



# The Effects of Human Resource Capacity-Building on Organizational Performance with the Mediating Role of Leadership Commitments in Oromia, Ethiopia

Getachew Agonafir<sup>1</sup>, Tesfaye Debela<sup>2</sup>, Gebre Sorsa<sup>3</sup>

<sup>1</sup> PhD Candidate, Ethiopian Civil Service University, Addis Ababa, Ethiopia

<sup>2</sup> Associate Professor, Ethiopian Civil Service University, Addis Ababa, Ethiopia

<sup>3</sup> PhD, Ethiopian Civil Service University, Addis Ababa, Ethiopia

## ABSTRACT

*This study aimed to assess effects of human resource capacity-building on organizational performance with a mediating role of leadership commitments in Oromia public sectors. The study focused on human resource capacity, leadership commitments, and organizational performance. A descriptive research design and concurrent mixed method approach was used for the purpose of triangulation. Purposive and simple random sampling data collection methods were used. Questionnaires, interview as well as focus group discussion were applied as data collection tools. The collected data analyzed using descriptive & inferential statistics. In addition the normality, validity and reliability of the data were checked and different tests were undertaken. The findings of the study revealed that there were no sound capacity-building interventions, feasible organizational framework and institutional setups in place to carry out mandates to improve organizational performance. The study's result also showed that there was lack of capacity-building policy, and training policy and strategies that prevented the capacity-building efforts from achieving the goals of public sectors. Moreover, the commitments of leaders were less in accepting and leading change. The inferential results also showed that there was a significant and positive relationship among the variables under study. It was recommended that there should be a policy framework to standardize capacity-building initiative implementations to reverse the challenges that contributed to less performance organizations.*

*Keywords: Capacity-Building, Leadership Commitment, Public Sector, and organizational performance*

## 1.1. Introduction

Any action that increases the ability of people, organizations, and institutions to accomplish their objectives is referred to as capacity-building (Kaplan, 2000). It entails the ongoing improvement of one's capacity to recognize areas that require further growth as well as the acquisition of new abilities that may help one set and achieve goals (Society, 1981; Florida & Sanz Corella, n.d.; Stel, 1998). Different academics have different definitions of capacity-building. For instance, by emphasizing the three dimensions (human resources, organizations, and institutional), Crisp et al. (2000) conceptualized capacity-building as a set of strategies in terms of analytical, operational, and political ability aimed at enhancing the efficiency, effectiveness, and responsiveness of the government's performance. Building capacity requires the involvement of public organizations; it does not happen naturally. Through the implementation of capacity-building programs, development organizations seek to increase the capability of third-world nations.

Governments promote capacity-building as a capability that enhances organizational performance consistently, effectively, and efficiently. Through training, interaction, exposure to new techniques, skills, and opportunities to put acquired talents to work, employees can advance and improve (DFID, 2010; Practitioner & Quarterly, 2014; Waheed, 1999). According to other academics, capacity-building is an action that improves a company's ability to carry out its mission by fostering good management, solid governance, and steadfast rededication to getting things done (Wanyama & Mutsotso, 2010). The development of knowledge, skills, and attitudes in human resources and groups of people relevant to the design, development, management, and maintenance of institutional and operational infrastructures and processes that are locally meaningful is how Waheed (1999) defined capacity-building. The ability of industrialized nations to exploit technology and their human resources effectively has resulted in a power imbalance in the era of globalization. Therefore, programs aimed at strengthening capability will receive priorit

### Capacity-Building in the World

Public requirements are changing alarmingly, and government sectors are dealing with complex occurrences, in a world where technological advancement has united distant continents into a single community (Enemark, 2003). Because they increased the educational, industrial, and economic capability of their human resources, organizations, and institutions, the industrialized nations are now in a position to dictate the course of international affairs (James, 1988). To stay competitive, relevant, and responsive to their clients, organizations must continually reinvent themselves (Reyes, 1999). As a result, capacity-building provides the chance to develop the technical skills and abilities required for enhancing organizational performance. The commitments of leaders, this author added, also impact organizational performance.

However, several publications by non-governmental groups started focusing on improving the technical skill levels in the administrative sectors of developing nations in the 1970s. In the meantime, the idea of capacity-

building helped intergovernmental and non-governmental organizations enhance their institutional structures (Office, 2009). As a result, the subject of capacity-building is put on everyone's global agenda.

Although capacity-building has made significant improvements to both governmental and non-governmental organizations, it still calls for a different kind of partnership where all parties participate, learn from one another, and concentrate on two things: how the community functions as a whole and efficient ways to ensure that it continues to function over time. To accomplish business goals, you or your community partner may occasionally desire to increase performance (Kanni, 2009). Additionally, it takes more time to create capacity than to accomplish the goals that are set, so there isn't always an instant sense of fulfillment. At times, you might desire to "quick win" with your community partner. Although it goes against expectations, the topic of capacity-building is seen favorably as a way to advance Africa's public sectors in terms of its human capital, institutions, and organizations.

### **Capacity-building in Africa**

It is necessary for developing countries like Africa to work on and spend more in capacity enhancement (E. Yamoah & Maiyo, 2013a). Sixty years of independence were honored by African nations (ACBF, 2016). Although there have been successes in improving capacity, there are still many issues that require substantial attention. The evaluations made by ACBF show that rather than taking into account the context of governmental institutions, African reform initiatives depend on the funding requirements of donors.

The Africa Capacity-Building Foundation was founded in 1991 in Zimbabwe with membership from 23 nations. Its mission is to forge strategic alliances by providing technical assistance and increasing the capacity of organizations, institutions, and human resources. Its vision is for Africa to be capable of achieving its development. Whatever the case may be, the foundation identified key capability areas that are required for Africa's expanding economy (Nanfosso, 2014). (1) the capacity to handle and resolve disputes and maintain stability that can spur economic activity and investment; (2) the policies and programs required to transform agriculture and ensure food security both inside and outside of national borders; (3) the abilities to make informed investment decisions; and (4) the capacities to gather and analyze data. (5) The ability to manage across sectors, regions, and generations; (6) the dimensions and techniques for involving civil society, the private sector, and the larger international community in development-related concerns. As Africa concentrates on sustaining transformation, which frequently necessitates addressing underlying structural power inequalities, capacity building in the continent faces difficulties. Working to address a symptom brought on by the underlying issue is frequently easier than changing power systems (World Bank, 2015). Because capacity building frequently involves intangibles, it can be challenging to demonstrate its effectiveness or to recognize its significance. For instance, it is much simpler to display a picture of an orphanage that undergraduates painted recently while on a different spring break trip than it is to demonstrate how undergraduates collaborated with a local grassroots organization to adopt orphanage painting as one of its yearly service projects for the community.

As a result, the continent experienced crises due to a lack of capability, political meddling, and ethnic warfare. Ethiopia has been carrying out capacity-building programs for about 20 years as part of Africa.

### **Capacity-building in Ethiopia**

According to research by various scholars (Legesse et al., 2018; Vaillant & Buehren, 2021), capacity-building in Ethiopia is widely acknowledged, both formally and informally, as encompassing a range of dimensions, from organizational capability to complementary frameworks and norms that govern their operations to the knowledge and expertise of human resources. This finding suggests that in order to capacitate the public sector in Ethiopia, effective capacity-building activities are required. However, the performance of the civil service and public organizations failed to be effective due to the very nature of the regimes and the high importance that has been given to political loyalty when allocating civil service postings (Chan, 2000). Therefore, it was essential to implement a new civil service reform and a capacity-building program method within public sector organizations.

Because of the steps made to establish the office of coordination of the Ministry of Capacity-Building with Proclamation No. 256/2001, the year 2001 G.C. was a crucial starting point for capacity-building activities. The proclamation includes important tactics for involving various stakeholders and shall have the following authorities and obligations: Creating the necessary capacity for national capacity-building should be a priority. Supervising and coordinating the 4) Executive organs mentioned in Article (1) of this Proclamation, 5) assisting regions in promoting capacity-building activities and 6) carrying out other tasks required for the improvement of capacity-building should also be on the agenda. Although the government was reorganized, the agency served to coordinate several government sectors.

After the government was evaluated, it became apparent that there were capacity issues, so Proclamation No. 471/2005 was used to create a ministry dedicated to building capacity. The ministry was given the following powers and responsibilities based on this proclamation's sub-article 13: 1) carry out studies based on the nation's long-term development directions to identify capacity gaps that may be occasionally observed; 2) ensure the integrated formulation and coordinated implementation of the necessary reform programs and projects; the creation of an optimal capacity-building capability; the establishment and proper implementation of a contemporary and comprehensive system for human resource management within the federal civil service; the establishment of a general monitoring and evaluation system to guarantee the efficacy of various reform programs; 6) Ensure the establishment of institutions and groups that are supportive of increased and improved use of information and communication technology. 14 reform programs were developed after the ministry's founding under the direction of MCB and MOFED.

Despite the government's efforts to enact some political reforms, the implementation of the strategy and programs did not follow sound principles. There were no systematic mechanisms for checking and balancing power, as reported in reports from the House of People's Representatives in 2019; consequently, the perception of corruption in the nation increased from where it had been before three years (Jiru, 2020). Furthermore, the

public sector fell short of the objective they set for the two GTPs and numerous projects suffered as a result, which led to complaints (OSU, 2018).

By establishing the Oromia capacity-building bureau, which was headed by the vice president and built institutions throughout all of its administrative levels, the national regional state of Oromia also implemented capacity-building initiatives and various reform programs as part of the nation. (OFB, 2008)

### **Capacity-Building in Oromia**

Due to the top-down nature of the reform program, the issue of capacity-building in Oromia is comparable to that in Ethiopia (MCS, 2016). To actualize the socioeconomic advancements of the people, the Oromia region began implementing reform initiatives to construct efficient and effective organizations. Various reform initiatives have been undertaken in Oromia and have been in place for more than 20 years. Since 1996, the area has been working on efforts for transformation. The CSRP is expected to create a civil service system that is equitable, transparent, efficient, effective, and ethical (OPS&HRDB, 2020; OSU, 2015; OSU, 2017). As such, these reform projects complement one another. ROPE (Result-Based Performance Evaluation), BPR (Business Process Reengineering), BSC (Balanced Scorecard), CAT (Change Army Team), and Kaizen were used as reform techniques to change the way that organizations operate.

According to a public opinion survey done by Oromia State University, the regional administration allots millions of dollars each year for sectors that build capacity. According to the mandate the regional government gave them, these sectors carried out research, provided training, and provided technical support to organizations. The same study found that even while the capacity-building sectors were actively providing technical support and off-the-job training, customer complaints continued to have an impact on the performance of companies. In addition, several initiatives have stalled or been abandoned and are no longer able to meet societal needs.

More research is needed to examine the gap in various capacity-building activities, according to studies on organizational effectiveness (OSU, 2015). Customer satisfaction has remained around 52%, according to the outcomes of this research. Additionally, the majority of civil servants departed their organizations when the JEG system was implemented, and turnover increased to 3.6% from 1.5% (OSU, 2020).

The main focus of each writer's definition of capacity-building, though it may vary from one to the next in general, is the ongoing development of skills needed to learn new competencies and meet the objectives of organizations. Additionally, organizational, institutional, and human resource development that strengthens the analytical, operational, and political capacities of public sectors can be classified as capacity-building. According to this study, capacity-building encompasses not only the knowledge and abilities of human resources but also how institutions and organizations function as well as how power structures produce incentives and governance for the advancement of public organizations. Additionally, any organization's human resources need to be adept at analysis, operations, and politics. It is necessary to address the issue of capacity-building on a global scale.

## 1.2. Statement of the Problem

The ability to perform a certain task successfully and efficiently over time can be improved by training, interaction, and exposure to new techniques and opportunities to put newly acquired skills to use (Fix, 2018; Lifshits, 2017). What capacity-building is and what kinds of capacity are required to ensure organizational success are less understood, which is a typical challenge (E. Yamoah & Maiyo, 2013a). A suitable workforce, the right technology, and sufficient financial and material resources are all necessary for improving the capability of institutions, organizations, and human resources. Government organizations must also be effective in terms of service delivery and technical efficiency if they are to be responsive. According to Whittle (2019) and Carnahan et al. (2010), working on capacity-building requires a vision for public organizations to be effective in attaining their goals. As a result of knowledgeable clients' demands for efficient and effective services, many successful public sector organizations grew and established themselves in prominent positions in the service industry, according to these scholars.

Public sectors in developing nations have a history of being notorious for their incapacity to deliver services based on the needs of the population, responsiveness, lack of accountability systems, and less organizational performance (MEFCC, 2017). The topic of capacity-building will therefore be given top emphasis to change these circumstances and enhance organizations' performance. Additionally, the execution of need-based strategic capacity-building is a requirement for the success of reform projects, initiatives, and programs.

According to evidence in the field of capacity building, an entity's capacity for effectiveness and sustainability is a key metric for success in development (Serrat, 2009; WB-OED, 2005). One of the most crucial instruments, capacity-building includes the three components of human resources, organizations, and institutions. Working just on one aspect of capacity-building while ignoring the others will never bring result in change.

The goal of the study is to determine why, despite various government and NGO initiatives to build capacity, there has been a persistently low capacity in Oromia's public sectors. In this context, low capacity refers to a company's incapacity to efficiently carry out its operations, fulfill its goals, and eventually self-renew (deal with change). According to the UNDP (1997) and Walter (2007), such public sector has low levels of organizational effectiveness, relationships, leadership, finances, human resource management, communication, and access to resources. As a result, their workforce is inefficient. Because of this, service deliveries become unresponsive to client needs, there is unemployment and consequently poor income, and a sector or regions or the entire nation's productivity and growth are negatively impacted.

The World Bank (2004), CDASED (2001), and others have made efforts to harmonize the approaches of capacity-building sectors at the regional level, but little is known about whether capacity-building sectors are the contributors to the result of poor organization performance and numerous project failures in different administrative levels of the region. Capacity-building sectors are not clear on what interventions constitute, are significant, or are appropriate for improving organizational performances throughout the region, as they are

working with no clear capacity-building policy framework and best practices but numerous and confusing approaches, strategies, and activities designed in 1994 E.C. (SDC, 2000; OECD, 2004; Sievers & Vandenberg, 2007).

Although various capacity-building plans are developing every day that heighten the need to identify best practices, evaluation efforts are restricted to the articulation of out-of-date programs that have been identified as promising (Deloitte et al., 2004b). The majority of capacity-building research has not been done at the regional and national level (Bear et al., 2003; Miehlbradt et al., 2004), despite recent efforts focusing on assessing the present state of practices and altering context and approaches to capacity-building. Despite increased government attention to capacity building, there is still little agreement on its definition, role, methods for assessing its effectiveness, and the dimensions and level of capacity required for adequate performance. Connolly and York, (2011), and others agree that little has been achieved through these efforts both in terms of the capacity building process and in terms of actual results.

Before measuring performance, it is crucial to have a clear understanding of capacity-building dimensions. However, this understanding is lacking in the majority of scholarly work and research, and there is little concrete evidence regarding the factors that are most important for the performance of government organizations. While some writers offer a variety of broad explanations for why capacity-building initiatives fail, others present metrics and indicators without providing any clarification on the critical elements of capacity-building by Oromia's public sector facilitating organizations.

The research conference held annually at Oromia State University has generally concentrated on methodological and coordination difficulties rather than looking at the capability of capacity-building sectors and regional technical teams, who are tasked with enabling public sectors throughout the region. According to Antoine (2004) and Seely (2010), the bulk of capacity-building interventions supported by donors concentrate on brief training, monitoring, and evaluations, as well as infrastructure support. They rarely engage in in-depth capacity-building activities or scientific research. The study examined the issues of capacity building in organizations that support the enhancement of service delivery in the region, concentrating on past and present capacity-building initiatives and their effects on the performance of the organization. What impact does capacity building have on Oromias organizations' performance? The study was guided by the following research questions;

1. What is the effect of knowledge on organizational performance in public sectors of the Oromia region?
2. What are the effects of skill on organizational performance in public sectors of the Oromia region?
3. What are the effects of attitude on organizational performance in public sectors of the Oromia region?

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

This study's main objectives were to evaluate how human resource capacity-building factors affect organizational performance and to pinpoint the fundamental difficulties that human resource capacity-building interventions in Oromia's public sectors encounter.

## 1.4. Research Methodology

The literature on organizational performance and Human resource capacity-building was discussed in the chapter before. The study's research technique is described in this chapter. It encompasses the many kinds of research, the research design, the population, and the sampling strategy employed in the study. In-depth descriptions of the study's variables (organizational performance and capacity-building dimensions) and data collection tools will also be provided. There will be a discussion of the data analysis and statistical methods used in the study. This chapter concludes by highlighting the ethical factors that had to be taken into account.

### Description of the Study Area

A regional state in the Federal Democratic Republic of Ethiopia, Oromia's national regional state is one of the regional states. The region of Oromia is in Ethiopia's east of Benishang-Gumuz region to the south, Amhara region to the north, Somali-Ethiopia border to the east. There are **40.061,083 (Population 2022-projection)** people living in Oromia, which makes up around 49.6% of the total population of the national regional state. The presence of petroleum and natural gas, along with the fertile land and moderately high rainfall in Oromia, are its main attractions. Although Oromia is still Ethiopia's most populous and least developed region, it also has the highest level of poverty. Geographically speaking, Oromia stretches from 3° to 24° to 20° to 23° 34' 07" 3740' 58' 5' E longitude and 26° N latitude. Except for Tigray, it has shared boundaries with every regional state in the Federal Democratic Republic of Ethiopia. In addition, it has shared international borders with South Sudan in the west and the Kenya Republic in the south (OPC, 2023).

The region's 363,136 km<sup>2</sup> total area is around 34.3% of the country's overall area. The region is organized administratively into 21 administrative zones, 365 districts (of which 40 are towns structured at the district level and 285 rural districts), over 6447 rural kebeles, and 482 urban kebeles. The population is growing at a 2.6% yearly pace, according to CSA (2007). The National Regional State's primary economic sector, agriculture (mostly rain-fed subsistence), accounts for 69 percent of the region's GDP and employs 89 percent of the labor force. The region contributes significantly to Ethiopia's agricultural exports of oilseeds, pulses, and coffee hides and skins. Despite this, conventional farming practices and the rapid population growth that is fragmenting the agricultural sector, reducing farm sizes, and contributing to the deterioration of natural resources are among the factors limiting advances in agricultural output and productivity. Significant water resources are also present in Oromia, including lakes, rivers, energy, minerals, wildlife, and historical and cultural resources (OFB, 2008).

Therefore, this study helps pinpoint the gaps in capacity-building interventions and current issues facing the region's public sectors.

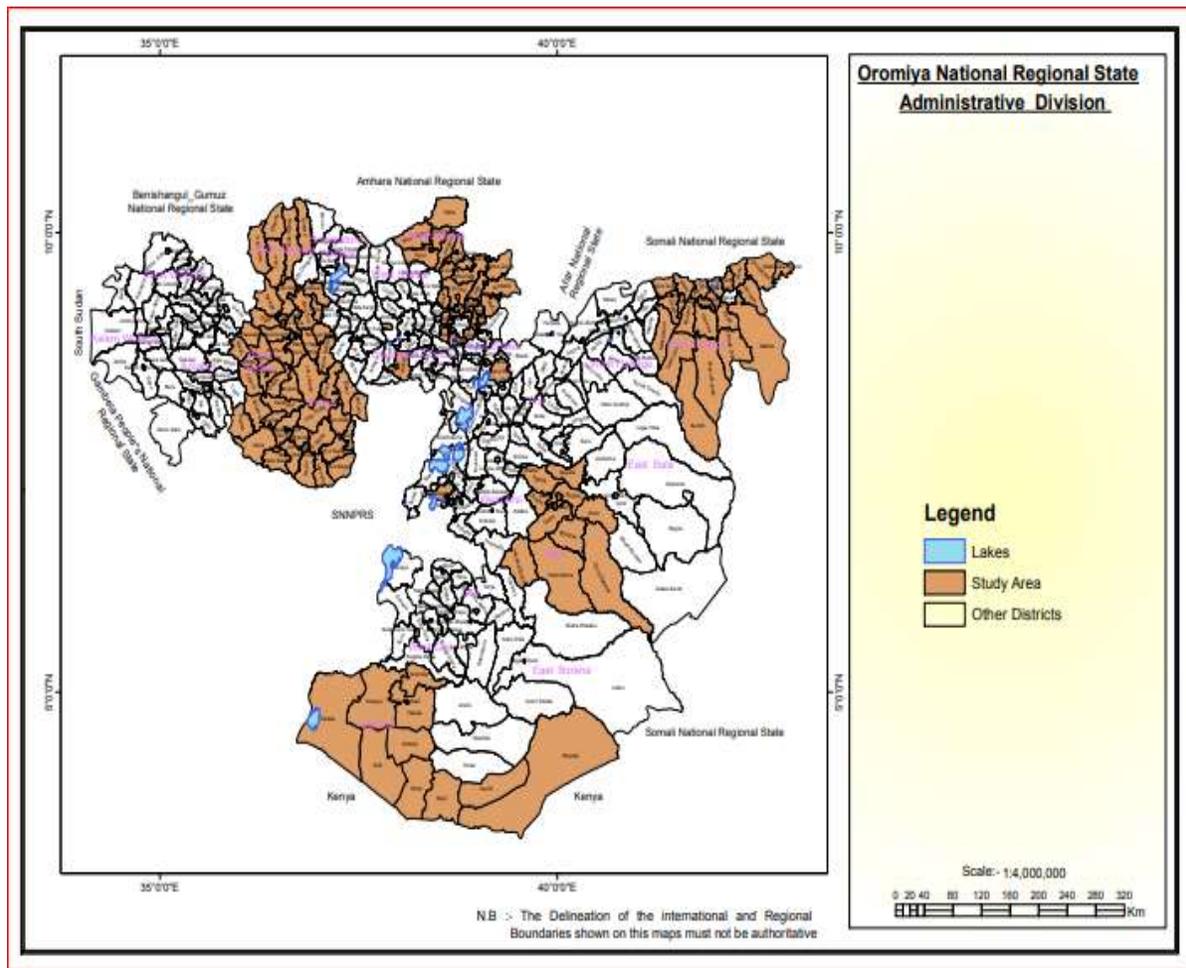


Fig.1.2. Map of Oromia Regional State (Oromia Plan Commission, 2015)

### Research Philosophy and Research Paradigm

In research, choosing the method to employ when looking for a subject is a crucial step in determining the steps required for a certain study. A thorough grasp of the worldview, study design, and research methodology is necessary to choose which approach to apply in research (Creswell, 2014). This way of thinking allows for a wide range of data collecting and analysis techniques, presumptions, and forms. The effects of extensive commercial agriculture investment on the socioeconomic and environmental landscape might be understood as multifaceted in this perspective. Since the pragmatist perspective is necessary for delving into research problems from various perspectives, it is useful to analyze the effects of capacity-building components on organizational performance. The study's goal was to examine the various viewpoints held by stakeholders about the influences of capacity-building factors on organizational performance. Due to the nature of the issue, both quantitative and qualitative data must be gathered in order to conduct an exhaustive analysis of the research issue. Consequently, a multi-method or mixed approach is preferred to a single strategy for the analysis of such a wide range of problems. Therefore, pragmatic research ethos is preferred in this study based on the dynamism of the research challenges and the diverse nature of the consequences of the capacity-building component practices.

## Research Design and Approach

### Research Design

Descriptive survey, explanatory, and other types of research designs are available. In this study, triangulation is done using qualitative data. Since descriptive studies are used to describe and interpret the trends of actual events, this choice of descriptive survey methodology makes sense (Creswell, 2009). It aids in describing a phenomenon that has already occurred but whose specifics are unknown. The primary goal of the study is to describe the current situation as it stands. In order to accomplish this, it is assumed that the descriptive survey will give the researcher the opportunity to reflect the current circumstances surrounding capacity-building and organizational performance. In particular, questions 1, 2, and 3 of the fundamental research questions will be addressed.

On the other hand, in addition to the descriptive survey, the explanatory research method is also used to evaluate the key connections between capacity-building dimensions as measured by capacity-building components and organizational performance as measured by efficiency, effectiveness, and employee satisfaction. Since the purpose of the study is to examine the relationship between organizational performance and capacity-building in the public sectors of the Oromia regional state, this design was used to address basic research question 4. By using this research approach, the what-and-why-questions as well as some fundamental inquiries about the relationship between organizational performance and capacity-building characteristics in the study were handled.

### Research Approach

The term "research approach" describes the methods, tactics, steps, or techniques employed in data collection or information review. Deductive and inductive research methodologies are just two examples of the many available (Creswell, 2008). By using both quantitative and qualitative approaches, this study adopted a contemporaneous triangulation mixed-methods research methodology. The benefit of utilizing this strategy serves two purposes: first, to compensate for the drawback of using only one way; and second, to gain the ability to provide a broader range of opposing viewpoints with regard to the topic's issue (Jogulu & Pansiri, 2011). This mixed concurrent triangulation method is also helpful when the researcher needs qualitative data prior to the intervention to build instruments or choose participants, or after the intervention (Creswell, 2009).

### Types and Sources of Data

Both qualitative and quantitative data will be gathered for this study from primary and secondary sources. Direct input from regional, town, and zonal representatives, officials, and public servants who are in charge of delivering capacity-building services as well as input from civil servants who are direct users will be used to compile primary data. Progress reports will also be used. The same will be done for secondary data, which will be gathered from pertinent published and unpublished documents.

Both primary and secondary data sources were used in the investigation. Utilizing surveys, first-hand observations, interviews, and focus groups, primary data was gathered. Officials from public sector

organizations at all levels, senior civil employees, change agents, and other stakeholders participated in serious conversations.

The inquiry included both primary and secondary data sources. Primary data were acquired through questionnaires, in-person observations, interviews, and focus groups. Participants in serious dialogues included senior civil servants, representatives from public sector organizations at all levels, change agents, and other stakeholders.

## **Sampling Design**

According to Kothari (1990), a sampling design is a detailed plan for getting a sample from a certain population. The method or process the researcher would use to choose the items for the sample is referred to. Additionally, sample design results in a method for calculating the sample size, or the number of things to be included in the sample. Therefore, the sample design is decided upon prior to the data collection.

## **Population, Sample Frame, and Sampling Unit**

A population is a group that is taken into account for research or statistical analysis. The public sectors in the Oromia area served as the study population.

The sampling frame is a list of all correctly identified public sectors at the regional, zonal, and city levels. The researcher did his best to ensure that the frame was accurate, complete, without omissions or overlaps, sufficient, and current. The units were well-identified and covered the entire population.

On the other hand, the sampling unit was made up of representatives from the regional, zonal, and local levels of the public sectors that were sampled.

## **Sample Size Determination**

One of the country's main areas is called Oromia. This regional state is divided into 18 city administrations and 21 zonal administrations. It is hard to evaluate the situations of every single zone and city government. In order to make the research more manageable, certain regional-level sectors, zones, and cities were chosen in accordance with their hierarchical order. Likewise, samples from regional, zonal, and city sectors were taken.

In order to gather knowledgeable and pertinent information from the examined organization, the population for this study was chosen. Informed evaluations, findings, and suggestions were made possible by this at the end of the research.

According to Gay (1981), the minimum number of participants thought to be suitable for a study depends on the nature of the research being conducted. For descriptive survey research, a sample of 10% of the population is seen to be the bare minimum for a big population, and 20% may be needed for a smaller population. As a result, 10% of the public organizations will be included by utilizing both probability and non-probability random and deliberate sampling methods because it has a huge population.

Additionally, according to Rassel and Berner (2003), the necessary sample size ( $n$ ) can be determined using the following formula for a survey design based on a random sample for large populations.

$$n = \frac{z^2 pq}{e^2}$$

Where n is the required sample size,

Z is the appropriate confidence level,

q=1 and p is the estimated percentage of organizational performance's inefficiency in generating capacity that resulted in below-average performance in the research area. The sign -p stands for the estimated proportion of organizational performance and capacity-building efficiency that resulted in successful public sector performance in the research region.

The preferred level of accuracy is e.

For this study, the researcher selected a 95% confidence level (standard value:  $z = 1.96$ ).

The researcher uses 0.5 for p and q because these are the values that give the largest sample size and it is preferable to be conservative with sample sizes because there was no estimate available or prior study on the estimated proportion of ineffectiveness in leadership and organizational performance in the study area, (p). so the researcher uses 0.5 for p and q because these are the numbers that offer the highest sample size, and it is preferable to have a large sample size and come under the maximum error estimate than to have a small sample size and exceed the maximum error of the estimate.  $n = (1.96)^2 (0.5 \times 0.5) = 3.8416 \times 0.25 = 384.16 = 385$

$(0.05)^2 = 0.0025$  Thus,  $n = 385$  the researcher made an assumption of 400 respondents from public sector enterprises based on the 385-persons intended sample size. By limiting the study to a few chosen organizations in the region that will be included in the study, the characteristics of the population are established. The stratified sampling technique will take the other organizations into account.

Additionally, a multi-stage random sampling technique will be used in the sampling process as follows: The sectors were first divided into three categories: social, economic, and service sectors.

The agriculture bureau represented the economic, social, and service sectors; the revenue authority, the transport and land administration, and the trade and market sectors represented the social and service sectors, respectively.

Due to their frequent participation in capacity-building programs and their substantial client base, these sectors were included in service delivery. In order to ensure that companies were chosen with the huge number of clients they serve in mind, experts took part in capacity-building programs.

Six city administrations and seven zones were chosen from the region's twenty-one zones and twenty-three city administrations. In total, there were seven zones: Bale, Buno Bedele, Borena, East Harerge, East Welegga, Jimma, and North Shoa. Similar to how the six city administrations were Adama, Ambo, Sendafa, Shashemene, Weliso, and Sheger City Administration.

Based on their status as team leaders, experts, or members of upper management, respondents from every sampled firm were chosen. A sample of 10% of the population was taken into consideration at all levels based on study findings about the fact that Gay (1981) had previously validated descriptive survey research. Then, using probability sampling, respondents were chosen from the drawn samples.

From those who took part in capacity-building programs at local capacity-building organizations, respondents were chosen at random.

Before giving this presentation, the researcher completed a mini-assessment and arrived at a rough estimate of 384–400 as the estimated 10% sample size. Thus those 354 responders in total were included in the sample size for the quantitative data. Ten responders from this group filled out the questionnaire; the other respondents; during the focus group discussion, 40 respondents took part, while 10 respondents took part in the interview. 404 people in total responded to the survey as a result.

The responses came from public sectors that had received training from sectors that focused on creating capacity. The Oromia State University, the Oromia Science and Technology Authority, and the Oromia Public service and Human Resource Development Bureau are capacity-building sectors established to capacitate the workforce, institutions, and organizations.

### Summary of Sample Size Distribution

A/The Sample Distribution of the Samples across the Regions

Table 3.1. Sample Distributions by Sectors

Name of Sectors	Respondent from regional level		Respondents from zonal level		Respondent from city level		Total	
		10%		10%		10%		10%
Health bureau	130	13	320	32	280	28	730	73
Land Administration	70	7	250	25	280	25	570	57
Transport agency	110	11	320	32	280	28	710	71
Revenue authority	110	11	250	25	280	28	640	64
Trade Agency	110	11	250	25	280	28	640	64
Agriculture and rural development	110	11	310	32	280	28	710	71
<b>Total</b>	640	64	1710	171	1650	165	4000	400

B/ Sample Size by Region, zones and city administrations

Table 3.2. Sample Size by Administrative Levels

Respondents from region	No of respondents		Total	
		10%		10%
Regional	640	64	640	64
Zones	1710	171	1710	171
City administrations	1650	165	1650	165
<b>Total</b>			4000	400

C/ Sample Size by Managerial Level and Region

Table 3.3. Sample size by Management Level

Management level	Regional state		Zones		Cities	
		10%		10%		10%
<b>Top management</b>	50	5	250	25	300	30
<b>Process owners</b>	50	5	250	25	300	30
<b>Team leaders</b>	100	10	400	40	400	40
<b>Civil servants</b>	440	44	810	81	650	65
<b>Total</b>	640	64	1710	171	4000	400

Source (Own Survey, 2015)

### Sampling Techniques and Procedure

Sampling is the process of deciding which group you will use to gather data for your study. Sampling procedures are methods used to collect data and samples from a target population. Sampling techniques are ways to select a subset of a population to take part in the study; they are ways to select a number of people for the study in a way that ensures the people chosen are representative of the large group from which they were chosen (Ogula, 2005). In research, there are two main methods for sampling. Both probability and non-probability sampling are among them. The sample design's last phase is the sampling process. A researcher must choose the kind of sample they will utilize, i.e., the methods they will employ to choose the items for the sample.

### Data Collection Instruments

For data gathering, the researcher used a variety of tools, including surveys, interviews, focus groups, and document analysis from public sector organizations. All of these devices were created following a pilot observation of the study locations and have various sections. In addition, observations and checklists were used for problems that demand extra care. The chosen public sectors used for the questionnaire, interview, observation, focus group discussion, and document analysis (records, reports, and various documentary analyses) were used in this study.

### Data Validity and Reliability

Validity is the degree to which data gathering techniques or technologies actually measure the variables they were designed to. By presenting the variables' contents to professionals in the field, the validity was examined. Validity, according to Saunders, Lewis, and Thornhil (2016), is the degree to which research findings are consistent with their stated purposes. When results are reproduced by other researchers, reliability refers to the consistency of the results. The data must meet the intended objectives, be reasonably full and accurate, and not be susceptible to inappropriate manipulation in order to assure consistency.

## Methods of Data Analysis

### Quantitative Data Analysis

The information was gathered through a variety of tools and categorized using coding, tabulation, and statistical conclusions. Different tools were used to analyze both quantitative and qualitative data. The Statistical Package for Social Sciences (SPSS) version 26 software was used to analyze quantitative data and quantify the direct and indirect impacts of the variables. SPSS AMOS was also utilized to test the variables. The chi-square test statistic and the distribution of means were used to test the hypotheses and find correlations between organizational performance and the variables of the capacity-building dimensions. Tables were used to display quantitative analysis results.

The use of descriptive statistics is crucial since using raw data would make it difficult to understand what the data was revealing, particularly if there was a lot of it. As a result, descriptive statistics allowed the researcher to display the data in a more comprehensible manner, which made it easier to analyze the data (Kothari, 2004). The researcher used this fact to support his interpretation of its significance. Beginning with the current state of institutional, organizational, and human resource capacity-building in terms of enhancing organizational performance, the first, second, and third basic questions focused on this; the fourth basic question addressed the role of mediation between capacity-building dimensions and organizational performance.

For the purposes of triangulation, analysis of qualitative data gathered from interviews, focus groups, and responses to both open-ended and closed-ended questions was used. In general, SPSS version 26 software was used to analyze all the data gathered from primary and secondary sources in order to compute certain advanced statistical techniques.

### Model Specification

Research model specification illustrates the variables operationalization and the required assumptions of statistical tools David, P., Bloom, M., & Hillman, A. J. (2007). The statistical tool SPSS AMOS is employed to examine the relationship between independent and dependent variables. The general multiple regression models assumes that there are K-independent variables are written as given;

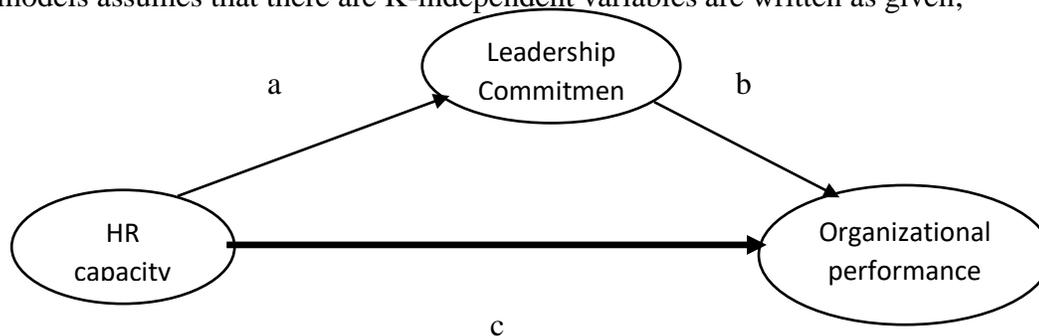


Figure 1.3. Conceptual Model of Mediation Effect developed a b c

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \dots + \beta_k X_k + \epsilon$  where  $Y$  is the independent variable and  $\beta_0$  is the y-intercept. Similarly, the objective of the study was to examine the relationship between capacity-building dimensions and organizational performance. Therefore, the researcher developed the following models to specify the relationship between capacity-building and organizational performance. Based on the above conceptual model, the following equations were developed to specify the model.

### Direct effect

$$\text{Model 1- OP} = \beta_0 + \beta_1 \text{Kn} + \beta_2 \text{skil} + \beta_3 \text{Attit} + e \dots \dots \dots (1)$$

### Mediation effect

$$\text{Indirect Effect through Lecom (only) OP} = \beta_0 + (b * c) + e \dots \dots \dots (3)$$

$$\text{Total effect} = a + (b * c) \dots \dots \dots (4)$$

Where

OP= organizational performance

LC= leadership commitments

HRCB= human resource capacity-building

OCB= organizational capacity-building

ICB=institutional capacity-building

$\beta_0$ = constant

$\beta_1$ =the coefficients value of the regression equations and finally  $\epsilon_1$   $\epsilon_2$   $\epsilon_3$  and  $\epsilon_4$  are the error terms in the model 1, 2, 3, and 4 respectively.

### Operational definition of variables

The operationalization of this major variables is established on the conceptual framework of the study in chapter two. Therefore capacity-building was an independent variable comprises the human resource, organizational and institutional capacity-building, leadership commitment was mediating variable and organizational performance was a dependent variable. The specific variables included in human resource capacity-building are knowledge, skill and attitude, and organizational capacity-building comprises a specific variables such as adaptive, technical and organizational structure. Moreover institutional capacity-building has a specific objective as policy framework and HR rules and regulations and the mediating variable also consists of specific variables such that communication, motivation and strategic management. Organizational performance (dependent variable) was measured using effectiveness, efficiency and employee satisfaction concepts. These concepts offer chances to assess to what extent the organizations achieve intended goals given an effort exerted. This is to say in a sense that to what extent the organization attains a desired level of

performance, given the organizational core mission context. In the present study, the context is related to capacity building activities mainly training, consultancy and research activities.

Table 1.1. Operational definitions of the major dimensions and variables

Dimensions	Variables	Issues consists of indicators measuring the dimension	Sources
HR capacity-Building	Knowledge	Knowledge is a fact, information, and awareness's acquired through experience and education; the theoretical and practical understanding of a subject. Also it is the awareness or familiarity gained by experience of a fact or situation.	(Fleischhauer, 2011). Pasban & Nojede (2016), (Scarborough, Swan, & Preston 1999).
	Skill	The ability to use one's knowledge effectively and readily in execution or performance. It is coordination especially in the execution of learned physical tasks.	(Minbaeva DB, Makela K, Rabbiosi L. (2010), (Wang S, Noe RA. (2010).
	Attitude	A feeling or opinion about something or someone, or a way of behaving that is caused by this	(Crawshaw et al., 2013), (McIntosh et al., 2013), (Günsel, 2023).
Leadership Commitment	Communication	It is the process of transferring information about the sector's culture, core values, mission, and to build crucial messages to build trust in employees. In practice it involves delivering a shared vision and inspiring others to buy in that vision.	Rashed and Samad (2010), (Clifton, J. 2014; Berson & Avolio, 2004; G. T. ,2011)
	Motivation	It is the act of adding a positive energy to employees. It is the pre-condition to make employees to perform well to achieve the set goals.	Fisher, E. A., 2009, (Sulistyo, B. A., 2020; Ahmad, K., 2009; Saputra, F., 2021).
	Strategic management	It is the act of using creative problem-solving skills and techniques to implement vision and mission of the public sector to achieve long term goals	(Mason Holloway, 2011; Sean, 2007). (Bleak & fulmar 2009; Sami, qamar & Khalid 2011)
Organizational performance	Effectiveness	"The ability of an organization to account successfully for its outputs and operations to its various internal and external constituencies." They went on to suggest that productivity, profit, return on investment and goal achievement	Bartuševičienė, I., & Šakalytė, E., 2013; Ostroff, C., & Schmitt, N., 1993; Sundqvist, E., Backlund, F., & Chronéer, D., 2014).
	Efficiency	The ratio that contrasts certain features of a unit's performance with the cost (such as time, money, or space) associated with that performance. Since efficiency refers to the number of resources consumed, it is frequently used to measure the characteristics of a process other than just the physical output	(McLean, S., & Rouault, G., 2017; Iordache, D. D., Pribeanu, C., & Balog, A., 2012).

	Employee satisfaction	The measurement of how happy a person is with their work and the part it plays in their life.	P. S. Topolosky (2014), (Antoncic, J. A., & Antoncic, B. 2011).
--	-----------------------	---	---

Source researcher own construct, (2023)

**Table 1.2. Research Questions, Specific Objectives, Variables, Method of Data Collections and Method of Data Analysis**

No	Research questions	Specific Objectives	Hypothesis	Variables	Method of data collection	Method of data analysis
1	What are the impacts of human resource capacity-building on organizational performance in the public sector of the Oromia region?	To determine the effects of HR capacity-building on organizational performance in the public sector of the Oromia region	Hypothesis 1: Human resource capacity-building has a significant and positive effect on organizational performance	Knowledge Skill Attitude	Questionnaires, Interview and FGD	Descriptive and explanatory
2	How leadership commitment mediates capacity building and organizational performance?	To examine the mediating role of leadership commitment between capacity-building and Organizational performance.	Hypothesis 4. Leadership commitments has a mediating role on organizational performance	Communication Motivation and Strategic Management	Questionnaires, Interview and FGD	Descriptive, explanatory and statistical

Source (own construct from literature review, 2023)

## Ethical Considerations

According to Creswell (2008), ethical considerations in research refer to the rules and regulations that researchers must abide by in order to conduct their studies in an honorable and responsible manner. In order to make data collectors aware of the ethical guidelines that can be followed when collecting data, the researcher provided awareness-creation trainings. The researchers that collected the data explained to the participants the goals, methods, advantages, and their right to respond to the survey. The respondents were also made aware that the confidentiality and security of their personal information was important. In order to perform the research in an ethical and responsible manner, the researcher tried to follow the rules and principles of ethical consideration.

## 2. Data Presentation and Analysis

### Introduction

In the Oromia region, despite the regional government's efforts to create capacity and backing from the federal civil service commission, capacity-building measures did not enhance organizational performance. The study attempted to provide answers to the topic of whether capacity-building enhances organizations' performance in particular sectors at various administrative levels in the region. The study's primary objective was to analyze how organizational performance's capacity-building components affected leadership commitments in Oromia as a mediating force. With the use of research findings and literature sources, the study aims to demonstrate whether the Oromia's organizational performance is impacted by the human resource capacity-building dimension and to further explain why this is the case. All of the information was gathered using focus groups, interviews, and questionnaires with 450 sample participants.

The study includes Oromia regional state's seven zones, six towns, and sectors were visited by a team of data collectors who had received training in data collection techniques to gather data using self-administered questionnaires. However, the researcher conducted the focus group discussions and interviews at the regional level.

In order to gather quantitative data, 400 questionnaires were given to public sector workers in regional sectors, zonal administration sectors like N/Shoa, East Hererge, Bale, East Welega, Borena, Jimma, Bunno Badele zones, and towns like Adama, Sendafa, Ambo, Weliso, Shashemene, and Sheger City Administrations. 89.8% of respondents filled out a questionnaire for each category out of the 400 issued to the ten interview informants and 40 focus group participants (404/440).

### 2.1. Data Presentation

#### Administration of Pilot Testing

The researcher planned to run a pilot test there, therefore the researcher already had contact with the department's director of public management. After receiving approval for his request, the researcher planned his schedule to meet with teachers from the social science department and sample respondents from the study unit. A request for their permission to take part in the pilot test and an explanation of the study's goal were made. They were all in favor of taking part in the pilot experiment. On January 12, 2023, this pilot study was done with 40 participants who weren't supposed to be a part of the main investigation. The director of the research unit at Oromia State University assisted the researcher in selecting these respondents at random before distributing the questionnaire for completion.

The results of this pilot test allowed the researcher to guarantee consistency and assisted him in avoiding ambiguities in the study's instruments. The final questionnaire was modified after the researcher took the respondents' feedback into consideration. The instruments and items were refined in response to feedback from

pilot administrations. The last step was to create questionnaires with clear instructions to gather information from public sector employees at various administrative levels.

### **Reliability Test**

A pilot study was carried out using an arbitrary sample of 40 workers to ensure the dependability and consistency of the data gathering procedures. According to Sekeran (2013), a pilot test is essential for determining the accuracy and dependability of information-gathering tools. The pilot test in this study had a clear objective: to assess the logic of the research questions and meeting plan, the clarity of the questions, and the consistency of the responses. The results of the pilot study were put through a Cronbach reliability test in order to assess their reliability. According to Pil (2013), the more similar the test's content and conditions of administration are, the better the internal consistency reliability. According to Milton (2014), a reliability coefficient of Cronbach's alpha (0.917) was acceptable for this study.

Gender, age, educational attainment, job title, and work experience are among the respondents' demographic factors that may have direct or indirect effects on organizational performance and capacity-building. 24.6% of the responders overall were women, while 74.6% were men. When it came to the respondents' ages, those between the ages of 31 and 40 made up the highest sample size, accounting for 45.2%. 43.8%, 6.9%, and 9.3% of the sampled population had first-, second-, and PhD-level degrees, respectively. 14.4% of the sampled respondents held jobs as directors or process owners, 35% as team leaders, and 50.6% as specialists in their fields. Finally, after dividing the working experience into its two primary groups, it was found that 56.5% of those had 16 years or more of experience and that 43.5% had less.

Despite not being specifically examined, the demographic traits are related to the capacity-building programs. The implementation of capacity-building operations may be favorably or negatively impacted by the employees' educational background and work experience.

### **The Effects of the Human Resource Capacity-Building Dimension on Organizational Performance**

The rationale for investing in human resources, according to Fleischhauer (2011), is based on three tenets. First, the new generation needs to be given access to the information that earlier generations already possessed. Second, the younger generation needs to be taught how to create new products and social services using the knowledge already at hand. Third, the younger generation has to be inspired to find novel ways to use creativity to meet the needs of the community. According to this notion, a company's human resources are the most important factor in determining whether or not it will succeed and should be equipped with the necessary skills. The most crucial resource in organizations, according to the author, is its people

## The effects of knowledge on organizational performance

	Items	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	S.D	
1	I am benefitted from capacity-building program or initiative in my organization	18.1	37	5.9	34.5	4.5	2.7	1.239	
2	There is sustainable strategy to develop the existing human resource capacity of my organization	19.2	49.4	10.2	18.1	3.1	2.36	1.080	
3	Employees have awareness on their specific work they perform	16.9	41	11.3	28.5	2.3	2.49	1.137	
4	Management team of my organization has enough knowledge about the decision they make	21.2	41.8	9.3	24.9	2.8	2.36	1.126	
	Average mean						2.4		

Source; Own survey result (2015)

The data from the public sector employees in Table 4.3's Item 1 showed that 55% of the respondents said they received no benefit from the training they received from the capacity-building sectors, while 39% of the respondents said they did. According to the response data, the majority of respondents disagreed that measures to enhance their capacity were not advantageous to them. Knowledge is currently seen as a vital source of competitive advantage for businesses. According to this perspective, knowledge is seen as a valuable resource (Bengtsson, M.; Raza-Ullah, T.; Vanyushyn, 2016). Therefore, describing the costs of acquiring information and the advantages that result from that knowledge is a job for managerial decision-making (Tidström, 2014). This demonstrates that the human resource should receive various capacity-building trainings, consultation, mentorship, and other forms of support in order to gain the necessary knowledge.

Ahmad et al. (2015) investigated if increasing employee performance in Ethiopia through capacity-building. The evaluation's findings showed that capacity-building initiatives should be driven by needs rather than whims or trends. The review suggested that capacity-building organizations work strategically and encourage the implementers to be rewarded for their efforts in partnership with NGOs.

A capacity-building initiative's heads and advisers were interviewed, and it was revealed that training, consulting, mentoring, monitoring and evaluation and action research were among the activities carried out. Over 80% of civil officials now hold degrees as a result of these initiatives, which saw a large number of personnel, enroll in these programs. In order to increase the productivity of government employees, the government also made sizable financial allocations and bought updated technology and computers. Though more work is still required to fully understand how capacity-building initiatives affect an organization's performance. It is important to take strategic action because everything is changing quickly.

Interview results were at odds with the conversation held with chosen focus groups. The groups found that more than 1500 employees from various sectors received the same training from the same trainers on the same

themes, gaps were not recognized, the training materials were not well prepared, and the training was not need-based. Additionally, they mentioned that the majority of the students slept in the hall and that several of the specialists appointed to provide the training were not adequately prepared. The participants also brought up the training that was provided at the end of June in order to avoid evaluations and not return the money as a problem. In other words, they came to the conclusion that there was no training policy that could be followed.

According to the aforementioned discussions, the heads and advisors of the sectors involved in building capacity viewed favorably the actions taken to increase employees' knowledge and skills, but the majority of those who responded to the questionnaires disagreed, stating that they had not benefited from the capacity-building initiatives. In addition, the discussion participants in the focus groups discovered that there was no training policy and that the training was not uniform in terms of the duration, location, or quantity of trainees. Therefore, it is fair to deduce from the thoughts described above that the capacity-building activities carried out in a few areas did not assist the workforce.

There was no sustainable strategy to increase the organization's existing human resource capacity, according to the data collected from employees for Item 2 in Table 4.3, which showed that 19.2% and 49.4% of respondents disagreed and strongly disagreed, respectively. In contrast, 21.2% of respondents gave a positive response, and 10.2% were undecided. The effect of managerial support and capacity-building on an employee's performance was examined by Wassem et al. in their 2019 study. The findings show that capacity-building has a favorable and significant effect on an employee's performance, which in turn affects the performance of an organization. A plan and program for investing in capacity-building should be in place for owners and policymakers, according to the report, in order to improve organizational performance.

Qualitative research demonstrates that no strategy or policy currently exists to control the sustainable development of human resources.

There was no long-term plan for developing human resources, as may be inferred from these debates.

Table 4.3's row three when asked whether awareness creation was provided for the particular task they do, 19.2% and 41% of the respondents said that it was not. While 11.3% of the respondents were absent, 30.8% of them indicated their approval. Although the employee received training, it was not centered on their needs, and there were no gaps in their knowledge, according to an interview with chosen informants. The awareness-raising materials handed to civil officials, according to the director of the capacity building planning department, "seem like one type of medicine for various diseases, despite the enormous budget that was allocated." The findings were also not assessed, he continued, despite the fact that the same material had been used again. From these concepts, it is feasible to conclude that need-based awareness creation did not take into account the individual skills of employees, which is why many workers were unable to identify the precise responsibility that had an impact on their performance. In a similar vein, Watson & Saxby (2005) conducted a study on a comparative analysis of individual capacity-building for decentralized education service delivery in Ethiopia and Pakistan and noted that, despite widespread training being provided across the nation, there was no training to raise awareness of the specific skills of employees.

According to qualitative data, training on the same subject was provided to all employees, regardless of their occupations. The consultancy and mentoring operations are not contextualized according to the sorts of services they provide to the consumers, and specialists use the same checklists for monitoring and evaluating various sectors.

The talks above demonstrate that employees were not informed of capacity-building activities based on their particular skills, which has a detrimental impact on the performance of the businesses.

As was said before, employees of public institutions provided their opinions on whether the management team of their organization had sufficient understanding about the decision that they took in table 4.3, item 4. 27.7% of respondents responded positively, whereas 21.2% and 41.8% strongly disagreed with it. According to the literature in the topic of capacity-building, any organization's management is required to have the necessary expertise to manage the resources of the organization they are leading. At the moment, information is viewed as a key source of competitive advantage for businesses. Knowledge is viewed as a resource from this perspective (Getachew, 2017). It follows that one challenge for managerial decision-making is to articulate the costs of acquiring information and the advantages that result from that knowledge. Senior specialists participated in a focus group discussion that revealed the management of the organization lacked the expertise and management abilities because they were appointed to their positions due to their political devotion to the government. They also mentioned that although the organization's structure was created with merit in mind, there were loopholes during the recruitment and selection processes. According to them, the merit-based appointment was only for show. They give an example of teams led by degree holders at the university where they work, where there are roughly 8 to 12 PhD holders. The vice president of OSU was interviewed about this and revealed that some members of the management team are not as aware about this as they may be. They oppose change and desire to maintain the situation they were in. On the other hand, political meddling is present in the hiring and choosing procedures. He went on to say, for instance, that those who had held the positions of head and vice head but lost their authority had the right to choose the organizations in which they would serve and to be designated as advisors to presidents and vice presidents.

According to the feedback from the focus groups, interviews, and questionnaires, the management of the organizations lacked the knowledge necessary to manage the human, material, and financial resources that have an impact on organizational performance.

## The Effects of Skill on Organizational Performance

Table 4.4. Skill Factors effect on organizational performance									
	Items	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD	
1	In my organization, employees have the needed skills to operate the organizational plan	31.1	46.0	8.5	11.6	3.4	2.29	1.126	
2	In our organization there is a good communication skill between the workforce and the customers	30.2	47.7	5.9	13.3	2.8	2.29	1.049	
3	Employees of my organization are assigned based on the needed skills	22.9	48.6	8.2	16.1	34.2	2.14	1.040	
4	My organization's work force is motivated because of the skill they acquired from capacity-building activities	29.7	42.1	8.8	16.4	3.1	2.09	1.053	
	Average mean								

Source; Own survey result (2015)

As shown in Table 4.4, when asked if they had the necessary skills to carry out their strategy, 31.1% and 46% of the respondents disagreed and strongly disagreed, respectively. On the other side, 8.5% showed no response, whereas 3.4% and 11.6% did. Even in the interview with the individual sector heads, vice heads, and directors, it was made clear that many specialists lacked the skills necessary to carry out their objectives because the majority of them were not placed in the proper positions. Following the JEG, numerous government agencies underwent restructuring, and direct experience was used to position workers. However, a lot of employees lose their previous workplaces. Many floater staff lost their jobs after it. The government opted to use the floater staff in open posts after considering the circumstance. This choice left gaps in putting the appropriate individual in the appropriate situation. Focus group talks suggested that civil servants are given opportunities to be placed without considering their skills.

It is feasible to deduce that even though the staff received capacity-building training and consulting services, they lacked the necessary abilities to carry out their organizational strategy, which has a detrimental impact on organizational performance. Therefore, shortcomings should be found before undertaking capacity-building efforts.

As shown in Table 4.4, the majority of respondents (30.2%) and 47% of respondents said that they strongly disagreed with the notion that there is good communication between the staff and the customers. On the other hand, 2.8% and 13.3% of respondents said they strongly agreed with the statement, while 5.9% said they agreed with the statement but were not sure.

According to field literature (Ahmad et al., 2015), effective communication skills are necessary for businesses to communicate with their clients more effectively. Accordingly, the respondents' responses suggested that there was a mess in the business since the staff lacked the necessary skills to communicate with their clients.

The comments of the interviewees backed up the notion that there was a lack of effective communication techniques not only between employees and clients but also between employees and organizational leaders. The vice chairman of the agency noted that while it is typically expected for more employees to gauge communication merely by speaking in their own tongue, good communication has its own scientific processes. In light of this, he came to the conclusion that our capacity-building activities did not prioritize communication as a crucial skill to facilitate service delivery and enhance organizational performance.

Discussions based on quantitative and qualitative data demonstrate that the organization's service delivery was hampered by the lack of participative communication skills among its personnel. The performance of an organization suffers from ineffective communication.

According to answers given to questions 3 and 4 in Table 4.4, 22.9% and 47.7% of respondents, respectively, said that personnel in their firms were not assigned based on the necessary abilities. But just 12.4% and 16.1% of the respondents gave a positive response, while 8.2% remained undecided. When employees in the region meet the requirements established by the regional administration, they are entitled to assignment, according to Oromiya Public Sectors and Human Resource Development Bureau regulation No. 23/2011. Despite the local coffee shop's support, the regulation's application was only on paper. The implication was that organizational performance suffers because employees were not given the imbedded skills.

The findings from the focus group discussion reinforced the notion that the majority of worker assignments were unfair and that there had been corruption to assign workers to advantageous locations. The members in the focus group also mentioned that it was difficult to distinguish between legal and unlawful documents because of forged paperwork. Therefore, it may be concluded that placing the appropriate individual in the appropriate location was problematic and negatively impacted organizational performance.

According to item 4 in Table 4.4, while 3.1% and 16.4% of respondents responded affirmatively, 29.7% and 42.1% of them strongly disagree and agree, respectively. On the topic of whether the abilities they acquired through capacity-building activities motivated them, 8.8% of the respondents were undecided. Several authors made the point that, for instance (Nwankwo et al., 2017), if the proper capacity-building initiatives are put in place, employees will be motivated in their work and turnover will also be reduced. According to the author's perspective, there were no effective initiatives for capacity-building that inspired personnel. Best practices from several nations demonstrated that having a public sector capacity-building policy made capacity-building projects more successful. They employ it as a guide.

There was only a strategy and program created for TVET and formal education in 1994 E.C., according to the vice president of the university's interview, for public sectors to enhance their capabilities. He also mentioned that our region began putting various reform measures into effect in 1994. Since they were foreigners, the topic of capacity-building was on the menu. The World Bank served as a finance partner as public sector capacity-

building was stabilized and put into action. Although the bank took some attempts, the country still relied more on the efforts of the donors than it does on the realities encountered when putting the reform programs into place.

There were also focus groups with senior specialists, and they revealed that when leaders for capacity-building sectors were recruited, they tried to impose their personal opinions rather than the proper manner to conduct the programs. For instance, some bureau heads define capacity-building as merely training, and few of them use the phrase interchangeably. They believed that the definition of capacity-building was the first step in its failure. Various works of literature define capacity-building as the development of analytical, operational, and political capacity to enhance the capacity of individuals, teams, and organizations. They continued by saying that in both our nation and our area, the term "capacity building" refers only to the development of operational ability, ignoring analytical and political competence. Employees were unable to fulfill their assigned responsibilities to the necessary level as a result of less capability.

As a result, it is conceivable to conclude that employees were demotivated because there was no suitable mechanism for motivation to carry out capacity-building efforts in the public sector that have a negative impact on organizational performance. Additionally, the problem of organizational capacity got worse because the government did not create programs to inspire workers

### The Effects of Attitude on Organizational Performance

**Table 4.5. Attitude factors effect on organizational performance**

No	Issues to be rated	Rating/response					Mean	SD
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
1	Employees of my organization have a good feeling about their working conditions	31.1	46.0	8.5	11.6	2.8	2.09	1.053
2	Leaders of my organization have readiness to accept and lead change	30.2	47.7	5.9	13.3	2.8	2.11	1.067
3	The work force of my organization performs so as to achieve mission and vision of the organization	29.7	42.1	8.8	16.4	3.1	2.21	1.130
4	Workers of my organization have a positive outlook to improve their performance	22.9	48.6	8.2	16.1	4.2	3.30	1.117
5	I believe that behavior impacts flexible efforts of the work force	5.4	11.9	4.0	47.5	31.4		
	Average mean							

Source; Own survey result (2015)

Item 1 in Table 4.5 reveals that, respectively, 31.1% and 46% of respondents strongly disagree and disagree with the statement. As for whether or not the organization's employees feel happy about their working conditions, 2.8% and 11.6% of the respondents said they agreed, while 8.5% were undecided.

The interview with a small group of carefully chosen leaders and advisors revealed that because of the low living standards of civil officials, they are looking for extra sources of income since they cannot afford to live. They also mentioned how few employees were actually found engaging in minor corruption in several public sectors. On the other hand, since there are no mechanisms for motivating them, they are wasting their working hours by looking for announcements in pursuit of better jobs and pay.

Focus group talks confirmed the aforementioned concerns that, in contrast to other social classes, it is the civil workers who were unable to assist their families, which caused them to have a negative attitude on their organization. In light of all of this, employees did not have a favorable opinion of their companies due to a few pressing reasons.

According to Table 4.5's item 2, the percentages of respondents who strongly disagree and disagree, respectively, are 30.2% and 47.7%. On the issue of leaders' willingness to accept and lead change, however, 2.8% and 13.3% of them gave favorable responses, while 5.9% remained mute.

The capacity-building sectors' leaders and advisors were interviewed, and it was discovered that SWOT and PESTLE assessments were performed as part of the annual planning process. The issue, though, was that it happened year after year. They continued by saying that different administrative levels had given them more commitments and that they did not have time to participate in detail other than simply following instructions and, on occasion, observing and rating performances.

When heads, vice heads, and advisors were hired to focus on political commitments, participants in focus group talks reacted differently than the interviewee. Focusing on planning-related issues was the planning expert's job.

From a quantitative and qualitative perspective, leaders were so preoccupied with their various responsibilities that they did not have time to scan their environments in order to get ready for modifying the situation to fit the environment.

According to Table 4.5's item 3, the percentages of respondents who strongly disagree and disagree, respectively, are 29.7% and 42.1%. As for whether the workforce of their organization works to realize the organization's objective and vision, 8.8% of them stayed neutral, 3.1% strongly agreed, and 16.4% of them highly agreed.

Qualitative evidence reveals that the majority of employees in organizations do not even know what their organization's goal and vision are. They continued by saying that many employees did not have a good attitude toward their companies, which made it difficult for them to fulfill the mission and vision of the firm.

The debate in the focus group also backed the notion that as civil officials' living conditions deteriorate occasionally, they become less focused on their work, which has an impact on the effectiveness of the organization.

The responses so demonstrate that the organizations' staff did not contribute to the accomplishment of the companies' mission and vision.

In response to the question of whether employees in their organization have a positive outlook to improve their performance, 4.2%, 16.1%, and 8.2% of the respondents, respectively, responded positively and negatively, as shown in Item 4 of Table 4.5. However, 22.9% and 48.6% of the respondents responded that they strongly disagreed and disagreed. This demonstrates that individuals lacked the will to advance professionally, which negatively impacts the effectiveness of their organizations. In addition, limited finances may prevent the government from sponsoring all civil personnel.

The conversation in the focus group made it clear that staff needed to improve. In contrast, neither self-improvement nor reward systems demotivate employees in public sector organizations. Thus, enhancing organizational performance is hampered.

After the JEG was implemented, many employees lost hope since the value of education was not delivered, according to an interview with key sources. This demonstrates how the problem of civil officials' self-upgrading, which affects how well organizations perform, has lagged far behind.

According to Table 4.5's Item 5, 5.4% and 11.9% of respondents disagree with the notion that conduct affects the workforce's flexibility in its efforts. They favored the concept between 31.4% and 47.5%, while 4% were undecided. A emphasis on organizational behavior, according to authors in the field, can assist understand why specific behaviors affect workers' productivity and adaptability as well as how to take into account and predict the consequences of various policies on managing human resources (Crawshaw et al., 2013).

Qualitative research indicated that altering employee attitudes is required to accomplish organizational goals. The capacity-building measures undertaken were a major effort that, as was indicated earlier in the previous discussions, did not result in a change in the behavior of employees. Ideal conduct, nonetheless, has an impact on the workforce's adaptable efforts. Therefore, it is reasonable to deduce that behavior has a favorable or bad impact on the workforce's flexible efforts.

## Correlation and Regression Analysis of the Effects of Human Resource Capacity-Building on Organizational Performance

### Correlation Analysis

Examining the study's hypothesis is what this part is all about. Building human resource capability was predicted to be positively connected with organizational success on the basis of a study of prior studies. With the use of Pearson correlation analysis, the link was examined.

Table 4.6 Correlations Among HR Variables

		Operman ce	knowledg e	skill	attitude
Operman ce	Pearson Correlation	1	.257**	.315**	.324**
	Sig. (2-tailed)		.000	.000	.000
	N	354	354	354	354
Knowledge	Pearson Correlation	.257**	1	.577**	.427**
	Sig. (2-tailed)	.000		.000	.000
	N	354	354	354	354
Skill	Pearson Correlation	.315**	.577**	1	.499**
	Sig. (2-tailed)	.000	.000		.000
	N	354	354	354	354
Attitude	Pearson Correlation	.324**	.427**	.499**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	354	354	354	354

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source ;( Own survey, 2023)

According to the correlation finding, knowledge, ability, and attitude are strongly and favorably correlated with organizational performance, as suggested by the hypothesis. The association between organizational performance and the development of human resources takes values of .257, .315, and .324 in the table above, respectively. The widely-used Cohen criteria classify correlations with  $r=1$  as modest,  $r=3$  as moderate, and  $r=5$  as significant. This means that there are two moderates and one between-small-and-moderate positive correlation in this instance. In this case, the sample size is 354, and the correlation is shown along with a significance value. The organization's performances as well as the development of its capability were both observed in this observation. Depending on the ideas above we can determine whether the correlation is significantly different from zero. This will be determined by the strength of the correlation and quantity of observations upon which the correlation is based.

The P-value (stated under Sig. (2-tailed)), which is less than 0.05, is .000 (represented as P 0.001). Consequently, this is a substantial argument against the null hypothesis.

## Regression Analysis

**Table 4.7. Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.373 <sup>a</sup>	.139	.132	1.22452	1.828
a. Predictors: (Constant), attitude, knowledge, skill					
b. Dependent Variable: Performances					

Source; (researcher's survey, 2023)

The model summary shown in Table 4.5 indicates how much the independent variables can predict the outcome variable as indicated by  $R=0.373$ , which can predict the dependent variable. According to the model description in Table 4.5,  $R=0.373$ , which can predict the dependent variable, shows how much the independent factors can predict the result variable. The other key predictor is  $R^2 = 0.13$ , which demonstrates that the weighted average of the predictor variables accounts for over 13% of the variance in organizational performance.

In this part, another parameter that needs to be taken into account is the Durbin-Watson statistics test. It shows whether there is enough support for the hypothesis that the residual terms are uncorrelated. The closer the value, the stronger the evidence that the mistakes are independent or that the residuals are uncorrelated is. The readings typically range from 0 to 4, and measures that are less than 1 or greater than 3 raise questions about the lack of a correlation. The Durbin-Watson value in table 4.4 is 1.828, indicating that the errors are uncorrelated and that the assumption is true.

## Regression Coefficients

**Table 4.8. Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.934	.251		19.628	.000		
	knowledge	.390	.078	.257	4.984	.000	1.000	1.000
	skill	.317	.089	.204	3.556	.000	.751	1.332
	attitude	.413	.106	.223	3.888	.000	.751	1.332
a. Dependent Variable: Performances								

Source (SPSS out Put, 2015)

The regression coefficient is summarized in Table 4.6. The table's  $t$ -values explain how each predictor value affects organizational success. The table displays that the  $t$ -values are all positive. This suggests that every predictor variable influences the outcome variable in a way that is favorable. Additionally,  $P < 0.05$  indicates that all predictor values have a substantial impact on organizational success at  $P = 0.0$ . As a result, all alternative hypotheses were accepted and all null hypotheses were rejected. These demonstrate that the predictor factors have a favorable impact on the operations of organizations in the Oromia region's public sectors. Knowledge ( $\beta = 0.390$ ) and attitude ( $\beta = 0.413$ ) are the predictor variables with the strongest positive effects on organizational performance, respectively.

All the variables have beta coefficients that are significantly different from zero, as shown by the t-statistic in the table, which determines if the coefficients are different from zero on a significant basis.

Collinearity statistics were displayed in the same table. The ideal term to use is VIF (variance inflation factor), which is based on the presumptions of the collinearity test. As a result, the tolerances were all greater than 0, and the

VIF values were below 10. The collinearity assumption was met, and it was 2. As a result, the hypothesis was met by the study under examination, and it can be concluded that there is no collinearity between the study's results and the data.

### Factor Analysis for the Effects of Human Resource Capacity-Building on Organizational Performance

Kaiser-Meyer-Olkin Measure of Adequacy.	Sampling	.871
Bartlett's Test of Sphericity	Approx. Chi-Square	1353.541
	Df	66
	Sig.	.000

Source (researcher own survey, 2015)

The acquired dataset can be used for EFA because the significance of the Bartlett's test of sphericity was less than 0.001, according to the Kaiser Meyer-Olkin (KMO) test and the Bartlett's test of sphericity. To determine the new factor structure and assess construct validity, EFA was performed using the collected data. By using the maximum likelihood technique, factors were extracted, and then rotated using the varimax method. In determining the number of components, the scatter plot, cumulative variance explained, interpretability, and Kaiser's criterion were taken into account.

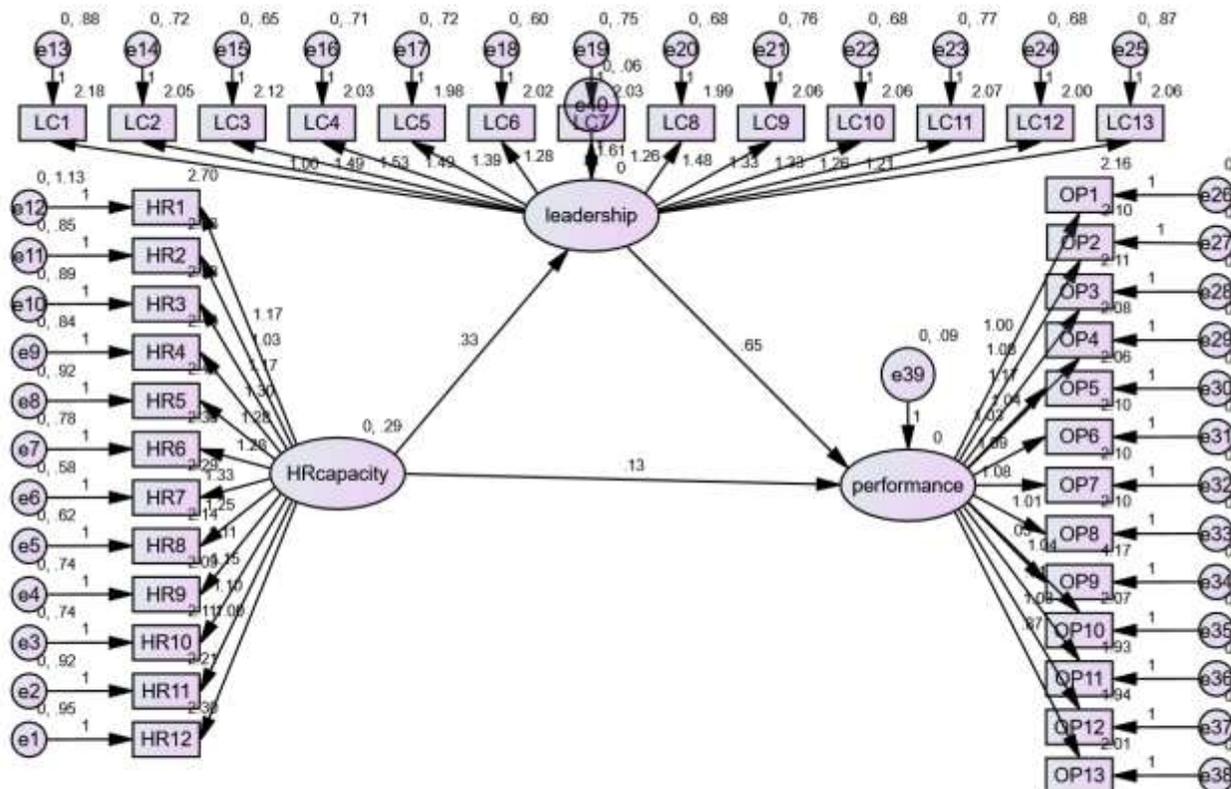
	Component				
	1	2	3	4	5
I am benefitted from capacity-building program or initiative in my organization		.808			
There is sustainable strategy to develop the existing human resource capacity of my organization		.728			
Employees have awareness on their specific work they perform		.595			
Management team of my organization has enough knowledge about the decision they make	.751				
Leaders of my organization have readiness to accept and lead change	.602				
Workers of my organization have a positive outlook to improve their performance					.771

The work force of my organization performs so as to achieve mission and vision of the organization				.673
Employees of my organization have a good feeling about their working conditions			.824	
Leaders of my organization have readiness to accept and lead change			.663	
The work force of my organization performs so as to achieve mission and vision of the organization		.751		
Workers of my organization have a positive outlook to improve their performance		.774		
Extraction Method: Principal Component Analysis.				
Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 11 iterations.				

Source ;( Own survey, 2015)

After extracting and rotating each of the 11 components, 78% of the variation was explained overall. A factor loading of at least 0.5 applies to each item. A factor's influence on the variable is strong if its loadings are near to -1 or 1. A factor's influence on the variable is only somewhat noticeable when its loadings are near to 0. Employee satisfaction with working circumstances is high (0.824), sustainable plans for developing human resource strategies are present (0.728), and management understanding in decision-making is high (0.751), according to principal component analysis. The three most important techniques of enhancing human resource capacity utilized in public sector organizations capacity-building activities (0.808), leaders' openness to change (0.663), and the workforce's willingness to realize mission and vision (0.751) benefit employees. The findings above demonstrate how organizational performance is impacted by human resource capacity building.

Fig 4.1. A SEM AMOS for the effect of human resource capacity-building on organizational performance



Source (own survey, 2015)

**Different Types of Tests**

Fig.4.2. Goodness of Fit tests

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.014	.988	.974	.461
Saturated model	.000	1.000		
Independence model	.179	.570	.462	.456

Source (AMOS graphics screen 2015)

An analysis of a statistical model's goodness of fit reveals how well it matches a given set of data. According to Diamantopoulos and Siguaw (2000), measures of goodness of fit often capture the difference between actual values and the values anticipated by the model in question. These authors define an acceptable match as RMR = 0, RMR = 0.05, or RMR 0.05. They also define a perfect fit as RMR = 0. The GFI index in Figure 4.3 shows a result of (0.988), and the AGFI index shows a value of (0.974), both of which are near to 1, indicating an excellent model fit.

**The Root Mean Squared Error Approximation (RMSEA)**

Chi-square statistics are a tool to assess how well the data match the model (Rasch, 1980). However, chi-square significance tests have always had issues with high sample sizes. The problem is that as sample size

affects power, ever smaller discrepancies are reported as showing a statistically significant misfit between the data and the model.

Fig. 4.3. The Root Mean Squared Error Approximation (RMSEA)

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.000	.000	.042	.983
Independence model	.261	.246	.276	.000

Source (AMOS graphics screen 2015)

According to Browne & Cudeck (1993); Hu & Bentler (1999); and Kline (2016), an RMSEA value under 0.05 denotes a good fit, one between 0.05 and 0.08 denotes an adequate fit, and one over 0.10 denotes a bad fit. As can be seen in Figure 4.4, the model is fit because the RMSEA value is .000, which is smaller than .08.

### Tests of Relative Fit

Fig. 4.5. Tests of Relative Fit

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	.978	.962	1.001	1.002	1.000
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Source (AMOS graphics screen, 2015)

Incremental fit indices can be utilized to compare the default model with the baseline model. The term "incremental fit indices" refers to a class of indices that do not use the chi-square in its raw form but instead compare the chi-square value to a reference model. Comparative (or relative) fit indices also use the chi-square as a base measure. Hu and Bentler (1999) state a very excellent fit is indicated by a CFI value of 1. a CFI value of less than 0.95; a TLI value greater than 0.95 is required for a superior model; RFI values over 0.90 are suggested to indicate an acceptable fit, and values above 0.95 are suggested to indicate a good match; An excellent model fit is indicated by an IFI value of 0.90 or higher, whereas a value between 0.80 and 0.90 indicates a satisfactory model fit.

## 2.2. Discussions on the results of the analysis on Effects of Human Resource Capacity-Building on Organizational performance with the Mediating Role of Leadership Commitments

The most crucial component of the three aspects of capacity-building is human resources. According to a UN-HABITAT (2015) assessment on the development of human resource capacity for Ethiopian city leaders, different service providers may have unfavorable attitudes because the technical assistance and training they received were inconsistent and not based on actual needs. The report also notes that the lack of motivation among the workforce prevented them from providing services up to the standards set by the organizations.

The results of this study supported the claims made by Ncube (2005) and Baristic (2014) that capacity-building has a significant positive impact on organizational performance. According to Newfarmer, R., and Nowak, D.A. (2005), training is the predominant strategy used by most businesses. The study concluded that technical support and training by themselves are insufficient for capacity growth. Despite the importance of successful capacity development being underlined by Singh, R. J. (2015), relatively few organizations appear to have prioritized capacity building as the key element in enhancing their operations. O'Brien, L., and Hardman, A. (2014) claim that for capacity building to be successful, a variety of tactics and procedures must be used. For instance, Connolly, P., York, P., Munemitsu, S., Ruiz-Healy, C., Sherman, A., & Trebb (2003) contend that the best capacity-building support programs emphasize management support, address employee and leadership capacity, make use of coaching, consulting, referrals, research, and peer exchange, transfer expertise, and provide incentives to follow through. Along with workshops, seminars, experiential conferences, reading materials distribution, team-building exercises, on-the-job training, motivational or master talks, performance evaluation and appraisal, social and environmental engagement, community exchange forums, conference sponsorship, advisory services, research, and consultancy, there are other ways to build capacity. According to Table 4.6, the overall mean rating for the employment of different strategies in the organizations that had capacity building was primarily between moderate and high.

### **Knowledge**

Data from the respondents showed that a large number of employees did not benefit from capacity-building initiatives such as training, consulting, mentoring, and coaching, and so on. This demonstrates that though the government plans to capacitate the workforce and allocate a significant amount of budget, it did not aid employees in upgrading.

It was acknowledged that there was no policy or strategy for the implementation of human resource capacity-building, but that endeavors to do so were used as a vehicle for reform. Qualitative data also revealed that measures to enhance capacity were carried out purely for the purpose of reporting procedures. The respondents further stated that there was no policy framework for capacity-building to guide the implementation process and that it was dependent on the requirements of organizational leaders. The knowledge that management of the organization has in the decision-making processes and the awareness that employees gained from the capacity-building intervention were the other issues that were brought up; data from the respondents indicated that neither management nor employees of the organizations had these skills. Additionally, there was no planning behind the capacity-building activities, no gap analysis was done, no standards were established for each activity, and the absence of accountability systems had a detrimental impact on how well companies performed. In general, the findings from quantitative and qualitative data showed that capacity-building actions carried out by capacity-building sectors did not result in the necessary transformation on government sectors.

In a similar vein, Watson & Saxby (2005) carried out a study on a comparison of establishing human resource capacity for decentralized service delivery in Ethiopia and Pakistan. According to the report, neither country empowered service providers for local governments, claiming the inability of local governments to carry out programs as justification. Ethiopia had organization up to the district level, but power was centralized and the country struggled to adapt to change. Governments in both nations were required to be more responsive and accountable to the public as a result of the reforms. Despite the fact that information is a key component in enhancing organizational performance, knowledge should be backed up by skills.

Skill is the learned capacity to carry out pre-determined results, often with the minimum outlay of time, energy, or both. This is a feature that is particularly emphasized by Kreitner, R., Kinicki, A., & Buelens, M. (1989; Kreitner and Kinicki, 1995) as "a specific capacity to physically manipulate an object." Regarding skill as the element of human resource capacity-building, the quantitative and qualitative data indicated that the capacity-building activities undergone through different methods contributed less to developing the skills of the employees. Most of the respondents agreed upon the point that capacity-building sectors were giving different pieces of training, consultancy services, and advice, but the same topics or content for employees that have different fields of specialization. As FGD and interviewee respondents uncovered, even those capacity-building sectors' experts did not have adequate knowledge and repeated the same content every year. Moreover, they added that the training given was one-way without any discussion, and having more than 1000 employees in one hall was common. As a result, the capacity-building initiatives carried out by capacity-building sectors were not focused on developing the workforce's capacity in terms of certain skills. As a result, companies performed less well since there was no clear standard for identifying skill gaps, planning and preparing to fill them, and finding the right person to write the training manual and an expert to give the training. The focus of capacity-building sectors' efforts to capacitate human resources is on influencing workers' attitudes. As a result, attitude is crucial in evaluating performance.

Numerous literary works define attitude as the way, temperament, emotion, and position one has toward someone or something, as well as a propensity or direction, particularly in the mind. A person's attitude, according to Gordon Allport (1933), is a mental and neural state of readiness that has been organized through experience and that directs or influences how they react to all the things and circumstances that are related to it. A person's attitude, according to Frank Freeman (1914), is their acquired and ingrained tendency to react in a particular way to particular organizations, people, or objects. Changing employee attitudes to align them with the organization's culture is the fundamental goal of capacity building. According to data from the respondents, more than 75% of them stated that most employees did not have positive views about their jobs or the companies they worked for because those executives were not prepared to accept and lead change. These factors contributed to the majority of employees not working for the mission and vision of their firms.

As a result, the capacity-building activities carried out by the capacity-building sectors did not accomplish their goal because the respondents who took part in the capacity-building training, consultancy, and guidance did not show any changes or positive reactions. Data from both qualitative and quantitative sources showed that efforts to increase human resource capability were not strategic, and the same issues were repeated for five or six years even with minimal changes. Employee participation in programs to increase human resource capacity decreased as a result of these redundancy actions.

Results from correlations showed that the P-value, which less than 0.05 is, is.000 (repeated P 0.001) (cited under Sig. (2-tailed)). Therefore, in order to reject the null hypothesis, some sort of compelling proof is required. Similar to how the results of the regression analysis showed that the Durbin-Watson statistic is 1.828, which implies that the assumption is true and the errors are uncorrelated. Additionally, Table 4.6's regression coefficient, which displays that all of the predictor values have P 0.05 and that the b-values are all positive, indicates that they all have a substantial impact on organizational performance at the value of 0.0. The null hypothesis was thus rejected.

The researcher evaluated different models' of capacity to fit to the data in addition to choose the best final model. Both an assessment of the model's absolute model fit and a test of its relative model fit were used. The root-mean-square residual (RMR), root-mean-square error of approximation (RMSEA), goodness-of-fit index (GFI), adjusted goodness-of-fit index (AGFI), and goodness-of-fit index (AGFI) were employed as absolute model fit criteria. Using the Tucker-Lewis-Lewis (TLI) and Comparative Fit Index (CFI), which are standards for judging the relative fit, the total fit of the given model is compared to the absolute fit of the Independence model. The models' capacity to explain the data is hence almost supported by all tests.

### **3. Conclusion and Recommendations**

#### **Conclusion**

According to the study's findings, gaps were not recognized and the proper materials were not generated to empower employees and organizational leaders, proving that capacity-building programs were not based on needs. Employee opinions about their organizations were poor, and the respondents concurred that capacity-building implementation was inappropriate. The analysis showed that organizational management and leadership lacked the expertise required to mobilize capacity-building projects, which led to lower organizational performance. According to the findings, the study's firms' workforces lacked the necessary capacity to adjust to the environments in which they operated, which caused them to be resistant to change.

#### **Recommendations**

According to the experiences of numerous countries that have worked on capacity-building initiatives within stabilized public sector systems with a fair amount of success, capacity-building policy and strategy can play a crucial role in guiding capacity-building sectors in identifying gaps, planning, implementing, monitoring, and

evaluating the effectiveness of organizational performance improvement. From discussions and facts backed by the aforementioned information, it is clear that Oromia's public sector system is struggling with a number of capacity-building issues that are eroding its ability to meet the requirements of its population. The public's trust in public institutions will steadily erode if these problems are not addressed in a timely manner, and concerns about the public sectors' integrity and legitimacy will be raised. These problems could endanger the regions and society's public sector stability and harmony. The following specific recommendations were forwarded for public policy.

1. The regional administration should develop capacity-building policies and strategies to help reverse the region's underperforming public sectors, according to the findings and conclusions of the aforementioned study.
2. The Anti-Corruption Commission, the Audit General, and the Standing Committee of Caffee Oromia should all be strengthened by the government in order to better monitor the implementation of government plans and establish accountability mechanisms when they fall short of meeting the needs of the people they are supposed to be serving.
3. To close the gaps found, there should be thorough and long-lasting awareness-building for political leaders, policy advisers, managers, and staff as well as sectors focused on building capacity.
4. The public sector's executives and personnel need to adopt a professional approach when dealing with customers and servicing the community.
5. Leaders should have know how about capacity-building policy and strategy to improve organizational performance. They should be knowledgeable, skillful, and ethical to lead the public sector being a role model.
6. Managements of organizations should scan their environment to cope with the ever changing of customers' needs and adapt different change management tools to improve organizational performance.
7. Public sectors should deploy efficient staff and allocate sufficient resources within partner organizations to work with the capacity-building sectors and capacity-building activities.

### **Suggestions for Future Research**

As this research contemplated a regional context and did not cover large area in the extent academic research, this provides some insights and directions for the country wide public sectors for future research as well. More specifically, as research strived to make some new challenges and using extent as well as some new construct measures with quantifying qualitative and quantitative data, this provides a solid foundation for many research avenues and hence several suggestions are made for further research. Therefore, researchers should study on the issue “do capacity-Building Sector have capacity to capacitate others?” and look at the same title with large sample size and area.

## References

- Adedeji, O., & Campbell, O. (2013). *The role of higher education in human capital development*. New York.
- Aguinis, H., Joo, H., & Gottfredson, R. K. (2013). *What monetary rewards can and cannot do: How to show employees the money*. Business Horizons.
- Alvarez, S. A., & Busenitz, L. W. (2001). The entrepreneurship of resource-based theory. *Journal of management*, 27(6), 755-775.
- Amburgey, T. L., & Rao, H. (1996). Organizational ecology: Past, present, and future directions. *Academy of Management journal*, 39(5), 1265-1286.
- Asensio-Cuesta, S., Diego-Mas, J. A., Canós-Darós, L., & Andrés-Romano, C. (2012). A genetic algorithm for the design of job rotation schedules considering ergonomic and competence criteria. *The International Journal of Advanced Manufacturing Technology*, 60(9-12), 1161-1174.
- Atiku, S. O., Lawal, I. O., & Gamede, V. (2020). Human Capital Development and Faculty Members' Contributions. *The Journal of Accounting and Management*, 10(3).
- Azizi, N., Liang, M., & Zolfaghari, S. (2013). Modelling human boredom at work: Mathematical formulations and a probabilistic framework. *Journal of Manufacturing Technology Management*.
- Barney, J. B. (1996). The resource-based theory of the firm. *Organization science*, 7(5), 469-469.
- Barney, J. B., Ketchen Jr, D. J., & Wright, M. (2011). The future of resource-based theory: revitalization or decline? *Journal of management*, 37(5), 1299-1315.
- Becker, G. S. (2009). *Human capital: A theoretical and empirical analysis, with special reference to education*. University of Chicago press.
- Bell, J. E., Autry, C. W., Mollenkopf, D. A., & Thornton, L. M. (2012). A natural resource scarcity typology: theoretical foundations and strategic implications for supply chain management. *Journal of Business*
- Benitez-Amado, J., & Walczuch, R. M. (2012). Information technology, the organizational capability of proactive corporate environmental strategy and firm performance: a resource-based analysis. *European Journal of Information Systems*, 21(6), 664-679.
- Beretti, A., Figuières, C., & Grolleau, G. (2013). Using Money to Motivate Both 'Saints' and 'Sinners': a Field Experiment on Motivational Crowding-Out. *Kyklos*, 66(1), 63-77.
- Biedendorf, J. (2019). *Cosmopolitanism and the Development of the International Criminal Court: Non-governmental Organizations' Advocacy and Transnational Human Rights*. Rowman & Littlefield.
- Bosworth, G., Annibal, I., Carroll, T., Price, L., Sellick, J., & Shepherd, J. (2016). Empowering Local Action through Neo-Endogenous Development; The Case of LEADER in England. *Sociologia Ruralis*, 56(3), 427-449.
- Brahma, S. S., & Chakraborty, H. (2011). From industry to firm resources: Resource-based view of competitive advantage. *IUP Journal of Business Strategy*, 8(2).
- Brix, J. (2018). *Innovation capacity building: An approach to maintaining balance between exploration and exploitation in organizational learning*. The Learning Organization.
- Brouthers, K. D., Brouthers, L. E., & Werner, S. (2008). Resource-based advantages in an international context. *Journal of management*, 34(2), 189-217.
- Csaszar, F. A., & Ostler, J. (2020). A contingency theory of representational complexity in organizations. *Organization Science*, 31(5), 1198-1219.

- Dechow, P. M., Hutton, A. P., Kim, J. H., & Sloan, R. G. (2012). Detecting earnings management: A new approach. *Journal of accounting research*, 50(2), 275-334.
- Decision strategies: An empirical test of the effects of significance, accountability, and reversibility. *Organizational behavior and human performance*, 24(2), 228-244.
- Deephouse, D. L., Bundy, J., Tost, L. P., & Suchman, M. C. (2017). Organizational legitimacy: Six key questions. *The SAGE handbook of organizational institutionalism*, 4(2), 27-54.
- Durand, R., & Jourdan, J. (2012). Jules or Jim: Alternative conformity to minority logics. *Academy of Management Journal*, 55(6), 1295-1315.
- Durand, R., Rao, H., & Monin, P. (2007). Code and conduct in French cuisine: Impact of code changes on external evaluations. *Strategic Management Journal*, 28(5), 455-472.
- Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of management review*, 14(1), 57-74.
- Fayezi, S., O'Loughlin, A., & Zutshi, A. (2012). Agency theory and supply chain management: a structured literature review. *Supply chain management: an international journal*.
- Fiedler, F. R. E. D. (2015). Contingency theory of leadership. *Organizational Behavior 1: Essential Theories of Motivation and Leadership*, 232, 01-2015.
- Finch, N., Murray, P., Hoy, J., & Baxter, G. (2014). Expenditure and motivation of Australian recreational hunters. *Wildlife Research*, 41(1), 76-83.
- Fix, B. (2018). The trouble with human capital theory (No. 2018/07). Working Papers on Capital as Power.
- Gaya, H., & Struwig, M. (2016). Is Activity-Resource-based View (ARBV) the new theory of the firm for creating sources of sustainable competitive advantage in services firms?. *Global Journal of Management and Business Research*.
- Geng, X., Yoshikawa, T., & Colpan, A. M. (2016). Leveraging foreign institutional logic in the adoption of stock option pay among Japanese firms. *Strategic Management Journal*, 37(7), 1472-1492.
- Gillies, D. (2017). Human capital theory in education. *Encyclopedia of educational philosophy and theory*, 15(2), 1-15.
- Greve, H. R. (2021). The resource-based view and learning theory: Overlaps, differences, and a shared future. *Journal of Management*, 0149206320967732.
- Haque, M. F., Haque, M. A., & Islam, M. (2014). Motivational Theories-A Critical Analysis. *ASA University Review*, 8(1).
- Hartanto, D. (2020). Capacity Building in Urban Poverty Alleviation in Indonesia. In *International Conference Communication and Sosial Sciences (ICCOMSOS) (Vol. 1, No. 1)*.
- Heine, K., & Rindfleisch, H. (2013). Organizational decline: a synthesis of insights from organizational ecology, path dependence and the resource-based view. *Journal of Organizational Change Management*.
- Hitt, M. A., Carnes, C. M., & Xu, K. (2016). A current view of resource based theory in operations management: A response to Bromiley and Rau. *Journal of Operations Management*, 41(10), 107-109.
- Kabir, M. N., & Parvin, M. M. (2011). Determinants of employee motivation among staffs in pharmaceuticals. *Australian Journal of Business and Management Research*, 1(9), 102-113.
- Kivistö, J. (2008). An assessment of agency theory as a framework for the government–university relationship. *Journal of Higher Education Policy and Management*, 30(4), 339-350.
- Koch, A. K., Nafziger, J., Suvorov, A., & van de Ven, J. (2014). Self-rewards and personal motivation. *European Economic Review*, 68, 151-167.

- Kruasom, T., & Saenchaiyathon, K. (2015). Achievement a Sustainable Competitive Advantage on the Integration of Resource-Based View and Dynamic Capacity. *International Business Management*, 9(1), 79-85.
- Kusumawardani, D., Utomo, B., & Wahyuni, E. D. (2018). The Evaluation of Motivational Interviews Influence for the Medication Adherence of Chronic Disease: A Systematic Review.
- Lounsbury, M., & Glynn, M. A. (2001). Cultural entrepreneurship: Stories, legitimacy, and the acquisition of resources. *Strategic management journal*, 22(6-7), 545-564.
- McIntosh, K., Mercer, S. H., Hume, A. E., Frank, J. L., Turri, M. G., & Mathews, S. (2013). Factors related to sustained implementation of schoolwide positive behavior support. *Exceptional Children*, 79(3), 293-311.
- Mériade, L., Rochette, C., & Talbot, D. (2019). Vers UN management des tensions de gouvernance publique dans les établissements de santé? *Innovations*, (3), 169-199.
- Mériade, L., Rochette, C., & Talbot, D. (2019). Vers UN management des tensions de gouvernance publique dans les établissements de santé? *Innovations*, (3), 169-199.
- Mincer, J. (1974). Progress in Human Capital Analysis of the distribution of earnings (No. w0053). National Bureau of Economic Research.
- Mitnick, B. M. (1973). Fiduciary rationality and public policy: The theory of agency and some consequences. In 1973 Annual Meeting of the American Political Science Association, New Orleans, LA. In Proceedings of the American Political Science Association.
- Mustapa, N. S., Noor, K. M., & Mutalib, M. A. (2019). Social support and career motivation in public service. *International Journal of Academic Research in Business and Social Sciences*, 9(2), 1034-1043.
- Mweru, M. C., & Maina, T. M. (2016). Features of resource based view theory: An effective strategy in outsourcing.
- Namasivayam, K., & Denizci, B. (2006). Human capital in service organizations: identifying value drivers. *Journal of Intellectual Capital*.
- Oliver, C. (1997). Sustainable competitive advantage: combining institutional and resource-based views. *Strategic management journal*, 18(9), 697-713.
- Opiyo, F., Wasonga, O., Schilling, J., & Mureithi, S. (2012). Resource-based conflicts in drought-prone Northwestern Kenya: The drivers and mitigation mechanisms.
- Panda, B., & Leepsa, N. M. (2017). Agency theory: Review of theory and evidence on problems and perspectives. *Indian Journal of Corporate Governance*, 10(1), 74-95.
- Pantouvakis, A., & Bouranta, N. (2013). The link between organizational learning culture and customer satisfaction: Confirming relationship and exploring moderating effect. *The Learning Organization*.
- Peteraf, M. A., & Barney, J. B. (2003). Unraveling the resource-based tangle. *Managerial and decision economics*, 24(4), 309-323.
- Peteraf, M. A., & Barney, J. B. (2003). Unraveling the resource-based tangle. *Managerial and decision economics*, 24(4), 309-323.
- Rangone, A. (1999). A resource-based approach to strategy analysis in small-medium sized enterprises. *Small business economics*, 12(3), 233-248.
- Rao, H. (1994). The social construction of reputation: Certification contests, legitimation, and the survival of organizations in the American automobile industry: 1895–1912. *Strategic management journal*, 15(S1), 29-44.
- Rau, S. (2014). Resource-based view of family firms. *The sage handbook of family business*, 4(4), 321-340.
- Reinking, J. (2012). Contingency theory in information systems research. In *Information Systems Theory* (pp. 247-263). Springer, New York, NY.

- Ross, S. A. (1973). The economic theory of agency: The principal's problem. *The American economic review*, 63(2), 134-139.
- Satyawadi, R., & Ghosh, P. (2012). Motivation and work values in Indian public and private sector enterprises: A comparative study. *International Journal of Human Resources Development and Management*, 12(3), 237-253.
- Schneider, B. (1987). The people make the place. *Personnel psychology*, 40(3), 437-453.
- Scott, W. R. (2005). Institutional theory: Contributing to a theoretical research program. *Great minds in management: The process of theory development*, 37(2), 460-484.
- Segatto, B. L., Sabiston, C. M., Harvey, W. J., & Bloom, G. A. (2013). Exploring relationships among distress, psychological growth, motivation, and physical activity among transplant recipients. *Disability and Rehabilitation*, 35(24), 2097-2103.
- Sekhar, C., Patwardhan, M., & Singh, R. K. (2013). A literature review on motivation. *Global business perspectives*, 1(4), 471-487.
- Shao, Z., Feng, Y., & Hu, Q. (2016). Effectiveness of top management support in enterprise systems success: A contingency perspective of fit between leadership style and system life-cycle. *European Journal of Information Systems*, 25(2), 131-153.
- Son, I., Lee, D., Lee, J. N., & Chang, Y. B. (2014). Market perception on cloud computing initiatives in organizations: An extended resource-based view. *Information & Management*, 51(6), 653-669.
- Staw, B. M. (1984). Organizational behavior: A review and reformulation of the field's outcome variables. *Annual review of psychology*, 35(1), 627-666.
- Stringer, P. (2013). *Capacity building for school improvement: Revisited*. Springer Science & Business Media.
- Tosi Jr, H. L., & Slocum Jr, J. W. (1984). Contingency theory: Some suggested directions. *Journal of management*, 10(1), 9-26.
- Vuori, V., & Okkonen, J. (2012). Knowledge sharing motivational factors of using an intra-organizational social media platform. *Journal of knowledge management*.
- Weatherly, L. A. (2003). Human capital: the elusive asset. *HR Magazine*, 48(3), 1-8.
- Welbourne, T. M., & Cyr, L. A. (1996). Agency theory implications for strategic human resource management: Effects of CEO ownership, administrative HRM, and incentive alignment on firm performance.
- Wong, E. M., & Cheng, M. M. (2013). Effects of motivational interviewing to promote weight loss in obese children. *Journal of clinical nursing*, 22(17-18), 2519-2530.
- Wu, L. Y. (2010). Applicability of the resource-based and dynamic-capability views under environmental volatility. *Journal of business research*, 63(1), 27-31.
- Yulianty, S., & Hadijah, H. S. (2020). The existence of human capital in increasing organizational performance in Industry 4.0 era. In *Advances in Business, Management and Entrepreneurship* (pp. 517-521). CRC Press.
- Zhao, E. Y., & Lounsbury, M. (2016). An institutional logics approach to social entrepreneurship: Market logic, religious diversity, and resource acquisition by microfinance organizations. *Journal of Business Venturing*, 31(6), 643-662.