



**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**SCHOOL OF COMMERCE**  
**MASTER'S OF HUMAN RESOURCE MANAGEMENT**

**Relationship between Training and Development and Bank  
performance: The Case of Commercial Bank of Ethiopia, Bishoftu  
Town**

**BY: YODIT AMERGO**

**Advisor**

**Mr. BANTIE WORKIE**

**October, 2018**

**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**SCHOOL OF COMMERCE**  
**MA PROGRAM**

**Relationship between Training and Development and Bank  
performance: The Case of Commercial Bank of Ethiopia, Bishoftu  
Town**

**BY: YODIT AMERGO**

APPROVED BY BOARD OF EXAMINERS

_____	_____	_____
ADVISOR	SIGNATURE	DATE

_____	_____	_____
INTERNAL EXAMINER	SIGNATURE	DATE

_____	_____	_____
EXTERNAL EXAMINER	SIGNATURE	DATE



## **DECLARATION**

I declare that the research entitled “Relationship between training and development and bank performance: The case of Commercial Bank of Ethiopia, Bishoftu Town.” is my original work, and has not been presented in Addis Ababa University or any other University, and prepared under guidance of my advisor Mr. Bantie W. All sources of material used for the research have been duly acknowledged. It is offered for the partial fulfillment Masters in Human Resource Management.

**Yodit Amergo**

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

## **STATEMENT OF CERTIFICATE**

This is to certify that Yodit Amergo has carried out this thesis work on the topic entitled, “Relationship between training and development and bank performance the case of commercial bank of Ethiopia: in Bishoftu town” under my supervision for the partial fulfillment of Masters of Art in Human Resources Management at Addis Ababa University-School of Commerce . This work is original and suitable for the submission in partial fulfillment of the requirement for the award of Masters in Human Resource Management.

Advisor: Mr. Bantie Workie

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **Acknowledgements**

First I thank the almighty God and his mother St. Merry for everything that is given to me through this task. Second I would like to express my gratitude to my advisor Mr. Bantie Workie, for his unreserved support and advice throughout this study, professional assistance and dedication of precious time in reading and correcting this research. As well, I would like to thank the participant's employees of Commercial Bank of Ethiopia in my survey, who have willingly shared their precious time during the process of answering the questionnaire. I would like to express my gratitude and appreciation for the support and contribution of everyone who assisted me during this project. I express my deepest gratitude to my family and friends for their support in completing the study.

## **Abbreviations**

TD - Training and Development

HRD - Human Resources Development

CBE - Commercial Bank of Ethiopia

SPSS - Statistical Package for Social Science

## **Table of contents**

DECLARATION .....	i
STATEMENT OF CERTIFICATE .....	ii
Acknowledgements .....	iii
Abbreviations .....	iv
Table of contents .....	v
List of Tables .....	viii
ABSTRACT .....	ix
<b>CHAPTER ONE.....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study .....	1
1.2 Statement of the Problem .....	3
1.3 Research Question.....	5
1.4 Research Objectives .....	5
1.4.1 General Objective.....	5
1.4.2 Specific Objective .....	5
1.5 Significance of the Study .....	5
1.6 Scope of the Study .....	6
1.7 Limitation of the Study .....	6
1.8 Definition of Terms .....	6
1.9 Organization of the Study.....	6
<b>CHAPTER TWO.....</b>	<b>7</b>
<b>REVIEW OF RELATED LITERATURE.....</b>	<b>7</b>
2.1 Definition and Concepts of Training and Development .....	7
2.2 Management development .....	9
2.3 Distinction between Training and Development .....	10
2.4 Benefits from Employee Training and Development .....	10
2.5 Training and Development Process .....	11
2.6 Organizational effectiveness and Training and Development .....	19

2.7 Training and Development and organizational Performance .....	19
2.8 Empirical Framework.....	20
2.9 Conceptual Framework .....	21
<b>CHAPTER THREE .....</b>	<b>23</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>23</b>
3.1 Description of the Study Area .....	23
3.2 Research Approach .....	23
3.3 Research Design.....	23
3.4 Population and Sample.....	24
3.4.1 Population .....	24
3.4.2 Target population .....	24
3.5 Sampling Method and Sampling Technique.....	24
3.6 Data Sources and Types .....	25
3.7 Data Collection Procedures .....	25
3.8 Reliability and Validity .....	26
3.8.1 Reliability.....	26
3.8.2 Validity .....	26
3.9 Data Analysis .....	27
3.10 Ethical Considerations.....	27
<b>CHAPTER FOUR.....</b>	<b>28</b>
<b>RESULTS AND DISCUSSION .....</b>	<b>28</b>
4.1 Characteristics of the Respondents.....	28
4.2 purpose of Training and Development in CBE.....	30
4.3 How Training and Development looks like in CBE. ....	32
4.4 Setting Objective.....	34
4.5 Training and development program Content .....	36
4.6 Training Constraints .....	38
4.7 Training Evaluation.....	39
4.8 The relationship between Training and development and organization Performance .....	41
4.9 Correlation Analysis.....	43

<b>CHAPTER FIVE.....</b>	<b>44</b>
<b>FINDINGS, CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>44</b>
5.1 Summary of major findings.....	44
5.2 Conclusions .....	45
5.3 Recommendations .....	47
References.....	ix
Appendix-A.....	xii
Appendix- B.....	xvi

## List of Tables

Table 4.1 Reliability Statistic.....	26
Table 4.2 Characteristics of Respondents.....	28
Table 4.3 Human Resource Development Practice in CBE .....	29
Table 4.4 How does Human Resource Development look like in CBE .....	30
Table 4.5 Training and Development Objectives .....	32
Table 4.6 Training and Development Program Content .....	33
Table 4.7 Training Constraints .....	35
Table 4.8 Training Evaluation .....	37
Table 4.9 The Effect of Training and Development on Organization Performance.....	38
Table 4.10 The Relationship between Human Resource Development and Performance in CBE.....	40
Table 4.11 Correlation Analysis.....	42

## **ABSTRACT**

*This study tried to assess relationship between training and development and bank performance: The case of Commercial Bank of Ethiopia, Bishoftu area in six branches. The main objective of training and development is to improve employee knowledge and the skills for their better performance and organizational performance. The researcher has been used questionnaire and semi-structured interview for non-managers and manager of the bank to get information for this research. Simple random sampling technique was used and the number of participants' was 132 respondents for the self-administered questionnaires and for the face to face interview that made with managers. The researcher used descriptive analysis with the help of frequency tables and percentages to analyze the data. The major finding reveals that training and development need assessment was not participatory, not offering training opportunities based on training need assessment, TD not continuous process, lack of planning in advance, absence of trainees' evaluation practice at different phases, lack of attentions by leaders and lack of collecting feedback, suitable training facility, The findings on the relationship between training and development and bank performance are generally significant and belief of top level management on the importance of TD to organizational performance. The correlation analysis result shows that the relationship between dependent and independent variables are positively and significantly correlated. The recommendations made for addressing issues were, conduct periodic training needs assessment, the CBE should conduct effective training and development evaluation, participate trainees in all the training and development process, provide continuous training opportunities, see all employees equally, and improve the capacity of trainees in all the training and development process.*

**Key Words:** *Training and development and commercial bank of Ethiopia*

## **CHAPTER ONE**

### **INTRODUCTION**

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

The complexity and competitiveness of today's business environment requires that companies continuously raise the bar on their effectiveness. Top performance increasingly demands excellence in all areas, including leadership, productivity, and adaptation to change, process improvement, and capability enhancement (knowledge, skills, abilities, and competencies). It is no doubt that improvement in Organizational Effectiveness is the only way to lead business success (Mahapatro, 2010). Helping employees to become effective in their jobs is one of the most fundamentally important tasks in people management that any work organization has to undertake (Tyson, 2006). Human resources boast significant responsibility for the success or failure of an organization (de Waal, 2007; Haslinda, 2009) as cited by, Richman (2015). Organizational effectiveness relates to the capacity of an organization to sustain the people, strategies, learning, infrastructure and resources it needs to continue to achieve its mission (Mahapatro, 2010).

Employers depend on the quality of their employees' performance to achieve organizational aims and objectives (Tyson, 2006). Training and Development is a process by which the staff of our institution is helped in a continuous and systematic way to acquire capabilities required to perform various functions associated with their expected roles (Mahapatro, 2010). Training and Development helps to develop their general capabilities as individuals and discover their own potentials for the growth of the organization.

In virtually every market, customers are now demanding higher quality, lower costs and faster cycle time. To meet these requirements, the firms must continually improve their overall performance. Rapid advances in technology and improved processes have been important factors in helping businesses meet these challenges. However, the most important competitive advantage for any firm is its workforce—one must remain competent through continuous training and development efforts. However, successful organizations realize that well-structured and significant employees training and Development correlate strongly with long-term success. This leads the organizations into matured learning organizations.

Organizations need people with high and appropriate levels of knowledge, skills and abilities (Armstrong, 2014). Organizations also need to take account of the personal needs of those they employ for development and growth (Armstrong, 2014). Increasing employees' skills and abilities are expected to create future returns through increased productivity and business performance (Shih, Chiang, & Hsu, 2006) as cited by, Agwu1 & Ogiriki2, (2014).

Employee training is a learning experience, it seeks a relatively permanent change in employees that their improve job performance (DeCenzo & Robbins, 2005). Employee training and development initiatives can transform organizations with providing extra skills to your employees and it leads to higher job satisfaction, which shows up in better corporate performance (Mahapatro, 2010). Training involves changing what employees know, how they work, or their attitudes toward their jobs, coworkers, managers, and the organization (DeCenzo & Robbins, 2005).

The Commercial Bank of Ethiopia (CBE) is the largest commercial bank in Ethiopia banking industry, established in 1942. Commercial bank of Ethiopia plays a catalytic role in the economic progress and development of the country and the huge bank in the country in terms of capital, asset and number of branches. Its vision is becoming one among the world class Banks by the 2025 and its mission is committed to best realize stakeholders' needs through enhanced financial intermediation globally and supporting national development priorities, by deploying highly motivated, skilled and disciplined employees as well as state-of-the-art technology. CBE strongly believe that winning the public confidence is the basis of their success.

The bank disclosed in its annual performance for the 2016/17 financial that it is biggest bank in the country stated that its assets reached to 485.7 billion birr by the end of the financial year. The capital of CBE has also reached to 40 billion birr. Recently, the government approved a capital increase.

In this study emphases would be given to the training and development programs which are the backbone of the organization. Training and development is by definition "the heart of continues effort to designed to improve employee competency and organization performance." (Monday and et al 1999:254). Training is a learning process whereby people acquire the necessary skills and knowledge to enhance the achievement of organizational goals.

Training and development is the one that is related to creating, maintaining, restoring and upgrading the human resource efficiency and effectiveness and is the one determining factors for achieving and

sustaining organizational objectives. It is the turning point where the gap between performance and predetermined standard is reached, policy reviewed, standards readjusted or corrective action taken. In general, human resource training and development refers to the organizations' intention to provide opportunities for the development of its employees irrespective of their position on the organization (Tyson, 1990).

As a service giving organization the quality of the Bank's service was highly dependent on the efficiency and effectiveness of its employees. Nothing can be done without the participation of human resource. To utilize these resources effectively and efficiently the necessary training and development practice should be fulfilled to make the organization continue in a profitable existence in the ever-changing dynamic and competitive world. CBE was practicing training and development in order to get better its employees' knowledge, skills and attitudes. It is necessary for organization to identify, evaluate and develop key employee's competencies in order to achieve a competitive advantage. Organizations aspire to be successful through differentiated programs, services, capabilities, and products. However, such elements need to be envisioned, developed, implemented, and sustained by well-trained individuals. Training and development programs assist organizations in staying competitive in the market place. In order to ensure this, practice of continuous training and development of its employees becomes mandatory.

Hence the study assessed the relationship between training and development and performance of Commercial Bank of Ethiopia.

## **1.2 Statement of the Problem**

The rate of change facing organizations has never been greater and organizations must absorb and manage change at a much faster rate than in the past. In order to implement a successful business strategy to face this challenge, organizations, large or small, must ensure that they have the right people capable of delivering the strategy. Of all the resources, the 'human resources' is the most significant and the only active factor of Production (Mahapatro, 2010). All other factors like capital, materials, buildings, plant and machinery, etc. remain inactive unless there are competent people to utilize them for producing goods and services desired by the society. The goal of achieving the greater quality and higher productivity depends on the skills of people. Developing the human resources, upgrading their skills and extending their knowledge and the competencies would lead to organizational development. Therefore, training and development is the key to enhancing and effective utilization of intellectual,

technological and entrepreneurial skills of human resources. Increasingly more importance is given to “people” in the organization. This is because that human asset is the most important of all assets.

The focus of all aspects of training and development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers (Mahapatro, 2010). Research agrees that the skills transferred through training and developments are aligned with the characteristics of a high performance organization. (deWaal, 2007) as cited by, Richman (2015).

However, one of the leading challenges in management has been the implementation of effective training and development strategies to enhance performance (Bhatti and Qureshi, 2007) as cited by, Agwu1 & Ogiriki2, (2014).

Understanding of labor contribution or human resources training and development is vital for management especially in the areas of boosting organizational productivity and as well its profitability. The ineffective practice of training and development can result in various problems such as reduced employees' ability to develop and apply new skills, a decrease in staff productivity, and low performance of organizations (Obor, 2017). Problems in training and development are created as a result of training and development programs failing to address the organizational and staff' needs. Training and development is a vital tool for enhancing job-related performance and organizational effectiveness (Obor, 2017).

Considering this, the Commercial Bank of Ethiopia has been committed towards improving its overall service quality which is re-enforced by its vision. Thus, the bank wants quality training through enhancing the number and competent internal trainers and the required training facilities.

Even though training is intended to enhance employee’s competency practically, different problems are observed in the effectiveness of training and development in CBE. A rough assessment indicated some of practical training and development related problems are unfair or uneven distribution of training opportunities to employee who perform at the same level or job grade, trainings were not given to those who needed it, unwillingness by line managers to release those employees for training purposes, and lack follow up after training on the performance of employees by most of the line managers, and to some extent trainers’ lack of the required competency to deliver trainings and there is no well-designed lesson plan.

This research was examining the extent to which the training and development programs of the Bank are effective, responsive to the needs and expectation of its employee and organization and how these help to bank performance. Moreover, the researcher needs to contribute few things in this study and the relevance of the outcome of the study for the Commercial Bank of Ethiopia and other similar organizations would get considerable attention. Filling this gap is what motivated the researcher, he believes that assessing training and development practices is timely and priority issue because of the relevance of training and development for organizational success and its associated high costs if not applied properly. This study, therefore, sets out to assess relationship between Training and Development and performance of Bank.

### **1.3 Research Question**

The research have been answered the following key research questions.

- i. How does Training and Development look like in CBE?
- ii. What is the level of performance in CBE?
- iii. What is the relationship between Training and Development and performance in CBE?

### **1.4 Research Objectives**

#### **1.4.1 General Objective**

The main objective of the research was assessed Relationship between Training and Development and performance of Bank: The case of Commercial Bank of Ethiopia, Bishoftu area.

#### **1.4.2 Specific Objective**

- i. To assess how Training and Development look like in CBE.
- ii. To examine the level of performance in CBE.
- iii. To assess the relationship between Training and Development and performance in CBE.

### **1.5 Significance of the Study**

-  To provide constructive inputs to the organization that may help to improve its HRD practices.
-  The findings contribute to the Commercial Bank of Ethiopia by indicating the areas that need improvement. It provide possible suggestion to remove the weaknesses of the training and development practice of the bank and it help the bank to improve the way it conducts the training and development activities.



This study serves as a source of information for further study that will be made on related topics.

### **1.6 Scope of the Study**

The scope of the study was restricted on Bishoftu area specifically bishoftu area in six branches namely, Lemlem branch, Bishoftu menaheria branch, Torban gerba branch, Bishoftu branch, Adea branch, and Hora arsedu branch of commercial bank of Ethiopia by emphasizing on the relationship between Training and development and bank performance. It did not include other branches due to budget and time constraint. Hence, the data were collected from selected branches. Methodologically, this study used cross-sectional survey hence data were collected from the sample respondents selected through simple random technique at the same time at one point in time.

### **1.7 Limitation of the Study**

Since this study only included branches of the Bank found in Bishoftu area only, the findings of this study couldn't represent the characteristics of all staffs of the Bank found throughout the country. However, considering the time, budget, access to data, expect rate of return for research instruments and convenience, this research concentrate on commercial Bank of Ethiopia in Bishoftu area.

### **1.8 Definition of Terms**

**Training:** - Training is an organized activity for increasing the knowledge and skills of the people for a definite purpose (Mahapatro, 2010).

**Development:** - deals with the growth of employees in all aspects (Armstrong, 2006).

**HRD:** - refers to the introduction of organized learning, performance, and change activities designed to increase knowledge, skills, and competencies (Ann Gilley et al., 2009).

**Organization:** - refers to Bank of commercial Bank of Ethiopia.

### **1.9 Organization of the Study**

The study was organized into five chapters. The first chapter was an introductory part of the study in which background of the study, statement of the problem, objective of the study, research question, definition of term, significance of the study, and Scope of the study. The second chapter deals with related literature review of the study. The third chapter was methodology of the study. Chapter four analyzes the data and presents the findings. The last chapter was the summary of findings, conclusions, and recommendations part.

## CHAPTER TWO

### Review of Related Literature

#### 2.1 Definition and Concepts of Training and Development

Human resource or employees are the most dynamic and usually the most expensive of all the organization's resources (Itika, 2011). They need to be supported and nurtured if they are to achieve their full potential, both for themselves and for the organization. Employees and managers with appropriate experiences and abilities may enhance organizational competitiveness and the ability to adapt to a changing environment (Mathis & Jackson, 2011). As a manager/ administrator one is responsible for the performance of all of his/her staff and he/she should be actively involved in the process of identifying and attempting to satisfy their training needs (Itika, 2011).

According to Armstrong (2008) Training is the planned and systematic modification of behavior through learning events, programs and instruction that enable individuals to achieve the levels of knowledge, skill and competence needed to carry out their work effectively.

Training" refers to a systematic approach to learning and development to improve individual, team, and organizational effectiveness (Goldstein & Ford 2002). Development is concerned with ensuring that a person's ability and potential are grown and realized through the provision of learning experiences or through self-directed (self-managed) learning (Armstrong, 2009). Training activities can also be beneficial regarding other outcomes at both the individual and team level (Aguinis & Kraiger, 2009).

Development refers to activities leading to the acquisition of new knowledge or skills for purposes of personal growth (Aguinis & Kraiger, 2009). It is an unfolding process that enables people to progress from a present state of understanding and capability to a future state in which higher-level skills, knowledge and competencies are required (Armstrong, 2009).

Development can benefit both organizations and individuals. In the development process, individuals' careers also may evolve and gain new or different focuses (Mathis& Jackson, 2011).

Training is the use of systematic and planned instruction activities to promote learning (Ibid). The approach can be summarized in the phrase 'learner-based training'. It is one of several responses an organization can undertake to promote learning (Ibid).

Training programs not only develops employees but also help an organization to make best use of their human resources in favor of gaining competitive advantage (Jie & Roger, 2005). Therefore, it seems mandatory by the firm to plan for such a training program and its employees to enhance their abilities and competencies that are needed at the workplace. There is documented evidence that training activities have a positive impact on the performance of individuals and teams (Aguinis & Kraiger, 2009). Training develops self-efficacy and results in superior performance on job (Svenja, 2007), by replacing the traditional weak practices by efficient and effective work related practices (Kathiravan, Devadason & Zakkeer, 2006).

Development of human resources refers to the personal and professional advancement of knowledge, skills, and competencies (Ann Gilley et al., 2009). It also includes improved behavior of individuals within the organization, which reflects a focus on the individual and a philosophical commitment to the professional advancement of human resources within the organization. Continuous employee development benefits the organization through greater efficiency and more effective practices. Ultimately, development refers to the continuous improvement of an organization's culture through interventions that crystallize the firm's mission, strategy, structure, policies and procedures, work climate, and leadership practices (Ann Gilley et al., 2009).

Development is an unfolding process that enables people to progress from a present state of understanding and capability to a future state in which higher-level skills, knowledge and competencies are required (Armstrong, 2006).

### **Education**

According to Itika (2011) education is basic instruction in knowledge and skills designed to enable people to make the most of life in general. Education tends to focus on the acquisition of knowledge.

### **Learning**

Learning is a continuous process that not only enhances existing capabilities but also leads to the development of the skills, knowledge and attitudes that prepare people for enlarged or higher-level responsibilities in the future (Armstrong, 2006).

## **2.2 Management development**

According to (Mumford, 1995: 6) as cited by Mahapatro (2010), Management development is usually defined as ‘the attempt to improve managerial effectiveness through a planned and deliberate learning process.’

Management development is any attempt to improve managerial performance by imparting knowledge, changing attitudes, or increasing skills (Dessler, 2003).

Management development is concerned with encouraging managers to improve their skills. Particular emphasis is often given in such programs to important aspects of general management, such as leadership, decision-making, Communication, innovation, and change. Coaching and mentoring programs are one of the valuable management development tools (Rowley & Jackson, 2011).

Although development is important for all employees, it is essential for managers. Without appropriate development, managers may lack the capabilities to best deploy and manage resources (including employees) throughout the organization (Mathis & Jackson, 2011).

Research by Tamkin et al (2003) as cited by Armstrong (2014) established that the abilities managers need are:

- to empower and develop people – understand and practice the process of delivering through the capability of others;
- manage people and performance – managers increasingly need to maintain morale while also maximizing performance;
- work across boundaries, engaging with others, working as a member of a team, thinking differently about problems and their solutions;
- develop relationships and a focus on the customer, building partnerships with both internal and external customers;
- Balance technical and generic skills – the technical aspects of management and the management of human relationships.

### **2.3 Distinction between Training and Development**

Even if most literatures use training and development interchangeably, it has its own difference in concept (Armstrong, 2006). For Fitzgerald (1992), training focuses primarily on teaching employees how to perform their current jobs and helping them acquire the knowledge and skills they need to be effective performers, whereas development focuses on building the knowledge and skills of organizational members so they are prepared to take on new responsibilities and challenges. Training tends to be practiced more frequently at lower levels of an organization; development tends to be used more frequently with professionals and managers (Jones and George, 2011).

Both training and development can play a critical role in attracting and retaining workforce (Wilson, 1999). Training can be an essential tool for maintaining and improving the productivity of employees there by upgrading their skills that are relevant to meet specific business, customer needs and ever changing industry standards while development Opportunities motivate employees by providing them with skill and knowledge enrichment (NISC, 2008).

### **2.4 Benefits from Employee Training and Development**

According to Mahapatro (2010) Employee training and development initiatives can transform organizations with providing extra skills to your employees to not only increase safety and productivity but training leads to higher job satisfaction, which shows up in better corporate performance. Valuable training also includes situational training that provides personnel the skill sets that allow them to make timely, knowledgeable decisions that benefit both the customer and the company (Ibid).

Employees frequently develop a greater sense of self-worth, dignity and well-being as they become more valuable to the firm and to society. Generally they will receive a greater share of the material gains that result from their increased productivity. These factors give them a sense of satisfaction through the achievement of personal and company goals.

The pace of change has an impact on workplace learning. If you think of your current position you most likely have had to increase your competence in change management, fund raising, diversity management, and so on. In other words, you have had to consciously develop as an employee.

Research has shown specific benefits that a small business receives from training and developing its workers, including:

- ✚ Increased productivity.
- ✚ Reduced employee turnover.
- ✚ Increased efficiency resulting in financial gains.
- ✚ Decreased need for supervision.
- ✚ Increase Accuracy and efficiency.
- ✚ Good work safety practices.
- ✚ Great customer service.

There are numerous reasons for supervisors to conduct training among employees. These reasons include:

- Increased job satisfaction and morale among employees.
- Increased employee motivation.
- Increased efficiencies in processes, resulting in financial gain.
- Increased capacity to adopt new technologies and methods.
- Increased innovation in strategies and products.
- Reduced employee turnover.
- Enhanced company image, e.g., conducting ethics training (not a good reason for ethics training!).

### **2.5 Training and Development Process**

Training and Development is a process by which the staff of our institution is helped in a continuous and systematic way to acquire capabilities required to perform various functions associated with their expected roles (Mahapatro, 2010). It helps to develop their general capabilities as individuals and discover their own potentials for the growth of the institution.

(Mondy and Noe, 1990) below, the steps in the Training and Development processes are:

1. Identifying training and development needs
2. Establishing training and development objectives.
3. Selecting training and development methods and media.
4. Implementing the actual training and development program.

5. Conducting evaluation and follow-up.

### **1. Identifying training and development needs**

The first step in human resource development process is to identify training and management development needs. Since training and development is a need-oriented effort, determining the level, type and duration of the training and development is of prime importance at this stage of the process. If human resource development need analysis is incorrect at this stage:

-  Then the later development activity will be inappropriate
-  Organization could end up in wasting time, resource and also de motivating staff.
-  Employees will develop negative attitudes towards future program.

The dominant framework for identifying organization's human resource development needs has been McGehee and Thayer's three-category need analysis approach (Scarpello and Ledvinka, 1988).

- 1) Organizational analysis
- 2) Task (job) analysis
- 3) Person analysis

#### **1. Organizational Analysis**

Organizational analysis is the process of identifying job-related knowledge and skills that are needed to support the organization's short-range and long-range goals (Scarpello and Ledvinka, 1988). This implies that organization's strategic goals and plans must carefully be examined in line with the human resource planning (Ibid). In this approach, information related to organizational structure, size, growth, objectives and other factors is gathered to effectively determine where and how training and development programs should be conducted. In other words, according to Chatterjee, 1995), essentially, there are three requirements:

1. Are there an adequate number of people to fulfill organizational objectives?
2. Are these people equipped with the necessary skills and knowledge and are the general level of their performance up to the required standard?

3. Does the prevailing organizational climate provide a wholesome environment for the fulfillment of tasks and objectives? Chatterjee (1995) further pointed out the approaches that can be used to arrive at meaningful conclusions to each of the above queries. Some of these are:

- Observing employees
- Asking supervisors about employees
- Examining the problems of employees
- Performance assessment and attitude surveys
- Assessment of the organization's public image
- Looking at rules, procedures and systems

Interpretation of the information collected from the above approaches would provide guidelines and clues to the training need.

## 2. Task Analysis

This approach refers to the determination of skill and knowledge, the job requires (Scarpello and Ledvinka, 1988). In collecting job information as input into training decisions, however, the job analysis must include (Scarpello and Ledvinka, 1988):

- A detailed examination of each task component of the job.
- The performance standard of the job.
- The method and knowledge the employee must use in performing the job task
- The way employee learns the method and acquires the needed knowledge.

Thus, job analysis is a means by which facts relating to the job are obtained. It includes a job description and a job specification. If a human resource development program mounted for a specific job is to be successful, there is a need for a clear definition of what the job entails and of the qualities needed for its performance. Furthermore, if information relating to the nature of a specific job was collected prior to the organization of all development programs, then the programs would have much greater relevance to the needs of the job and would also enable to produce staffs that were much better prepared for their responsibilities.

### 3. Person Analysis

Another training and development need analysis approach is person analysis. Here the concentration is on the individual employee. It is used to analyze the substantive knowledge and skill possessed by the employee (Scarpello and Ledvinka, 1988). This approach deals with two basic questions. These are:

- ✓ Who needs to be trained?
- ✓ What kind of training is needed?

Information about the person's job behavior can be obtained by:

1. Directly observing job performance
2. Reviewing supervisory evaluations of performance
3. Using diagnostic tests, such as written ability tests and work samples
4. Comparing the behaviors of well-performing employees with those of poorly performing employees
5. Discussing with employees their individual job performance and factors that may inhibit that performance (Bass and Vaughan, 1966): Once actual employee's performance is identified to be below standard, the next step is to determine the kind of training or development needed to equip the employee with specific knowledge and skill required for better performance. Generally, training and development can improve the individual's performance only when:

1. The employee does not have the knowledge and skill to do the job.
2. The low performance is not due to lack of practice
3. The low performance is not due to other causes (Laird, 1983).

Finally, since training and development costs money, organization must ensure maximum return in terms of organization current and further performance.

### **2) Training and Development Objectives**

Once training and development needs are clearly identified, the next process is to establish objectives. An objective is a specific outcome that the training or the development program is intended to achieve (Scarpello & Ledvinka, 1988). In most cases, training and development objectives are set for the

trainees. These objectives define the performance that the trainee should be able to exhibit after training (Ibid). The main objectives of staff training and development are to improve the qualities of the trainee, formulation of objectives for different needs and ways of achieving it. The training objective is very important because it determines the designed and content of the training programs. Contents of the training remain the same no matter the type of training involved. It is to increase personnel efficiency, professional growth; smooth and more effective organization's operations.

Human resource development experts suggest that objectives should be stated explicitly and answer the following questions (Scarpello & Ledvinka, 1988):

1. What should the trainees be able to do after training?
2. Under what conditions should the trainee be able to perform the trained behavior?
3. How well should the trainee perform the trained behavior?

Training and development objectives must be specific, measurable and time-targeted (Werther and Davis, 1996). Objectives with such characteristics serve a number of purposes. According to Scarpello and Ledvinka (1988), they assist in developing the criteria to be used in evaluating the training or development outcome. Objective and the evaluation criteria also help in choosing relevant instructional method, media, and material.

### **3) Selecting training and development methods and media.**

The content, method, and media must match the job requirement of the organization and the learning style of the participant. Training and development are more effective when learning is based on principles (Werther and Davis, 1996). Learning Principles are guidelines to the ways in which people learn most effectively (Ibid). The learning principles and their merits are described as follows:

**Participation:** Learning usually is quicker and longer-lasting when the learner participates actively. Participation improves motivation and apparently engages more senses that reinforce the learning process (Werther and Davis, 1996). As a result of participation, people learn more quickly and retain that learning longer

**Repetition:** Repetition apparently etches a pattern into one's memory. Studying for an examination, for example, involves the repetition of key ideas so that they can be recalled during a test (Werther and Davis, 1996).

**Relevance:** Learning is helped when the material to be learned is meaningful. For example, trainers usually explain the overall purpose of a job to trainees before explaining specific tasks. This allows the owner to see the relevance of each task and of following the correct procedures (Werther and Davis, 1996).

**Transference:** The more closely the demand of the training program matches the demand of the job, the faster a person learns to master the job (Werther and Davis, 1996).

**Feedback:** Feedback gives learners information on their progress. With feedback, motivated learners can adjust their behavior to achieve the quickest possible learning curve; without it, they cannot gauge their progress and may become discouraged. Test grades are feedback on the study habits of test takers (Werther and Davis, 1996).

In selecting instructional methods and media, trade-off exists. That is, no single method or media is always best; the best method or media depends on (Werther and Davis, 1996):

-  Cost-effectiveness
-  Desired program content
-  Learning principles
-  Appropriateness of the facilities
-  Trainee preferences and capabilities
-  Trainer preferences and capabilities

#### **4) Implementing the actual training and development program.**

Human resource development program should aim at enabling organizations to achieve their objectives. Hence, the program should be set up after having clear-cut objectives in mind. In every program decisions have to be made as to who should be trained, who are the instructors, where and when the program is to be conducted and what are the material requirements. Moreover, according to Chatterjee (1995), providing answers to questions like what skills are going to be taught, what kind of employee

development is sought, what long or short term objectives are proposed will determine the design and details of the programs. Since human resource development program decisions are based on cost considerations, the management must believe that the program will:

- Increase the skill and knowledge of employees and hence, they will perform better towards organizational success.
- Motivate employees to learn and attain their personal goals.
- Provide feedback to improve the program.

## **5) Evaluation of Training and Development**

Evaluation is the final phase of the training and development program. It is a means to verify the success of the program, i.e. whether employees in the program do the jobs for which they have been trained. As Ahuja (1988) noted, the concept of evaluation is most commonly interpreted in determining the effectiveness of a program in relation to its objectives. Human resource development is an investment in people. The major reason why management wishes to invest in training and development program is that to help employee to perform better in the achievement of organizational objectives. Hence, evaluation is a means to assess the cost/benefit of the program to the organization. However, as Milkovich and Boudreau (1991) noted, evaluation is like brushing your teeth after every meal everyone advocates it but few actually do it. Evaluation can be done for various purposes. It may be done:

- ❖ To increase effectiveness of the program while it is going on.
- ❖ To increase the effectiveness of the program to be held next time.
- ❖ To help participants to get feedback for their improvement and efficiency.
- ❖ To find out to what extent the objectives are achieved (Ahuja, 1988).

In evaluating the worth of specific programs, sets of measurement criteria should be identified. These, according to writers in the area, are:

### **1. Reaction**

What did the participant think about the program? Participants react to the learning experience by forming opinion and attitude about the instructor, the methodology, participation in the learning session and how well he liked the program.

## **2. Learning**

Did the participant learn what was intended? Learning evaluation requires the measurement of what participant has learned as a result of his/her training i.e. the new knowledge and skill he/she has acquired or the change in attitude.

## **3. Job behaviors**

Did the learning transfer to the job? Job behavior evaluation is concerned with measuring the extent to which participant has applied his/her learning back on the job.

## **4. Organizational impact**

Has the training helped organizational performance? This evaluation attempts to measure the effect of change in the job behavior of the trained employees on the functioning of the organization and the behavior of other employee. The changes may be ascertained in such terms as improvements in service delivery, productivity or reduction in costs.

## **5. Ultimate Value**

Has the training affected the ultimate well-being of the organization? Here evaluation aims to measure how the organization as a whole has benefited from the training in terms of goal achievement, survival or growth. To measure the effect of human resource development program using the criteria mentioned above requires using data gathering method such as questionnaire, interview and observation. Other measures like management audit, survey, analysis of record and performance data, expert opinion, test and the like can be used to collect evaluation information (EMI). In sum, human resource development to be useful to both the organization and the employee the management concerned should:

-  Properly assess needs
-  Formulate clear objectives
-  Design program to meet the needs and to attain objectives
-  Conduct cost/benefit evaluation

If the training and development shaped the employees in such a way as to fit the job requirements, then it can be concluded that organizations have achieved their objectives and in turn they have also justified the investment made in human resource.

## **2.6 Organizational effectiveness and Training and Development**

According to Mahapatro, 2010 more now than ever, companies today want to deliver products better, faster, and cheaper. At the same time, in the high-technology environment of the twenty-first century, nearly all organizations have found themselves building more and more complex products. Today, a single company usually does not develop all the components that compose a product. More commonly, some components are built in-house and some are acquired; then all the components are integrated into the final product. Organizations must be able to manage and control this complex product development and maintenance.

### **The Training and Development can play effective role in**

- Optimizing the use of employees for the growth of organization.
- Enabling employees to grow with the organization.
- Helping in the congruence of individual aspirations and organizational expectations.
- Maximizing the effectiveness of the employees and organization.
- Maximizing the managerial effectiveness by having an involved committed and highly motivated team of managers.
- Building and acquiring the skills necessary to meet existing and long-term organizational needs.
- An ability to anticipate competitor reactions to strategic responses as well as anticipate employee responses.
- Opportunities for employee advancement and growth.
- An emphasis on planning, training, and support.
- Lean production and an emphasis on efficiency and efficient processes.

## **2.7 Training and Development and organizational Performance**

Luthans F.et.al (2010) emphasized a resource based approach to training and development practices i.e. optimal use of human resources as a key to achieving competitive advantage since it is difficult for competitors to replicate; this resource-based approach has resulted in considerable attention being given to training and development and organizational performance. The effects of training and development on organizational performance have been extensively studied in the recent past with a positive relationship observed between training and development and firms' performance (Rizov & Croucher, 2008). However, one of the leading challenges in management has been the implementation of effective

training and development strategies to enhance performance (Bhatti and Qureshi, 2007). Chalofsky (1992) defined HRD as the study and practice of increasing the learning capacity of individuals, groups, collectives and organizations through the development and application of learning-based interventions for the purpose of optimizing human and organizational growth and effectiveness. Ballot, Fakhfakh and Taymaz (2006) have found evidence on the impact of training on productivity.

Training and development opportunities support the achievement of business strategies and improvement of organizational, team and individual performance (Armstrong and Baron, 2002). According to Singh & Mohanty (2012: 87) Organizations maintain a blurred position regarding investment in training. They generally accept training as an important means to improve employee productivity, which ultimately leads to organizational productivity and effectiveness, a present demand for all organizations.

## **2.8 Empirical Framework**

Studies have sought to isolate whether high skills are contributory factor behind successful and higher performing firms (Tamkin, 2005). These studies have identified a significant association between a highly skilled workforce and organizational performance, most commonly measured by the level of labor productivity.

Several studies have highlighted the performance benefits associated with increasing training and development activity. Dearden and Van Reenen (2000) analyzed the impact of training on performance for a variety of measures including value added output, profits and wages for a group of British industries between 1983 and 1996. They found connections between more training and higher labor productivity across a number of sectors.

The study carried by Ganesh Anjali (2007), concerned with training needs identification in public sector has identified that evaluation of training activity is very important namely in resource deployed and inputs provided. So as to make training conducive, goal oriented, need based, cost effective and duly modified from time to time on the basis of evaluation procedures require critical need identification. The researcher more indicated that the quality of training depends on the expertise of trainers, training methodology, training needs analysis, training evaluation procedures, supportive policies and strategic objectives. Moreover, the study found out the employees' lack of attitude towards training and training endeavors did not yield the best results. Finally, the research concluded

that the employees' attitude, trainers' competence level, teaching methodology and top management support in conducting need base training play a vital role in organizational success.

Sundararajam (2007) has conducted empirical study on employees' attitude towards training and development in private sector industries. The study came with certain conclusions about employees mind set towards training and development. The researcher found that training and development related programs are essential in the study areas. Moreover, the finding indicated that the employees' motivation to attend in the training programs provided by the management for employees' competence development and organizational development play a paramount role in every organization.

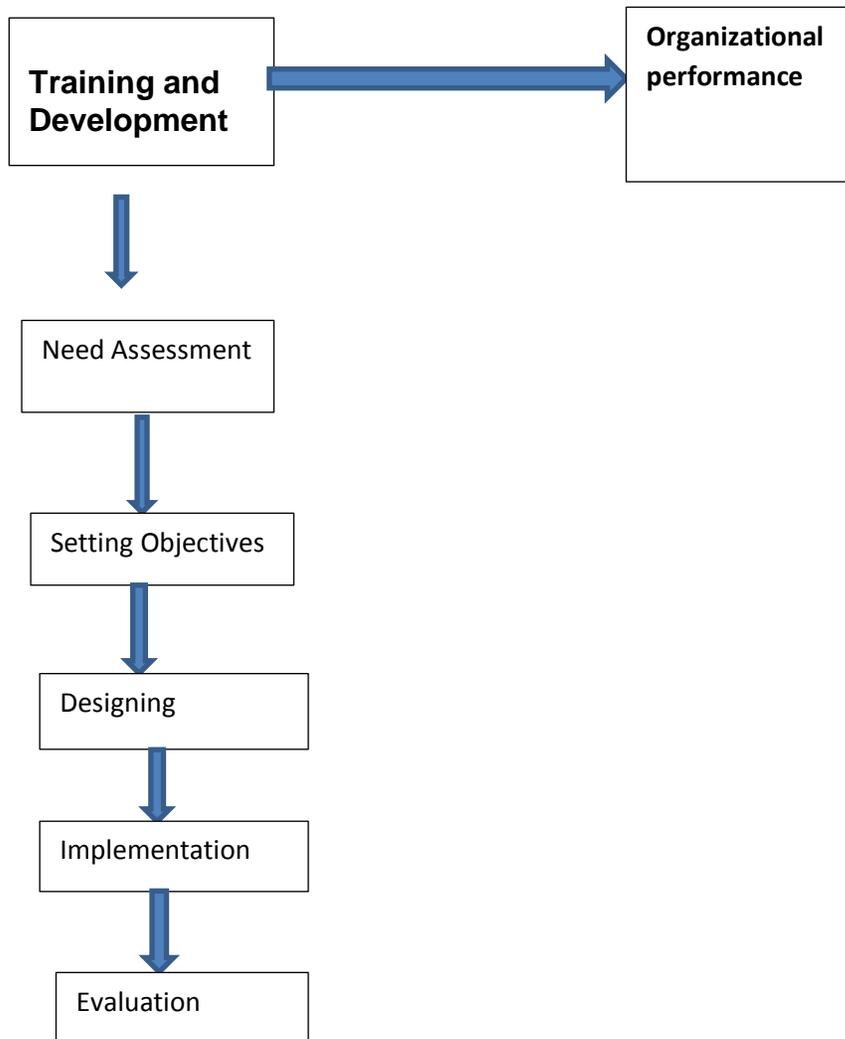
Khan et al. (2011) conducted a research study on impact of training and development on organization performance .The back bone of this study is data comprised of comprehensive literature review results show the training and development on the job training, training design and development style have significant effect of organization performance and all these have positively affect the organizational performance i.e. is increases the overall organizational performance.

(Tazebachew, 2011) was conducted a study to determine the impact of training on work performance in public sector organization using federal democratic republic of Ethiopia ministry health .The objective of this study was to investigate the actual training practice and its effect in improving the performance of employee by collecting data through interview and questionnaire augmented by different literature found in organization .The researcher key finding indicated that employees training positively and significantly correlated and influence employees work effectiveness efficiency, and comment collectively employee performance .

## **2.9 Conceptual Framework**

The conceptual model formulates to show association of Human resource development and organizations performance. In this study organization performance is dependent variable while Training and development, namely; training need assessment Training design, Training implementation, and training evaluation are independent variable. HRD is the integrated use of training and development, organizational development and career development to improve individual, group and organizational effectiveness. HRD is a process for developing and unleashing human expertise through organization development and personnel training and development for the purpose of improving performance

(Swanson & Holton, 2001). The effects of HRD on organizational performance have been extensively studied in the recent past with a positive relationship observed between HRD and firms' performance (Rizov & Croucher, 2008). The practice of HRD is dominated by positive intentions for improving the expertise and performance of individuals, work groups, work processes, and the overall organization.



**Figure 1.1:** Conceptual Framework, adapted and modified from Swanson.R and Holton III.F (2001,P-210).

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Description of the Study Area

Bishoftu is a town and separate woreda of Ethiopia, lying south east of Addis Ababa. The town is located in the East Shewa Zone of the Oromia Regional state; 47.9 kilo meters southeast of Addis Ababa.

The Commercial Bank of Ethiopia (CBE) is the oldest and the most successful financial service provider in Ethiopia, in the amount of deposit it mobilizes, the credit it avails and other modern and technology based bank products as well as other services it provides. It is a pioneer to introduce modern banking to the country. It has more than 1,250 branches in 15 districts stretched across the country. It is a leading bank with assets of 485.7 billion Birr as of June 30th 2017.

#### 3.2 Research Approach

The study was conducted using mixed research approach. The rationale for combining both quantitative and qualitative data is important to better understand a research problem by combining both numeric values from quantitative research and the details of qualitative research. Mixed methods examinations combine various aspects of quantitative and qualitative methods (Edmonds & Kennedy, 2017).

Quantitative research is a study involving the use and analyses of numerical data using statistical techniques (Nayak & Singh, 2015). The qualitative if the purpose of the study is primarily to describe a situation, phenomenon, problem or event (Kumar, 2011).

Concurrent procedures was used in this design, the researcher collects both forms of data at the same time during the study and then integrates the information in the interpretation of the overall results (Creswell, 2003).

#### 3.3 Research Design

The main objective of this study was to assess the relationship between training and development and performance of the Commercial Bank of Ethiopia.

The researcher used both descriptive research design and explanatory research design according to Kumar, 2011 a descriptive study attempts to describe systematically a situation, problem, phenomenon, service or describes attitudes towards an issue. Explanatory research is research that focuses on

studying a situation or a problem in order to explain the relationships between variables (Saunders, Lewis, & Thornhill, 2009). Based on the above definition descriptive and explanatory type of research design was best to achieve the aim of the research.

In the course of analyzing the problems, both primary and secondary data collection procedures were employed. To achieve this goal, questionnaires, interviews and document reviews have been used as the main tools. The questionnaire included both close ended and open ended questions.

### **3.4 Population and Sample**

#### **3.4.1 Population**

Commercial Bank of Ethiopia has 22,000 (Twenty Two thousand) employees in 15 districts branches stretched across the country as on January 2016. The population of the study consisted of all employees in CBE.

#### **3.4.2 Target population**

The target populations of the study were employees and Managers who are currently working in Commercial Bank of Ethiopia found in Bishoftu area only namely; Bishoftu, Bishoftu Menaheriya, Lemlem Tabiya, Adea, Torban Gerba, and Hora Arseddi have 72, 34, 29, 28, 22, and 20 employees, respectively. Currently 205 individuals are working in Bishoftu area in different positions as Br. Managers, Customer Service Manager (CSM), senior Customer Service Officer, Senior Branch Controller, Customer Service Officer (CSO), Branch Controller and Customer Relation Officer (CRO). The level of branches graded in CBE Grade-1, Grade-2, Grade-3 and Grade-4 based on number of customer, volume of transaction and other criteria.

#### **3.4.3 Sampling frame**

From the total population taken the sample size 135 employees from Bishoftu, Bishoftu Menaheriya, Lemlem Tabiya, Adea, Torban Gerba, and Hora Arseddi were taken 47, 22, 19, 19, 15, and 13 employees' respectively.

### **3.5 Sampling Method and Sampling Technique**

After identifying the population the researcher employed both probability (simple random sampling) and non-probability (purposive sampling) techniques to collect relevant data from the population of the study.

Simple random sampling probability sampling was selected as sampling technique because every individual within the population has an equal chance of being selected (Edmonds & Kennedy, 2017).

The researcher also used purposive sampling method for this helped the researcher to select the respondents which were suitable for collecting the required data in this research managers selected for interview question in order to get relevant information because of their positions and high attachment with the process. Purposive sampling Non-probability sampling procedure in which the judgment of the researcher is used to select the cases that makes up the sample (Saunders, Lewis, & Thornhill, 2009). The primary consideration in purposive sampling is your judgment as to who can provide the best information to achieve the objectives of your study (Kumar, 2011).

### **Sample size determinations**

$$n = \frac{N}{1 + N * (e)^2}$$

Where:

n = Sample Size

N = Total Population Size

e = Acceptable Level of Error (that is 5 percent)

Source: Yamane (1967)

Therefore, by using the above formula sample of 135 employees have been selected from the target population. The study incorporated six branches under Bishoftu area.

### **3.6 Data Sources and Types**

In this study, data were collected from both primary and secondary sources. Primary data was collected from the selected Bishoftu Area Branches through questionnaires and semi structured interview guides. Further, secondary data was collected from documentations such as scholarly papers, publications and the relevant documents.

### **3.7 Data Collection Procedures**

To get firsthand information from the subjects of the study, different instruments were Prepared and implemented based on the review literature to collect the required data. These were questionnaire, interview, and document analysis. The purpose of the questionnaire was to assess the relationship

between training and development and bank performance. Questionnaires are useful for the collection of appropriate data and to secure data from many respondents at a time and questionnaire is the fastest data collecting tool and gives freedom to express their opinion without fear and anxiety and it also more confidential than other data collection tools. The questionnaires were constructed with close ended and open ended items. The second instrument used to collect data structured and semi- structured interviews was prepared and gathered additional information from managers. The interview was used to seek in-depth information about the issue under study and it is important for a qualitative approach as it allowed deepen information the study.

### 3.8 Reliability and Validity

#### 3.8.1 Reliability

Internal consistency reliability is a measure of consistency between different items of the same construct (Bhattacharjee, 2012). Cronbach’s alpha is a reliability measure designed by Lee Cronbach in 1951, factors in scale size in reliability estimation (Ibid). If a multiple-item construct measure is administered to respondents, the extent to which respondents rate those items in a similar manner is a reflection of internal consistency (Ibid).For testing the reliability of the data instrument; Cronbach’s alpha was calculated to test the reliability of the research instrument.

Table 3.1 reliability statistic

Variables	Cronbach's Alpha
Purpose of Training and Development in CBE (4 items)	.882
Training and Development look like in CBE (20 items)	.894
Relationship between Training and development and organization Performance (4items)	.932

#### 3.8.2 Validity

Validity often called content validity refers to the extent to which the measurement device, in our case the measurement questions in the questionnaire, provides adequate coverage of the investigative

questions. Judgment of what is ‘adequate coverage’ can be made in a number of ways. One is through careful definition of the research through the literature reviewed and, where appropriate, prior discussion with others (Saunders, Lewis, & Thornhill, 2009).

To validate the study free from bias, the questionnaires were developed and forwarded for one subject matter experts in the organization and also my advisor to comment on the content as well the measurement incorporated were valid enhance validity.

### **3.9 Data Analysis**

Data were analyzed qualitatively and quantitatively. The study employed descriptive statistics the qualitative data obtained through the interviews were analyzed qualitatively and presented in the form of a summary.

The quantitative data which were collected using five point Likert scales in the questionnaire have been entered in to the a statistical software known as statistical package for social Scientists SPSS for the analysis. Since the data which were acquired using Likert scales were ordinal data types, mode of frequencies and percentage have been used to measure the central tendency of the data in the data set. The processed information has been presented using frequency tables and percentages.

Finally, on the bases of literature review and results of the data analysis and interpretation, the related conclusions and plausible recommendations have been made.

### **3.10 Ethical Considerations**

According to Creswell (2012) “as the researchers’ anticipate data collectors, they need to respect the participants and sites for the research”. The study was conducted by considering ethical responsibility. This includes providing information to the respondents the purpose of the study and the use of the information as well. Information obtained was held in strict confidentiality by the researcher. Respondents’ anonymity was kept so that participants would feel free and safe to express their ideas.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

In this chapter, data gathered through questionnaire are presented, analyzed and interpreted using percentages and frequencies with the help of Statistical Package for Social Science (SPSS). To collect relevant data, 135 questionnaires were distributed to employees of the Commercial Bank of Ethiopia, in Bishoftu town. Among the questionnaires distributed to employees the researcher collected 132 properly filled questionnaires and the remaining three (3) were not returned from respondents.

The first part of this chapter discussed about the characteristics of respondents while the second part dealt with the analysis and interpretation of the findings of the study, corresponding to the basic research questions. The data received from the respondents were analyzed with the help of statistical software program SPSS.

#### 4.1 Characteristics of the Respondents

The characteristics of the respondents were examined in terms of sex, age, qualification and years of service, based on the responses to the request for personal data in the first section of the questionnaires obtained from employees. The analysis and interpretation of the data are presented as follow under the given table.

**Table 4.1 Characteristics of Respondents**

No	Item	Category of item	Respondents		
			N	%	Cumulative Percent
1	Gender	Female	41	31.1	31.1
		Male	91	68.9	100.0
		Total	132	100	
2	Age	25 and below	25	18.9	18.9
		26-35	90	68.2	87.1
		36-45	14	10.6	97.7
		46-55	3	2.3	100.0
		56 and above	0	0.00	-
		Total	132	100	

3	Qualification	Below Diploma	-	-	-
		Diploma	2	1.5	1.5
		Degree	118	89.4	90.9
		Masters	12	9.1	100.0
		PHD	-	-	-
		Any other	-	-	-
		Total	132	100	
4	Work experience	1-5	75	56.8	56.8
		6-10	40	30.3	87.1
		11-15	10	7.6	94.7
		15 and above	7	5.3	100.0
		Total	132	100	

Source: Data collected from the questionnaire respondents

From Table 1, regarding respondents, 91(68.9%) were males and 41(31.1%) were females. Hence, this indicated that the majority of participants were male. Thus, male dominance over female was observed. With regard to age category, 18.9 %of respondents were 25 and below age and 68.2 % were between the age of 26-35, while 10.6 % and 2.3 % of the respondents' were between the age of 36-45 and 46-55 respectively. This showed that majority of the group are young one can say that they are active and energetic in doing their work. The nature of the course offered by the bank required employees from different educational background. The respondents who held diploma 2(1.5%), 89.4% degree holder the remaining 9.1% had Master of Science. This shows that almost all employees are capable of quickly acceptable training and development and implement to their own jobs. The table showed that 56.8% respondents work experience was between 1-5 years, and 30.3% respondents work experience between 6-10, 7.6% respondents work experience between 11-15 years and the remaining 5.3% service above 15. The table showed that the majority of respondents were below ten years of service since most of the respondents were youngsters they have few years of work experience.

#### 4.2 purpose of Training and Development in CBE

Table 4.2 purpose of Training and Development in CBE

Did you attend Training in the Commercial Bank of Ethiopia?				
Given alternatives	Number of respondents	Percentage	Cumulative Percent	
Yes	129	97.7	97.7	
No	3	2.3	100.0	
<b>Total</b>	<b>132</b>	<b>100</b>		
How do you rate the benefit of the training and development that you have attended?				
No	Items	Respondents		
		No	%	Cumulative Percent
1	Increase employee performance.			
	• Strongly disagree	11	8.3	8.3
	• Disagree	16	12.1	20.5
	• No opinion	23	17.4	37.9
	• Agree	43	32.6	70.5
• Strongly agree	39	29.5	100.0	
2	Increase quality of work			
	• Strongly disagree	9	6.8	6.8
	• Disagree	13	9.8	16.7
	• No opinion	26	19.7	36.4
	• Agree	44	33.3	69.7
• Strongly agree	40	30.3	100.0	
3	Brought higher job satisfaction			
	• Strongly disagree	8	6.1	6.1
	• Disagree	9	6.8	12.9
	• No opinion	17	12.9	25.8
	• Agree	44	33.3	59.1
• Strongly agree	54	40.9	100.0	
4	Improves organizational performance			
	• Strongly disagree	1	0.8	.8
	• Disagree	14	10.6	11.4
	• No opinion	27	20.5	31.8
	• Agree	53	40.2	72.0
• Strongly agree	37	28.0	100.0	

Source: Data collected from the questionnaire respondents

As it can be seen from Table above, 97.7% of the respondents have taken some sort of training in one way or another in CBE. However, 2.3% of the respondents have never received training.

In addition to this, the researcher organized data to what extent the benefit of the training and development to the performance of the bank. Thus, the gathered revealed that the trainings amplified employees' performance because 82 (62.1%) of them express their agreement 10.4% of respondents were disagreed and 17.4% of respondents were no opinion. The second question related to the benefit of the training and development was whether or not it increased quality of work, the above table showed that 63.6% of respondent were agreed 16.6% and 19.7% of respondents were disagreed and no opinion respectively. This showed that the majority of the respondents agreed with training and development increase quality of work.

Another variable identified by the researcher to measure the effectiveness of training was the satisfaction the training to employees. Accordingly, the statistical data showed, as one can easily comprehend seeing the table above, Table 4.2, 74.2 percent (98 out of 132) of the respondents acknowledged that the training they too aided them learn new ways of doing tasks and in turn bring satisfaction to them. In this case, it means that the new skills they learned supported them to easily and quickly accomplish their tasks in a responsible manner.

As we observed from the above table, 68.2%, 11.4% and 20.5% of respondents agreed, disagreed and no opinion respectively. This indicated that the majority of employees believed that individual training was the key factor for improving the performance of the Bank. This replay helps the bank in giving more attention to the human resource development program since it has positive impact on the organizational performance of the Bank. In this respect, the bank is required to be engaging in continues employee training in order to take advantage of the improved performance of the trained individuals. The approximate aggregate mean value, i.e., 3.8, of the gathered data of purpose of training and development revealed that trainings and development organized by the Bank had increase quality of work, employee performance, and job satisfaction and organization performance.

In addition to this, an interview with manager showed that the purpose of training and development to bank performance was acquire and improve knowledge, skills and attitudes towards work related tasks. It is one of the most important potential motivators which can lead to both short-term and long-term benefits for individuals and organizations. Employees know about their work they have been

performed their work effectively and efficiently this enabled employees to grow with the organization and this all had a positive effect on organizational performance.

### 4.3 How Training and Development looks like in CBE.

The training need assessment stage is the building block of training program basis for giving answers to questions like who must be trained and developed. When should be training occurs? Where the training will take place? And how should the training provided? The purpose of need assessment is then, to reveal, more precisely than performance analysis does ,What it affects, how it affects them, and what results are to be achieved by training (Rothwell and Kazanas, 1998:54).

**Table 4.3 How does Training and Development look like in CBE**

No	Items	Respondents		
		No	%	Cumulative Percent
1	Training and development need assessment Document is well organized and used.			8.3
	• Strongly disagree	11	8.3	24.2
	• Disagree	21	15.9	35.6
	• No opinion	15	11.4	87.1
	• Agree	68	51.5	100.0
	• Strongly agree	17	12.9	
2	Training and development need assessment process was participatory			12.1
	• Strongly disagree	16	12.1	67.4
	• Disagree	73	55.3	75.7
	• No opinion	11	8.3	92.4
	• Agree	22	16.7	100.0
	• Strongly agree	10	7.6	
3	Training needs identified helpful for upcoming			

	training and development			
	<ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	9	6.8	6.8
		24	18.2	25.0
		10	7.6	32.6
		63	47.7	80.3
		26	19.7	100.0
4	Training need assessment was continuous process	6	4.5	4.5
	<ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	55	41.7	46.2
		20	15.2	61.4
		39	29.5	90.9
		12	9.1	100.0
5	Offering of training opportunities based on training need assessment			
	<ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	28	21.2	21.2
		68	51.5	72.7
		6	4.5	77.2
		26	19.7	97.0
		4	3.0	100.0

Source: Data collected from the questionnaire respondents

Employees of CBE were asked whether the training and development need assessment documents were well organized and used. Table 4.3 showed that 24.2% of respondents disagreed where as 64.4% of agreed and 11.4% of respondents had no opinion to the statement. As the table indicated most of the respondents were agreed on the statement this implied that the training need assessment documents were well organized.

Concerning whether training and development need assessment process was participatory 67.4% of respondents disagreed and 24.3% of respondents agreed to the statement and 8.3% of the respondents had no opinion. The table depicted that the majority of the respondents disagreed upon need assessment process was participatory this implies training and development need assessment process

was not participatory and this create impact on performance. Regarding to training needs identified helpful for upcoming training and development 67.4% of respondents agreed where as 25% of respondents were disagreed to the statement on the contrary 7.6% of respondents had no opinion. As it can be seen from the table most of the respondents were agreed on the statement this showed that the training need identified was helpful for upcoming training.

As shown in table above training need assessment was continuous process 46.2% of respondents disagreed where as 38.6% of respondents were agreed to the statement and 15.2% of respondents were no opinion. As it can be seen from the table most of the respondents disagreed on the statement this implied training need assessment was not continuous process in CBE and much effort required by organization. With regard to the offering of training opportunities based on training need assessment table showed that 72.7% of the respondents disagreed where as 22.7 % of them agreed and 4.5% of the respondents responded no opinion. As the table shows, the majority of respondents disagreed on the training opportunities based on the training need assessment. In addition to this, an interview with manager and customer service manager some training conducted simply for fulfillment of the program with rush mood unorganized one and training not given on time.

As the interviewee said, during selection there were biased someone redundantly selected not equal opportunity to all employees, requirement for training was not clear and sequential order of training was not given to all staffs uniformly.

#### **4.4 Setting Objective**

A precise training objective provided a clear direction for trainers as well as trainees or other stake holders what is expected at the end of training. However, these can be realized if only these objectives are clearly explained and communicated to concerned individuals or necessary stakeholders. Accordingly, the respondents were asked questions related to training objective and their responses indicated in the next table.

**Table 4.4 Training and development Objectives**

No	Items	Respondents		
		No	%	Cumulative Percent
1	There were written general objectives about training and development program <ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	5	3.8	3.8
		17	12.9	16.7
		25	18.9	35.6
		62	47.0	82.6
		23	17.4	100.0
2	Training and development objective were sound enough to solve employee’s problems regarding to their performance. <ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	7	5.3	5.3
		25	18.9	24.2
		10	7.6	31.8
		64	48.5	80.3
		26	19.7	100.0
3	Training and development objective were sound enough to solve CBE’s problems <ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	6	4.5	4.5
		44	33.3	37.9
		26	19.7	57.6
		40	30.3	87.9
		16	12.1	100.0

Source: Data collected from the questionnaire respondents

Regarding whether there were written general objective about training program 64.4% of respondents were agreed to the statements, and also 16.7% of respondents disagreed and 18.9% of the respondents had no opinion. The table showed that the majority of respondents agreed on the statement. This showed that there were written general objectives about training program. Concerning Training and

development, objectives were sound enough to solve employee’s problems regarding to their performance 68.2% of respondents were agreed to the statements, 24.2%of respondents were disagreed to the statements, and 7.6%of respondents had no opinion to the statements. With regard to whether the Training and development objectives were sound enough to solve CBE’s problems 42.4% of the respondents agreed where as 37.8% of the employees disagreed but 19.7 % of trainee responded no opinion to the statement. As it can be seen from the table majority of respondents agreed upon the statement this implied that the objectives were comprehensive enough to solve CBEs and employees problem. The aggregate mean value 3.4 showed that Training and development objective solve employee and organizational problem was moderate.

#### 4.5 Training and development program Content

Table 4.5 Training and development program Content

No	Items	Respondents		
		No	%	Cumulative Percent
1	The content of training relevant to your job.			
	• Strongly disagree	5	3.8	3.8
	• Disagree	11	8.3	12.1
	• No opinion	15	11.4	23.5
	• Agree	63	47.7	71.2
	• Strongly agree	38	28.8	100.0
2	The necessary material provided for related content of training and development program.			
	• Strongly disagree	10	7.6	7.6
	• Disagree	30	22.7	30.3
	• No opinion	15	11.4	41.7
	• Agree	64	48.5	90.2
	• Strongly agree	13	9.8	100.0

3	<p>There was an input of trainees through their representatives regarding the selection of the content of training program.</p> <ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	<p>22 62 13 27 8</p>	<p>16.7 47.6 9.8 20.5 6.0</p>	<p>16.7 64.3 74.1 94 100.0</p>
4	<p>The trainer and the training coordinators were the ones who selected the contents of the training program.</p> <ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	<p>23 27 16 48 18</p>	<p>17.4 20.5 12.1 36.4 13.6</p>	<p>17.4 37.9 50 86.4 100.0</p>

Source: Data collected from the questionnaire respondents

According to the organized data, 12.1% disagreed, 76.5% and 11.4% of respondents agreed and had no opinion respectively. This showed that the majority of the respondents agreed on the content of training relevant to their job.

Regarding the necessary materials provided for related content of training and development program 58.3% of the respondents agreed where as 30.3% of the respondents disagreed and 11.4% of them had no opinion to the statement. As the table showed that most of trainee respondents agreed on the provision of necessary materials related content of training program this implied that there was good provision of necessary materials.

Concerning an input of trainees 63.7% of the respondents disagreed, regarding the selection of the content of the training program and 26.6 % of the respondents agreed to the statement and also 9.8% of the trainee had no opinion. This showed most of the respondents disagreed on the selection of

content this implies there was lack of an input of trainees selection of contents of the training and development program.

Concerning the trainer and training coordinators who selected the content of the training program 37.9 % of the employees disagreed whereas 50 % of the respondents agreed and 12.1 % responded no opinion to the statement. This implies that the involvement of trainee in selection of content was low. Generally the aggregate mean value 3.2 showed that there was low bank training content in CBE.

#### 4.6 Training Constraints

Human resource training and development programs might be hampered by different factors.

**Table 4.6 Training Constraints**

No	Items	Respondents		
		No	%	Cumulative Percent
1	There was lack of budget on training and development program	16	12.1	12.1
	• Strongly disagree	45	34.1	46.2
	• Disagree	20	15.2	61.4
	• No opinion	36	27.3	88.6
	• Agree	15	11.4	100.0
	• Strongly agree			
2	There was lack of relevance of training contents to trainee's current job	16	12.1	12.1
	• Strongly disagree	68	51.5	63.6
	• Disagree	21	15.9	79.5
	• No opinion	18	13.6	93.2
	• Agree	9	6.8	100.0
	• Strongly agree			
3	There was lack of attention by leaders on training program	17	12.9	12.9
	• Strongly disagree	30	22.7	35.6
	• Disagree	22	16.7	52.3
	• No opinion	37	28.0	80.3
	• Agree	26	19.7	100.0
	• Strongly agree			

4	There was lack of planning in advance.			
	• Strongly disagree	16	12.1	12.1
	• Disagree	25	18.9	31.1
	• No opinion	21	15.9	47.0
	• Agree	52	39.4	86.4
	• Strongly agree	18	13.6	100.0

**Source: Data collected from the questionnaire respondents**

With regard to budget constraints 46.2% of trainee disagreed where as 38.7% of trainee agreed on the other hand, 15.2% of trainee responded no opinion to the statement. The table depicted that most of the respondents disagreed on budget constraints during training program. Concerning whether there was lack of relevance training contents to trainees current job 63.6% of disagreed where as 20.4% agreed. On the other hand 15.9% of respondents had no opinion. The table showed that majority of respondents disagreed on the statement this implies there was relevance of training contents with trainees’ current job.

Regarding to whether there was lack of attention from leader on training program 47.7% of trainee agreed where as 35.6% disagreed to the statement. On the contrary 16.7% of had no opinion. As it can be seen from the table majority of employees agreed on the statement. This indicated there was lack of attention from leaders concerning the training program. Concerning whether there was lack of planning in advance 53% responded agreed where as 31% of trainee disagreed. On the contrary, 15.9% of trainees had no opinion. This indicated that the majority of the respondents agreed this showed there were problems in planning in advance. Generally the aggregate mean value 3.2 showed that there was low bank training constraint.

**4.7 Training Evaluation**

Table 4.7 Training Evaluation

No	Items	Respondents		
		No	%	Cumulative Percent
1	There was evaluation after each training program			
	• Strongly disagree	17	12.9	12.9
	• Disagree	35	26.5	39.4
	• No opinion	21	15.9	55.3

	<ul style="list-style-type: none"> <li>• Agree</li> <li>• Strongly agree</li> </ul>	45 14	34.1 10.6	89.4 100.0
2	There was evaluation before each training program <ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	11 66 20 19 16	8.3 50.0 15.2 14.4 12.1	8.3 58.3 73.5 87.9 100.0
3	There was evaluation during training program <ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	17 37 22 30 26	12.9 28.0 16.7 22.7 19.7	12.9 40.9 57.6 80.3 100.0
4	Regular feedback session on performance after training <ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	18 52 21 25 16	13.6 39.4 15.9 18.9 12.1	13.6 53.0 68.9 87.9 100.0

As showed in table above, 44.7% of the respondents agreed that there was evaluation after each training program, 39.4 % of the respondents disagreed and the rest 15.9% of respondents had no opinion. This showed that the CBE does not put much effort in organizing training and development program. Considering there was evaluation before each training program 58.3% of respondents disagreed on the statement and 26.5% of respondents agreed and the remaining 15.2% of respondent had no opinion. Regarding there was evaluation during training program 40.9% of respondents agreed on the statement, 42.4 % of respondent disagree and 16.7 % no opinion during training program. This showed that the bank made additional effort in order to competitive. Regarding regular feedback session on performance after training 31% of respondent agreed, 53 % disagreed and 15.9% of respondents had no opinion. From this the majority of the respondents disagreed about the statement

the method of collecting feedback was not satisfactory. Generally the aggregate mean value 2.9 showed that there was low training evaluation in the bank. In addition to this, an interview with manager showed there was evaluation but not enough as expected.

#### 4.8 The relationship between Training and development and organization Performance

The fundamental aim of training and development is to help the organization achieve its goals and objectives by adding value to its key resource which is the human resource. In this section, the researcher analyzed the relationship between trainings and development provided by the company upon the CBE overall performance.

**Table 4.8 The relationship between Training and development and organization Performance**

No	Items	Respondents		
		No	%	Cumulative Percent
1	Training and development provided by CBE helped me to perform quickly and Efficiently <ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	5	3.8	3.8
		12	9.1	12.9
		10	7.6	20.5
		90	68.2	88.6
		15	11.4	100.0
2	Training and development provided by CBE has empowered me to carry out my duty without difficulty <ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	10	7.6	7.6
		15	11.4	18.9
		15	11.4	30.3
		73	55.3	85.6
		19	14.4	100.0
3	Training and development provided by CBE offer me to learn new skill <ul style="list-style-type: none"> <li>• Strongly disagree</li> <li>• Disagree</li> <li>• No opinion</li> <li>• Agree</li> <li>• Strongly agree</li> </ul>	18	13.6	13.6
		29	22.0	35.6
		22	16.7	52.3
		37	28.0	80.3
		26	19.7	100.0

4	Training and Development Programs ensure effectiveness on performance of the organization			
	• Strongly disagree	20	15.2	15.2
	• Disagree	32	24.2	39.4
	• No opinion	11	8.3	47.7
	• Agree	40	30.3	78.0
	• Strongly agree	29	22.0	100.0

As the statistical data represented in table 4.7, 12.9%, 7.6%, and 79.6% of respondent's disagreed, no opinion and agreed respectively. Accordingly, the researcher concluded that majority of the respondent agreed that the training they got have been helping them perform their Bank related activities quickly and efficiently.

In addition to the effect of trainings in enhancing employee's quick and efficient accomplishment of tasks, the researcher organized data to what extent the training has empowered the employees to carry out their duty without Difficulty. Thus, the gathered revealed that the trainings and development programs amplified employees' performance because 92(69.7%) of them expressed their agreement. That means after taking training the employees' performance to do their work, increase their skill and carry out their duties is incredible. However, 25 (19%) of the respondents expressed their disagreement on the results they got after training. In addition, 15 (11.4%) of them were no opinion. According to this finding, the Bank should have to be reconsidering the objectives and goals of trainings which will be provided from now onwards.

Another variable identified by the researcher to measure the Effect of Training and development on organization Performance was the skill the training brings to employees. Accordingly, the statistical data showed; as the table above 47.7 % of the respondents agreed that the training they too supported them learn new ways of doing.35.6% of respondents disagreed, and the rest had no opinion. As the table showed that most of respondents agreed that the new skills they learn supported them to easily and quickly accomplish their tasks in a responsible manner. Regarding Human Resource Development Programs ensure effectiveness on work performance, performance of the CBE and its sustainability 52.3%, 39.4% and 8.3% of respondents agreed, disagreed and no opinion respectively. From this the researcher concluded that training and development increase the organization

performance. Generally the relationship between training and development and performance showed the aggregate mean value of 3.6. In addition to this, an interview with manager and customer service manager showed there was significant relationship between employee training and development and organizational performance they have a positive relationship if training and development improve the performance can be improved.

#### 4.9 Correlation Analysis

Correlation is the extent to which two variables are related to each other (Saunders, Lewis and Thornhill, 2009). Pearson’s correlation used to associate the independent variables and dependent variables. Correlation coefficient Number between -1 and+1 representing the strength of the relationship between two ranked or numerical variables (Ibid). A value of+1 represents a perfect positive correlation. A value of -1 represents a perfect negative correlation; whereas a coefficient of 0 indicates no liner relationship (Ibid).

**Table 4.9 Correlation Analysis**

		organizational performance	training and development
organizational performance	Pearson Correlation	1	.604**
	Sig. (2-tailed)		.000
	N	132	132
training and development	Pearson Correlation	.604**	1
	Sig. (2-tailed)	.000	
	N	132	132

The table 4.9 showed above, the relationship between the dependent and independent variables are positively and significantly the correlation coefficient was (0.604) at  $p < 0.01$  level. The result in the above table showed us positive and significant correlation exists between the variables.

## CHAPTER FIVE

### Findings, Conclusions and Recommendations

This chapter of the thesis dealt with the summary of the major findings of the study, conclusions and recommendation.

#### 5.1 Summary of major findings

Based on the data presented and analyzed in chapter four of this study, the following summary, conclusion and recommendations were drawn.

- ✚ The respondents of the study were asked whether they had taken training in CBE, significant numbers of them (97.7%) had taken the training, whereas, the remaining 2.3% had not taken.
- ✚ As it was presented in table 4.2 and the interview question: While rating the purpose of training and development, training and development enhance staff performance showed a positive response with (62.1%) agreed and also the majority of respondents answered (63.6%) agreed training and development increase quality of work.  
The finding of the study revealed that training and development helped the CBE brought job satisfaction and improver organization performance showed positive response trainings amplified employees' performance as well as bank performance.
- ✚ Majority of respondents indicated training need assessment document was used within the bank with 64.4% (agreed) but the majority of the respondents showed their disagreement trainees were not invited to participate in this major issue by CBE training and development need assessment was not participatory.
- ✚ Considering training needs identified helpful for upcoming training and development the majority of the respondents agreed. With regard the training need assessment was continuous process showed a negative response (46.2%) and the interview response also confirmed training and development was not continuous process.
- ✚ There was a problem on Offering of training opportunities based on training need assessment the majority of the respondents disagreed (72.7%) this showed a lot of work expected from the bank.
- ✚ According to the majority of respondents agreed there were written general objectives about training program and the majority had positive response the training and development objective were sound enough to solve CBE's performance as well employees' problems.

- ✚ Majority of respondents had negative response regarding there was an input of trainees through their representatives regarding the selection of the content of training program. Majority of respondents agreed about the trainer and training coordinators were the ones who selected the contents of the training program. The necessary material provided for related content of training program was very nice in the CBE.
- ✚ Majority of the respondents disagreed about budget constraint on training program also there was lack of relevance of training contents to trainees current job. As indicated from finding majority of respondents expressed there was lack of attention from leaders on training program also lack of planning in advance.
- ✚ As it was presented in table 4.7 and the interview question: The majority of the respondent answered there was evaluation after each training program. There was no practice of evaluating trainee's done before, during, and regular feedback session the training and development program.
- ✚ The fundamental aim of training and development was to help the organization achieve its goals and objectives by adding value to its key resource which is the human resource. Training and development provided by CBE helped to perform quickly, efficiently, and learn new skill showed a positive response and also empowered to carry out duty without difficulty. This helped the bank to improve their activities.
- ✚ More than half of respondents agreed that Training and Development Programs ensured effectiveness on performance of the organization. From the interview analysis showed positive relationship if training and development improve the performance can be improved.
- ✚ Finally, the correlation between training and development and organizational performance was positive and significant correlation exists between the variables.

## 5.2 Conclusions

Based on the findings of the study the following conclusions were drawn.

- ❖ CBE not conducted training need assessments continuously. The main reason of providing training to employee was to alleviate the problem of performance on the part of employee. From this the researcher concludes that unless training and development was not continuous process its presence has no contribution to the effectiveness of training and development. In

general, training need analysis, the foundation for all training program phases was not exercised in accordance with the training theories and principles.

- ❖ Different problems were showed in the organization like training and development need assessment was not participatory, not offering training opportunities based on training need assessment, lack of planning in advance, Selection of trainee for training program was not given equal opportunity to all employees, and sequential order of training was not given to all staffs uniformly, lack of attentions by leaders and lack of collecting feedback thus, From this the researcher can conclude that bank was unable to give meaning full training and development program that can transfer to the actual job and bring change in the achievement of organizational goals.
- ❖ It was discovered that the CBE has done evaluation at the end of each training program but it looks like less effort was made to evaluate the training program to see the behavior and results of the trainee while it is going on. From this the researcher understands that it is difficult to know whether the trainings are effective or not and this causes wasting time and money to the bank since it didn't identify the weakness of the training and take corrective measure on time for its improvement.
- ❖ The training objective, content of training relevant to job, budget on training program and facilities were in a good position to deliver effective training and development in the bank.
- ❖ The trainer and the training coordinators were the ones who selected the contents of the training program and not an input of trainees. From this the researcher understands that lack of involvement of trainees makes the training and development programs unsuccessful.
- ❖ Respondents acknowledged that the training and development they took aided them to learn new ways of doing things and in turn supported them to easily and quickly accomplish their tasks in a responsible manner. Training and development Programs ensure effectiveness on performance of the organization.
- ❖ The correlation analysis result shows that the relationship between dependent and independent variables are positively and significantly correlated.

### 5.3 Recommendations

Many organizations have come to the realization of the importance of the role of training and development programs as it increases the organization's staff efficiency, skills and productivity. In order to achieve the benefits of training initiative, CBE should ensure that the following are instituted at the work place.

- ❖ Before conducting a training program need assessment should be done appropriately, and design phase should be prepared in line with the need assessment then the implementation phase have to carry out carefully and then the evaluation process should be done for the upcoming training program training and development should work on planned way.
- ❖ The training and development shall bring significant impact upon the employees' organizational tasks and thus shall have to be designed in a remarkable way. The preparation of training objectives should be done with meaningful participation of all employees.
- ❖ The CBE should conduct effective training and development evaluation to check the effectiveness of training and thereby to take corrective measures that will help to improve the weakness of the program for the future.
- ❖ The CBE had better to participate trainees in all the training and development process from needs assessment up post training evaluation to make the training more participatory, meaningful and transferable into practice. All training and development stage process should be participatory otherwise difficult to implement effectively.
- ❖ The CBE should conduct systematic periodic training and development needs assessment the bank should provide continuous training opportunities to the trainees to identify the knowledge, skill and attitude gaps of the employees and to design training and development program based their needs, deficiencies and then to improve their performance.
- ❖ The organization has to evaluate the training manuals and made an assessment of the trainings and development conducted so far. If properly made training and development is the core part of CBE to stand as an organization by having competent and qualified employees. Normally, the training shall bring positive impact not upon the section of the employees but as much as possible upon all employees because customers' satisfaction can come if all employees serve the claimants in responsible, effective and transparent manner.
- ❖ CBE should see all employees equally or without bias to all opportunity which is available in the organization. The selection criteria should be improved for the future.

- ❖ The CBE has to focus on improving its organizational capacity with the view to rendering quality training provisions to its employees that can really address the specific performance problems of organizations. As a service giving organization the quality of the Bank's service was highly dependent on the efficiency and effectiveness of its employees. CBE should practicing training and development by giving the opportunity for its employee's further education and training in order to get better its employees' knowledge, skills and attitudes.

## References

- Agwu1.O & Tonye O. (2014) *Human Resource Development and Organizational Performance in the Nigeria Liquefied Natural Gas Company Limited, Bonny. Journal of Management and Sustainability.* 4(4), 136-138.
- Ahuja, K. K. (1998) *Personnel Management.* New Delhi, Kalyani Publishing.
- Ann Gilley et al., (2006) *The Praeger handbook of human resource management.* Post Road West, Westport An imprint of Greenwood Publishing Group.
- Armstrong, M. (2014) *Hand book of human resource management practice*, 13th ed, London, kogan page limited.
- Armstrong, M. (2008) *Strategic human resource management*, 4th ed, London, kogan page limited.
- Armstrong, M. (2006) *A hand book of human resource management*, 10th ed, London, kogan page limited.
- Armstrong, M. (2001) *Human resource management practice*, 8th ed, London kegan page ltd.
- Bhattacharjee, A. (2012) *Social Science Research: Principles, Methods, and Practices.* University of South Florida, Tampa publishing.
- Bhatti, K. K., & Qureshi, T. M. (2007) Impact of employee participation on job satisfaction: *employee commitment and employee productivity.* Int. Rev. Bus. Res. Paper. 3(2), 54-68.
- Chalofsky, N. (1992) A unifying definition for the human resource development: profession Human Resource Development Quarterly. 3(2), 175-182.
- Chatterjee, B. (1995) *Human Resource Management.* New Delhi, Sterling Publishers Private Ltd.Inc.
- Creswell, W. (2003) *Research design Qualitative, Quantitative, and Mixed Methods Approaches*, 2<sup>nd</sup>ed. California, Sage Publications, Inc.
- Dearden, L., Reed, H., Van Reenen, J. (2000), Gains when Workers Train: *Training and Corporate Productivity in a Panel of British Industries.* IFS Working Paper No.WP 00/04, Institute for Fiscal Studies.
- DeCenzo & Robbins, (2005) *Fundamental of human resource management*, 8th ed. USA, John wiley & sons, inc.

- Dessler, G. (2003) *Human resource management*, 13th ed. Pearson Education, Inc., publishes as Prentice Hall.
- Edmonds, A. & Kennedy, D.(2017) *An Applied Guide to Research Designs Quantitative, Qualitative, and Mixed Methods*, 2<sup>nd</sup>ed.London, United Kingdom Publication.
- Fitzgerald, W. (1992) Training versus development: training and development. 46(5), 81-84.
- Jones, G. R., & George, J. M., (2011) *Contemporary Management*, 7th ed. USA, McGraw-Hill Irwin publication.
- Kumar, R. (2011) *Research Methodology a step-by-step guide for beginners*, 3<sup>rd</sup>ed, London, SAGE Publications Ltd.
- Itika, J. S. (2011) Fundamentals of Human Resources Management: *Emerging experiences from Africa*; Africa Public Administration & Management series, Volume 2.
- Laird, D. (1983) *Approaches to Training and Development* .Mass Addison Wesley.
- Mahapatro, B. B.(2010) *Human resource management*. New Delhi, new age international limited publisher.
- Mathis, R. & Jackson, J. (2010) *Human resource management*, 13<sup>th</sup>ed. South - Western, Cengage Learning.
- Milkovich, George, T. & Boudrean, J. W. (1991) *Human Resource Management*. USA, Richard D. Irwing, Inc.
- Mondy, R, & et al., (1999) *Human Resource Management*, 4th ed. London, Prentice Hall. New Jersey.
- Mondy, R. Wayne & Noe, R.M. (1990) *Human Resource Management*. Massachusetts, Simon& Schuster, Inc.
- Nicole, R. (2015) Human resource management and human resource development: *Evolution and contributions*, *Creighton Journal of Interdisciplinary Leadership*. 1(2), 120.
- Nayak, K. (2015) *Fundamentals of Research Methodology*. New Delhi, SSDN Publishers & Distributors.
- Odumeru.A & Ilesanmi.A (2012) *The Effects of Human Resources Development on Financial Performance of Organizations*. *Asian Business Review*. 2(1), 19.
- Rowley, C. & Jackson, K. (2011) *Human resource management the key concept*, Routledge, Milton Park, Abingdon.

- Saunders, M. Lewis, P. & Thornhill, A. ( 2009) *Research Methods for Business Students*, 5th ed, England, Pearson Education Limited Edinburgh Gate Harlow Essex CM20 2JE.
- Sundararajam, S. (2007) Employee's Attitude towards Training and Development in private sector industries.
- Swanson, R. A., & Holton, E. F. (2009) *Foundations of Human Resource Development*, 2nd ed, Published by Berrett-Koehler Publisher.
- Swanson, R. & Holton III.(2001) *Foundations of Human Resource Development*, Berrett-Koehler Publishers, Inc.
- Tamkin, P. (2005), *The contribution of skills to Business Performance*, UK: Institute for Employment Studies (IES)
- Tazebachew Achenef, (2011) The Impact of Training on Worker Performance in Public Sector Organizations: A Case of Ethiopia Ministry of Health, Ethiopia, MBA Thesis.
- Tyson, S. (2006) *Essentials of human resource management*, 5th ed, USA, Elsevier Ltd, Jordan Hill, Oxford OX2 8DP.
- Werther, William, B. & Davis, K. (1996) *Human Resources and Personnel Management*. New York, McGraw-Hill Inc.
- Wilson, J. P., (1999) *Human Resources Development: Learning for Individuals and Organizations*, 2nd ed. (UK: Kogan Page Ltd.)
- Yamane T. (1967) *Statistics an introductory Analysis*, 2nd ed, New York, Harper and Row publication.

**Appendix-A**

**Addis Ababa University**

**School of Commerce**

**Masters of Arts program in Human Resource Management**

***Questionnaire for employees of Commercial Bank of Ethiopia***

Dear respondents;

The purpose of this questionnaire is to collect data regarding the Contribution of Human resource development to bank performance: The case of Commercial Bank of Ethiopia, Bishoftu Town. The researcher is conducting this study for partial fulfillment of MA degree in Human Resource Management.

Your genuine response for the following questions is extremely important for the successful completion of this study. The information you provided will be used only for academic purpose and will be kept highly confidential.

**Directions for filling the questionnaires**

- Do not write your name
- Put “√ or ×” mark in the box provided for choice questions
- Your response will be utilized only for the purpose of this survey.

**Part I: Background Information**

1. Sex?

Female  Male

2. Educational level:

Below Diploma  Diploma  Degree   
Masters  PHD  Other (Specify) \_\_\_\_\_

3. In which age group are you?

25 and below  26-35  36-45   
46-55  56 & above

4. How long have you been working for your current organization?

Below 1  1-5  6-10  11-15

Above 15

***Part II: questions related to relationship between training and development and bank performance***

1) Did you attend Training in the Commercial Bank of Ethiopia?

Yes  No

2) If your answer is “Yes” in the above question, how do you rate the purpose of the training and development that you have attended?

No	Items	Rating scale				
		Strongly disagree	Disagree	No opinion	Agree	Strongly agree
1	Increase employee performance					
2	increase quality of work					
3	Brought higher job satisfaction					
4	Improves organizational performance					

***3) questions related to How does training and development look like in CBE***

no	item	Strongly disagree	Disagree	No opinion	Agree	Strongly agree
<b>1</b>	<b>Training need assessment</b>					
1.1	Training and development need assessment document is well organized and used.					
1.2	Training and development need assessment process was participatory					

1.3	Training needs identified helpful for upcoming training and development					
1.4	Training need assessment was continuous process					
1.5	Offering of training opportunities based on training need assessment					
<b>2</b>	<b>Setting objectives</b>					
2.1	There were written general objectives about training and development program.					
2.2	Training and development objective were sound enough to solve employee's problems regarding to their performance.					
2.3	Training and development objective were sound enough to solve CBE's problems					
<b>3</b>	<b>Content</b>					
3.1	The content of the training relevant to your job.					
3.2	The necessary material provided for related content of training and development program.					
3.3	There was an input of trainees through their representatives regarding the selection of the content of training and development program.					
3.4	The trainer and the training coordinators were the ones who selected the contents of the training program.					
<b>4</b>	<b>Training constraints</b>					
4.1	There was lack of budget on training and development program					
4.2	There was lack of relevance of training contents to trainee's current job.					
4.3	There was lack of attention by leaders on training program					
4.4	There was lack of planning in advance.					
<b>5</b>	<b>Training Evaluation</b>					
5.1	There was evaluation after each training program					
5.2	There was evaluation before each training program					

5.3	There was evaluation during training program					
5.4	Regular feedback session on performance after training					

**4) questions related to the relationship between training and development and performance in CBE**

No	Items	Strongly disagree	Disagree	No opinion	Agree	Strongly agree
1	Training and development provided by CBE helped me to perform quickly and Efficiently					
2	Training and development provided by CBE has empowered me to carry out my duty without difficulty					
3	Training and development provided by CBE offer me to learn new skill					
4	Training and development Programs ensure effectiveness on performance of the organization					

6. Is there significant relationship between employee training and development and organizational performance?

---



---



---

7. Could you suggest what should be done on the training and development so that employees can contribute more to the future development and improve CBE performance?

---



---



---

## **Appendix- B**

**ADDIS ABABA UNIVERSITY  
SCHOOL OF COMMERCE  
GRADUATE PROGRAM IN HUMAN RESOURCE MANAGEMENT  
INTERVIEW**

### **Interview Questions**

- 1) What is the purpose of training and development to the Bank's performance?
- 2) Does the Bank evaluate the result of training and development programs?
- 3) Do you see any problem with the training and development program in your organization?
- 4) What do you suggest for Commercial Bank of Ethiopia with respects to training and development program?
- 5) In what ways has training and development affected your organization's performance?