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College of business and economics

MSc. International business

# **The Effect of Training and Development on Employee's Performance at Bank of Abyssinia**

BY:

KALEB TEKESTE

June, 2024

Addis Ababa, Ethiopia

# **The Effect of Training and Development on Employee's Performance at Bank of Abyssinia**

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**A thesis submitted to the Addis Ababa University, college of business and economics in partial fulfilment of the requirement for the degree of Masters of Science in international business**

Advisor: Tewdros Wuhib (Assistant Professor)

June, 2024

Addis Ababa, Ethiopia

**APPROVAL PAGE**  
ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSSINES AND ECONOMICS  
DEPARMNET OF MANAGMENT

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## **DECLARATION**

I, Kaleb Tekeste declare that the thesis entitled “The Effect of Training and Development on Employees Performance: At Bank of Abyssinia is my original work. I have carried out the present study independently with the guidance and support of my advisor Mr. Tewdros wuhib (Assistant Professor). Any other contributors or sources used for the study have been duly acknowledged. The study has not been previously published by any other person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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## **Acronyms**

BOA: Bank of Abyssinia

SPSS: Statistical Package for Social Science

HR: Human resource

IBM: International Business machine

CBT: Computer based training

## **Abstract**

*Nothing gets done in an organization without workers, including the most valuable assets such as machines, supplies, and cash. Because of the dynamic nature of humans, it is critical that employees receive continual training and development in order to compete in today's marketplace. Employee performance is the most important factor in improving an organization's overall performance. This study will look at how training and development affect employee performance, specifically at the Bank of Abyssinia. As a result, the research design was a descriptive and correlational study. To achieve the purpose of this study, 100 questionnaires were issued, and 92 of them were successfully gathered and analyzed using descriptive statistical analysis (mean and standard deviation), correlation, and regression analysis using SPSS 26. Version. Both primary and secondary source of data were used for this Study. The method of data collection was questionnaire in the form of both open ended and closed ended questions. Through the selection of four branches (one from each), as well as district and head office staffs, this study was carried out throughout all four grade branches of BOA, ranging from Grade 1-3 and the corporate branch. according to the fact that branches with the same grade are uniform in every respect according to the standards of the bank, and because they all have the same organizational structure, behavior, and culture, as well as the same working environment, branches will be chosen at random. Finally, after the study, the researcher found that the training design and employee performance were positively correlated and had strong correlation between them. Then, the recommendations were based on the findings which affects employees' performance in the case of Bank of Abyssinia.*

**Key words:** Training design, on-the-job-training, off-the-job-training, and employee's performance

## Chapter 1: Introduction

### 1.1 Background of the study

The success of a company is largely dependent on the performance of its workers in the fast-paced, cutthroat business world of today. Comprehensive training programs are one of the main tactics used by companies to improve employee performance. Employee training, according to the World Bank, is a program designed to assist staff members in acquiring particular skills and knowledge. The information and abilities that employees have learned are meant to help them perform better on the job (World Bank, 2011). Organizational programs are used to provide training, ensuring that workers receive the skills necessary to succeed in the labor market.

Human resources are the most dynamic resource available to the business, and as such, management must devote significant attention to human resources in order for them to fulfill their full potential at work. Because of this, management needs to deal with issues including training and development, organizational restructuring, communication, motivation, and leadership (Cole 2004).

Numerous studies and research findings show that training improves managerial abilities, lowers production costs, increases market share, and facilitates simple access to profitability, among other business consequences (Kessy & Temu, 2010). Research has demonstrated a favorable correlation between employee performance and training in the following cases: the banking industry in Lesotho (Motlokoa et al., 2018), the industries in Karachi, Pakistan (Hafeez & Akbar, 2015), and the Arusha Municipality in Tanzania (Nassary, 2020).

Jaoude (2015) claims that businesses who offer advanced training have seen profits increase three times above their rivals. But having workers and programs with such a high effect is not easy; it takes a combination of preparation and alignment. This entails creating and organizing training to achieve the main objectives of the company. It is vital to get training in the job. Employees lack a clear understanding of their roles and responsibilities without it. Programs that give workers knowledge, new abilities, or chances for professional growth are referred to as employee training

The rapid expansion of technology and the global economy has created new challenges and advances for businesses. Technological advancements have shaped the abilities and knowledge required to execute specific tasks. To address these challenges, all firms must establish more advanced and efficient training programs. Effective training programs contribute to the creation of a more favorable learning environment for the workforce and prepare them to face future difficulties more readily and on schedule (Wei-Tai, 2006).

Despite the substantial body of research on the correlation between employee performance and training, there seems to be a dearth of studies examining the impact of training on performance. In order to close this gap, the study will thoroughly examine this phenomenon through relevant literature, Provide additional insight into the relationship between exceptional employee performance and training efficacy, as well as tips to organizations on how to best use training programs to increase employee performance.

## 1.2 Statement of the problem

The Bank of Abyssinia, a rapidly growing and leading private bank in a developing country, has demonstrated exceptional performance and has positioned itself as a prominent player in the financial sector. Leveraging a mass marketing strategy and hiring the best candidates from the industry, the bank has managed to achieve significant milestones in customer acquisition and service delivery. However, despite these achievements, there is a pressing concern regarding the sustainability of its growth and the consistent enhancement of employee performance. As the bank expands, maintaining high standards of service and operational efficiency becomes increasingly challenging, necessitating a deeper focus on training and development.

While the Bank of Abyssinia recruits top talent, the dynamic and competitive nature of the banking industry requires continuous upskilling and adaptation to new technologies, regulations, and market trends. Without a robust training and development framework, employees may struggle to meet evolving job demands, leading to potential declines in performance and customer satisfaction. This underscores the critical need to assess the current impact of training and development initiatives on employee performance and identify areas for improvement

Furthermore, in the context of a developing country, where resources and access to advanced training programs might be limited, it is imperative to evaluate how effectively the Bank of Abyssinia's training initiatives are bridging skill gaps and preparing employees for future required to execute specific tasks. To address these challenges, all firms must establish more advanced and efficient training programs. Effective training programs contribute to the creation of a more favorable learning environment for the workforce and prepare them to face future difficulties more readily and on schedule (Wei-Tai, 2006).

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Furthermore, in the context of a developing country, where resources and access to advanced training programs might be limited, it is imperative to evaluate how effectively the Bank of Abyssinia's training initiatives are bridging skill gaps and preparing employees for future challenges. The bank's mass marketing strategy also adds another layer of complexity, as it requires employees to be well-versed in diverse marketing techniques and customer engagement strategies to manage a large and varied customer base effectively.

Therefore, this research aims to explore the extent to which training and development influence employee performance at the Bank of Abyssinia. It seeks to identify the strengths and weaknesses of the current training programs and provide actionable recommendations to enhance the effectiveness of these initiatives. By doing so, the bank can ensure that its workforce remains competent, motivated, and capable of sustaining the bank's leading position in the industry.

Training teaches a specific skill to execute a certain job, whereas development focuses on the overall enhancement and evolution of individual skills and talents through conscious and unconscious learning. The primary goal of training is to close knowledge gaps in employees who have them. However, neither the district nor the bank as a whole seem to understand the significance of this training for the individual employees, let alone how it affects their performance inside the company. Enhancing employee abilities is another goal of training, which helps businesses get the most out of their human resources in terms of effectiveness and efficiency.

In his book, Armstrong (2009) made it abundantly evident that companies might gain from training and development by gaining the "heart and minds" of their staff members, which would encourage them to connect with the company, put in more effort on its behalf, and stay on board. Sadly, most public, commercial, and international organizations do not see how important training is for raising worker productivity. As a result, many start looking to reduce their training budgets when the economy slows down or revenues decline. This will lead to a high rate of employee turnover, which will increase the expense of recruiting new staff and reduce the profitability of the company. The training program must be taken into account in the organization's human resource strategic plan, even in the face of technology advancements that compel them to provide their clients with contemporary services and make them aware of how to face and overcome business world obstacles. While corporations have been forced to reconsider traditional approaches to training due

to factors such as globalization, economic challenges, and work-life balance, recent developments in computer power and connection have likely had the biggest impact on positioning technology-based training as a competitive alternative.

Any organization's long-term performance is largely dependent on the caliber of its people resources. This is so that a firm can get its competitive edge. Human resources are a strategic resource. This can be accomplished by creating training and development plans that are relevant and adaptable to the ever-changing environment. To satisfy customers' growing expectations, service quality improvement is a constant need in service-oriented businesses like banking. Numerous studies contend that the fundamental reason why the majority of training and development initiatives in developing nations have not produced the desired outcomes is because these initiatives have not been able to create training plans that are targeted toward particular goals.

Previous studies have established a positive relationship between employee performance and training, highlighting the advantages that training can offer both the company and the employees. Employee performance can be improved through the development of competencies and behavior (Amir Elnaga and Amen Imran, 2013).

### 1.3 Research questions

- How do training and development affect an employee's performance?
- Determining the type of training program offered by Bank of Abyssinia?
- Does employee perception towards training significantly affect employee performance?

### 1.4 General and specific objective

#### 1.4.1 General Objective

The overall objective of the study is to determine the effect of training and development on employees' performance in Bank of Abyssinia.

#### 1.4.2 Specific objectives

- To examine the training and development practice at Bank of Abyssinia.
- To look into how employee performance is affected by the technique, design, and assessment of training and development needs.

- To examine the effect of training and development implementation and evaluation on employee performance.

### 1.5 Scope of the Study

Effective training is necessary for all organizations, whether they are government or non-governmental, profit-making or not, in order to keep employees' knowledge and skills up to date. This increases the productivity and profitability of the organization. This study focused on the management and bank officers at Bank of Abyssinia in order to maintain quality, specialize, and address time and resource constraints. Due to time and budgetary constraints, this study only looks at the management and staff of Bank of Abyssinia, even though it is equally vital to evaluate all of the company's personnel and procedures as well as those of other companies, particularly those in the banking sector.

### 1.6 Significance of the study

The report will assist the company in realizing the value of training initiatives. Additionally, it will allow them to better organize their training initiatives so that they enhance workforce productivity and result in increased performance. This guarantees a pool of skilled employees that could be employed for growth within the organization. One of the main factors in the company's success is labor. An effective workforce will contribute to the company's increased performance. Businesses can boost output and make greater contributions to the economy when they operate more efficiently. They are also able to grow and hire more staff, which helps to reduce the unemployment rate. Businesses that operate more efficiently are also better able to compete, which keeps the economy growing.

Students conducting research who want to learn more about how training affects workers' overall performance in different companies may also find the study to be very helpful. The study will act as a guide for these students, who may gain additional understanding of the suggestions and conclusions from it, creating an empirical literature for them in the process.

### 1.7 Limitations of the study

The whole of the commercial banking sector, along with more financial organizations, such as microfinance institutions, has been involved in training and development activities in Ethiopia. Particularly, this study made use of information from one of the top private commercial banks, the Bank of Abyssinia, which have excelled across various metrics over the past four years compared to its peers. This bank was chosen because it provides extensive data sets suitable for pattern analysis and fair comparisons. However, the study is limited to four years of financial data due to the bank's relatively recent establishment and minimal discrepancies in the available data from its early years.

### 1.8 Organization of the study

There are five chapters in the study. The first chapter offers a broad introduction and an overview of the study. In the second chapter, relevant literature on training, development, and employee performance is reviewed. The third chapter focuses on the study's methodology, including the data sources, data collection methods, sample size, sampling techniques, and the selection of study organizations. The fourth chapter presents, analyzes, and interprets the collected data. A summary, conclusions, suggestions based on the research, and references are included in the last chapter.

### 1.9 Definitions of terms

**Training:** is the act of developing an employee's knowledge and abilities for doing a certain job. It is a short-term training process that follows a structured and coordinated approach to teach personnel technical knowledge and abilities for a specific goal.

**Development:** It is a long-term perspective that is career-centered in nature, and it is the growth of workers in all aspects relevant to the total growth of employees.

**Employee performance:** is a job-related action that a person is required to perform, and how successfully such tasks are carried out

## Chapter Two: Literature review

### 2.1 theoretical review

Training is primarily concerned with the acquisition of understanding, know-how, techniques, and practices. In fact, training is one of the most important aspects of human resource management since it can increase performance at the individual, collegial, and organizational levels. Organizations are increasingly focusing on organizational learning and, as a result, collective development as a means of strengthening one's ability to act. It benefits both the organization and the individual employees.

Studies consistently highlight the positive correlation between effective training programs and enhanced job performance. Research by Smith (2019) underscores the importance of tailored training methods, suggesting that personalized approaches yield better outcomes compared to one-size-fits-all models. Moreover, findings from Johnson and Brown (2020) emphasize the connection between employee satisfaction and training effectiveness, positing that contentment with training processes contributes significantly to performance improvements. This aligns with the broader idea proposed by Jackson et al. (2018), who argue that employee engagement in training initiatives is a key factor influencing subsequent job performance.

The literature also delves into the types of training modalities. Research by Anderson (2021) suggests that hands-on, practical training tends to yield more tangible skill development, while theoretical or classroom-based approaches may lack direct applicability. This aligns with the arguments presented by Green et al. (2017), who emphasize the importance of experiential learning in training programs.

However, some scholars, such as Thompson (2018), note the need for a nuanced understanding of training's long-term effects. While immediate performance gains are often observed, sustaining these improvements requires ongoing support, mentorship, and a culture that values continuous learning.

Increased profitability and more favorable attitudes toward profit orientation result from training, which also raises employee morale, enhances job knowledge and abilities across the board, and makes it easier for staff members to connect with company objectives. However, individual employees gain from training in a number of ways, including improved decision-making and

effective problem-solving skills, support in fostering and realizing self-development and self-confidence, assistance in managing stress, tension, frustration, and conflict, increased job satisfaction and recognition, and advancement of the individual toward personal goals while enhancing interaction skills (Sims, 1990). The organization's success is contingent upon ongoing investment in its training initiatives. Businesses that offer training programs help their employees become competent in their knowledge, abilities, and behaviors. They also assist in closing the gap between intended goals and actual job performance levels, or between what should occur and what is actually happening. Furthermore, it has a favorable impact on their daily activities.

In summary, the literature underscores the positive relationship between effective training and improved employee performance, highlighting the significance of tailored approaches, employee engagement, and the practical application of learned skills.

Training has a major role in both onboarding and staff retention. A new hire is typically enthusiastic and keen to learn everything there is to know about the company when they first join. To acquire new skills, current employees must also receive training. In any event, the strategy is equally as important as the information. Technology has made it possible for HR professionals and businesses to access a wider range of development training opportunities than in the past.

Remembering that every person learns differently is crucial, regardless of whether your organization is using more modern training techniques or sticking with the more established ones.

## 2.2 What are the different types of training methods?

All learning styles are addressed by the greatest training techniques, but it's also critical to identify your learners' preferred learning patterns and modify the content accordingly. The top eight strategies for staff training are listed below: Simulators, technology-based education, Roleplaying, instructor-led training, coaching and mentoring, on-the-job and off-the-job training, Videos, movies, and case studies

## **1. Technology-based learning**

With the advancement of technology, computerized training is becoming more and more frequent. Whereas e-learning and computer-based training (CBT) are sometimes used interchangeably, there is one key difference between the two: e-learning is fully hosted online, whereas computer-based training encompasses any kind of training that takes place on a computer. The ability for students to move through the curriculum at their own pace and do away with the requirement for an in-person facilitator is a significant benefit of technology-based learning. Because it has a narrator and accompanying visuals, this type of training usually mimics traditional classroom instruction. Frequently, the information comes with extra reading and video resources to aid in the training process. Another significant advantage of technology-based learning is scalability. Any number of persons can enroll in CBT courses concurrently and at their own speed, regardless of the class size five or five hundred. While some students might choose to go on to more complex coursework, others might require more time to fully go through the content. CBT helps the student in both scenarios. There are drawbacks to computer-based teaching as well. The fact that trainees are not closely watched is a significant obstacle. Since CBT courses are not seen, it is challenging to determine whether the content is being engaged with by your staff. Adding interactive modules and tests to the online course is a great method to make sure students are paying attention. This will let you know which topics they are understanding and guarantee that they are paying attention were communicated effectively.

## **2. Simulators**

Simulations are a useful training method for areas that demand a specific set of abilities to operate complicated machinery, such as the medical or aviation industries. Successful simulations replicate actual work scenarios and assist trainees to tackle problems that they will most likely encounter on the job.

### **3. Mentoring and coaching**

While official training curricula serve a purpose, coaching and mentoring offer a number of benefits. Along with other strategies, including a mentorship program into your company's training program helps to create relationships that support and ease the onboarding of new employees. Mentoring has numerous advantages, but there are drawbacks as well. It will be essential for your senior employees to take time off in order to guide and train your junior staff. Although there will be some sacrifice involved, it ultimately proves to be beneficial.

### **4. Instructor-led training**

The most popular and traditional kind of training for staff members is classroom-based instruction. Similar to other classroom environments, this strategy involves the teacher putting things up and facilitating the activity. Usually, this is done through a lecture-style presentation with visual aids. The ability for students to interact with their teacher is just one of the many benefits of this teaching strategy. There are some issues raised that other methods of instruction would not have touched on. It also makes it easier for the staff members who are receiving training to bond with the instructor. One major challenge is the inability to scale instructor-led teaching. Too large of a classroom might make it hard for teachers to interact one-on-one with students. Furthermore, personal observation is necessary throughout the duration of entire training. This is not a setting where trainees may go at their own speed. Maintaining a high level of energy is crucial while employing this training technique. In order to keep trainees engaged and prevent them from becoming disinterested, provide them opportunity to roam around and take breaks.

### **5. Roleplaying**

This method is typically used in pairs, with the trainee and the facilitator (or trainer) permitted to role-play several possible work settings. This approach works best in fields where employees must contact with clients or customers since it gives them experience in managing challenging circumstances.

## **6. Films and videos**

Video has become a very popular teaching tool very rapidly. It helps businesses train staff members more rapidly and effectively. It's preferred over reading materials by many staff. Training films can be approached in several ways. Depending on the content, some businesses use one strategy, while others skillfully blend many tactics into a single film.

## **7. Case studies**

In order to enhance your analytical and problem-solving abilities, case studies may be the most effective training method. Real or fictional scenarios that represent typical work conditions are presented to trainees. The staff members are then need to assess the situation and devise the best possible scenarios and solutions, either alone or in groups.

### **Training is generally imparted in two ways:**

- **On the job training:** - is a technique that is provided to staff members as part of a company's regular operations. It is an easy and affordable training technique. Employees that are proficient or semi-proficient can receive good training from such techniques. The workers receive training in real-world job environments. "Learning by doing" is the training's guiding principle. Such types of on-the-job training include mentoring, job rotation, interim promotions, and so on.
- **Off the job training:** - is a technique where training is given away from the real workplace. It is typically used to new hires. A few examples of off-the-job training techniques are conferences, seminars, and workshops. This kind of approach is expensive and only works when a big number of workers need to be taught quickly.

These days, companies connect their training programs to the demands of the business environment. Even with meticulous hiring practices, there is no assurance that staff members will perform to the highest standards. This is due to the fact that an employee's potential for performance is different from actual performance, and if training is not received, an employee with

a high potential for performance may not be able to accomplish his work. Because of this, organizational orientation serves as the foundation for new hire training (Dessler, 2008). Employee training plays a crucial role in a business's success. Research has demonstrated that personnel with thorough training are the most effective and productive. These staff groupings are known as the "cream of the crop" because they frequently have the most stakes in the success of the company. Employees require assistance from the company and a training program in order for them to be competent in their knowledge, skills, and actions. Hence, firms continue to increase their annual training costs in the hope that it would provide them a competitive edge. Training is an essential strategic tool for improving employee performance.

### 2.3 Systematic approach to training process

Organizations must employ a planned training approach to ensure that the training is effective. Creating training, selecting a delivery method, assessing training, and specifying training requirements are often steps in a systematic approach to training (Mathis & Jackson, 2016). The degree of attention with which each component is implemented determines the success of the training process. From the standpoint of the worker, training could be advantageous if it is associated with a high level of desire, enhances their capacity to perform their job, and increases their job satisfaction. According to Armstrong (2014), training ought to be systematic, which means that it should be specifically designed, organized, and carried out to meet predetermined needs. Training is given by qualified personnel, and its efficacy is carefully evaluated.

According to Mondy and Martocchio (2016) and Mathis and Jackson (2016), a systematic training process is made up of four phases, namely, training needs assessment, training design, training delivery style and training evaluation.

#### 2.3.1. Training needs assessment

Setting the scope, format, and length of the training at this stage of the process is essential because it is a need-driven activity. Consequently, the diagnostic phase of developing training objectives is illustrated by looking at corporate training needs. Training needs assessment is a strategic process that involves identifying the organization's and industry goals, gathering and analyzing information, and figuring out the gaps between the current situation and the future condition,

according to Khan and Masrek (2017) and Priyadarshini and Dave (2013). In order to decide whether training is necessary, the evaluation phase looks at performance issues raised by both employers and employees. Non-training variables including as compensation, work design, organizational structure, and physical work plans are crucial to assess during the assessment process.

A methodical approach to training requirements evaluation is offered by Mondy and Martocchio (2016), who look at the firm's corporate strategy, goals, and strategic purpose in addition to the results of strategic human resource planning. Businesses and organizations can determine whether further training is needed with the help of a training needs assessment. Comparing what is currently happening in a task or roles to what is needed now or in the future, depending on the organization's operations and strategic goals, is the process of assessing training requirements (Lussier & Hendon, 2020).

There are three types of training requirements studies: organizational analyses, task/job analyses, and person analyses (Armstrong, 2014; Lussier & Hendon, 2020; Mathis & Jackson, 2016; Mondy & Martocchio, 2016; Noe & Hollenbeck, 2019; Hartoyo & Efendy, 2017).

### 2.3.2. Training design

When the training requirements assessment has been established, the training design must be developed, which includes learning concepts and a variety of training modalities (Mathis and Jackson, 2016). The researchers revealed the significant independent factors that influenced the training. Training design is one of these components (Abeeha & Bariha, 2012). In order to maximize training transfer from the classroom to the workplace, effective training design considers learners and instructional approaches (Mathis & Jackson, 2016). Training methods are defined as instructor-led training, e-learning, case studies, behavior modeling, role-playing, training games, in-basket training, on-the-job training, and apprenticeship training by Mondy and Martocchio (2016), Noe and Hollenbeck (2019), Mathis and Jackson (2016), Lussier and Hendon (2020), and Abu Daqar and Constantinovich (2021).

### 2.3.3 Training delivery style

According to Mathis and Jackson (2016), training can start once it has been scheduled. It is customary to do pilot testing or deliver the training on a trial basis to make sure it meets the needs that have been identified. The manner a trainer delivers their message matters because it determines how an employee will respond to them and how they will change. The type of training will depend on how it is delivered; adult learning principles, learning styles, and training materials can be given in a variety of ways. The corporate training institution, according to Mondy and Martocchio (2016), is concentrated on attaining organizational change in areas like staff development, adult learning, and company training. It plans to achieve its goals by taking part in initiatives that support individual and organizational learning and knowledge

### 2.3.4. Evaluation of training

The last phase of the training program is evaluation. It is a way to assess whether program staff members are doing the duties for which they have received appropriate training, or if the program is effective. Balogun (2011) states that evaluating a program's effectiveness in achieving its goals is the most common understanding of the concept. Training assessment, according to Mathis and Jackson (2016), also contrasts post-training outcomes with pre-training goals for managers, trainers, and trainees.

Investing in people is the development of human resources. The primary purpose of supporting the training program is to improve employees' ability to contribute to the achievement of organizational objectives. As a result, evaluation is a technique for figuring out the cost and advantages of the training program for the business. However, evaluation is similar to brushing your teeth after a meal. Even while everyone supports assessment, not many people really do it. Evaluation is a crucial part of training exercises. The evaluation compares the training's predefined goals with the post-training status (Armstrong, 2014). A list of possible training assessment metrics was provided by Mondy and Martocchio (2016). These include participant perspectives, learning level, behavioral changes, training objective attainment, and training return on investment and benchmarking

Reaction, learning, behavior, and outcomes are examples of the four general levels of evaluation (Kirkpatrick and Kirkpatrick (2016); Lussier and Hendon (2020); Mondy and Martocchio (2016); Noe and Hollenbeck (2019); Mathis and Jackson (2016), (Dessler, 2020), and (Kirkpatrick, 2020).

## 2.4 The Importance of Training

To ensure the prosperity of a firm, training is an essential instrument for enhancing the overall performance of its workforce. Both managers and workers in an organization benefit from it. A person's productivity and efficiency will rise with the right training. Employers who provide comprehensive training and development can raise the standard of their present staff. By emphasizing the significance of their work and providing them with the skills and information need to complete it, training not only increases productivity but also inspires and motivates personnel (Anonymous, 1998). The typical benefits of employee training include enhanced job satisfaction and morale, higher motivation, and improved process efficiencies. Financial benefit, an enhanced ability to embrace new techniques and technologies, a rise in strategy and product innovation, and a decrease in staff turnover are the results of these objectives.

Training significantly impacts employee performance by equipping them with new skills, knowledge, and competencies that are essential for performing their roles effectively. Through targeted training initiatives, employees gain a deeper understanding of their responsibilities, industry best practices, and emerging technologies. As a result, they become more adept at handling complex tasks, making informed decisions, and addressing challenges with confidence, ultimately elevating their overall performance within the organization.

According to Hawthorne experiments and other research on worker productivity, employees who are content with their employment have greater job performance and consequently superior job retention than those who are dissatisfied with their occupations (Landy, 1985). Furthermore, it is said that employees are more likely to leave if they are dissatisfied and so unmotivated to perform well. Employee performance is better among happy and satisfied employees, and management finds it simple to inspire high performers to meet firm objectives. (Kinicki and Kreitner. 2007).

Employees can only be satisfied if they believe they are capable to do their tasks, which can be accomplished through better training programs. Recognizing the importance of training techniques allows senior executives to establish a better working environment, which promotes employee engagement and performance.

According to Leonard-Barton (1992), a company that values knowledge as a source of competitive advantage should establish mechanisms that promote ongoing learning, and the most effective method to do so is through training. Many studies emphasize the relevance of training in improving employee performance by expediting the learning process (e.g., McGill and Slocum, 1993; Ulrich et al., 1993; Nonaka and Takeuchi, 1995; DiBella et al., 1996). Employee performance, attained through training, refers to immediate improvements in the knowledge, skills and abilities to carry out job related work, and hence achieve more employee commitment towards the organizational goals (Huselid, 1995; Ichniowski et al., 1997). Kamoche and Mueller (1998) mentioned that training should lead to the culture of enhancing learning, to raise employee performance and ultimately higher return on investment (in training) for the firm.

## 2.5 The relationship between Training and employees performance

The great majority of past research has found a clear and positive relationship between organizational performance and human resource management approaches. Guest (1997) discovered in his research that training programs, as one of the most important practices in human resource management, have a positive influence on the quality of workers' knowledge, abilities, and skills, increasing their productivity at work. Finally, this link results in optimal organizational performance. The study by Farooq, M., and Aslam, M. K. (2011) shows a beneficial relationship between employee performance and training. We can then infer from this result that the company cannot increase profits without making the best use of its people resources, and that this can only occur when the firm is able to meet its employee's job related needs in a timely fashion. The only approach to determine an employee's unmet requirements and subsequently raise their necessary competency level to enable them to work effectively and meet corporate objectives is via training. According to Harrison's (2000) research, training-based learning improves employee performance, which in turn impacts organizational performance and is considered a critical element in accomplishing company objectives. However, putting in place training programs to address performance-related concerns including closing the performance gap between expectations and actual performance is a useful strategy for raising staff morale (Swart et al., 2005).

Bridging the performance gap, according to Swart et al. (2005), is the process of putting into practice a pertinent training intervention in order to help the workers and enhancing employee performance. He elaborates on the notion by noting that training allows firms to understand that their employees are underperforming and that their knowledge, abilities, and attitudes must be reshaped to meet the demands of the firm. Employees' poor performance can be attributed to a variety of factors, including a lack of motivation to use their competences, a lack of confidence in their talents, or a work-life conflict. All of the aforementioned factors must be addressed by the business when determining the most effective training intervention to assist the organization in solving all problems and increasing employee motivation to engage and achieve firm expectations by demonstrating desired performance. According to Swart et al. (2005), the employee superior performance occurs only because of a good quality training program that leads to employee motivation and their needs fulfillment. Effective training programs alter staff skills, claim Wright and Geroy (2001). It contributes to better organizational performance by strengthening workers' knowledge, abilities, and attitudes for future work in addition to improving their general performance to carry out the present job more successfully. Employee skills are built via training, enabling them to carry out work-related tasks effectively and competitively accomplish corporate objectives. However, a number of external factors, including group dynamics, corporate culture, organizational structure, and job design, and performance assessment methods, can also have an impact on employee performance. These elements include power and politics inside the company as well as job design. If the aforementioned issues are present in the company, employee performance will suffer as a result of the obstacles listed above rather than a lack of pertinent information, abilities, or attitude. Wright and Geroy (2001) suggest that in order to guarantee that employee performance is positively impacted by training and that the training is successful, several criteria need to be considered.

Furthermore, Ahmad and Bakar (2003) came to the conclusion that training that enhances performance at both the individual and organizational levels and meets learning objectives results in a high degree of employee engagement.

It might be argued that up until now, there hasn't been much focus on how training initiatives affect employee outcomes like motivation, work satisfaction, and organizational commitment. Seldom has research been conducted to determine whether companies can influence employees' attitudes by providing appropriate training. Training ought to be designed so that it fosters organizational

commitment, claims Lang (1992). However, Gaertner and Nollen (1989) suggested that certain HR practices such as career development, succession planning, and promotions—may have an impact on employees' commitment. When these procedures are followed, employee performance improves. Additionally, Meyer and Smith (2000) look into the relationship between organizational commitment and HRM practices in order to find the causes of effective employee performance.

## 2.6 Benefits of Training

The primary goal of training is to increase one's knowledge, abilities, and attitudes toward activities relevant to the workplace. It is one of the most significant possible motivators that might assist people and organizations in the short- and long-term. Training does really provide a lot of advantages. Cole (2004) enumerates the following advantages of training.

- High morale: workers who undergo training are more self-assured and driven;
- Lower production costs: training reduces risks since skilled workers can utilize materials and equipment more efficiently, cutting down on waste.
- Less labor turnover: training creates a sense of security in the workplace, which lowers labor turnover and prevents absenteeism.
- Change management: training gives employees the knowledge and skills they need to adapt to changing circumstances while also helping them understand and participate in the change process.
- Offer acknowledgement, more responsibilities, and the potential for raises and promotions
- Contribute to better staff availability and quality
- Foster a sense of accomplishment and satisfaction among employees and expand career development options.

The following is a summary of training's advantages:

Boosts employee morale and, with the help of training, can lead to employment security and happiness. An employee's contribution to the success of the company will increase with his level of satisfaction and morale, and employee absenteeism and turnover will decrease. Less supervision; an individual with proper training will be familiar with the work and require less oversight. As a result, less time and effort will be wasted. The possibility of accidents and errors occurring is reduced when individuals possess the necessary knowledge and abilities to perform a

specific task. An employee's likelihood of making mistakes at work decreases with further training, and they also grow more skilled. Opportunities for advancement: training equips workers with efficiency and skill sets. Their chances of getting promoted increase. They turn become a resource for the company. Employee productivity and efficiency are increased via training. Employees with proper training demonstrate both quantity and quality work. When workers receive the right training, there is less waste of time, money, and resources.

Training is an essential part of human resource operations and an organization's commercial strategy. It is a critical component in the process of enhancing organizational performance, boosting individual performance, and retaining the organization's place at the top of the competency landscape. Reduce the gap between what should happen and what really happens, eventually leading to organizational competency. Abyssinia Bank's human resources department must aggressively recognize the need to offer employees with new skills and information, as well as make substantial changes in the workforce's thinking.

## 2.7 Factors influencing the impact of training on employee's performance

### a. Individual factors

Individual factors such as motivation, learning style, and prior knowledge play a crucial role in determining how training influences employees performance. Tailoring training programs to individual needs can enhance overall effectiveness.

### b. Organizational factor

The organizational context, including culture, leadership support and resource allocation, significantly influences the success of training initiatives. Supporting organizational environments tend to yield more significant improvements in employees performance.

### c. Training program design factors

The design of training programs including content relevance, delivery method and feedback mechanisms, shapes the impact on employees performance. Well-designed programs are more likely to lead to positive outcomes.

## 2.8 Transfer of training

A training effectiveness program's core component is the transfer of training. It has been shown that the usage of acquired information and abilities back on the work is commonly referred to as training transfer. According to Baldwin & Magjuka (1988), "learned behavior must be generalized to the job context and maintained over a period of time on the job" in order for transfer to take place. Saks & Haccoun (2007), on the other hand, define training transfer as the application of newly acquired knowledge and skills to the workplace and the retention of such knowledge and abilities over time. The transfer of training activities could be divided into three phases, which are before, during, and after training, in accordance with Saks & Haccoun's (2007) framework for the transfer of training. This would facilitate and enhance the transfer of training. The trainer should conduct follow-up or booster sessions following a training program.

## 2.9 Training Policy

According to Armstrong (2006), policies are intended to give guidelines for action and impose boundaries on decision making; what should be done in certain instances, and how certain needs and concerns must be addressed. The researchers agree that a good training policy mostly includes the following.

- Gives training operations a general direction
- Specifies the authority granted to the training department and the boundaries of that authority
- Offers advice for allocating department resources, including trainers, funds, and time.

An additional way to evaluate the success of HR initiatives is through training policies. Helps departments assess whether they are still meeting the aims, purposes, and objectives of the company. Does the department comply with the goals and items specified in the policy? Policies are rules that govern departmental operations and aid in the accomplishment of organizational objectives. It serves as a "guide" when making choices. To assess training programs, employee selection, training availability, training session location, programs to be executed, training day duration, and other factors, it is suggested that departments create a training policy check list.

Monappa (2008) states that there are three greatest contests related to an organization's training policy.

1. Policies control how a department or unit operates and achieves its objectives. This indicates that the policy serves as a guideline for making decisions.
2. Policies serve as control tools to prevent managers from mishandling situations.
3. Conventional decision-making procedures might be made more logical with the use of policy guidelines.

According to the reasons made above, policy statements serve as instructions for action and the development of equity or parity among an organization's personnel. Furthermore, Asare (2008) defined policy as a guidance for the activities and choices of organizational members.

Therefore, policies are guidelines that come from the organization's upper management and serve as the foundation for all of its members. They provide guidelines for employees on how to behave in particular scenarios. It is amazing that all important policy pronouncements are formally expressed in manuals to minimize ambiguity. Nonetheless, the study said that Abyssinia Bank should have a training policy document and familiarize itself with managers, supervisors, executives from unions and associations, and even its staff.

## CHAPTER THREE: Research Design and Methodology

### 3.1 Research Methodology

The specific technical procedures utilized in data collection (such as questionnaires, in-depth interviews, and focus groups), analysis, and sampling (such as size calculation and selection method) are known as research methodologies. The general approach or structural framework for the intended study is referred to as the research design. The selection of an acceptable research design will lead to the establishment of the precise study methodology, including data collection and analysis, essential to address the issue statement. For example, it will determine whether a descriptive or experimental study is to be undertaken and with which target audience. This chapter describes the planned study's design and methods.

### 3.2 Research Design

Explanatory design aims to establish a cause-and-effect link, while descriptive research studies focus on characterizing the traits of a certain person or group. The researcher employs both designs as a result.

### 3.3 Research approach

The research was supported by a mixed methodologies approach, which used a mostly quantitative methodology with some qualitative aspects included after the quantitative data was analyzed to further explain the main conclusions of the study. The qualitative component offers assistance for the interpretation of the findings and responses to some of the fundamental issues posed in the research questions, while the quantitative component offers the overall picture of the phenomena. In 2018, Akinyode, B. F. and Khan, T. H

### 3.4 Population and Sampling Design

The complete set of people, events or interesting objects that a researcher set out to investigate and from which conclusions may be drawn from a sample statistic is referred to as the study population. Since they are the primary participants in this study, the target audience for this research consists of BOA workers who work in the designated branches in the west Addis Ababa district, including

head office and district personnel, branch managers, team leaders, and officers. Using a sort of non-probability sampling technique called cluster sampling, the study makes sure that the majority of senior and junior branches are represented.

### 3.5 Sample size and sampling techniques

Using four branches (one from each of the grades 1-3 and corporate branch), as well as district and head office workers, this study will be carried out throughout all four grade branches of BOA. Four branches will be chosen at random using Taro Yamane's (1967) formula, as branches with the same grade are uniform in all respects due to the bank's standards. The sample size will be computed and decided as follows:

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

Where;

n - Is the sample size

N- Is the total population and

e- Is the level of precision or sampling error which is= (0.05)

$$n = 92$$

Hence, a total sample size (n) of 92 participants selected from the total population (N) of 120 found across the four branches, district and head office staffs.

The study included both quantitative and qualitative data in addition to data from primary and some secondary sources. Using questionnaires, primary data is gathered from each sample of districts, head offices, and branches in order to meet the study's objectives. The secondary data is obtained from the following sources: studies, reports, newsletters, annual reports of the Bank of Abyssinia, National Bank of Ethiopia, and other private banks; literature; prior research in the field; experience of other nations; and any other relevant journals and articles.

### 3.6 Data collection methods, tools and process

Questionnaires were sent to managers, business managers, officers' district office staff, and head office personnel who work in branch business teams. Additionally, the data collection for the questionnaires has been provided both in-person and electronically using the email address

provided for the questionnaire through the bank's internal emailing platform (BOA's internal communication channel Outlook). In order to increase the response rate, the researcher employed a number of techniques, such as following up with respondents via phone calls and emails.

SPSS version 26 was utilized for the purpose of analyzing the quantitative data that was entered. A summary of the socio-demographic data is provided by means of descriptive statistics, which include frequency and percentages. It was determined through the use of bi-variate analysis whether there were statistically significant variations between the various responder characteristics among the participants in the study throughout the branches. A linear regression analysis was carried out in order to restrict the influence of other variables that could potentially cause confusion. This was accomplished by selecting significant factors from the bivariate comparison. In addition, a linear regression analysis was carried out in order to determine the odds ratio and the confidence interval of statistical correlations. It is possible to measure the strength of the statistical association by using the adjusted odds ratios and the confidence intervals with a 95% confidence level. When determining statistical significance, a threshold of p-value less than 0.05 was utilized as the cut-off point. Open-ended questions have been used to collect data that requires further explanation of significant discoveries across the components that have a large influence after the quantitative data collection has been completed. Quantitative and qualitative methods have been applied in order to collect and evaluate the effects of employee performance. This has been accomplished through the creation and distribution of questionnaires to the target sample of bank employees.

As a result, the questionnaire for this study's quantitative portion was created with consideration for and an emphasis on elements that affect employees' performance. To gather data from the participant sample, both closed-ended and open-ended question formats were created and dispersed around the research locations. If the quantitative component's findings prove insufficient for drawing conclusions, interviews will be conducted based on the results to offer further perspectives to the picture.

### 3.7 Data analysis and presentation methods

The collected data is evaluated utilizing a quantitative type of explanatory analysis technique. The study used both descriptive and inferential statistics. Descriptive statistics make it easier for a researcher to synthesize and present data in a statistically structured manner. As a result, statistical

approaches such as mean, frequency, and standard deviation are used to describe, analyze, and interpret the data. Furthermore, inferential statistics are used to help the researcher identify notable patterns and potential relationships between variables. Data collected from respondents to questionnaires was analyzed using descriptive and inferential methodologies.

### 3.8 ETHICAL CONSIDERATION

After being fully informed of the aims of the study, each and every participant in the research has given their informed permission, and no involvement has taken place without their full agreement. It is entirely up to each individual to decide whether or not they wish to take part in the study. By ensuring that the questionnaires are kept closed and do not contain any personal information, all of the individuals who collected the data and led the investigation have ensured that confidentiality is maintained.

## CHAPTER FOUR: Data presentation, Analysis and Interpretation

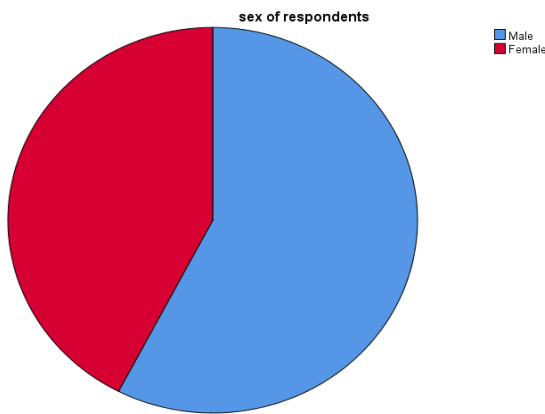
### 4.1 Respondents Profile

In order to accomplish the study objectives, this part will offer analysis and interpretation of data collected from primary and secondary sources using a linear regression model along with descriptive statistics, reliability testing, and correlation testing. One of the main methods used in the study to collect data was the questionnaire. Every questionnaire that was sent out was correctly completed and returned. The following tables show the breakdown of responders.

**Table 4.1.1: Gender of respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	53	57.6	57.6	57.6
	Female	39	42.4	42.4	100.0
	Total	92	100.0	100.0	

Source; IBM SPSS statistics 26



**Figure 4.1: Gender of respondents**

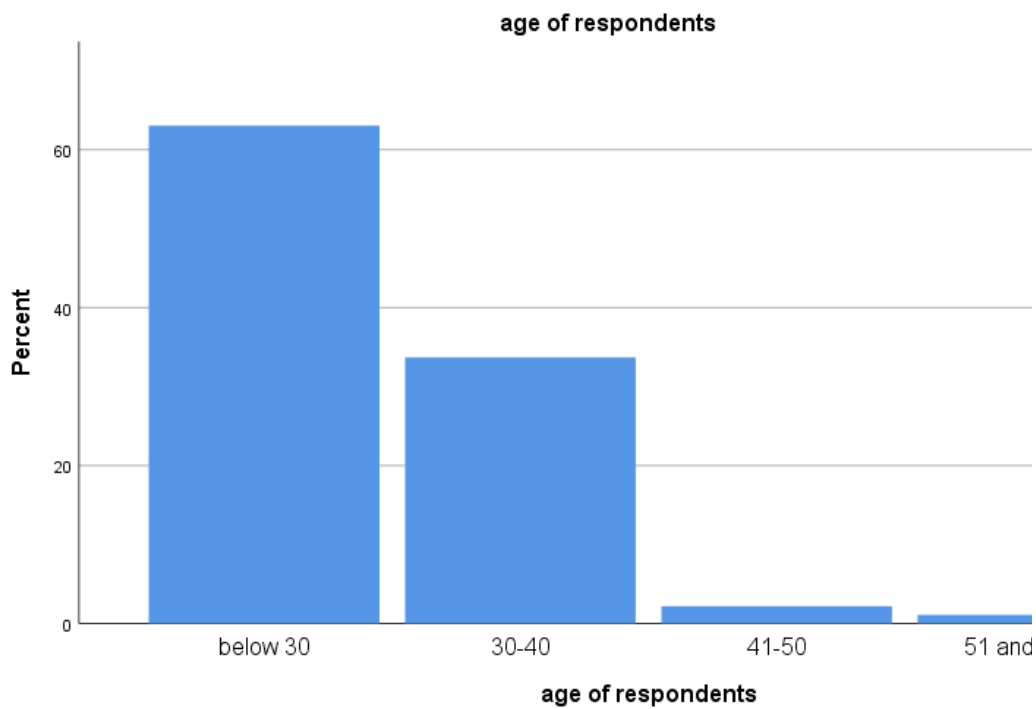
Source; IBM SPSS statistics 26

Table 1 and Figure 1 indicate that 42.4% of respondents were female and 57.6% of respondents were male. The gender distribution revealed that, among all bank respondents, male employees own the greatest number of shares, despite the organization providing equal opportunities for all gender groups.

**Table 4.1.2: Age Composition of respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 30	58	63.0	63.0	63.0
	30-40	31	33.7	33.7	96.7
	41-50	2	2.2	2.2	98.9
	51 and above	1	1.1	1.1	100.0
	Total	92	100.0	100.0	

Source; IBM SPSS statistics 26



Source; IBM SPSS statistics 26

**Figure 4.2: Age Composition of respondents**

As indicated in table 4.1.2 and figure 4.1, 63% of respondents were under 30, 33.7% were 30-40, 2.2% were 41-50, and 1.1% were 51 and over. According to the numbers presented above, more than half of the respondents were active participants and actors in the issue.

**Table 4.1.3: position of respondents**

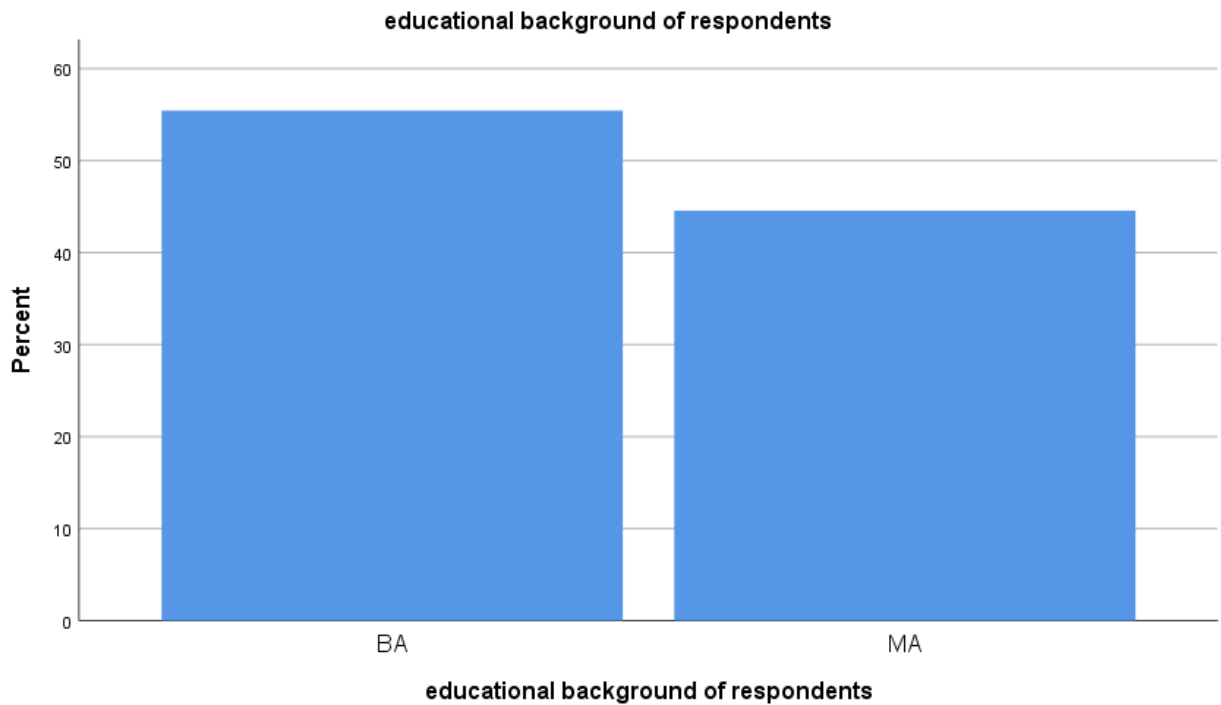
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	district managers	1	1.1	1.1	1.1
	district business managers	1	1.1	1.1	2.2
	district operation manager	1	1.1	1.1	3.3
	branch manager	3	3.3	3.3	6.5
	branch business manager	4	4.3	4.3	10.9
	branch operation manager	6	6.5	6.5	17.4
	Associate resource mobilization officer	16	17.4	17.4	34.8
	Associate digital banking officer	8	8.7	8.7	43.5
	banking business officer	12	13.0	13.0	56.5
	banking operation officer	10	10.9	10.9	67.4
	Other	30	32.6	32.6	100.0
	Total	92	100.0	100.0	

Source; IBM SPSS statistics 26

**Table 4.1.4: educational background of respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BA	51	55.4	55.4	55.4
	MA	41	44.6	44.6	100.0
	Total	92	100.0	100.0	

Source; IBM SPSS statistics 26



**Figure 4.3: educational background of respondents**

Source; IBM SPSS statistics 26

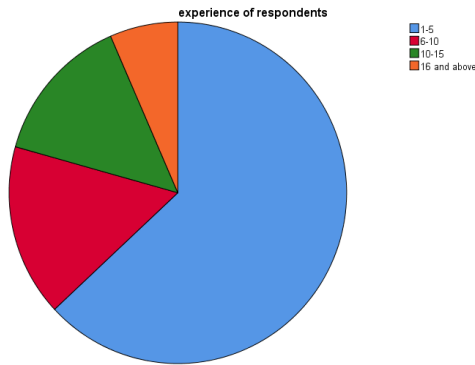
As seen in table 4.4 and image 4.3 In terms of educational background, 55.4% of respondents have an undergraduate degree, while the remaining 44.6% have a graduate degree. This assured us that the respondents were well-educated enough that their perspectives and questionnaire-based critiques would be appropriate.

**Table 4.1.5: the respondent’s Work experience**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	58	63.0	63.0	63.0
	6-10	15	16.3	16.3	79.3
	10-15	13	14.1	14.1	93.5

	16 and above	6	6.5	6.5	100.0
	Total	92	100.0	100.0	

Source; IBM SPSS statistics 26



**Figure 4.4: the respondent's Work experience**

As seen in table 4.1.5 and Figure 4.4 In terms of respondents work experience, 63% or 58 of the respondents have working experience of from 1 year up to 5 years, 16.3% or 15 have an experience of from 6 years up to 10 years, while 14.1% or 13 of the respondents have an experience of from 10 years up to 15 years and the remaining 6.5% or 6 of the respondents have an experience of 16 years and above. This assured us that the bank has more fresh graduate employees, and that they have balanced employees work experience, so their perspectives and questionnaire-based critiques would be appropriate.

## 4.2 Descriptive Analysis of Variables

### 4.2.1 Independent Variables

In this part, the study presented the findings from measurements of independent factors (training need assessment, training design, training technique, training implementation, and training evaluation) and dependent variables (employee performance) in a linear regression model.

#### A. Training need assessment

The influence of the training need assessment may be observed in the table that follows, where a mean value of 2.80 indicates a strong association that has a significant impact on the

performance of an employee. When it comes to the development of employees' performance, the appraisal of training needs has a very significant impact. In light of the fact that the mean of the entire training need assessment is 2.80, it is possible to draw the conclusion from the findings that the bank has successfully implemented training need evaluations.

Table 4.2.1: Training need assessment

<b>Statistics</b>					
Training need assessment		TNA 1	TNA 2	TNA 3	TNA 4
N	Valid	92	92	92	92
	Missing	0	0	0	0
Mean		3.0217	2.9022	3.2283	2.0761
Std. Deviation		1.25775	1.46054	1.41502	0.75932
Skewness		0.026	0.173	-0.249	0.333
Std. Error of Skewness		0.251	0.251	0.251	0.251

Source; IBM SPSS statistics 26

### B. Training and Development Design

An illustration of the training and development plan can be found in the table that follows. The mean value of 3.00 indicates that there is a highly significant association between employee performance and relationship. Based on the statistical data presented in the table below, we are able to draw the conclusion that the training design has a substantial and significant influence on the development and change of the dependent variable, which is employee performance. Despite the fact that the vast majority of respondents assert that the bank has the appropriate training and development ground, it has been noted that the bank does not fully apply the training and development plan.

Table 4.2.2: Training design

<b>Statistics</b>					
Training Design		TD 1	TD 2	TD 3	TD 4
N	Valid	92	92	92	92
	Missing	0	0	0	0
Mean		3.1413	3.0217	2.9457	2.9022
Std. Deviation		1.30579	1.25775	1.27843	1.46054
Skewness		-0.268	0.026	-0.058	0.173
Std. Error of Skewness		0.251	0.251	0.251	0.251

Source; IBM SPSS statistics 26

### C. Training Methods

The impact of training techniques is seen in the preceding table, where a mean value of 3.01 indicates a strong correlation between employee performances. We may assert that training techniques have a major impact on how well bank employees perform. The study supported the idea that employee performance is improved by training.

Table 4.2.3: Training methods

<b>Statistics</b>					
Training methods		TM 1	TM 2	TM 3	TM 4
N	Valid	92	92	92	92
	Missing	0	0	0	0
Mean		3.1413	3.0217	2.9457	2.9022
Std. Deviation		1.30579	1.25775	1.27843	1.46054
Skewness		-0.268	0.026	-0.058	0.173
Std. Error of Skewness		0.251	0.251	0.251	0.251

Source; IBM SPSS statistics 26

### D. Training Implementation

It is possible to examine the influence of the implementation of training and development in the table that follows, where a mean value of 3.03 indicates a substantial association between employee performances. We may conclude that the execution of training has a major impact on the bank's personnel performance process.

Table 4.2.4: Training implementation

<b>Statistics</b>					
Training implementation		TI 1	TI 2	TI 3	TI 4
N	Valid	92	92	92	92
	Missing	0	0	0	0
Mean		3.1522	3.1304	3.0435	2.8152
Std. Deviation		1.46711	1.34424	1.3661	1.45201
Skewness		-0.163	-0.104	-0.186	0.176
Std. Error of Skewness		0.251	0.251	0.251	0.251

Source; IBM SPSS statistics 26

### E. Training Evaluation

The impact of training assessment is displayed in the below table, with a mean value of 3.10 indicating a substantial correlation between employee performances. We may conclude that the employee performance process of the bank is significantly impacted by training assessment.

Table 4.2.5: Training evaluation

<b>Statistics</b>					
Training evaluation		TE 1	TE 2	TE 3	TE 4
N	Valid	92	92	92	92
	Missing	0	0	0	0
Mean		3.2283	3.0326	3.1522	3.0109
Std. Deviation		1.41502	1.36238	1.31713	1.43347
Skewness		-0.249	-0.113	-0.199	0.072
Std. Error of Skewness		0.251	0.251	0.251	0.251

Source; IBM SPSS statistics 26

### 4.3 Reliability, Correlation and Linear Regression Analysis

The statistical method known as correlation analysis is utilized to make determinations regarding the extent of the connection that exists between two or more variables. The terms "correlated" and "correlated movement" refer to the simultaneous movement of two variables. The two categories

of variables that are included in the correlation analysis are the dependent variables and the independent variables. This analysis makes use of regression analysis in order to determine whether or not a change in the independent variable is statistically significant. There is a change in the dependent variable as a result of this. Both positive and negative correlations are as follows: It is dependent on the direction of change as to whether or not there is a positive or negative correlation between the variables. A good illustration of this would be the fact that the correlation between any two real numbers might have  $r$  values ranging from -1 to 1.

When  $r$  is near to 1, it suggests that the data are positively correlated. If two variables move in the same direction, there is a positive correlation. The general trend is for both dependent variables to increase when one independent variable increases and both dependent variables to decline when one independent variable falls. A correlation is deemed negative when there is an opposing movement of both variables; that is, values of  $r$  around -1 suggest a negative linear connection between the data. When one increases, the other two variables fall and rise. On the other hand, if  $r$  is closer to 0, it indicates that there is little to no linear relationship between the data.

#### 4.3.1 Reliability Test

The student researcher had also made a test for its data reliability and get a coefficient  $\alpha$  value 0.904(90%), which indicates a very good reliability and its internal consistency of the data.

Table 4.3.1 Reliability

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.904	6

Source; IBM SPSS statistics 26

#### 4.3.2 Correlation Test

The goal of the study is to ascertain how staff development and training affect workers' productivity at Bank of Abyssinia. Through the utilization of Pearson correlation analysis, the dependent variable, which was employee performance, was found to have a correlation with the independent variables, which included training need assessment, training and development design,

effectiveness of the training and development method, implementation of training and development, and evaluation of the training and development program.

The Pearson correlation coefficient reveals the size and direction (positive or negative) as well as the strength of the relationship (-1 to +1) of the linear relationship between variables. One way to statistically describe the degree and direction of the linear relationship that exists between variables is through the use of a correlation coefficient. A series of correlation studies were carried out in this section with the purpose of determining whether or not there is a connection between the variables that were envisioned in the framework. With the help of the findings, the researcher would be able to compute the regression on the variable that was dependent. The researcher utilized one of the most common types of correlation coefficient methods, which are known as Pearson correlation coefficient methods. This was done since these methods often generate excellent statistical precision. Evans (1996) would be the one to explain how the degree of association should be viewed, and the pattern that follows would illustrate this interpretation. An extremely weak range is 0.00-0.19, a weak range is 0.2-0.39, a moderate range is 0.4-0.59, a strong range is 0.6-0.79, and a very strong range is 0.8-1.0.

Table 4.3.2: correlations

Correlations							
		TNA	TD	TM	TI	TE	EP
EP	Pearson Correlation	.770**	.833**	.815**	.844**	.748**	1
	Sig. (2-tailed)	0	0	0	0	0	
	N	92	92	92	92	92	92

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

Source; IBM SPSS statistics 26 IBM SPSS statistics 26 is the source.

The table shows that, at a 95% confidence level, there is a strong statistically significant association ( $r=0.770$ ) between the employee's performance factors—training need assessment and performance growth. Additionally, there is a strong correlation between the dependent variables and factors such as training design ( $r=0.833$ ) at a 99% confidence level, training methods ( $r=0.815$ ) at a 99% confidence level, training implementation ( $r=0.844$ ) at a 99% confidence level, and

training evaluation ( $r=0.748$ ). According to the Pearson correlation table, nearly every independent variable has a substantial link with improving employee performance.

Overall, there was a strong and favorable correlation between employee performance overall and training and improvements ( $r = 0.802$ ,  $p < 0.001$ ). Because the  $p$  value is less than 0.001, the finding indicates a strong and meaningful association between employees' performance and training and development. This findings is consistent with research by Hameed & Waheed (2011) and Athar & Shah (2015), which discovered a substantial and robust link between the performance of employees and their professional development and training.

Furthermore, the outcome is corroborated by human resource theories and the literatures included in the literature review section.

#### 4.3.3 Linear Regression Analysis

Employee's Performance =  $\beta_0 + \beta_1$  (training need assessment) +  $\beta_2$  (training design) +  $\beta_3$  (training method) +  $\beta_4$  (training implementation) +  $\beta_5$  (training evaluation)

Table 4.3.3 linear regression analysis model summary

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.945 <sup>a</sup>	.893	.887	.28494

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

b. Dependent Variable: Employee's Performance

Source; IBM SPSS statistics 26

From the above model summary, we can claim that 88.7% of the variance change in the dependent variable can be predicted by the independent variables.

TABLE 4.3.4: Linear regression analysis coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.512	.209		-2.450	.016
	TRAINING NEED ASSESSMENT	.124	.085	.054	1.453	.002
	TRAINING DESIGN	.181	.066	.190	2.737	.003
	TRAINING METHOD	.252	.087	.247	2.890	.005
	TRAINING IMPLEMENTATION	.407	.077	.424	5.277	.000
	TRAINING EVALUATION	.241	.071	.171	3.372	.001

a. Dependent Variable: EMPLOYEE'S PERFORMANCE

Source; IBM SPSS statistics 26

As can be seen in the above table, the regression model's fit to the independent variables of training need assessment, training design, and training method is significant at each of the following levels: TNA 0.001 ( $\beta = 0.241$ ,  $p < 0.05$ ), TD 0.000 ( $\beta = 0.407$ ,  $p < 0.05$ ), and TM 0.005 ( $\beta = 0.252$ ,  $p < 0.05$ ); furthermore, the bank's implementation and evaluation of training play a crucial role and improve employee performance (TI 0.008 ( $\beta = 0.181$ ,  $p < 0.05$ ), TE 0.150 ( $\beta = 0.124$ ,  $p < 0.05$ ). This shows that there is a connection between the employee's performance improvement process and the bank's all-independent variables.

The questionnaire also includes a few open-ended questions to which respondents can reply. Together with the respondent's response, the summary will be given in the area below. Since there are many distinct viewpoints on the same subject when it is open-ended, the student researcher has some of the following significant results. Choosing answers that gain a good reputation.

- Additionally, the respondents provide their responses to the question, "What are the challenges that are associated with the training and development of employees at the bank?"

Several challenges may be associated with employee training and development in banking institutions, all employee's response compiled as follows:

- ❖ **Resource Constraints:** Banks often face budgetary constraints, limiting the resources available for training programs, including funding for trainers, materials, and technology.
- ❖ **Time Constraints:** In a fast-paced banking environment, finding time for employees to undergo training while still fulfilling their regular job responsibilities can be challenging.
- ❖ **Technological Adaptation:** With rapid advancements in technology, employees need continuous training to keep up with new systems and software. Ensuring employees are tech-savvy can be a challenge, particularly for those who are not accustomed to frequent technological changes.
- ❖ **Employee Turnover:** High turnover rates common in the banking industry can lead to a continuous need for training new employees, which can strain resources and impact productivity.
- ❖ **Customization of Training Programs:** It can be difficult and time-consuming to create training programs that meet the varied demands and skill levels of employees across different departments.
- ❖ **Measuring Effectiveness:** In the absence of precise metrics and evaluation procedures, evaluating the efficacy of training initiatives and figuring out how they affect worker performance and organizational outcomes can be difficult.
- ❖ **Compliance and Regulation:** Training programs are made more complex by the highly regulated environment that banks operate in, which necessitates that staff members complete training in order to remain compliant with industry rules and procedures. Effective change management methods are necessary because employees may reject training initiatives because they are afraid of change or reluctant to adopt new processes or technologies.

Addressing these challenges requires a strategic approach to training and development, with a focus on aligning training initiatives with organizational goals, leveraging technology for efficient delivery, fostering a culture of continuous learning, and providing ongoing support and feedback to employees throughout their development journey.

- The individuals who participated in the survey also provided responses to the question, "What are the advantages of employees training to both the employee and the bank?"

#### Benefits to Employees:

- ❖ **Enhanced Competence and Self-Assurance:** Training provides employees with the knowledge and skills necessary to perform their work obligations with competence and confidence. As a result, employees who receive training are better able to carry out their job duties.
- ❖ **Opportunities for Career Development:** Training programs frequently offer avenues for career advancement, allowing staff members to progress in their careers inside the company. Examples of these include skill-building workshops, leadership development courses, and certification programs.
- ❖ **Enhanced Job happiness:** Workers who obtain training experience a sense of worth from their company, which culminates in elevated levels of job happiness. They are more likely to be inspired and involved in helping the bank succeed.
- ❖ **Personal Growth:** Training fosters personal growth by providing employees with opportunities to learn new skills, expand their knowledge base, and develop professionally, enhancing their overall employability and job prospects.
- ❖ **Adaptability to Change:** Continuous training helps employees adapt to changes in the banking industry, such as technological advancements, regulatory updates, or shifts in customer preferences, enabling them to remain competitive and relevant in their roles.

#### Benefits to the Bank:

- ❖ **Improved Employee Performance:** Well-trained employees are more proficient in their roles, leading to increased productivity, higher quality of work, and better customer service, ultimately contributing to the banks overall performance and profitability.
- ❖ **Reduced Turnover and Recruitment Costs:** Investing in employee training fosters loyalty and commitment among staff, reducing turnover rates and the associated costs of recruiting, onboarding, and training new employees.

- ❖ **Enhanced Customer Satisfaction:** Employees who are well-trained and knowledgeable can better meet the needs and expectations of customers, leading to higher levels of customer satisfaction, loyalty, and retention.
- ❖ **Competitive Advantage:** A skilled and knowledgeable workforce gives the bank a competitive edge in the market. Banks with well-trained employees are better positioned to innovate, adapt to industry trends, and outperform competitors.
- ❖ **Compliance and Risk Management:** Training programs ensure employees understand and adhere to regulatory requirements and compliance standards, mitigating the risk of non-compliance, legal issues, and reputational damage for the bank.

Overall, employee training is a strategic investment for banks, yielding numerous benefits for both the employees and the organization as a whole, leading to improved performance, profitability, and sustainable growth.

- The people who answered also said, "What are the training and development practices that should be improved and need to be thought about for better use at the bank in the future?"

To enhance training and development practices and ensure better future implementation at a bank, several strategies can be considered:

- ❖ **Alignment with Organizational Goals:** To guarantee that workers obtain the necessary knowledge and abilities to support the mission and vision of the bank, training programs should be closely aligned with the strategic objectives and business priorities.
- ❖ **Needs Assessment:** Regularly conduct needs assessments to determine the specific training requirements of workers at different levels and in different departments. This will help customize training plans to address particular skill gaps and developmental areas.
- ❖ **Technology Integration:** Adopt technology-enabled learning solutions, like online courses, virtual classrooms, and mobile learning platforms, to deliver training effectively and economically, particularly in geographically dispersed or remote locations.
- ❖ **Continuous Learning Culture:** Foster a culture of continuous learning and professional development where employees are encouraged to pursue ongoing education, acquire new skills, and stay updated on industry trends and best practices.

- ❖ **Leadership Development:** Invest in leadership development programs to groom future leaders within the organization. Provide opportunities for high-potential employees to enhance their leadership skills and prepare them for higher-level roles.
- ❖ **Employee Engagement:** Design training programs that actively engage employees and cater to different learning styles. Incorporate interactive elements, such as case studies, simulations, group discussions, and hands-on activities, to enhance learning effectiveness and retention.
- ❖ **Feedback and Evaluation:** Gather feedback from participants to evaluate the effectiveness of training programs and identify areas for improvement. Use metrics and key performance indicators (KPIs) to measure the impact of training on employee performance, productivity, and business outcomes.
- ❖ **Diversity and Inclusion Training:** Offer diversity and inclusion training to promote awareness, sensitivity, and respect for diversity among employees. Create an inclusive environment where all employees feel valued, respected, and empowered to contribute their best.
- ❖ **Compliance Training:** Ensure that employees receive regular compliance training to stay abreast of regulatory requirements, industry standards, and ethical guidelines. Compliance training is essential for mitigating risks and upholding the bank's reputation and integrity.
- ❖ **Partnerships and Collaboration:** Collaborate with external training providers, industry associations, and academic institutions to access specialized expertise, resources, and training opportunities that may not be available internally.

In the ever-changing financial industry, banks can create a knowledgeable and competent workforce that can drive innovation, provide outstanding customer service, and achieve sustainable growth by concentrating on these training and development practices and consistently looking for ways to improve them.

## CHAPTER FIVE: Summary, Conclusion and recommendation

### 5.1 Introduction

The results from chapter four are summed up in this chapter. The conclusions and suggestions are based on the findings. There are also calls for more research to be done.

### 5.2. Summary of the findings

Velada and Caetano (2007) assert that training and development has a major impact on employees' performance and also raises their commitment to the company and job happiness. The goal of this study was to find out how training and development affects employee performance. Training and development improves workers' useful knowledge and skills, which in turn improves the performance of the business. In order to accomplish these goals, 92 employees were chosen as a sample, and a questionnaire was given to them. An employee organization interview provided more evidence for this.

From this study, the following particular findings are observed:

- One of the functions of the bank's Human Resource Development department is staff training, according to the study that was done. The managers will be empowered to fill in the indicated knowledge by working with the human resource division. Setting priorities for training and development and incorporating learning into regular management procedures will fall within the purview of managers.
- The survey also revealed that achieving individual and organizational performance in tandem with raising the bank's general competency level is one of the goals of training and development.
- After then, information about the bank's actual training and development initiatives was given and examined. Regarding the training delivery technique employed by the firm, the majority of respondents expressed comfort and agreed that it is convenient to acquire the required information and skills through this manner. A key component of training and development, according to Braga (1995), is the manner in which instruction is delivered.
  
- Additionally, the findings disclosed that the bank offers several training initiatives, including seminars, workshops, and experience-sharing sessions. The majority of respondents, the researcher notes from their responses, are unsure as to whether the training program's design is based on the work they are doing. Training needs to be planned such that it involves improving or altering social behavior, knowledge, abilities, and attitudes, according to Descenzo & Robbinses (2000).
- Though creating a strong sense of belonging is one of the organization's goals. The results of this study also showed that, despite effective training programs that help them get the necessary abilities and develop loyalty for various tasks, employees lack the confidence to state that they have a strong feeling of belonging to the company.
- Based on what Ospina and Watad (1999) say. For employees to be able to do their jobs and make important contributions to the company's goals or aims, they need to go through the necessary training and education. However, the answer given by the responders there may be some things that drive workers to reach the organization's goals, but most of the people who answered are not motivated and can't do so. Because of this, it is very important for businesses to do training need analyses on their employees to find out what training and

development they need and then match those needs with the business's general goals and needs in order to achieve its vision and purpose.

### 5.3 Conclusions

The impact of training on employee performance cannot be overstated. As organizations continue to recognize the intrinsic link between well-trained employees and overall success, investment in training initiatives becomes a strategic imperative. By enhancing skill sets, boosting confidence, fostering innovation, cultivating a culture of improvement, and improving satisfaction, training serves as an indispensable tool for driving employee performance to new heights, contributing significantly to the overall success of an organization.

The primary objective of the research is to determine how training and development affect employees' performance at Bank of Abyssinia. In the meantime, the study addressed specific objectives and raised fundamental research issues. The study concludes that the evaluation of training has a significant impact on employee performance; this was related to the company's regular skill set evaluation, which identified areas of inadequacy that required training for employees; the staff received comfortable training that complied with organizational norms and procedures and defined training needs; the adoption of training had a significant impact on employee performance owing to the company's provision of comfortable training.

The study also found that, because all new hires had a well-organized orientation and induction program, employee performance was highly impacted by the evaluation of the training program.

### 5.4 Recommendations

It was necessary for the research to provide ideas that were both applicable and appropriate, taking into consideration the conclusion that was made from the study as well as the research challenges and objectives that were described. It is for this reason that the researcher has provided the advice that are listed below.

- The bank's authorities and obligations stress the importance of excellent training and development procedures. This is crucial for building a knowledgeable and skilled team.
- The training and development practices at Bank of Abyssinia should be reviewed on a regular basis, with an adequate assessment of the organization's needs and identification of the individuals' skills, knowledge, and educational background. On the other hand, the firm should develop appropriate training methods for its personnel depending on their skills and educational background.
- The organization's goals should be matched with each individual's training requirements, and training should be chosen based on a thorough need assessment. This assists the organization in determining if people are comfortable with their employment and work settings and assessing how well they deliver quality service.
- It is recommended that organizations set aside an adequate funding for staff training. Given that employee investments are crucial and meaningful, they should focus on helping them acquire and retain the necessary information, skills, and abilities.
- It is important to understand that training and development programs must be assessed prior to, during, and after they are planned, implemented, and completed. This can help remove any potential roadblocks and increase certainty in an effective and efficient manner.
- Top management should monitor staff training and development, examine program outcomes regularly, and evaluate programs based on training goals.
- The company's top authorities and decision makers should try to create a training-friendly environment and design procedures that allow all employees to participate. In addition, more firms should offer training and development programs to help employees enhance their job performance.

It is critical to have transparent and sensible training and development policies, as well as documentation requirements. This helps to track the impact assessments' results as well as the employees' learning, behavioral shifts, and responses to the training and development program.

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# Appendices

## Questionnaire

Dear respondents,

This questionnaire is designed by the final year MSc in international business student of Addis Ababa University College of business and economics department of management entitled “The Impact of training and development on employees’ performance, In case of Bank of Abyssinia” for the partial fulfillment of the Master’s thesis. The information supplied by you will be held strictly confidential and is used for the intended purpose. You will not be held responsible for anything among thereof.

**Instruction: -**

- No need to write your name
- Please tick (✓) mark on the space provided
- Kindly requested to duly fill and return the questionnaire

**Part I: Respondent's Profile**

1. Sex

•Female  •Male

2. Age

•Below 30 years  •30-40 years  •41-50 years  •51 and above

3. What is your current position in Bank of Abyssinia S.C?

•District Director  •District Resource Manager  •District operation Manager

•Branch Manager  • Branch Business Manager  •Branch Operation Manager

•Senior banking business officer  •senior banking operation officer

•Banking business officer  •Banking operation officer

•Junior officer  •Bank trainee

4. Educational background?

• BA  • MA  • PhD

5. Work experience in the banking industry;

•1-5 years  • 6-10 years  • 10-15 years  • 16 and above years

**Part II. Training Issues**

Dear respondents, you are kindly requested to use a (✓) to respond to the following questions designed using a five points Likert's scale where;

5- Strongly agree

- 4- Agree
- 3- Neutral
- 2- Disagree
- 1- Strongly disagree

1. Training need assessments are conducted by the bank properly?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

2. The selection for training is based on proper need assessment?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

3. The bank assesses the trainee's knowledge before selecting the training program?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

4. Employees attend the trainings that fit department's needs with the alignment of the bank's objective?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

5. Training programs are designed based on need assessments?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

6. The objectives of trainings were coherent with employee's trainings need?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

7. Training programs are designed at level of abilities and educational background of employees?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

8. There is an opportunity for training and development?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

9. The training I have taken is relevant to my job?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

10. The method of training used by the organization is relevant to the training objectives?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

11. There are defined criteria for training and development at the bank?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

12. The lecture training programs are designed at level of abilities and education of employees?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

13. There are clear directions provided during training?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

14. The training and development provided aligns with the bank's strategy and objectives?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

15. The bank puts enough budgets for the training and development program?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

16. The bank has available needed resources for training and development?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

17. The effectiveness of training programs is properly evaluated in terms of developments in employee performance?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

18. Employee training is considered as a crucial factor for improving individuals and organizational performance at the organization?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

19. Employees are satisfied with the overall aspect of the training programs at the bank?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

20. Training programs are evaluated during or at the end of the program/sessions?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

21. Employees become more committed towards their jobs after receiving trainings.

Strongly agree  Agree  Neutral  Disagree  strongly disagree

22. Trainings given to the employee's increased their confidence while performing work related tasks?

Strongly agree  Agree  Neutral  Disagree  strongly disagree

23. Job performance helps to in enhancing the employee's efficiency and effectiveness.

Strongly agree  Agree  Neutral  Disagree  strongly disagree

24. Trainings are important in improving the employee's performance to give quality service.

Strongly agree  Agree  Neutral  Disagree  strongly disagree

25. What are the challenges associated with employees training and development at the bank?

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26. What are the benefits of employees training to both the employee and the bank?

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27. What are the training and development practices that should be enhanced and need to be considered for their better future implementation at the bank?

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