



## ***Addis Ababa University School of Commerce***

### ***The effect of Training and Development on Employee Performance Improvement the case of CBE***

***A Thesis Submitted to Addis Ababa University School of Commerce in partial  
fulfillment of the requirements for the award of Master of  
Art Degree in Human Resource Management***

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## Statement of Certificate

This is to certify that Dereje Mengistu has carried out his research on the topic entitled “*The effect of Training and Development on Employee Performance Improvement the case of CBE*” for the partial fulfillment of Master of Arts Degree in Human Resource Management at Addis Ababa University School of Commerce. This study is an original work and not submitted earlier for any Degree either at this University or any other universities and it is suitable for Submission of Masters Degree in Human Resource Management.

**Approval*****Addis Ababa University School of Commerce Graduate Program*****The effects of Training and Development and Employee Performance  
Improvement the case of CBE****By-****Dereje Mengistu****GSE/0687/06**

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## Declaration

I, Dereje Mengistu, declare that this work is entitled “*The effect of Training and Development on Employee Performance improvement the case of CBE*” is the outcome of my own effort and that all sources of materials used for the study have been duly acknowledged. I have produced it independently, except for the guidance and suggestion of the research advisor. This study has not been submitted for any Degree in this University or any other University. It is offered for the partial fulfillment of the Degree of Master of Arts Degree in Human Resource Management.

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## Acronyms

CBE- Commercial Bank of Ethiopia

CSM- Customer Service Manager

CSO- Customer Service Officer

HR- Human Resource

HRD- Human Resource Development

HRM- Human Resource Management

SPSS- Statistical Package for Social Sciences

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### Abstract

*In the field of human resource management, training and development is one of the fields concerned with organizational activity aimed at improving the performance of individuals and groups in organizational settings. Training and development always plays an important role in employee performance improvement as well as the organization. This is because training and development and employee performance improvement is core factor in which managers should be keen in order to meet the organization's target.*

*A descriptive research design with survey method is applied in this study. Using stratified random sampling technique, 297 participants (employees) of the organization were selected from a target population of 1971. The primary data was collected using standard questionnaires subject to subsequent analysis using SPSS version 20 software. Accordingly, training methods ( $r=.549^{**}$  with  $p<0.05$ ), Training evaluation ( $r=.597$  with  $p<0.001$ ) and training policies and procedures with ( $r=0.396$ ,  $p<0.01$ ) have a high degree of positive relationship with employee performance improvement.*

*The expected outcome is aimed at detecting the need to motivate employees so as to improve their performance. The findings of the research generally reveal that training and development has a great deal of impact on employee performance improvement and the current training and development scheme is of satisfying to the employees per their response. The results imply that employees at CBE find training and development satisfying and yet some improvements in the training methods, evaluation and policy and procedure should be made per the researcher's observation.*

**Key Words:** *employee performance improvement, Training, Development, Commercial Bank of Ethiopia*

# Chapter One

## 1.0 Introduction

### 1.1 Background Information

Hatch and Dyer (2004) elaborated that HRM in the 21<sup>st</sup> century is a process that utilizes the skills and knowledge of employees in order to achieve organizational goals. Similarly Robbins (2005) explained that it is the responsibility of HR department to be more focused towards employees „benefits and concerns because they play an important role in the success of any Organization. HR has played a significant role in economic development in most developed countries such as the United States of America, Britain and Japan among others. It can therefore be concluded that a developing country like Ethiopia can also experience such economic success if the appropriate attention is given to the development and training of its human resource.

Yasmeen (2011) elaborated that in business world, competition is getting worse to worst day by day and thus HRM is the sole factor that provides an organization with competitive advantage. Human resource management is a set of practices that affects performance, attitude and behavior of employee at work. In the very early days, HRM was not considered an important part of organization but now without Human Resource Management department an organization cannot be administered successfully. All activities related to employee’s benefits are the part and parcel of HRM. These activities comprise employee’s relationship management, compensation of employees, providing health and safety benefits and training and development to employees.

Now there has been an extensive debate on HRM whether there is any relation between HR practices, like training and development and performance and productivity of the organization. As Rouna and Gibson (2004) explained, providing training for current job, team work, and effective communication skills may assist in achieving desired goals of an organization. High committed management is positively related with expenditure and innovations of research and development. (Ferris G.et al, 1999)

Today’s organizations are facing the dynamic environment which requires organizations to adopt changes and work for optimized profit (Robbins 2005). Organizations come across too many challenges or uncertainties about human resource of 21st century including globalization, advent

of the latest technology use, more and more innovations, economic and political instability and ethical and ecological challenges. Henson (2007) mentions that “technology is advancing so quickly that it is forcing organizations to change their strategies” towards training and development.

According to Cole (2002), factors influencing the quantity and quality of training and development activities include; the degree of change in the external environment, the degree of internal change, the availability of suitable skills within the existing work-force and the extent to which management see training as a motivating factor in work. Many organizations may not have a laid down procedure for handling their organizational needs with respect to training and development. Training in these organizations is more or less unplanned and unsystematic. Other organizations however set about identifying their training needs, then design and implement training activities in a rational manner, and finally assess results of training. They will make sure that effective training method is followed organization wide. This study therefore; investigates the effect of training and development on employee performance improvement at Commercial Bank of Ethiopia by exploring the independent variables training methods, training evaluation and training policies and procedures of the bank.

## **1.2 Training and Development**

The HRM practice especially training and development plays a crucial role in maintaining the competitive position of an organization. The survival of any organization in the competitive society lies in its ability to train its human resource to be creative, innovative, and inventive who will invariably perform and increase advantage (Edralin, 2004). Training and development is an aspect of human resource practices that help in enhancing employees’ skills, knowledge, and competence capable of improving employees’ ability to perform more efficiently (S.Podhi, 2003). Podhi further states that Training and development plays a vital role in the effectiveness of employee performance. According to Houger (2006) employees are indispensable assets and key elements of gaining competitive advantage of any organization and training is essential tool for its actualization. The level of competency, skills and ability of the workforces of an organization influences its ability to preserve its obtained positions and gain competitive advantage. Training is the process of increasing the knowledge and skills of an employee for doing particular jobs. It is an organized activity designed to create change in the thinking and

behaviour of people and to enable them to do their jobs in a more efficient manner. Effective training can minimize learning costs; improve individual, team and corporate performance in terms of output, quality, speed and overall productivity. More skills lead to increased competitiveness. Education is crucial throughout the world. Policy makers are being persuaded that the route to economic advantage is through up-grading (i.e. improving employees' skills). Increasingly, the meteoric of global competition has been to push a policy agenda in which a highly skilled work force becomes the link pin of success.

### **1.3 Employee Performance**

The effective management of an organization's employee performance improvement is not something that can be ignored. Whether an organization is growing, defending its current position or divesting for improved focus, it cannot afford to find itself in a position of not having the performance level required to deploy its strategy and performance improvements plans. The challenge of doing more with less in today's business environment has placed increasing demands on the workforce to be multi-skilled, flexible and independent (Kumar and Chandra 2005). As technology continues to advance breaking down traditional barriers, new production methods introduced, increasingly demanding customers, shrinking product life cycles, and criticality of an organization's talent became top priority for leaders. In order to effectively support business strategies leaders needed to conceive fashion and successfully champion explicit strategies to ensure access to sufficient talent flow and actively engage the organization's talent to achieve the business objectives (Sears, 2003).

### **1.4 CBE profile**

The history of CBE dates back to the establishment of the State Bank of Ethiopia in 1942. It was legally established as a share company in 1963. In 1974, CBE merged with privately owned Addis Ababa bank and since then it has been playing significant roles in the development of the country. (CBE profile 2015) According to Derby (2013) CBE is the first bank to engrave modern banking in the country. As it is a state owned bank, it contributes huge funding to the government of the country and developmental partners. Derby also mentions that CBE is pioneer in introducing ATM, and agent of Western Union facilities and long established relationship with internationally known correspondent banks. The bank is established to perform major banking functions such as, accepting saving, demand and time deposits, providing short, medium and long term loans, buying and selling foreign exchanges, buying and selling

negotiable instruments and securities issued by the government, private organizations or any other person and engaging in other banking activities customarily carried out by commercial banks. (CBE profile 2015). The bank is aggressively expanding its branches across the country with the objective of increasing the saving habit of the society while narrowing the proximity to the unbanked society.

Presently its branches reached 1108 with the aggressive expansion. The work force has increased from 8,717 in 2010 to 22,908 in 2015 and yet at the end of June 2016, it is expected to rise to 27,732 encompassing managerial and administrative, professional and clerical and other staff with the merged staff of CBB (CBE profile 2015). It has two subsidiary branches in Sudan and planning to open further branches at South Africa, Dubai and Washington. (CBE, 2015)

The bank accomplishes its activities through disciplined, motivated and skilled employees using state of the art technology as its mission and the bank expects to be a world class bank by the year 2025. The bank has two strategic objectives: service excellence and operational excellence. CBE has been giving training and development programs to its employees since its inception.

CBE has assessed the competency of its staff in 2012. The staff has been assessed by their individual line managers if there are competency gaps and the needs analyzed. The bank has laid down a competency matrix on a proficiency level of one to four. One being novice, two being intermediate, three advanced in competency and the fourth level is expert level. The bank has also set out competency gap definition being defined as “zero”, as no proficiency gap, “one”, as the gap between the desired and actual proficiency is narrow, “two” as the gap between the actual and desired competency is wide, “three”, as the gap between the desired and actual competency is critical.

When the competency gap of employee falls in the “narrow” assessment, the bank intervene the gap either through instructor led training, on the job coaching, personal development or in E-learning programs. When the competency gap is narrow or critical, the bank intervene the gap through instructor led interactive training and on the job coaching. Generally speaking, the individual need analysis done in 2012 by the bank comes out with a narrow competency gap for most of the processes.

From the bank’s mission and vision, one can prove that a world class banker is expected by the year 2025 which is left only with 9 years. Motivated, skilled and highly disciplined employees

using state of the art of technology needs highly structured methods and processes of training and development programs. Improved capabilities, knowledge and skills of the talented workforce proved to be a major source of competitive advantage in a global market (Quarterly, 2006). To develop the desired knowledge, skills and abilities of employees, to perform well on the job, requires effective training programs that may also effect employee motivation and commitment. The work force is diverse and is expanding and it should use state of the art technology. This expanding workforce demands Training and Development which is the most enveloping methods for enhancing individual productivity and for improving job performance in the work environment (Gupta, 2006) and (Goldstein, 2002).

#### **1.4 Statement of the problem**

Training and Development is a systematic process to enhance employee's skill, knowledge and competency, necessary to perform effectively on job. Past researchers proved that there is a positive link between Training and Development on employee performance improvement. (Lindsay, 1999). Others like (Iqbal, 2014) mention employee learning to be mediated through offering trainings and that it has significant positive relationship with performance.

Training and Development is a learning experience which seeks a relatively permanent change in the individual that will improve its ability to perform its job well. Every organization needs to have well trained and experienced employees to perform their duties efficiently. Effective training or development depends on knowing what is required - for the individual, the department and the organization as a whole. With limited budgets and the need for cost-effective solutions, all organizations need to ensure that the resources invested in training are targeted at areas where training and development is needed and a positive return on the investment is guaranteed.

It is a well-known fact that training enhances skills and competence of staff and ultimately worker performance and productivity in organizations (Cole, 2002). CBE has been practicing training and development since its inception and particularly for the past ten years employee training and development has been intensified. The staff strength has reached 22,908 in 2015, and is expected to reach 27,732 in June 2016. Compared in the industry, the staff strength is the biggest. The training and development need of this staff should be analyzed properly, and the necessary educational intervention should be done to gain competitive advantage from this strength. Whether to intervene in instructor led interactive

training, on the job coaching, on personal development or E-learning, needs careful systematic and planned competency gap analysis. With limited financial resources and expert trainers, strong training and development policies, continuous monitoring of the training sessions and proper training methods should be followed to use this diverse work force. This research therefore aims at studying the effects of training and development on employee performance improvement at CBE by critically looking into the training methodologies followed, policies and procedures implemented and on how training is monitored or evaluated at CBE.

## **1.5 Objectives of the Study:**

### **1.5.1 General Objective**

The overall objective of this research is to evaluate the effect of training and development on the performance improvement of employees at CBE.

### **1.5.2 Specific Objectives**

1. To assess the effect of training methods used at CBE and their subsequent effect on employee performance improvement
2. To examine the effect of training evaluation and its impact on performance improvement at CBE.
3. To assess the effect of training policy and procedures on employee performance improvement at CBE

## **1.6 Research Questions**

What is the effect of Training and Development on employee performance improvement at CBE?

1. What is the magnitude of training evaluation on employee performance improvement at CBE?
2. What is the significance of training methods on employee performance improvement?
3. How do training policy and procedures affect employee performance improvement at CBE?

## **1.7 Definition of Terms/Concepts**

### **1.7.1 Training**

This term is often interpreted as the activity when an expert and learner work together to effectively transfer information from the expert to the learner (to enhance a learner's knowledge,

attitudes or skills) so the learner can better perform a current task or job. Here's another perspective, Cole, (2002) and Moussa (2003) define training as a planned process to change attitude, knowledge or skill behavior through a learning experience and environment to achieve effective performance in any activity or range of activities. Raymond, (2010) sees training as the abilities and gap of the individual and to satisfy current and future manpower needs and quality of an organization.

### **1.7.2 Development**

This term is often viewed as a broad, ongoing multi-faceted set of activities (training activities among them) to bring someone or an organization up to another threshold of performance. This development often includes a wide variety of methods, e.g., orienting about a role, training in a wide variety of areas, ongoing training on the job, coaching, mentoring and forms of self-development. Some view development as a life-long goal and experience. Here's another perspective. Cole (2002)

Employee development is a joint initiative of the employee as well as the employer to upgrade the existing skills and knowledge of an individual and a change in behavior for now and in the future. It is of utmost importance for employees to keep themselves abreast with the latest developments in the industry to survive the fierce competition. (Raymond, 2010)

### **1.7.3 Task**

A task is typically defined as a unit of work, that is, a set of activities needed to produce some result, e.g., vacuuming a carpet, writing a memo, sorting the mail, etc. Complex positions in the organization may include a large number of tasks, which are sometimes referred to as functions. Derek (2000)

### **1.7.4 Skills**

Skills are applying knowledge in an effective and efficient manner to get something done. One notices skills in an employee by their behaviors. Derek (2000)

### **1.7.5 Knowledge**

Knowledge is gleaned by organizing information. Typically, information evolves to knowledge by the learner's gaining context, perspective and scope about the information. Derek (2000)

### **1.7.6 Job**

A job is a collection of tasks and responsibilities that an employee is responsible to conduct. Jobs have titles. Derek (2000)

### **1.7.7 Role**

A role is the set of responsibilities or expected results associated with a job. A job usually includes several roles. Derek (2000)

### **1.8 Limitations of the study**

CBE gives trainings aggressively for its employees in both city and outlying branches. Both Technical and Developmental trainings are arranged for various employees within the bank and cost is outlaid under their domain. Literatures indicate that trainings should be evaluated in organizations to see that the cost outlaid brings forth the targeted results. CBE has never evaluated trainings in terms of the results they brought forward and the resulting change in behavior of employees after training sessions. It only measures the emotional reactions of trainees and their learning status immediately after training sessions. This makes it difficult, if not impossible, to measure the effects of training and development on employee performance improvement at CBE.

The other limitation is that employees status before they are given trainings is not measured and hence makes measuring training effect difficult for there is not secondary data on such issues. The researcher therefore relies on primary data to measure the effects of training and development on employee performance improvement at CBE.

### **1.9 Delimitations of the study**

CBE has fifteen (15) District Offices all over Ethiopia. When it comes to its organizational structures it has more than 13 functional working processes. Out of these, 10 are support processes and 3 are core processes. The researcher delimits the study on two core processes, CATS process (Customer Accounts Transaction System) and Trade Services Process. From support processes, office of Strategy management and Risk and Compliance processes will be studied. Both the core and support processes selected will be from Addis Ababa area for convenience purpose and the researcher believes that it can represent the bank since there are professional, clerical and managerial staff in this context and the trainings given are almost similar in Addis Ababa and outlying branches.

### **1.10 Significance of the study**

Training and Development become unavoidable the moment an organization realizes the need for improvement and expansion in the job. But oftentimes organizations go on board on job enlargement and enrichment to promote employees' morale, motivation and satisfaction when in fact the real problem with work performance lies in training and development. The study becomes necessary because many organizations in this present-day world are striving to gain competitive advantage and there is no way this can be achieved without increasing employee's competencies, capabilities and

skills through adequate training and development designs. However; the study results will help the management of the bank to identify the challenges and effects of employees training and development on employee performance improvement and, hence, determine the areas where improvements through training can be done. It will also help the management in planning for the development and implementation of effective efficient training and development needs that will lead to improved employee performance in the bank.

This research also contributes input for other academic researchers as part of their academic fulfillment and internal educators of the bank for further replication and theory building. The Commercial Bank of Ethiopia is now aggressively opening and expanding its branches to peripheral areas and it is obvious that it needs trained and developed manpower to take on responsibilities. The researcher believes that employee's performance will be enlightened by training and development and more researches to be done by others for the effectiveness of training methods, training policy and procedures and training processes by the bank.

### **1.11 Organization of the Research**

This specific research is organized in five chapters in the following ways: the first chapter introduces the background of the organization and the study, second chapter reviews related literatures, third chapter describes the methodology, chapter four empirical result descriptions and analysis of the study and the last chapter is summary conclusion and recommendations part of the study.

## Chapter Two

### 2 Review of Related Literatures

#### 2.1 Concepts of Training and Development

##### 2.1.1 Training

Ngirwa (2009) sees Training as a learning process in which employees acquire knowledge, skills, experience and attitudes that they need in order to perform their job better for the achievements of organizational goals. When the individual performs well, then the organization also performs well with it. Jackson & Schuler (2003) on the other hand described training as an acquisition of Knowledge, Skills and abilities to enable the employee function effectively in its performance. They also stress on the fact that training improves competencies needed today for immediate consumption in performance.

For Nwachukwu (2001) training is an organizational effort aimed at helping employees acquire skills required for the sufficient execution of the functions for which they were hired. Nwachukwu further notes that training is a systematic process of altering the behavior, knowledge and motivation of employees in a direction to increase effectiveness and improve performance. In the course of training, employees can acquire techniques, skills, knowledge and experiences which enable the individual to make effective contribution to the combined efforts of a team in a productive process.

Training can be a planned program designed to improve performance and to bring about measurable changes in knowledge, skills, attitude and social behavior of employees for doing a particular job. Nowadays, training has an additional purpose of facilitating change. Management training is basically equipping managers with such knowledge, skills and techniques as are relevant to managerial tasks and functions (Biswaajeet Pattanayak, 2010). It is all about knowledge skills and abilities needed for the present jobs (Kinicki and Williams, 2011:288). The assumption of knowledge, skills, abilities and behavioral changes can be shared by Mondy (2012). He argues that a trainee should be different from a position where he was after training to betterment. He concludes that training and development improves for a better performance of an employee.

##### 2.1.2 Development

Armstrong, (2006) describes development as 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. He further argues that especially after voluntary development, employees will change forever. In the works of Caroline and Charles (2000) man power development enriches a job and has an intrinsic mechanism to motivate an employee to accept and play challenging organizational tasks. It enables an employee to

comfortably and conveniently perform organizational tasks. They further argue that job performance is more than a narrow economic measure. They strictly connote that training and development of employees add value both to the employee and to the organization at large. Cohen et al. (2001) also supports the view of Caroline and Charles that employee performance is a great value adding factor for organizational improvement.

Dyck and Neubert (2009:370) are of the opinion that development results in a growth of a person, including growth in terms of a larger career or beyond the scope of the person's current job. Development perspective is earning the view that it is critical and strategic and is imperative in organizations in the current business environment. They further their studies stating that development is an activity that is provided by a company to enhance employee capability. Nda and Fard (2013) citing Hameed and Waheed (2011) conclude that employee development is a strategic composite to add value to organizations beyond improving an employee performance. They further argue that development changes a person's outlook to the world in general.

## **2.2 Training Methods**

The importance of training and Development is increased by the rapid change in technology and the fact that we live in a knowledge age. Sharing this knowledge can be facilitated through training employees. There are workers all around with lots of experience who might end up retiring without sharing tacit knowledge with those of a younger generation and it goes without saying that training and development helps ensure that organization members possess the requisite: knowledge, skills and attitudes(Mani 2010).

Employees training and development is one of the major topics nowadays because this helps the organization in a number of ways. The daily performance of business and day to day maintenance is needed to be done by some workers or employees. And this can only be done when there is proper training and development session held for the employees. Training and development will definitely cause in increase of the employees performance. It is like a root toward a better result or success. It is extremely important for any kind of business whether it is small based organization having four to five employees or a large scale organization having some number of employees considers effective and systematic training. But the main point is that the training and development is necessary in every organization in order to avoid any misleading activity in the future.

Aminudin (2007) states that quality work can only be produced by trained worker. If the worker is trained and have exact knowledge about the work it is doing, then there will be no problem in working environment. Further a trained performer will affect the business activities as a whole, which means that it is not only affecting the internal business structure but also affects the external activity.

One major area of the Human Resource Management function of particular relevance to the effective use of human resources is training and development. Contemporary discussion argues against the importance of training as a major influence on the success of an organization. Employees are a crucial and expensive resource. In order to sustain economic growth and effective performance, it is important to optimize the contribution of employees to the aims and goals of the organizations. The importance of training as a central role of management has long been recognized by leading writers. For instance according to Drucker (1998), the one contribution a manager is uniquely expected to make is to give others vision and ability to perform.

The general movement towards downsizing, flexible structures of organizations and the nature of management moving towards the devolution of power to the workforce give increasing emphasis to an environment of coaching and support. Training is necessary to ensure an adequate supply of staff that are technically and socially competent and capable of career development into specialist departments or management positions. There is therefore a continual need for the process of staff development, and training that fulfils an important part of this process. Training should be viewed, therefore, as an integral part of the process of total quality management.

According to Cole (2002), in his book Personnel and Human Resource Management, training is a learning activity directed towards the acquisition of specific knowledge and skills for the purpose of an occupation or task. The focus of training is the job or task for example, the need to have efficiency and safety in the operation of particular machines or equipment, or the need for an effective sales force to mention but a few. Training is the planned and systematic modification of behaviour through learning events, activities and programs which results in the participants achieving the levels of knowledge, skills, competencies and abilities to carry out their work effectively Gordon (1992). He views training as the systematic process of

altering the behaviour and or attitudes of employees in a direction to increase the achievement of organizational goals. This means that for any organization to succeed in achieving the objectives of its training program, the design and implementation must be planned and systematic, tailored towards enhancing performance and productivity.

McGhee et al. (1996) wrote on the nature of learning and said learning is a term used to describe the process by which behavioral changes results from experience. They also said the fact that learning has occurred could only be inferred from a comparison of an individual's behaviour prior to the experiences of specific kinds of task. This is not to say that there has been no learning if there is no overt behavioral change. Since training generally is intended to provide learning experiences that will help people perform more effectively in their jobs, organizational training should follow the learning principle. Training therefore can be explained as a planned and systematic effort by management aimed at altering behaviour of employees in a direction that will achieve organizational goals. A formal training program is an effort by the employer to provide opportunities for the employee to acquire job-related skills, attitudes and knowledge and the methods deployed should be planned and systematic (McGhee et al. 1996). The first step in managing training is to determine training needs and set objectives for these needs. According to Cole (2002), if an organization has to justify its training expenditure, it must surely do so on the basis of organizational need. Organizations adopting a systematic approach to training and development will usually set about defining their need for training in accordance with a well-organized procedure. Such a procedure will entail looking at training needs from a number of different perspectives. It is agreed by a number of authors that a training need occurs when an existing or anticipated shortfall in overall performance where training is the most appropriate and effective remedy (Okanaya, 2008). Moreover, organizations work with wide range of quantity on their staff members not only for improvement connected with staff members but with organization's effectiveness as well. It is a fact that training enhances the employees' performance and organization performance.

The concept need typically refers to a discrepancy or gap between what an organization expects to happen and what actually occurs. The discrepancy is termed as a training or HRD need. In the identified need, a corrective action is taken. The HRD intervenes by analyzing the needs and finding the mitigating factors. At times rewards can be improved. Sometimes formal training might not be necessitated and therefore informal coaching may be used. After these credentials

are sealed enough, the HRD intervenes with the residue gap in preparing training and development sessions. (Randy et.al:129) by quoting Brinkerhoff (1986) argued that focusing only on performance deficiency in needs analysis is too restrictive.

These perspectives are; organizational, departmental or functional, job and employee. Organizational need – the organizational analysis happens in a situation where effectiveness of the organization and its success in meeting its goals are analyzed to determine where deviation or differences exist. This makes it easy to know what program to be implemented. According to Kaufman (1974), organization analysis looks at the variances between their success and failure to ascertain which ones training could help remedy. Functional need – at this level, training managers analyze the specific ability needs determined by job descriptions and job specifications of the jobs in the work area or work unit. The need can also be determined by observing the job performance of work groups and survey job holders, supervisors, and training committees. Any lapses in their efficiency and effectiveness help determine the training need. Individual need – Kaufman (1974), continues that employees training needs could be measured by the individual performances of the employees. He stated that the effectiveness and efficiency is measured against the required standards through interviews, observations, attitude surveys, or objective records of their performance.

The researcher thinks that these three levels – organizational, functional and individual gaps between expected results and actual results can suggest training needs, for the researcher, active solicitation of suggestions from employees, supervisors, managers and training committees can also provide training needs ideas. The particular perspective chosen will depend on the circumstances. For example, if changes in the external environment of the organization are exerting pressures for change internally, then a corporate or organizational perspective needs to be taken. If, however, the issue is one of improving skills in a particular category of employees, then occupational or job group will provide the focus of efforts. Training need is any shortfall in employee performance, or potential performance which can be remedied by appropriate training. There are many ways of overcoming deficiencies in human performance at work, and training is only one of them. It is important to recognize this fact since sometimes training staff are asked to meet needs which ought to be dealt with in some other way, such as improving pay, replacing machinery or simplifying procedures. Armstrong (1996), however, argues that training needs analysis should cover problems to be solved, as well as future

demands based on whether the organization must acquire new skills or knowledge or must improve existing competencies.

Training methods can be classified by whether they take place on the job versus away from the employee's normal work setting. According to Armstrong (1996), there are two broad types of training available: on-the-job and off-the-job techniques. Individual circumstances and the "who," "what" and "why" of your training program determines which method to use. In an on-the-job training method, the emphasis is more on the acquisition of specific, local knowledge in a real situation. Unlike on-the-job method, off-the-job method emphasizes developing an understanding of general principles providing background knowledge and generating an awareness of comparative ideas and practices. There are three common methods that are used in on-the-job training and these are; learning by doing, mentoring and shadowing and job rotation. Others include; vestibule training, behaviour modeling, understudy training, case study and group training. After a through needs analysis is conducted the next step is designing a training program.

### **2.2.1 Design**

The key activities involved in designing a training and development program are; setting objectives, selecting the trainer or vendor, developing lesson plan, selecting program methods and techniques, preparing materials and scheduling the program. In this process an organization may opt to buy or make the HRD program owner. In any case, prudent move should be made to optimize the use of the human resource in the organization from the program. Trainers should be selected either internally or externally, train- the trainer programs should be held, training methods for each training module should be selected, and training materials should be prepared. Participant oriented design should be prepared. In all means, training and developmental opportunities should be given on a performance opening and to whom they are badly needed. The most important issue to be inculcated in the design phase is that trainings and developments should have explicit objective before they are delivered (Randy et.al. p163). After the design stage is completed the next step will be implementation.

### **2.2.2 Implementation**

It is wise to consider what training methods to use; however, it is useful to consider the current level of expertise that trainees possess. Novice trainees generally require more guided or instructions-centered training methods. In contrast, as trainees level of expertise increases, the

desired or ideal training methods are also likely to shift more toward exploratory or experiential methods. As experiential methods generally require more time to complete than instruction centered approaches, they may not as commonly used to reach large numbers of individuals. The final step in the training process is training evaluation.

### **2.3 Benefits of Training and Development**

The purpose of training is mainly to improve knowledge and skills, and to change attitudes or behaviour. It is one of the most important potential motivators which can lead to many possible benefits for both individuals and the organization. Changing technology requires that employees possess the knowledge, skills and abilities needed to cope with new processes and production techniques. According to Cole (2002), training can achieve:- High morale - employees who receive training have increased confidence and motivation; Lower cost of production – training eliminates risks because trained personnel are able to make better and economic use of material and equipment thereby reducing and avoiding waste; Lower turnover – training brings a sense of security at the workplace which reduces labor turnover and absenteeism is avoided; Change management- training helps to manage change by increasing the understanding and involvement of employees in the change process and also provides the skills and abilities needed to adjust to new situations; Provide recognition, enhanced responsibility and the possibility of increased pay and promotion; Give a feeling of personal satisfaction and achievement, and broaden opportunities for career progression; and helps to improve the availability and quality of staff. Derek et al. (2000), looked at the training environment and the structure of organizations, and emphasized on the effects of internal, political and cultural factors on training and development.

As in any other discipline, training and development is undergoing metamorphosis every time. It is always amazing to think that training and development can mean as far as their definition. Whoever defines training and development, at the end of the day it becomes the benefit of training and development. Training and development focus on the improvement of Knowledge, Skills and Abilities of a specific task or job. Many authors (Nda and Fard, 2013, Armstrong 2006, Dyck and Neubert, 2009, Kinicki and Williams, 2011) and many more, define training and development just to rest on the benefits of training and development which contextually is improvement of Knowledge, Skills, Abilities and capabilities of employees.

Bahlis, J. (2008) on his conceptual article also raise a common denominator that training is about improvement of knowledge, skills and abilities of employees under consideration. Sherman et al. (1998), argues that many new employees can be equipped with most of the knowledge, skills and attitudes needed to start work, but others may require extensive training to ensure their effective contribution to the organization. Training is a systematic process of changing knowledge, skill and behaviour and / or motivation of employees to improve their performance on the job as per the goals and objective of the organization. "Training is an act of increasing the knowledge and skill of an employee for doing a particular job. The purpose of training is to bring about improvement in the performance of work. It includes learning of such techniques as are required for the better performance of defined tasks. (Okanaya, 2008) views in his article that training and development improves confidence in employees so that difficult situations can be handled with at most ease and comfort. In addition he confirms that training develops positive attitudes in the minds of the employees under consideration and employees might consider chances of promotion afterwards. At times, training can instigate refreshing exercise bridging as a short escape from the routine work. He also mapped that it draws the spirit of cooperation through development of skills, knowledge and abilities from the part of the employees and he also asserts that developed and trained employees can be rewarded high.

A majority, however, will require some type of training at one time or another to maintain an effective level of job performance. Drucker (1998), indicates that no matter how carefully job applicants are screened, typically a gap remains between what the employee does know and what they should know. An organization which desires to gain the competitive edge in its respective industry, needs among other things, extensive and effective training of its human resources. Training is therefore a key element for improved organizational performance; it increases the level of individual and organizational competences. It helps to reconcile the gap between what should happen and what is happening – between desired targets or standards and actual levels of work performance. Although many employers continue to have reservations about the cost and extent of tangible business returns from training, the development of skills has been identified as a key factor in sharpening competitiveness. Cascio (1989) puts it this way "The economic and technological trends, the pace of innovation, change and development are growing faster year-by-year and as a result, provide clear signals

that training and development are so relevant that both organizations and individual stakeholders must give a serious attention to”.

## **2.4 Principles of Training**

For training to be effective, a number of principles are usually applied. The principles are: Positive Reinforcement, Learner Participation; Feedback Mechanism and Transferability of knowledge to job performance. These principles have been identified based on extensive research of (Anastasi B.1969) And (Flippo 1984). As observed by (Beach 1980) learning is really the core of the training process. Learning refers to the human process whereby skills, knowledge, habits and attitudes are acquired in such a way that behavior is modified. The more highly motivated trainees are the quicker and more effectively they learn. Training must therefore, be related to trainees desires and needs such as job recognition, prestige and promotion. In effect, learning is most effective when the trainees realize that they can fulfill certain needs through training (Obisi 2001).

Since the objective of training is to assist a learner acquire the behaviour necessary for effective work performance, it is essential that a clear grasp of the ways in which learning theories are applied when designing training programs are laid. According to Leslie (1990), there are four main requirements for learning to take place: The first is motivation. The old saying that a horse can be led to the river but cannot be made to drink cannot be over emphasized as it contains an important lesson for the trainer. People learn if they accept the need for training and commit to it. If their motivation is weak, for instance if they doubt their ability to learn, no matter how well their training is designed and implemented, its effectiveness will be limited.

Obisi (2001) also came out with the fact that the more highly motivated the trainee, the more quickly and thoroughly a new skill or knowledge is learned. This means training must be related to something which the trainee desires. This could be money, job promotion, recognition and so on. The second requirement is cue. Through training, the learner recognizes relevant cues and associates them with desired responses. The third one is response. Training should be immediately followed with positive reinforcement to enable the learner feel the response. The reinforcement should be positive, timely and consistent (Leslie 1990). Finally, feedback – the information the learner receives indicating the quality of his response is the feedback. It should be made available as quickly as possible to ensure possible effective learning. The researcher thinks that even though these learning principles are good, they fail to talk about practice

where the learner actively participates in using the skills and knowledge acquired. Furthermore, it also fails to mention that the level of aptitude and intelligence of individuals are different which could affect the methods of training.

## **2.5 Training Policy and Procedures**

Kenney et al. (1992), points out that companies should have different policy for training depending on the class or level of employment or level of employees to be trained. They pointed out that training policy are necessary for the following reasons: 1) To provide guidelines for those responsible for planning and implementing training; 2) To ensure that a company's training resources are allocated to pre-determined requirements; 3) To provide for equality of opportunity for training throughout the company; and 4) To inform employees of training and development opportunities. As much as these policies seem to be accurate, they are silent on the elements of budgetary provision and top management support for training.

According to Armstrong (1996), training policy are expressions of the training philosophy of the organization. He also affirms the assertion of Kenny et al. (1992), but even further stated that training policy shows the proportion of turnover that should be allocated to training. He again advocated that a training philosophy is imperative to indicate the degree of importance the organization attaches to training. This will if not eliminate entirely, reduce the laissez-faire approach to training. Notwithstanding the essence and the benefits of training, policy can prove to be a difficult task for Directors especially if they are doing so for the first time, and if they do not have the advice of a training officer with previous experience at the level.

## **2.6 Evaluation of Training**

Upon checking the effectiveness of training, Kenney et al. (1992) stated that the training program is reviewed during and after its completion by the training officer, the line manager, and if necessary, by the trainees themselves. Evaluation differs from validation in that it attempts to measure the overall cost benefit of the training program and not just the achievement of its laid down objectives. Evaluation is an integral feature of training, but it could be difficult because it is often hard to set measurable objectives.

There are several methods for evaluating training. Beardwell and Holden (1993) have cited some of these methods as follows:- Questionnaires (feedback forms): this is a common way of eliciting trainee responses to courses and programs; Tests or examinations: these are common

on formal courses, especially those that result in certification for instance a diploma in word processing skills. End-of-course tests can also be employed after non-certificate short courses to check the progress of trainees; Projects are initially seen as learning methods but they can also provide valuable information to instructor about the participants' understanding of subject matter; Structured exercises and case studies also provide opportunities to apply learned skills and techniques under the observation of tutors and evaluators and Interviews of trainees after the course or instruction period are another technique for gathering information directly from the learners. These can be formal or informal, individual or group, face-to-face or by telephone.

There are many models available in the literature for a training evaluation. Some of these goal/objective models are enumerated as follows: Donald Kirk Patrick's models, Jack Phillips Return on Investment (ROI), Hamblin's 5 levels, Guskey's critical levels, Indiana University taxonomy, Industrial Society stages, Kearns and Miller KPMT model, Nine outcomes model, Organizational elements model and Contemporary ROI models to mention some of them. (WHO HR report Geneva July 2008)

### **2.6.1 Kirkpatrick's Model - Evaluation of Training**

For the purpose of this research, the researcher opts to Kirk Patrick's four level models. This is because it is the most famous model and has been refuted by many researchers since 1950's and the CBE is also using this model of evaluation.

Phillips (1997) defined training as a systematic process of examining the worth, value, or meaning of an activity or a process. Since a particular method of evaluation can be applied in all cases there is the need to develop several method of measurement. While there are several model and format developed for measuring HRD and training effectiveness, the most accepted model is that developed by Kirkpatrick. He suggested that there are four areas that required measurement, when analyzing the effectiveness of training effectiveness- that is emotional reaction, achievement of objectives, behavioral changes and organizational impact. Kirkpatrick (1998) identified four level process of evaluation process of training evaluation. The order of the levels is reaction, learning, behaviors and result respectively.

**Emotional Reaction**

Emotional reaction refers to the attitudes of participants at the end of training. An employee who has considerably gained skill and knowledge tries to apply it on the job, and thus bring positive reaction. This could be an indicator for measuring employee's general attitude, expectations and motivation. Although subjective, reaction also provides feedback on training style and content. Measurement is useful in nurturing management supports for the training program. Post training questionnaires can be used to measure emotional reaction. Questionnaires should be directed towards measuring the training attitudes toward content, process (presentation style), definition of course objectives, attainment of course objectives and overall course value (Alyaha and Norsih, 2014). The focus of the type of measurement is to investigate the attitudes toward the training material provided during training and obtain feedback from the trainee. According to Kirkpatrick, training program should at least first evaluate at this level to help improve on the conceptualization and design of the training program. Employee reaction at this level measures satisfaction derived from training.

**Achieving Learning Objectives**

This is the second area of measurement, achieving learning objectives is a type of post training evaluation of knowledge and skill gained through the training intervention and which will ultimately translate to improving job performance. A positive emotional reaction and increase practical skill and knowledge of functional concept are indication of successful training and a requirement for meaningful HRD program. Pre and post test methods of evaluating training effectiveness produce a result which are compared to a benchmark, the benchmark will help to show whether knowledge and skills have been obtained from the training experience. Pre and post test may be conducted sometimes in the class room workshop and simulation. Adopting this technique in class room and simulation will yield direct result and provides less stressful and more positive learning environment. In either case, the result obtained should be compared to the learning objectives (Laing I.F., 2009).

**Behavioral Changes**

The third approach to measuring the effectiveness of training focuses on the training behavioral changes. The third level of evaluation is about work –related behavioral changes which reflects in performance. This entails studying the changes in employees work related behaviors as a result of training while emotional reaction and knowledge gain can be easily accomplished immediately after training sessions. Measuring behavioral changes requires some

time lag for employee to fully implement the newly acquired skill and knowledge. Survey, observations and interviews of performance are some of the tools used in measuring behavioral changes. This is because the changes reflect most and best recognized in performance. The training measure can be linked with in-house employees' appraisal system and functions. It is very important to understand the concept of behavioral changes resulting from training using employee appraisal system because appraisal method might be too general, however, when using appraisal method, it must be used in the context of behavioral changes as a consequences of training. A common method of measuring behaviors is to set initial performance objectives. Accomplishing the set objectives is a measurement of transferring emotional reaction and learned knowledge into behavioral changes. (Tapomoy, 2011)

### **Impact on Organization**

The fourth area in Kirkpatrick model revolves around the impact of training and development on the organization. The measurement is based on the notion that training and human resources development must reflect the organizational culture and strategy. A training program is judged successful only if the training outcome is aligned closely with the organization's goals. Measuring the impact on organization can be informed of measuring improvement in profitability, safety measure, etc. The first three are important for individual employee performance improvement in an organization. The fourth dimension measures the overall impact of the organization. (Randy et.al. 2002)

All the concepts of needs assessment, design, implementation and training evaluation are contained in the HRD training policies and procedures. When they are critically enumerated in detail in the training procedures, then organizations know exactly what method to use to transfer knowledge to their employees.

### **2.7 Training and Development and Employee Performance Improvement**

Training and development increases personnel efficiency, professional growth, reduced lateness and absenteeism, smooth and more effective organization's operations. Akintayo (1996) stated that after having a successful training, employees can increase productivity Improve the quality of work and raise morale, Develop new skills, knowledge, understanding and attitudes. They use correctly new tools, machines, processes, methods or modifications thereof. Reduce waste, accidents, turnover, lateness, absenteeism, and other overhead costs, implement new

or changed policies or regulations, Fight obsolescence in skills, technologies, methods, products, markets, capital management, Bring incumbents to that level of performance which meets the standard of performance for the job, Develop replacements, prepare people for advancement, improve manpower deployment and ensure continuity of leadership, Ensure the survival and growth of the organization. The objectives of training and development are the same. Both enhance the individual's capacity to contribute optimally to the development of the organization (Oguntimehin, 2001). The quality of service can be maintained by continuous development of employees.

One of the ways to develop employees is giving them a continuous training in their respective fields as according to Michael Armstrong (2000) employees can perform better and maximize their natural abilities after following a successful training sessions. Training and Development enhance employee's ability to adopt new technologies. Build a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employee morale. Ensure adequate human resources for expansion into new programs (Heras, 2006). Training is an ideal way to learn a job and it helps employees to improve their skills to do their duties better than before, and employee development will likely grow in the future (Noe, 1999). The benefits of employee development extend beyond the actual skills gained and their contribution to an individual's happiness (Bates, Reid, 2004).

Oguntimehin, (2001) identified the effects of employee training are as follows: increase Employee productivity, improves the quality of their work; and improve skills, knowledge, understanding, satisfaction, motivation and their attitudes. In the eighties, training programs were designed to improve the adaptability and flexibility of the work force and increasing their happiness and responsiveness to innovation. Training and Development can improve the performance of employees and the capacity to answer consumer needs.

Tsai et al. (2007) found that employees committed to learning showed a higher level of job satisfaction with a positive effect on their performance. Job satisfaction has been defined as "pleasurable or positive emotional state resulting from an appraisal of one's job or job experiences" Tsai further refutes that employees who are ready to learn showed a higher level of job satisfaction which has a positive effect on their performance. This view is supported by

Qureshi et al. (2007). Another addition to the assumption is that employees who perceive their training beneficial will be more satisfied than those who were not.

Omole (1999:18) noted that the purpose of training and development include the improvement of the present or future competence of the individual with a view to improving the competence of the team, group or organization, thereby serving a dual purpose. He went further to say that the rapid changes taking place in the field of technology all over the world demand that workers must be trained to catch up with the changes. The overall aim of training and retraining workers is to improve the efficiency or performance of the work force and to increase the productivity of the organization.

The findings of Collins (2008) on the effect of on-the-job training on Intercontinental bank workers revealed that training and development brings greater confidence on workers, enriches employee's knowledge and increased performance skill, creates greater efficiency and effectiveness, increases productivity and leads to higher profitability. The study further revealed that there exist a direct relationship between manpower training and productivity of Bank workers. Training improves the productivity of employees and that of the organization and increases profitability arising from staff efficiency.

According to Bramley (2003) the effects of training and development on employee's performance can often encourage growth within the worker and the organization itself. Training can lead to self-fulfilling prophecy of enhanced output by employee and employee development equals decrease in operational costs, leads to greater loyalty to the organization and as well enhanced job satisfaction. He further said that the effects of training on employee performance include meeting and exceeding expectations, cross training of staff, preparing employees for promotion, maintaining a safe environment and reduction of errors.

In addition, the findings of the study carried out by Carolyn, M., & Radka, A. (2011) revealed that training and development had significant effects on the productivity of workers in the organization. In the same vein, Cho, Yonjoo and Seung, W. (2010) are of the opinion that labor productivity growth appears to be enhanced by the joint introduction of training and innovation. This is due to the fact that training requires the support of innovation to benefit labor

productivity growth. Accordingly orientation and induction training program for instance provide new employees the general information that they need about the organization's policies, procedures, practices and rules that will affect them and also about the jobs, they are to perform as obtained in accurate and comprehensive job description. Developments provided to workers help the organization to function at an optimum level of productivity which is a direct effort of all employees. Training brings about change in behaviour with terminal objectives to achieve the goals of the organization through optimal use of manpower which is the improved and changed manpower. Training and re-training can help workers to become more confident by themselves and have a sense of belonging and commitment to the achievement of organizational goal. Hence, if workers receive necessary educational and developmental opportunities necessary to perform their work well, they will not only work with dedication but will aspire to achieve excellence on the job (Ajileye, 1992). Training and re-training of both old and new workers in an organization is not only aimed at promoting the ability of workers concerned but also promote the good image of the organization as well as preparing workers for taking up higher responsibilities when vacancy occurs. Those organizations that invest resources in workers' training stand the chance of gaining a lot. Definitely, the organization stands a better chance of increased productivity in their various enterprises than those who do not invest in the development of their workers. It is also evident that organizations reap much more benefits than the workers themselves. Therefore, training serves as a motivating force in improving the efficiency and productivity of the workers.

According to Brum (2007) training and development is probably the hardest strategy to improve employee's determination towards the organization performance. Khanfar (2011) views substantiates Brum's (2007) claim regarding employee performance that is provided by training. Akhtar et al.(2011) discovered that training has an optimistic association between motivations along with job engagement involving personnel doing work in organizations. Muzaffar et al. (2012) indicates that, to increase the employee's performance, it is crucial to inspire the employees by means of satisfying the space in between skills necessary and the owned or operated by means of staff through delivering applicable training. Farooq and Khan (2011) concluded that role of the valuable training is to improve the quality of task process that brings improvement in the performance of employees.

Employee performance improvement may be seen as the result of congruence between training and development and organizational goal. On the other hand, Fey et al. (2000) were of the view that, there is a strong positive relationship between employee training and development program and organizational performance. This suggests that employee training and development relate significantly to firm performance. Buckley et.al (200) were of the view that whenever, employee performance increases, it leads to organizational effectiveness. Investment in training and development of employees working in various ways can therefore help as a catalyst to improve performance in terms of development. However, other studies such as Sahinidis et al. (2002) suggest that sometimes employees feel that trainings do not provide them with sufficient skills or knowledge. And therefore was of the view that improper training can result in conflicts between employees and their organizations. This could impact negatively on the organizations performance and effectiveness. The effective functioning of any organization requires that employees learn to perform their jobs at a satisfactory level of proficiency. An effective organization wishes to have amongst its ranks individuals who are qualified to accept increasing responsibilities. So much those organizations need to provide opportunities for the continuous development of employees not only for their present jobs, but also to develop their capabilities for other jobs for which they might later be considered (Pravin Durai, 2010).

Training and development is important and beneficial not just for the organization itself, but also for the personnel. On the one hand, training and development leads to improved profitability and more positive attitudes toward profit orientation, improves the job knowledge and skills at all levels of the organization, improves the morale of the workforce and helps the employees identify with organizational goals (Sims, 1999). On the other hand, it benefits individual employees through helping them make better decisions and effective problem solving, assisting in encouraging and achieving self-development and self-confidence, helping personnel manage the stress, tension, frustration and conflict, increasing job satisfaction and recognition and moving the individual employee towards personal goals while improving interaction skills (Sims, 1999).

Organization having much better skilled and creative employees can easily avoid wasteful investment to improve efficiency and performance of organization. Training is the most important part of human resource management function on the effective use of human resources. Nowadays, everyone admits the value of training as a major influence on success of the

organization. Training enhances knowledge and information about a certain field and also adds advantage to networking for efficiency and performance of employees. Human resources are the most valuable assets in every organization. Training is really a systematic development of the knowledge, skills and behavior required by employees to do adequately on confirmed task or job. It can take place in numerous ways, on the job or off the job; in the organization or outside organization. Training may be considered when people of an organization look for promotion or rank. Some employees prefer training to improve professional skills that help them to work more efficiently. They believe that professional training enhances knowledge and improve performance (Kennedy, 2009).

### **2.8 Indicators of Employee performance Improvement**

According to the review of the literature above, the following researchers have searched on areas of training and development as systematic and planned, training and development on conflict reduction, motivation, error reduction and improving performance. The researcher therefore lists the researchers on various performance indicators as follows:

The improved performance of employees is reflected in one way or the other up on certain parameters. It is generally believed that employee performance will be improved after Training or Development sessions. T.Rajeswari and Palanichamy (2015) are of the view that training is a systematic process. Nwachukuwu (2001), Waheed (2011 and Gordon (1992) support the argument that training is a systematic and planned process. They say that systematic and planned training and development process will improve employee performance. Mondy (2012), Caroline and Charles (2000), Cohen et.al (2001), Obisi (2001) and Muzaffar et al (2012 believe that training brings forward motivation up on trainees and hence improve performance both to the employee and the organization.

Cole (2002), Saqub et.al (2014), Oguntimehin (2001), Tsai et.al (2007) and Nickels (2009) are of the opinion that training and development reduces or eliminates error and hence improve performance. For them, after training, trainees are not prone to error creation; they would rather eliminate errors to the eventual employee performance improvement.

Akintayo (1996), Armstrong (2000), Oguntimehin (2001), Omole, (1999), Collins (2008) Campathes (2006), Jackson and Schuler (2003), Armstrong (2006) and many more researchers believe that employee performance is improved through training either by inspiration,

satisfaction, confidence, error reduction and strategic implementation. The final outcome is reflected in organizational productivity or performance which is reflected by the volume of its revenue. The indicators are not isolated from each other and hence the effect of one leads to the other. For example motivated employees will perform better and hence increase productivity and the same is true in error reduction. Training affects error reduction which bi-implication lead to cost saving and in turn lead to employee performance and finally organizational performance and profitability.

### **2.9 Gap Analysis**

The review has so far revealed the importance and purpose of training in an organization, and how it contributes to productivity and performance improvement. The essence of training needs has also been explained. How and why training needs should be assessed was not overlooked. The fundamental bases for which personnel may be chosen or selected for training, the kinds of training methods are identified. In summary, this study is designed descriptively to find out whether there exists any setback in the training and development schemes at CBE, and thus offer recommendations as to how these setbacks may be reduced if not entirely eliminated. Training is seen as a key instrument in the implementation of Human Resource Management policy and practices, particularly those involving cultural change and the necessity of introducing new working practices. First of all the organization will need a training policy that specifies what training means to the organization, who qualifies for training, how training should be conducted and so on. The next step is to analyze the training needs of the organization in relation to the organization's strategy and equate it with the needs of the individuals within it. A variety of methods could be adopted to carry out a training needs analysis. Job analysis, interview with managers and supervisors and performance appraisal are few methods commonly used. Despite the available variety of methods, an organization has to be cautious when selecting training methods for its use. A careful use of training methods can be a very cost-effective investment. And finally, evaluation and monitoring of training and development sessions should be done to be effective.

### **2.10 Conceptual Framework**

The conceptual framework interlinks independent, dependent and intervening variables as depicted below.

### **2.10.1 Independent Variables**

This demonstrates the activities under training and development that have a bearing on the employee performance improvement (dependent variable). The ones in the left include; training methodology training policy and procedure and training evaluation.

### **2.10.2 Dependent Variable**

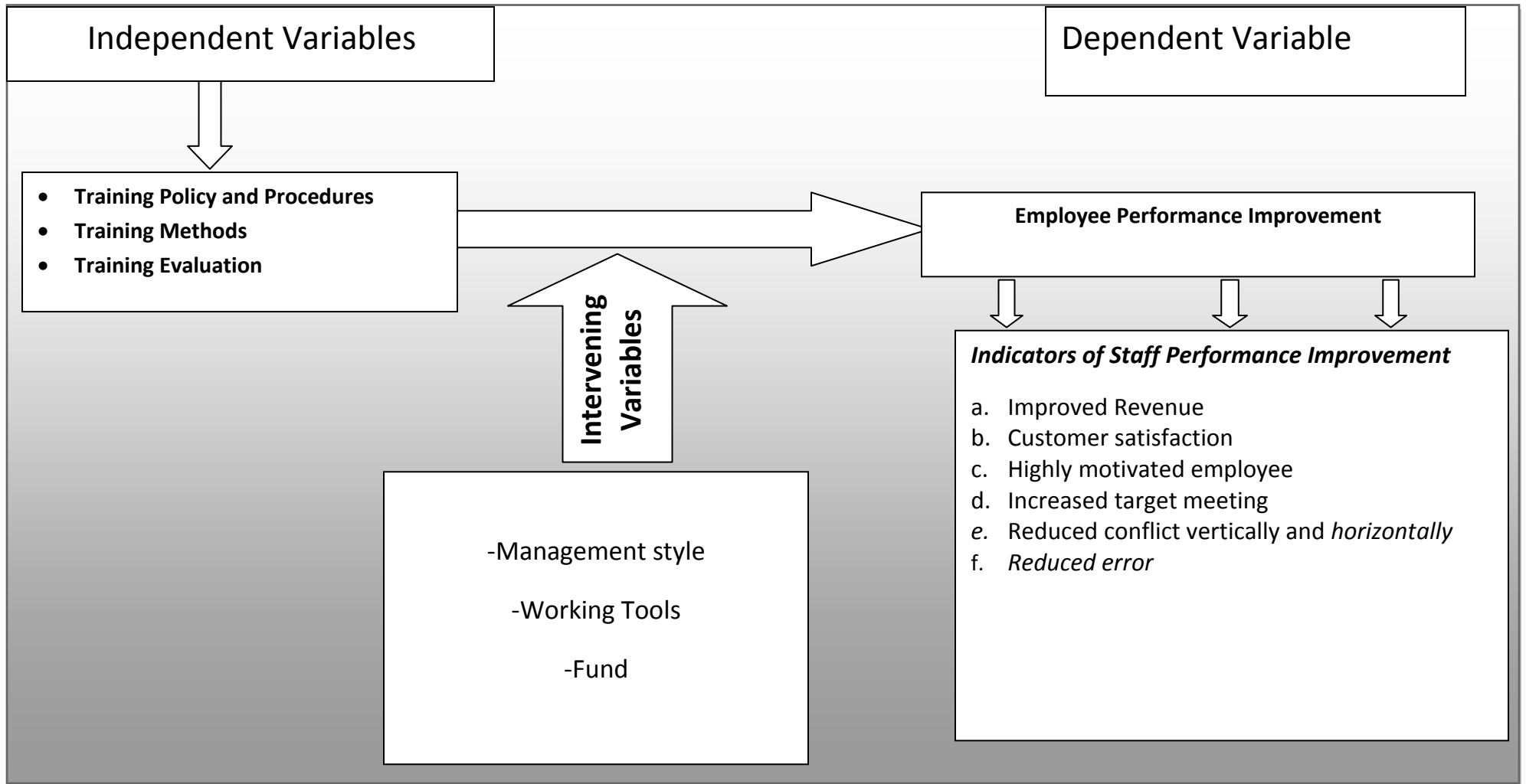
This attempt to depict the likely effect on staff performance from training and development initiatives (independent variables). It is expected that the day to day training and development initiatives of CBE will affect on employee performance.

### **2.10.3 Intervening Variables**

These variables in the model attempt to portray that, where training and development initiatives on employee performance may not be the end in themselves. Other factors such as management style, working tools and funds have an effect on employee performance. From the research objective the following framework will be used to guide the study. The effect of training and development can be measured by the role of independent variables (training methodology, training policy and procedure and training evaluation). The independent variables have a positive or negative effect on the dependent variable (employee performance improvement). Employee performance improvement in the model is limited to the following indicators: - Improved revenue or reduced revenue, customer satisfaction or unsatisfied customers, highly motivated or poorly motivated, increased target meeting or lack of meeting targets, reduced conflict or increased conflict and reduced error or increased error. The model recognizes intervening variables (management style, working tools and funds) these are variables that have a role in training and development but the study has not focused on them as such. See figure 1 below.



Figure 1 conceptual framework



Source: adopted from Cathalina (2010)



## Chapter Three

### 3.0 Research Design and Methodology.

This chapter presents the methodology that was used to carry out the study. It includes the research design, population studied and sampling strategy, the data collection process, the instruments used for gathering data, and how data was analyzed and presented.

#### 3.1 Research Design

Research is the technique for investigating something in a systematic manner. Hopkins (2000) suggested that quantitative research work connects independent and dependent variables. Thus, the research was conducted using Quantitative Descriptive type in the form of correlation research design as it appeared to be more appropriate in exploring the effect of Training and development on employee performance improvement. According to William (2006), research design can be thought of as the structure of research, it is the "glue" that holds all of the elements in a research project together. We often describe a design using a concise notation that enables us to summarize a complex design structure efficiently. Descriptive studies try to describe characteristics of subject opinions, attitudes and perceptions and that is the intent and desire of the researcher. Furthermore, Descriptive studies also aim at obtaining information from a representative selection of the population and from same: the researcher is able to generalize the findings to a larger population.

#### 3.2 Population and Sampling Design

##### 3.2.1 Population of the study

The study with a target population of 1971 permanent employees (HR report, 2015) has three strata i.e. the management, the supervisory and the professional. Employees who are out of Addis Ababa Branches and non –clericals were not included in this research due to the short available time, geographical restrictions, access to data, expected rate of return from the study and the degree of literacy etc.

The Sample size (297) is determined based on the sample size determination formula for descriptive research. Here, in the study, the information used in the formula included assuming a 99% confidence level, estimated variance (2.58) and acceptable margin of error 0.01 and sampling size calculated by formula: Kothari (2004). "Descriptive research typically uses larger samples as stated by Melchor A. Calmorin and Laurentina (p.230).

$$S_s = N_z + ((S_e)^2 * (1-P))$$

$$N_{S_e} = ((z)^2 * p (1-p))$$

Where; N= Total number of population

Z = standard value (2.58) for 99% reliability

Se = Sampling Error-0.01

P = Largest possible proportion–0.50

Utilizing the above formula, the calculated sample size is 297. Thus the sample was distributed to 297 respondents proportionally under the sample frame. Questionnaires were distributed personally to the respondents on a drop and pick format. Of the 297 questionnaires distributed, 267(89%) were collected and used for data analysis purpose.

### **3.2.2 Sampling Design**

#### **3.2.2.1 Sampling Method**

Respondents are slightly diversified in terms of educational qualification, job variety and other parameters, the participants' perceptions of training and development on issues like the method of training, the evaluation, and the respective training and development policy is slightly expected to vary. Thus, stratified random sampling method is applied to avoid such heterogeneity of the population. The following explanation by Kothari (2004, p.62), in his research methodology book, complements the above rationale of this study for adopting the stratified sampling design. If a population from which a sample is to be drawn does not constitute a homogeneous group, stratified sampling technique is generally applied in order to obtain a representative sample. Under stratified sampling the population is divided into several sub-populations that are individually more homogeneous than the total population (the different sub-populations are called „strata“) and then we select items from each stratum to constitute a sample. Since each stratum is more homogeneous than the total population, we are able to get more precise estimates for each stratum and by estimating more accurately each of the component parts, we get a better estimate of the whole.

#### **3.2.2.2 Target Population**

CBE has 13 processes. Three are core and ten are support processes. The core processes: are Customer Accounts Transaction Services (CATS), Trade services (TS) and Credit Process. Out of these core processes, two are selected randomly. They are: Customer Accounts Transaction Services (CATS) process and Trade Service process. And again out of the ten support processes, two are randomly selected. They are: Risk and Compliance process and Office of Strategy Management. For convenience purpose the target population is tabulated below.

**Table 3.2.2.2 determining target population**

No. of Core processes	No of support process	Method	Population in these processes
3	10	Random	1971

*Source: CBE 2015*

Trade Services and the other support process are concentrated at Addis Ababa area. Customer Accounts Transaction Services (CATS) is disseminated all over the country. Of the 15 CATS districts, 4 are found at Addis Ababa area. They are: North, South, East and West Addis Ababa Districts. The researcher randomly selected out of these four districts and south Addis Ababa district was selected. It has 59 branches and the researcher again purposively selected 16 branches under south Addis Ababa Districts. One of the selection processes is the size of the branch with respect to customer transactions and number of staff.

The study focuses on four processes as described above. Two core and two support processes. The target population is 1971 which includes the management, employees from supervisory level, and employees from operations and support. The management staff from the target group is 85, while employees on supervisory level are 141 and employees from operations and support in the target group are 1745. Due to financial, geographical and time constraints, the researcher has limited its scope to Addis Ababa area with a combination of head office and one CATS district (South Addis Ababa District).

### **3.2.2.3 Sampling Frame**

The study used quantitative descriptive research method through the stratified random Sampling method that engaged from both Managerial, supervisory and professional employees. All Management, supervisory and professional is permanent employees in the bank and they include, senior executives, directors, team leaders, and the professional category includes customer service officers and various officers and experts at a support level. For framing purpose the researcher has grouped the strata into three parts; the management, the supervisory and the professionals. The following detailed sampling frame is used to designate the sub total of the population and the number of participants to be sampled proportionally from the total 297 samples of the study.

Table 3.2.2.3 determining target population

Strata	Population size	Sample size
Management	85	13
Supervisory	141	22
Professional	1745	262
	<b>1971</b>	<b>297</b>

Source (CBE HR 2015)

### 3.3 Data Collection Procedures

Generally, the study has both primary and secondary sources. The primary data was collected from the responses overall representatively sampled participants in the bank using structured questionnaire quantitatively measured on a five point Likert Scale. Secondary data is collected through document review from existing information available in books, company magazine, organizational reports, brochures, journals, published and unpublished researches, internet and other relevant materials

### 3.4 Study Variables and instrument

#### 3.4.1 Study Variables

The study has two variables namely independent variables of Training and Development (Training methods, Training evaluation and Training policy and procedures) and the dependent variables employee performance improvement with respect to (customer satisfaction, error reduction, high motivation and conflict reduction). Normally performance improvement can be seen from these extrinsic qualifiers mentioned and supported by literatures.

#### 3.4.2 Instruments

The study is done with the help of self administered questionnaires which is prepared according to the Stanley press model (1996). The questionnaires were distributed personally to every management group, the supervisory and the professional employees in the sample.

According to the manual of Stanley Press, the independent variables of training and development are almost always related to the training methods, its evaluation and the policy aspect. Once these parameters are measured, it can be said that training and development is measured, but of course taking into consideration the latent variables.

### 3.5 Method of Data Analysis

After the primary and secondary data gathering procedures was completed, the collected data was checked throughout the different phases (editing, coding, data entry and data analysis). Quantitative data analysis techniques employed. The SPSS statistical package version 20 is used to analyze the data gathered using the questionnaires quantitatively. The study used Pearson's correlation analysis and descriptive statistics (Tabachnick, Barbara, & Fidell, 2001; Yaacob, 2008) and then multiple regression analysis was applied to assess the magnitude and direction of each independent variable, and measure the effect of the mediating variable in the relationship between many predictor variables and one measured variable (Foster, Stine & Waterman, 1998) cited by Warokka et al., (2012, p. 12). Finally, the results were triangulated and presented using tables.

**Descriptive Analysis:** Descriptive Statistics allows the researcher to give explanation of different pieces of data with a few indices. Descriptive statistics such as standard Deviation and means were obtained for the independent and dependent variables.

**Correlation Analysis:** Correlation is a statistical technique that tests the “Interdependency” of the variables. It can tell the correlation among variables but it does not tell which relation is stronger

**Regression Analysis:** was used to measure the relative strength of independent variables on Dependent variable.

#### Model for Regression Analysis

The multiple regression model is written with three independent variables as:  $Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + e_i$ ; Where  $y$  = dependent variables,  $x_1, x_2, x_3$  = independent variables,  $\beta_0$  is the intercept,  $\beta_1$  measures of change in  $y$  with respect to  $x_1$ , holding other factors fixed,  $\beta_2$  measures of change in  $y$  with respect to  $x_2$ , holding other factors fixed,  $\beta_3$  measures change in  $y$  with respect to  $x_3$ , and  $e_i$  is error term.

### 3.6 Research Ethics

According to Creswell (2003: 64), the researcher should respect the consents of the participants and acknowledge the works of others on its piece work. The work should be objective, courteous and highly professional. There is no alteration or misrepresentation of data for any purpose from

the researcher. The confidentiality and responses of every participant is respected and justified. Per the data received from respondents, a Cronbatch alpha of 85% reliability was confirmed.

## Chapter Four

### 4.0 Analysis and Presentation of Findings

#### 4.1.1 Introduction

This section focuses on the analysis and report of the results of the study. The main issues covered are demographics of the respondents and data presentation in terms of tables, charts and cross tabulations, correlations and regressions to address the objectives of the study.

#### 4.1.2 Response Rate

The data for this study was collected in the month of April and May 2016 using survey questionnaire to the identified 297 respondents within CBE and structured interview with the manager Learning and Development. The survey questionnaires were distributed to the identified employees of the bank out of which 267 questionnaires were successfully completed and returned to the researcher. All the management and supervisory level employees totaling 35 have filled in the survey questionnaires delivered to them and returned back fully. There is 262 professional staff from various processes. Only 232 filled in questionnaires have been returned from this professional group. The response rate was therefore 89% of the sample. According to Mugenda and Mugenda (2003), a response rate of over 50% is recommended. There is not any missing data from the three strata of employees.

### 4.2 Demographic characteristics of the respondents

The first part of the questionnaire consists of five items about demographic information of the respondents. It covers the personal data of respondents such as: Gender, Age, Educational Background, and Year of Service in the Bank, Current Job Position and The following subsequent tables will indicate the total demographic characteristics of the respondents.

#### 4.2.1 Current positions of the respondents

**Table 4.2.1 current positions of the respondents**

Level/Strata	Frequency	Percent
management	14	5.2
supervisory	21	7.9
professional	232	86.9
Total	267	100.0

*Source : ( survey questionnaire 2016)*

As depicted in table 4.2.1 above, the management staff is 14 which is 5% while the supervisory levels is 8% and the professional category is 232(87%). This can be implied in that most of the bank employees are represented in the professional category.

#### 4.2.2 Age of the respondents

Table 4.2.2 ages of respondents

year	Frequency	Percent
18-25	54	20.2
26-35	120	44.9
36-45	80	30.0
46-55	8	3.0
56-59	5	1.9
Total	267	100.0

*Source: (survey questionnaire 2016)*

The researcher needed to know the general age distribution of respondents to help categorize the employee's because CBE employs different categories of employees. From table 4.2.2 one can draw that the brace of ages 26-35 takes the larger percentage of the employee's age which is 45%. The next brace is in the range of 36-45 years which has the percentage composition of 30%. The next in line is the age bracket of 18-25 which represents 20% of the respondents. The other age brackets add up to sum at 5% of the respondents. The arrangement of the age structures in the bank indicates a clear succession planning in place – where the older ages are less in percentage as compared to the younger generation.

#### 4.2.3 Gender of the respondent

Table 4.2.3 gender of respondents

Gender	Frequency	Percent
female	106	39.7
male	161	60.3
Total	267	100.0

*Source: (survey questionnaire 2016)*

Figure 4.2.3 presents data on gender of respondents. The figure shows that the male respondents formed the majority of the target population with a total of 60% while 40% of the respondents were females. A higher male population indicates that gender mainstreaming initiatives at the bank need to be enhanced in the sampled areas. The bank should strive at 50%:50% male and female representation.

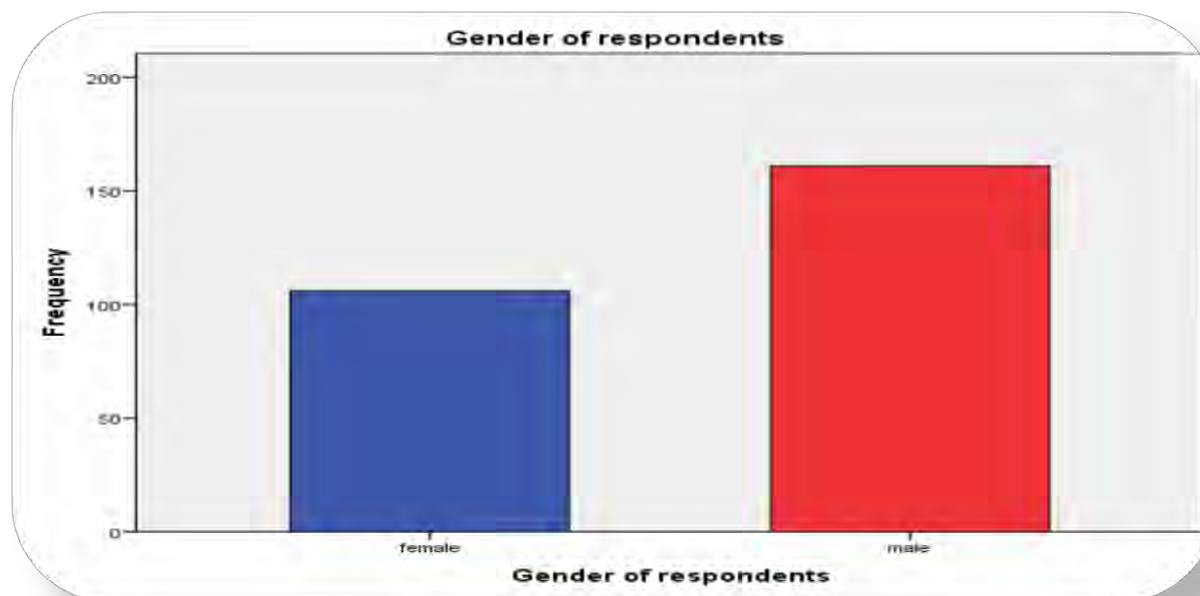


Figure 2 age of respondents

#### 4.2.4 Educational Qualification of respondents

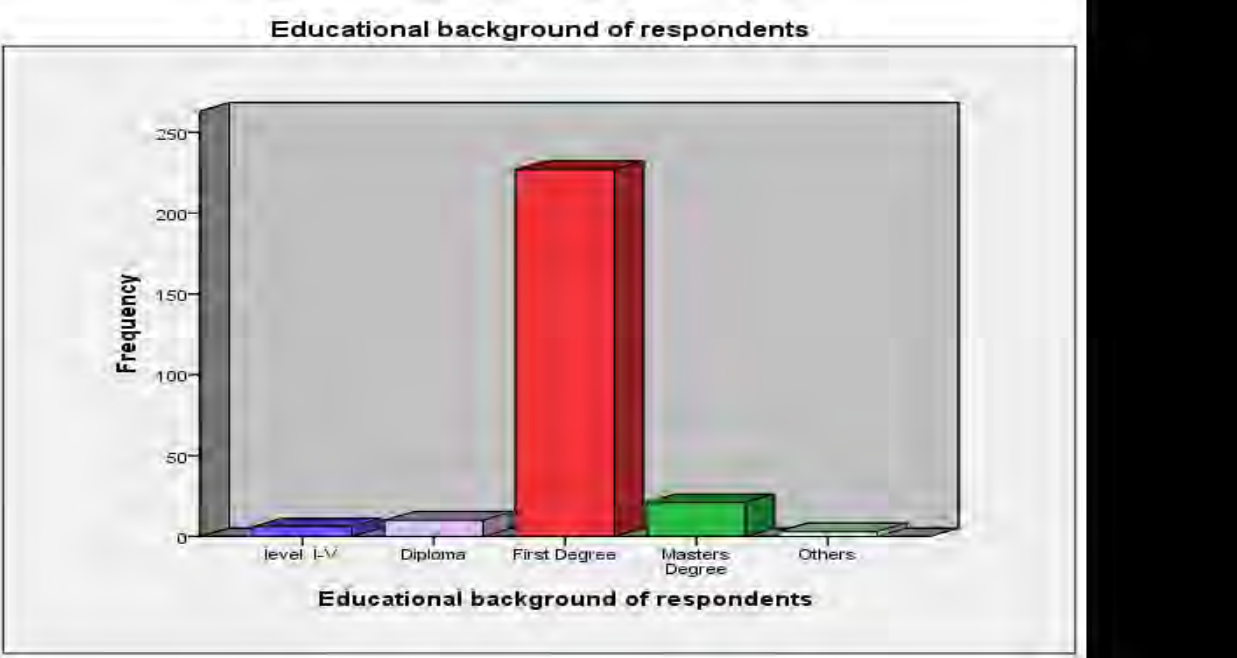
Table 4.2.4 educational qualifications of respondents

Qualification	Frequency	Percent
level I-V	6	2.2
Diploma	10	3.7
First Degree	227	85.0
Masters Degree	21	7.9
Others	3	1.1
Total	267	100.0

Source: (survey questionnaire 2016)

It was also necessary for the study to determine the educational levels of the employees as that could determine what kind of training may be most appropriate. Figure 3 below presents the data of educational background of respondents.

Figure 3 educational backgrounds of respondents



Source: (survey questionnaire 2016)

From Figure 3, it can be seen that respondents hold a range of educational qualifications from High school completion to masters’ level. Most of the employees consisting majority of the total respondents have first Degree at 85%. Masters Degree constituted 8%, Diploma level constitutes 4% while the level studies and others constitute 3%. Other qualifications are previous 12 grade graduate certificates. From the reality we can see that the bank society is a minimum of a first Degree holder and that supports the policy of recruitment of the bank. We can also see that most of these first Degree holders are professionals and are subject to take technical trainings and hence technical trainings should be systematic and planned.

**4.2.5 Work experience of employees at the bank**

The respondents have served in the bank between 1 to 30 years. This means the organization has a blend of experienced and young professionals who require constant refresher training and development to update their skills and to perform better on the job. Older staff comprised of a minority of percentage as depicted in table 4.2.5 and the graph below. The majority of the ages of

employees in the sample areas fall in the range of 6-10 years. We can see that these staff are vibrant and need further training and development to serve the bank for longer time.

**Table 4.2.5 work experience of the respondents**

Service year	Frequency	Percent
1-2	54	20.2
3-5	1	.4
6-10	122	45.7
11-20	64	24.0
21-30	13	4.9
31-40	13	4.9
Total	267	100.0

**Source: (survey questionnaires 2016)**

### **4.3 Data Analysis of the independent and dependent variables**

In section two of the questionnaire, Research related questions were covered such as: employee Training and Development method, The methods of Training and Development facilitation at CBE and the related Training and Development policy of the bank. Three variables were selected and ten questions were designed. 4 questions were designed for Training Method, other four questions for Training and Evaluation and other two questions regarding the Training and Development policy of the bank. Accordingly, the respondents were guided to follow with Likert Scale approach

Survey scale is designed in this accord. 1=Strongly Disagree, 2= Disagree, 3=Neutral 4 = Agree 5=Strongly Agree. Similarly, the Response Category is adjusted with the following annotations to see where their response category falls. Strongly Disagree (1.50 or less), Disagree (1.51-2.50), (2.51-3.49), Neutral (3.50-4.49) Agree and (4.5 and above) Strongly Agree.

### 4.3.1 Analysis of the predictor variable Training methods

Table 4.3.1 form of training

<b>Question 1: have you ever had a chance of taking any form of training at CBE?</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	13	4.9	4.9	4.9
neutral	15	5.6	5.6	10.5
agree	101	37.8	37.8	48.3
strongly agree	138	51.7	51.7	100.0
Total	267	100.0	100.0	

*Source: (survey questionnaire 2016)*

One of the questions on the predictor variable under training methods is if employees have taken any training at CBE in any form. 89% of the respondents agreed that they have taken a form of training at CBE. The rest 11% either disagreed or remained neutral. From this data it can be inferred that there may be times when employees do not take trainings except for induction trainings.

#### Training selection

Table 4.3.1.2 training awareness

<b>Question 2: Are you aware on how you were selected for training?</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	10	3.7	3.7	3.7
neutral	15	5.6	5.6	9.4
agree	103	38.6	38.6	47.9
strongly agree	139	52.1	52.1	100.0
Total	267	100.0	100.0	

*Source: (survey questionnaire 2016)*

The other predictor variable in the training method is if employees know how they are selected for Training sessions. 91% of the respondents agreed or strongly agreed to the question at measure. Table 4.3.1.2 depicts the details of how trainees at CBE are selected for a training session. Per the interview we had with the Human Resource Manager, most of the developmental trainings are planned ahead and will be informed to the participants giving them ample time to rehearse the type of training they take. Regarding the technical training, since the pool of knowledge emanate from the implementers, we demand the schedule from every performers. The researcher sees weakness in a training selection with the technical part, but presently, every performer knows what to do with the technical training.

## Training objectives

Table 4.3.1.3 training objectives

<i>Question 3: Are you aware on the objectives of trainings at CBE?</i>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	9	3.4	3.4	3.4
neutral	14	5.2	5.2	8.6
agree	133	49.8	49.8	58.4
strongly agree	111	41.6	41.6	100.0
Total	267	100.0	100.0	

*Source: (survey questionnaire 2016)*

The other predictor variable is if employees know the training objectives of CBE. 91% of employees responded that they agree. Only 9% of respondents are unaware of the CBE training objectives. This shows that the training method is effective in informing the objectives of the training before actually commencing the training sessions to the employees.

## Training Facilitation

Table 4.3.1.4 responses for training facilitation at CBE

<i>Question 4: The method of Training facilitation is relevant to me</i>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	14	5.2	5.2	5.2
neutral	19	7.1	7.1	12.4
agree	104	39.0	39.0	51.3
strongly agree	130	48.7	48.7	100.0
Total	267	100.0	100.0	

*Source: (survey questionnaire 2016)*

The employees were also asked if they liked the method of training facilitation at CBE, and the response is that training facilitation is perfect per the response. This may be inferred to the new facilities of training added recently like the Center of Excellence training hall at Megenagna with full food and beverage service capacity. Per the interview the researcher had with the manager learning and development, the facts on the ground show that the outlying employees have reservations on training facilitation of the bank and perceive that fair facilitation is not there.

### 4.3.2 Analysis of the predictor variable Training evaluation

Training is evaluated through four parameters. The first and most important parameter is if the trainees know how training is evaluated. If they are accustomed to how the evaluation is done, they will take trainings seriously. The other parameter in measuring training evaluation is if employees are motivated after a training session. Literatures support that after every training session, the trainees should be motivated to apply the knowledge gained in the training sessions. Technical trainings give a clue as to how the employees do their jobs, at least for the short term. The employees were also asked if they are motivated to further development to accumulate knowledge on the trainings they have taken. Finally, the employees were also asked if their performance is improved as a result of trainings. The following four tables explain the variable training evaluation.

**Table 4.3.2.1 knowledge of training evaluation by respondents**

<i>Question 1: I have the knowledge on how trainings are evaluated at CBE</i>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	13	4.9	4.9	4.9
neutral	24	9.0	9.0	13.9
agree	129	48.3	48.3	62.2
strongly agree	101	37.8	37.8	100.0
Total	267	100.0	100.0	

*Source: (survey questionnaire 2016)*

The employees were asked if they have the knowledge of training evaluation and 86% of them replied that they know the method of training evaluation. From the interview with the Human Resource Development manager, he replied that models have been formed to evaluate the effect of training up to the result stage, but due to various factors it was not achievable. Some capacity issues are also obstacles to implement the scheme. Therefore; we measure only the emotional reaction and the facilitation of a training program. The behavior and organizational impact have not been measured. It can be inferred from the responses of the employees that they are happy with the facilitation and believe that training and development has improved their performance with respect to the subject under study.

Table 4.3.2.2 motivation through training

<b>Question 2: I am motivated and satisfied after taking training.</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	12	4.5	4.5	4.5
neutral	27	10.1	10.1	14.6
agree	147	55.1	55.1	69.7
strongly agree	81	30.3	30.3	100.0
Total	267	100.0	100.0	

Source: (survey questionnaire 2016)

Almost 85 percent of the employees in the sample replied that they are motivated after taking a training session. They agreed on the concept that they are motivated after training sessions at the bank. The literature also supports the rationale that motivated employees are subject to improve performance.

Table 4.3.2.3 potential for further development

<b>Question 3: training offered to me has given me the opportunity to identify any potential for further development.</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	4	1.5	1.5	1.5
neutral	9	3.4	3.4	4.9
agree	167	62.5	62.5	67.4
strongly agree	87	32.6	32.6	100.0
Total	267	100.0	100.0	

Source: (Survey questionnaire 2016)

Almost all the respondents except 5 responded that they will have the potential for further development. The manager from the learning and development also replied that, we give the trainees a clue unto how they do their job technically, and moreover regarding development, they may also add additional information by themselves after the clue.

Table 4.3.2.4 performance improvement due to evaluation

<b>Question 4: Training and Development at CBE improved my performance at the bank</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	14	5.2	5.2	5.2
neutral	19	7.1	7.1	12.4
agree	104	39.0	39.0	51.3
strongly agree	130	48.7	48.7	100.0

Total	267	100.0	100.0	
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*Source: (Survey questionnaire 2016)*

Performers were also asked if their performance is improved through training evaluation. They believe that training evaluation by the bank improved their performance. The researcher's interception to this question is that training at the bank is evaluated on two phases. Emotional reactions of trainees are taken at first and their satisfaction with the facilities and presentation will be surveyed through questionnaire immediately after training sessions. The third and fourth evaluation measures discussed on the literature review; behavioral change and results for the organization is not measured at the bank due to various reasons per the interview made with the manager learning and development.

#### 4.3.3 Analysis of the predictor variable Training policy and procedure

To measure training policy of the bank, two parameters were set out. The first and most important is whether the training and development program at CBE is planned and systematic supported with policy issues. The other parameter in this category is if employees are aware on career progression projection policy of the bank. The following two tables depict the training and development policy of the CBE.

**Table 4.3.3.1 training at CBE is planned and systematic**

<i>Question 1: Training at CBE is planned and systematic</i>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	31	11.6	11.6	11.6
neutral	98	36.7	36.7	48.3
agree	98	36.7	36.7	85.0
strongly agree	40	15.0	15.0	100.0
Total	267	100.0	100.0	

*Source: (Survey questionnaire 2016)*

The employees were also asked if the training at CBE is planned and systematic. 51% of the respondents believe that the training program at CBE is planned and systematic. The rest 49% either remained neutral or disagree per table 4.3.3.1. This implies that the employees in the sampled study have reservations on the training and development policy. This response is not sufficient to conclude that the training and development processes at CBE are planned and systematic.

Table 4.3.3.2 awareness on career progression projections

<b>Question 2: I am aware on career progression projections policy for employees.</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	2	.7	.7	.7
neutral	68	25.5	25.5	26.2
agree	147	55.1	55.1	81.3
strongly agree	50	18.7	18.7	100.0
Total	267	100.0	100.0	

*Source: (survey questionnaire 2016)*

The employees in the sample processes also agreed if there is career progression projection in the bank and over 73 percent of the respondents confidently agreed to the question. Per their responses, they are aware on how their career path is determined and where it is taking them in the ladder. Per the interview made with the manager learning and development, career progression projections are there, but it is in its infancy which the bank should do it systematically in a planned manner.

#### 4.4 Data analysis of the Dependent variables in relation to the independent variables

Four performance improvement parameters were laid out. These parameters are customer satisfaction, being motivated after trainings, reducing errors and reducing conflict with fellow workers compared with the independent variables training methods, training evaluation and training policy. A cross tab with the average results of the independent and dependent variables are compared and analyzed in the consecutive tables depicted below.

##### 4.4.1 Training Methods

Table 4.4.1.1 training methods VS customer satisfaction

<b>Question1: Training methods helped me satisfy customers</b>					
	Customer satisfaction				Total
	Agree	Disagree	Neutral	Strongly Agree	
Agree	65	1	35	12	113
Disagree	0	4	7	0	11
Neutral	6	2	3	0	11
Strongly Agree	99	2	3	25	129
Strongly Disagree	0	2	1	0	3
Total	170	11	49	37	267

*Source: (survey questionnaire 2016)*

77% of the respondents agreed that the Training and method at CBE has helped them satisfy their customers. Their ranges fall in the scale of strongly agree and agree. The rest 23 percent of the respondents fall in the range of neutral or disagreed that the training method at CBE does not add to their satisfying customers. This is partly because of a slight weakness in training facilitation under training methods of the bank.

Table 4.4.1.2 depicts the motivational level of CBE trainings with cross reference to training methods applied to employees.

**Table 4.4.1.2 Method VS motivation**

<b>Question 2: CBE training methods motivate me</b>						Total
	Motivational level of employees after trainings					
	Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree	
Agree	49	2	0	62	0	113
Disagree	3	0	4	2	2	11
Neutral	7	3	0	1	0	11
Strongly Agree	11	0	0	118	0	129
Strongly Disagree	0	0	2	0	1	3
Total	70	5	6	183	3	267

*Source: (survey questionnaire 2016)*

94% of the employees in the sample study agreed or strongly agreed that the training methods at CBE motivate them while only 6% remained neutral or disagreed or strongly disagreed. This shows that the level of motivation of employees is raised after trainings offered.

The other parameter under study to crosstab under training methods is whether employees have reduced making errors because of the cumulative training methods used at CBE. Table 4.4.1.3 depicts error reduction because of the systematic use of training methods at CBE.

**Table 4.4.1.3 Methods VS error reduction**

<b>Question 3: CBE training methods helped me reduce errors at work</b>					
	Error reduction after taking trainings				
	Agree	Disagree	Neutral	Strongly Agree	Total
Agree	78	0	10	25	113
Disagree	5	2	2	2	11
Neutral	7	2	2	0	11
Strongly Agree	64	0	5	60	129
Strongly Disagree	1	1	1	0	3

Total	155	5	20	87	267
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*Source: (survey questionnaires 2016)*

(90%) of employees in the sample study strongly agreed that Training methods of CBE has helped them at work in error reduction. The responses of 10% of the respondents either fall at neutral position or disagreement. One can conclude that trainings are means of intervention to reduce errors at work places, especially technical trainings and literatures also support this argument.

According to table 4.4.1.4 employees were asked if conflict has been reduced due to the training methods applied at CBE. Accordingly, the training methods applied did not help much in conflict reduction in the work places per the response. Only 10% of the employees said that the training methods followed at CBE reduce conflict. The other 90% responded that the training methods applied did not help in conflict reduction. Of the four parameters in the training methods, conflict reduction is the least in agreeableness by the employees. The bank should therefore do the necessary arrangements to modify the training methods with respect to conflict reduction connecting it to process efficiency.

**Table 4.4.1.4 Methods Vs Conflict reduction**

<b>Question 4: Training methods at CBE helped me reduce conflict at work</b>						
	Conflict reduction					Total
	Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree	
Agree	8	42	57	3	3	113
Disagree	2	5	4	0	0	11
Neutral	4	5	2	0	0	11
Strongly Agree	4	54	63	6	2	129
Strongly Disagree	0	1	2	0	0	3
Total	18	107	128	9	5	267

*Source: (survey questionnaire 2016)*

#### **4.4.2 Training evaluation**

The predictor variable training evaluation should also be cross related with customer satisfaction, employee motivation, error reduction and conflict reduction. The following four consecutive tables show the analysis of the training evaluation with respect to the above mentioned parameters.

Table 4.4.2.1 Training evaluation Vs Customer satisfaction

<b>Question 1: Training evaluation method at CBE helped me satisfy customers</b>					
	Customer satisfaction through evaluation				Total
	Agree	Disagree	Neutral	Strongly Agree	
Agree	77	3	27	12	119
Disagree	0	6	2	0	8
Neutral	1	0	11	0	12
Strongly Agree	92	2	9	25	128
Total	170	11	49	37	267

*Source (Survey questionnaire 2016)*

77.52%, (207) of the respondents from all category agreed and strongly agreed that CBE Training evaluation contributes to customer satisfaction. 49 (18.35%) employees rather remained neutral. 4% disagreed and there are no employee responses on strongly disagree on customer satisfaction and Training evaluation. Even though the interview result from the learning and development management depicted that the training evaluation is only half done, the responses show otherwise. This is also depicted by customer satisfaction survey of CBE of a customer satisfaction score of 83.5 % (CBE profile 2015).

The analysis of level of motivation of employees through training evaluation is also depicted in table 4.4.2.2 below.

Table 4.4.2.2 Evaluation Vs Motivation

<b>Question 2: Training evaluation helped me be motivated at work in CBE</b>						
	Employee motivation through training evaluation					Total
	Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree	
Agree	51	5	0	63	0	119
Disagree	2	0	3	0	3	8
Neutral	6	0	3	3	0	12
Strongly Agree	11	0	0	117	0	128
Total	70	5	6	183	3	267

*Source: (survey questionnaire 2016)*

95% (253) percent of the employees in the sampled processes replied strongly agree or agree to Training evaluation and customer satisfaction. The rest 5% is responded as either neutral, disagree or strongly disagree. One can infer from the table that the employees in the sample processes are happy with the training evaluation and actually their motivational level due to evaluation is increased after trainings. The bank should also make the training evaluation method

up to the final step (i.e. emotional reaction, learning, behavioral change in the work place and organizational results.)

The other evaluation parameter is whether training evaluation helps the employees reduce errors at work places. In this parameter the employees are also happy that the way training is evaluated at CBE made them reduce errors at work places. This also is in line with the literatures that if training and development are evaluated systematically and in a planned way, the workers will reduce errors at work places.

**Table 4.4.2.3 Evaluation Vs error reduction**

<b>Question 3: Training evaluation at CBE helped me reduce error at work</b>					
	Error reduction through training evaluation				Total
	Agree	Disagree	Neutral	Strongly Agree	
Agree	83	2	15	19	119
Disagree	5	0	3	0	8
Neutral	7	3	0	2	12
Strongly Agree	60	0	2	66	128
Total	155	5	20	87	267

*Source: (questionnaire survey 2016)*

91% of the employees agree to training evaluation and error reduction. 7% remained neutral and the rest 2% responded from disagree to strongly disagree in connection with training evaluation and error reduction.

Training evaluation also is in a cross tab with conflict reduction from employees to improve their performance. In this research the employees in the sampled processes also were asked if the training evaluation system at CBE had contributed in reducing conflict at work places. Only 10% of the respondents agreed that the training evaluation of the bank reduces conflict in the work processes. The rest 90% of the employees disagreed or remained neutral that the training evaluation system at CBE does not reduce conflict. Table 4.4.2.4 depicts the level of the responses of the employees with relation to training evaluation and employee conflict reduction at work places.

**Table 1.4.2.4 Evaluation Vs Conflict reduction**

<b>Question 4: Training evaluation at CBE helped me reduce conflict</b>						
	Conflict reduction through evaluation					Total
	Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree	
Agree	10	48	55	1	5	119
Disagree	0	5	3	0	0	8
Neutral	2	4	6	0	0	12

Strongly Agree	6	50	64	8	0	128
Total	18	107	128	9	5	267

*Source (Questionnaire survey 2016)*

#### 4.4.3 Training policy and procedure

Training policy and procedure also is cross analyzed with the four dependent variables: customer satisfaction, employee motivation, error reduction and conflict reduction. The following four tables 4.4.3.1 to 4.4.3.4 depict how much the training policy and procedure affects the performance improvement parameters of the employees.

**Table 4.4.3.1 Training policies and procedures Vs Customer satisfaction**

<b>Question 1 Training policies and procedures at CBE helped me satisfy customers</b>					
	Customer satisfaction through policy and procedures				Total
	Agree	Disagree	Neutral	Strongly Agree	
Agree	96	3	18	14	131
Disagree	11	6	0	3	20
Neutral	42	0	29	0	71
Strongly Agree	21	0	2	20	43
Strongly Disagree	0	2	0	0	2
Total	170	11	49	37	267

*Source: (questionnaire survey 2016)*

Regarding questions for the bank's policy and procedures and its relationship with satisfying customers, 77.5% of the employees responded in the range of agree to strongly agree. 18% of the respondents remained neutral to relationship between policy and procedure and customer satisfaction. The rest 4.5% of the respondents either disagreed or strongly disagreed. Policy issues should support the learning and development of the bank to satisfy customers for the banks primarily service is service excellence in satisfying customers.

**Table 4.4.3.2 Policy Vs employee motivation**

<b>Question 2: policy and procedure of the training and development helped me be motivated</b>						
	Employee Motivation through policies and procedures					Total
	Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree	
Agree	41	5	3	82	0	131
Disagree	3	0	0	14	3	20
Neutral	20	0	3	48	0	71
Strongly	6	0	0	37	0	43

Agree						
Strongly Disagree	0	0	0	2	0	2
Total	70	5	6	183	3	267

*Source: (survey questionnaire 2016)*

95% in this category, the relationship between training policies and procedures of the bank and employee motivation agreed and strongly agreed on the bank’s training policies and procedures that it motivates them to improve their performance. The rest 5% either remained neutral or disagreed or strongly disagreed. From the responses of the employees one can infer that the banks training policies and procedures motivate employees after training sessions to improve their performance at work.

The training policies and procedures were also cross referenced with error reduction at work places after every training session. The employees in the process also agreed and strongly agreed 90% of the time that CBE training policies and procedures help them reduce error in their work settings after training session. Only 5% of the employees responded that the training policies and procedures do not help them reduce errors at work places. Table 4.4.3.2 depicts the responses of the employees.

**Table 4.4.3.3 Policy Vs Error reduction**

<b>Question 3: training policy and procedure helped me reduce error at work</b>					
	Error reduction through policies and procedures				Total
	Agree	Disagree	Neutral	Strongly Agree	
Agree	85	2	9	35	131
Disagree	11	0	3	6	20
Neutral	44	3	2	22	71
Strongly Agree	15	0	6	22	43
Strongly Disagree	0	0	0	2	2
Total	155	5	20	87	267

*Source: (survey questionnaire 2016)*

Training policy and procedures in relation to conflict reduction at work place was also asked from the employees. Still the workers perception with regard to the training policies and procedures to resolve conflict at work places was only 10%. The rest 90% of the employees believe that the training policy and procedure of CBE did not help reduce conflict. Table 4.4.3.4 depicts the responses of employees regarding the bank’s training policies and procedures in resolving conflict at work places.

Table 4.4.3.4 Policy Vs Conflict reduction

<b>Question 4: training policy and procedure helped me reduce conflict at work</b>						
	Conflict reduction through policies and procedures					Total
	Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree	
Agree	7	50	69	0	5	131
Disagree	3	11	6	0	0	20
Neutral	0	28	43	0	0	71
Strongly Agree	8	18	8	9	0	43
Strongly Disagree	0	0	2	0	0	2
Total	18	107	128	9	5	267

*Source: (survey questionnaire 2016)*

#### 4.4.4 Descriptive Statistics

The major objective of this study is to examine the effect of Training and Development on employee performance improvements at CBE. The objective is guided by the research questions: What is the magnitude of training evaluation on employee performance improvement at CBE? Do the training methods used at CBE affect employee performance improvement, and how do training policy and procedures affect employee performance improvement at CBE? The independent variable is Training and Development while the dependent variable is employee performance improvement at CBE.

##### 4.4.4.1 Univariate analysis

In this Section Descriptive Statistics in the form of Mean & Standard Deviation for the various components of Training and Development and employee performance improvement is evaluated.

Table 4.4.4.1 average descriptive statistics of the variables

Variables	N	Mean	Std. Deviation
Training method	267	4.2968	.77324
Training evaluation	267	4.1788	.57566
Training policies and procedures	267	3.6723	.74232
Customer satisfaction	267	3.8564	.61228
Employee motivation	267	4.5368	.70784
Error reduction	267	4.1648	.58338
Conflict reduction	267	2.6617	.72776
Valid N (list wise)	267		

*Source: (survey questionnaire 2016)*

Table 4.4.4.1 shows the Mean and Standard Deviation of training and development variables such as; training method, training evaluation, customer satisfaction, employee motivation, error reduction, and conflict reduction rated by respondents. According to Zedatol (2008), a mean of 3.8 is considered as high, while a mean of 3.4-3.79 is moderate and a mean less than 3.39 is considered as low. The results show that training method (mean 4.29, SD 0.77), Training evaluation (mean 4.17, SD 0.57), Motivation through the predictor variables (mean 4.53, SD 0.70), error reduction through training and development (mean 4.16, SD 0.58), and Customer satisfaction (mean 3.85, SD 0.61) are analyzed as high, the highest being employee motivation through training and development. In the cross tab analysis, the bank's employees are motivated by the three predictor variables more than the rest of the dependent variables. Training policy and procedure (mean 3.67, SD 0.74) is considered to be moderate while Conflict reduction through training and development (mean 2.66, SD 0.72) is considered as low.

## 4.5 Inferential Statistics

### 4.5.1 Bivariate Analysis

The bivariate analysis includes the correlation and regression analysis which is used to investigate the effect of Training and Development on employee performance improvement at CBE. Using Pearson correlation with two tailed test of significance, the correlation analysis is made to investigate the relationships. Using the regression analysis, the impact of the variables is also investigated. Correlation analysis was applied to test the "Interdependency" of the variables. In this section, the direction and degree of the strength of the relationship among the variables will be determined and interpreted.

According to Cohen (1998) cited by Warokka et al. (2012, p. 12) the correlation coefficient ( $r$ ) ranging from 0.10 to 0.29 may be regarded as indicating a low degree of correlation,  $r$  ranging from 0.30 to 0.49 may be considered as a moderate degree of correlation, and  $r$  ranging from 0.50 to 1.00 may be regarded as a high degree of correlation. Hence, correlation analysis shows only the existence of positive or negative relationship between the dependent and independent variables and shows if there is any significance.

## 4.5.2 Correlation Analysis

Table 4.5.2 Correlations of the independent and dependent variables

		METHOD	EVA	POL	Per improvement
Training methods	Pearson Correlation	1	.862**	.050	.549**
	Sig. (2-tailed)		.000	.418	.000
	N	267	267	267	267
Training evaluation	Pearson Correlation	.862**	1	.179**	.597**
	Sig. (2-tailed)	.000		.003	.000
	N	267	267	267	267
Training policy and procedures	Pearson Correlation	.050	.179**	1	.396**
	Sig. (2-tailed)	.418	.003		.000
	N	267	267	267	267
Per improvement	Pearson Correlation	.549**	.597**	.396**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	267	267	267	267

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

Source (survey questionnaire 2016)

The above table shows that all the three variables, i.e. Training method, Training evaluation and Training policy and procedure fall in the ranges of high to moderate relationship with the dependent variable, employee performance improvement. Training method is at ( $r=0.549^{**}$ ,  $p<0.01$ ), Training evaluation is at ( $r=0.597^{**}$ ,  $p<0.01$ ) and training policy is at ( $r=0.396^{**}$ ,  $p<0.01$ ). Comparing amongst the three variables, training policy is a little bit lesser than the other two. It can be concluded that there is strong relationship between the independent and the dependent variable.

## 4.5.3 Regression Analysis

Multiple Regressions analysis helps in order to measure the relative strength of independent variables on dependent variables i.e. to determine the effect of Training method, Training evaluation and Policy and procedure on employee performance improvement at CBE. With

Beta-value of 0.327 at 99% confidence level training policy and procedures significantly affects employee performance improvement. With Beta of 0.269 and 95 percent confidence interval, training methods also significantly affects employee performance improvement at the bank. At 99% confidence level with Beta of 0.306, training evaluation also significantly affects employee performance improvement. It can therefore be inferred from the responses of the employees that all the three predictor variables affect employee performance improvement significantly.

**Table 4.5.3 regression analysis**

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.488	.162		9.183	.000
Methods	.151	.051	.269	2.951	.003
Evaluation	.231	.070	.306	3.297	.001
Policies	.192	.028	.327	6.951	.000

a. Dependent Variable: Per improvement

Source: (survey questionnaire 2016)

## Chapter Five

### Findings, conclusions, Discussions and Recommendations

This study looked at the effect of training and development on employee performance improvement at CBE with a focus at Addis Ababa area. The entire study was structured into five chapters of which four have been discussed.

#### 5.1 Summary of Findings

CBE has, over the past years especially ten years after has been involved in training and development activities aggressively. Data collected from interviews with the Group Human Resource Manager and Training Manager, and supported by secondary data indicates that indeed training and development activities at CBE date back in the past since the bank's inception. Thus training and development activities have long been human resource management tools since its inception.

Descriptive statistics in the form of arithmetic means and standard deviations for the respondents were computed with multiple dimensions that have been assessed through the questionnaires are presented in table 4.4.4.1. With respect to the dimensions of training methods assessed by the questionnaire, table 4.4.4.1 indicates that the mean value for training method ranges high with (Mean=4.29 and SD, 0.77). According to literatures assessed a mean value of 3.8 and more is considered to be high.

Table 4.4.4.1 also depicts that the mean value of training evaluation ranges in the high value with (Mean=4.17 and SD, 0.57) and the mean value of Training policies and procedures (Mean=3.6 and SD .74) is considered to be moderate.

It therefore appears that performance of respondents in the given sample is highly improved: however, the mean value of training policies and procedures is moderate and it thus leads to the training policies and procedures leading to moderate performance improvement per their responses.

The Pearson's product Moment Correlation Coefficient was computed for the purposes of determining the relationship between training methods, training evaluation and training policies and procedures with performance improvement of employees. In order to delineate the relationship between various facets of training and development on employee performance

improvement, the sub dimensions of the questionnaires were correlated and are presented in the table 4.5.2. The table shows that there is statistically positive and significant relationship among all variables training and development and employee performance improvement. However training methods with ( $r=0.549^{**}$ ) and training evaluation with ( $r=0.597$ ) are in the highest category of relationship with performance improvement. Training policies and procedures with ( $r=0.39$ ) is a moderate relationship in relation of the other predictor variables. Therefore; the values of the correlation coefficient varies from 0.39 to 0.59.

The regression analysis for the training policies and procedures with ( $p<0.01$ ) with beta of 0.327 has a significant impact on employee performance improvement. The training evaluation also with ( $p<0.01$ ) and with beta value of .306 affects employee performance improvement significantly. The training method with ( $p<0.05$ ) with a beta value of 0.269 affects employee performance improvement significantly. Compared to the other variables, the training method is less significant in affecting the dependent variable; employee performance improvement. Generally the regression analysis for this study confirmed that the training methods, training evaluation and training policies and procedures have influential factor on employee performance improvement among CBE employees.

## 5.2 Conclusions

Based on the findings of the study, the following main conclusions are drawn. The aim of the study is to explore the effects of training and development on employee performance improvement at CBE. The results of this study suggest that all the three predictor variables (training methods, training evaluation and training policies and procedures) are important factors that CBE needs to focus on to keep employee performance improved. On the whole, the study sought to investigate the effect of training and development on employee performance improvement in the bank. CBE will need to make sure the processes training involved are duly followed. The findings of this research indicated that CBE's nature of work demands continuous training and development programs for its employees. This is validated through the young generation of employees in the age envelope of 18-35 representing 65 percentage of the sample population. This makes continuous training and development of its human resource crucial and vital, taking into consideration the rapid technological advancement and the proposed vision of the bank. From the results of the study, it can be concluded that CBE certainly had a well-established training policy, training evaluation system and training methods and hence the research questions are answered.

The research has seen a relationship of the independent variables with the dependent variables. Training method is strongly correlated with customer satisfaction, employee motivation, and Error reduction parameters while there is weak correlation with training method and conflict reduction. Training evaluation has strong correlation with customer satisfaction, motivation and error reduction and low correlation with conflict reduction. The independent variable training policy and procedure has a strong correlation with customer satisfaction, moderate correlation with employee motivation and low correlation with error reduction. The general performance improvement of employees is confirmed with the drivers of the independent variables. Generally, both training methods and training evaluations have a strong relationship with performance improvement while training policies for job satisfaction of bank employees and procedures have a moderate relationship compared with other independent variables.

In Conclusion, the major findings of this research shows that training and development is considered to be important factor for employee performance improvement at CBE.

### 5.3 Discussions

The purpose of the study is to investigate the effect of training and development on employee performance improvement at CBE. The results of the analysis are in alignment to the research questions posed at the beginning of the chapter. The magnitude of training evaluation has been discussed, the significance of the training methods in improving performance at CBE also is discussed, and finally how the training policies and procedures affect the performance of employees have been discussed.

All the dimensions of the predictor variables with the dependent variables customer satisfaction, employee motivation after training, error reduction and conflict reduction have been discussed. Off all the dimensions of the dependent variables employee motivation after training session has been affected significantly. The other parameters of performance improvement like customer satisfaction and error reduction after trainings have been taken also aligned with the questions posed in the research. The only performance improvement dimension that has been aligned poorly is the dimension of conflict reduction. This is because the policy issues did not embrace conflict reduction as a matter and is in conflict with the literatures assessed.

The mean value of training methods is the highest. This means that training methods have their impact on employee performance improvement to finally derive service excellence in the bank. This by itself is a good sign that the training methods at the bank are working harmoniously. But in the opposite magnitude lie the training policies and procedures of the bank. It has a mean value of 3.6 which shows it is in the moderate affect to the system of training and development. Training policies and procedures are the yeast that boosts the learning and development of an organization and should therefore affect performance improvement highly.

The values of the Pearson's correlation coefficient in the case of significant relationship varies from lowest ( $r=0.39$ ) to highest ( $r=0.59$ ) in a positive relationship. The lowest value corresponds to the training policies and procedures while the highest value is for training evaluation. This happens because policy issues are very difficult to refine in short period of time. And moreover; policy and procedure issues regarding training and development demands expertise and capacity to set out and implement as needed. Policy issues are envelopes of training and development and are clear directions of the journey of the learning and development and the results of the analysis have shown that it is realistic.

## 5.4 Recommendations

At present many organizations have come to the realization of the importance of the role of training and development programs as it increases the organization's employee efficiency, skills and productivity. Also in order to achieve the full benefits of training initiative, CBE should ensure that the following are instituted at the work place.

-Even though the responses from the questionnaire indicate that training evaluation with respect to customer satisfaction, employee motivation and error reduction is considered high, the responses from interview with the HRD manager indicates that evaluation nowadays is only half done. The first two evaluating parameters; reaction and learning are evaluated. The behavioral and organizational result parameters are not measured by the bank. The bank should therefore evaluate and monitor training and development sessions on a continuous way. One measure of intervention of competency gap analysis of workers is training and development and the effect it has brought both on the behavior of the individual learner and the result for the organization should be measured by the bank.

-The training methodology followed by the bank is highly accepted by the sampled respondents. But due to the increase in number of the staff at the bank and the aggressive opening of branches at various localities demands strong, planned and systematic training methods. Competency gaps should be assessed by trained line managers. Competency gap intervention should be done both on formal lectures in the class room and offsite on job and coaching and mentoring basis. Competency gap analysis should be done on a continuous basis from line managers in a planned and coordinated manner. The methods of training facilitation, from contacting a specific trainee to training hall and meal should be programmed to make the training and development effective so as employees improve their performance better in the organization.

-Employees must identify their aspirations and abilities, and through continuous help, recognize what training and development are required for a particular career information and training to its employees. Though the respondents agreed on how they were selected for training, the researcher rather finds an opening on how trainees are selected for training, especially for technical training. According to the interview with the learning and development manager, technical training is not as planned and systematic as it is thought to be. The demand on the ground justifies the method of selection of employees for technical trainings. The

researcher therefore recommends that these technical trainings be planned and systematic since the proportion of professional employees is bigger than the other categories.

-Even though there is a positive response regarding development and succession planning, the researcher found out through interview that this measurement is not as it is expected. The bank therefore should craft a strong career progression projection plans to each employee. Presently, around 900 customer service managers have taken succession management trainings and are assumed to be successor managers in the future. Even though the initial move is encouraging and is enveloped by the training and development policy of the bank, the researcher believes that it is not done sufficiently.

-In general the three independent variables; training methods, evaluations and policies and procedures are strongly correlated with the performance indicators. But these variables are poorly correlated with the employee's interrelationship at work. The bank's training and development policy should entertain conflict resolution issues amongst processes and employees to reap the fruit of training and development thereby improving process efficiency.

The bank also gives a development program on average for 30 Master's students yearly. The effect they have brought to the organization is not measured till date. The bank should therefore measure the effect of this developmental education if it has really brought change and verify the methods, evaluation and the policy issues.

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## Appendix A\_ Survey and Interview questionnaires

This questionnaire has been designed to solicit information for purely academic purposes. This is to enable the researcher, Dereje Mengistu, a final year student of “Addis Ababa University of Commerce”, to complete his thesis on the topic; The Effects of Training and Development on Employee Performance Improvement, a Descriptive Study on Commercial Bank of Ethiopia in pursuance of Masters Degree in “Human Resource Management”

*Hint: All information given would be treated with utmost confidentiality and for academic purposes only. Thank you. Please also note that the following hints will help you fill the questionnaire easily.*

*-Training method= participation in training, awareness of training selection, identifying objectives of training, and method of facilitation*

*-Training evaluation= knowledge of training evaluation, level of motivation after training, potential for further development and improvement in performance*

*-Training policy= trainings are planned and systematic, and awareness on career progression projection policies*

### SECTION A: Basic Demographic Data (Please Tick Where Appropriate)

1. How old are you? (Years)

- a) 18 – 25       b) 26-35       c) 36-45       d) 46-55       e) 56-59

2. Gender;

- a) Male       b) Female

3. Educational Background;

- a) Levels I-V       b) Diploma level       c) First Degree       d) Masters Degree

e) Other (please specify) \_\_\_\_\_

4. How long have you been working at CBE?

- a) 1 - 2 Years       b) 3 - 5 Years       c) 6 - 10 Years       d) 11 - 20 Years       e) 21 - 30 Years

f) 31 - 40 Years

Please Kindly, indicate(tick) your level of agreement with the following statements regarding CBE by choosing from a scale of 1 – 5; whereby, 1= strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

Section B:

	<b><i>Training Methods</i></b>	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Q1	I had a chance of taking a form of training at CBE					
Q2	I am aware on how I was selected for a training					
Q3	The objectives of training at CBE are clear to me					
Q4	The method of training facilitation is relevant to employees					
	<b><i>Training evaluation</i></b>					
Q1	I have the knowledge on how trainings are evaluated at CBE					
Q2	I am motivated and satisfied after taking a training					
Q3	Trainings offered to me have given me the opportunity to identify any potential for further development					
Q4	Training and Development at CBE improved my performance					
	<b><i>Training policy and procedure</i></b>					
Q1	Training and Development at CBE are planned and systematic					
Q2	I am aware on career progression projections policy for employees					
	<b><i>Performance indices</i></b>					
Q1	Training methods helped me satisfy customers at CBE					
Q2	Training methods improved my motivation to perform at CBE					
Q3	Training methods helped me reduce error at work					
Q4	Training methods helped me reduce conflict at work					
Q1	Training evaluation helped me improve customer satisfaction					
Q2	Training evaluation motivated me at work					
Q3	Training evaluation helped me reduce error at work					
Q4	Training evaluation helped reduce conflict at work					
Q1	Training policy and procedure is designed to boost customer satisfaction at CBE					
Q2	Training policy and procedure motivate employees at CB E					
Q3	Training policy at CBE helped me reduce error at CBE					
Q4	Training policy and procedure reduces conflict					

## Interview Questionnaires

Scheduled Interview Questions for Managerial HR Staff of Commercial Bank of Ethiopia

Position .....

Department .....

1. How long has CBE been involved in Training and Development?

.....  
 .....

2. What are the major purposes of training?

.....  
 .....

3. What are the internal and external factors that affect training?

.....  
 .....

4. Does CBE have a training policy in place? Is the policy documented?

.....  
 .....

5. Briefly describe the training policy and procedures at CBE.

.....  
 .....

6. Are the employees of CBE aware of the training policy?

.....  
 .....

7. How did training practice develop at CBE?

.....  
 .....

8. What principles of training apply at the workplace?

.....  
 .....

9. On the training process.

- a) How are individual and organizational needs determined?

.....  
 .....

- b) How are employees selected for training?

.....  
.....

c) How are training objectives determined?

.....  
.....

d) How is the training plan developed?

.....  
.....

10. In presenting the training;

I.) What are the kinds of training used or proposed?

- a) Refresher Training
- b) Orientation Training
- c) Career or Development Training
- d) On-the- Job Training
- e) Others please specify

11. What is the monitoring mechanism used?

.....  
.....

12. In your assessment, has Training affected on staff motivation and performance? Please specify in terms of;

a.) Increased individual productivity. ....

.....  
.....

b.) Training in terms of numbers.

.....  
.....

13. Does training have an effect on worker performance and productivity? How do you measure effects of training and development on employee’s performance improvement?

.....  
.....

14. 16. Do you keep records on training on each employee?

.....  
.....

15. 17. Do you have career progression projections for each employee?

.....  
.....

16. 18. Do you have training and development projections for each employee?

### Appendix B specific correlation results

Correlations		CS	MO	ER	CR	METHOD	EVA	POL
CS	Pearson Correlation	1	.364**	.199**	-.006	.525**	.520**	.590**
	Sig. (2-tailed)		.000	.001	.918	.000	.000	.000
	N	267	267	267	267	267	267	267
MO	Pearson Correlation	.364**	1	.720**	.009	.621**	.592**	.152*
	Sig. (2-tailed)	.000		.000	.880	.000	.000	.013
	N	267	267	267	267	267	267	267
ER	Pearson Correlation	.199**	.720**	1	.254**	.448**	.437**	.044
	Sig. (2-tailed)	.001	.000		.000	.000	.000	.472
	N	267	267	267	267	267	267	267
CR	Pearson Correlation	-.006	.009	.254**	1	-.095	.060	.265**
	Sig. (2-tailed)	.918	.880	.000		.122	.331	.000
	N	267	267	267	267	267	267	267
METHOD	Pearson Correlation	.525**	.621**	.448**	-.095	1	.862**	.050
	Sig. (2-tailed)	.000	.000	.000	.122		.000	.418
	N	267	267	267	267	267	267	267
EVA	Pearson Correlation	.520**	.592**	.437**	.060	.862**	1	.179**
	Sig. (2-tailed)	.000	.000	.000	.331	.000		.003
	N	267	267	267	267	267	267	267
POL	Pearson Correlation	.590**	.152*	.044	.265**	.050	.179**	1
	Sig. (2-tailed)	.000	.013	.472	.000	.418	.003	
	N	267	267	267	267	267	267	267

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

**\* Correlation is significant at the 0.05 level (2-tailed).**

### Appendix C List of processes and branches covered in the study

Branches/divisions	Managerial	Supervisory	Professional	Not responded
Change mgt	1		4	2
Monitoring			4	
Compliance	1		5	
Planning			3	
Risk	1		6	
Compliance			5	
Trade Services	3		27	10
Addis Ababa br.		2	13	3
Finfine		1	13	
Kirkos Kebelle br.	1	1	13	2
Gofa Sefer	1	2	13	
Populare	1	2	13	3
Sarbet		2	13	
Nefas Silk	1	1	13	4
Temenja Yaj		2	13	
Balcha Abanefso	1	2	13	2
Mexico			13	
Lideta	1	2	13	
Jemmo	1	2	13	1
Hana Mariam		2	13	2
Ertu			13	1
Lafto		1	13	
Gofa Mebrat			13	
<b>Total</b>	<b>13</b>	<b>22</b>	<b>262</b>	<b>30</b>

