



# **The Effect of Training on Employees Performance: The case of Ethiopian Insurance Corporation**

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**The Effect of Training on Employees Performance:  
The case of Commercial Bank of Ethiopia**

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## **LETTER OF CERTIFICATION**

This is to certify that Genet Fissehatsion has carried out this project work on the topic — the effect of Training on Employees Performance, The case of Ethiopian Insurance Corporation under my supervision. This work is original and suitable for the submission in partial fulfillment of the requirement for the award of Masters in Human Resource Management.

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Fiseha Afework (Ass.Prof)  
Advisor

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Signature

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Date

## **DECLARATION**

I, undersigned, declare that the work entitled — the effect of Training on Employees Performance, The case of Ethiopian Insurance Corporation is the outcome of my own effort and study and that all sources of materials used for the study have been acknowledged. I have produced it independently except for the guidance and suggestion of my research advisor, Fiseha Afework (Ass.Prof). This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment Masters in Human Resource Management.

**Genet Fissehatsion**

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**Signature**

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**Date**

## **ACKNOWLEDGEMENT**

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## **Abstract**

*The purpose of this study is to investigate the effects of training on employee performance taking the case of Ethiopian Insurance Corporation. This is a Descriptive research type with a quantitative methodology being applied. Data was collected using self-administered close ended questionnaire from respondents who are selected through simple random sampling from the 7 Districts and head office. Out of 227 questionnaires distributed 220 were properly answered and are used in the study. Descriptive and inferential methods of analysis were used with the help of SPSS version23. And the findings show that there is Dissatisfaction of employees on the implementations of the training dimensions such as Training needs assessment, Training method and training evaluation. And results from multiple regression shows that especially, Training method used and training evaluation have significant positive effect on employee performance and explains about 28.9 % of the variation on employee performance. Therefore the recommendation is that the management of EIC especially Human resource department should give due attention for training because it helps in getting best performance from employees.*

*Key words: Training needs Assessment, Training method, Training evaluation, employee performance, Service quality*

## **List of Abbreviation/Acronyms**

EIC –Ethiopian Insurance Corporation

ANOVA – Analysis of variance

SPSS - Statistical Package for Social Science

VIF – Variance inflation factor

TNA-Training need assessment

TM-Training method

TE-Training Evaluation

T & D-Training & Development

EP-Employee performance

HRD-Human resource department

HR-Human resource

CEO-Chief Executive officer

ROI-Return on Investment

## Table of Contents

|   |     |
|---|-----|
| LETTER OF CERTIFICATION .....           | ii  |
| DECLARATION .....                       | iii |
| ACKNOWLEDGEMENT .....                   | iv  |
| Abstract .....                          | v   |
| List of Abbreviation/Acronyms .....     | vi  |
| List of figure .....                    | x   |
| List of Table pages.....                | x   |
| Chapter one .....                       | 1   |
| Introduction.....                       | 1   |
| 1.1. Background of the study .....      | 1   |
| 1.2. Company profile.....               | 2   |
| 1.2.1. Human resource development ..... | 2   |
| 1.3. Statement of problem.....          | 3   |
| 1.4. Objective of the research .....    | 4   |
| 1.4.1. General Objective: .....         | 4   |
| 1.4.2. Specific Objectives: .....       | 4   |
| 1.5. Hypothesis of the study .....      | 4   |
| 1.6. Significance of the study .....    | 5   |
| 1.7. Scope of study.....                | 5   |
| 1.8. Limitations of study.....          | 5   |
| 1.9. Definition of terms.....           | 5   |
| Chapter two.....                        | 7   |
| Literature review .....                 | 7   |
| 2.1. Theoretical review .....           | 8   |

|  |    |
|--|----|
| 2.1.1. Training .....  | 8  |
| 2.1.1.1. Training Needs assessments .....                                      | 9  |
| 2.1.1.2. Training methods .....  | 10 |
| 2.1.1.3. Training Evaluation .....   | 11 |
| 2.1.2. Difference between training and Development .....                       | 12 |
| 2.1.3. Benefits of Training .....  | 13 |
| 2.1.4. Bottle necks to training efforts .....                                  | 14 |
| 2.1.5. Employee Performance.....   | 15 |
| 2.1.5.1. Factors Impacting employee Performance .....                          | 15 |
| 2.1.5.2. Employee Performance Evaluation .....                                 | 17 |
| 2.1.5.3. Measurement instruments for Performance Evaluation (Guidelines) ..... | 17 |
| 2.2. Empirical Review .....  | 19 |
| 2.3. Theoretical Framework .....   | 20 |
| Chapter three .....  | 22 |
| Research Methodology .....   | 22 |
| 3.1. Research Approach .....   | 22 |
| 3.2. Research Design.....  | 22 |
| 3.3. Population and sample frame .....   | 22 |
| 3.4. Sampling Design .....   | 22 |
| 3.5 Sample Size .....  | 23 |
| 3.6. Data Collection.....  | 23 |
| 3.7. Data Analysis .....   | 24 |
| 3.8. Reliability .....   | 24 |
| 3.9. Validity.....   | 24 |
| 3.10. Research Ethics .....  | 24 |

|   |    |
|---|----|
| <b>Chapter four</b> .....   | 26 |
| <b>Results and Discussion</b> .....                                   | 26 |
| 4.1. Demographic Characteristics of the Respondents.....              | 26 |
| 4.1.1. Sex of Respondents .....                                       | 26 |
| 4.1.2. Age of respondents .....                                       | 26 |
| 4.1.3. Educational Level of Respondents .....                         | 26 |
| 4.1.4. Years of Service in the Company .....                          | 26 |
| 4.1.5. The Criteria implemented to Select Employees for Training..... | 27 |
| 4.1.6. Frequency of Training Given to Employees.....                  | 27 |
| 4.1.7. Training Methods Used .....                                    | 27 |
| 4.2. Descriptive statistics.....                                      | 28 |
| 4.3. Inferential statistics .....                                     | 29 |
| 4.3.1. Pearson’s correlation .....                                    | 29 |
| 4.3.2. Multiple regressions analysis.....                             | 30 |
| Chapter Five.....   | 35 |
| Conclusion and Recommendations.....                                   | 35 |
| References.....   | 37 |
| Appendix.....   | 39 |

## **List of figure**

|                                       |    |
|---------------------------------------|----|
| Figure 1. CONCEPTUAL FRAME WORK ..... | 21 |
|---------------------------------------|----|

## **List of Table pages**

|  |    |
|--|----|
| Table 1 Table of Cronbach's Alpha.....     | 24 |
| Table 2 Table of Respondent's profile..... | 28 |
| Table 3 Descriptive Statistics.....        | 29 |
| Table 4. Pearson correlation .....         | 30 |
| Table 5 Model summary .....                | 31 |
| Table 6 Tests of Normality .....           | 32 |
| Table 7 collinearity statistics .....      | 32 |
| Table 8 Table of ANOVA.....                | 33 |
| Table 9 table of Coefficients.....         | 33 |

## **Chapter one**

### **Introduction**

#### 1.1. Background of the study

The business environment in the 21st century is characterized by high uncertainty, which results from fast technological improvements, fierce competition, increased globalization, and the growing need for qualified and competent employees in order to enhance organizational outputs, which form part of the challenges facing organizational operations (Mohammed Nura Adamu, March 2022).

Employee's performance directly influences efficiency, productivity, and customer satisfaction; therefore, it has a significant role in deciding organizational success. To win in today's fiercely competitive business environment, companies need to continuously invest in cultivating the development of their manpower (Warsame, 2023).

The management must understand the need to participate employees in training so as to motivate them. Training is the main part of a broader field of human resource development, and theories on learning have emphasized the need for strategic leadership for maximum performance because it is a means to communicate the organization's vision and mission clearly to enable employees to understand the organization's objectives (Cole, 2002).

Studies made to understand the effects of training on employee performance also confirm its importance. Mohamed Hamud Warsame conducted a study on 2023 to understand the effects of training and development on employee performance in the banking industry in Mogadishu, Somalia, and the findings show that training programs have a statistically significant beneficial relationship with staff productivity, efficiency, and customer satisfaction indicators. According to thematic analysis of interview data, leadership support, program design, resource availability, and corporate culture are all elements that

impact training success. These findings give actual proof that well-designed training leads to significant performance improvements in Somali banks.

Another finding from a study made in selected private secondary schools in Cambodia by CHHY Sothy in 2019, shows that, training and development play a critical part by assisting the school to keep its competitive advantage, increasing job satisfaction and morale among employees, and minimizing employee turnover. Moreover, training and development provided new employees with the skills, and enhanced competence needed to accomplish their jobs and contribute to higher productivity. It also offered employees the opportunity to identify the potential for further development. In addition, training and development stimulated successful succession planning aligned with school objectives(Sothy, 2019).

Even though researches show the benefits of training, there has been a little consideration of the effects of training on employee performance at the Ethiopian Insurance Corporation. The results of this study will give imperative insights into the effects of training on employee performance, emphasizing the need for viable training programs to accomplishing organizational success.

## 1.2. Company profile

Ethiopian Insurance Corporation, the largest state-owned insurer in Ethiopia, was instituted in 1976 with a paid- up capital of Birr 11 million (USD 1.29 million) by taking over all the assets and liabilities of the thirteen nationalized private insurance companies. It has 7 main districts, 11 branches in Addis Ababa, and 42 districts and branches outside Addis Ababa. Currently , a total of 1763 employees are working in EIC, of which 1097 are male and 666 are female (*Ethiopian Insurance Corporation, 2024*).

### 1.2.1. Human resource development

The human resource development policy of the corporation was all about confirming that employees have the required competencies for their jobs. All

processes in the corporation have the responsibility to identify the potential, limitations, and training needs of employees and finally enhance their performance. The corporation will provide chance for higher education up to post graduate level for its employees to develop their skills, abilities and knowledge so as to enhance their performance and fulfill their career development needs.

*. The specific objectives of this policy are to:*

- Increase the performance of employees in their present roles and prepare them for future duties.
- Creating a solid linkage between employee training and development and the corporation's mission and strategies by enabling the employee to adapt to meet the changing necessities of the corporation;
- Promote the development of knowledge-based organizations.
- Ensure that the new staff understands the basics of the corporation core business.

**Procedure includes:**

- Induction
- Training
- Knowledge Sharing
- Education

1.3. Statement of problem

Training creates an atmosphere of constant learning that facilitates the exchange of knowledge and ideas among employees. It creates a pool of qualified manpower ready for the human resource needs of the company. Despite EIC investing in education and training, starting from the lower officer level to the top CEO level, there are fewer outcomes. Budgeting money at the beginning of the year for the T&D department and evaluating the department's outcome by the number of people trained or if the money is used up at the end of the year is the practice in most government owned organizations in Ethiopia. What real impact is the training having on the employee performance? Is the organization benefiting from its investment? Such questions should be raised, and organizations need to evaluate the outcome of their investment. And this study tries to address these questions in the EIC. It also tries to study what other factors need to be

given equal attention by management to make the investment effective in enhancing employee performance.

I believe from my observation that the investment in training is not aligned to the organization's strategic objectives and therefore is not effective in bringing about behavioral change and motivation. Participating in training programs is taken by the staff as a relief from the day to day work environment. So I would like to assess the variables such as the training need assessment, the training method and training evaluation that affect the effectiveness of T&D in bringing knowledge transfer, and behavioral (attitudinal) changes. Are they well designed and related to the organizational strategic objectives? I have doubts that what is stated in the organization's HRD policy is being practiced.

#### 1.4. Objective of the research

##### 1.4.1. General Objective:

The General objective of this research is to investigate the effect of Training on employee performance in Ethiopian Insurance Corporation.

##### 1.4.2. Specific Objectives:

- (1) To investigate the effect of making training needs assessment on the performance of the EIC employees.
- (2) To observe the effect of training delivery style on the performance of EIC employees.
- (3) To identify the effect of training evaluation on the performance of EIC employees.

#### 1.5. Hypothesis of the study

1. Training needs assessment has a significant positive effect on the performance of the EIC employees.
2. Training method has a significant positive effect on the performance of the EIC employees.
3. Training evaluation has a significant positive effect on the performance of the EIC employees.

### 1.6. Significance of the study

I intend to bring to the attention of the Human resource management department of EIC the various studies (theories) concerning the effects and significance of training in achieving organizational objectives. And also show the effects of various variables in affecting the effectiveness of the training in achieving the desired employee performance, which may be used as a source in designing T&D programs. In addition to this, it has given me the opportunity to gain deep knowledge in the area, and it may be used as a ground for further study.

### 1.7. Scope of study

The research focuses on the Ethiopian Insurance Corporation, and the findings and conclusions may not have an inductive purpose for the insurance industry.

The study is done on the head office and districts of the EIC found in Addis Ababa because of time and resource limitations, and I believe the results represent the staff behavior of the EIC in the country.

The study focuses on the effects of training on employee performance, even though there are many other factors that affect employee performance, such as reward systems, work environments, etc.

The study focuses on the permanent and clerical staff of EIC because training is given only to them. Therefore, my study excludes contracts and non-clerical staff such as drivers, cleaners, guards, and messengers.

### 1.8. Limitations of study

To observe the effects of training and education on employee performance, we may need to take data and assess over a period of two to three years or more (longitudinal), but I am using cross-sectional data, and this can be taken as a limitation of my study.

### 1.9. Definition of terms

Insurer is a company that provides protection against possible economic loss, unintentional and permanent loss of something which has monetary value (Meresa, 2019).

Training need assessment: is the diagnostic phase of planning training and aims at resolving difficulties in individuals' performance, unceasing enhancement of working practices and reinforcing the organization through strategic changes.

Training method: refers to the way in which the training will be delivered and can be evaluated based on qualities such as the way it motivates the trainee, plainly demonstrates desired skills, provides a chance for active participation by the trainee, delivers an opportunity to practice, provides timely reactions to the trainee's performance, provides some means for reinforcement while the trainee learns, is organized from simple to complex responsibilities, is adaptable to specific problems, and encourage positive transfer from training to the job.

Training evaluation is the last phase of training, and the metrics include participants' opinions, the extent of learning, behavioral change, and the achievement of training objectives.

Employee performance valuation metrics used in organizations include productivity, efficiency and effectiveness, quality, profitability.

## **Chapter two**

### **Literature review**

Human resource performance will ultimately increase the performance of the organization because companies invest a large amount in their human capital. Human capital is the sum total of the level of education, working experience, knowledge, skills, competences, expertise, work commitment, and intrinsic motivation that adds more value to the work performed and the product or service provided (Mohammed Nura Adamu, 2022).

The all-inclusive human capital approach views talent acquisition, development, retention and employee commitment in a radically new way as a single unit rather than distinct parts. Evaluating the value that is being generated by the employees is important to find out how successfully they use their knowledge and skills (Mohsin Rajabali Habib Ali, 2019). Miles argued that upon joining the firm, all employees come with unique resources, and it is the management's responsibility to use them to enhance overall production.

Reed and Henley (2015) pointed out that the quality and consistency of training delivered to the staff impacts the behavior of the employee, in turn impacting the quality of service being delivered to customers. Manpower training is one of the most important organizational dynamics, serving as the pivot on which organizational existence is built. From an employee point of view, the training taken is related to a major part of the satisfaction experienced on the job, leading to better customer satisfaction since they are already satisfied. Training employees shows the value and commitment that an employer has to the employees (Ombui Kepha, 2012).

## 2.1. Theoretical review

### 2.1.1. Training

Employees can make or break a company's reputation and can adversely affect profitability since they are the most valuable asset of every company and are responsible for the various tasks to be done as well as customer satisfaction and the quality of products and events. Without training, employees don't have a firm grasp on their responsibilities or duties (Dr. Amir Elnaga, 2013) .

According to Krietner (1995), no matter how successfully job screening is done, there remains a gap between what the employee does know and what they are expected to know. A well trained staff clearly understands the scope, expectations, and depth of their jobs and will be continuously working on their professionalism as they progress through their careers. Training provides the specific skills and knowledge required to do a job, making it easier to perform, as it is to the benefit of the employee (Karim, 2019).

Not being able to perform at the expected level of performance can make employees feel unproductive create dissatisfaction with their job, and even lead them to leave the organization. For this reason, training not only provides the competencies to perform a job, but also helps individuals feel more satisfied with the results of their work, which leads to employees staying on the job for a longer period of time. (Joel Rodriguez, 2017).

As the thinking abilities and creativity of individuals improve, better decision making, customer service, complaint handling, and overall self-efficacy will be achieved (Elnaga, 2013). In addition, employee training and development provide capabilities when individuals move from one assignment to another of a different nature. It is necessary to provide high-quality work at all levels of the organization (*What is Human Resource.com?* June 26, 2017).

Key objectives of training for different organizations can be summarized as achieving some of the following: increased organizational productivity, building competitive

advantage, profitability, efficiency, organizational growth and development, reputation, survival, and sustainability. (Mohammed Nura Adamu, 2022).

The Systematic training process includes training needs assessment, training planning, training implementation, and training evaluation(Dagnew Gebrehiwot & Elantheraiyan, 2023).

#### 2.1.1.1. Training Needs assessments

Organizations should assess their internal weaknesses and strengths at the beginning of the year or at the end of the previous year, including their human resource planning and implementation status. In terms of organizational goals and achievements, the skills, knowledge, and attitude that should be owned by the employees need to be identified. Employee training needs assessment refers to what training areas are demanded by individual employees to perform best. Here, employees need to be encouraged to properly evaluate and assess themselves and select the areas of training they want to take. The analysis of the demands or gaps between employees and the organization should be done by the human resource manager, followed by arranging a training plan indicating the priorities (Dagnew Gebrehiwot & Elantheraiyan, 2023).

The need for employee training may happen at all levels of the organization, such as strategic (organizational level), tactical (job level), or operational (individual level). Nassazi (2013) mentioned that needs at the strategic level are identified by senior leaders based on organizational goals, mission, and strategy. Middle management identifies the needs at the tactical level with the help of other lines of business. Needs occurring at the operational level are determined by lower levels of management, which are mainly focused on individuals' performance and department-specific subjects. It is the duty of leaders at all levels of management to identify the needs for training, and also plan for the best methods, approaches, strategies, programs, implementation, and assessment venues to achieve the best individual performance and organizational results.

All needs identified should be relevant to organizational objectives, and the process of identifying employee training needs can be categorized into three categories:

- (1) Resolving problems that are focused on individuals' performance,
- (2) Constant upgrading of working practices, regardless of employee performance issues
- (3) Renewing the organization through innovations and strategic changes.

By making training needs assessments a company's resources are directed in areas that would lead to the improvement of their employees' morale and the enhancement of the general performance of the company. The failure to do so would result in random training undermining the needs and skills required by the organization and its workforce (Wasilu, 2015).

#### 2.1.1.2. Training methods

The rapid change in technology creates various training techniques every year. Training methods to achieve their target should: motivate the trainee to enhance his or her performance; openly demonstrate wanted skills; provide an opportunity for active participation by the trainee; provide an opportunity to practice; provide timely feedback on the trainee's performance; provide some means for reinforcement while the trainee learns; be structured from simple to complex tasks; be adaptable to specific problems; encourage positive transfer from training to the job.

There are mainly two different methods that organizations may choose for training employees. These are on-the-job trainings given to employees while conducting their day to day work in the working settings, and off-the-job training involves taking employees away from their usual work place so that their full attention will be on the training. Some examples of on-the-job training are job rotations and transfers, coaching, and/or mentoring. On the other hand, off-the-job training usually targets meeting the shared learning objectives of a group rather than a specific employee's needs. Lectures, computer-based training, games, and simulations are the most common off the-job training methods (Nakacwa Kasozi Sherifah & Sara, 2022).

To mention some of the reasons why organizations are motivated to take on different training methods:

- (1) Depending on the organization's strategy, goals, and resources available,
- (2) Depending on the needs identified at the time and
- (3) the target group to be trained, which may include, among others, individual workers, groups, teams, department, or the entire organization (Dappa, 2016).

Coaching refers to intentional one on-one instruction where a coach gives details on tasks, answers questions, and offers guidance to the employee. Mentoring refers to a link in which an expert in the field gives guidance, advice, and friendship to a newer, less qualified employee (Nassazi, 2013).

Job rotation and transfers are focused on transferring individuals from one duty to another, or from one country to another, so that they will become aware of diverse tasks (Nassazi, 2013).

Orientation includes getting new employees familiarized with the new job, such as the nature of their new work, how to take on their specific tasks and duties, and what is generally expected of the employees. They are also briefed about the organizational working environment, such as the working systems, technology, and office layout, the existing organizational culture, health and safety issues, working conditions, processes, and procedures (Dappa, 2016).

Conferences consist of presentations on the same or diverse topics to a group of individuals; however, they may not guarantee a full understanding of the topics at hand. It is more cost-effective as a group of employees are trained on a particular topic at the same time for large audiences (Dappa, 2016).

#### 2.1.1.3. Training Evaluation

Evaluation is the last but significant stage of the training package, concentrating on the evaluation of the appropriate execution of the training and also assessing the return gained from the training in comparison with the resources expended and the set objectives. The output from this year's analysis will be an input for the coming year's needs assessment programs (Dagnew Gebrehiwot & Elantheraiyan, 2023).

Measuring the impact of employee learning programs in human resources management is usually a difficult process, even if the purpose of the learning process is positive. This is because putting the immediate learning objectives and results obtained into quantifiable values is usually difficult. It identifies a number of factors that make most HR and training staff shy away from doing ROI valuations on employee learning programs, including the lack of pressure from senior management to conduct a post-learning knowledge transfer and its impact on business performance (CA, 2018).

Only a few do it, even though everyone advocates evaluation, like cleaning teeth after every meal. Evaluation is a fundamental piece of training activity. Evaluation compares the change after training with the set objectives of training (Yimam, 2022). According to Mondy and Martocchio (2016), the possible metrics for evaluating training include participants' opinions, the extent of learning, behavioral change, the accomplishment of training objectives, the return on investment from training, and benchmarking.

#### 2.1.2. Difference between training and Development

Training is a function within human resources management that aims at filling the gap between current and expected performance (Elnaga, 2013). It is the process of transferring necessary skills and programmed behavior so that employees are conscious of rules and procedures that help them in decision making and accomplish their job effectively (*What is Human Resource.com?* , June 26,2017).

Training and development technically have differing meanings but are usually used interchangeably and/or together. When proactively used, training can prevent problems from happening by effectively addressing any skill and knowledge gap among employees. Training may be viewed in terms of bringing immediate progress in organizational effectiveness through organized instruction, while development can be associated with the achievement of longer-term organizational and employee goals (Dappa, 2016).

Development is a means by which managerial personnel learn conceptual and theoretical knowledge for a broad purpose by applying systematic and organized procedures. It is a

long-term education that will be helpful to employers in higher positions by providing knowledge about the business environment, management principles and techniques, human relations, and specific industry analysis for better management of company and is not primarily skills-oriented. (Md. Mobarak Karim, 2019).

In short, training is a bridging activity focusing on current duties by involving experts working with learners to enhance their skills, knowledge, and attitude, but development is a wide-ranging and multi-faceted process focusing on the employee and the future performance of an organization (Reindolf Yao Nani Adzido, 2015).

### 2.1.3. Benefits of Training

From an employee's perspective, training addresses the weaknesses that hinder effective job performance. When organizations invest in employee training, employees feel valued and recognized, which helps to reinforce their loyalty and commitment to the institution. Additionally, employee training helps institutions comply with regulations and rules. Regulations are constantly changing, and institutions need to ensure that they are always compliant to avoid penalties that can be costly. Training also helps to boost human resource management practices, and enables organizations to acquire qualified individuals to fill top-level positions, thereby saving time and other resources that would have been expended in the recruitment and selection process. In other words, training and development are advantageous to organizations because they lower recruitment and hiring expenditures (Yusuf Isa 2023).

Organizations that recognize training as an investment rather than a cost view their employees as assets. Training improves interpersonal relationships among employees and management so as to reduce conflicts at work. Effective communication is also enhanced, leading to the loyalty and commitment of staff. Employees see each other and managers as friends rather than rivals for job functions, leading to peace and unity at work. This is because training provides the background to focus on specific duties and avoid role conflicts (Westerman, 1989).

Besides, Taylor (1996) added that training improves the effectiveness and efficiency of employees in terms of cost reduction with less supervision time, fewer wastages/errors/reworks and proper time management, resulting in increased speed, productivity, and quality. Delegation is also increased, releasing managers time for managerial activities. Consequently, training and development help achieve the management succession planning strategy by nurturing and creating a pool of readily available and adequate staff for replacement of those on leave, transfer, or retirement and for expansion. As employees become flexible assets of the organization, promotion and internal recruitment are easy and less expensive(Reindolf Yao Nani Adzido, 2015).

#### 2.1.4. Bottle necks to training efforts

Enterprises rely on their management and administrators to provide leadership and improve the quality of services and productivity. However, they are also susceptible to fraudulent practices and mismanagement of funds allocated for personnel training. Both the public and private sectors have been affected by the misuse of money and resources earmarked for ministerial training and development, hindering the development of personnel skills. Corruption in public agencies has deeply affected the entire economy, leading to destruction and disaster (Yusuf Isa , 2023).

When the economy slows or profits decline, many organizations first look for cuts in their training budgets, which can be an indicator that most government and private organizations are not aware of the significance of training in order to increase their employees' efficiency. This action will lead to high job turnover, again increasing the cost of hiring new employees in place of those left, which lowers organizational income (Mohammed Sani Abdullahi, 2018).

The unequal promotion of employees who have gaps with the management of institutions often leads to low motivation among employees. Employees, who are due for promotion but are denied it, despite undergoing employer-sponsored training and development, will often leave the company and join other companies. Institutions and organizations cannot succeed in their management training and development programs unless their employees

are motivated and satisfied with the management style. The low motivation of employees often leads to industrial action and dissatisfaction (Yusuf Isa 2023).

#### 2.1.5. Employee Performance

Employee performance refers to accomplishing defined duties, meeting time limit, employee competency, effectiveness, and efficiency in work, and achieving the organization's objectives (Nakacwa Kasozi Sherifah & Sara, 2022). Performance can be revealed in the improvement of production, ease in making use of new technology, or being a highly motivated individual. Establishing goals and standards against which performance can be measured is important as organizational leaders strive to achieve higher levels of performance (Nassazi, 2013).

The performance of employees is very important in an organization because it determines whether the organization will achieve its goals or not. Employees form part of the organizational resources needed for the firm to succeed. Therefore, training employees to acquire knowledge and skills on the current technology is very essential in boosting their performance (Nakacwa Kasozi Sherifah & Sara, 2022).

##### 2.1.5.1. Factors Impacting employee Performance

There are many internal and external factors that will affect employee performance. A positive safety culture is an indicator of a good working environment, improving overall employee performance. According to Nassazi (2013), working conditions impact the manual or mental work of employees as they may become worn-out; organizations should provide noise-free working environments with acceptable lighting systems and temperatures.

Attracting and retaining exceptional employees is the main objective of implementing reward systems. Therefore, organizations should give good consideration to their reward systems; there should be a sense of fair-mindedness and uniformity when applied. Organizations may choose to implement performance-based pay systems to reward individuals according to performance standards and profitable goals and objectives achieved. Furthermore, teamwork, which is the collaboration between people working

toward achieving specific goals and objectives in the workplace, is vital. When understanding is created between individuals, and when they complement each other, synergy is created, enabling them to achieve more tasks. Teamwork creates a sense of belonging, connection, self-respect, and self-efficacy. Teams have the potential to be productive, but the extent of performance depends on the relationship between management and the working team. Involving individuals in the decision making process, creates a high probability of developing mutual trust and motivation among leaders and employees (Nassazi, 2013).

A consistent organizational culture creates the values, norms, and beliefs that influence the way individuals think, feel, and behave in the organization, affecting employee performance. Creating such an organizational culture that incorporates nurturing, sustaining, and improving individuals' performance depends on the degree to which the values of such a culture are mutually embraced. In addition, healthy communication venues improve organizational culture by helping employees share their knowledge, ideas, and opinions necessary for innovation, effective decision making, and achieving performance standards (Arinanye, 2015).

Trust serves as the foundation of an organization. It increases employees' productivity, positive attitudes, and a high level of cooperation among leaders and employees. Such an element relates to attitudes, perceptions, behaviors, and performance outcomes within the workplace. Trusting relationships and the accompanying psychological safety in particular are critical indicators of an innovative climate that allows employees to explore new approaches, express different ideas without the fear of being blamed, and mutually accept others' risky ideas (West & Richter, 2008).

Healthy unionization helps create a healthy work climate. Unionizations improve industrial relations in instances where the management allows the free participation of employees in trade unions. Management and trade unions will negotiate through collective bargaining processes on the conditions of workers employment (Dappa, 2016).

The productivity of an employee depends not only on training but also on the level of employee freedom practiced, that is, allowing him/her to put into practice whatever learned during the training and development exercise, taking part in the strategic decision making process, and freely deciding on the jobs they are accountable for (Mohammed Nura Adamu, 2022).

#### 2.1.5.2. Employee Performance Evaluation

Typically, employee performance is measured in terms of outcomes and behaviors, according to predetermined standards set by the organization. Employee performance outcomes may be determined by personal, organizational, environmental, motivation, skill level, aptitudes, or role perception factors.

Arinanye (2015) provided four examples of employee performance assessment metrics used in organizations:

- (1) Productivity, which is the amount of input resources converted into goods and services. It is expressed as a ratio of output to input.
- (2) Efficiency and effectiveness, which is the capacity to produce desired outcomes with minimal resources in order to achieve particular objectives.
- (3) Quality, which is a distinctive trait of a product or service that fulfills a need. It is increasingly achieving better products and services at a progressively more competitive price.
- (4) Profitability, which is the capability to consistently earn profit during a time period. It is expressed as the ratio of gross profit to sales or return on capital employed.

#### 2.1.5.3. Measurement instruments for Performance Evaluation (Guidelines)

Commonly, organizational policies and procedures ensure that employee performance evaluations are accomplished in a timely and effective manner. Evaluation objectives may be categorized as developmental or administrative. The developmental objectives are focused on providing feedback, recognizing strengths and weaknesses, identifying goals, classifying training needs, improving communication, and providing time for employees to voice their concerns. The administrative objectives are mostly focused on documenting decisions, identifying high potential employees, determining new

assignments and transfers, recognizing poor performance, deciding on layoffs, validating employee selection criteria, and achieving legal standards and requirements (Nassazi, 2013).

According to Kirovska and Qoku (2014, pp. 29-30), there are 15 employee performance evaluation criteria that can be used in the workplace:

1. **Ambition/Initiative:** Employees show ambition or take initiative to improve a process, product, or overall work environment.
2. **Attendance:** Employees regularly show up to work, which has an impact on the department's productivity or morale.
3. **Attitude/Cooperation:** Employees show good attitude, professionalism, and flexibility toward peers and leaders.
4. **Communication Skills:** Employees properly share information, communicate concerns, and resolve problems at work.
5. **Department-and Company-Oriented:** Employees have a broad view and deep understanding of the roles, responsibilities, products, and services offered by the organization.
6. **Focus:** Employees prioritize work tasks over personal desires or socializing opportunities.
7. **Improvements from Previous Evaluation:** Employees improve performance when compared to previous performance evaluations.
8. **Integrity:** Employees show ethical behavior and respect the privacy of other team members and customers.
9. **Know Who to Ask:** Employees know when to ask questions and who can answer the questions rather than making decisions based on assumptions.
10. **Level of Technical Knowledge:** Employees demonstrate acceptable professional and technical levels of knowledge.
11. **Productivity/Deadlines:** Employees consistently meet productivity standards based on project requirements and deadlines.
12. **Quality of Work:** Employees enhance the quality of work based on feedback received from customers, peers, and leaders.

13. Reliability/Trustful Person: Employees consistently show competence, independence, and trust in the workplace.

14. Stress Management: Employees effectively cope with workplace changes in order to complete work in an effective and timely manner.

15. Teamwork/Department is Short-Handed: Employees willingly and voluntarily collaborate with others to complete work tasks.

The above guidelines help both employees and leaders not only create a cohesive working environment where trust, confidence, and the desire to be successful are the common denominators, but also provide the resources necessary to achieve higher performance and organizational competitiveness. Leaders should not make employees behave like the leaders; instead, leaders should recognize that employees have their own values, morals, virtues, and faults. If performance is unattractive, leaders are required to provide additional support in order to enhance employee performance through coaching, mentoring, counseling, or any other approach (Kirovska, 2014).

## 2.2. Empirical Review

Reviewing the research made by Dagnaw Gebrehiwot (2023) to assess the effect of the accessibility of resources for training and the employee perception of training on employee performance in the Tigray regional education bureau of Ethiopia, the target population comprises government secondary school teachers and educational institution leaders in Mekelle City, with a total estimated number of 279 employees, of which 237 are teachers and 42 are education institution leaders. To select representatives from the population, a multi-stage sampling technique followed by a systematic random sampling procedure was used. Hence, about 105 teachers and 14 education institution leaders are involved, for a total of 119 representatives. The same questionnaires were provided for both respondent groups, because the study has no intention to classify them into two parts (Dagnaw Gebrehiwot & Elantheraiyan, 2023).

Frequency statistics results showed that the majority of the respondents either strongly disagreed or disagreed with the application and existence of training needs assessment, training resource availability, and informing its employees about training. Pearson

Correlation analysis revealed that training needs assessment, training resource availability, and employee perception of training were found to have a positive, significant relationship with employee performance at  $r = 0.499^{**}$ ,  $P = 0.000$ ,  $r = 0.514^{**}$ ,  $p = 0.000$ , and  $r = 0.413^{**}$ ,  $p = 0.00$ , respectively, where the decision criteria are  $p < 0.05$ . The T-test and ANOVA results showed that regardless of the demographic profiles of its employees, like titles, educational qualifications, study specializations, training experiences, and work experience, the training programs are having difficulties. The finding from the path coefficient of the SEM revealed that training needs assessment and training resource availability have a positive and significant effect on employee performance, employee perception of training has no discernible impact on employee performance (Dagnew Gebrehiwot & Elantheraiyan, 2023).

According to the research made by Mohammed Sani (2018) to investigate the perceived effect of training and development on employees' performance among academic staff at Kano State Polytechnic, Nigeria, the study adopted a causal research design. A close-ended structured questionnaire was adopted as the method of data collection, and a sample size of 233 respondents was captured through the use of research advisors sample size determination out of the population of 590 academic staff at Kano State Polytechnic, ranging from the chief lecturer to the higher instructor. The result of the study revealed that training methods positively influence employees' productivity among academic staff at of Kano State Polytechnic, Nigeria. The result of this study revealed that training design positively influences employees' productivity. (Mohammed Sani Abdullahi, 2018).

### 2.3. Theoretical Framework

The two main theoretical approaches to employee training are the human capital approach and the technology-based approach. According to Luo (2000), the human capital approach regards training as an investment in human capital, thus providing it only when the benefit from productivity gains is greater than the cost of training. The technology-based approach, on the other hand, regards training as a skill creation process; the expanded training is driven by rapidly changing technologies and work restructuring. Thus, training is delivered because it satisfies the functional needs of an organization and equally contributes to human capital buildup or skill formation (Yimam, M. H., 2022).

Luo (2000) stated that organizations face difficulties with training as a result of four different reasons. First, trainings that are directed are not basically tied to the technicality of the role. Second, prior needs assessments are rarely done, despite recommendations to do so in most training guides. Third, training instructors hardly evaluate training results. Fourth, the rapid expansion of personal development and training has taken place with little or no reflection of scientific evidence that may relate such training to enhancements in organizational goals (Yimam, M. H., 2022).

The conceptual framework refers to a diagrammatical representation that depicts the relationship between a dependent variable and an independent variable. In this study, employee performance is a dependent variable, and training is an independent variable.

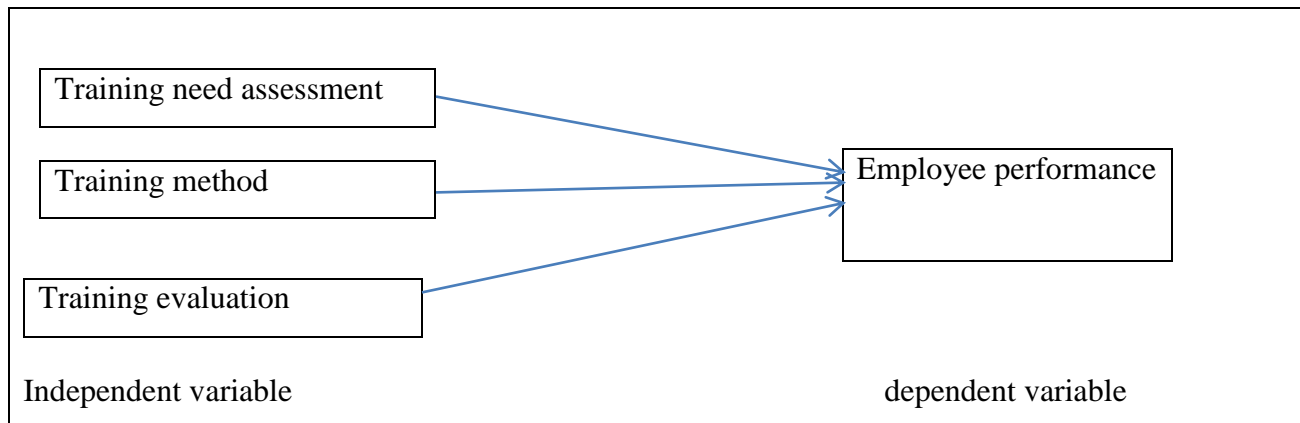


Figure1. CONCEPTUAL FRAME WORK

## **Chapter three**

### **Research Methodology**

This chapter describes how the study was carried out, the data collection methods used, and its analysis. It provides reasons why a particular method of research-sampling, data collection, and data analysis was chosen.

#### **3.1. Research Approach**

In order to achieve the study objectives, a quantitative research approach is employed, involving data with numeric scores and being analyzed using quantitative techniques such as regression.

#### **3.2. Research Design**

This is descriptive research trying to describe what the relationship between the variables looks like in the study group chosen. The survey method of data collection is used; that is, primary data is collected directly in person from the sample using a close-ended questionnaire. This research is basically cross-sectional survey research; both dependent and independent variable data are taken at the same time.

#### **3.3. Population and sample frame**

The target population of this study consists of permanent clerical employees of the Ethiopian Insurance Corporation. The sample frames from which the sample will be drawn are all the employees of the seven districts and head office, in Addis Ababa city, with a total number of 525. Contract and non-clerical staff of EIC are excluded from the sample frame because they are not part of EIC training programs. Also, staffs on long annual leave, maternity leave, sick leave, etc. are excluded from the sample frame.

After determining the total sample size, the amount of sample to be taken from each district is determined based on stratified sampling or the staff number ratio.

#### **3.4. Sampling Design**

Probability sampling design is used to select the sample from the sample frame, because there is a high probability of obtaining the desired sample. First, list of staff in each district and head office that fulfills the inclusion criteria are prepared (permanent, clerical

staff that are not on long leaves), then used simple random sampling (lottery method) to get the sample list.

### 3.5 Sample Size

In order to reach at statistically valid conclusion, the researcher selected 227 sample of employee based on the following formula (Israel, 2013):

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

Where n is the sample size, N is total sample frame, and e is acceptable level of error (that is 5%).

Based on this formula:

$$= \frac{525}{1+525(.05)^2} = 227$$

The researcher gathered data through questionnaire from 227 respondents chosen through simple random sampling .Simple random sampling is selected as sampling technique just to make available equal opportunity of being selected for employees of the target population.

### 3.6. Data Collection

Primary data was collected using a self-administered questionnaire with close-ended questions. The questionnaires were distributed in April 2024 and collected within a two-week's period. The distribution and collection were done by responsible officers to eliminate bias. The questionnaire was adopted from literature and then amended. The questionnaire was pretested using non selected sample and some amendments were made. Proper categorization and coding of data are also made.

The questionnaire is designed on Likert five point rating scale (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree). The survey questionnaire (Appendix) is composed into three parts. Part one about respondent demographic. Part two about training and employee performance.

### 3.7. Data Analysis

Data were analyzed using both descriptive and inferential statistics, including Pearson correlation and multiple regressions, to show the directional and casual relationship between variables. SPSS version 23 was used as a statistical tool in analyzing the data.

### 3.8. Reliability

Reliability is explained as the measure of the extent to which a research instrument gives consistent output or data after repeated tests. The study adopted Cronbach's alpha to test the reliability of the study units. The values ranged from zero to one. Values ranging from 1 to 0.91 are excellent, from 0.90 to 0.81 are good, from 0.80 to 0.71 are acceptable, indicating significant and suitable reliability; values underneath 0.70 have been questionable; and values below 0.50 are unacceptable and much less reliable. Below are the reliability test results from SPSS for each variable.

|                          | Cronbach's Alpha | items |
|--------------------------|------------------|-------|
| Training need Assessment | 0.875            | 5     |
| Training method          | 0.760            | 5     |
| Training Evaluation      | 0.884            | 5     |
| Employee performance     | 0.888            | 5     |

Table 1 Table of Cronbach's Alpha

Source: own survey (2024)

The Cronbach's alpha results fall from acceptable to excellent, which means the 20 questions used to measure the 4 variables are consistent and do not contradict each other, causing confusion for respondents.

### 3.9. Validity

Validity is the quality of instruments used in gathering data that makes it possible to measure what they intend to measure. The instruments are reviewed to ensure content validity. Logical judgment as to whether the instruments covered what they were supposed to cover was derived from content validity.

### 3.10. Research Ethics

Participants in the research have been asked for their willingness and permission to participate in the research and kept from any psychological harm while participating in

the study. The participants are informed of all aspects of the research task, knowing what is involved, how long it will take, and what will be done with the data. The participants are also informed that they have the right to access the research results when they want to.

The respondents confidentiality of who they are and what they responded to will be kept secret to anyone outside the research project.

Employees who declined participation were thanked and dismissed, and no reasons were sought as to why they declined participation, while those who opted to participate were each handed a paper survey, asked to read it carefully and complete the survey in a given time.

## **Chapter four**

### **Results and Discussion**

In this chapter, data gathered through questionnaire is presented, analyzed, and interpreted using percentages and frequencies with the help of the Statistical Package for Social Science (SPSS). To collect relevant data, 227 questionnaires were distributed to employees of the Ethiopian Insurance Corporation in seven districts and the head office in Addis Ababa. Among the questionnaires distributed to employees, the researcher collected 220 properly filled questionnaires, of which the response rate was 96.9 percent. Seven (7) questionnaires were incomplete. According to the organized questionnaires, the researcher produced the following analyses:

#### 4.1. Demographic Characteristics of the Respondents

##### 4.1.1. Sex of Respondents

The demographic data for sex shows that out of the 220 respondents, 145 are male and 75 are female. Table 2 shows male respondents are 65.9 % of the sample, while females represent the remaining 34.1 %.

##### 4.1.2. Age of respondents

Table 2 below discloses that the majority of the respondents are between the ages of 26 and 35, covering almost 45.5%, followed by those between the ages of 36 and 45 covering 41.8% of the research respondents.

##### 4.1.3. Educational Level of Respondents

Table 2 shows respondents' educational level ranges from a college degree to master degree. The majority of the respondents, i.e., 54.1 % of the respondents, hold a master's degree, while the remaining 45.9% hold a college degree.

##### 4.1.4. Years of Service in the Company

The service years of the respondents vary from a minimum of 1 to a maximum of 15 years. The majority of respondents have served the company from 6 to 10 years, which represents 36.8%. 26.4% of the respondents have service years ranging from 11 to 15

years. From the table, we can see that more than 80% of the respondents have experience greater than 6 years.

#### 4.1.5. The criteria implemented to Select Employees for Training

Table 2 shows that the majority of respondents 33.2% do not know the criteria for their training selection, whereas 30% of the respondents took training only when they joined the company. The next 15% have taken compulsory training given to all staff. This shows that the company is too far behind in providing training considering the needs and interests of its employees, which may result in employees' dissatisfaction.

#### 4.1.6. Frequency of Training Given to Employees

The frequency of training the respondents have taken within the last year is shown in Table 2. Majorities of the respondents-132 out of 220 (60%) - got trained only once. 37 out of 220 (16.8%) of the respondents claimed that they took training twice, and 30 out of 220 respondents (13.6%) have not taken any training. This data can be an indicator of the degree to which less attention is given to training.

#### 4.1.7. Training Methods Used

The data depicted in Table 2 shows training methods used according to the intended objectives. The majority of respondents (63.2%) have taken training through lectures, and 11.4% of respondents have taken training through case studies.

| <b>Characters</b>  | <b>Groups</b>      | <b>Frequency</b> | <b>%age</b> |
|--------------------|--------------------|------------------|-------------|
| <b>1.sex</b>       | Female             | 75               | 34.10       |
|                    | Male               | 145              | 65.90       |
|                    | Total              | 220              | 100.00      |
| <b>2.Age</b>       | Less or equal to25 | 1                | 0.50        |
|                    | 26 to 35           | 100              | 45.50       |
|                    | 36 to 45           | 92               | 41.80       |
|                    | 46 to 55           | 22               | 10.00       |
|                    | 56 to above        | 5                | 2.30        |
|                    | Total              | 220              | 100.00      |
| <b>3.Education</b> | Degree             | 101              | 45.90       |

|                                |                           |     |        |
|--------------------------------|---------------------------|-----|--------|
|                                | Masters                   | 119 | 54.10  |
|                                | Total                     | 220 | 100.00 |
|                                |                           |     |        |
| <b>4.Year of service</b>       | 1 to 5 years              | 42  | 19.10  |
|                                | 6 to 10 years             | 81  | 36.80  |
|                                | 11 to 15 years            | 58  | 26.40  |
|                                | Above 15 years            | 39  | 17.70  |
|                                | Total                     | 220 | 100.00 |
|                                |                           |     |        |
| <b>5.Selection criteria</b>    | On joining the co.        | 66  | 30     |
|                                | Compulsory to all         | 33  | 15     |
|                                | Performance appraisal     | 9   | 4.10   |
|                                | Supervisor recommendation | 29  | 13.20  |
|                                | Upon employee request     | 10  | 4.50   |
|                                | I do not know             | 73  | 33.20  |
|                                | Total                     | 220 | 100.00 |
|                                |                           |     |        |
| <b>6.Frequency of training</b> | Only once                 | 132 | 60     |
|                                | twice                     | 37  | 16.80  |
|                                | Several times             | 21  | 9.50   |
|                                | never                     | 30  | 13.60  |
|                                | Total                     | 220 | 100.00 |
|                                |                           |     |        |
| <b>7.Method used</b>           | Lecture                   | 139 | 63.20  |
|                                | Seminar                   | 23  | 10.50  |
|                                | Group Exercise            | 11  | 5      |
|                                | Case Study                | 25  | 11.40  |
|                                | Demonstration             | 3   | 1.40   |
|                                | Other                     | 18  | 8.20   |
|                                | All                       | 1   | 0.50   |
|                                | Total                     | 220 | 100.00 |

Table 2 Table of Respondent's profile

Source: own survey (2024)

#### 4.2. Descriptive statistics

In descriptive statistics, the mean and standard deviation results of the responses are used to summarize the extent of agreement and disagreement on the questions raised. The higher the mean score, the more respondents agreed with the statement, and the lower the mean score, the more respondents disagreed with the statement.

The mean score below 3.39 was considered low, the mean score from 3.40 up to 3.79 was considered moderate and the mean score above 3.8 was considered high as, illustrated by comparing the means of score of 5-point Likert scale instrument (Zaidatol & Bagheri, 2009).

Table 4 shows the mean score for the training need assessment (need assessment at strategic, task, and operational levels) is 2.98, so the employees` of EIC are not satisfied with the need assessment done before training is given.

The mean value of the training method is 3.13, which is a low score indicating that the methods used were not demonstrating the desired skill, were not allowing active participation, and were not structured from simple to complex.

As shown in Table 4, the mean score for training evaluation is 2.98, which is also a low value. These indicate that human resource management does not properly evaluate training programs using work behavior change, the achievement of learning objectives, and the benefit of training to organizational success. The mean score for employees` performance is 3.47, which is considered moderate, indicating that employees agree on the positive effect of the training on employees` performance.

|     | Mean   | Std.deviation | N   |
|-----|--------|---------------|-----|
| TNA | 2.9845 | 0.87185       | 220 |
| TM  | 3.1373 | 0.84803       | 220 |
| TE  | 2.9827 | 0.80561       | 220 |
| EP  | 3.4750 | 0.73032       | 220 |

Table 3 Descriptive Statistics

Source: own survey (2024)

#### 4.3. Inferential statistics

In this section, Pearson`s correlation coefficient and multiple regression analysis were computed. With the help of these statistical tools, conclusions are drawn about the sample and decisions are made about the research questions.

##### 4.3.1. Pearson`s correlation

Pearson’s correlation analysis was used to determine the strength and direction of the relationship between training needs assessment and employee performance, between training methods and employees’ performance, and also between training evaluations and employees’ performance. The correlation coefficient indicates the strength and direction of the relationship, and the p-value indicates the probability of significant relationships. The value of the coefficient relation between 0.70 and 1.00 shows very strong association, between 0.50 and 0.69 shows substantial association, between 0.30 and 0.49 shows moderate association, between 0.10 and 0.29 shows low association, and below 0.09 shows negligible association between variables (Alwadaei, 2010).

As shown in Table 5, each of the training dimensions has a significant positive relationship with employee performance. These are:

Training needs assessment with employee performance ( $r = 0.442, P < 0.001$ ),

Training method with employee performance ( $r = 0.460, P < 0.001$ ),

Training evaluation with employee performance ( $r = 0.463, p < 0.001$ ),

|     |  | TNA                   | TM                    | TE                    | EP       |
|-----|--|-----------------------|-----------------------|-----------------------|----------|
| TNA | Pearson correlation<br>Sig.(2-tailed)<br>N | 1<br>220              |                       |                       |          |
| TM  | Pearson correlation<br>Sig.(2-tailed)<br>N | .559**<br>.000<br>220 | 1<br>220              |                       |          |
| TE  | Pearson correlation<br>Sig.(2-tailed)<br>N | .605**<br>.000<br>220 | .494**<br>.000<br>220 | 1<br>220              |          |
| EP  | Pearson correlation<br>Sig.(2-tailed)<br>N | .442**<br>.000<br>220 | .460**<br>.000<br>220 | .463**<br>.000<br>220 | 1<br>220 |

Table 4. Pearson correlation

\*\*Correlation is significant at the .01 level (2-tailed)

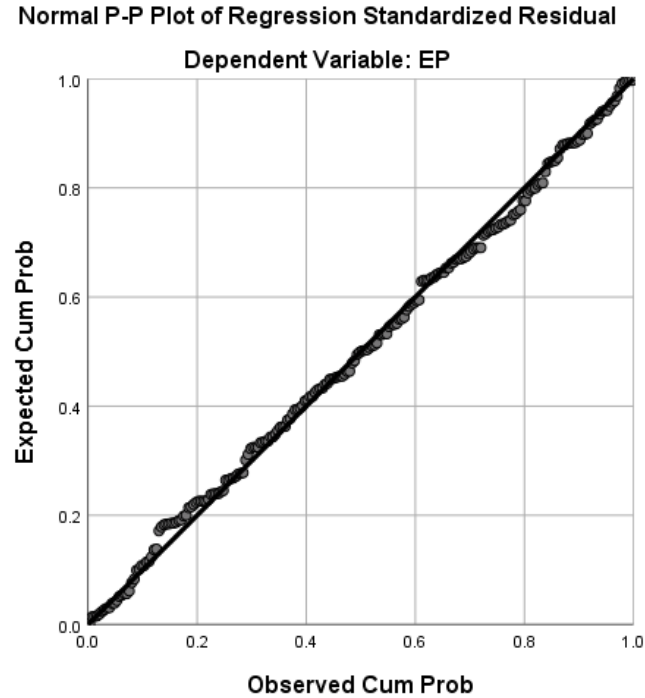
Source: own survey (2024)

#### 4.3.2. Multiple regressions analysis

Multiple regression analysis is used to investigate the effect of independent variables on dependent variables; before using this analysis tool, let us check if the researcher’s data fulfills some of the major assumptions.

- The linearity of the relationship between independent and dependent variables :  
The normal probability plot is a graphical technique for assessing whether or not data is approximately normally distributed; therefore, from Graph1, it can be seen that the relationship between the dependent and independent variables is linear.

Graph 1



- No relationship exists between independent and residual variables:  
The Durbin-Watson value of 2.029 on the model summary in Table 5 falls between the ranges of 1.5 and 2.5, which is an indicator that there is no relationship between independent variables and residual variables.

Table 5: Table of Model Summary<sup>b</sup>

| <b>Model</b> | <b>R</b>          | <b>R Square</b> | <b>Adjusted R Square</b> | <b>Std. Error of the Estimate</b> | <b>Durbin-Watson</b> |
|--------------|-------------------|-----------------|--------------------------|-----------------------------------|----------------------|
| <b>1</b>     | .546 <sup>a</sup> | .298            | .288                     | .65007                            | 2.029                |

Table 5 Model summary

a. Predictors: (Constant), TE, TM, TNA

b. Dependent Variable: EP

Source: own survey (2024)

- Residual values are normally distributed:

Table 6 shows a Shapiro-Wilk sig. value of 0.48, which is greater than 0.05, indicating that errors or residual values are normally distributed.

|                      | Kolmogorov-Smirnov Statistic | df  | Sig.  | Shapiro-Wilk Statistic | df  | Sig. |
|----------------------|------------------------------|-----|-------|------------------------|-----|------|
| Studentized Residual | .046                         | 220 | .200* | .994                   | 220 | .480 |

Table 6 Tests of Normality

\*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Source: own survey (2024)

- There is no strong correlation between independent variables,

All the VIF (variance inflation factor) values on table 7 are less than 10 and tolerance values are greater than 10%, indicating that there is no multi-co linearity influence between the variables.

|          | Collinearity tolerance | Statistics VIF |
|----------|------------------------|----------------|
| constant |                        |                |
| TNA      | .544                   | 1.837          |
| TM       | .649                   | 1.541          |
| TE       | .599                   | 1.671          |

Table 7 collinearity statistics

Source: own survey (2024)

ANOVA test: used to determine whether the model summary has an overall significance for the research purpose. If the p value is less than or equal to 0.05, then the model has significance. From Table 8, the p value is 0.000, which is significant.

| Mode |            | Sum of Squares | df  | Mean Square | F      | Sig.              |
|------|------------|----------------|-----|-------------|--------|-------------------|
| 1    | Regression | 38.714         | 3   | 12.905      | 30.537 | .000 <sup>b</sup> |
|      | Residual   | 91.280         | 216 | .423        |        |                   |
|      | Total      | 129.993        | 219 |             |        |                   |

Table 8 Table of ANOVA

a. Dependent Variable: EP

b. Predictors: (Constant), TE, TM, TNA

Source: own survey (2024)

The adjusted R square value of 28.8% on Table 6 tells us that the change in 28.8% of the employee performance could be attributed to the combined effect of the independent variables. However, 71.2% of the variance is explained by other factors not covered in the study.

Hypothesis testing:

|          | standardized coefficient B | Unstandardized coefficient B | Sig. |
|----------|----------------------------|------------------------------|------|
| CONSTANT |                            | 1.689                        | .000 |
| TNA      | .150                       | .133                         | .053 |
| TM       | .254                       | .231                         | .000 |
| TE       | .247                       | .236                         | .001 |

Table 9 table of Coefficients

Source: own survey (2024)

A significant p value greater than or equal to 0.05 implies that there is no significant cause effect of the independent variable on the dependent variable. Table 9 shows that training needs assessment has a p value greater than 0.05, which means that TNA has an insignificant cause effect on employee performance. Whereas the training method and the training evaluation have a positive effect on employee performance, the standardized coefficient B value shows the strength of the effect; that is, the training method has the strongest effect when compared to training evaluation.

Therefore, the first hypothesis that training needs assessment has a significant effect on employee performance is rejected with a p value greater than 0.05.

The second hypothesis, training methods have a significant effect on employee performance, is accepted. And the last hypothesis that training evaluation has a significant effect on employee performance is also accepted.

## **Chapter Five**

### **Conclusion and Recommendations**

The primary objective of this study was to assess the effect of training on employee performance in EIC. The analysis result from the previous chapter shows that training needs assessment at individual, task, and strategic levels have a significant positive relationship but an insignificant cause effect on employee performance, especially service quality. The strength of a positive relationship can be leveled, training evaluation being the strongest, the training method being the next and TNA being the last. Training methods applied during training sessions have positive significant effect on service quality and even has the strongest cause effect compared to training evaluations.

Last but not least, training evaluation, which is the assessment of whether training objectives have been met, also has also significant positive cause effect on employee's performance.

The finding from the frequency analysis of employees' opinions on TNA, TM and TE shows their poor execution and somewhat reflects the researcher's observation at the beginning of the research on the management's handling of training and lack of understanding of its benefits. Therefore, based on the findings and conclusions of this study, the following recommendations are advanced:

Human resource management should give due attention to the training methodology, particularly focusing on whether they demonstrate the desired skills, creating opportunities for active participation, if structured from simple to complex, as well as providing adequate and necessary training materials. Applying the right method of training will enhance the transfer of the desired skill, making the training successful and leading to improved employee performance.

Human resource management should also conduct training evaluations by referring to the level of reaction from the participants, the changed behavior, assessing the skills and knowledge acquired, and evaluating the overall benefit of the training program. Human

resource management should engage in increasing the qualities and quantities of the training program and properly practice the systematic training processes.

From the research, about 28% of the causes of variation in employee performance have been identified as TNA, TM, and TE. It is recommended for other researchers to identify the remaining 72% cause of variation.

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## Appendix

Addis Ababa University  
School of Commerce

Masters of Arts program in Human Resource Management  
*Questionnaire prepared for employees of Ethiopian Insurance Corporation*

*Dear respondents;*

The purpose of this questionnaire is to collect data regarding the effects of training on the employees' performance of the Ethiopian Insurance Corporation in Addis Ababa. The researcher is conducting this study for partial fulfillment of MA degree in Human Resource Management. Your genuine response for the following questions is extremely important for the successful completion of this study. The information you provided will be used only for academic purpose and will be kept highly confidential. We would like to thank you in advance for cooperation and for sacrificing your time on behalf of Addis Ababa University.

*Directions for filling the questionnaires*

Do not write your name. Put "✓ or ✗" mark in the space provided for choice questions. Your response will be utilized only for the purpose of this survey.

**Part I: Background Information**

1. Sex? Female \_\_\_\_\_ Male \_\_\_\_\_
2. Educational level: Diploma \_\_\_\_\_ Degree \_\_\_\_\_ Masters \_\_\_\_\_  
PhD \_\_\_\_\_ Other (Specify) \_\_\_\_\_
3. In which age group are you? 25 and below \_\_\_\_\_ 26-35 \_\_\_\_\_  
36-45 \_\_\_\_\_ 46-55 \_\_\_\_\_ 56 & above \_\_\_\_\_
4. How long have you been working for your current organization? Below 1 \_\_\_\_\_  
1-5 \_\_\_\_\_ 6-10 \_\_\_\_\_ 11-15 \_\_\_\_\_ above 15 \_\_\_\_\_
5. What is the frequency of training program you have participated in last year?  
Only once \_\_\_\_\_ twice \_\_\_\_\_ Several times \_\_\_\_\_ never \_\_\_\_\_
6. What are the methods of facilitation at the training you have attended?  
A) Lecture ( ) D) case study ( )  
B) Seminar ( ) E) demonstration ( )

C) Group exercise ( ) F) other g)all

7. How were you selected for training?

- A) On joining the company D) Supervisors recommendation  
 B) Compulsory for all employees E) upon employee request  
 C) Performance appraisal F) I don't know

**Part II: questions related to effects of training on employees performance**

**Instruction:** Please indicate the extent to which you either **agree** or **disagree** with the following Statements by marking a **tick mark √** or **✗** in the appropriate column.

**Questions: Concerning the Training need assessment done**

**1= strongly disagree 2=Disagree 3=Neutral 4=Agree 5=strongly agree**

| Sr.no | Question items   | 1 | 2 | 3 | 4 | 5 |
|-------|--|---|---|---|---|---|
| 1     | My office conducted Training needs Assessment  |   |   |   |   |   |
| 2     | The human resource department identifies the training needs of individuals and the office.                           |   |   |   |   |   |
| 3     | Training needs assessment had been identified through analysis of the plan and objectives of the organization        |   |   |   |   |   |
| 4     | Training needs assessment had been identified through analysis of the task/ job performance deficiency of employees. |   |   |   |   |   |
| 5     | The trainee's capability and level of motivation was considered in prioritizing needs                                |   |   |   |   |   |

**Questions: Concerning the methods of Training**

**1= strongly disagree 2=Disagree 3=Neutral 4=Agree 5=strongly agree**

| Sr.no | Question Item   | 1 | 2 | 3 | 4 | 5 |
|-------|---|---|---|---|---|---|
| 1     | The training methods clearly demonstrates the desired skill |   |   |   |   |   |
| 2     | It provides opportunity for active participation            |   |   |   |   |   |
| 3     | It is structured from simple to complex tasks               |   |   |   |   |   |
| 4     | It encourages positive transfer from training to the job    |   |   |   |   |   |
| 5     | It provides timely feedback on the trainees performance     |   |   |   |   |   |

**Questions: Concerning the Evaluation of Training programs**

**1= strongly disagree 2=Disagree 3=Neutral 4=Agree 5=strongly agree**

| Sr.no | Question items  | 1 | 2 | 3 | 4 | 5 |
|-------|---|---|---|---|---|---|
| 1     | My organization kept records of all training programs   |   |   |   |   |   |
| 2     | My organization evaluated the training program at every steps of the program                  |   |   |   |   |   |
| 3     | In my organization training program evaluated in terms of changes in work behavior            |   |   |   |   |   |
| 4     | In my office training program evaluated to improve achievement of learning objectives         |   |   |   |   |   |
| 5     | The office had a scheme by which the outcomes or the effects of training program is evaluated |   |   |   |   |   |

**Questions: concerning Training and Quality of service**

**1= strongly disagree 2=Disagree 3=Neutral 4=Agree 5=strongly agree**

| Sr.no | Question items   | 1 | 2 | 3 | 4 | 5 |
|-------|--|---|---|---|---|---|
| 1     | After undergoing staff training, I show ambition or take initiative to improve a process, product, or overall work environment |   |   |   |   |   |
| 2     | I now take responsibility for job outcomes after being trained and provides reliable service.                                  |   |   |   |   |   |
| 3     | I now find my work more interesting and passionate after being Training  |   |   |   |   |   |
| 4     | I willingly and voluntarily collaborate with others to complete work tasks with short time.                                    |   |   |   |   |   |
| 5     | I enhance quality of service based on feedback from customers  |   |   |   |   |   |

Thank you.