

**A COMPARATIVE STUDY OF GOVERNMENT AND PRIVATE BANKS-
TRAINING AND DEVELOPMENT OF BANK EMPLOYEES:THE CASE OF
COMMERTIAL BANK OF ETHIOPIA AND AWASH INTERNATIONAL BANK**

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**A Thesis Submitted In Partial Fulfilment of the Requirements for the
Degree of Masters of Art in Human Resource Management**

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May, 2016

Addis Ababa, Ethiopia

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List of Acronyms

AIB	Awash International Bank
CEB	Commercial Bank of Ethiopia

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Abstract

Training and development is an Investment rather than a cost to the organization. The utilization of all other resources directly depends on efficient utilization of human resources. Every organization needs to have well-trained and experienced people to perform the activities that have to be done. As jobs have become more complex in the banking sector, the importance of employee training and development has increased. A key for obtaining consistent success with training programs is to have a systematic approach to Training and development practices. Recognition of the Training and development of employees are crucial for the organization's success. This study deals with training and development of bank employees of CBE and AIB. It was carried out with a total sample of 160 employees drawn from 16 branches of both CBE and AIB in Addis Ababa. A structured questionnaire is administered to all the respondents under the sample. certain aspects of training and development practices - Training policies and objectives, methods and Effects and benefits of the training of the banks. The finding of the study shows that there is no statistically significant difference and there is also a gap between the ideal training and development practice and the actual practices employed by the banks studied. Based on the finding the recommendation was put forward.

CHAPTER ONE

1. Introduction

It has often been said that the most important asset of any business is its employees. If an organization's most important asset is its people, then the development of this asset is critical to the continued health of the organization (Noe, Hollenbeck & Wright, 2011). Training and development play a key role in equipping the employees with necessary skills, knowledge and attitude thereby facilitates talent development (Noe, Hollenbeck & Wright, 2011).

Training and development is essentially a business-led approach to develop people within a strategic framework (Armstrong, 2006). The fundamental aim of training and development is to enhance resource capability in accordance with the belief that the human capital of an organization is a major source of competitive advantage (Wright and Geroy, 2001). It is therefore about ensuring that the right quality people are available to meet present and future needs. This is achieved by producing a coherent and comprehensive framework for developing people (Armstrong, 2006).

Indeed recognition of the importance of Human Resource Development (HRD) in recent years has been heavily influenced by the intensification of competition and the relative success of organization, where investment in employee development is emphasized. Technological developments and organizational change have gradually led a number of managers to realize that success relies on the skills and abilities of their employees, and this means considerable and continuous investment in training and development (Beardwell, Holden and Claydon, 2004).

One of the important subsystems within the comprehensive human resource management is training and development. Through training and development activities, employees who have entered organizational domains with diverse backgrounds and orientations are brought in line with the requirements of the organization so that organizational tasks get accomplished. This in turn will assist organizations to move in the desired direction.

Besides catering to organizational requirements, training and development would also facilitate career advancement of individuals (Rothwell and Kazanas 2003) Indeed, people and the management of people are of much importance to ensure survival and become competent and advantageous in any active businesses sector like banks as well as insurance sectors among others (Pfeffer 1994).

Despite the necessity for empirical research on factors related to human resource development in the fast growing banking sector in the Ethiopian context, limited attempts were made to thoroughly investigate questions directly related to the importance of training and development of the accessible human resource in both public and private banks in Ethiopia .

Hence, this study aims at investigating the comparative efficiency of CBE and Awash bank with respect to employees training and development policy, selection of employees for training and development programs, as well as the relevance of training and development process and training methods are used in CBE and AIB to meet their own organizational objectives. The study also investigates the effect of involvement of managers on employees training and development program. Furthermore, the study examines the way how training and development programs affect employees' performance and analyse the impacts of employees training on the comparative efficiency of the Commercial Bank of Ethiopia and that of Awash international Bank (Hear after abbreviated as CBE and AIB respectively).

1.2 Problem Statements

One of the important systems within the comprehensive human resource management is human resource development (Stickler, 1992). The fundamental aim of HRD is to enhance resource capability in accordance with the belief that the human capital of an organization is a major source of competitive advantage. It is therefore about ensuring that the right quality people are available to meet present and future needs. This is achieved by producing a coherent and comprehensive framework for developing people (Armstrong, 2006). As training is an important part of Human Resource development process of an organization, banks are no exception to it (Megharaja, 2014).

Globally, enormous amount of changes have taken place in banking industry in terms of its products and services. The quality of work and productivity has also become of vital concern in the competitive environment of the banking sector. If training function is to be considered an integral part of organizational management, it certainly has to move with the changes taking place in the organizational activities and the training profile of the employees (Sims,2006).

In this regard, commitment of managers to the enhancement of capabilities to professional development of their employees is critical. It is argued that professional development cannot itself take effect unless supported by the immediate managers and possibly the higher management skills and experience (Armstrong, 2006; Sims, 2006). The question remains how the public and the private sector bank in Ethiopia address the training and development of their employees effectively and efficiently.

Many scholars have conducted research on the importance of employees training and development practices in both private and governmental organizations with particular reference to decisive product and service providing institutions such as banking and bank. Several researchers (e.g., Abeba, Mesele, and Lemessa2015; Mengistu, 2011; Samuel,2015; Kebede 201) and many others have conducted studies on the importance of human resource development endeavours of various public as well as privately owned service providing organizations in Ethiopia. For instance, Abeba, Mesele, and Lemessa (2015) studied the impact of training and development on employee performance and effectiveness in Bole Sub-city. They stressed on importance of training and development activities with particular focus on systematic identification of the training needs of employees through consistent monitoring and evaluation of managers who have to set objective tools or criteria to maximize the intended of training and development activities. Mengistu (2011) conducted a survey study on the effect of training on employees' performance and organizational effectiveness focusing on private banks and leather industries in Ethiopia. He examined was the effect of training on the improvement of improve the employees' performance and found out that provision of adequate training to employees is vital for the productivity and efficiency of organizations. However, he grounded his study on two quite different organizations .As a result his findings do not

depict the importance of training and development of employees on the efficiency of competing organizations.

Most of the reviewed documents assert that continuous and dynamic practices on the development of human resource is of vital importance to the very survival, competence and efficiency of any product and service providing institution. There is no doubt that proficiency of employees is one of the most important factors that determine the adequacy of services in banks. Complaints and individual opinions on the comparative adequacy of service provision offered by private banks and by CBE are the pressing issues among every day encounter of customers in Addis Ababa. Furthermore, the adequacy of services provided by banks has compelled people to open accounts in more than one bank to widen their chances of getting adequate as well as instant services. Hence, one has to raise the questions on the factors that affect customers' preference, of which proficiency of bank employees that directly related to training is the most important one. The primary interest of study about competing institutions like banks must be undertaking a closer look into a group of characteristics shared by the better banks that might serve to predict the future success for others. That common trait is an emphasis on training (Stickler, 1992).

There are however limited studies that focus on comparison of training and development practices in similar organizations in general and among banks in particular. To fill this gap, this study critically examines the overall training and development practice techniques applied in training and development of employees in the Ethiopian banking industry.

Hence, this study aims at investigating the comparative efficiency of CBE and that of Awash bank with respect to employees training and development policy, selection of employees for training and development programs, as well as the relevance of training and development process and training methods which are used in CBE and that of AIB to meet their respective organizational objectives. The study also investigates the effect of involvement of managers on employees training and development program. Furthermore, the study examines the way how training and development programs affect employees'

performance and analyse the impacts of employees training on the comparative efficiency of the CBE and that of the AIB.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study is to analyse the effect of employees' the comparative efficiency of the CBE and that of the AIB.

1.3.2 Specific Objectives

The Specific Objectives of this study is thus to examine the following issues:

- a) To analyse employees' training and development policies of Commercial Bank of Ethiopia and those of Awash International Bank.
- b) To identify relevance of the training and development process and methods used in Commercial bank of Ethiopia and those of Awash International Bank to meet their respective objectives
- c) To examine and compare the effects and benefits of training provided to the employees by the CBE and AIB
- d) To examine the degree of involvement of managers on employees training and development program and its impacts on the training and development of employees in both CBE and AIB
- e) To identify the comparative advantages of training and employees, development programmes offered by CBE and those of AIB with respect to providing efficient and effective service provision.

1.3.3 Research Questions

This study tried to address the following research questions

1. What training and development policy does Commercial bank of Ethiopia and Awash international bank have?
2. How are employees selected for training and development programs?
3. What training and development process and training methods are used in Commercial bank of Ethiopia and Awash international bank to meet their objective?
4. How are managers involved on employees training and development program?
5. How does training and development programs affect employees' performance?

In addition tests of hypotheses were made on the existence of significant differences regarding the nature of training offered to employees in the two banks, significant difference between trainers of CBE and AIB.

1.4 Significance of the Study

The result of the study will inform the concerned organizations and make them thoroughly consider the importance of training of employees. The study will also establish feasible grounds for planning and conducting appropriate and effective training packages aimed at improving the performance of the workforce and take corrective action for the future. Moreover, it serves as a background for those who want to conduct further investigation in these areas.

1.5 Scope and Limitations of the of the Study

The study is concerned with the effects training and development practice of employees on the comparative efficiency of privately owned and government owned banks with particular focus on branches of CBE and AIB operating in Addis Ababa. Because of time

and related costs, the study was limited focused only on the employees of the Commercial bank of Ethiopia and those of Awash International Bank and the perspectives of the respondents residing in Addis Ababa. Therefore the study will not be applied to employees in the outlying ranches of CBE and those of AIB .In other words, this study is bounded in the branch offices of both banks located in Addis Ababa.

1.6 Definition of Terms

Human resource management is the way organizations manage their staff and help them to develop (McCourt & Eldridge 2003, 2) in order to be able to execute organizations' missions and goals successfully.

Human resource development is the integration of individual, career and organization development roles in order to achieve maximum productivity, quality, opportunity and fulfilment of organizations members as they work to accomplish the goals of the organization (Pace, Smith & Mills 1991, 6).

Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively (Gordon 1992).

Development is a broad ongoing multi-faceted set of activities (training activities among them) aimed at bringing someone or an organization up to another threshold of performance, often to perform some job or a new role in the future (McNamara 2008).

Employee performance is defined as the outcome or contribution of employees to make them attain goals (Herbert, John & Lee 2000) while performance may be used to define what an organization has accomplished with respect to the process, results, relevance and success Uganda National Development Program (1995). Afshan et al. (2012) define performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed.

Employee performance can be manifested in improvement in production, easiness in using the new technology, highly motivated workers.

1.7 Structure of the Study

This study is structured into Five chapters; Chapter One gives a brief introduction to the subject of the study. It starts by presenting the background or introduction of the study. It continues by providing the statement of the problem of the study, highlights the goals of the study and a brief definition of the key concepts is presented. At the end of the chapter the structure of the study is be described.

Chapter Two focus mainly on any issues related to employees training and development practices. It presents a revive of literature on human resource needs, training methods, employee performance, effects of training on performance and other factors affecting employee performance.

Chapter Three deals with design and methodology of the research. Chapter Four presents result and discussion.

Chapter Five is the final chapter of the study. It provides the conclusion to this study.

CHAPTER TWO

2. Review of Related Literature

One major area of the Human Resource Management function of particular relevance to the effective use of human resources is training and development. 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 (Laing, 2009). Training and development are key aspects of economic life. At the levels of the firm and the national economy training offers the hope of increased competitiveness through raising skill levels, productivity and 'value added' (Redman and Wilkinson, 2006).

Training consists of an organization's planned efforts to help employees acquire job-related knowledge, skills, abilities, and behaviors, with the goal of applying these on the job. A training program may range from formal classes to one-on-one mentoring, and it may take place on the job or at remote locations. No matter what its form, training can benefit the organization when it is linked to organizational needs and when it motivates employees (Noe, Hollenbeck & wright, 2011).

Training plays vital role in the building of competencies of new as well as current employees to perform their job in an effective way. It also prepares employees to hold future position in an organization with full capabilities and helps to overcome the deficiencies in any job related area. Training is considered as that sort of investment by the firm that, not only bring high return on investment but also supports to achieve competitive advantage(Armstrong, 2006).

Training programs is the stimulant that workers require to improve their performance and capabilities, which consequently increase organizational productivity. Therefore, training should be designed on the basis of firm specific needs and objectives. Effective training is the thoughtful intervention designed at attaining the learning necessary for upgraded employee performance (Elnaga, Imran, 2013).

2.1 Definition of Training

Training, as defined in the present study “is the planned intervention that is designed to enhance the determinants of individual job performance” (Chiaburu & Teklab, 2005). Training is related to the skills an employee must acquire to improve the probability of achieving the organization’s overall business and academic goals and objectives. Positive training offered to employees may assist with reduction of anxiety or frustration, which most employees have experienced on more than one occasion during their employment careers (Truitt, 2011).

According to Cole (2002), in his book called ‘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 (Cole, 2002).

Training is a planned effort to enable employees to learn job-related knowledge, skills, and behavior (Noe, Hollenbeck & wright, 2011). Training consists of organized learning activities capable of improving individual performance through changes in knowledge, skills, or attitudes. In a broad sense, it includes experiences intended to meet essential job requirements, update skills, prepare people for career movement of any kind, rectify knowledge or skill deficiencies, and evoke new insights or even create new knowledge. It is thus an important tool for changing individuals by giving them new knowledge and skills (Rothwell & Kazanas, 2003).

2.2. Significance of Training

Training is important and an imperative tool for the organization to improve the performance of all the personnel for organizational growth and success. It is beneficial to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well. Firms can develop and enhance the quality of current employees by providing comprehensive training and development. Training is

essential not only to increase productivity but also to motivate and inspire workers by letting them know how important their jobs are and giving them all the information they need to perform those jobs (Rothwell & Kazanas, 2003).

The general benefits received from employee training are: increased job satisfaction and morale, increased motivation, increased efficiencies in processes, resulting in financial gain, increased capacity to adopt new technologies and methods, increased innovation in strategies and products and reduced employee turnover (Elnaga, Imran, 2013).

Trainings can equip workers to carry out tasks, monitor quality and manage complex products and services within the organization. Training and development safeguards productivity as well as support it by preparing employees for future jobs and insulate firms from skill shortages (Armstrong, 2006).

Within firms, training and development is a key element of human resource management. When firms compete on the basis of quality and adopt high-commitment work practices such as employee involvement, team working or merit-based pay; developing employees is the key element in performance. It can raise the capacity of the individuals and groups employed, enabling them to participate meaningfully in systems where their contribution is encouraged (Keep and Mayhew 1996).

Training also allows organizations to adapt to changes in the business environment. In addition to these substantive factors, training and development also serves an important and very positive symbolic function. Everything that a firm does sends messages of one kind or another to its employees. Organizations that spend money on raising skills are, quite literally, investing in their workers. Employees who participate in firm-sponsored training are more likely to see themselves as having better career prospects and say that they are intending to stay with their employer than those that do not (Heyes and Stuart 1996).

One of the main advantages of training and development was that it could enhance skills in the workplace, equip workers with expertise and change the way that they worked. Given this, the overall statistics are of concern for, while training figures have risen since

the 1980s, there is some evidence that this has been achieved by shorter training courses more evenly distributed (Redman and Wilkinson, 2006).

Due to fast pace global and technological development the firms are now facing new changes as well as challenges. Technological advancements have molded the need of capabilities and competencies required to perform a particular tasks. Thus, to cope with these challenges, more improved and effective training programs are required by all corporates. Effective training programs helps in constructing a more conducive learning environment for the workforce and train them to cope with the upcoming challenges more easily and in time (Wei-Tai, 2006).

Training can help an organization that is moving toward implementation of a new strategy in a changing environment. As a consequence of pressures inside and outside an organization, individuals face new problems and forces for change. These pressures call for new skills from job holders and can change expectations about desirable job performance. While anticipating future change is no simple matter and is fraught with problems (not the least of which is inaccurate prediction), training can serve as a medium for simulating artificial experience to anticipate future events. One benefit of this approach is that it helps people understand what knowledge and skills they might need in the future; thereby motivating those to learn to meet future rather than past needs (Redman and Wilkinson, 2006).

2.3. The Justification for Training

According to Armstrong (2006), a formal training is indeed one of the ways of ensuring that learning takes place, but it can be justified when:

- i. The work requires skills that are best developed by formal instruction;
- ii. Different skills are required by a number of people, which have to be developed quickly to meet new demands and cannot be acquired by relying on experience;
- iii. The tasks to be carried out are so specialized or complex that people are unlikely to master them on their own initiative at a reasonable speed;

- iv. Critical information must be imparted to employees to ensure they meet their responsibilities;
- v. A learning need common to a number of people has to be met, which can readily be dealt with in a training program, for example induction, essential IT skills, communication skills.

2.4. Effective Training Practices

Effective training uses the systematic approach which is specifically designed, planned and implemented to meet defined needs with an emphasis on skills analysis. The purpose of the training should be clearly defined in terms of the ‘criterion behavior’ required as a result of training, and the ‘terminal behavior’ expected. The latter can be expressed as a statement along the lines of: ‘On completing this training the participant will be able to...’ Defining criterion and terminal behaviors will provide the basis for evaluation, which is an essential element in the achievement of successful training. The content of the training should be related to the work contexts of the participants. Ideally, their work should be made a central feature of the subject matter. Every opportunity should be taken to embed learning at work (Armstrong, 2006).

The training techniques used should also be appropriate to the purpose of the course and to the characteristics of participants, their jobs, learning needs, previous experience, level of knowledge and skills, and how receptive they will be to being taught or motivated to learn. A blend of different techniques should be used where appropriate. It is particularly important in management, supervisory and interpersonal skills training to provide ample time for participation and active learning through discussion, case studies and simulations. Lectures should form a minor part of the course. Good instructional techniques should be used in manual skills training (Armstrong, 2006).

Effective training and development programs aimed at improving the employees’ performance. Training refers to bridging the gap between the current performance and the standard desired performance. Training could be given through different methods such as on the coaching and mentoring, peers cooperation and participation by the subordinates.

This team work enable employees to actively participate on the job and produces better performance, hence improving organizational performance (Elnaga, Imran 2013).

2.5. The Training Process

2.5.1. Identify Training Needs

Needs should only be systematically identified when the cause of a performance problem is lack of knowledge, skill, or appropriate attitude. Otherwise, management action in an area other than training is probably what needed(Armstrong, 2006).

Training is only an appropriate solution when skill deficiency is the cause of a problem. It merely furnishes individuals with skills they need to perform. Training is not appropriate to deal with execution deficiency and thus cannot solve problems stemming from such causes as unclear work contexts, mental/physical disability, or lack of feedback. In those cases, other corrective measures have to be taken, and they must usually be taken by the organization's management (Rothwell and Sredl, 2000).

Training based on needs, defined as gaps or discrepancies between an ideal and an optimal state. They are different from wants and interests, which are consciously desired and arise from within the person. Needs on the other hand, arise from the job, from a comparison between desired and actual work methods, or between desired and actual work results (Rothwell and Sredl, 2000).

Hence, training needs assessment is the process of discovering precisely, what gaps exists between what people know, do, or feel and what they should know, do, or feel in order to perform competently. The oldest writing about training needs assessment suggested that training needs should be synthesized from three sources: organizational analysis, work analysis, and individual analysis (McGehee and Thayer, 1961).

In the broad organizational analysis, trainers compare what the organization is doing and what it should be doing. Trainers focus attention on organizational objectives, skills, inventories, organizational climate, and indices of efficiency, including costs for labour, materials, and distribution.

The second source is work analysis. Somewhat narrower than organizational analysis, work analysis compares what the job requires to what the job incumbent can do. Trainers identify individual skill deficiency, the gap between what people need to perform and what they can presently do. Such deficiencies are measured by comparing job results to work standards, job descriptions to employee skills, and perceptions of job requirements to those actually demonstrated on the job (McGehee and Thayer, 1961).

The third source is individual analysis. Most narrow of all, individual analysis is centered on a person doing the job. Does he or she know what to do? How to do it to the minimal acceptable level of performance? Attention focuses on comparisons between what should be at present and what is actually happening as measured by employee performance appraisals, tests, and attitude surveys. The results of organizational, work, and individual analysis are synthesized; that is, they are compared, checked, and double-checked (McGehee and Thayer, 1961).

2.5.2. Plan Training Program

According to Armstrong (2006), an instructional objective which describes the results or outcomes sought from instruction should be defined first. There are three parts to any objective: (1) performance—what learners will be capable of doing after the instructional experience is completed; (2) conditions—what context and what tools will be necessary for performance to occur; and (3) criterion—how well the performance will be exhibited. In some cases, a condition need not be specified when no special tools are required (Rothwell and Kazanas 2003).

An instructional objective is the link between needs and results. Objectives help identify what instruction to offer so as to meet a need and thereby close a performance gap. Objectives can be categorized in two ways in terms of type and scope.

There are three types of objectives:

- I. Cognitive objectives, which have to do with knowledge and information;
- II. Affective objectives, which have to do with feelings and beliefs; and

- III. Psychomotor objectives, which have to do with the ability to manipulate objects.
Most training in organizational settings is heavily cognitive.

There are two ways to think of the scope of objectives:

1. Terminal, which are behaviours exhibited at the end of instruction, and
2. Enabling, which are behaviours that contribute to mastery of terminal objectives? They are typically capable of being exhibited at the end parts of instruction, components of a larger instructional experience. Terminal objectives express what learners will be able to do upon completion of a course or program. They are most frequently the center of a trainer's attention (Rothwell and Kazanas 2003).

2.5.3. Prepare Test Items Based on Objectives

To demonstrate that learners have mastered behaviors that a training program has been designed to teach, trainers prepare test items corresponding to each instructional objective. In this way, subsequent instructional content or subject matter is clearly focused on results and linked to measures of achievement like test items. Broadly speaking, tests for training are categorized into two types: norm referenced, in which achievement is assessed relative to other learners, and criterion referenced, in which achievement is assessed relative to individual success in mastering instructional objectives. In short, norm-referenced tests compare each learner to others, while criterion-referenced tests compare a learner's progress to pre-established measures (Rothwell and Kazanas 2003).

Another way to think about tests is on the kinds of behaviors or skills they measure.

There are four types, all criterion-referenced:

1. An entry test measures how well the learner has mastered instructional prerequisites. One prerequisite to instruction might be simple reading ability. However, how well do learners read?

2. A pre-test measures the learner's present knowledge or level of skill relative to outcomes sought through instruction. If a learner achieves a score of 100 percent on a pretest, he or she does not need instruction.
3. Post-test measures what the learner knows or can do following instruction. It indicates how well the learner is able to perform, and thus serves as a quality control check on the instruction and the learner.
4. An embedded test is carried out during instruction to assess how well the learner is progressing toward achievement of terminal objectives. An easy way to distinguish between these tests is by placement: entry and pretests occur before instruction, embedded tests occur during it, and post-tests occur after it (Rothwell and Kazanas 2003).

2.5.4. Select or Design Instructional Content or Subject Matter

The decision of what to teach; i.e. the selection or design of instructional content is based on test items and instructional objectives. In this process, it is important to consider whether the content should be

1. Located from existing sources, such as textbooks, other training courses, and/or published articles,
2. Tailor-made for the purpose at hand, or
3. Prepared from some combination of externally available and internally developed content.

In many cases, the choice depends on instructor preferences and on relative costs and benefits associated with each method. Despite the wide variety of media available, the traditional lecture remains a popular delivery method. When it is used, instructional content is prepared through lesson and unit plans. A lesson plan describes the objectives for one lesson. It usually includes the subject matter to be mastered by the learner and the means of measuring learner achievement. A unit is a group of related lessons. If

instruction is offered in a format other than lecture, content is prepared in a way that will (of course) be appropriate for the delivery method (Rothwell and Kazanas 2003).

2.5.5. Choice of Delivery Methods

The decision of how to teach is closely related to what to teach. In fact, these two questions comprise the essential issues in training design. Like content, choice of delivery method depends to some extent on instructor preferences. A careful use of training methods can be a very cost-effective investment in the sense of using the appropriate method for the needs of a person or group. However, many commentators have mentioned that organizations often use inappropriate methods, which can be both costly and time wasting and bring very little improvement in the performance of the employee. In general, training can be divided into on-the-job and off-the-job methods (Elnaga, Imran 2013).

There is a place for both types, and each can be effective at meeting certain training requirements (Beardwell et al, 2004).

I. On-the-job training

On-the-job training (OJT) is probably the most common approach to training. It can range from relatively unsophisticated ‘observe and copy’ methods to highly structured courses built into workshop or office practice. Cannel (1997) defines OJT as training that is planned and structured that takes place mainly at the normal workstation of the trainee although some instruction may be provided in a special training area on site and where a manager, supervisor, trainer or peer colleague spends significant time with a trainee to teach a set of skills that have been specified in advance. There are different types of on the job training which includes:

a. Mentoring

This is one way of On-the-job training, in which a senior or experienced employee takes charge of the training and development of a new employee. This suggests a much closer association than master–apprentice, and elements of a father–son or mother– daughter

relationship can exist, whereby the mentor acts as an adviser and protector to the trainee. A study of mentors in the health sector reveals that overemphasis on the technical side of the mentoring process and an underestimation of the emotional side can have negative results. They recommend that appropriate support should be provided for mentors themselves. This dual role of providing professional and emotional support may clash, and it might be advisable for the two roles to be performed by different people (Beardwell et al, 2004).

b. Shadowing and job rotation

Shadowing is another off-practiced on-the-job training method. It usually aims to give trainee managers a 'feel' for the organization by providing experience of working in different departments. It is an old technique, and has been criticized not so much for the concept itself as for the way it is often implemented. Trainees are often not warmly welcomed, and are seen by supervisors and workers in the department as obstacles to the daily routines. However, if well structured, and planned with the cooperation of all departmental supervisors, this method can be a worthwhile learning experience (Beardwell et al, 2004).

Another version of training by switching roles is job rotation, which became popular in the 1970s to help relieve boredom and thereby raise the productivity of shop floor workers. If appropriately implemented, it can be an excellent learning experience for workers, and it fits suitably with HRM concepts of team working and empowerment, whereby people are encouraged to take greater responsibility for their work and that of the team (Beardwell et al, 2004).

c. E-learning

A more recent concept of the informational and learning exchange environment is e-learning (electronic learning). This emphasizes the use of new technology such as e-mail, Internet, intranet and computer software packages to facilitate learning for employees whenever they need it (Beardwell et al, 2004).

The adoption of online learning is attractive to organizations because the required data is available when learners want to learn. This will speed up the learning process and knowledge exchange. Until recently, a unit of learning was expressed in terms of a three-day course, a morning course or a two-hour course. The e-learning forms can be formal, an actual course delivered via software or the Internet or informal, exchange of information and knowledge via e-mail or an intranet. The recently established University for Industry in the UK will base a great deal of its approach to learning and delivery of courses on the use of new technology, a trend that is increasing rapidly in universities and other educational institutions (Beardwell et al, 2004).

II. Off-the-job training

Off-the-job training can be provided in different way. It is best to bear in mind that there may be nothing wrong with the methods, but that they may be utilized ineffectively by the trainer or the learner. In other words, the key is to make the appropriate match between the training requirements of the employee and the training methods available (Armstrong 2006).

a. Lecture

A lecture is a talk with little or no participation except a question-and-answer session at the end. It is used to transfer information to an audience with controlled content and timing. When the audience is large, there may be no alternative to a ‘straight lecture’ if there is no scope to break it up into discussion groups(Armstrong 2006).

According to Armstrong (2006), the effectiveness of a lecture depends on the ability of the speaker to present material with the judicious use of visual aids. But there are several limits on the amount an inert audience can absorb. However effective the speaker, it is unlikely that more than 20 per cent of what was said will be remembered at the end of the day.

After a week, all will be forgotten unless the listeners have put some of their learning into practice. For maximum effectiveness, the lecture must never be longer than 30 or 40 minutes; it must not contain too much information, if the speaker can convey three new

ideas that more than a half of the audience understands and remembers, the lecture will have been successful; it must reinforce learning with appropriate visual aids but not too many; and it must clearly indicate the action that should be taken to make use of the material.

b. Discussion

The objectives of using discussion techniques are to:

- a. get the audience to participate actively in learning;
- b. give people an opportunity of learning from the experience of others;
- c. help people to gain understanding of other points of view;
- d. develop powers of self-expression.

The aim of the trainer should be to guide the group's thinking. He or she may, therefore, be more concerned with shaping attitudes than imparting new knowledge. The trainer has unobtrusively to stimulate people to talk, guide the discussion along predetermined lines, and provide interim summaries and a final summary.

The leader's job is to guide the discussion, maintain control and summarize from time to time. If necessary, 'reflect' opinions expressed by individuals back to the group to make sure they find the answer for themselves. The leader's job is to help them reach a conclusion, not to do it for them (Armstrong, 2006).

Case study

A case study is a history or description of an event or set of circumstances that is analyzed by trainees in order to diagnose the causes of a problem and work out how to solve it. Case studies are mainly used in courses for managers and team leaders because they are based on the belief that managerial competence and understanding can best be achieved through the study and discussion of real events. Case studies should aim to promote enquiry, the exchange of ideas, and the analysis of experience in order that the

trainees can discover underlying principles that the case study is designed to illustrate. They are not light relief. Nor are they a means of reducing the load on the instructor. Trainers have to work hard to define the learning points that must come out of each case, and they must work even harder to ensure that these points do emerge (Armstrong, 2006).

The danger of case studies is that they are often perceived by trainees to be irrelevant to their needs, even if based on fact. Consequently, the analysis is superficial and the situation is unrealistic. It is the trainer's job to avoid these dangers by ensuring that the participants are not allowed to get away with half-baked comments. Trainers have to challenge assumptions and force people to justify their reasoning. Above all, they have to seize every chance to draw out the principles they want to illustrate from the discussion and to get the group to see how these are relevant to their own working situation (Armstrong, 2006).

c. Role-playing

In role-playing, the participants act out a situation by assuming the roles of the characters involved. The situation will be one in which there is interaction between two people or within a group. It should be specially prepared with briefs written for each participant explaining the situation and, broadly, their role in it. Alternatively, role-playing could emerge naturally from a case study when the trainees are asked to test their solution by playing the parts of those concerned. Role-playing is used to give managers, team leaders or sales representatives practice in dealing with face-to-face situations such as interviewing, conducting a performance review meeting, counseling, coaching, dealing with a grievance, selling, leading a group or running a meeting. It develops interactive skills and gives people insight into the way in which people behave and feel (Armstrong 2006).

The technique of 'role reversal', in which a pair playing, say, a manager and a team leader run through the case and then exchange roles and repeat it, gives extra insight into the feelings involved and the skills required. Role-playing enables trainees to get expert advice and constructive criticism from the trainer and their colleagues in a protected training situation. It can help to increase confidence as well as developing skills in

handling people. The main difficulties are either that trainees are embarrassed or that they do not take the exercise seriously and overplay their parts (Armstrong 2006).

d. Simulation

Simulation is a training technique that combines case studies and role-playing to obtain the maximum amount of realism in classroom training. The aim is to facilitate the transfer of what has been learnt off the job to on-the-job behavior by reproducing, in the training room, situations that are as close as possible to real life. Trainees are thus given the opportunity to practice behavior in conditions identical to or at least very similar to those they will meet when they complete the course (Armstrong, 2006).

e. Group exercises

In a group exercise the trainees examine problems and develop solutions to them as a group. The problem may be a case study or it could be one entirely unrelated to everyday work. The aims of an exercise of this kind are to give members practice in working together and to obtain insight into the way in which groups behave in tackling problems and arriving at decisions. Group exercises can be used as part of a team- building program and to develop interactive skills. They can be combined with other techniques such as the discovery method, encouraging participants to find out things for themselves and work out the techniques and skills they need to use (Armstrong 2006).

2.5.6. Implementation of Training

Training can be offered on-the-job by the supervisor, off-the-job by in-house trainers, and off-the-job and outside of the organization. On-the-job training is the most difficult to recognize because it is usually informal and is rarely distinguishable from regular work activities. Seldom is it preceded by formal needs assessment or preparation of instructional objectives(Armstrong 2006).

The advantage of on-the-job training is that it is highly applied: There is no boundary between who instructs and who supervises. One disadvantage is that supervisors frequently have trouble structuring learning experiences. Off-the-job training is expensive

in terms of the time it takes away from productive labor, but it is cost-effective for large groups of people sharing similar needs. In addition, it can be more professionally structured; there is also a separation between the trainer who provides instruction and the supervisor who subsequently judges the adequacy of individual job performance (Armstrong 2006).

2.5.7. Evaluative Training

When off-the-job training is successfully applied on the job by an employee, then trainers say that the learning was “transferred.” Of course, the whole point of off-the-job training is usually to give employees the knowledge and skills they need to perform effectively. That is often easier said than done. Staff trainers who conduct the training are not the employee’s supervisors and are rarely aware of conditions on the job that prevent transfer of learning. These conditions are called “barriers” to transfer. These include

1. **The individual (learner).** If learners do not see value in applying new skills, believe that there won’t be rewards for doing so, or do not value the rewards, then there won’t be a transfer of learning from the classroom to the job. In short, lack of motivation impedes application
2. **The job.** If individuals have little or no latitude to change what they do because job tasks are tightly controlled, then training can never be applied unless the job itself is changed first.
3. **The supervisor.** If a learner’s superior disapproves of instruction, then there is little likelihood that new behaviors will be exhibited. Supervisors exert powerful influence over behaviors of subordinates because they control rewards and punishments.
4. **The work group.** If a trainee returns to co-workers only to find new ideas greeted skeptically or disapprovingly, then there won’t be a successful transfer of learning. People will not risk social ostracism or put up with the jeering contempt of their peers for very long. They will conform to behaviors that are acceptable.

Of course, the reverse of this principle is also true. The likelihood of successful transfer increases as people see how they benefit from applying what they learn, believe that application of new knowledge or skill will be rewarded, and value the rewards associated with application. Transfer also takes place when people can decide to apply the skill or knowledge on the job and are encouraged by supervisors and co-workers. Generally, the greater the similarity between the job and the training is the greater the likelihood that individuals will successfully transfer their skills from one to the other (Rothwell and Kazanas 2003).

The penultimate stage in the training strategy is the evaluation and monitoring of training. It is one of the most important but often the most neglected parts of the training process. This stage can be viewed as both simple and complicated. It is simple in that monitoring consists in gleaning information from the trainees and then amending the courses and programs in the light of these comments. But it is also complex because there are other stakeholders in the process as well as the trainees: the designers of the courses, the trainers, and the sponsors. Each has their own purposes, aims and objectives, and these must be clearly identified before evaluation can proceed (Easterby-Smith and Mackness, 1992).

2.5.7.1. Levels of Evaluation

Four levels of training evaluation have been suggested by Kirkpatrick (1994).

Level 1. Reaction

Level one measures the reactions of the participants toward the training and answers questions about whether the participants liked the training; felt they achieved their learning goals; how much they liked the trainers; and any suggestions they have for improving the training. At this level, evaluation measures how those who participated in the training have reacted to it. In a sense, it is a measure of immediate customer satisfaction (DeCenzo et al. 2010).

Level 2. Evaluating learning

This level obtains information on the extent to which learning objectives have been attained. It will aim to find how much knowledge was acquired, what skills were developed or improved, and the extent to which attitudes have changed in the desired direction. So far as possible, the evaluation of learning should involve the use of tests before and after the program – paper and pencil, oral or performance tests (DeCenzo et al. 2010).

Level 3. Evaluating behavior

This level evaluates the extent to which behavior has changed as required when people attending the program have returned to their jobs. The question to be answered is the extent to which knowledge, skills and attitudes have been transferred from the classroom to the workplace. Ideally, the evaluation should take place both before and after the training. Time should be allowed for the change in behavior to take place. The evaluation needs to assess the extent to which specific learning objectives relating to changes in behavior and the application of knowledge and skills have been achieved (DeCenzo et al. 2010).

Level 4. Evaluating results

This is the ultimate level of evaluation and provides the basis for assessing the benefits of the training against its costs. The objective is to determine the added value of learning and development programs how they contribute to raising organizational performance significantly above its previous level. The evaluation has to be based on ‘before and after’ measures and has to determine the extent to which the fundamental objectives of the training have been achieved in areas such as increasing sales, raising productivity, reducing accidents or increasing customer satisfaction. Evaluating results is obviously easier when they can be quantified. However, it is not always easy to prove the contribution to improved results made by training as distinct from other factors and, as Kirkpatrick says: ‘Be satisfied with evidence, because proof is usually impossible to get.’

Perhaps the most powerful method of demonstrating that learning programs pay is to measure the return on investment, as discussed below (DeCenzo et al. 2010).

2.5.7.2. Return on investment as a method of evaluation

Return on investment (ROI) is advocated by some commentators as a means of assessing the overall impact of training on organizational performance. It is calculated as:

Benefits from training (Br.) – costs of training (Br.) × 100/ Costs of training (Br.)

Kearns and Miller (1997) believe that only this sort of measure is useful in evaluating the overall impact of training. The pressure to produce financial justifications for any organizational activity, especially in areas such as learning and development, has increased the interest in ROI. The problem is that while it is easy to record the costs it is much harder to produce convincing financial assessments of the benefits (Armstrong, (2006).

2.5.7.3. Methods of evaluation include the following:

Questionnaires (feedback forms) or ‘happiness sheets’ are a common way of

- i. eliciting trainees’ responses to courses and programs.
- ii. Tests or examinations are common on formal courses that provide a certificate, such as a diploma in word-processing skills, and end-of-course tests can be provided after short courses to check the progress of trainees.
- iii. Projects are initially seen as learning methods, but they can also provide valuable information for instructors.
- iv. Structured exercises and case studies are opportunities to apply learned skills and techniques under the observation of tutors and evaluators.
- v. It is important to have the opinions of those who deliver the training. Tutor reports give a valuable assessment from a different perspective.

- vi. Interviews of trainees after the course or instruction period can be informal or formal, individual or group, or by telephone.
- vii. Observation of courses and training by those devising training strategies in the training department is very useful, and information from these observations can be compared with trainee responses.
- viii. Participation and discussion during training must be facilitated by people who are adept at interpreting responses, as this can be highly subjective.
- ix. Over the past decade appraisal has become an increasingly important method of evaluation. It has the advantage that the line manager and trainee can mutually assess the training undergone in terms of performance and employee development.

A combination of these approaches is advisable. It is also wise to receive feedback from the trainees and the tutors or trainers, and others involved in the assessment process (Beardwell, Holden and Claydon 2004).

2.6. Employee Performance

According to Hawthorne studies, and many other research work on productivity of worker highlighted the fact that employees who are satisfied with their job will have higher job performance, and thus supreme job retention, than those who are not happy with their jobs (Landy, 1985). Moreover, it is stated that employees are more likely to turnover if they are not satisfied and hence demotivated to show good performance. Employee performance is higher in happy and satisfied workers and the managements find it easy to motivate high performers to attain firm targets. The employee could be only satisfied when they feel themselves competent to perform their jobs, which is achieved through better training programs (Kinicki and Kreitner, 2007).

Recognizing the role of training practices, enable the top executives to create better working environment that ultimately improves the motivational level as well as the performance of the workforce. According to Leonard-Barton (1992), an organization that

gives worth to knowledge as a source of gaining competitive edge than competitors, should build up system that ensure constant learning, and on the effective way of doing so is training. Pfeffer (1994) highlights that well-trained workforce is more capable of achieving performance targets and gaining competitive advantage in the market. Training is determined as the process of enabling employee to complete the task with greater efficiency, thus considered to be vital element of managing the human resource performance strategically.

2.7. The Relationship between Training and Employees Performance

Most of the previous studies provide the evidence that there is a strong positive relationship between human resource management practices and organizational performance (Purcell et al. 2003). According to Guest (1997) mentioned in his study that training and development programs , as one of the vital human resource management practice, positively affects the quality of the workers knowledge, skills and capability and thus results in higher employee performance on job. This relation ultimately contributes to supreme organizational performance. The result the study depicts the positive correlation between training and employee performance as $r=.233$. Thus, we can predict from this finding that it is not possible for the firm to gain higher returns without best utilization of its human resource, and it can only happen when firm is able to meet its employees job related needs in timely fashion. Training is the only ways of identifying the deprived need of employees and then building their required competence level so that they may perform well to achieve organizational goals.

Moreover, the result of the study of Sultana .et al. (2012), conducted in telecom sector of Pakistan, states the R^2 as .501 which means that 50.1% of variation in employee performance is brought by training programs. Further, the T-value was 8.58 that explain training is good predictor of employee performance. As depicted by the work of Harrison (2000), learning through training influence the organizational performance by greater employee performance, and is said to be a key factor in the achievement of corporate goals. However, implementing training programs as a solution to covering performance

issues such as filling the gap between the standard and the actual performance is an effective way of improving employee performance (Swart et al, 2005).

According to Wright and Geroy (2001,cited in Elnaga, Imran, 2013) employee competencies changes through effective training programs. It not only improves the overall performance of the employees to effectively perform the current job but also enhance the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance. Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve firm objectives in a competitive manner. However, employee performance is also effected by some environmental factors such as corporate culture, organizational structure, job design, performance appraisal systems, power and politics prevailing in the firm and the group dynamics. If the above mentioned problems exist in the firm, employee performance decreases not due to lack of relevant knowledge, skills and attitude, but because of above mentioned hurdles. To make training effective and to ensure positive effect of training on employee performance these elements should be taken into consideration (Wright and Geroy, 2001).

Generally, it can be debated that the effect of training program on employee outcomes such as motivation, job satisfaction and organizational commitment, did not received much attention so far. Rare work was done to test whether firms can affect their workers attitude, through proper training interventions. According to Gaertner and Nollen (1989) employees' commitment is a result of some human resource practices, that is, succession planning and promotions, career development and training opportunities. All these practices, when achieved results in greater employee performance. Moreover, Meyer and Smith (2000), investigate the link between Human Resource Management practices and organizational commitment, so as to discover the causes of effective employee performance.

Moreover, training supports to shape employees' job related behavior and facilitate them to participate for the success of the organization and ultimately firm gets higher return due to superior performance of its employees. A well-trained worker is able to make a

best use of organizational resources along with minimum level of wastages. When employees are well trained organization can delegate responsibility and authority to them with full confidence of ensuring organizational success. (Elnaga, Imran, 2013).

2.8 Conceptual Framework

Most of the benefits derived from training are easily attained when training is planned and systematic. This means that the organization, trainers and trainees are prepared for the training well in advance. Armstrong (2006) also adds training should be systematic in that it is specifically designed, planned and implemented to meet defined needs. It is provided by people who know how to train and the impact of training is carefully evaluated. According to Kenney & Reid (1986) planned training is the deliberate intervention aimed at achieving the learning necessary for improved job performance. Planned and systematic training according to Kenney and Reid consists of the following four steps:

1. Identify training needs.
2. Decide what sort of training is required to satisfy these needs.
3. Use experienced and trained trainers to implement training.
4. Follow up and evaluate training to ensure that it is effective.

Figure 2.1 depicts the conceptual framework. This framework highlights the drivers which compel managers to train and develop their employees in this era of competition. Similarly various methods are used to impart necessary skills and knowledge to the employees. For instance, on the job training and off the job training methods are applied to train employees. An employee who gets the necessary skills benefits the organisation by contributing towards achieving organisational goals. Training and development is then evaluated by using various approaches to see whether the employees have changed their behaviour and whether they are contributing towards achieving organisational goals. In the long run it will lead to organisational effectiveness.

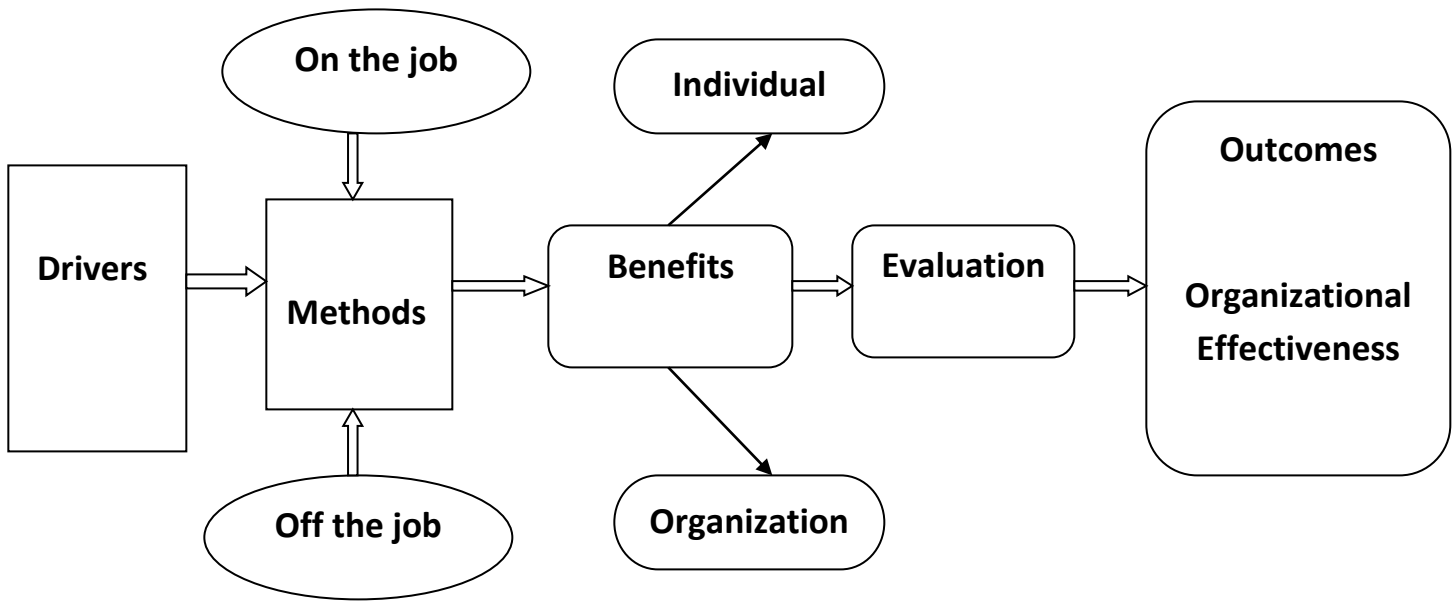


Figure 2.1 Conceptual framework training and development of employees

CHAPTER THREE

3. Research Design and Methodology

This chapter presents a description of the methodology that is employed in the study. It spells out the techniques and methods of sampling, data collection, processing, analysis, and the area in which the study is carried out. The chapter also highlights the limitations and problems encountered while collecting data. There are different types of research methods that could be used when doing research. The methods include: qualitative research, quantitative research, and a mixture of both qualitative and quantitative research. The difference between qualitative and quantitative research arise from their procedures (Ghauri & Grønhaug 2005, 109)

In order to answer the study questions, this study adopt both qualitative research approach. In this kind of a research, unstructured and semi-structured interviews and questionnaires can be used (Ghauri & Grønhaug 2005, 112 - 113).

Qualitative research helps to obtain the insights about the phenomena in question and is flexible in the sense that it helps in identifying the missing part of what is unknown or partially known (Ghauri & Grønhaug 2005, 202 – 204). Further still, qualitative research is said to be more relevant in the context of discovery and thus be able to get access to what was never known before. However, if the research problem is not well understood, there is a possibility that the researcher will be overwhelmed by data due to unnecessary data collection. This make the analytical part of research more difficult (Ghauri & Grønhaug 2005, 202 -204). the study focus on the case study approach as a research strategy. The case study approach refers to an in-depth study or investigation of a contemporary phenomenon using multiple sources of evidence within its real-life context (Yin 2005).

According to Yin (2003), case research is particularly useful when the phenomenon of interest is of a broad and complex nature and, hence, is best studied within the context in which it occurs. Yin (2003) also notes that using multiple cases is a

powerful source of information. This study therefore follows (Yin, 2003) by relying on three case studies.

3.1 Data Sources and Data Collection Methods

This section details the sources of the data used in this study and the data collection methods employed.

The study is limited to public and private banks in Addis Ababa with particular focus on CBE and AIB . In choosing the banking companies to this study, purposive sampling was used for the study. Accordingly, CBE and AIB were selected. These Banks were specifically chosen because they are among the biggest and popular banking companies in Ethiopia. The target sample size for this study is 160 employees are used based on J.Carvalho's,(1984) table of determining sample size (80 from each bank) . Simple random sampling was then applied to choose the branches of both banks in Addis Ababa .The same method was used while selecting respondents from the respective branches of the two banks and this was done to eliminate bias.

The process of data collection during this study relied mainly on methods of primary data. Primary data is data collected directly from first-hand experience. The primary source of data employed in this study is the questionnaire and An interview with the Management of HRD units . A structured questionnaire is designed and administered to all the employees under the sample. The purpose of the questionnaire is to investigate the effect of training on employee performance in both banks.

3.2 Population and Sampling Techniques

In Commercial bank of Ethiopia and Awash international bank there were about a total of 6,278 and 3,630 employees respectively in its all branches throughout Addis Ababa as at June 30 2015.. purposive sampling was used for the study. Accordingly, CBE and AIB were selected. The target sample size for this study is 160 employees from eight districts were used from both banks (80 from each bank) . Simple random sampling was then applied to choose the branches of both banks in Addis Ababa .The same method was used

while selecting respondents from the respective branches of the two banks and this was done to eliminate bias.

The researcher believes that the selected respondents can best represent the population because since there are similar characteristics among the sub branch employees of the organization. The questionnaires were administered personally by the researcher.

An interview was also scheduled to gather information on the subject from the Management of HRD units to ascertain Management's view on how Commercial bank of Ethiopia and Awash international bank has dealt with issues of training and development.

3.3. Types of Data and Tool/Instrument of Data collection

In order to achieve the stated objectives of the study data were gathered from both secondary (such as books, article, journals and documents produced by Commercial bank of Ethiopia and Awash international bank) and primary source such as questioners and interview. The Management of HRD was interviewed about the Practice of training and Development and its effect on employees' performance. Interviewees were selected on the basis of their involvement in the decision to design and implement training and development in Commercial bank of Ethiopia and Awash international bank. Other staffs of Commercial bank of Ethiopia and Awash international bank in Addis Ababa were surveyed through questionnaires to assess their perception of the practice of training and development and its effect on their performance.

3.4. Validation and Reliability of the Instruments

The questionnaires used for this study consisted of items developed by the researcher and adapted from the existing research literature. Adapted Items for the study were on training methods from Srivastava E. & Agrawal,(2014) and Abeba Mitiku etal.(2015). This was so because they are developed for assessing training methods and past studies have used this sub scale to examine aspects of training in the banking sector.The questionnaires used were further validated by experts in the field.

Furthermore, the questionnaires used in the study were pilot tested before carrying out the study. The purpose of the pilot test was to refine the data gathering instruments. The pilot test was carried out with 20 employees from CBE and AIB selected from Arad district branch of these banks which were not the part of the study.

3.5. Procedure of Data Collection

An interview was scheduled to gather information on the subject from the Management of HRD units to ascertain Management's view on how Commercial bank of Ethiopia and Awash international bank has been dealing with issues of training and development. And questionnaires were administered to the various groups of employees of Commercial bank of Ethiopia and Awash international bank in Addis Ababa. A total of 160 questionnaires respectively were administered personally to employees in different districts. Employees were given a couple of days to carefully fill out the questionnaires. Documents on training and development from Commercial bank of Ethiopia and Awash international bank were also reviewed. These helped the researcher to ascertain whether Commercial bank of Ethiopia and Awash international bank has a training policy in place, and checked whether the processes of training were being duly followed or not.

3.6. Method of Data Analysis

The qualitative data from interviews and secondary documents are analyzed using content analysis and logical analysis techniques. Quantitative data analysis was used by the use of the SPSS 20 software. The technique for quantitative data analysis was the frequency distribution, percentages, mean, standard errors and t-test analysis which used to determine the proportion of respondents choosing the various responses. This is done for each group of items relating to the research questions.. Depending on its importance, tables and charts were used to ensure easy understanding of the analyses.

This study is a survey in the form of cross sectional study in which data was collected once across a population through random sampling. It was designed in the form of case study. A case study is organized around comparisons of what theory suggested should have happened and of what was actually observed. Case studies involve an in-depth

examination of a single person or a few people and provide an accurate and complete description of the case (Marczyk, DeMatteo and Festinger, 2005). I prefer this methodology because it helped me to assess the existing training and development practice of CBE and AIB, and to recommend in light to what the literature suggests.

CHAPTER FOUR

4. Result and Discussion

This chapter presents the analysis and discussion of the findings to the study. The data is presented in the form of tables and descriptive explanation of could not be quantified is explained. Presentation of findings has been organized in accordance with the study objectives. As noted earlier, a total of 160 questionnaires are filled where 80 questioners are filled from varies branches of Commercial Bank of Ethiopia and 80 questioners from various branches of AIB in Addis Ababa city. The information is now presented in the subsequent pages.

4.1 Profiles of the Respondents

4.1.1 The Sex Composition of Respondents

Table 1: The Sex Composition of Respondents

Name of the bank	Male		Female		Total	
	Frequency	%	Frequency	%	Frequency	%
CBE	50	62.5	30	37.5	80	100
AIB	44	55	36	45	80	100
Total	94	58.8	66	41.2	160	100

Source - Survey Data

Table 1 presents the sex composition of the respondents . Of the total 160 respondents 94 (58.8%) are male and the remaining 66(41.2%)are female. Of the total 94 male respondents, 50 (62.5 %) are from Public Sector Bank/CBE/ and 44 (55%) are from Private Sector Bank/Awash/. The female respondents are 30 (37.5%) and 36(45 %) respectively from Public Sector Bank/ CBE /and Private Bank/Awash/.

4.1.2. Age Composition of Respondents (employees)

The study needed to know the age distribution of respondents to help categorize employees and assess whether ages of employees were taken into consideration in selection of employees in both banks. The table below summarizes the data obtained on the ages of respondents.

Table 2: Age Distribution of Respondents

Age Category	CBC		AIB		Total	
	Frequency	%	Frequency	%	Frequency	%
under 26	13	16.3	27	33.8	40	25
26 to 35	43	53.8	35	43.8	78	48.7
36 to 45	23	28.8	16	20.0	39	24.4
above 51	1	1.3	2	2.5	3	1.9
Total	80	100.0	80	100.0	160	100

Source:- Survey data

As Table 2 one fourth (25 %)of the respondents are of below 26 years of age, nearly half (50 %)are between 26and 35 years of age, one fifth (24.4 %) are between 36 and45 years of age and the remaining 3 (1.9 %) are of 51 years or more. Of the 80 respondents from CBE 16.3 per cent are below 26 years of age .In the case of AIB is 33,8 percent of the respondents are in the same category. In case CBE 53.8 percent of the employees are between 26 and 35 years of age where as 43 per cent the employees in AIB are under this category. Concerning age of the respondents, the result shows that most of the sampled respondents in both CBE and AIB are young. Hence, it is reasonable to conclude that both banks employ young applicants most of whom are recent graduates.*

4.1.3 Educational Levels of Respondents

Table 3: Educational Qualification of the Respondents

Variables	CBE		AIB		Pub& Priv	
	Frequency	%	Frequency	%	Total	%
Certificate	1	1.3			1	0.6
Diploma	16	20.	10	12.5	26	16.3
Degree	57	71.3	63	78.8	120	75
Masters	6	7.5	7	8.7	13	8.1
Total	80	100	80	100.0	160	100

Source:- Survey Data Analysis

* This is also depicted in the qualifications and years of experiences presented in the subsequent sections

Table 3 presents the education status of the respondents of the study. About 93 per cent of the respondents are having either a degree level education or more in both banks. In the case of CBE, out of the total respondents from CBE 17 (21.3%) attained pre-degree education 57 (71.3 %) are qualified with first degree education and 6 (7.5 %) are have Masters degree. In the case of AIB 10 (12.5%) respondents have diplomas and about 87.5 percent of have a relatively higher levels of qualification i.e, first degree (78.8%) and Masters Degree(8.7%). None of AIB respondents has a certificate. This implies that absence of certificate level might be associated with procurement criteria required by the bank. Generally, employees of AIB have higher level of qualifications than those in CBE regardless of the relevance of their qualifications to the specific duties to which they are assigned in the respective banks. The above data can serve as a preliminary indicator for the general training needs that each bank is supposed to provide to employees in the deferent levels of qualifications mentioned above.

4.1.4 Work Experience of the Respondents

Respondents were asked to indicate their work experience in their carrier. Accordingly the results are presented in the table below.

Table 4: Total Work experience in banks of the Respondents

Years of Experience	CBE		AIB		Total	
	Frequency	%	Frequency	%	F	%
Below 1 year	2	2.5	7	8.8	9	5.6
1 - 5	54	67.5	51	63.8	105	65.6
6 to 10	15	18.8	15	18.8	30	18.7
11 to 15	6	7.5	7	8.8	13	8.1
16 to 20	3	3.8	-	-	3	1.9
Total	80	100	80	100	160	100

Source:- Survey Data

As can be seen in the above table, the majority of respondents in both banks (65.6%) a relatively lower work experience that is below five years. Surprisingly the percentage of employees with a relatively average work experience (from 6-10 years), is the same - 18.8%. In other words, 18.8 percent of respondents from each category have average work experience in banks regardless of the positions they currently occupy. The remaining respondents (11.1%) have above 11 years work experience. In the case of CBE, the majority of respondents (67.5%) have a total of work experience in banks between 1-5 years, and 7.5 percents of the respondents are having a total of work experience that ranges from 11 to 15 in . Only 2 (2.5 %) respondents from CBE and 7 (8.8%) from AIB have work experience in banks below one year . above 16 years respectively. On the other hand, regarding work experience in banks of respondents of AIB, 63.8% are have a total work experience in banks that ranges from 1-5 years, and 18.8% have experiences within a range of 6 to10 years. This indicates that the majority of the respondents have worked in bank for six years or less. However, none of AIB respondents have work experience in banks that exceeds 16 year but in the case of CBE, some of the respondents have above 16 years of experience. Perhaps this might be linked

with the difference in the establishment period between the two banks. Nevertheless, the above data indicates that the experiences of most of the employees in both banks below average. Although it is uncountable that training and capacity development must constitute and go hand in hand throughout the entire work span of each and every employee, the work experiences of the majority of employees calls for adequate and consistent training in all forms.

4.1.5. Training Programs Attended by the Respondents During Service

Participants read a statement to indicate the Training Programs they attended During their service years. Their responses are provided in Table 5 below.

Table 5:- Distribution of The Number of Training Attended by the Respondents During their service years

Training attended	CBE		Awash		Total	Frequency
	F	P	F	%		
1 to 3	40	50	55	68.8	95	59.4
4 to 6	34	42.5	19	23.8	53	
7 to 9	1	1.2	2	2.5	3	1.9
10 to 12	4	5	3	3.8	7	4.3
13 to 15	1	1.2	1	1.2	2	1.3
Total	80	100.0	80	100.0		

Source: Survey Data

As can be seen in Table 5, out of the total one hundred sixty respondents most of 59.9% the respondents have got 1-3 trainings during their service. In the case of CBE it is 50% and in the case of Awash Bank it is 68.8%. In the case of other situations 42% of the respondents from CBE are having 4-6 trainings during their service but in the case of Awash bank only 23 % of the respondents having 4-6 trainings during their service . Over all from the table it can be concluded respondents that from Awash bank are provided only less number of training program than CBE.

4.2. Training Policy and Objectives

One of the objectives of this study was to identify and assess the policy and objective regarding training in the selected sample banks based on the perception of the respondents. Accordingly, an examination was conducted for the purpose of deriving more clarity regarding the existing policy aspects of the beneficiaries of training i.e. the employees of both CBE and AIB.

Table 6 presents the mean and SE of the sample study. Regarding the three other aspects (I2, I3, and I4) the mean of the responses ranges between 3.38 ± 0.119 to 3.55 ± 0.124 in the case of CBE and between 3.36 ± 0.126 to 3.60 ± 0.121 in the case of AIB signifying a position between 'neutral' and 'agree'.

Table 6: Comparison between CBE and AIB Regarding Nature of Training

No.	Nature of Training	CBE	Awash	t	d.f	Sig.
		Mean \pm SE	Mean \pm SE			
I1	Training is mainly a 'one time activity' in my bank -given only once	1.71 ± 0.051	1.73 ± 0.50	-0.175	158	0.862
I2	'Retraining' is something which is seriously missing in my bank [not repeated]	3.49 ± 0.119	3.36 ± 0.126	0.720	158	0.473
I3	'Training is basically based on 'need of the time' - training on the basis of need	3.55 ± 0.124	3.60 ± 0.121	-2.88	158	0.774
I4	Training is given in my bank to help the staff to specialize in few banking areas	3.38 ± 0.119	3.51 ± 0.108	-0.857	158	0.393

*sig. at 0.05 level

The results of independent sample t test presented in Table 6 for the variables generally accept that there exists no significant difference between the responses of the two categories of employees in relation to the nature of training. In the case of only one aspect there is significant difference between the two categories of respondents i.e. "Training is basically based on 'need of the time' training on the basis of need"

The mean of the summated score is calculated for the four variables, minimum is four and maximum is 20. So middle value is 12. The mean of the summated score of the four variables is 12.13 ± 0.413 for CBE and 12.2 ± 0.855 for AIB which is presented in Table 7.

Table 7: Comparison between CBE and AIB regarding the Nature of Training Using Summated mean and t Test

	Means of Summated score	Test Value 12		
		t	d.f	Significance value
CBE	12.13 ± 0.413	414.079	79	.000
AIB	12.2 ± 0.855	420.647	79	.000

The score of 12 means neutral. The mean score is slightly more than the neutral position. In this situation, there can be confusion whether the score can be termed as neutral or positive. To determine whether that difference is statistically significant, one sample t-test was conducted and the following results were derived. Test value is 414.079 with 79 d.f. with 0.000 significance value for CBE and 420.647 with 79 d.f. with 0.000 significance value for AIB. This result clearly rejects the notion of there exists significant difference between the responses of the two categories of employees that the mean score of the variables is twelve. It means that the response to this particular aspect is not neutral, it is positive.

Overall the finding shows that the employees do not perceive the training provided in banks as a onetime thing ('training is mainly a 'one time activity' in my bank - given only once'). For them it is not over with one training program. It should be continuous. This is

the case with both sampled banks are concerned. The employees of both of banks are having an opinion sufficient 'retraining' is not provided to them.

Also according to the employees, a long range perspective is missing, as training is basically done according to the need of the time and not on the basis of systematic planning. Even though the opinions of both sample groups are nearer to 'agree' independent sample t test results prove that it is not neutral. It shows the importance of the banks to develop a detailed training policy for its employ, Concerning the objective of the training in both sampled groups is analysis is made based on the perception of the employees of sample banks.

Training Objectives

Table 8 presents the computation of means and standard deviation regarding training objectives. The mean and standard deviation of AIB and CBE are calculated. These calculations present certain observations. In the case of the CBE, the most favored training objective is 'to familiarize with new work practices like computerization etc.' but for the AIBs, the most favored training objective is 'to equip the staff with more skills to meet future challenges'. It is also important to note that the standard error also is the lowest in both cases signifying a high degree of homogeneity of viewpoints in each category. The second most preferred training objectives are 'to equip staff with more skills, to meet future challenges in the case of CBE and 'to introduce new products - programs- product orientation' in the case of AIB.

Table 8: Comparison between Sample Banks Using 'Means Standard Deviation Regarding Training Objectives

Training Objectives	bank	Mean	Std. Deviation
To provide additional knowledge and meet the needs of redeployment	CBE	3.23	.0806
	Awash	3.68	.0884
To introduce the staff to the organizational culture and enhancing it	ECB	3.77	.0625
	Awash	4.04	.0762
To increase the quality and magnitude of work	ECB	4.27	.0526
	Awash	4.18	.0781
To ensure better job adjustment and to have high morale	ECB	3.81	.0648
	Awash	4.08	.0762
To equip the staff for promotion	ECB	3.06	.0772
	Awash	3.52	.0950
To identify and develop the inner potential of the staff - Developing people	ECB	3.85	.0669
	Awash	4.05	.0853
To provide additional knowledge and meet the needs of redeployment	CBE	4.16	.0675
	AIB	4.35	.0694
To familiarize with the new work practices E.g. Computerization.	CBE	4.46	.0476
	AIB	4.19	.0681
To introduce new products - programs, product orientation	CBE	4.25	.0563
	AIB	4.36	.0599
To equip staff with more skills, to meet future challenges and development plans	CBE	4.44	.0536
	AIB	4.53	.0549

In both the categories 'to equip the staff for promotion' is the least preferred training objective. They do not think that the training is provided to prepare the employees for promotion. The second most disliked training objective in both categories is ' To provide additional knowledge and meet the needs of redeployment '

There exist significant differences between the CBE and AIB regarding the training objectives followed in their organizations. In the case of the CBE the most favored training objective is 'to familiarize with new work practices like Computerization etc. '

but for the AIB the most favored training objective is 'to equip the staff with more skills to meet future challenges'.

4.3 Identification of Training Needs

Comparison between the CBE and AIB regarding the sources for training need identification Using Mean and SE.

Table 9 presents the computation of means and Standard Error in the case of different items related to the issue of sources of training needs identification. This is calculated in the case of the AIB and CBE.

Table 9: Comparison between the CBE and AIB in the Case of the Sources for Training Needs Identification

Source of training need identification	bank	Mean	SE
Opinions of external and internal experts	CBE	3.45	.066
	AIB	3.59	.086
Technical study, Skill analysis, Competency mapping	CBE	3.51	.069
	AIB	3.66	.093
Customer satisfaction and climate surveys and customer complaints	CBE	3.33	.079
	AIB	3.61	.099
Demands due to the latest trends in banking /Fast changes -Product and System changes in the banking field. E.g. Online Banking, Computerization, etc./.	CBE	4.28	.049
	AIB	4.03	.080
Appraisals [By self, peer or co-workers, superiors and by experts]	CBE	3.51	.070
	AIB	3.95	.091
Based on supervisory recommendations	CBE	3.35	.069
	AIB	3.79	.072
Based on the training programs provided by other banks.	CBE	2.65	.074
	AIB	2.92	.097
Based on employee suggestion	CBE	3.19	.072
	AIB	3.52	.098
Based on job related problems	CBE	3.59	.067
	AIB	3.59	.089
Based on pre training testes	CBE	2.70	.076
	AIB	3.12	.098
Based on promotion/job rotation	CBE	3.44	.070
	AIB	3.40	.098
Personal development plans	CBE	3.62	.067
	AIB	3.65	.085

The most important Training Needs Identification source in the case of the CBE is 'demands due to the latest trends in banking. E.g. Online Banking, Computerization, etc . The second most important source is 'personal development plans' and next comes 'based on job related problems'. The least important source for Training Needs Identification for CBE is 'based on the training programs provided by other banks'. For the AIB the most important source of Training Needs Identification is the same as that of the CBE i.e. 'demands due to the latest trends in banking E.g. Online Banking, Computerization, etc'. The second most important source is 'appraisals (by self, peer or co workers, superiors and by experts) and third is 'based on supervisory recommendations'. In the case of the AIB also the least preferred training needs identification source is 'based on the training programs provided by other banks'.

Section 4.3 presents a comparison of the training needs identification methods followed by the CBE and AIB. The examination of the means and standard error show that there is significant differences between the two categories of banks regarding the training needs identification methods used.

The AIB and CBE differ in the case of seven aspects. They are 1) 'appraisals [by self, peer or co workers, superiors and by experts]'. 2) 'demands due to the latest trends in banking. E.g. Online Banking, computerization, etc-. 3) 'customer satisfaction and climate surveys and customer complaints'.4) 'based on pre training tests'. 5) 'based on employee suggestions' . 6) 'based on the training programs provided by other banks', and 7) 'based on supervisory recommendations'.

4.4. Benefits Gained through Bank Training

Comparison between CBE and AIB Regarding the Benefits Gained through Bank Training.

Training helps the employees in different ways. The employees of both CBE and AIB are asked to rank the different benefits that they have derived from bank training and the information is presented in Table 10.

Table 10: Correspondence Table Regarding the Benefits Derived From Rank Training for CBE and AIB.

Items	Rank										
		1	2	3	4	5	6	7	8	9	Total
Increased motivation and creative positive attitude	CBE	38	15	7	10	6	1	3			80
	AIB	30	15	17	8	3	1	3	3		80
Increase of awareness in practical banking	CBE	35	24	10	6	3	1	1			80
	AIB	24	26	8	8	6	3	2	1	2	80
Improved interpersonal relationship	CBE	4	7	26	14	10	8	8	1	2	80
	AIB	5	13	25	22	9	2	3		1	80
Was Able to interact with people of the same level	CBE	1	4	11	30	13	10	6	4	1	80
	AIB	3	4	12	19	10	21	5	3	3	80
Training has helped in improving the quality of my life	CBE	3	1	3	19	19	12	10	9	4	80
	AIB	2	2	5	8	24	6	15	12	6	80
Increase in theoretical knowledge	CBE	6	7	17	9	11	11	10	4	6	80
	AIB	14	13	7	8	6	10	8	8	6	80
Better sense of personal fulfillment and growth	CBE	1	4	7	4	10	17	27	9	3	80
	AIB	2	5	3	6	10	21	15	12	7	80
Able to make use of the promotion Opportunities	CBE	2	1	3	2	4	8	15	44	11	80
	AIB		3	3	2	6	11	20	28	7	80
Got a chance to be away from the regular job	CBE	2	1	2	4	4	5	4	9	49	80
	AIB	1	1	2		4	9	11	15	37	80
Ranks	CBE	1	2	3	4	5	7	?	8	9	
	AIB	1	2	3	?	5	?	8	?	9	

There is perfect agreement between the two categories of employees regarding the first three important areas which they have benefited. They are 1) Increased motivation and creative positive attitude, 2) Increase of awareness in practical banking and 3) Improved interpersonal relationship.

There is a similar kind of agreement regarding the least important benefit i.e. Got a chance to be away from the regular job. It means that the employees of the banks are happy about the training provided to them. It seems that the CBE employees are not clear about to which aspect they should give sixth rank. The AIB employees find it difficult to assign fourth, sixth and seventh ranks to the benefits which they derived.

In the case of the areas benefited through bank training the two categories of respondents agree on the most important and the least important aspects.

4.5. Training Practices

Training Methods - Which is the most acceptable training method as far as the employees of both CBE and AIB are concerned. Information related to this issue is presented in Table 11.

As far as the CBE employees are concerned, the order is like this, 1) Group discussion, 2) Computer based training, 3) 1ecturue , 4) Online training, 5) Field visits, 6)Training video films and 7) Case study. The training methods based on the preferences of the AIB are 1) Group discussion, 2) Computer based training, 3) Online training, 4) 1ecturue , 5) Field visits, 6) Case study and 7) Training video films.

Table 11: Comparison between CBE and AIB Regarding the Preferred Training Methods

Training Methods	bank	N	Mean	SE	t	d.f.	sig
On-line training	CBE	80	3.695	.074	-0.7677	302	.4433
	AIB	80	3.781	.77			
Computer based training	CBE	80	4.202	.051	4.4469	300	.0000
	AIB	80	3.807	.078			
Lecturue	CBE	80	3.696	.064	-0.2994	303	.7648
	AIB	80	3.728	.087			
Case study	CBE	80	2.884	.073	-3.4393	300	.0007
	AIB	80	3.283	.088			
Group discussion	CBE	80	4.316	.054	0.8034	302	.4224
	AIB	80	4.246	.068			
Training video films	CBE	80	3.257	.072	-0.0720	302	.9426
	AIB	80	3.265	.105			
Field visits	CBE	80	3.395	.072	-.0720	302	.9426
	AIB	80	3.658	.105			

As far as the first two aspects are concerned, there is no difference between the two categories of banks. For the CBE, lecturue comes in the third position but for AIB on line training is in the third position. The situation is reversed as far as the fourth position is concerned. For the CBE Case study is the item which comes in the last position but for AIB it is Training video films. There is a reversal of positions regarding the second last position.

The two most preferred training methods are Group discussion and Computer Based Training. The least preferred training methods are also common to the two categories of banks , Training video films

and Case study. The banks need to identify innovative methods to encourage Case study in banks. There exists statistically significant difference in the case of three out of seven aspects regarding training methods.

4.6. Effectiveness and Benefits of Training

Table 12 presents the information regarding the effect of training on some functional areas related to banks. Regarding the effect of training on functional areas except one aspect, the mean of the CBE is higher than that of AIB. Compared to AIB, the CBE employees have only lesser appreciation to the fact that training may have positively influenced customer satisfaction.

Table 12: Perceived Effectiveness and Benefits of Training.

Effect of Training	bank	Mean	SE	t	d.f.	sig
employees like me have considerable opportunity for improving their skills	CBE	3.73	.070	1.9016	301	.9919
	Awash	3.50	.105			
Line managers provide right kind of climate to implement new ideas and methods acquired by their juniors during training	ECB	4.00	.048	.9493	296	.3433
	Awash	3.92	.074			
Employees returning from training are given adequate free time to reflect and plan improvements in my bank	ECB	3.49	.066	.6394	299	.5230
	Awash	3.42	.092			
the training programs I have received helped me do my job well.	ECB	4.23	.042	1.1826	297	.2379
	Awash	4.14	.064			
Employees in my job category normally go through training programs every few years to improve our customer service skills	ECB	3.09	.078	-.3140	300	.7538
	Awash	3.14	.106			
The training programs I went through in this branch effectively prepared me to provide high quality customer service	ECB	3.62	.063	.4869	300	.6267
	Awash	3.57	.091			
In general the training in your bank equips you to meet the competition in the market	CBE	3.81	.055	-.0102	301	.9919
	AIB	3.81	.085			

It is interesting to note that, as far as this aspect is concerned, both categories of employees have given a response nearer to neutral. Regarding the aspect 'training equips to meet competition' both categories are having exactly the same opinion as their means are the same.

The two aspects which has got the highest means in both categories of banks are 'The training given to you has helped you to perform better in the job' and 'Training to the staff has helped in improving the work atmosphere in your bank'. The independent sample t test result shows that there is no statistically significant difference between the two categories of banks regarding the effect of training on functional areas.

This Section discusses the effect of training on the actual work situation of the employees. The employees are generally positive in their opinion about the effect of their training on different functional areas except about the effect on customer satisfaction. The employees say that the customers are not much satisfied.

Both the categories of employees believe that training equips them to meet the competition in the market. They believe that the quality of the staff has improved due to bank training. They agree that they were able to use the skills gained through training in the workplace. According to them, the effect of training on profitability of the bank is positive. They strongly agree that the training they received has helped them to perform better on the job. They also strongly believe that the training to the bank has helped in improving the work atmosphere in banks. The student's t test result shows that there is no statistically significant difference between the two categories of banks regarding the effect on functional areas. Between the two categories of respondents there are no statistically significant differences.

4.7. Findings of the Study

Training Policy and Objectives

The two categories of respondents agree that the bank training should not be a onetime affair, but it should be continuous. They don't think that it is over with one training program. According to the respondents 'retraining' is missing', training is not systematically planned' but 'according to the need of the situation' and through training 'employees are able to gain expertise only in few banking areas'. The independent sample t test shows that the two categories of respondents do not differ significantly except for 'training is basically based on the need of the time'.

Training Objectives

In the case of the CBE the most favored training objective is 'to familiarize with new work practices like Computerization etc..' But for the AIB it is 'to equip the staff with more skills to meet future challenges-. The second most preferred training objectives are 'to equip staff' with more skills, to meet future challenges' in the case of CBE and 'to introduce new products -programs- product orientation' in the case of AIB. In both the categories 'to equip the staff' for promotion' is the least preferred training objective. The respondents do not think that the training is provided to prepare the employees for promotion. The second most disliked training objective in both categories is 'To provide additional knowledge and meet the needs of redeployment '.

Training Needs Identification

The most important Training Needs Identification source in the case of the CBE is 'demands due to the latest trends in banking, E.g. Online Banking, Computerization, etc' . The second most important source is 'personal development plans'. The least important source for Training Needs Identification for CBE is 'based on the training programs provided by other banks'.

For the AIB, the most important source is the same as that of the CBE i.e. 'demands due to the latest trends in banking, E.g. Online Banking, Computerization, etc' . The second most important source is 'appraisals [by self, peer or co workers, superiors and by experts] and the least source is 'based on the training programs provided by other banks'.

Benefits Gained through Bank Training

There is total agreement between the two categories of employees regarding the first three important areas which they have benefited. They are 1) Increased motivation and creative positive attitude, 2) Increase of awareness in practical banking and 3) Improved interpersonal relationship. There is a similar kind of agreement regarding the least important benefit i.e. Got a chance to be away from the regular job.

Training Methods

The most preferred and second most preferred training modes for CBE and AIB are 1) Group discussion and 2) Computer based training. The independent sample results show that regarding three aspects, significant differences exist between the two categories of respondents.

Usually Used Training Methods

The respondents were asked to list all the training methods used in banks. Except for the second, third and fourth positions the training methods are following exactly the same pattern of importance in both categories of banks. Lecture continues to be the most favorite training methodology for the bank trainers. As per the proportion test, there are significant differences in relation to three items viz. 1) Lecture 2) Computer Based Training and 3) Online training.

Effect and Benefits of Training

Regarding the effect of training on functional areas except regarding one aspect, the mean of the CBE is higher than that of AIB. Compared to the AIB the CBE employees have only lesser appreciation to the fact that training may have positivity influenced customer service skills. It is interesting to note that, as far as this aspect is concerned both

categories of employees have given a response nearer to neutral. Regarding the aspect 'training equips to meet competition' both categories are having exactly the same opinion as their means are the same. The two aspects which have got the highest means in both categories of banks are 'The training given to you has helped you to perform better in the job' and 'Line managers provide right kind of climate to implement new ideas and methods acquired by their juniors during training '. The independent sample t test result shows that there is no statistically significant difference between the two categories of banks regarding the effect of training on functional areas.

CHAPTER FIVE

5. Summary Conclusions and Recommendations

5.1 Summary and Conclusions

The main purpose of the study has been:

- To analyse employees' training and development policies of Commercial Bank of Ethiopia and those of Awash International Bank.
- To identify relevance of the training and development process and methods used in Commercial bank of Ethiopia and those of Awash International Bank to meet their respective objectives
- To examine and compare the effects and benefits of training provided to the employees by the CBE and AIB
- To examine the degree of involvement of managers on employees training and development program and its impacts on the training and development of employees in both CBE and AIB
- To identify the comparative advantages of training and employees, development programmes offered by CBE and those of AIB with respect to providing efficient and effective service provision.

Accordingly the study has been carried out 160 employees from CBE and AIB.

The study shows that The two categories of respondents do not differ significantly except for 'training is basically based on the need of the time', there exist significant differences between the CBE and AIB regarding the training objectives followed in their organizations. The finding also shows that in connection with Training Needs Identification related to CBE and AIB show that statistically significant differences exist between the two categories of bank employees, and that employees of CBE and AIB

agree that training has helped in meeting the competition in the market, improving the quality of performance of the employees and the employees are able to use the skills gained through training in the work place.

Thus it can be concluded that in most aspects of training and development practices employed by CBE and AIB there is no significant difference regarding employees' training and development policies, the effects and benefits of training provided to the employees and the degree of involvement of managers on employees training and development program.

5.2. Recommendations

Based on the finding the following recommendations are suggested:

The banks should develop detailed and relevant training policies and the training programs should be systematically planned so that the employees are exposed to all the necessary areas related to banking. Separate plans based on the requirement of each and every individual has to be developed. Sufficient follow-up training, re-training has to be provided.

There exist significant differences between the CBE and AIB regarding the training objectives followed in their organizations. Either the training system may have conflicting objectives or there exists confusion among the beneficiaries of training regarding the training objectives followed in the organization. In order in order to benefit from training, it is important that the beneficiaries of training should have clear understanding about the objectives of training. 'The HRD of banks should take steps fix that. While developing the training objectives of the organization, it is important that the long term purposes are given due importance.

Training Need Identification is one of the most important initial steps as far as any training program is concerned. The different statistical tests conducted in connection with Training Needs Identification related to CBE and AIB show that statistically significant differences exist between the two categories of bank employees. The analysis of mean

brought out the differences between the two categories of banks. Hence it is important for the HRD departments of banks to make sure that appropriate steps are taken for improving the Training Needs Identification.

The level of employee motivation affects the effectiveness of training. The higher the employee motivation the greater is the chance to learn and apply the new knowledge on the job. It is found that AIB employees are more enthusiastic about training. The reasons for such an interest are to be identified. It will help the CBE to build more interest among the employees in relation to training. The employees of both categories of banks do not consider that the training provided to them is totally inadequate. When the researcher placed before them a few negative elements in relation to the training system, they did not fully disagree with that also. The training authorities in the banks can be happy as their efforts have not gone worthless. But the aspect that the employees did not disagree with that shows there is tremendous scope for improvement. Hence it is important for the training authorities to take steps to improve the situation related to the following aspects

- 1) Inability to use the new knowledge
- 2) Only theoretical - semantic training takes place [not practical]
- 3) The new learning is not retained and retrained [4]
- 4) The new behavior is not rewarded but discouraged
- 5) Feels that the training is inadequate to meet the future challenges..

In both the cases the organization is in a position to take steps to bring changes. Thus even in changing the factors which prevent the employees from participating in training programs, the banking organizations and HRD has have a greater role to play.

As far as the uses of training methods are concerned 'lecture' is the most prominent one. It may be because of the ease with which it can be used. 'Training video films' and 'Online Training' are far behind in their popularity. There is only little chance that it remains so because the bank employees prefer it to be so. It is for the bank training system to develop appropriate video films and Online training material for making the training more effective.

Post training follow-up is critical for the success of any training. The CBE and AIB respondents have identified the two most important aspects which will increase the post training effectiveness. They are

1) Proper placement after training is essential for the effective use of the new learning' and

2) 'Sufficient opportunities should be available to use the new learning. The HRD of banks will have to take steps to implement these suggestions for improving the training effectiveness.

Employees of CBE and AIB agree that training has helped in meeting the competition in the market, improving the quality of performance of the employees and the employees are able to use the skills gained through training in the work place. It has positively affected the profitability of the banks. The employees are able to perform better on the job and it has improved the work atmosphere in banks. But the employees also say, on the basis of their perception that the training has not helped in improving the customer satisfaction. Only with further study and examination the exact reasons for the observation can be identified. Banks in general and HRD in particular will have to give due attention to this issue.

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3. Educational Qualification [Please tick all the qualifications you possess/

Certificate Diploma Degree
MBA/MA PHD

If any other please specify _____

4. How long have you worked in this organization ?

Below one year 1 - 5Years 6--10Years

11-15years 16-20 years 21-25 years
26- 30 years 31 and above

5. Your current position manager

officer customer service officer

cashier If any other specify _____

6. How many training programs of one day or more have you attended during your service?

a. 1-3 b..4-6 c. 7-9 d .10-12
e.13-15 f. 16-18 g 19-21 H.22& above

7. Consider the training given to you. In what ways have you benefited by your bank training? Please give your responses in a rank order on the space provided. [1-to most important and 9to least]

	Rank
a) Increased motivation and creative positive attitude	<input type="text"/>
b) Increase of awareness in practical banking	<input type="text"/>
c) Improved interpersonal relationship	<input type="text"/>
d) Was Able to interact with people of the same level	<input type="text"/>
e) Training has helped in improving the quality of my life	<input type="text"/>
f) Increase in theoretical knowledge	<input type="text"/>
g) Better sense of personal fulfillment and growth	<input type="text"/>
h) Able to make use of the promotion Opportunities	<input type="text"/>
i) Got a chance to be away from the regular job	<input type="text"/>

8. Are pre-training tests conducted to measure the effectiveness of training programs ?

a)Yes b)No c) not sure

9. Are post-training tests conducted to measure the effectiveness of training programs ?

a)Yes b)No c) not sure

10. Which of the *following* training methods are the usually used training in your bank? Please tick all the usually used training methods in your bank. And rank

- a. **lecturue**
- b. Group discussion
- c. **Case study**

- d. Training video films
- e. Field **visits**
- f. Computer based training
- g. On-line training

11. As you see it from your experience, what are the objectives of the training and development for the employees? Please tick what you think is true about the objectives major objectives of the training and development for the employees in your bank.

please rank them 1-10

- a) To enhance employee performance
- b) To increase productivity
- c) To enhance organizations performance
- d) To make organization successful
- e) To provide additional knowledge and meet the needs of redeployment
- f) To introduce new products - programs, product orientation
- g) To familiarize with the new work practices E.g. Computerization.
- h) To increase the quality and magnitude of work
- i) To equip *staff with* more skills, to meet future challenges and development plans
- j) To equip the staff for promotion
- k) To introduce the staff to the organizational culture and enhancing it
- l) To ensure better job adjustment and to have high morale
- m) To identify and develop the inner potential *of* the staff - Developing people

Methods/sources of TRAINING NEEDS

12. Which of the *following* are the methods/sources used in your bank for identifying training needs? please rank them.

- a) **Appraisals [By self, peer or co-workers, superiors and by experts]**
- b) **Demands due to the latest trends in banking /Fast changes -Product and System changes in the banking field. E.g. Online Banking, Computerization, etc./.**
- c) **Technical study, Skill analysis, Competency mapping**

- d) **Opinions of external and internal experts**
- e) **Customer satisfaction and climate surveys and customer complaints**
- f) Based on supervisory recommendations
- g) Based on the training programs provided by other banks.
- h) Based on employee suggestion
- i) Based on job related problems
- j) Based on pre training tests
- k) Based on promotion/job rotation
- l) Personal development plans

13. Consider the training in your bank. When you think about the training what is the most dissatisfying aspect. please tick only you have experienced so far.

- a) ability to use the **new** knowledge
- b) Only **theoretical** - semantic training takes **place**(not **practical**)
- c) **The new** learning is not retained and retrained

14. Your response to the following statements regarding training in your bank.

- a) Training is mainly a one-time activity in my bank -given only once
- b) Retraining is something which is seriously missing in my bank [not repeated]
- c) Training is basically based on 'need of the time' - training on the basis of need
- d) Training is given in my bank to help the staff to specialize in few banking areas

15. which of the *following* are the methods/sources used in your bank for identifying training needs.

- a) **Appraisals [By self, peer or co-workers, superiors and by experts]**
- b) **Demands due to the latest trends in banking - Fast changes -Product and System changes in the banking field. E.g. Online Banking, Computerization, etc.**
- c) **Customer satisfaction and climate surveys and customer complaints**
- d) opinions of internal and external experts.
- e) **Technical study, Skill analysis, Competency mapping**

SECTION B

I. The statements below describe an employee's perceptions on some aspects of training and development Practices in the bank. For each statement, indicate the extent of your agreement or disagreement.

1 = strongly disagree

2 = disagree

3 = neither agree nor disagree

4 = agree

5 = strongly agree

1. In general the training in your bank equips you to meet the competition in the market. _____
2. _____ The training given to you has helped you to perform better in the job. _____
3. _____ I have a say in how much training I receive. _____
4. The training programs I went through in this branch effectively prepared me to provide high quality customer service. _____
5. I have sufficient information about the Training and Development policy of my organization. _____
6. I receive updated training which is required for my position. _____
7. Employees in my job category normally go through training programs every few years to improve our customer service skills. _____
8. The branch supports me to join the customer service training program provided by the Headquarters. _____
9. If I get extra training on my own time, the branch will pay me back. _____
10. the training programs I have received helped me do my job well. _____

11. Employees returning from training are given adequate free time to reflect and plan improvements in my bank. _____
12. Line managers provide right kind of climate to implement new ideas and methods acquired by their juniors during training. _____
13. I am satisfied with the overall aspect of the training programs in the organization. _____

14. In your bank employees sponsored for training go with a clear understanding of the skills and knowledge they are expected to acquire from the training. _____
15. employees like me have considerable opportunity for improving their skills
. _____

Declaration

I, the undersigned, declare that this study is my original work and has not been presented for a degree in any other university, and that all the sources of materials used for the study have been duly acknowledged.

Declared by

Declared by AnasimosAlye

Signature _____

Date _____