

Addis Ababa
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EMPLOYEE TRAINING PRACTICE IN COMMERCIAL BANKS IN ETHIOPIA

**A thesis submitted to the Graduate program of the Department of MBA and
the College of Business and Economics, of Addis Ababa University**

In partial fulfillment of the requirements for the Degree

Master of Business Administration

In Management

(MBA)

By

Seid Hassen Mohammed

Addis Ababa University

**JAN, 2020
ADDIS ABABA**

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By
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Statement of Certification

This is to certify that **Seid Hassen Mohammed** has carried out his research work on the topic entitled “**Employee Training practice in commercial banks in Ethiopia**” under my guidance. The work is original in nature and suitable for the award of MBA Degree in Management.

Advisor: Tilahun Teklu (PhD)

Signature _____

Date _____

Statement of Declaration

I, **Seid Hassen Mohammed** , have carried out independently a research work on: “**Employee Training practice in commercial banks in Ethiopia**” in partial fulfillment of the requirements of MBA degree in Management with the guidance and support of my research advisor. This study is my own work that has not been submitted for any degree or diploma program in this university or any other higher learning institution.

Seid Hassen Mohammed

Signature _____

Date _____

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Table of Contents

ACKNOWLEDGEMENT	i
List of Figures	v
List of tables.....	vi
<i>ABSTRACT</i>	vii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the study	1
1.2 Statement of the problem	3
1.3 Research Questions	4
1.3.1 General Question	4
1.3.2 Specific Questions	4
1.4 Research objective	4
1.4.1 General Objective	4
1.4.2 Specific objectives	4
1.5 Significance of the Study	5
1.6 Scope of the Study	5
1.7 Limitation of the Study	5
1.8 Definition of Terms.....	6
1.9 Organization of the Paper	6
CHAPTER TWO	7
LITERATURE REVIEW	7
2.1 Theoretical Literature.....	7
2.1.1 HUMAN RESOURCE MANAGEMENT	8
2.1.2 Training	8
2.1.3 Training Process	10
2.1.4 Training Policies and Resources.....	11
2.1.5 Determination of Training Needs	11
2.1.6 Determining Training Objectives	12
2.1.7 Develop a Training Plan	13
2.1.8 Key Element of Effective Training Practice	13

2.1.8.1 Training Design.....	14
2.1.8.2 Training Delivery	14
2.1.8.3 Training Material.....	14
2.1.8.4 Training Evaluation	14
2.1.9 Employee performance.....	15
2.1.10 Effect of training on performance	17
2.1.11 Relationship between Training and Employee Performance	19
2.2 Empirical Literature	20
2.3 Conceptual framework.....	21
2.4 Research Gap	21
CHAPTER THREE	22
METHODOLOGY	22
Introduction.....	22
3.1 Research Design.....	22
3.2 Population of the Study.....	23
3.3 Sample Size and Sampling Technique.....	24
3.4 Source of data	24
3.5 Instrument and Procedure of Data Collection.....	24
3.5.1 Questionnaire	24
3.5.2 Procedures of Data Collection	25
3.6 Data Analysis	25
3.7 Validity	26
3.8 Reliability.....	26
3.9 Ethical Considerations	27
CHAPTER FOUR.....	28
RESULTS AND DISCUSSIONS	28
4.1 Characteristics of the Respondents	28
4.2 Descriptive statistics results.....	30
4.3 Training Design/Objective of the training courses	31
4.3.1 Training Design across the three banks	32
4.4 Training Content	33
4.4.1 Training Content across the three banks.....	34
4.5 Training Delivery.....	35
4.5.1 Training Delivery across the three banks.....	37

4.6 Training material.....	38
4.6.1 Training Material across the three banks	39
4.7 Employees’ Performance	41
4.7.1. Employees’ Performance across the three banks	42
4.8 Qualitative results	43
CHAPTER FIVE	45
SUMMARY, CONCLUSION AND RECOMMENDATION	45
5.1 Summary & Conclusion.....	45
5.2 Recommendations.....	46
5.3 Future Research Directions.....	47
References.....	48
APPENDEX A- QUESTIONNAIRE	51
APPENDEX B- SAMPLE SIZE DETERMINATION TABLE.....	55
APPENDIX C: PERCENTAGE AND FREQUENCY OF ITEMS.....	56
APPENDIX D: DEMOGRAPHIC VARIABLES BASED ON THE STUDY BANKS	60

List of Figures

FIGURE 2. 1 <i>CONCEPTUAL FRAME WORK OF THE STUDY</i>	21
FIGURE 4. 1 <i>SERVICE YEAR OF THE RESPONDENTS</i>	30
FIGURE 4. 2 <i>MEANS PLOT OF TRAINING DESIGN ACROSS BANKS</i>	33
FIGURE 4. 3 <i>MEANS PLOT OF TRAINING DESIGN ACROSS BANKS</i>	35
FIGURE 4. 4 <i>MEANS PLOT OF TRAINING CONTENT</i>	38
FIGURE 4. 5 <i>MEANS PLOT OF TRAINING MATERIAL</i>	40
FIGURE 4. 6 <i>MEANS PLOT OF EMPLOYEES' PERFORMANCE</i>	43

List of tables

TABLE 3. 1: THE TARGET POPULATION CHARACTERISTICS	23
TABLE4. 1 CHARACTERISTICS OF THE RESPONDENTS.....	29
TABLE4. 2 TRAINING DESIGN.....	31
TABLE4. 3 <i>TRAINING DESIGN ACROSS THE THREE BANKS</i>	32
TABLE4. 4 TRAINING CONTENT.....	33
TABLE4. 5 <i>TRAINING CONTENT ACROSS THE THREE BANKS</i>	34
TABLE4. 6 TRAINING DELIVERY.....	36
TABLE4. 7 TRAINING DELIVERY ACROSS THE THREE BANKS	37
TABLE4. 8 TRAINING MATERIAL.....	38
TABLE 4. 9 TRAINING MATERIAL ACROSS THE THREE BANKS	39
TABLE 4. 10 EMPLOYEES' PERFORMANCE.....	41
TABLE4. 11 <i>EMPLOYEE PERFORMANCE ACROSS THE THREE BANKS</i>	42

ABSTRACT

The purpose of this study is to assess the overall employee training practice in commercial Banks in Ethiopia .For this specific study the researcher purposively select 3 private commercial banks namely, Awash Bank, Dashen Bank and Wegagen Bank S.c. The study employs primary sources of data. A quantitative research approach was used. a researcher used random sampling technique and A developed questionnaire was distributed among 370 employees of the three selected banks for data collection To explore employee training practice of the banks, descriptive statistical technique were used to present and analyze the data. The researcher focuses on employee training process elements and the result indicates that there is relatively a good employee training practice at the bank with some areas needs to be improved. Based on the findings of the study, it is recommended that the bank has to keep constant review of its training practices on training need assessment, gap identification, training delivery and training evaluation to equip their employees with the necessary knowledge, skill and attitude

Keyword's:-

Employee Training, Employee Training Process

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Employees are major assets of any organization. The active role they play towards a company's success cannot be underestimated. As a result, equipping these unique assets through effective training becomes imperative in order to maximize the job performance. Training is the act of improving the knowledge, skill, and attitude of an individual for doing a particular job. In the present situation training is increasingly considered as a means of not only fostering the growth of the individual employee but as an integrated part of organizational growth (Mesfin & Eshetu, 2016).

In this technologically dynamic environment, upgrading of services and adaptability to the changing environment are essential for the very survival of an organization. Training is a tool that can assist organizations in building a more committed and productive workforce. In order to survive and prosper, organizations in private and public sectors will need to respond in a timely and flexible way to social, technological, economic and political change. This means ability to cope with the external and internal requirements will determine the organization's survival and growth. This implies that existing and new staff will need to acquire new knowledge, skills, attitudes and perspectives on a continual basis (Roger and Jim, 2009).

Human resource is the very important and the backbone of every organization and it is also the main assets of the organization. So organizations invest huge amount on the human resource capital because the performance of human resource will ultimately increase the performance of the organization. Performance is a major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization (Mwita, 2000). As Mwita (2000), explains that performance is the key element to achieve the goals of the organization so to increase the effectiveness and efficiency of the organization which is helpful for the achievement of the organizational goals. But the question arise that how an employee can work more effectively and efficiently to increase the growth and the productivity of an organization. There are many factors which improve the work of the employee. One of those is Human Resource Development (Raja et al, 2011).

Training and development are the processes of investing in people so that they are equipped to perform well. These processes are part of an overall human resource management approach that hopefully will result in people being motivated to perform. It goes without saying therefore that the training and development of employees are an issue that has to be faced by every organization. However, the amount, quality and quantity of training carried out vary enormously from organization to organization. According to Cole (2002), factors influencing the quantity and quality of training and development activities include: the degree of change in the external environment, the degree of internal change, the availability of suitable skills within the existing work-force and the extent to which management see training as a motivating factor in work.

Many organizations meet their needs for training in an ad hoc and haphazard way. Training in these organizations is more or less unplanned and unsystematic. Other organizations however set about identifying their training needs, then design and implement training activities in a rational manner, and finally assess results of training. Employees training play an important role as it enhances efficiency of an organization and helps employees to boost their performance in an efficient manner. There are many reasons that create the barriers to perform the task such as organization culture and politics. Some of the employees have lack of skills, abilities, knowledge and competencies due to this they are failed to accomplish task on timely basis (Roger, 2009).

Training has important role in the achievement of organizational goal by integrating the interest of organization and the workforce. An employee is the assets and most important resource for organizations so that organization that provides training to their employees increases their productivity. The training and development is an important function for the survival of any organization.

Despite focusing on efficiency and cost control the spending on training should increase because organization get more efficient and effective labor force after the training with a good performance so as to increase the profitability of the organization (Roger,2009).

1.2 Statement of the problem

Training is imparting a specific skill to do a particular job while development deals with general enhancement and growth of individual skill and abilities through conscious and unconscious learning. The main purpose of training and development is by improving the employee competencies so that organizations can maximize efficiency and effectiveness of their human assets. Armstrong (2009), clearly stated in his book that organizations could benefit from training and development through winning the “heart and minds of” their employees to get them to identify with the organization, to exert themselves more on its behalf and to remain with the organization. If employees are to experience flexibility and effectiveness on the job, they need to acquire and develop knowledge and skills, and if they are to believe that they are valued by the organization they work for, then they need to see visible signs of management’s commitment to their training and career needs.

Training professionals has to make sure that the right training is being provided to the right person By conducting training need analysis thus, in most commercial banks employee are participating trainings not based on training need and the right employee is not in the position to participate in training. this fact is observed by the researcher when he was a training organizer at Ethiopian Institute of Financial Studies (EIFS).

Employees should be evaluated by comparing their newly acquired skills with the skills defined by the goals of the training program. Any discrepancies should be noted and adjustments made to the training program to enable it to meet specified goals.

Many scholars state that training evaluation program should be implemented before, during and after the training program to identify the strength and weakness of the training and to know whether employee truly benefited from the training or not. However, According to Dagne Bolola, Director at EIFS, in most of the commercial banks in Ethiopia there is no formal and consistent training evaluation in the training program.

Moreover, some organizations give low emphasis to training, when compared with marketing department, to integrate training and development into organization systems as a core competitive advantage. As a result training and development seems not to have significantly contribution on the performance of many organizations. In viewing the above, the study seeks to assess the overall training practices of the selected banks.

In addition, In Ethiopian Banking and Insurance sector there is enforcement from the regulatory body of the financial institutions, NBE, on the institutions to use 2% of their recurrent budget for training. However, most of the banks fail to implement the rule. They hesitate to train their employees.

Having the above facts in mind, the researcher becomes interested in finding out just how seriously organizations consider training practice, and the effects it has on performance.

1.3 Research Questions

The purpose of this study is to find answers to the following questions.

1.3.1 General Question

What are employee training practices in commercial banks in Ethiopia?

1.3.2 Specific Questions

- How training is designed by commercial banks in Ethiopia?
- How training content is developed?
- How training is delivered?
- How training material is prepared?
- How training evaluation is conducted?
- What is the contribution of employee training practice on employees performance?

1.4 Research objective

1.4.1 General Objective

The general objective of this study is to assess the training practice at commercial banks in Ethiopia and its effect on employees performance .

1.4.2 Specific objectives

- To assess How training is designed by commercial banks in Ethiopia
- To assess How training content is developed by commercial banks in Ethiopia
- To assess training delivery practice by commercial banks in Ethiopia
- To assess How training material is prepared
- To assess the training evaluation practice in Ethiopia bank industry
- To assess the role of training practice on employees performance

1.5 Significance of the Study

The study deals with employee training practice at commercial banks in Ethiopia. After identifying how training is practiced at the banks it will help for the management of the banks whether to invest or not in employee training and to identify which stage of the training needs special attention.

Also, findings of the study will serve as a stepping stone for future researchers on similar topics by suggesting areas that further studies need to be conducted on the issue of employee training and development. It is also predicted that the study will make a theoretical contribution to the body of knowledge related to employee training process and the relationship between employee training and employee performance with particular emphasis in commercial banks in Ethiopia

1.6 Scope of the Study

In order to be specific and to make the study manageable the study focuses only on selected 3 private banks who are nearly at the same level of development.

1.7 Limitation of the Study

This research is limited and include only three private commercial banks namely Awash bank, Dashen bank and Wegagen bank s.c. in addition to the above limitation the researcher considers a sample only from Addis Ababa branches due to time and budget limitation. Some respondents were also not comfortable to fill the questioner, others were not bothered. Furthermore, In accessibility of secondary data were another limitation of the study. The researcher tried to collect data through interview but almost all management staffs were not willing to respond.

1.8 Definition of Terms

Training

Training is the use of systematic and planned instruction activities to promote learning and is an organized activity for increasing the knowledge and skills of the people for a definite purpose.

Employee Performance

Performance can be defined as the ability of an employee to accomplish his or her mission based on the expectations of an organization.

1.9 Organization of the Paper

This paper contains five chapters and organized as follows. In chapter one background of the study, statement of the problem, objective of the study, research questions and definition of terms, significance of the study, scope of the study, limitation of the study and organization of the research paper. Chapter two consists of reviews of related literatures, chapter three consists of research design, sampling technique, the types of data and instrument of data collection, procedures of data collection, methods of data analysis, assurance of research validity and reliability and ethical consideration. The fourth chapter deals about data analysis and interpretation and chapter five consist of conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

The purpose of this chapter is to review and summarize various arguments and findings from various authors with the objective of adding knowledge and familiarizing the researcher with relevant information regarding training and performance. The chapter is divided into two parts; the theoretical literature review and the empirical literature review. The theoretical literature review provides theories that will guide the study and the empirical literature review will tell us what others have done in the subject matter.

2.1 Theoretical Literature

Leading management thinkers suggest that “it is not technology, but the art of human- and human-management” that is the continuing challenge for executives in the 21st century (Drucker et al, 1997). Similarly, Smith and Kelly (1997) believe that “future economic and strategic advantage will rest with the organizations that can most effectively attract, develop and retain a diverse group of the best and the brightest human talent in the market place”.

Additionally, in the changing phase of the market, all organizations have a number of opportunities to grab and number of challenges to meet. Due to such environment, the dynamic organizations are smoothly surviving in the present competition. While facing these challenges, there is a great pressure of work on the shoulders of management. It is a responsibility of the management to make necessary changes at the workplace as per the requirement of the job. To survive in the competition and to meet the requirements, the management needs to change their policies, rules and regulations. The organizations face a lot of pressure in the competence for talented work force, for constantly improving the production methods, entrants of advanced technology and for the employees who are inclined to achieve work life balance. For this reason organizations demand a more flexible and competent workforce to be adaptive and to remain competitive (Pallavi, 2013).

The demand for a well-qualified workforce becomes a strategic objective. In turn, an organization’s human resource training and development system is a key mechanism in ensuring the knowledge, skills and attitudes necessary to achieve organizational goals and create competitive advantage.

2.1.1 HUMAN RESOURCE MANAGEMENT

Human Resource Management involves the management of the human resources needed by an organization and also being certain that human resource is acquired and maintained for purposes of promoting the organization's vision, strategy and objectives. In other words, HRM focuses on securing, maintaining, and utilizing an effective work force, which organizations require for both their short and long term survival in the market. In order for HRM to achieve its organizational objectives, managers should perform a number of basic functions which represent what is often referred to as the management process. It is worth noting that in the existing management literature, HRM functions have been differently classified by different researchers despite the fact that they all serve the same purpose of making available effective human resources. The basic functions being referred to above are human resource planning, organizing, staffing, leading, and controlling. In relation to the above and a focus in this study are Briscoe's (1995) core HRM functions namely staffing, training and development, performance appraisal, compensation and benefits, and finally union and employee relations and health and safety.

From the above functions of human resource management training is the most significant one to the effective use of human resources. Almost everyone now recognizes the significance of training on the success and growth of organizations. Employees are however, a very crucial and expensive resource to every organization. There are significant changes today in terms of the value of the employee. Along with these changing values trends at the workplace that have significant impact on employees' knowledge and skills. Training is therefore, necessary to enhance the knowledge, skills and attitude of employees. It will also make it easier for employees to acquire further knowledge based on the foundation gained from the training and further effect changes in other coworkers (Nelson, J' et al, 2012),

2.1.2 Training

The term employee training is often used in different ways. Each of the definitions suggests the types of training an organization might organize. First, training refers to giving new or current employees the skills they need to perform their jobs (Dessler, 2006). It therefore involves showing employees what they have to do and how they have to do it. Second, it can also refer to the planned attempts by an organization to facilitate employee learning of job-related knowledge, skills and behaviors (Dennis and Griffin, 2005). Third, employee training can mean any effort initiated by an organization to foster learning among its members (Snell and Bohlander, 2007). Fourth, Armstrong (2009) suggests that training can refer to the

practice of equipping employees with skills, knowledge, and abilities, with the aim of building organisational capabilities and increasing increase organizational performance.

Training is the use of systematic and planned instruction activities to promote learning. It involves the use of formal processes to communicate knowledge and help people to acquire the skills necessary for them to perform their jobs satisfactorily. It is described as one of Several responses an organization can undertake to promote learning.

Training has a complementary role to play in accelerating learning it should be reserved for situations that justify a more directed, expert-led approach rather than viewing it as a comprehensive and all-pervasive people development solution. Armstrong, (2010) commented that the conventional training model has a tendency to emphasize subject-specific knowledge, rather than trying to build core learning abilities.

Training is an organized activity for increasing the knowledge and skills of the people for a definite purpose. It involves systematic procedures for transferring technical knowhow to the employees. So as to increase their knowledge and skills for doing specific jobs with proficiency. In other words, the trainees acquire technical knowledge, skills and problem solving ability by undergoing the training program (Mahapatro, 2010).

Even when employees are carefully selected, it does not still guarantee totally acceptable performance from the employees. This is because while the potential of an employee to perform is one thing, performing is another and therefore, an employee with a high potential to perform may not still perform his job if he does not go through training. This is why training of newly employed starts with organizational orientation (Dessler, 2005).

To achieve the organizational goals employee performance is important that depends on a variety of factors. But training receives high importance as it improves the skills, capabilities, confidence and competencies (Naveed, *et al*, 2014). However, Employees are a very crucial and expensive resource to every organization. There are significant changes today in terms of the value of the employee. Along with these changing values are the workplace trends that have significant impact on employees' knowledge and skills.

According to Armstrong (2006), training is the act of increasing the knowledge and skills of an employee for doing a particular job. Training involves the development of skills that are usually necessary to perform a specific job. Its purpose is to achieve a change in the behavior of those trained and to enable them to do their jobs better. Training makes newly appointed workers fully productive in the minimum time. Training is equally necessary for the old employees whenever new machines and equipment are introduced and/or there is a change in the techniques of doing things. In fact, it does not stop anywhere training is a continuous process.

Different organizations are motivated to take on different training methods for a number of reasons for example; (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.

2.1.3 Training Process

Literature available on training Dole,(2005) indicate that traditionally, training in an organization involves systematic approach which generally follows a sequence of activities involving the establishment of a training policy, followed by training needs identification, training plans and programs design and implementation, evaluation and training feedback for further action. Training involves the application of formal processes to impart knowledge and help people to acquire the skills necessary for them to perform their jobs satisfactorily. Training is the use of systematic and planned instruction activities to promote learning. As Reynolds (2004) points out, training has a complementary role to play in accelerating learning: 'It should be reserved for situations that justify a more directed, expert-led approach rather than viewing it as a comprehensive and all-pervasive people development solution.' He also commented that the conventional training model has a tendency to 'emphasize subject-specific knowledge, rather than trying to build core learning abilities' (Armstrong, 2009).

2.1.4 Training Policies and Resources

Kenney et al. (2002) makes a point that companies should have different policies for training depending on the class or level of employment or level of employees to be trained. They pointed out that training policies are necessary for the following reasons:

- i. To provide guidelines for planning and implementing training;
- ii. To ensure that a company training resources are allocated to requirements;
- iii. To provide for equality of opportunity for training throughout the company;
- iv. To inform employees of training and development opportunities

As much as these policies seem to be accurate, they are silent on the elements of budgetary provision and top management support for training. According to Armstrong (1996), training policies are expressions of the training philosophy of the organization. He also affirms the assertion of Kenny et al. (2002), but even further stated that training policy shows the proportion of turnover that should be allocated to training.

He again advocated that a training philosophy is imperative to indicate the degree of importance the organization attaches to training. This will if not eliminate entirely, reduce the laissez-faire approach to training. Notwithstanding the essence and the benefits of training, policies can prove to be a difficult task especially they are doing so for the first time.

2.1.5 Determination of Training Needs

The first step in managing training is to determine training needs and set objectives for these needs. According to Cole (2004) if an organization has to justify its training expenditure, it must surely do so on the basis of organizational need. Organizations adopting a systematic approach to training and development will usually set about defining their need for training in accordance with a well-organized procedure.

Such a procedure will entail looking at training needs from a number of different perspectives. These perspectives are; organizational, departmental or functional, job and employee. Organizational need – the organizational analysis happens in a situation where effectiveness of the organization and its success in meeting its goals are analyzed to determine where deviation or differences exist.

This makes it easy to know what program to be implemented. According to Kaufman (2004), organization analysis looks at the variances between their success and failure to ascertain which ones training could help remedy. Functional need – at this level, training managers analyze the specific ability needs determined by job descriptions and job specifications of the jobs in the work area or work unit.

The need can also be determined by observing the job performance of work groups and survey job holders, supervisors, and training committees. Any lapses in their efficiency and effectiveness help determine the training need. Employees training needs could be measured by the individual performances of the employee. Effectiveness and efficiency is measured against the required standards through interviews and attitude surveys.

There are many ways of overcoming deficiencies in human performance at work, and training is only one of them. It is important to recognize this fact since sometimes training staff are asked to meet needs which ought to be dealt with in some other way, such as improving pay, replacing machinery or simplifying procedures. Armstrong (1996) argues that training needs analysis should cover problems to be solved and future demands.

2.1.6 Determining Training Objectives

After these analyses have been done, it is easier for the training objectives to be established and also to know what the learners must be able to do after the training program. According to McKenna and Beech (2002) it is important that a sound basis is established for performance management (appraisal), reward management (motivation) combined with training and development.

One of the things to consider in designing a training program is what the program is to accomplish, that is the objectives. In other words a training program cannot be designed until what that program is to accomplish is known. It is imperative for organizations to realize that in designing a training program it is equally important to consider what the trainees should know or be able to do after the training is complete. Training objectives should however be attainable and measurable. A training program is successful if the objectives are achieved.

2.1.7 Develop a Training Plan

Zaccarelli (1997) outlines the process of planning training. Once attainable and measurable training objectives have been considered, a training plan can be developed. This planning tool provides a step-by-step written document for others to follow. A training plan can be either a complete training program or just one task. The training plan details the course content, resources required method of training, who should do the training and who should be trained.

Design a Training Lesson

Once a training plan outlining general program requirements has been developed, the organization will need to concentrate on specific segments of that plan. This is done with the use of a training lesson. Generally, there is one training lesson for each training session. This means if ten sessions are planned, ten training lessons must be developed. A training lesson provides a content outline for the lesson.

Select the Trainer(s)

Who is going to train? Who is a good communicator and has the necessary knowledge/skill to train? What should the trainer do to get the trainees ready for the training? These are the questions to be addressed when selecting a trainer. Training is one of the most important things any organization does. As a result, the personnel responsible for training must be given adequate training themselves, as well as equip them with the necessary logistics.

2.1.8 Key Element of Effective Training Practice

The first element requires correctly designed and developed training. However, even though properly designed and developed to a defined set of job relevant criteria, if the recipients are already qualified to do the job, this training will not be effective, resulting in a waste of time and resources. The second element is addressed using a defined set of activities and methods to evaluate training delivery effectiveness. The third element is critical to help management allocate resources most effectively. This element addresses activities and methods that will ensure that training to be developed is needed and that it has resulted in improved performance. This section will address these two elements and methods and activities to determine whether training is the appropriate solution to improve performance.

2.1.8.1 Training Design

If an employee feels well-trained, they automatically commit to the organization. As mentioned some of the most noticeable independent variables affecting training and development. One of the factors is training design as cited Abeeha, Bariha, (2012). There are processes of training design discussed below.

2.1.8.2 Training Delivery

Organizations use all kinds of training delivery methods to improve the skills and qualifications of their personnel. However, it's also worth remembering that different training delivery methods have different features and weaknesses.

2.1.8.3 Training Material

Training materials, such as handouts, Power-Points, or flip charts, are often used as visual aids that facilitate and enhance the participant's learning experience. Materials should be easy-to-read and should highlight the most important messages or needs. Keep in mind that visual aids (such as Power-Points, handouts, overheads, and flip charts) play a supportive role to the main teaching technique and do not substitute for teaching.

Peer-review (optional) the training manager may wish to have training materials peer reviewed by technically competent external reviewers or by a standing advisory board established for that specific purpose. These reviewers should possess relevant expertise and experience in the disciplines appropriate to the course subject. It is advisable that one or more of the reviewers be an experienced worker representing those to whom the training is directed. While it is not required under, having materials peer reviewed by those with relevant expertise has proven useful.

2.1.8.4 Training Evaluation

According to Armstrong (2006), employees need feedback. It is important for their progress and advancement. Evaluation is a process of establishing the worth or value of something. Evaluation of training is a process of gathering information with which to make decisions about training activities . Organizations apply performance appraisal evaluation to measure employee work performance and effectiveness, which can help in defining and developing training needs for the organisations. Having a well-structured measuring system in place can help determine where the problem lies. Training evaluation may also help in improving quality of training activities which in turn results in greater benefits.

Kenney et al. (2002) stated that the training program is reviewed during and after its completion by the training officer, the line manager, and if necessary, by the trainees themselves. Evaluation differs from validation in that it attempts to measure the overall cost benefit of the training program and not just the achievement of its laid down objectives.

Hamlin (2004) advocated that until control measures are taken to correct any deficiencies after the training, evaluation has not been completed and thereby ineffective. Evaluation is an integral feature of training, but it could be difficult because it is often hard to set measurable objectives. There are several methods for evaluating training such as questionnaires (feedback forms) and tests.

According to DeCenzo and Robin (2005), there are three popular methods of evaluating training programs. Post-training performance method: - Evaluating training programs based on how well employees can perform their jobs after training. Pre-post-training performance method: Evaluating training programs based on the difference in performance before and after training. Pre-post-training performance with control group method: Evaluating training by comparing pre and post-training results with individuals.

2.1.9 Employee performance

Employee performance is normally looked at in terms of outcomes. However, it can also be looked at in terms of behavior (Armstrong 2000). Kenney et al. (1992) stated that employee's performance is measured against the performance standards set by the organization. There are a number of measures that can be taken into consideration when measuring performance for example using of productivity, efficiency, effectiveness, quality and profitability measures. Ahuja (1992) as briefly explained hereafter. *Profitability* is the ability to earn profits consistently over a period of time. It is expressed as the ratio of gross profit to sales or return on capital employed (Wood & Stangster 2002). *Efficiency and effectiveness* - efficiency is the ability to produce the desired outcomes by using as minimal resources as possible while effectiveness is the ability of employees to meet the desired objectives or target (Stoner 1996). *Productivity* is expressed as a ratio of output to that of input (Stoner, et al, 1995). It is a measure of how the individual, organization and industry converts input resources into goods and services. The measure of how much output is produced per unit of resources employed (Lipsey 1989). *Quality* is the characteristic of products or services that bear an ability to satisfy the stated or implied

needs (Kotler & Armstrong 2002). It is increasingly achieving better products and services at a progressively more competitive price (Stoner 1996).

As noted by Draft (1988), it is the responsibility of the company managers to ensure that the organizations strive to and thus achieve high performance levels. This therefore implies that managers have to set the desired levels of performance for any periods in question. This they can do by for example setting goals and standards against which individual performance can be measured. Companies ensure that their employees are contributing to producing high quality products and/or services through the process of employee performance management. This management process encourages employees to get involved in planning for the company, and therefore participates by having a role in the entire process thus creating motivation for high performance levels. It is important to note that performance management includes activities that ensure that organizational goals are being consistently met in an effective and efficient manner. Performance management can focus on performance of the employees, a department, processes to build a product or service, etc. Earlier research on productivity of workers has showed 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). Further still, Kinicki & Kreitner (2007) document that employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets.

According to Hawthorne studies and many other research works 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. 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 management found it easier 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.

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are not happy with their jobs employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets.

2.1.10 Effect of training on performance

In the real world, organizational growth and development is affected by a number of factors. In light with the present research during the development of organizations, employee training plays a vital role in improving performance as well as increasing productivity. This in turn leads to placing organizations in the better positions to face competition and stay at the top. This therefore implies an existence of a significant difference between the organizations that train their employees and organizations that do not. Existing literature presents evidence of an existence of obvious effects of training and development on employee performance. Some studies have proceeded by looking at performance in terms of employee performance in particular (Purcell, et al. 2003; Harrison 2000). while others have extended to a general outlook of organizational performance (Guest 1997; Swart et al. 2005). In one way or another, the two are related in the sense that employee performance is a function of organizational performance since employee performance influences general organizational performance. In relation to the above, Wright & Geroy (2001) note that employee competencies change through effective training programs. It therefore not only improves the overall performance of the employees to effectively perform their current jobs but also enhances the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance.

The branch of earlier research on training and employee performance has discovered interesting findings regarding this relationship. Training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior (Appiah 2010; Harrison 2000; Guest 1997). Moreover, other studies for example one by Swart et al. (2005) elaborate on training as a means of dealing with skill deficits and performance gaps as a way of improving employee performance. According to Swart et al.(2005), bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular skills and abilities of the employees and enhancing employee performance. He further elaborate the concept by stating that training facilitate

organization to recognize that its workers are not performing well and a thus their knowledge, skills and attitudes needs to be molded according to the firm needs. It is always so that employees possess a certain amount of knowledge related to different jobs. However, it is important to note that this is not enough and employees need to constantly adapt to new requirements of job performance. In other words, organizations need to have continuous policies of training and retaining of employees and thus not to wait for occurrences of skill and performance gaps.

According to Wright & Geroy (2001), employee competencies change 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 and 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. Further still, dissatisfaction complaints, absenteeism and turnover can be greatly reduced when employees are so well trained that can experience the direct satisfaction associated with the sense of achievement and knowledge that they are developing their inherent capabilities (Pigors & Myers 1989).

Most of the benefits derived from training are easily attained when training is planned. This means that the organization, trainers and trainees are prepared for the training well in advance. According to Kenney & Reid (1986) planned training is the deliberate intervention aimed at achieving the learning necessary for improved job performance. Planned training according to Kenney and Reid consists of the following steps:

- Identify and define training needs
- Define the learning required in terms of what skills and knowledge have to be learnt and what attitudes need to be changed. Define the objectives of the training
- Plan training programs to meet the needs and objectives by using right combination for training techniques and locations. Decide who provides the training
- Evaluate training.
- Amend and extend training as necessary

2.1.11 Relationship between Training and Employee Performance

Performance can be defined as the achievement of specified task measured against identified standard of accuracy or predetermined, completeness, cost and speed. In an employment contract, performance is deemed to be the accomplishment of a commitment in such a manner that releases the performer from all liabilities laid down under the contract. Efficiency and effectiveness are ingredients of performance apart from competitiveness and productivity and training is a way of increasing individual's performance.

It is also believed that to achieve the organizational goals employee performance is important that depends on a variety of factors but training receives high importance as it improves the skills, capabilities, confidence and competencies (Naveed, *et al.*, 2014). Training generates benefits for the employee as well as the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior. It is obvious that training plays an important role in the development of organization, improving performance as well as increasing productivity, and eventually putting companies in the best position to face competition and stay at the top.

Bartel, (1994) stated that effective training techniques can produce significant business result especially in customer service, product development and capability in obtaining new skill set. This linkage of training to business strategy has given many businesses the needed competitive edge in today's global market. They also found an effective training and development improves the culture of quality in business, workforce and ultimately the final product. It is supported by Holzer (1993), an educated and well trained workforce is considered to be essential to the maintenance of a business firm's competitive advantage in a global economy.

There is a positive relationship between training and employee performance. Training generates benefits for the employee as well as the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior. It is obvious that training plays an important role in the development of organization, improving performance as well as increasing productivity, and eventually putting companies in the best position to face competition and stay at the top.

2.2 Empirical Literature

According to Aidah (2013) the study in Uganda's telecommunication industry ,it states that companies with a good and perhaps a clear training and development policies have in a better position than companies which doesn't have a clear and unbiased training policies in their employees performance as well as in having a better market share.

According to Mesfin and Eshetu(2016), training enhances employee performance at working place. they also recommend organizations to give great emphasis to continuous evaluation of their employees performance in terms of outcome and predetermined standards.in addition, regarding training process they recommend that keeping up those variables to high level is essential .the reason behind is that without the existence of training process dimensions, employees will not acquire new knowledge, skills and attitudes in particular and personal development in general. But their stud was limited to a single district of CBE.

After reviewing many theoretical as well as some empirical literatures the researcher tries to study the overall practice of employee training by considering other study areas focused on commercial banks in Ethiopia, specifically Awash bank S.c, Dashen Bank S.c and Wegagen Bank share Company to assess their overall training practice.

2.3 Conceptual framework

Conceptual frame work refers to a diagrammatic representation of the study that is undertaken. It depicts the relationship between the dependent and independent variable. In this research it shows the relationship between employee training and employee's performance.

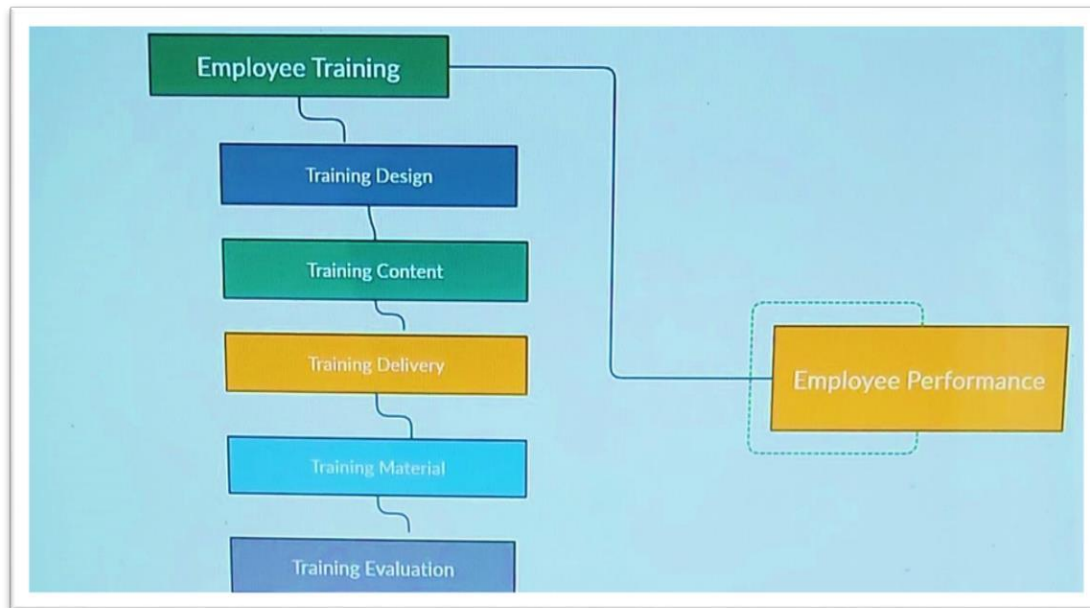


Figure 2. *1conceptual frame work of the study*

2.4 Research Gap

From the above cited literature, it is found out that, there is a need to review the way the training function is implemented and put in place effective strategies that work. Sometimes lack of funds due to inadequate budgets set aside for staff training, malpractices such as favoritisms, poor top management support because some managers do not treat staff training as a matter of priority, the absence of viable training policies and training programs and the fragmented nature of the staff training affect training programs. Thus, in order to advance knowledge and enhance the outcomes of trainings at commercial banks in Ethiopia this study was conducted.

CHAPTER THREE

METHODOLOGY

Introduction

This chapter presents a description of the methodology that is employed in the study. Kothari (2004) defines research methodology as a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. When we talk about research methodology we not only talk of research methods but also consider the logic behind the methods we use. Therefore, this chapter presents the overall research design, population of the study, sample size, sampling techniques that were used to select respondents, data collection techniques that the researcher were used to collect relevant information and data analysis.

3.1 Research Design

Research design is defined as a framework of methods and techniques chosen by a researcher to combine various components of research in a reasonably logical manner so that the research problem is efficiently handled. It provides insights about “how” to conduct research using a particular methodology. Every researcher has a list of research questions which need to be assessed – this can be done with research design.

This study utilized explanatory research design method (the survey RDM) and quantitative approach is used. For this purpose, structured questionnaires were used as the survey instrument. the chosen method is known for its economies in terms of time and resources. Finally, the employment of quantitative approach is compatible with the study problems and its questions; and it enables the current study to reach and collect empirical evidence from a wider group of population.

3.2 Population of the Study

According to saunders et.al (2003), a “population” relates to the entire set of data that is of interest to the researcher, and the “target population” refers to the group of people or objects from which the sample should be taken. Because it is not feasible to collect data for the entire population, therefore, a sample, which is a representative of the population, was drawn from the private commercial banks in Ethiopia. Purposively the researcher selected Awash Bank, Dashin Bank and Wegagen Bank S.C for a comparative study. The reason behind the selection of the above three banks is that they are the first three banks in Ethiopian private banks history, most of the private bank employees also found in this three banks. In addition, the researcher is familiar with the banks and it helps him to collect the necessary data. Based on that, the target population is 21,441 people, and it includes all full time employees of the 3 private commercial banks. The population comprises managers, front officers, supervisors, administrative staffs, secretaries and accountants. The target population characteristics are summarized as shown in table (1).

Table 3. 1: The Target Population Characteristics

Sequence	Name of Selected Banks	Population
1	Awash aank S.c	7881
2	Dashen Bank s.c	8950
3	Wegagen Bank s.c	4610
Total		21,441

Source: financial report of the banks 2019

3.3 Sample Size and Sampling Technique

The sample size is determined by the number of population, level of confidence and the margin of error. The researcher chooses a 95% confidence level with a 5% margin of error, the reason for the choice is many authors recommend the above mentioned level of confidence and margin of error for social science researches. From the research advice table the sample size for the above population with 95% and 5% confidence level and level of margin respectively was 370. The samples were taken (selected) purposefully almost from all positions.

3.4 Source of data

The main source of data was primary source of data which is collected from the samples taken from selected three banks by using questionnaires.

3.5 Instrument and Procedure of Data Collection

In order to understand the relationship between employee training and employee performance, data were gathered from primarily sources to meet the objective of the study. The major instrument the researcher was used for data gathering was standardized questionnaires.

3.5.1 Questionnaire

To examine what the bank's employees and managers perception toward the relationship between employee training and employee performance a self-administered questioner were developed and distributed for data collection.

The questionnaire is classified in to three parts. These are; background information questionnaire (BIQ), training questionnaire (TQ) and employee performance questionnaire (EPQ). The first part helps to obtain background information of respondents relevant to the study. Participants were asked to provide information with regard to their sex, age, marital statuses and educational qualifications.

The second part of the questionnaire was used to measure the employee's training impact by using a five point Likert scale response that includes strongly disagree (1), disagree (2), neutral

(3), agree (4) and strongly agree (5). The third part of the questionnaire were used to measure employee performance by using a five point Likert response scale as mentioned above.

3.5.2 Procedures of Data Collection

Before distributing the questionnaires the initial questionnaire were piloted with some sample respondents to check for three aspects namely; to check any grammar error or spelling error, to ensure that all questions were well understood and on the basis of feedback modification and improvement are made to the instrument ranking order.

Following the pilot test the questionnaire was administered and distributed to all samples identified for the study by researcher. During the distribution, orientation was given for all sample respondents on how to fill the questionnaire. Finally, the questionnaires were collected after checking whether each question items is answered or not, in order to avoid not responded item error.

3.6 Data Analysis

To present the association between the variables, the collected data was analyzed using descriptive statistics.

To analyze the raw data that were gathered through questionnaires, quantitative methods of data analysis were employed. The collected raw data is organized and checked to identify the improperly responded questions. The collected data was tallied and grouped while tabulation is used to present the raw data. The quantitative data gathered through questionnaire were coded, tabulated, organized and treated with statistical techniques for analysis and inference. While doing these all emphasis were given to satisfy the basic question raised and the objectives of the study.

3.7 Validity

Validity is the extent to which the instrument (questioner) measures what it purports to measure. The validity of a measure refers to the extent to which the research findings accurately represent what the measuring instrument claims to measure. Validity, often called construct validity, refers to the extent to which a measure adequately represents the underlying construct that it is supposed to measure. For this research purpose validity test were checked regarding the questioner content, criteria and construct test by piloting to make more accurate and meaningful results.

3.8 Reliability

Reliability is concerned with the findings of the research and refers to the consistency of a measuring instrument (questionnaire). Reliability is internal consistency used to measure consistency between different items of the same construct. Cronbach's alpha is a reliability measure designed by Lee Cronbach in 1951. Cronbach's alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees.

Hence, according to Lombard (2010), coefficients of 0.90 or greater are nearly always acceptable, 0.80 or greater is acceptable in most situations, and 0.70 may be appropriate in some exploratory studies for some guides. By tracing this literature the researcher will test the internal consistency of the items which will be developed for respondents.

Table 3.2 Reliability Results

Sub scales	Number of items	Cronbach's Alpha
Training Design	4	.816
Training Content	3	.860
Training Delivery	3	.752
Training Material	3	.921
Employees' Performance	11	.916
Entire scale	24	.953

As it is indicated on the above table Cronbach's coefficient alpha was calculated for each field of the questionnaire and the entire questionnaire. The values of Cronbach's Alpha showed that all of the results are more than acceptable, which fall in the range between 0.7 and 0.95. The resulting range is considered high as the result ensures the reliability of each field of the questionnaire. More over Cronbach's Alpha for the entire questionnaire shows the value of .953 which falls in an excellent range and it indicates reliability of the entire questionnaire. Therefore, based on the test, the results for the items are reliable and acceptable.

3.9 Ethical Considerations

The goal of ethics in this research is to ensure that there is no one harmed or suffered adverse consequence from the research activities. The research is undertaken to protect the rights of the respondents by ensuring that none of the respondents is named during the research data collection, respondents is selected to participate without compulsion, a respondent were informed the reason and purpose of the research. So that the researcher undertake the research in ethically acceptable manner that no one is going to be affected as a result of participation in this research output.

CHAPTER FOUR RESULTS AND DISCUSSIONS

This chapter discusses both results of descriptive and inferential analysis. Under descriptive analysis, frequency, percentages, mean and standard deviation were used. Additionally, regression and correlation were also used.

Accordingly, from the total sample size needed to conduct the research, the researcher has disseminated 370 questionnaires, 357 questionnaires were recollected 131 from Awash Bank, 149 from Dashen Bank, and the remaining 77 were from Wegagen bank. Therefore, (96.4%) was recollected. Which implies a higher response rate (>95%). Consequently, the results of the study presented as follow using specific title descriptions. The chapter mainly includes data results from the statistical tests conducted on the gathered primary data. The research's main emphasis was to assess the overall practice of employees training.

Accordingly, the analysis of this study is based on the number of questionnaires collected. Here the statistical program used for the analysis and presentation of data in this study is the Statistical Package for the Social Sciences (SPSS) version

4.1 Characteristics of the Respondents

The data collected from the questionnaire are summarized and presented in this section. Accordingly, the first part presents biographical data of respondents. Gender, age, marital status, educational qualification and service year of respondents are presented below.

Based on the result, regarding the sex of respondents, the majority of them 284(79.6%) were males while the remaining 73 (20.4%) were female respondents. This shows the dominance of male workers in the bank. It also represents the gender balance of the bank in the study area.

Regarding the age of respondents, the following chart shows that the majority of the respondents 210(58.8%) fall in the age range 25–40 years. This shows that the participants of this study are largely composed of young and early adult employees of the bank.

Table4. 1 Characteristics of the Respondents

Characteristic		Frequency	Percentage
Gender	Male	284	79.6%
	Female	73	20.4%
Age	18 – 24 years	89	24.9%
	25–40 years	210	58.8%
	41 – 60 years	26	7.3%
	above 60 years	32	9.0%
Marital Status	single	250	70.0%
	married	107	30.0%
Educational Qualification	College Diploma	29	8.1%
	Degree	295	82.6%
	Master	16	4.5%
	PhD	2	0.6%
	Other	15	4.2%
Service Year	below 1	37	10.4%
	1 - 5	249	69.7%
	6 - 10	7	2.0%
	11 - 15	31	8.7%
	16 - 20	25	7.0%
	above 20	8	2.2%

Concerning the educational qualification, the greatest majority of the respondents which is 295(82.6%) were degree holders. Followed by college diploma and master’s degree holders 29 (8.1%) and 16(4.5%) respectively. This shows that the majority of this research respondents were well educated and able fully comprehend the training practice in the bank and its impact for employees performance.

About the service year of this study respondents, more than half of them 249(69.7%) had 1 – 5 years of service to the bank. This implies that these respondents have stayed for more than 1 year and can have quite high understanding of the training practice of the bank.

Service year

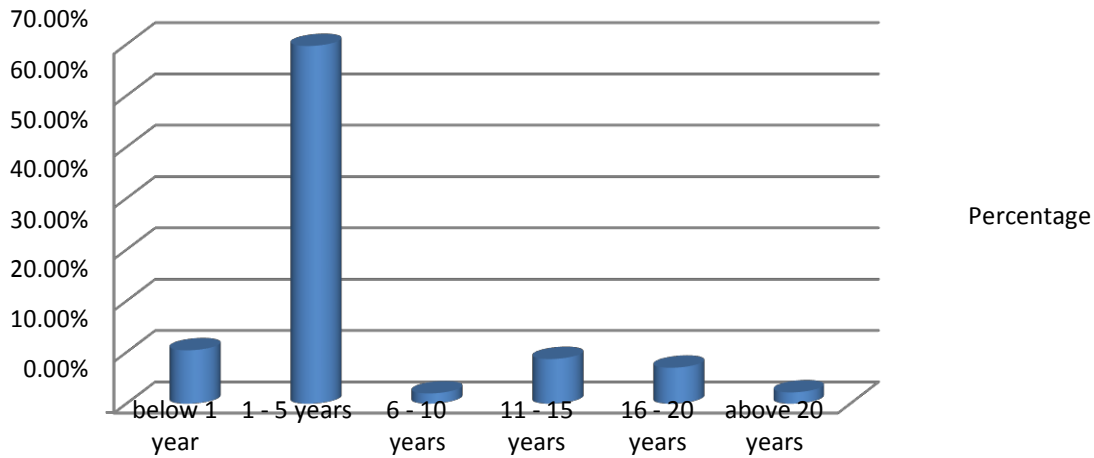


Figure 4. 1Service year of the respondents

4.2 Descriptive statistics results

In this part descriptive statistics in the form of mean and standard deviation were presented to illustrate the level of agreement of the respondents with their implications of the company. The responses of the respondents for the variables indicated below were measured on five point Likert scale with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. However, while making interpretation of the results of mean the scales were reassigned as follows to make the interpretation easy and clear.

This formula is adapted from (Vichea, 2005), with 5 point scales, the interval for breaking the range in measuring each variable id calculated by $5-1/5= 0.8$. It means items with scores fall between the ranges of: 4.20 – 5.00 are considered as strongly agreed; 3.40 – 4.09 as agreed; 2.60 – 3.39 as Neutral; 1.08 – 2.59 as disagree and 1.00 – 1.79 strongly disagree.

Similarly, According to Zaidaton and Bagheri (2009) the mean score below 3.39 was considered as low; the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considers as high as illustrated by Comparison bases of mean of score of five point. Likert scale instrument.

However, due to its detail nature and simplicity to depict in terms of Likert Scale, in this study the formula forwarded by Vichea (2005) is used for the description part of this thesis.

Data from questionnaires were processed by SPSS program in terms of frequency, mean, and standard deviation (Descriptive statistics).

4.3 Training Design/Objective of the training courses

Regarding how the trainings in the bank were designed and meets the objective it proposed to be measure as follow using the description statistics of mean and standard deviation as well as standard error of mean.

Table4. 2 Training Design

Items	Mean	Standard Deviation
I was given sufficient information on the objective of the training courses before arrival	3.82	1.23
The training course encourage exchange of information and expression of ideas	4.04	1.15
The objective of the training were coherent with my need(job requirement)	4.03	1.24
The objective of the training were achieved	3.69	1.36
Grand Mean	3.895	1.245

Based on the above result on training design, all the items fall in the agreement range with the grand mean of 3.895 as well as a mean standard deviation 1.245. This result implies that regarding training, sufficient information on the objective of the training courses before arrival were given to employees, the training was also created a platform in which exchange of

information were possible, the training design was also consistent and congruent with the job requirement of the bank, and lastly, it also showed that the training has met its objectives.

4.3.1 Training Design across the three banks

To assess the difference of the presence of any mean difference between Awash, Dashen and Wegagen Banks, the following ANOVA test is used.

Table4. 3 *Training Design across the three banks*

Training Design								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Awash Bank	131	3.8073	1.03337	.09029	3.6286	3.9859	1.75	5.00
Dashen Bank	149	3.9413	.94234	.07720	3.7887	4.0938	1.75	5.00
Wegagen Bank	77	3.9610	1.06458	.12132	3.7194	4.2027	1.75	5.00
Total	357	3.8964	1.00286	.05308	3.7920	4.0007	1.75	5.00

ANOVA

Training Design

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.663	2	.831	.826	.439
Within Groups	356.377	354	1.007		
Total	358.040	356			

Observing the descriptive statistics table, Wegagen Bank has the highest mean in terms of Training Design (3.96) followed by Dashen Bank with a mean of 3.94 and Awash Bank has the lowest among the three banks in terms of Training Design with a mean value of 3.80. However, based on the above tables, the mean difference between the three banks was found insignificant with p value > 0.05.

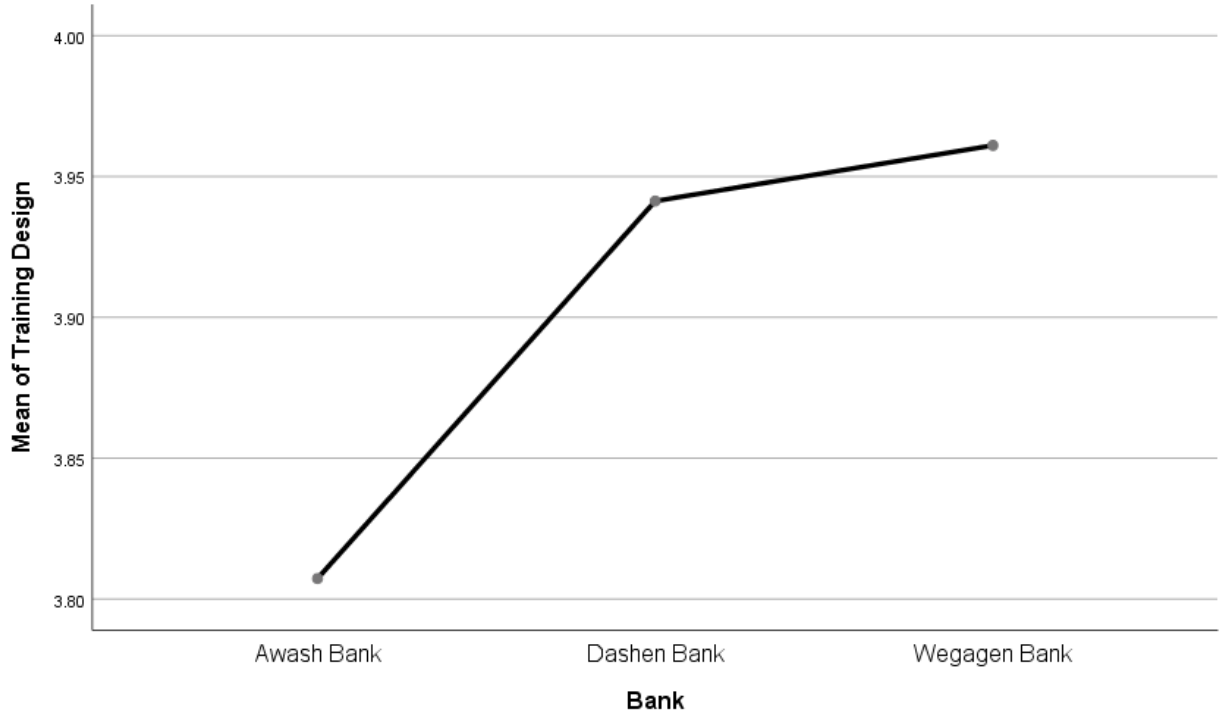


Figure 4. 2 Means Plot of Training Design across Banks

4.4 Training Content

To assess the alignment of training contents with the needs and requirements of employees, the following items were used.

Table4. 4 Training Content

Items	Mean	Standard Deviation
The topics covered were relevant to me	3.85	1.19
I consider that the training programs are designed at the level of employees' ability and education level.	3.69	1.29
The training delivered are updated at the position requirement	4.08	1.03
Grand Mean	3.873333	1.17

Regarding the training content, all the items fall in the agreement range including whether the topics covered were relevant to the employees (Mean 3.85 and SD 1.19), whether they consider that the training programs are designed at the level of employees' ability and education level (Mean 3.69 and SD 1.29), and whether the training delivery were updated at the position requirement (Mean 4.08 and SD 1.03).

With overall mean 3.87, the training content results imply that the training given in the bank were highly relevant to the employees, designed to meet the educational and experiential gap of employees, and constantly modified to meet different positions requirements in the bank.

4.4.1 Training Content across the three banks

Regarding the Training Content across the study banks, the following ANOVA test was used.

Table 4.5 Training Content across the three banks

Training Content								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Awash Bank	131	3.7964	1.08728	.09500	3.6085	3.9844	2.00	5.00
Dashen Bank	149	3.9418	.93780	.07683	3.7900	4.0937	2.00	5.00
Wegagen Bank	77	3.8658	1.13588	.12945	3.6080	4.1236	2.00	5.00
Total	357	3.8721	1.03774	.05492	3.7641	3.9801	2.00	5.00

ANOVA

Training Content					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.478	2	.739	.685	.505
Within Groups	381.903	354	1.079		
Total	383.381	356			

Based on Training Content, Dashen Bank has the largest mean (3.94) followed by Wegagen Bank with a mean (3.86), and the least is Awash Bank. However, there is no significant statistical difference between Awash Bank, Dashen Bank, and Wegagen Bank in terms of Training Content.

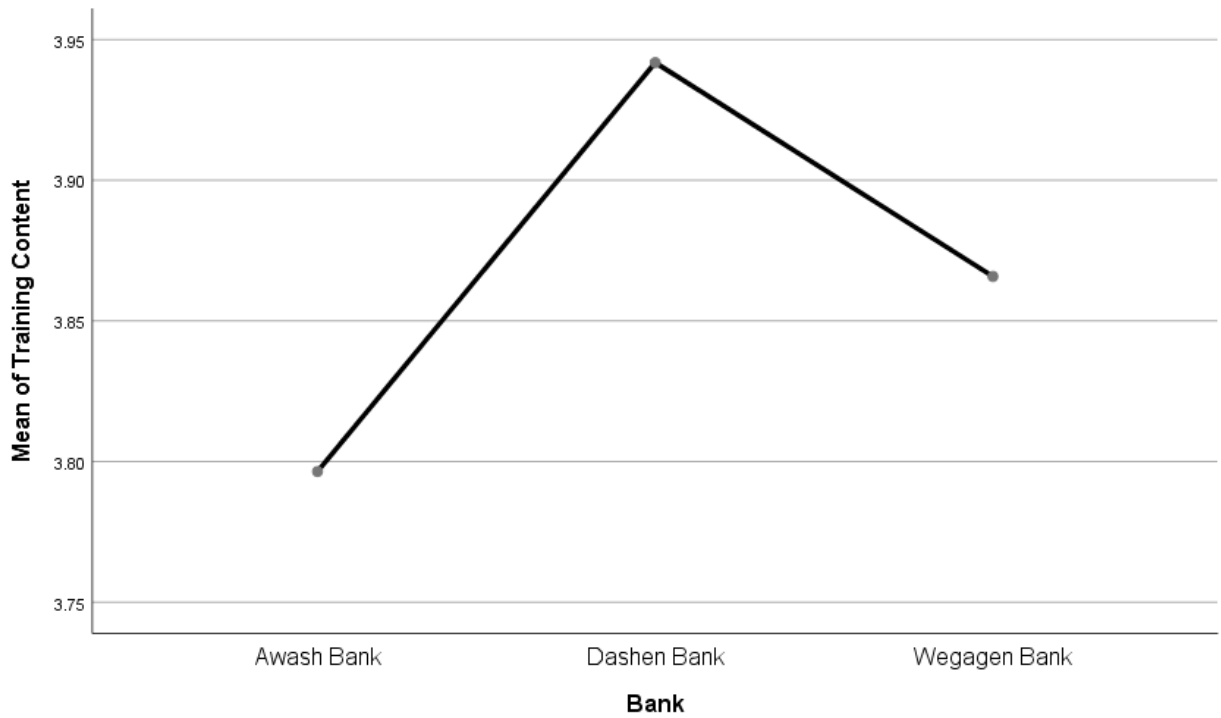


Figure 4. 3 Means Plot of Training Design across Banks

4.5 Training Delivery

To understand the banks method of training delivery to improve the skills and qualifications of its personnel, the following items were used to evaluate different training delivery methods of the banks.

Table4. 6 Training Delivery

Items	Mean	Standard Deviation
The training exercises best help trainees learn and apply different types of knowledge or skill.	3.99	1.21
I consider that duration of training is appropriate to keep me motivated for learning.	4.03	1.26
The trainer provided clear instructions for all activities.	3.76	.99
Grand mean	3.926666667	1.153333333

Regarding the training delivery, the results fall in the agreement level with grand mean of 3.93 and standard deviation 1.15. This result implies that the training exercises best help trainees learn and apply different types of knowledge or skill, the employees believe that duration of training is appropriate to keep me motivated for learning, and lastly, the trainer provided clear instructions for all activities during training sessions of the banks.

During the training, preparation materials, such as handouts, Power-Points, or flip charts, are often used as visual aids that facilitate and enhance the participant's learning experience. Materials were made easy-to-read and were highlight the most important messages or needs. Keep in mind that visual aids (such as Power-Points, handouts, overheads, and flip charts) play a supportive role to the main teaching technique and do not substitute for teaching. This result is further supported by the following descriptive statistics based on the questionnaire results.

4.5.1 Training Delivery across the three banks

Regarding the difference in Training Delivery in the three banks, the following analyses were made.

Table4. 7 Training Delivery across the three banks

Training Delivery								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Awash Bank	131	2.9288	.73613	.06432	2.8015	3.0560	2.00	4.00
Dashen Bank	149	4.3826	.48765	.03995	4.3036	4.4615	3.00	5.00
Wegagen Bank	77	4.7489	.14465	.01648	4.7161	4.7817	4.67	5.00
Total	357	3.9281	.94914	.05023	3.8293	4.0269	2.00	5.00

Training Delivery					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	213.479	2	106.740	352.378	.000
Within Groups	107.231	354	.303		
Total	320.710	356			

Based on the above results, Wegagen Bank (mean = 4.74) has the highest mean score in terms of Training Delivery while Awash Bank has the lowest mean (2.93). According to the p value of the test, there is a significant mean difference between the study banks.

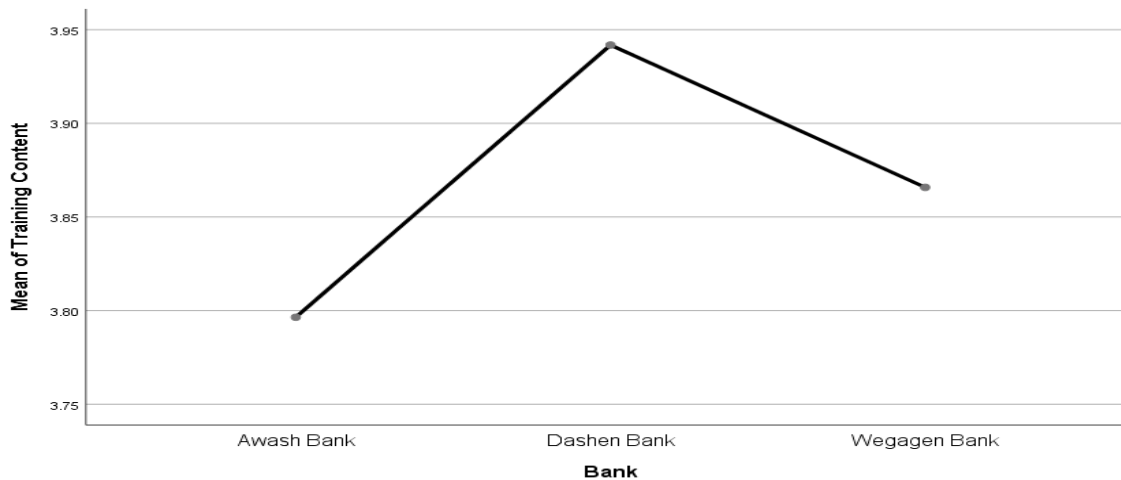


Figure 4. 4 Means Plot of Training Content

4.6 Training material

As it is presented in the above result of the interview, the following result also depicts the training materials presented to the employees.

Table4. 8 Training material

Items	Mean	Standard Deviation
I assume the material, hand-outs and/or activities useful to the Training provided to me are adequate.	3.69	1.36
The materials distributed were helpful.	3.85	1.19
The trainer made sure materials could be read easily from where I was sitting.	3.69	1.29
Grand mean	3.743333333	1.28

Various training materials include items used to conduct training and training activities, such as flash cards, a ball or an egg for games or flip charts, blackboards, dry-erase boards, paper, paper

clips, post-its, markers, colored-pencils, glue as well as handouts would be used in many scenarios of training.

The above results should that the respondents assume that the material, hand-outs and/or activities useful to the Training provided to them were adequate (Mean 3.69 and SD 1.36), the materials distributed were helpful (Mean 3.85 and SD 1.19), and the trainers made sure materials could be read easily from where they were sitting (Mean 3.69 and SD 1.29).

With the grand mean value of 3.74, and grand standard deviation 1.29, the training given in the bank were adequately included various training materials, the presentation of this materials for the trainees were found to be convenient as well.

4.6.1 Training Material across the three banks

Table 4. 9 Training Material across the three banks

Training Material								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Awash Bank	131	3.6565	1.21805	.10642	3.4459	3.8670	1.00	5.00
Dashen Bank	149	3.7808	1.11283	.09117	3.6006	3.9609	1.00	5.00
Wegagen Bank	77	3.8182	1.29161	.14719	3.5250	4.1113	1.00	5.00
Total	357	3.7432	1.19052	.06301	3.6193	3.8671	1.00	5.00

ANOVA					
Training Material					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.628	2	.814	.573	.564
Within Groups	502.946	354	1.421		
Total	504.574	356			

According to the above results, Wegagen Bank has found to be the highest in terms of Training Material (mean = 3.82), followed by Dashen Bank, with a mean 3.78. However, the test shows there is no significant difference among these banks in terms of training material ($p > 0.05$).

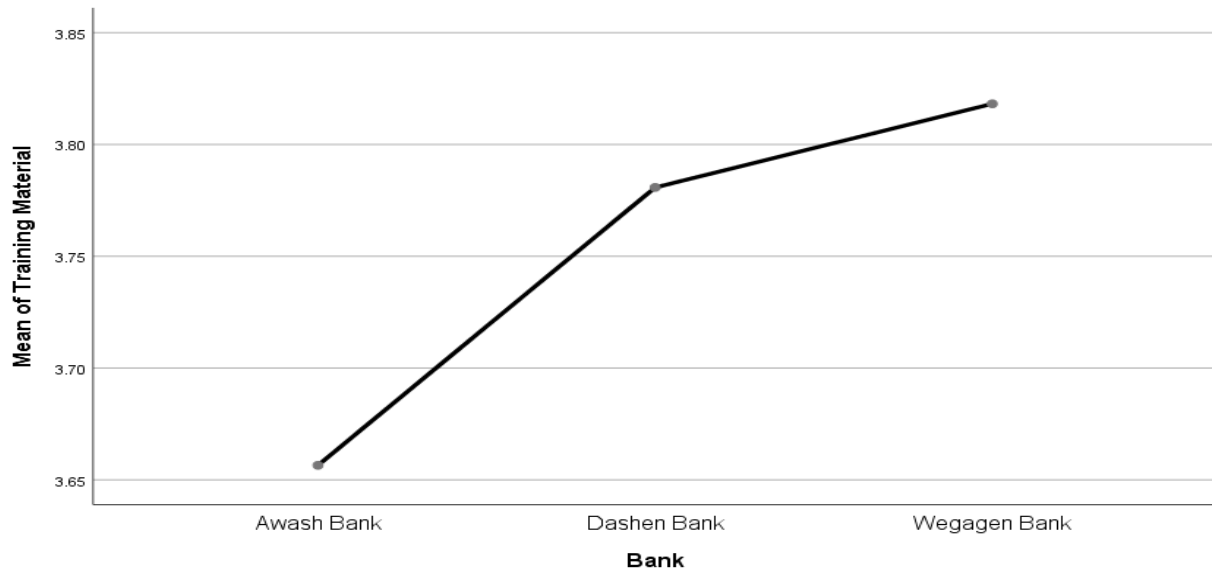


Figure 4. 5 Means Plot of Training Material

4.7 Employees' Performance

To measure the employees' performance after training the following result were found by the researcher.

Table 4. 10 Employees' Performance

Items	Mean	Standard Deviation
Employees become more responsible after the training.	4.03	1.24
Employees become more committed toward their jobs after getting the training.	2.99	1.58
Work knowledge is increased through the training program.	3.31	1.64
Job satisfaction increase through the training.	3.67	1.43
Employees become more productive after receiving the training.	3.83	1.34
After receiving the training, your attitude/behavior becomes willing to accept more challenging assignments	4.03	1.24
interest in job performing increase by training	4.04	1.17
job performance helps in enhancing the organizations productivity	3.83	1.29
job performance directly enhances the customers satisfaction at the service and product of the company	3.91	1.33
Training reduces turnover rate of the companies employees	4.03	1.24
selection is made based on need analysis	4.30	1.23
Grand mean	3.815455	1.339091

Concerning the employees' performance, the above result with a grand mean of 3.82 and standard deviation 1.23, the employees' performance has shown improvement after training was given by the bank. These improvements include in terms of increasing responsibility, job satisfaction, productivity, job performance enhancement, organizational productivity, boosting customer satisfaction, and the training also helped the bank to retain employees by reducing employees' turnover. The above results also showed that the selections of training were made based on the need analysis of the bank's requirements and gaps.

4.7.1. Employees' Performance across the three banks

Table4. 11 *Employee Performance across the three banks*

Employees' Performance								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Min.	Max.
					Lower Bound	Upper Bound		
Awash Bank	131	3.6882	1.02006	.08912	3.5119	3.8646	1.73	5.00
Dashen Bank	149	3.8621	.91623	.07506	3.7138	4.0104	1.73	5.00
Wegagen Bank	77	3.9386	1.07195	.12216	3.6953	4.1819	2.09	5.00
Total	357	3.8148	.99218	.05251	3.7115	3.9181	1.73	5.00

ANOVA

Employees' Performance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.612	2	1.806	1.843	.160
Within Groups	346.839	354	.980		
Total	350.451	356			

Based in the above ANOVA result, the mean of employees' performance of Wegagen Bank is 3.93 which is the highest mean among the study banks while Awash Bank has the lowest mean in terms of employees' performance (3.69). Nevertheless, this difference is not statistically significant based on the p value of the above analysis ($p > 0.05$).

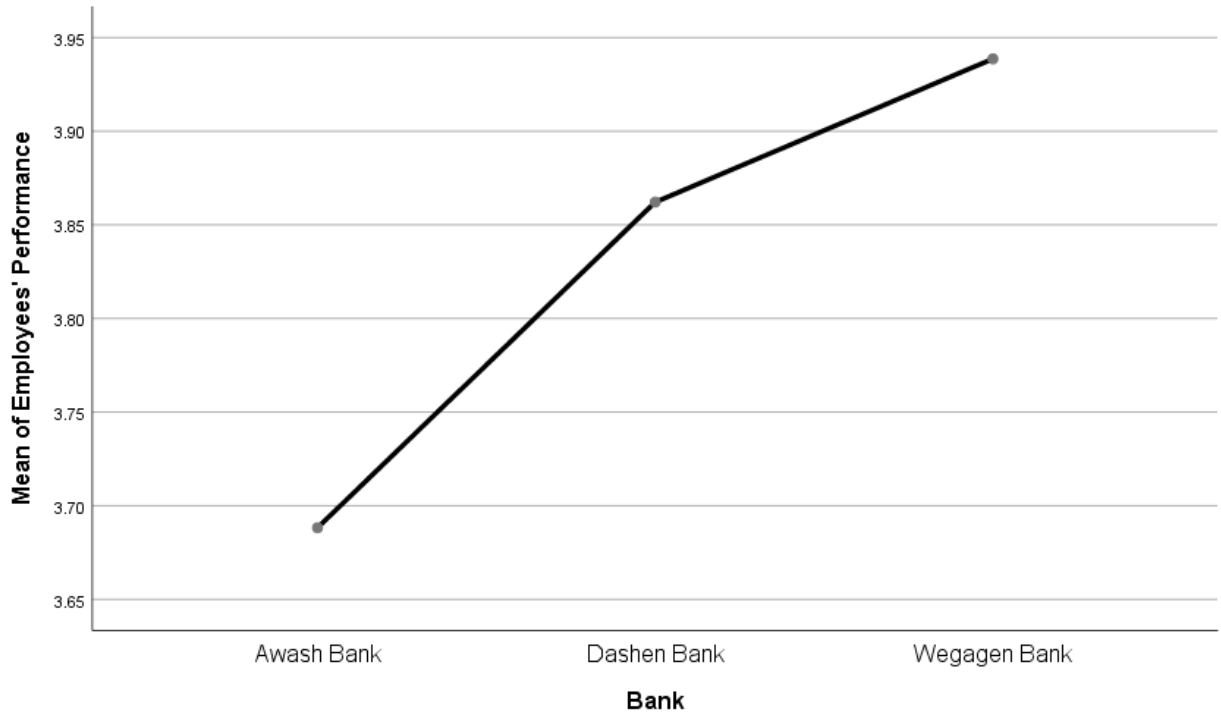


Figure 4. 6 Means Plot of Employees' Performance

The overall descriptive results of the study is attached on appendix C and it depicts the frequencies the frequencies and percentage share of the respondents response for all questions related to training and training process.

According to the result there is a good training design, training content, training delivery and training material development in the bank. But there are areas that need to be improved.

4.8 Qualitative results

This part present the qualitative results obtained from open-ended questionnaire part. Accordingly, for the questions which assess the criteria for selecting training courses, the majority of the results showed that the result showed that training courses are selected based on; the job requirement, top management's decision as well as based on the needs of the employees.

Regarding how the training need analysis conducted in the study banks, the results obtained shows that it is based on predetermined available training courses which would be sent to the departments and the department head will select the training programs that may suit for the jobs

and employees under his supervision and in some occasions employees would then select or add , if it's not included in the list, what they need for their current position or for their future carrier development.

Regarding The evaluation, it is conducted in the middle and at the end of the training session, if it is in-house training. However, if the training is organized outside the organization, they are expected to report to training department as well as immediate supervisor about the training when they return to office.

The result also showed that there are some training institutions which conduct evaluation after the training and the will sent the result to trainees' organization.

Regarding the training of the banks, most of the informants suggested that since training has vital benefits for both the employee as well as the bank, it should be free from bias and corrupt, like favoritism practices to minimize turnover of employees as well as to increase the performance of employees in the bank.

Additionally, the results the questionnaires open ended part showed that the selection of trainees for training should be based on knowledge and skill gap assessment of employees. The knowledge or skill-gap analysis is a process of determining the training needs of individual employees in relation to the important tasks-steps or components of tasks identified for training. The skill-gap analysis determines how skilled or proficient individual employees are on these tasks-steps or components, how much individuals differ from desired performance, and whether or not they need training. It would be a waste of resources and frustrating to the trainer and trainees to design and deliver training on topics and skills where the trainees are already able and proficient..

Furthermore, need analysis and training design must be performed based on the job requirement and it should also consider the skill gap of employees than some random top management choice and feeling.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary & Conclusion

On the bases of the analysis given in the previous chapter, the following Summary & conclusion is drawn.

- regarding training design of trainings in the bank, adequate information on the objective of the training courses before arrival were given to employees, the training was also created a platform in which exchange of information were possible, the training design was also consistent and congruent with the job requirement of the bank, and lastly, it also showed that the training has met its objectives.
- the training content results imply that the training given in the bank were highly relevant to the employees, it was also designed to meet the educational and experiential gap of its employees, and constantly modified to meet different positions requirements in the bank.
- This study also found that the training exercises best help trainees learn and apply different types of knowledge or skill, the employees believe that duration of training is appropriate to keep me motivated for learning, and lastly, the trainer provided clear instructions for all activities during training sessions of the bank.
- Regarding the training materials, the training given in the bank were found to sufficiently include various training materials, the presentation of this materials for the trainees were found to be convenient as well.
- This study also found that training given in the bank has brought many improvements including; increasing responsibility, job satisfaction, productivity, job performance enhancement, organizational productivity, boosting customer satisfaction, and the training also helped the bank to retain employees by reducing employees' turnover. The above results also showed that the selections of training were made based on the need analysis of the bank's requirements and gaps.
- This study has found positive and significant relationship between Training Design ($r = .928$), Training Content($r = .895$), Training Delivery($r = .114$), Training Material($r =$

.865) and employee performance. Consequently, training in the banks has also very strong association with employee performances.

- Training dimensions (Training Material, Training Delivery, Training Design, and Training Content) combined significantly influence the employees' performance. The adjusted R2 of .896 indicates 89.6% of the variance in employees' performance can be predicted by the training given.

5.2 Recommendations

From the findings of this study and all the literature review the researcher come to the decision that there should be Training and Development in every organization. Although study have review some challenges like it is costly (time and financial resources) to give training to the employees, but the benefits of training are much more than its cost which are briefly discussed in this study. It is recommended that

- ❖ All organizations should provide training to their employees. The study already have discussed that Training and Development have significantly impact not only to employees but the ultimate also to the organization itself. If the performance of the employee is not good it will affect the whole organizations Performance.
- ❖ Training practice being planned not enough it must be systematic. Systematic mean it should follow all steps from need identification to evaluation.
- ❖ The selection of trainer, Training delivery, and Learning style should be designed carefully so as to improve employee performance.
- ❖ Since this study has found that Awash Bank has the lowest rating in terms of training Delivery, the bank should improve its way of providing the training through selecting appropriate trainer as well as training institutions. The researcher recommend that when the training is in house training its better to be far from the work environment in order to refresh and make ready the mindset of the employees.
- ❖ The training materials are relatively enough and adequate, however, the bank still needs to consider improving training need assessment issues, on objective of the training, the language used, and on the training material with that of the trainer, this helps the training program to be effective besides the performance of employees will arise.

- ❖ In order to improve the training process of the bank, the bank management must empower departments in the various branches to engage in training activities based on the specific needs of employees.
- ❖ Training professionals has to make sure that the right training is being provided to the right people by conducting training need analysis.
- ❖ The bank management should ensure that the training offered to employees should be relevant to their needs. All departments of employees should be given equal opportunities in terms of sponsorship. In order to achieve this, training needs analysis should be conducted to ascertain the possible gaps. Training committees which represents all cadres of employees should be formed in order to ensure fairness in the award of training.
- ❖ The bank should have to revise and properly do every step and evaluate the training effectiveness through feedback

5.3 Future Research Directions

The main objective of this part is to recommend some direction for future researchers who are interested to study in human resource development area in general and training and development in relation with employee performance in particular. So that the future researchers can do and study the following recommended areas.

- ❖ The study only focuses on commercial banks, others would be welcome on different populations like insurance and microfinances.
- ❖ The researcher only focuses on assessing employee training practice and the elements of effective training practice. It's also possible to explore and their relationship with employee performance by incorporating other moderating variable like employee knowledge, skill, attitude, reward and motivation practice of the bank.

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APPENDEX A- OUESTIONNAIRE

Research Survey questionnaire

Dear respondent! This survey questionnaire is designed with the objective of collecting information on Employee training practice in commercial banks in Ethiopia. This questionnaire is therefore meant only for research purposes. It is to be filled by managers, supervisors, and employees of the bank. For this purpose your genuine responses to each of the survey questions are highly useful. There is no “right” or “wrong” answer. While responding you are anonymous and hence your responses will be confidentially used for this research purpose only.

I highly appreciate for your willingness to participate as a respondent in this survey.

Seid Hassen

Department of Master of Business Administration
College of Business and Economics
Addis Ababa University

- Please answer by putting “√” in the box

Part One: General information

1. Gender

A) Male	<input checked="" type="checkbox"/>	B) Female	<input type="checkbox"/>
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2. In which age group are you?

A) 20-30	<input type="checkbox"/>	B) 31-40	<input type="checkbox"/>	C) 41-50	<input type="checkbox"/>	D) 51& above	<input type="checkbox"/>
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3. Marital status: A) single B) married

4. What is your current Educational Qualification?

A) College Diploma	<input type="checkbox"/>	C) Master	<input type="checkbox"/>	D) PhD	<input type="checkbox"/>
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B) Degree _____

E) Other (Specify) _____

5. Service years in the company?

A) Below 1 _____

B) 1-5 _____

C) 6-10 _____

D) 11-15 _____

E) 16-20 F) above 20

Part two: Training Design, Delivery Style and employees' performance

Instructions: Please tick (✓) the number that you feel most appropriate, using the scale from 1 to 5 (Where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree).

	1	2	3	4	5
1. Training Design/Objective of the training courses					
1.1 I was given sufficient information on the objective of the training courses before arrival					
1.2 The training course encourage exchange of information and expression of ideas					
1.3 The objective of the training were coherent with my need(job requirement)					
1.4 The objective of the training were achieved					
2. training content					
2.1 the topics covered were relevant to me					
2.2 I consider that the training programs are designed at the level of					

employees ability and education level.					
2.3 the training delivered are updated at the position requirement					

3. Training Delivery

3.1. The training exercises best help trainees learn and apply different types of knowledge or skill.					
3.2. I consider that duration of training is appropriate to keep me motivated for learning.					
3.3. The trainer provided clear instructions for all activities.					

4. Training material

4.1. I assume the material, hand-outs and/or activities useful to the Training provided to me are adequate.					
4.2. The materials distributed were helpful.					
4.3 The trainer made sure materials could be read easily from where I was sitting.					

5. Employees performance

5.1 Employees become more responsible after the training.					
5.2 Employees become more committed toward their jobs after getting the training.					
5.3 Work knowledge is increased through the training program.					
5.4. Job satisfaction increase through the training.					

5.5. Employees become more productive after receiving the training.					
5.6. After receiving the training, attitude/behavior becomes willing to accept more challenging assignments					
5.7 interest in job performing increase by training					
5.8 job performance helps in enhancing the organizations productivity					
5.9 job performance directly enhances the customers satisfaction at the service and product of the company					
5.10 Training reduces turnover rate of the companies employees					
5.11 Training selection is made based on need analysis					

Part three: Training need Analysis and Training Evaluation

1. How the training courses are selected?

2. How training need analysis is conducted?

-----.

3. Is there any evaluation practice in your bank regarding the training?

4. If your answer is yes for the above question when and how the evaluation is conducted?

5. Is there anything what want to add about the overall training practice of your bank?

_____.

I thank you once again for all your cooperation

APPENDIX B- SAMPLE SIZE DETERMINATION TABLE

Required Sample Size†								
Population Size	Confidence = 95%				Confidence = 99%			
	Margin of Error				Margin of Error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

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APPENDIX C: PERCENTAGE AND FREQUENCY OF ITEMS

		Frequency	Percentage	Mean	Maximum	Range	Standard Deviation
I was given sufficient information on the objective of the training courses before arrival	Strongly Disagree	41	11.5%				
	Disagree	0	0.0%				
	Neutral	63	17.6%				
	Agree	131	36.7%				
	Strongly Agreed	122	34.2%				
The training course encourage exchange of information and expression of ideas	Strongly Disagree	29	8.1%				
	Disagree	0	0.0%				
	Neutral	54	15.1%				
	Agree	117	32.8%				
	Strongly Agreed	157	44.0%				
The objective of the training were coherent with my need(job requirement)	Strongly Disagree	24	6.7%				
	Disagree	32	9.0%				
	Neutral	31	8.7%				
	Agree	93	26.1%				
	Strongly Agreed	177	49.6%				
The objective of the training were achieved	Strongly Disagree	46	12.9%				
	Disagree	31	8.7%				
	Neutral	32	9.0%				
	Agree	126	35.3%				
	Strongly Agreed	122	34.2%				
The topics covered were relevant to me	Strongly Disagree	33	9.2%				
	Disagree	0	0.0%				
	Neutral	87	24.4%				
	Agree	106	29.7%				
	Strongly Agreed	131	36.7%				
I consider that the training programs are designed at the level of employees' ability and education level.	Strongly Disagree	33	9.2%				
	Disagree	56	15.7%				
	Neutral	0	0.0%				
	Agree	167	46.8%				
	Strongly Agreed	101	28.3%				
The training delivered are updated at the position requirement	Strongly Disagree	24	6.7%				
	Disagree	0	0.0%				
	Neutral	32	9.0%				
	Agree	169	47.3%				

The training exercises best help trainees learn and apply different types of knowledge or skill.	Strongly Agreed	132	37.0%			
	Strongly Disagree	36	10.1%			
	Disagree	0	0.0%			
	Neutral	46	12.9%			
	Agree	124	34.7%			
I consider that duration of training is appropriate to keep me motivated for learning.	Strongly Agreed	151	42.3%			
	Strongly Disagree	30	8.4%			
	Disagree	23	6.4%			
	Neutral	30	8.4%			
	Agree	98	27.5%			
The trainer provided clear instructions for all activities.	Strongly Agreed	176	49.3%			
	Strongly Disagree	19	5.3%			
	Disagree	30	8.4%			
	Neutral	23	6.4%			
	Agree	229	64.1%			
I assume the material, hand-outs and/or activities useful to the Training provided to me are adequate.	Strongly Agreed	56	15.7%			
	Strongly Disagree	46	12.9%			
	Disagree	31	8.7%			
	Neutral	32	9.0%			
	Agree	126	35.3%			
The materials distributed were helpful.	Strongly Agreed	122	34.2%			
	Strongly Disagree	33	9.2%			
	Disagree	0	0.0%			
	Neutral	87	24.4%			
	Agree	106	29.7%			
The trainer makesure materials could be read easily from where I was sitting.	Strongly Agreed	131	36.7%			
	Strongly Disagree	33	9.2%			
	Disagree	56	15.7%			
	Neutral	0	0.0%			
	Agree	167	46.8%			
Employees become more responsible after the training.	Strongly Agreed	101	28.3%			
	Strongly Disagree	24	6.7%			
	Disagree	32	9.0%			
	Neutral	31	8.7%			
	Agree	93	26.1%			
Employees become more committed toward their jobs	Strongly Agreed	177	49.6%			
	Strongly Disagree	93	26.1%			
	Disagree	50	14.0%			

after getting the training.	Neutral	97	27.2%				
	Agree	0	0.0%				
	Strongly Agreed	117	32.8%				
Work knowledge is increased through the training program.	Strongly Disagree	90	25.2%				
	Disagree	32	9.0%				
	Neutral	49	13.7%				
	Agree	50	14.0%				
	Strongly Agreed	136	38.1%				
Job satisfaction increase through the training.	Strongly Disagree	37	10.4%				
	Disagree	63	17.6%				
	Neutral	29	8.1%				
	Agree	79	22.1%				
	Strongly Agreed	149	41.7%				
Employees become more productive after receiving the training.	Strongly Disagree	33	9.2%				
	Disagree	32	9.0%				
	Neutral	60	16.8%				
	Agree	70	19.6%				
	Strongly Agreed	162	45.4%				
After receiving the training, your attitude/behavior becomes willing to accept more challenging assignments	Strongly Disagree	24	6.7%				
	Disagree	0	0.0%				
	Neutral	125	35.0%				
	Agree	0	0.0%				
	Strongly Agreed	208	58.3%				
interest in job performing increase by training	Strongly Disagree	24	6.7%				
	Disagree	0	0.0%				
	Neutral	92	25.8%				
	Agree	64	17.9%				
	Strongly Agreed	177	49.6%				
job performance helps in enhancing the organizations productivity	Strongly Disagree	33	9.2%				
	Disagree	24	6.7%				
	Neutral	61	17.1%				
	Agree	93	26.1%				
	Strongly Agreed	146	40.9%				
job performance directly enhances the customers satisfaction at the service and product of the company	Strongly Disagree	33	9.2%				
	Disagree	24	6.7%				
	Neutral	61	17.1%				
	Agree	62	17.4%				
	Strongly Agreed	177	49.6%				

Training reduces turnover rate of the companies employees	Strongly Disagree	24	6.7%				
	Disagree	32	9.0%				
	Neutral	31	8.7%				
	Agree	93	26.1%				
	Strongly Agreed	177	49.6%				
Training selection is made based on need analysis	Strongly Disagree	22	6.2%				
	Disagree	18	5.0%				
	Neutral	48	13.4%				
	3.75	1	0.3%				
	Agree	12	3.4%				
	Strongly Agreed	256	71.7%				
Training Design				3.90	5.00	3.25	1.00
Training Content				3.87	5.00	3.00	1.04
Training Delivery				3.93	5.00	3.00	.95
Training Material				3.74	5.00	4.00	1.19
Employees' Performance				3.81	5.00	3.27	.99

APPENDIX D: DEMOGRAPHIC VARIABLES BASED ON THE STUDY BANKS

		Banks					
		Awash Bank		Dashen Bank		Wegagen Bank	
		Count	Column N %	Count	Column N %	Count	Column N %
Gender	male	109	83.2%	119	79.9%	56	72.7%
	female	22	16.8%	30	20.1%	21	27.3%
Age	18 – 24 years	30	22.9%	41	27.5%	18	23.4%
	25–40 years	72	55.0%	85	57.0%	53	68.8%
	41 – 60 years	15	11.5%	10	6.7%	1	1.3%
	above 60 years	14	10.7%	13	8.7%	5	6.5%
Marital Status	single	92	70.2%	102	68.5%	56	72.7%
	married	39	29.8%	47	31.5%	21	27.3%
Educational Qualification	College	20	15.3%	4	2.7%	5	6.5%
	Diploma						
	Degree	104	79.4%	136	91.3%	55	71.4%
	Master	5	3.8%	8	5.4%	3	3.9%
	PhD	2	1.5%	0	0.0%	0	0.0%
	Other	0	0.0%	1	0.7%	14	18.2%
Service Year	below 1	11	8.4%	18	12.1%	8	10.4%
	1 - 5	106	80.9%	108	72.5%	35	45.5%
	6 - 10	3	2.3%	2	1.3%	2	2.6%
	11 - 15	1	0.8%	10	6.7%	20	26.0%
	16 - 20	6	4.6%	7	4.7%	12	15.6%
	above 20	4	3.1%	4	2.7%	0	0.0%