning of HRM, and many definitions have been offered by different authors of HRM. Storey (1995) considered HRM as a distinctive approach to employment management which seek to obtain competitive advantage through the deployment of a highly committed and skilled workforce using an



array of techniques. Beer et al (1984) viewed HRM as involving all management decisions that affect the relationship between the organizations and employees.

Poole (1990) stated that today's HRM could be described as broad and strategic involving all managerial personnel, valuing employees as important assets of organizations, and being proactive in its responsibilities.

Moreover, today's human resource functions refer to those tasks and duties performed in both large and small organizations to coordinate HRs (Byars and Rue, 1991). Accordingly, these functions of HRM practices can be listed as follows: to ensure that the organization apply equal employment opportunities and other government obligations, to develop and implement a plan that meet personnel and job requirements, to recruit employees needed by organization in order to achieve its objectives, to select personnel in order to fill vacant positions within organizations, to provide orientation and training to employees, to design and implement performance appraisal system to evaluate employees performance, and to implement compensation systems for employees.

It is well known that an organization enriched with motivated, talented, and competent HRs can achieve any kind of challenging goals even if it seems impossible success of HRM depend upon their capabilities in managing HRs (Budshwar and Debrah, 2001).

The purpose of HRM is to improve the productive contributions of employer and provide competitive advantage to the organizations (Werther and Davis, 1996). The role of HRM practices start with appointing people by an organization. HRM refers to the policies and practices including HRP, Job analysis, recruitment and selection, orientation, compensation and rewards, performance appraisal, training and development, and labor relations (Dessler, 2007).

According to John M. Ivancevich, "the HRM practices consists of activities including equal employment opportunity compliance, job analysis, HRP, recruitment and selection, motivation, orientation, performance evaluation and compensation, training and development, labor relations, safety, health and wellness."

Ivancevich said that the contribution of HRM make to organizational effectiveness are the following helping the organization reach its goal, employing the skills and abilities of the work force efficiently, providing the organization with well trained and well-motivated employees, increasing to the fullest of the employees job satisfaction, communicating HRM policies to all employees, and helping to maintain ethical policies and socially responsible behavior.

Today, it would be very difficult to imagine any organization achieving and sustaining effectiveness without efficient HRM programs and activities. HRM involves all management decisions and practices that directly affect the people who work for the organization. Therefore, HRM practices should be central to the organization strategy (Barney, 1991).

## **2.2 Objectives of HRM Activities and functions**

The functions of HRM increases organizational effectiveness as follows:

- a) HRM implications serve the organization to reach its goal and objectives. In order to reach these objectives, HRM aims to employ skills and abilities of workforce effectively and efficiently and provides the organization with well trained and well-motivated employees. HR activities also help to maintain ethical policies and behaviors within the organization.
- b) HRM is responsible for communicating organization's policies to all employees and aims to increase the employee job satisfaction.
- c) To manage changes in the field of HRM and benefit employees as well as organizations.

## **2.3 Human Resource Management Practices**

HRM practices are the primary means by which firms can influence and shape the skills, attitudes, and behavior of individuals to do their work and thus achieve organizational goal (Martin sons, 1995).

HR practices are designed to improve the knowledge, skills and abilities of employees, boost their motivation, minimize or eliminate loitering on the job and enhance the retention of valuable employees. The present study investigated the following HRM practices namely, Human Resource Planning, recruitment and selection, training and development, performance appraisal, compensation and reward and the effects of these practices in EPHA was examined carefully in details.

### **2.3.1 Human Resource Planning (HRP)**

Planning of the Human Resource in organization is an important activity in which the employer should be able to define what the requirements are and how these can be satisfied.

According to Geister, (1967)", HRP is the process including forecasting, developing, and controlling by which a firm ensures that it has the right number of people and the right kind of people, at the right place, at the right time, doing work for which they are economically most useful." Organization dependence on the availability of the right person, at the right time for fulfilling job requirements cannot be debated. All well thought out plans for replacement of staff, growth of business, or for attempts to diversify depend on the timely availability of qualified employees.

The HRP is very important for the organization as the employees are constantly changing so management needs to respond to the changes and update the plans accordingly. Here, the aim is to explain what the HRP are and how the planning is executed in a challenging environment and changing of employees.

The HRP practice starts from making a plan which is an assessment of the future development and their possible impact on the employee issues (Armstrong 2010, 190). This plan is affected by the organizations strategy as well as with practices and methods. Then, there is need for workforce analysis internally and externally to define the present situation (Bratton and Gold, 2003, 194).

On the other hand, there is need for forecasting the future demand, supply and requirements of the current and potential employees.

Finally, it is required to make an action plan according to the forecasts which can include training, promotions or external recruitments (Armstrong 2010,190-191). Furthermore, it is management's responsibility to forecast and plan the HR practices accordingly. The possible problems with HR planning can be avoided with planning techniques that are used to identify the problems with the man power.

However, the main aim of the HRP is to reduce waste in employing people, reduce uncertainty about current manpower levels and future needs, and eliminate mistakes in staffing. Its purposes also include avoiding worker and skills shortages, stopping the profit eroding effects of being over or under staffed, preparing succession plans and shaping the optimum future workforce by hiring the right managers, technical specialists and skilled workers in appropriate numbers (Bratton and Gold 2003, 200).

Therefore, the purpose of having a HRP either in the short run or in the long run, is to have an accurate estimate of the number of employees required with matching skill requirements to accomplish the organization's goals and objectives.

### **2.3.2 Recruitment and Selection**

Recruitment is a process of seeking and attracting a pool of people in order to select qualified candidates for vacant positions within the organization (Byars and Rue 1991).

Recruitment and selection is a process that consists of four different stages which are defining requirements, planning recruitment, attracting candidates and selecting candidates. This is part of the actionable HRP and all these steps should be taken according to the demands of the organization (Armstrong 2010, 192).

The defining of requirements starts from the organization strategy and the HRP which define the kinds of employees needed and what kind of activities they are to execute. This comes down to analysis and definitions of competencies and characters required for the specific job role (Bratton and Gold 2003, 2008). Armstrong suggests that the behavioral and technical competencies, qualifications and experiences are part of job roles.

According to Flippo (1971) defined recruitment “as a process of searching for prospective employees and stimulating them to apply for jobs”. According to him, the need for recruitment may arise out of the following situations:

- (a) Vacancies due to transfer, promotion, retirement, termination, permanent disability or death
- (b) Creation of vacancies due to expansion, diversification, growth, or job reclassification. During recruitment process, organizations may use both internal and external sources to fill vacant positions.

Internal recruitment is looking for candidates among employees already working in the organization. It involves techniques like job posting. In this method, notices about vacant positions are posted in central locations. Throughout the organization and employees are given a time to apply these positions. Another method used in internal recruiting is to seek recommendations from present employees regarding friends who might fill vacancies.

External recruiting on the other hand, seeks for candidates from outside the organization. The methods of external recruiting can be listed as follows referrals media advertisements, campus recruitment, working with employment agencies using computer databases (Ivancevich, 1992).

Organizations are better to use realistic job previews in order to improve the effectiveness of recruitment process. "Recruitment is the process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting the manpower in adequate numbers to facilitate effective selection of an efficient working force" – Yoder. After recruiting qualified candidates applicants, the selection process begins".

Selection: According to Koontz "selection is the process of choosing from among the candidates from within the organization or from outside, the most suitable person for the current position or for the future position.

Every organization has its own selection policy. Selection is the decision of making process. Selection is the process of choosing from a pool of applicants the individuals who best fit their selecting criteria for a position (Harvey and Brown, 1996 P.120).

Generally, the organization selection process begins with the completion of the application form by the applicants.

The next step is preliminary screening interview in which minimum qualifications of applicants are screened and a brief personal interview is conducted to form general impression of the candidates and obtain key information about them.

The other step is to make employment tests such as knowledge and skills tests, emotional intelligence tests, integrity tests, personality tests and other work related tests. The next step is employment interviews are conducted in which these interviews can be in different formats, structured, unstructured, or semi structured.

In the structured interview, the interviewee received a set of questions that have been prepared in advance by the interviewer. However, in unstructured interviews, the candidate controls the flow of the conversation. The interviewers do not direct the interviewees; rather they repeat the questions or statement by the candidates to encourage further discussion.

Unfortunately, unstructured interviews are subject to the interviewer's interpretations (Harvey and Brown, 1996). There are also other kinds of interviews such as panel, situational and stress interviews.

In panel interviews, the applicant is interviewed by a panel or group of individuals. In situational interviews, the applicant solves a particular problem or describes how they would behave in a specific job situation. In stress interviews, recruit is subjected to the stress supposedly encountered in the job situation (Harvey and Brown, 1996).

The other step is to check references and recommendation letters that are submitted by the candidates. As another step, some organizations require applicants take a physical examination tests and drug tests. The final hiring decision is made based on the results of the selection process mentioned above. In addition, there are some other tools that used in selection process such as work samples.

A work sample is a selection tool that requires the candidates to show how well they perform the tasks involved in a job under standardized situations.

Selection decision is important and it requires the full attention of the management and selection errors might have great negative impact on the operations. This means that in any selection there are chances of selecting a wrong person and also chances of losing a right person. So, it is very important to assess that candidates must possess all the required technical skills as well as the ability to perform well to be successful before selection made.

As a summary, it is good to remember that recruitment and selection are mostly about the description of the task and defining the essential competencies for executing them. In this way organizations can avoid hiring the wrong person for a job. The accuracy of selection decisions can often be increased if both HR professionals and management are involved in hiring.

### **2.3.3 Performance Management ( Appraisal)**

Performance management is about performance and it is a necessary part of HRM. Armstrong and Baron (1998), defined performance as a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors". It is concerned with performance improvement, employee development satisfying the needs and expectations of all the organization's owners, management, employees, customers and the community.

Performance management is the process by which executives, managers, and supervisors work to align performance with the firm's goals. It is the activity used to determine the extent to which an employee performs work effectively.

In other terms, performance management includes performance appraisal, performance review, employee evaluation, employee appraisal and merit. It creates an environment in which a continuing discussion between managers and the members of their teams takes place to define expectations and share information on the organization's mission, values and objectives performance management includes setting goals, evaluating outcomes and giving feedback to improve the future performance of an employee, team or the organization in general. It is supposed to direct the behavior to desired direction and motivate people by having clear objectives and the opportunity to correct the behavior according to the feedback.



The way of giving corrective feedback should be practiced, and the manager should always stay polite, calm and professional. It has been argued that the most powerful mean of performance management is goal setting. If the goals can be made and achieved in a certain period of time it would mean that a person has control over the environment as well as the time could be managed (Schneider and Barsoux, 2003, 162-163).

An effective performance appraisal system involves two way communications between the supervisor and the subordinate about performance. Evaluation should not be viewed simply as a once a year completion of rating forms, it should be a continuing process. For a formal performance appraisal to be effective, six steps must be taken according to "Ivancevich."

1. Establish performance standards for each position.
2. Establish performance evaluation policies on when and how often to evaluate, who should evaluate, the criteria for evaluation to be used.
3. Have raters gather data on employees performance
4. Evaluate employees' performance
5. Discuss the evaluation with the employee
6. Make decision and file the evaluation.

Performance evaluation interviews that involve feedback evaluation information can be effective if the evaluation information is meaningful, clear, and helpful. On the other hand, feedback information can be quite stressful if the evaluation is considered unfair, inaccurate, and poorly designed.

Selecting the best appraisal approach for the employees and managers to use is an important decision, properly performed performance evaluation contribute to organizational objectives and employees development and satisfaction. If objective done well , the appraisal can help identify a better worker from a poor one.

An effective appraisal system is an asset to the organization. Pareek and Rao (1981) viewed the objective of performance appraisal as follows: According to them, appraisal should serve the following objectives:

1. Help the employee to overcome his weakness and improving his strength and this enable him to improve his performance
2. Generate adequate feedback and guidance from the immediate supervisor to an employee working under him
3. Help identify employees for the purpose of motivating, training and development them.
4. Identify employees for salary increase, promotion and transfer
5. Identify training needs.

Therefore a good performance plan can give a sense of direction and utilize human potential and enhance individual and organizational performance. Supervisors should work hard by helping employees to meet their expectations on the other hand, conducting periodic performance appraisal is very important by comparing the last period with the current period.

In addition, supervisors should identify the employee's strength and weakness, and may plan ways of avoiding their weakness and develop their skills, knowledge and experiences to fully apply their strength toward improving the work performance effectively and efficiently.

#### **2.3.4 Training and Development**

Training and development constitute an ongoing process in any organization and it is one of the HRM practices of organizations.

" Training is the formal and systematic modification of behavior through learning which occurs as a result of education, development and planned experience (Armstrong, 2001:543)."

In contrast, staff development refers to the development of supporting technical and professional staff in organizations. Its aim is to enable such employees to perform their current and future role effectively (Collin, 2001:305).

Training and development encompasses three main activities: training, education and development. Firms that offer training and employee development are making a visible investment in employees. Among its positive outcomes, this investment increases employability for the individual employee (Waterman et al., 1994).

In the environment of today's business an employee is needed to cope with various pressures and are required to keep their skills and knowledge current to stay and remain competitive. Thus, demand for a well-qualified workforce becomes a strategic objective.

The human resource training and development system of an organization is a key mechanism in ensuring the knowledge, skills, and attitudes that are necessary to achieve organizational goals and create competitive advantage (Peteraf, 1993). Training is planned effort that facilitates the acquisition of job related knowledge, updating of skills sets, and impacts the behavior of an employee.

In the implementation of HRM tools training is an important factor responsible for productivity. Higher productivity observed in organizations are a direct outcome of training programs." Untrained workers tend to change job more often.

An increasing in high performance work practices converts decreasing in turnover" (Bradley, Petrescu and Simmons, 2004).

Training programs are particularly helpful when an employer is experiencing a high degree of employee turnover more so during the times of economic uncertainty. Even during the times when the business is flourishing an organization should proactively earmark their investment for on the job training and other training programs balancing the cost of training with the perceived benefits of productivity.

On the other hand, a trained worker has got the required skills and knowledge and can be candidate for job turnover because, after having training, employee may decide to leave the organization to find a better job in another organization.

Therefore, job satisfaction is crucial factor to retain the employee from shifting his or her jobs. It can be expected that firm's investments in training will have a positive impact on the extent to which the firm actually succeeds in developing the skill and knowledge of its employees.

Organizations with superior training programs may experience lower staff turnover than organizations that neglect staff development.

In the field of HRM, training and development is the field concerned with organizational activity aimed at improving the performance of individuals and groups in organizational settings. HRM practices influence employee skills through the acquisition and development of firm's human capital (Huselid M.A., 1995). Organizations can adopt various HRM practices to enhance employee skills (Delaney and Huselid, 1996). First, such practices can be used for improving the quality of the individuals hired by raising the skills and abilities of current employees. Second, organizations can improve the quality of current employees by providing comprehensive training and development activities after selection of workers.

Therefore, firms with superior training programs are likely to experience lower staff turnover than companies that neglect staff development (Arthur, 1994).

Also more investment in training and employee development is positively related to organizational effectiveness, increased productivity and reduces employee's intent to leave the organization (Harel and Tzafrir, 1996).

The investment in employee learning, training and development is a way of creating a primary internal market, and policies aimed at upgrading skill reduce an organization's dependency on external source of skill (Bratton and Gold, 2007:306).

A good system of training and development starts with the identification of training need assessment. An organization needs to assess its people's skills training needs by variety of methods and then structure the way that the training and development is to be delivered and the top level management being with HRM should give due attention on training and development programs and help their employees in training so that they can be competent and effective in their work performance to achieve the organization's objectives are met.

### **2.3.5 Compensation (Reward) Management**

Compensation is one of the human resource management functions that deals with every type of reward individuals receive in exchange for performing organizational tasks, such as wages, salaries and bonuses.

The objective of the compensation function is to create a system of rewards that is equitable to the employer and employees. Huselid (1995) asserts that the compensation system is recognized as employee merit and it is widely linked with firm outcomes. Compensation by its definition means all monetary payments and all commodities used instead of financial to recompense employees. The reward system was organized to attract and motivate so as to keep employees.

According to Bratton and Gold (2007:p 360), "Reward refers to all the financial, non financial and psychological payments that an organization gives for the employees in exchange for the work they perform." Regardless of any other rewards, it gives to its employees, an organization must make three main decisions about monetary reward how much to pay, for whom to pay, and how much to pay. Emphasis should be placed on monetary reward as part of the total employment relationship.

Thang (2004) suggests that "compensation and reward can be powerful tools for getting efforts from the employees to fulfill the organizations goals."

Reward management is closely related to the performance management as usually the rewards follow after successful performance.

Rewards can be divided into financial and non financial rewards and different strategies can be adopted for the allocation of rewards (Armstrong 2010, 267).

In practice, the rewarding should be based on the type of job the individual is doing and how one performs the job, although the demand and supply of the labor force are increasingly affecting the rewarding. The reward is seen as a tool of managing which supports the success of organization and motivates the workforce to act according to the values and objectives of the organization.

The rewarding has many different systems to follow. The financial rewards can be base pay, and performance related pay. Base pay is determined with internal and external rates that are the form of job evaluation and market rates and it is expressed with relation to a certain time period i.e. year, month, and week. The levels of pay are agreed with individual agreements or with collective agreements /with labor unions (Armstrong 2010, 275).

To complement financial rewards, there are different tools of non financial rewards. Those focus on the needs that people have for recognition, achievement, responsibility, influence and personal growth. Money alone cannot be relied on motivating employees to work, so it should be reinforced with these non financial rewards. If the motivation is achieved in such means, it can have longer lasting and powerful effect on people (Armstrong 2010, 279).

However, choosing an appropriate compensation mechanism is probably the core problem of HRM and represents the heart of personnel economics (Gar, Baldi p, 2006, P 82). Further, he stated that compensation packages must be consistent with profit maximization on the part of the firms, but they should also provide workers with the incentives to do as well as possible.

In addition, incentive compensation has a positive impact upon organizational performance, lower employee turnover and increases sales growth (Arthur, 1994).

Particularly, salary growth effects on turnover are greatest for high performers, that is high salary growth performing employees in the organization.

To summarize, employees need to be paid so that they are able to live. Pay needs to be adequate and equitable.

Money is not the only reward and compensation and may not motivate employees to be more productive, other benefits are also need to be looked at.

## **CHAPTER 3**

### **METHODS AND MATERIAL**

#### **3.1 Study Area and Period**

The Ethiopian public Health Association (EPHA) is a non-profit and non- governmental organization established in 1989 with the objective of contributing to the attainment of an optimal standard of health care for the people of Ethiopia. It provides improving quality of health services to the public networking, active and dedicated involvement of its members.

Over the last two decades, the EPHA Secretariat has grown from a staff of three officers to 69 staff members. Its finance has also grown up to a large amount. As a result of these achievements and ongoing endeavors, the Association is continually gaining due recognition as an important factor in Ethiopia's health sector. It has a good working relationships both with governmental and nongovernmental organizations as well as universities within Ethiopia and abroad.

Moreover, the Association has a 24 years record of successful implementation of various national as well as international projects. The study was conducted between February 1, 2013 to March 31, 2013.

#### **3.2 Study Design**

The research design is descriptive type and studies HRM practices in EPHA with about 69 employees operating. The design of the study was based on primary and secondary data that employed both qualitative and quantitative types of data collection.

The researcher has employed cross section descriptive type of research method because of the various intention of the study is to describe the existing practices of HRM practices in EPHA and describing the characteristics of certain groups to estimate the frequency of the subject in the population.



- a) The study focused on HRM practices in EPHA. Therefore, the population of this study was all the managerial and non-managerial employees who are working in EPHA.
- b) The sample size of this study consisted of all respondents who are working for EPHA.

### **3.3 Sources and Methods of Data Collection**

Data have been gathered from 66 EPHA staff members using open and closed ended questionnaires. The respondents embodied various hierarchies of the departments of EPHA starting from support staff to higher level of the organization. Furthermore, the perception and ideas of middle and senior management staff's of EPHA have been incorporated to compliment the study. The data collection has been done by using a combination of different methods as described below:

Primary Data: Primary data was collected through different data collection methods.

a) Questionnaires:

Standardized Questionnaires (Close ended questionnaires) were distributed to lower support staff members of the organization in all five departments using Likert's five rating scale to respond accordingly.

Open ended questionnaire were distributed to the middle and senior level managers and employees to respond using the Likert's five rating scale plus forward their perception and ideas for improvement. For the purpose of this study, thirteen structured questionnaire were prepared and was organized in to two sections to collect the primary data.

The questionnaires and interview assessment were carried out in the months of February and March 2013.

The two sections of the questionnaire are as follows: Section one consisted of seven questions regarding the general information of respondents such as age gender,

marital status, qualification level, experience in current organization, and department in which they belong to.

Section two was designed to assess employees' perceptions about HRM practices and level of their satisfaction in EPHA. A five point of Likert's Scale has been used in the second section of the questionnaire to measure the HRM practices in the organization in which they work.

Each statement was rated using the 5 point rating scale. The scaling is 5 for strongly agree, and 4 for Agree, 3 for Neutral, 2 for Disagree, whereas 1 for strongly disagree, have been given in order to analyze data.

Note that, four questions were asked to test HRP, five questions to test recruitment and selection, seven questions to test training and development, four questions to test training and development, four questions to test the performance appraisal, five questions to test compensation and rewards, and finally two questions were asked to test the satisfaction level of employee's questions with HRM practices, out of these five of them were open ended questions, intended to get the most important facts and figures from respondents. (Refer questionnaire).

Furthermore, a structured questionnaire were prepared into two appendices, I for middle and senior level employees, whereas, II was for low level and support employees. Out of sixty nine employees, sixty six of them filled the questionnaire and returned back to me their response with returning rate of 95.65%. The respondents were all employees of EPHA.

- b) Interview: Telephone Interview was made with those in the field base in three regions, one in Mekele, one in Bahir Dar; four of them were in North and South Wello, at the time of assessment. The research was done with qualitative research tools that allow exact exploring of the excellences and attitude of the people In addition, this interview was chosen in order to achieve the employees' own view point of these certain HRM activity and how it is practiced and perceived in their daily life in the organization.

- c) Observation: In addition, observation was used for the research of assessing the routine and interactional design in the EPHA context. This is a way of witnessing what and how for example managers and supervisors deal with the employees or how the communication channels are open in practice. Note that, the observer was already familiar with the research environment. This is essential for the success of the research in EPHA.

#### Secondary Data Collection:

Secondary data sources were used to analyze the situation to put the study in the context of EPHA. Sources include books, journals, EPHA HR manual, annual reports, and other related publications.

### **3.4 Measurement of HRM Practices**

In this study, the researcher has adopted those HRM practices most consider prior theoretical and empirical work in the field (Arthur, 1994, Huselid, 1995, Ulrich, 1997). These practices included like HR planning, recruitment and selection, performances appraisal, training and development, compensation and Rewards.

Therefore, using a five point Likert's scale ranging from one (strongly disagree) to 5 (strongly Agree), respondents were asked to indicate their perception on the HRA practices in EPHA. (For more details about questions see appendices I and II.

### **3.5 Method of Analysis**

The collected data has been sorted out through applicable table. The necessary analytical devise, such as frequency and percentage were in place to verify the facts associated with human resource practices in EPHA using SPSS version 16.0.

## **CHAPTER 4**

### **DATA ANALYSIS AND RESULTS**

#### **4.1 Introduction and Result about Demographic Variable**

The chapter is briefly describing the presentation and analyzing of general information of respondents collected through structured questionnaire. Seven questions have been used for collecting general information from the respondents. General information includes age, gender, marital status, education qualification, service year, department and category of job.

#### **4.2 Presentation of General Information**

Collected general information has been presented as follows:

##### ***Age, gender, and marital status***

Age distribution of respondents is presented in table 1. It shows that most of the respondents are in age category of 31-40. That is 40.9% of respondents. 16 respondents are in the age category of 41-50, whereas 13 are in the age category of 26-30.

**Table 1:** Socio Demographic Variable

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Age of respondents</b>		
20-25	2	3.0
26-30	13	19.7
31-40	27	40.9
41-50	16	24.2
51-60	4	6.1
> 60	4	6.1
<b>Total</b>	<b>66</b>	<b>100</b>
<b>Gender</b>		
Male	37	56.1
Female	29	43.9
<b>Total</b>	<b>66</b>	<b>100</b>
<b>Marital Status</b>		
Married	44	66.7
Unmarried	22	33.3
<b>Total</b>	<b>66</b>	<b>100</b>

Source: Assessment Data, February - March 2013 (Own)

According to table 1, there are 66 respondents, out of which 29 (43.9%) were female and 37 (56.1%) were male respondents.

Out of 66 respondents, 44 (66.7%) are married employees and the rests of others 22 are unmarried employees.

#### **4.3 Socio Economic and Social Response**

Respondents were asked to indicate their highest educational qualification is presented in the table 2.

According to the given data in the table 2 (MA, MBA, MSC, MPH) were recorded as the highest educational qualification of most of the respondents in the sample. That is 26 employees have got the highest educational qualification in EPHA. None of the respondents have professional qualification of PhD, whereas 2 have certificates.

**Table 2:** Socio Economic and Social Variables

<b>Variables</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Education Level</b>		
12 <sup>th</sup> Complete	6	9.1
Certificate	2	3.0
Diploma	10	15.0
Bachelor	22	34.0
MPH,MA,MBA,MSC	26	39.4
Others	3	4.5
<b>Total</b>	<b>66</b>	<b>100</b>
<b>Service years</b>		
1-2	25	37.9
3-5	23	34.8
6-10	12	18.2
11-15	4	6.1
>15	2	3.0
<b>Total</b>	<b>66</b>	<b>100</b>
<b>Service unit(Departments)</b>		
- Research, Training and Publications Dept.	23	34.8
- Admin and Finance Dept.	16	24.2
- Executive Director's Office	6	9.1
- Project Management Dept.	17	25.8
- Members Affairs and Networking Dept.	4	6.1
<b>Total</b>	<b>66</b>	<b>100</b>
<b>Job categories</b>		
- Senior management	14	21.2
- Middle Management	24	36.4
- Support Staff	28	42.4
<b>Total</b>	<b>66</b>	<b>100</b>

Data on service period of Respondents questionnaire was "How long have you worked for the present organization; gathered data on the question is presented in

the table 2, most of the respondents 25 (37.9%) have 1-2 years' experience in the present organization and 3% have more than fifteen years of service.

The employees were asked to indicate under which department they are working. According to the collected data, respondents reported that 23 (34.8%) employees work under research, training, and publication department, 4 (6.1%) employees are under Members & Networking Department. There are 17 employees work under project Management Department, whereas, 16 employees were reported to work under Administration & Finance Department, and six employees are working under Executive Director's Office and also the category of job they belong to 28 (42.4%) employees reported that they belong to support staff 24 and 14 employees reported that they are belong to middle management senior management respectively.

#### 4.4 Human Resource Management (HRM)

##### HRM Functions and Practices

Human Resource Management practices refers to the organizational activities directed at managing a pool of human resources and ensuring that the resources are employed towards the fulfillment of the individual and organizational goals. Human resource management practices include HRP, recruitment and selection, performance management, training and development, and compensation/reward management of employees.

##### **4.4.1 Human Resource Planning (HRP) Practices in EPHA**

HR planning which is one of the main functions of HRM field was examined in this section for exploratory purposes.

- *Who prepares human resource planning in EPHA?*

The above question is directed to the employees whether they can indicate who prepares the HRP for the organization. The responses of the respondents can be seen in the following Table 3.

**Table 3:** Who Prepares Human Resources Plan and Evaluation Status?

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Preparation of HRP</b>		
- Project management Dept.	21	31.8
- Management committee	6	9.1
- HR Management Unit	18	27.3
- All Departments Separately	21	31.8
<b>Total</b>	<b>66</b>	<b>100</b>
<b>Evaluation Status</b>		
- Monthly	1	1.5
- Quarterly	10	15.2
- Twice a year	41	62.1
- Annually	14	21.2
<b>Total</b>	<b>66</b>	<b>100</b>

Source : Assessment Data , February - March 2013

As shown in the Table 3 above, 21 employees identified that project management department is the responsible section to prepare the HRP for the organization, and 21 employees said that all department separately prepare the plan for the organization, while 18 employees indicated that it is the responsibilities of the human resource unit to prepare the human resource plan for EPHA.

On the other hand, 6 employees responded that management committee is the responsible agent to prepare the HR plans for the organization. As can be seen from the table, the frequency analysis revealed that 6.3.6% of the respondent indicate project management department and all department separately prepare the organization's human resource planning respectively and 9.1% responded management committee prepares the HRM plan for EPHA.

Finally, the researcher found that all departments separately prepare and bring to the project management and finance section to formalize for the sake of getting budget from the Donors. Moreover, the organization doesn't have such formal HRP unit in the organization for the moment.



However, there is planning and monitoring unit to coordinates the departments to undertake the overall planning in the organization. It should be noted that, HR planning is an important activity that can plan by assessing the present and future developments and their possible impact on the employee issues (Armstrong 2010, 190).

The possible problems with HR planning can be avoided with planning techniques that are used to identify and explore the problems with man power. The researcher found out that, the organization should strengthen its HRM to undertake its activities plan.

- *How often do you evaluate the effectiveness of HRP in EPHA*

The Questionnaire presented to the employees attention to indicate how often to evaluate the effectiveness HR planning. The frequency analysis revealed how often they evaluate the plan and table 3 explains the responses. According to the frequency analysis, 41 respondents responded that, it was evaluated twice a year that is 62.1% out of 100%.

Next, 14 respondents responded that it is evaluated annually & one said monthly. However, the researcher found that the evaluation takes place twice a year in EPHA.

**Table 4:** *Do you have knowledge, skills, and experience in preparing HR planning*

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Decision</b>		
➤ Yes	32	48.5
➤ No	34	51.5
<b>Total</b>	<b>66</b>	<b>100</b>
<b>Job advertisement used to recruit (Newspaper, and Internet)</b>		
➤ Strongly Disagree	4	6.1
➤ Disagree	1	1.5
➤ Neutral	2	3.0
➤ Agree	23	34.8
➤ Strongly Agree	36	54.5
<b>Total</b>	<b>66</b>	<b>100</b>

source: Assessment Data , February - March 2013 (own )

One of the activities of HR is to plan or forecasting the future for short period and long period. Therefore, the purpose of having a HRP, either in the short run or in the long run is to have an accurate estimate of the number of employees required with matching skill requirements to accomplish the organizations' goals and objectives (Bratton & Gold 2003, 200).

The frequency analysis revealed the responses in the above table 4 demonstrates that is 48.5% employees have the knowledge, skill and practice to plan whereas, 34 or (51.5%) respondents responded that they don't have knowledge, skills and experience to plan.

The HR department must assess the capability of its employees in every aspect to work toward the improvement of work performance to achieve the goals of the organization. Furthermore, HRM should monitor and evaluate the effectiveness of HRP and receive comment from each employee for improvements.

Therefore, the findings revealed that the organization used newspaper & internet advertisement was evaluated as an effective way of recruiting employees.

#### **4.4.2 Recruitment & Selection**

Getting the right person in the right place at the right time remains the key objective in any recruitment process. The aim is to attract the widest pool of suitably qualified and competent candidates. In this section recruitment & selection process of HRM is evaluated by means of conducting frequency analysis the methods of recruitment applied in EPHA, that is advertising by using newspaper, and internet, steps, fairness and transparent practices.

The most common ways of attracting applicants include advertisements, website (internet), professional agencies, referrals with these channels the organization can convey their values and desired image for labor force.

In recent years, the online recruitment has been rapid growth and it is widely used in many organizations (Bratton & Gold 2003, 230).

- ***Recruitment and selection is the first step in hiring***

This question is presented to the respondents and they responded accordingly. This can be seen in the following table.

**Table 5:** Fairness, transparency and recruitment decision

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Recruitment Decision</b>		
• Strongly Disagree	3	4.5
• Disagree	7	10.6
• Neutral	8	12.1
• Agree	22	33.3
• Strongly Agree	26	39.4
<b>Total</b>	<b>66</b>	<b>100</b>
<b>Job Transparency</b>		
• Strongly Disagree	1	1.5
• Disagree	6	9.1
• Neutral	14	21.2
• Agree	24	36.4
• Strongly Agree	21	31.8
<b>Total</b>	<b>66</b>	<b>100</b>

Source : Assessment Data , February - March 2013 (Own)

Based on the above table 5, result revealed that 48 employees verified that recruitment and selection is the first step in hiring employees, whereas, three of the employees strongly disagree on the step.

The frequency analysis indicated that 72.7% of the employees agreed on the step followed by the organization. However, the first step in recruitment is to make the vacancy known to a large number of people through media.

- *The recruitment & Selection process is fair and transparent*

Employees were asked whether recruitment and selection process is fair and transparent and responses can be found 45 (68.2%) employees agreed on the fairness and transparent of the organization concerning recruitment and selection.

- When you were recruited for the first time to join EPHA, how did you find the job opening? The following table shows how employee found the job opening when they were recruited for the first time.

**Table 6:** How did you find the job opening at EPHA for the first time?

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Source of information about job</b>		
- Newspaper	30	45.5
- Internet	24	34.8
- On Campus Recruitment	2	3.0
- Word of Mouth	10	16.7
<b>Total</b>	<b>66</b>	<b>100</b>
<b>Internal / external recruitment is better</b>		
Yes	35	53.03
No	31	46.97
<b>Total</b>	<b>66</b>	<b>100</b>

Source : Assessment Data , February - March 2013 ( Own )

As shown in the table 6, majority of the employees 56 (83.3%) were recruited through information in newspaper and internet advertisement and 10 (16.7%) employees recruited through word of mouth, which is an informal and internal source of recruitment whereas, 2 were employed on campus recruitment.

- Two kinds of recruitment, internal and external. Do you believe that external recruitment is better than internal recruitment?

Out of 66 respondents, 35 (53.03%) employees replied that external recruitment is better than internal recruitment because, external recruitment can have the chances of getting skilled, experienced and competent candidates from the labor market, whereas, 31 employees replied that internal is better than external recruitment

#### 4.4.3 Training & Development

a) Is there department assigned to follow up training and development program in EPHA ?

Training & Development are necessary practices of HRM in organization for improving the quality of work of employees at all levels. Kundu, (2000) stressed that companies should invest heavily in training the workforce for implementation of customer focused strategy.

A good system of training starts with the identification of training need assessment.

**Table 7** Department that follow up training and development program

Rating	There is a department to follow Training and Development		Top management gives Due attention for Training & Development		Selection for training is need based		Respondents are Satisfied with Training and development program		Respondents are given the opportunity for Skill development		Training available matches Job	
	Freq	%	Freq.	%	Freq.	%	Freq.	%	Freq	%	Freq.	%
Strongly Disagree	7	10.60	5	7.6	6	9.1	7	10.61	7	10.6	4	6.1
Disagree	11	16.69	14	21.2	8	12.1	16	24.24	11	16.7	18	27.3
Neutral	18	27.27	22	33.3	27	40.9	23	34.78	21	31.8	22	33.3
Agree	17	25.9	18	27.3	18	27.3	12	18.18	18	27.3	15	22.7
Strongly Agree	13	19.7	7	10.6	7	10.6	8	12.12	9	13.6	7	10.6
<b>Total</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>

Source : Assessment Data, February - March 2013 (Own)

The findings in table 7 revealed that 30 employees with the 45.45% proved that there is department that follow up the training & development program, whereas 18

employees disagree that the organization doesn't have such a department that follow up the case whereas, 18 respondents stood neutral.

- b) The top management give due attention for training & development program. The response from respondents

As it can be seen in the above table 7, 25 employees agreed that top management give due attention for training & development, that is 37.88%, whereas, 19 employees disagree which topic given, and 22 employees are neutral on the idea.

The researcher identified that the employees need to be trained and the management should give due attention for training its employees. Furthermore, an organization needs to assess its people skills training needs by variety of methods and then structure the way that the training and development is to be delivered. Managers and supervisors play a key role in helping this process being with HRM department.

- c) Selection for training is based on a proper need assessment. According to EPHA HR manual need assessment should be undertaken by HRM department, 25 employees responded saying that the training is based on the need assessment whereas, 27 were neutral and 14 employees are disagree. They believe the organization doesn't follow the right process to select for training.
- d) I am satisfied with the training & development program given by EPHA, 20 employees satisfied, 23 neutral, whereas 24 employees were unsatisfied. Hence, the organization should train its employees so that satisfaction be maintained and work performance improved.
- e) I am given opportunity to improve my skills knowledge and highly skilled employees improved productivity, enhance quality of products and services, affect positive changes in process and delivery quality services to customers, 27 respondents with 40.9% agreed the given opportunity helped them to improve their skills, where 21 respondents are neutral position on the idea presented, and 18 employees were disagree, because they were not given chance of getting training to improve their skills.

- f) Available training matches with my job, 22 employees said that the training they got matches with the job, 22 employees were on neutral position whereas, 22 employees didn't get the chance to be trained.

**Table 8** Performance Appraisal

Rating	Employees are aware of PA		There is well designed PA system		Immediate supervisors evaluate performance		There is immediate response to employees complaint		PA done twice a year	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Strongly disagree	3	4.5	4	6.1	2	3.0	9	13.64	7	10.6
Disagree	6	9.1	7	10.6	5	7.6	18	27.27	11	16.7
Neutral	19	28.8	19	28.8	12	18.2	13	19.70	21	31.8
Agree	27	40.9	27	40.9	34	51.5	14	21.21	18	27.3
Strongly agree	11	16.7	9	13.6	13	19.7	12	18.18	9	13.6
<b>Total</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>

**Source : Assessment Data ,February - March 2013 ( Own )**

#### 4.4.4 Performance Appraisal

Performance appraisal is a mechanism used for improving employee performance and method for developing effective work forces.

- a) Employees are aware of the implementation of the actual performance appraisal.

The frequency analysis in table 8 revealed that, 38 employees reported that the organization aware of the implementation of actual performance, while 9 employees reported no awareness created to the implementation of the actual performance whereas, 19 employees are on the neutral position to witness the situation.

The result of the frequency analysis showed that 57.58% witnessed that the organization created awareness to its employees.



- b) There is a well- designed performance appraisal system in EPHA. The following table 8 clearly indicated the responses of employees and showed a well- designed performance appraisal system. As the finding in table 8 revealed it clearly, 36 employees with 54.55% reported that the organization has a well- designed performance appraisal system, and 19 employees on the neutral position, whereas 11 employees reported that the organization doesn't have a well- designed performance appraisal system by showing disagreement.
- c) As indicated in table 8, immediate supervisors evaluate employees performance. As can be seen in table 8, the findings revealed that 47 employees (71.2%) reported that the organization's supervisors evaluate the employees performance by showing their agreement and strongly agreement, 12 employees (18.18%) are on the neutral position whereas, 7 employees with (10.6%) showed their disagreement by reporting supervisors are not responsible for evaluating employees' performance.
- d) EPHA responds to employees complaints without delay. As indicated above in table 8, 26 employees with 39.39% ratified that EPHA respond to employees complaints without delay using their agreement and 13 employees on neutral position, whereas, 27 employees with 40.91% showed their disagreements because the organization doesn't respond to the employee complaints without delay.
- e) Performance appraisal takes place twice a year in EPHA as indicated in table 8. Frequency analysis was conducted to find the response. The finding revealed that 28 employees reported that the performance appraisal takes place twice a year, 23 on neutral position while 5 employees showed their disagreement.

#### 4.4.5 Compensation / Rewards Management

**Table 9:** Compensation management

Rate	Board makes compensation plan		Compensation focuses on attraction and retention		Reward is sufficient		I am satisfied with current compensation		Medical expense (allowance) is sufficient	
	Freq	%	Freq.	%	Freq	%	Freq	%	Freq.	%
Strongly Disagree	4	6.06	1	1.5	15	22.7	18	27.27	13	19.7
Disagree	5	7.6	8	12.1	25	37.9	16	24.24	21	31.8
Neutral	13	19.7	6	9.1	18	27.3	12	18.18	11	16.7
Agree	20	30.3	16	24.2	5	7.6	18	27.27	16	24.2
Strongly Agree	24	56.64	35	53.0	3	4.5	2	3.03	5	7.6
<b>Total</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>	<b>66</b>	<b>100</b>

Source : Assessment Data ,February - March 2013 ( Own )

The frequency analysis revealed that 44 employees (86.67%) identified that Board makes compensation decision, 13 neutral whereas, 9 employees disagree on the board decision of compensation that given to employees by showing their disagreement on the decision.

a) The focus of compensation /reward is to motivate, attract and retain employees.

Table 9 is clearly identified the responses of employees that is, 51 employees (77.27%) proved that the focus of compensation/reward is to attract, motivate and retain employees in organization, 6 neutral and 9 employees disagree with idea by showing their disagreement.

b) The compensation/reward scheme provided by EPHA is sufficient.

As can be seen above in table 9, 8 employees proved that reward system is sufficient, 18 stood neutral while, 40 employees disagree that the scheme is insufficient. I am satisfied with current salary either benefits.

As the finding in table 9, revealed it, 20 employees responded current salary & benefits are satisfactory, 12 stood neutral whereas, 34 employees were unsatisfied with the current salary and other benefits by showing their disagreement.

- c) The amount of medical expenses allowed is sufficient. The findings presented in the table 9 revealed that 21 employees agree that the medical expenses allowed is sufficient, 11 stood neutral and 34 employees (51.5%) identified that the medical expenses allowed is insufficient by showing their disagreement.

➤ **How are you satisfied with HRM practices in EPHA**

**Table 10:** Satisfactions with the Human Resources Practices

I am Satisfied with HRM Practices		
Rating	Freq.	%
Strongly Disagree	1	1.5
Disagree	4	6.1
Neutral	20	30.3
Agree	27	40.9
Strongly Agree	14	21.2
<b>Total</b>	<b>66</b>	<b>100</b>

Source : Assessment Data, February - March 2013 ( Own )

The above table 10 finding revealed that 41 employees are satisfied with human resource practices and 20 employees stood neutral while, 5 employees were unsatisfied with EPHA human resource practices by showing their agreement.

## **CHAPTER 5**

### **Discussion, Conclusion and Recommendation**

#### **5.1 HRM Practices in EPHA**

The objective of the present study was to examine the current HRM practices in Ethiopian Public Health Association (EPHA). The study clearly explains the variables of HR practices namely Human Resource Planning, recruitment and selection, performance appraisal, training & development and compensation reward management prospectively.

The Human Resource Planning (HRP) practice starts from making a plan which is an assessment of the future development and their possible impact on the employee and organization (Armstrong 2010, 190). The results of the present study revealed that EPHA management is the responsible body to forecast and plan the future demand, supply and requirements of the current potential employees. The main purpose of HR planning is to avoid worker and skills shortage in the organization (Bratton & Gold 2003, 200).

Management should understand the importance of HRM functions and practices as a strategic partner and should incorporate HRM input in strategic decision making. The research revealed that 21 employees responded by identifying project management department was responsible to prepare HRP and 21 employees also responded that all departments used to prepare HRP and 6 replied saying management committee.

The study revealed that, all departments separately prepared and give it to project management, management committee approved the human resource plan. Recruitment and selection were the most frequently applied activities in EPHA. Getting the right person in the right place at the right time remains the key objective in any recruitment process.

The process of staffing employee in the organization consists of finding, evaluating and assigning people to work (Harel and Tzafrir, 1996).

EPHA's recruitment selection process is fair, transparent and consistent according to the research finding revealed it. Vacancy is advertised on the newspapers and internet to attract applicants to the organization.

In recent years, the online recruitment has been rapid growth and it is widely used in many organizations (Bratton and Gold 2003, 230). Vacant posts are carefully reviewed by recruitment Committee in consultation with Administration & Finance Director and approval is undertaken by EPHA Executive Director.

The recruitment and selection process is done following the EPHA HR manual. The recruitment & selection process in EPHA is fair and transparent as 45 employees with (65%) witnessed that the organization is doing well accordingly. As the research revealed, most of the employees 82% witnessed that they found the job opening through the newspaper and internet (online) channels.

**Training and Development:** Training & development is vital for the improvement of individual and organizational goals attainment. A good system of training and development starts with the identification of training need assessment. An organization need to assess its people's skills training needs and structure the way the training to be delivered, and managers and supervisors play a key role helping this process implemented. Firms with superior training programs are likely to experience lower staff turnover than that neglect staff development (Arthur 1994).

EPHA recognized the importance of relevant training & development opportunities to its staff to help work effectively and professionally. Relevant training is provided to the staff following the recommendations given by its supervisors either internally or abroad depending on the availability of the budget.

Furthermore, training is effective in motivating employees and the assessment procedures need attention.

On the contrary, evaluating training effectiveness is very important to check to what extent the trainee understand the subject matter that match his/her job.

Performance appraisal is a necessary part of Human Resource Management. A good performance plan can give a sense of direction and utilize human potential and enhance individual and organizational performance. Performance appraisal is used as mechanism for improving employee performance. The system should be based on fairness, objectivity, ethicality, standardization and widely communicates (Bernardin et al, 1998). Performance appraisal is a vital means to offer promotion, recognition, and career development (Larsson et al 2007).

A study conducted at EPHA revealed that the performance appraisal system suffers from lack of transparency, weak follow-up and the linkage between performance and reward system is loose. The study revealed that the organization conduct performance evaluation twice a year.

Performance appraisal is the base for contract extension & annual salary increment. In EPHA, performance appraisal is done by immediate supervisors in consultation with the next higher supervisors and the process is coordinated by Administration & Finance Director.

Furthermore, EPHA has a well designed performance appraisal system. On the other hand compensation system that organization offers to the employees plays a key role in increasing employee motivation, (Milgrom and Roberts, 1992 P.388), performance and productivity.

One of the most important role of a manager/supervisor is to motivate, encourage, build, train, reinforce and modify behavior of the subordinates (Yoder, 1981). This can be happen only if there is regular and frequent interaction between the supervisor and subordinates.

According to Patton suggestion, compensation should be equitable, adequate, cost effective, secure, incentive providing and acceptable to the employee.

The goal of compensation system is to attract, motivate and retain the competent employees in the organization. The reward includes financial and non-financial that may create satisfaction for the employers. EPHA makes effort to improve the living standard of its employers and maintained fair and equitable salary structure.

EPHA provides salary that attracts, retain & motivate competent employees according to the assessment made by the researcher.

However, the study reveals that the compensation & benefits provided is not sufficient and must be improved. Mathis and Jackson (2004) argued that a balanced, fair and competitive compensation and reward system affect the retention of employees.

The present study revealed that most of the people about 41 employees that 63% were satisfied with the overall HRM practices of Ethiopian Public Health Association.

## **5.2 Conclusion**

The study assessed the HRM practices in EPHA and highlighted the importance of HRM practices to achieve and sustain superior performance in changing business environment and need for an integrated approach toward implementation of practices. Every organization strives to attain maximum productivity by improving the functionality of the organization.

The human resource practices have to be proactive to constantly engage employees at all levels and should examine the behavior and performance of the employees.

The following human resource management practices namely HRP, recruitment & selection, performance management, training & development and compensation management practices play a crucial role towards enhancing job satisfaction of employees. The powerful affirmative link between HR practices and job satisfaction offer a perspective way as to how an organization can encourage an employee to work effectively and efficiently. Job satisfaction has a direct effect on employee turnover.

Thus, the organization needs to take into consideration the job satisfaction and apply appropriate HRM practices in the workplace to minimize turnover and achieve the organization goal efficiently and effectively.

The Study revealed that firms with superior training programs are likely to experience lower staff turnover than those that neglect staff development (Arthur, 1991, Fey et al, 1999). With regard to retention strategies, proper assessment of the impact of current retention strategies in EPHA is required.

As a result, further training & development, HRP, improving performance appraisal system and reward management system is required in order to have the necessary competencies to perform well. There is a need to expand the human resource professional knowledge and competencies for the effective management of HR in EPHA. There is also a need to increase the pool of competent human resource professionals.



A new cadre of human resource managers needs to be trained and enabled to have real input into operational and strategic decisions about human resource management. Human resource professionals can develop the HR practices on the bases of how employees can attain their service targets in the organizations.

### **5.3 Recommendations**

Based on this study, the following points are recommended to improve and remedy the problems encountered.

- EPHA should review the existing HR manual, policies and regulations update and relevant to the current situation.
- Due to the dynamic nature of the world nowadays, EPHA's HR should be trained to update themselves.
- Managers and supervisors need to develop competencies that will enable them to perform the HRM practices and functions effectively and efficiently.
- Competent and experienced employees may leave organization for different reasons. However, identifying and analyzing cause of employee's turnover and designing practical retention mechanisms is one of the major competencies required of HR managers and top level managers.
- Some measures have been taken to improve HR practices and these measures should be continued.
- Develop a capacity building program for employees and short term trainings locally and abroad should be undertaken based on the need assessment.
- Encourage employees to work together (team work), share ideas, develop a sense of ownership over their job and their work place.
- EPHA should follow democratic management system in the organization and apply rules regulations, supervise and evaluate timely.
- There must be a proper planning, follow up and evaluation system in the organizational judgment accordingly. (Make the planning process participatory).
- There has to be a mechanism to check out whether the provided training has improved the trainee's managerial skills & knowledge as well as their performance.
- EPHA mgt. should create good working environment and encourage employees through the application of different incentive mechanisms both financially and non-financially to achieve organizational goals.

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## Annexes

### **Assessment of human resources management practices in Ethiopian Public Health Association (EPHA) questionnaire**

#### Appendices

##### **Appendix I**

The questionnaire

This questionnaire is prepared by Shiferaw Dibaba, a graduating student of Indira Gandhi National Open University, India, majoring in Master of Business Administration (MBA), specializing in Human Resource Management (HRM).

The objective of this questionnaire is to collect data on the practices of human resource management in EPHA which will be used to prepare a thesis as a partial fulfillment of my MBA Degree.

You (respondent) are kindly requested to read the questions thoroughly and respond accordingly. The result of this assessment will be treated with utmost confidential and will be strictly used for academic purpose only.

I thank you very much in advance for your cooperation, participating in this assessment and providing your thoughtful feedback.

##### **Instructions:**

- There is no need to write your name.
- For open – ended questionnaire, a space is provided.
- Close – ended questionnaire will be answered by placing ( ) in the given box.

**Please Note:**

***Give your assessment of human resource management practices in Ethiopian Public Health Association (EPHA) by rating each statement using the 5 point scale.***

*A rating of 5 indicates that the statement is almost always true with organization (EPHA); a rating of 4 indicates that the statement is mostly true while, a rating of 3 indicates that the statement is sometimes true. A rating of 2 indicates that the statement is rarely true whereas, rating of 1 indicates not at all time.*

5= Strongly agree

5= Highly satisfied

4= Agree

4= Satisfied

3= Neutral

3= Neutral

2= Disagree

2= Dissatisfied

1= Strongly disagree

1=Highly Dissatisfied

**Section I: Background Information.** Please tick mark ( ) in the appropriate box.

**Q # 1) Your Age?**

20 - 25     26 - 30     31 -40     41 - 50     51 -60     > 61

**Q # 2) What is your gender?**

Male                       Female

**Q # 3) What is your Marital Status?**

Married                       Unmarried

**Q # 4) Educational Level Achieved?**

- 12<sup>th</sup>       Certificate       Diploma       Bachelor  
 MA/MBA/MS/MPH/MD       PhD       Others

**Q # 5) How long have you worked for EPHA?**

- 1 - 2 years     3 - 5 years     6 - 10 years     11 -15 years     >15

**Q # 6) Under which department are you working?**

- Research, Training and Publication Dept.       Project Management Department  
 Administration & Finance Department       Members Affairs & Networking Dept.  
 Executive Director's Office       M & Communication Unit

**Q#7) What category best describe your job?**

- Senior Management Group       Middle Mgt. Group       Support staff

**Section II: Please give your assessment of Human Resource Management Practices in Ethiopian Public Health Association by rating from the given choices using (    ).**

***Human Resource Management (HRM)*** involves all management decisions and practices that directly affect the people / employees who work for the organization and provide competitive advantage to the organization. It includes the human resources planning, recruitment and selection, orientation, training and development, performance appraisal, compensation and rewards, as well as labor relations matters.

**Q # 8) *Human Resource Planning (HRP)* ensures the organization has the right persons at the right time at the right place at the right job.**

**a) Who prepares human resources planning in EPHA?**

- Project Management Dept.       Management Committee  
 HRM Unit       All Departments Separately

**b) How often do you evaluate the effectiveness of HR plan in EPHA?**

- Monthly       Quarterly       Twice a year       annually

**c) Do you have knowledge, skills, and experience in preparing of human resource planning?**

- Yes       No

**d) Could you please suggest the ways to improve the human resource planning practices in EPHA?**

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**Please tick mark ( ) one cell for each statement.**



**Q # 9) Recruitment and Selection**

<p><b>Recruitment &amp; Selection:</b></p> <p><i>Recruitment is a process an organization uses to attract job applicants who have abilities, skills and experiences to the organization to achieve its objective while; selection is to choose from a list of applicants who best meet the selection criteria for the position available.</i></p>	<p>Strongly Disagree</p> <p>1</p>	<p>Disagree</p> <p>2</p>	<p>Neutral</p> <p>3</p>	<p>Agree</p> <p>4</p>	<p>Strongly Agree</p> <p>5</p>
<p>a) Job advertisement in Newspaper and internet is used by EPHA to recruit employees.</p>					
<p>b) Recruitment and selection is the first step in the hiring process.</p>					
<p>c) The recruitment and selection process in EPHA is fair and transparent.</p>					

**d) When you were recruited for the first time to join EPHA, how did you find the job opening?**

Television       Newspaper       Internet

On campus recruitment       Word of mouth

**e) There are two kinds of recruitment, internal and external. Do you believe that external recruitment is better than internal recruitment?**

Yes. If yes, please give reasons. \_\_\_\_\_

No. If no, please give reasons. \_\_\_\_\_

Please tick mark ( ) using the 5 point scale below.

**Q#10) Training and Development**

<b><i>Training and Development</i></b>	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<i>Training is the art of increasing the knowledge and skills of an employee for performing a particular job, while development is the process of transition of an employee from a lower level of ability, skills, and knowledge to that of higher level by education, training, work experience and both are complementary to each</i>	1	2	3	4	5
a) There is department assigned to follow up training and development program in EPHA.					
b) The top management give due attention for training and development programs for employees in EPHA.					
c) Selection for training is based on a proper need assessment.					

d) I am satisfied with the training and development program given by EPHA.					
e) I am given opportunity to improve my skills in EPHA.					
f) Available training matches with my job.					

g) What type of training have you been offered by EPHA? \_\_\_\_\_

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**Q # 11) Performance Appraisal**

<b>Performance Appraisal</b> <i>Performance Appraisal is the process of measuring and evaluating employees' performance. It is useful tool for employee</i>	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
a) Employees are aware of the implementation of the actual performance appraisal.					
b) There is a well designed performance appraisal system in EPHA.					
c) Immediate supervisors evaluate employees' performance in					
d) Performance appraisal takes place					

**Q # 12) Compensation and Rewards**

*Compensation is the Human Resource Management functions that deals with every type of reward individuals receive in exchange for performing organizational tasks. The main goal of compensation and reward system is to attract, retain, and motivate good employees in the organization.*

<b>Compensation &amp; Rewards</b>	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
a) EPHA Board of Directors makes compensation decisions.					
b) The focus of compensation and reward is to attract, and retain employees in organizations.					
c) The reward and compensation schemes provided by EPHA are sufficient.					
d) I am satisfied with current salary and other benefits I earn in EPHA.					
e) Amount of medical expenses allowed is sufficient					

**a) Q # 13) How are you satisfied with human resource management practices in EPHA?**

- Highly Dissatisfied   
  Dissatisfied   
  Average  
 Satisfied   
  Highly Satisfied

**b) What could be done to improve the Human Resources Management Practices in EPHA?**

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**Thank you very much!**

Assessment of Human Resources Management Practices in Ethiopian Public Health  
Association (EPHA)

Appendices

**Appendix II**

The questionnaire

This questionnaire is prepared by Shiferaw Dibaba, a graduating student of Indira Gandhi National Open University, India, majoring in Master of Business Administration (MBA), specializing in Human Resource Management (HRM).

The objective of this questionnaire is to collect data on the practices of human resource management in EPHA which will be used to prepare a thesis as a partial fulfillment of my MBA Degree.

You (respondent) are kindly requested to read the questions thoroughly and respond accordingly. The result of this assessment will be treated with utmost confidentiality and will be strictly used for academic purpose only.

I thank you very much in advance for your cooperation, participating in this assessment and providing your thoughtful feedback.

**Instructions:**

- There is no need to write your name.
- For open – ended questionnaire, a space is provided.
- Close – ended questionnaire will be answered by placing ( ) in the given box.

**Please Note:**

***Give your assessment of human resource management practices in Ethiopian Public Health Association (EPHA) by rating each statement using the 5 point scale.***

*A rating of 5 indicates that the statement is almost always true with organization (EPHA)*

*A rating of 4 indicates that the statement is mostly true while, a rating of 3 indicates that the statement is sometimes true. A rating of 2 indicates that the statement is rarely true whereas, rating of 1 indicates not at all time.*

*5= Strongly agree*

*5= Highly satisfied*

*4= Agree*

*4= Satisfied*

*3= Neutral*

*3= Neutral*

*2= Disagree*

*2= Dissatisfied*

*1= Strongly disagree*

*1=Highly Dissatisfied*

***Section I: Background Information.*** Please tick mark ( ) in the appropriate box.

***Q # 1) Your Age?***

20 - 25     26 - 30     31 -40     41 - 50     51 -60     > 61

***Q # 2) What is your gender?***

Male                       Female

***Q # 3) What is your Marital Status?***

Married                       Unmarried

**Q # 4) Educational Level Achieved?**

- 12<sup>th</sup>                       Certificate     Diploma             Bachelor
- MA/MBA/MSC/MPH/MD             PhD                       Others

**Q # 5) How long have you worked for EPHA?**

- 1 - 2 years     3 - 5 years             6 - 10 years             11 -15 years             >15

**Q # 6) Under which department are you working?**

- Research, Training and Publication Dept.             Project Management Department
- Administration & Finance Dept.                       Members Affairs & Networking Dept.
- Executive Director's Office                               M & Communication Unit

**Q#7) What category best describe your job?**

- Senior Management Group             Middle Mgt. Group             Support staff

**Section II: Please give your assessment of Human Resource Management Practices in Ethiopian Public Health Association by rating using tick mark ( ) in the box.**

*Human Resource Management (HRM) involves all management decisions and practices that directly affect the people / employees who work for the organization and provide competitive advantage to the organization. It includes the human resources planning, recruitment and selection, orientation, training and development, performance appraisal, compensation and rewards, as well as labor relations matters.*

**Q # 8) Human Resource Planning (HRP):** *It ensures the organization has the right persons at the right time at the right place on the right job.*

**a) Who prepares human resources planning in EPHA?**

Project Management Dept.  Management Committee

HRM Unit  All Departments Separately

**b) How often do you evaluate the effectiveness of HRD plan in EPHA?**

Monthly  Quarterly  Twice a year  annually

**c) Do you have knowledge, skills, and experience in preparing of human resource planning?**

Yes  No

**Please tick mark ( ) one cell for each statement.**



**Q # 9) Recruitment and Selection**

<b>Recruitment &amp; Selection:</b>  <i>Recruitment is a process an organization uses to attract job applicants who have abilities, skills and experiences to help the organization achieve its objective while; selection is to choose from a list of applicants who best meet the selection criteria for the position available.</i>	Strongly Disagree  1	Disagree  2	Neutral  3	Agree  4	Strongly Agree  5
a) Job advertisement in Newspaper and internet is used by EPHA to recruit employees.					
b) Recruitment and selection is the first step in the hiring process.					
c) The recruitment and selection process in EPHA is fair and transparent.					

**d) When you were recruited for the first time to join EPHA, how did you find the job opening?**

- Television       Newspaper       Internet  
 On campus recruitment       Word of mouth

e) There are two kinds of recruitment, internal and external. Do you believe that external recruitment is better than internal recruitment?

Yes.

No.

Please tick mark ( ) using the 5 point scale below.

**Q#10) Training and Development**

<b><i>Training and Development</i></b>	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<i>Training is the art of increasing the knowledge and skills of an employee for performing a particular job, while development is the process of transition of an employee from a lower level of ability, skills, and knowledge to that of higher level by education, training, work experience and both are complementary to each other.</i>	1	2	3	4	5
a) There is department assigned to follow up training and development program in EPHA.					
b) The top management give due attention for training and development program for employees in EPHA.					
c) Selection for training is based on a proper need assessment.					
d) I am satisfied with the training and development program at EPHA.					
e) I am given opportunity to improve my skills in EPHA.					

**Q # 11) Performance Appraisal**

<b>Performance Appraisal</b> <i>Performance Appraisal is the process of measuring and evaluating employees' performance. It is useful tool for employee development.</i>	Strongly Disagree  1	Disagree  2	Neutral  3	Agree  4	Strongly Agree  5
a) Employees are aware of the implementation of the actual performance appraisal.					
b) There is a well designed performance appraisal system in EPHA.					
c) Immediate supervisors evaluate employees' performance in EPHA.					
d) EPHA respond to employee's Complaints without delay.					
e) Performance appraisal of employee's be conducted twice a year					

**Q # 12) Compensation and Rewards**

*Compensation is the Human Resource Management functions that deals with every type of reward individuals receive in exchange for forming organizational tasks. The main goal of compensation and reward system is to attract, retain, and motivate good employees in the organization.*

<b>Compensation &amp; Rewards</b>	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
a) EPHA Board of Directors makes compensation decisions.					
b) The focus of compensation and reward is to attract, and retain employees in organizations.					
c) The reward and compensation schemes provided by EPHA are sufficient.					
d) I am satisfied with current salary and other benefits I earn in EPHA.					
e) Amount of medical expenses allowed is sufficient.					

**a) Q # 13) How are you satisfied with human resource management practices in EPHA?**

- Highly Dissatisfied     
  Dissatisfied     
  Average  
 Satisfied     
  Highly Satisfied

***Thank you very much!***

### ***Appendix III***

## **Organizational Profile of the Ethiopian Public Health Association (EPHA)**

### **Historical Background**

**E**thiopian Public Health Association was established in 1989 with the objective of contributing to the attainment of an optimal standard of health care for the people of Ethiopia. EPHA promotes an ever improving quality of health services to the public through advocacy, networking and active and dedicated involvement of its members. The association was registered under the Ethiopian Law in 1991, and re-registered in 2010 under the Civil Society and charities law and has been a member of the World Federation of Public Health Associations (WFPHA) since 1993.

### **Vision, Mission, Values**

#### **Vision**

EPHA envisions the attainment of the highest possible standards of health care for all Ethiopians.

#### **Mission**

To promote better health services for the public and to maintain professional standards through advocacy, active involvement and networking

#### **Values**

EPHA is committed to improve the health and wellbeing of all Ethiopians through the dedicated and active involvement of its members in collaboration with all stakeholders. EPHA also stands for the professional development of its members without prejudice to their professional category, gender, religious or ethnic affiliations.

#### **Strategies**

Under its third, five year strategic plan for the period of 2010-2014, EPHA endeavors to fulfill the following goals,

- *Contribute to improved Public Health*
- *Enhance the visibility of EPHA*
- *Improve members' capacity to effectively contribute to the health sector development*
- *Enhance relationships with partners*
- *Ensure sustainable funding*
- *Improve organizational management system*

**Membership**

As a membership-based organization, the association has a large body of professional members, distributed all over the country. Members are mainly public health professionals of varying categories occupying positions at different levels of health care and management in government, private and non-governmental institutions. In addition, the association has members residing outside of Ethiopia, who are engaged in different public health activities.

EPHA has its headquarters in Addis Ababa, Ethiopia, and 18 active chapters in different regions of the country with a current membership of over 4500 ever registered individual members as well as 41 institutional members. Of the total number of members, 435 of them are life members while the remaining are regular members.

**Appendix IV**

**Assessing Human Resource Management Practices in Ethiopian  
Public Health Association (EPHA)**

**By:**

**Shiferaw Dibaba Feyissa**

**Submitted to the Coordinator (Projects), School of Management  
Studies, Indira Gandhi National Open University, Maiden Garhi,  
New-Delhi - 110 068**

**In Partial Fulfillment of the Requirements for the Master of Business  
Administration (MBA) in Human Resource Management**

**Advisor: Worku Mekonen, PhD**

**Addis Ababa, Ethiopia**

**April, 5,2013**

**Approved Project Proposal No. 89350**

**Study Centre 8105**

**Assessing Human Resource Management Practices in Ethiopian Public Health Association  
(EPHA)**

**By:**

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**Addis Ababa, Ethiopia**

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## 1. Introduction

### 1.1. Background of the Study

#### **Human Resource Management (HRM)**

The term human resource management has relatively adopted in business organizations in place of personnel management. Human resource management can be defined as “the management of activities undertaken to attract, develop, motivate, and maintain a high performing workforce within the organization” (Harvey & Bowin, 1996). The role of human resource management practices start with appointing people by an organization. Human resource management refers to the policies and practices including human resource planning, job analysis, recruitment and selection, orientation, compensation and rewards, performance appraisal, training and development, and labor relations (Dessler, 2007).

Human resource (HR) is considered as the most important resource of the organizations and it became decisive for success of any organization (Werther & Davis, 1996). Poole (1990) stated that today’s human resource management could be described as broad and strategic involving all managerial personnel, valuing employees as important assets of organizations, and being proactive in its responsibilities. Moreover, today human resource functions refer to those tasks and duties performed in both large and small organizations to coordinate human resources (Byars & Rue, 1991). Accordingly, these functions of human resource management practices can be listed as follows: To ensure that the organization apply equal employment opportunities and other government obligations, to develop and implement a plan that meet personnel and job requirements, to recruit employees needed by organization in order to achieve its objectives, to select personnel in order to fill vacant positions within an organization, to provide orientation and training to the employees, to design and implement management and organizational development programs, to design and implement performance appraisal system to evaluate employee performance, to design and implement compensation systems for employees,

It is well known that an organization enriched with motivated, talented, and competent human resources can achieve any kind of challenging goals. Successes of human resource management depend upon their capabilities in managing human resources (Budhwar & Debrah, 2001). According to John m. ivancevich,"the human resource management practices consists of numerous activities including - equal employment opportunity compliance, job analysis, human

resource planning, recruitment and selection, motivation and orientation, performance evaluation and compensation, training and development, labor relations, safety, health and wellness". Today, it would be very difficult to imagine any organization achieving and sustaining effectiveness without efficient human resource management programs and activities. Human resource management involves all management decisions and practices that directly affect the people who work for the organization. Therefore, human resource management practice should be central to the organizational strategy (**Barney, 1991**).

According to Ivancevich, "the contributions human resource management makes to organizational effectiveness are the following: Helping the organization reach its goal, employing the skills and abilities of the workforce efficiently, providing the organization with well trained and well motivated employees, increasing to the fullest the employees' job satisfaction, communicating human resource management policies to all employees, and helping to maintain ethical policies and socially responsible behavior". Having this in mind, we will assess the HRM practices of Ethiopian Public Health Association (EPHA) which is playing a very important role in the society.

EPHA is a not-for-profit and non-governmental, multidisciplinary public health professional Association established in 1989 with a vision to attain the highest possible standards of health care for all Ethiopians and have a mission of promoting better health services for the public through advocacy, active involvement and networking. In order to achieve its objective, EPHA developed a well designed strategic plan to strengthen the Association to improve its function and enhance members' contribution to the country's health development (**EPHA 3<sup>rd</sup> Strategic Plan 2010 – 2014**). EPHA engaged in major activities to achieve its objectives by conducting evidence based research, training, evaluations and surveillance, disseminating research findings, supporting public health and the like.

The goal of Ethiopian Public Health Association is to improve the equity, effectiveness, efficiency and sustainability of the health practices and service in Ethiopia (**EPHA Annual Report 2011 / 2012, Profile of EPHA**)

Effective human resource management practices enable employees to contribute effectively and productively towards the attainment of the organization's goals and objectives.

Like any other organizations, the focus of the human resource management practices of the Ethiopian Public Health Association should be to attract and retain the talents to achieve competitive advantage through a proactive human resource management related activities.

## **1.2. Statement of the Problem and Research Questions**

This study arises from the need to manage the human resource of Ethiopian Public Health Association more effectively. The rapid increases of competition, acute shortage of skilled manpower, competent and the corresponding increase in skilled manpower, the labor turnover and costs of employee replacement have forced the Ethiopian Public Health Association not properly handle its competent employees. These issues and problems demand that Ethiopian Public Health Association should continually assess its internal processes and capabilities if it is to remain competitive in the growing competitive environment.

It can be said that human resource management can positively affect organizational performance and success. Besides, the human resource management practices' strategy also examined. What makes the situations worse is that recruitment and selection of employees takes place not based on manpower planning but rather on the basis of solving immediate problems.

The other problem is that promotion is not based on performance, lack of transparency, weak follow up, and loose linkage between performance and reward are the problems seen in human resources management practices in EPHA. The research mainly addresses the basic questions as follows:

Is recruitment and selection of employee' practice fair and transparent in EPHA?

Is there training and development program in your organization and are you satisfied with it ?

What do employees expect from performance appraisal?

What are the steps to be taken to remedy the turnover situation and retain employees in organization ? Are you satisfied with current salary you earn in EPHA?

What is the focus of human resource management practice should be in organizations ?

Therefore, all important issues related to human resource management practices – human resource planning, recruitment and selection, training and development, performance appraisal, compensation and rewards practices in Ethiopian Public Health Association will be assessed.

In order to effectively investigate whether human resources are capable of contributing to competitive advantage, it is to examine human resource management practices within Ethiopian Public Health Association.

### **1.3. Rationale of the Study**

The rationale of this study is to investigate whether the human resource management practice is implemented effectively in Ethiopian Public Health Association. Moreover, the study is to suggest workable recommendations how effective performance of the human resource planning, recruitment and selection, training and development, performance appraisal, compensation and reward system can sustain in the policy of EPHA and identifying the problems in order to overcome these problems and suggest in light of the problems identified and propose areas for future research. Moreover, the student will observe how lack of proper human resource development programs consequently leads to low morale of the employees and makes practical recommendation for EPHA to make improvement on the above issues and provide ideas for further research.

#### 1.4. Objectives of the Study

##### 1.4.1. General Objectives:

To analyze the human resource procedures and constraints in the implementation of human resource management practices within EPHA.

##### 1.4.2. Specific Objectives

- ✓ To assess the extent of HRM practices in EPHA
- ✓ To assess the human resource management problems
- ✓ To identify the associated problems to be solved by EPHA'S management and the board of directors as well

- ✓ To show the importance of HRM practices so as to maximize the success
- ✓ To suggest some aspects to overcome these problems

### **1.5. Scope of the study**

The study concentrates on HRM practices dimensions of human resource planning, training and development of human resources, recruitment and selection, performance appraisal management, compensation and reward system of Ethiopian Public Health Association.

### **1.6. Methodology of the Study**

The study intends to use both primary and secondary data sources in order to get a view on the implementation of human resource management practices in Ethiopian Public Health Association.

For primary data collection, questionnaires will be distributed out and interviews will be made. Questionnaire will be undertaken as a preferable data gathering tool for this research. Two different kinds of questionnaires will be prepared and distributed to the employees of Ethiopian Public Health Association. The source of population are all employees in EPHA.

The first type of questionnaire will be prepared and distributed to the support staff and middle level officers. The other type of questionnaire will be prepared and distributed for those who assume high level managerial responsibilities. In the questionnaires both open and closed ended questions will be incorporated in order to get the desired information. Interviewing key personnel together with observation where appropriate will be another method of data collection for analysis.

The population for this study is all employees of the Ethiopian Public Health Association. The sample size would be limited to the EPHA employees. The sampling method will be purposive type and data will be analyzed using descriptive statistics and data will be sorted out through applicable table. In this study both qualitative and quantitative methods of data analysis will be used. Tabulation method, frequency distribution, description of facts based on some statistical analysis and graph are the techniques to be used in the study to analyze and interpret the data.

Furthermore, secondary data sources were used to analyze the situation to put the study in the context of EPHA.

The secondary data sources include a review of literature on major HRM text books, EPHA human resource manual and profile, strategic plan, journals, annual reports and other research materials available in EPHA with other relevant documents and publications.

The necessary analytical devise such as percentage will be in place to verify the facts associated with human resource management practice in EPHA. Qualitative and quantitative methods will be used to analyze the findings to reach at the result.

### **1.7. Expected Contribution from the Study**

The findings of this research are considered important to provide insight into the various human resource management practices needed and give feedback and help EPHA to apply the recommendations. The study can encourage using a well- designed human resource management practices to achieve its objectives.

The findings of this study will be useful to top management and human resource management officers and practitioners to design the HRM functions at organizational level in order to maximize productivity toward achieving its objectives. Furthermore, this research paper can be useful for researchers and other readers who would like to know about the human resource management functions and practices issues for future research and the recommendations will be given to implement accordingly.

In addition, the study could serve as a reference to similar associations and others who want to benefit from the study as a whole.

### **1.8. Limitation of the Study**

Although the concept of human resource management function and practices are so broad, this study limits itself only to certain functions namely - human resource planning, recruitment and selection, training and development, performance appraisal and reward management.

The study found difficult to cover the whole subject matter due to time and resource constraint, improper secondary data organization, and respondent bias. Despite the above limitations, the study makes significant contributions about understanding and implementation of the human resource management practices in EPHA.



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