



The Effect of On-The-Job Training on Employee Performance in Selected Private Commercial Banks in Ethiopia

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Master's Degree in Human Resource Management**

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DECLARATTION

I, Wendewosen Ajeme, do hereby declare that a research titled “The Effect of on-the-job Training on Employees Performance in Selected Private Commercial Banks in Ethiopia”, is my own work, that has not been submitted for any degree or examination in any other University, and that all sources used or quoted have been indicated and acknowledged by the author in complete references.

Signature.....

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LIST OF ABBREVIATIONS

HRM: Human Resource Management

DBE: Development bank of Ethiopia

CBE: Commercial Bank of Ethiopia

HR: Human resource

OJT: on-the-job training

ABSTRACT

Working on employees to ward enhancement of their performance is the responsibility of top management. One of the methods achieving on enhancement of employees performance is investing in training. The objective of this study was to determine the effect of on-the-job training on employee performance in selected private commercial banks in Ethiopia and to determine the relationship between on-the-job training and employee performance. Due to the fact that the total number of target population was unknown purposive sampling technique were employed, data was collected from six selected private commercial banks in Ethiopia and respondents were grouped in to three while they were ninety in number. Data was gathered using self-administered questionnaires and descriptive Survey method was used to gather data. Data from the questionnaires were analyzed quantitatively using descriptive statistics like frequency counts provided by SPSS. Finally, the study discussed and identified the limitations of this research and gave directions for future research on this topic.

Key Findings The result of the study shows and concluded that the independent variable on-the-job training has a positive effect on employee's performance in selected private commercial banks in Ethiopia.

CHAPTER ONE

INTRODUCTION

BACK GROUND OF THE STUDY

In the 5th-century BC, the philosopher Lao-Tse (also known as Lao-tzu) wrote: “If you tell me, I will listen” If you show me, I will see. But if you let me experience, I will learn” Amir (2013).

Today improved capabilities, knowledge and skills of the talented workforce proved to be a major source of competitive advantage in a global market. It is known that to develop the desired knowledge, skills and abilities of the employees, to perform well on the job, requires effective training programs that may also affect employee performance. As a result determining methodology of training program which enhance employee performance for organizational goal achievement would be the central point to create the true commitment and motivation expected from the employees.

Amir (2013) stated that when employees recognize their organization’s objective through offering training programs, they in turn apply their best efforts to achieve organizational goals, and show high performance on job. Amir also mentioned On-the-Job training, sometimes called direct instruction, is one of the earliest forms of training and it is a one-on-one training located at the job site, where someone who knows how to do a task shows another how to perform it. In fact, this type of training is probably the most popular method of training because it requires only a person who knows how to do the task, and the tools the person uses to do the task. It may not be the most effective or the most efficient method at times, but it is normally the easiest to arrange and manage.

According to Job (2016) developed countries like Britain, Japan, China and United States of America are widely acknowledged that human beings are one of the most important resources for development. These resources must need to get sufficient training in order enhance its performance to meet the required objective.

In their study of unique firm-level data from five developing countries Hong et al. (1996) identified that the production function analyses provided strong evidence of the productivity enhancing effects of training and large and significant impact of training on productivity was found for skilled workers but not unskilled workers, and for in house formal training as compared with external sources of training.

On the other hand today one of the most critical challenges facing the third world is the training and development of its people. This challenge is being faced daily by thousands of training professionals in all parts of the developing world; in addition consultants from the west and from the developing countries are struggling with the questions of what kind of training and how much is appropriate in each situation. The very critical and the main point that organization must answer here is what kind or method of training is appropriate for their employees which can enhance their employee's performance.

In Ethiopia on-the-job training is required to be conducted frequently throughout all banks for employees in specific job positions like graduate trainee, junior clerks and customer service managers. Though their training policy and procedure manual varies, according to national bank of Ethiopia's regulation (2015) it requires every bank in the country is expected to spend 2% of its recurrent budget for their employees training and development. However, applicability of on-the-job training in Ethiopian private commercial banks and the effect it has on employees performance need to be assessed in line with the major services that the banks provide for the society and their customers which are basically Interest free banking service, Domestic Banking Service, E-Banking, BLMT or Broad Band Local Money Transfer, Agent Banking and International Banking.

Among Several training provided by Ethiopian private commercial banks, on-the-job training is one which is categorized under internal training. Therefore, conducting a study to investigate the effect of on the job training mainly on employee performance is demanding since it will benefit both employees and the overall banking industry. Hence, on this study the researcher will try to investigate the effect of on-the-job training on employee performance and determine their relationship. The study particularly focuses on the case of selected private commercial banks in Ethiopia. It will also help to clarify on how the research will make a contribution toward the area of training.

1.2. DESCRIPTION OF THE STUDY AREA

It has been clearly stated by Abreha (2015) on the brief history of Banking in Ethiopia. As Abreha stated “The history of banking in Ethiopia dates back to the era of the Axumite dynasty. However, modern banking in Ethiopia started in 1905 with the establishment of Abyssinian Bank based on a 50 years agreement with the Anglo-Egyptian National Bank. In 1908 a new development bank (named Societe Nationale d’Ethiope Pour le Development de l’Agriculture ET du Commerce) and two other foreign banks (Banque de l’Indochine and the Compagnie de l’Afrique Oreintale) were also established.

Abreha (2015) also stated that these banks were criticized for being wholly foreign owned. In 1931 the Ethiopian government purchased the Abyssinian Bank, which was the dominant bank, and renamed it the ‘Bank of Ethiopia’ – the first nationally owned bank on African continent. In 1943 the Ethiopian government has established its own bank called State Bank of Ethiopia, which was serving both the commercial bank and central bank activities. Later on it is further dissolved into today’s National Bank of Ethiopia (NBE) and Commercial Bank of Ethiopia (CBE).

Before the Derg regime (1974 through 1991), there were private and state owned banks operating in the country such as CBE, AIDB (DBE), and HSB (CBB). By then, all financial institutions including banks were nationalized. After 1992, the financial sector has been deregulated that gives birth to private banks, insurance companies and micro finance institutions. Currently, the number of banks operating in the country reached 18 of which 2 of them are owned by the state and the remaining 16 are private commercial banks. The number of total banks branch in the country reached 2,208 from 1,728 by the year 2014.”

The practice of training in Ethiopian commercial banks according to Habte (2014) is becoming growing in recent years and even some of Ethiopian commercial banks encourage experienced workers to share & transfer their knowledge to new and/or less experienced staffs. Some banks also encourage further education by paying tuition fees and provide off-site training (site visit) to keep skills up-to-date.

1.3. STATEMENT OF THE ROBLEM

Researchers did not give due attention for on-the-job training specifically and in addition to that on-the-job training has not always been the strongest link in the organization due to lack of time, insufficient training materials, skilled Manpower and lack of awareness about the importance it has on enhancing employee performance. Here employee performance depends on various factors but the most important factor is employee training and if organizations want to have skilled and qualified employees throughout the organization it is a must to work on training that is one of the core HRM function. In this scenario one may ask what kind of training? Where should be the training given? How it is given? When the training should be provided? By whom it would be given? Due to this fact various methods of training, their effectiveness, their effect on employee performance and their contribution toward enhancing organizational performance also need to be addressed in depth.

Studies of Wenham et al. (2014) and Alice (2014) indicated that while employee training affects employee performance in a positive way training and performance they have also related positively. However, the scholars rather than describing which type of training has an effect on employee performance they discussed the effect of training on employee performance in general.

As stated above if one asks which kind of training has an effect on employee performance or which kind of training is positively related to performance? It might be difficult to differentiate easily. In this study also the gaps identified by the researcher and argued for are even though various kinds of on the-job-training trainings are provided their effectiveness is not measured. So it is difficult to assess to what extent employees have brought changes in their knowledge, skill and ability (KSA) that will impact their performance. Furthermore, those trainings which have an effect on employee performance were not clearly identified in the various studies and have not been given serious consideration. So that, it is the aim and the main area of focus of this study to investigate one of the major type of training whether on- the- job training has an effect on employee performance or not.

The purpose of this study is to examine the effect of on-the-job training on employee performance and to determine their relationship in the case of selected private commercial banks in Ethiopia. This study will therefore, contribute to minimizing the gap in the literature and thereby establish the basis to understanding of the effect of on-the-job training on employee performance in particular and its relationship with performance in selected private commercial banks in Ethiopia. Furthermore, in order to address the research problem, this study tries to answer the following basic research questions.

1.4. RESEARCH QUESTIONS

It is found to be important to conduct this study in general to apply the outcome for selected Ethiopian private commercial banks in order to investigate and determine issues relating to training in general and on-the-job training in particular.

Therefore the researcher tries to address the following key questions in the study:

- ❖ How does on-the-job training enhance employee performance in selected private commercial banks in Ethiopia?
- ❖ Is there significant relationship between on-the-job training and employee performance in selected private commercial banks in Ethiopia?
- ❖ How does on-the-job training related to the main indicators of employee performance?

1.5. HYPOTHESES

The researcher proposed the following hypotheses to investigate the effect of on the job training on employee performance. The hypotheses will give us tentative answer on showing the relationship between on-the-job training and employee performance.

H₀ - The null hypothesis states that on-the-job training has no effect on employee performance

H₁- On-the-job training has positive effect on employee performance

1.6. RESEARCH OBJECTIVES

1.6.1. General Objective

- The general objective of the study is to investigate the effect of on-the-job training on employee performance in selected private commercial banks in Ethiopia.

1.6.2. Specific Objectives

- To assess whether on-the-job training has an effect on employee performance.
- To investigate the relationship between on the job training and employee performance.
- To determine how on-the-job training is related to indicators of employee performance
- To identify the practice of on-the-job training in selected private commercial banks in Ethiopia.

1.7. SIGNIFICANCE OF THE STUDY

On-the-job-training plays a significant role in the development of organizations, enhancing performance as well as increasing productivity, and ultimately putting companies in the best position to face competition and stay at the top. Every organization that is committed to generating profits for its owners (shareholders) and providing quality service for its customers and beneficiaries must invest in the on the job training for its employees to customize skills and knowledge.

The study will be of use to the banks management by encouraging them to embrace on the job training to increase their employee's performance; it will also help to establish how on-the-job training has influence employee performance and what improvements shall be made on implementation of on the job training and effectiveness of the program toward employee performance enhancement.

Scholars also will find it important as it will increase the body of knowledge in this area. It can also assist the researchers in doing further studies of the same as it helps to clearly observe the relationship between on-the-job training and employee performance.

1.8. SCOPE OF THE STUDY

There are factors internal to the organization and external to the organization which has an effect on employee performance. However, the central question to be investigated in this study is on-the-job training which is internal to the organization and its effect on employee performance. More specifically the study focuses on selected private commercial banks in Ethiopia which are found in Addis Ababa.

1.9. LIMITATION OF THE STUDY

Since only on-the-job training was under study other factors that affect employee performance are not considered and being beyond the scope of the study. Furthermore since there was no well organizing document found in the selected banks which can help for differentiating those who took on-the-job training. So that there was difficulty in identifying the overall population size and as a result purposive sampling was taken as sampling determination.

1.10. DEFINITION OF TERMS

- ❖ **On the job training (OJT):** employee who has taken coaching, mentoring, job instruction and assigned as committee member trainings.
- ❖ **Employee performance:** it is the accomplishment, execution, carrying out, working out of tasks as per order given.
- ❖ **Commercial Banks:** Those private banks found in Ethiopia and engaged in providing commercial banking service for the society and their customer.

1.11. ORGANIZATION OF THE STUDY

The study is organized into five chapters and chapter one introduces the study by giving the background information on the research problem, general and specific objectives. The chapter further outlines the research questions, significance, scope, limitations as well as the organization of the study and hypothesis. Chapter two deals with the review of relevant literature on the research problems and chapter three discusses the research methodology adopted for the study and relevant justifications.

Chapter three outlines the methodology for carrying out the secondary and primary data collection and how results will be analyzed.

The findings on the study reflected in chapter four while the final chapter gives the summary and conclusions drawn from the research findings and recommendations to enhance organizational effectiveness through on the job training and training in general to ensure there is a stable and committed human resource.

CHAPTER TWO

REVIEW OF LITRATURE

2.0. INTRODUCTION

The main purpose of on-the-job-training is to acquire and improve knowledge, skills and attitudes towards work related tasks. It is one of the most important potential motivators which can lead to both short-term and long-term benefits for individuals and organizations. This chapter will review the literature related to the study on the topic of the effect of on-the-job-training and it will be in line with the study objectives. A conceptual framework will also be used to operationalize the variables.

2.1. TRAINING

Amongst the many developments that have been introduced to organizations, that of becoming a learning organization has taken on a high profile. Therefore, before jumping to the topic at hand it is better to see what we mean by training in general.

According to Roger et al. (2009) training is a planned and systematic effort to modify or develop knowledge/skill/attitude through learning experience, to achieve effective performance in an activity or range of activities. Its purpose, in the work situation, is to enable an individual to acquire abilities in order that he or she can perform adequately a given task or job and realize their potential.

According to Amir Et.al (2013) training is important and an imperative tool for the organization to revamp the performance of all the personnel for organizational growth and success. It is beneficial to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well. Firms can develop and enhance the quality of the current employees by providing comprehensive training and development. Amir also sited that training is essential not only to increase productivity but also to motivate and inspire workers by letting them know how important their jobs are and giving them all the information they need to perform those jobs.

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

According to Raja et.al (2011) training and development, on-the-job training, training design and delivery style are four of the most important aspects in organizational studies. The focus of their study was to understand the effect of training and development, on-the-job training, training design and delivery style on organizational performance. The backbone of their study was the secondary data comprised of comprehensive literature review. Four hypotheses were developed to see the Impact of all the independent variables on the overall organizational Performance. The hypotheses showed all these have significant effect on organizational Performance.

The hypotheses came from the literature review and they have also proved them with the help of literature review. Their Results showed that training and development, on-the-job training, training design and delivery style have significant effect on organizational Performance and all these have positively affected the organizational Performance. It means it increases the overall organizational performance. They also proved their Hypothesis through empirical data. However, they have also indicated results were strongly based on the literature review.

2.2. ON-THE-JOB TRAINING

“Nowadays, for development employees to achieve new knowledge and technology, culture building and improvement of staff performance, organizations hold different job-training courses.” Nader t.al (2011). Though within one organization different methods are used for training different people the main methods which are divided into two classifications are on-the-job training and off-the-job training. As sited on Salini (2015) on-the-job training refers to new or inexperienced employees learning through observing peers or managers performing the job and trying to imitate their behavior.

He further posits that on-the-job training can be useful for training newly hired employees, upgrading experienced employees' skills when technology is introduced, cross-training employees within a department or work unit, and orienting transferred or promoted employees to their new jobs.

On-the-job training is considered as one of the most effective management methods for adapting employees to environmental changes and it can guarantee desired performance, particularly in services and governmental organizations. Somayeh et.al (2013).

Somayeh et.al (2013) also stated that if on-the-job training is performed regularly and intentionally and in the course of actual needs of staff, it may not only promote organizational performance, but also it can enhance directors' skills and result in increasing staff and clients' satisfaction. They also mentioned that some staffs from the American quality and operation center believes that the greatest relative and long-term superiority of Japan lies in its training especially on-the-job training not it's just management system. According to the national studies conducted between the years 1986 and 1987, approximately six million people received on-the-job training and it seems that almost one to two million people in England are working as the on-the-job trainers.

On-the-job training takes various forms, including apprenticeship and self-directed learning programs. It is an attractive training method because, compared to the other methods, it needs less investment in time or money for materials, trainer's salary, or instructional design. Nancy (2001). According to Nancy (2001) On-the-job training has evolved into a diversity of manifestations as follows.

Job rotation is one of manifestation of OJT: In job rotation, the employee is assigned to different positions and possibly different departments for pre-arranged periods of time. The combined evaluation of the different work experiences determines the employee's final job assignment. Bett (2015) also sited Job rotation is the surest way of keeping the employee away from complacency and boredom of routine. It is difficult for an employee to sustain his interest in a given job for any substantial length of time as humans have the tendency of outgrowing their jobs through the learning and experience that they gain over a period of time.

Stimulating human mind through diversity of challenges is a sure way to bring to forefront its creative instincts and in taking the individual and organizational performance to a higher plane. This is where job rotation can prove to be a handy tool.

Bett (2015) also stated that Job rotation gives the employee the opportunity to develop skills in a variety of changing jobs. Furthermore, in Bett (2015) it has been sited job rotation does not actually lead to motivation of the employee it just helps the employees not to get bored with their work. In other words it helps the employers to maintain a certain level of motivation in employees

Another form of OJT is coaching: in coaching, the trainee must already possess some level of skills and knowledge at a job. The trainer acts as a coach to facilitate learning and guide learners rather than instructor train them. In this regard according to Pedro et.al (2015) they identified that coaching has an influence on both individual performance and organizational performance indicators. Besides, they have determined social exchange theory and the resource-based view are proper frameworks so as to study the effects of coaching.

Mentoring is also manifestation of on the job training and it is very similar in that it calls for a higher level of initial skill and job knowledge, as does coaching. Here also as sited on Ramessh (2015) mentoring is defined as the professional relationships in which an experienced individual who is called mentor helps another person called mentee in developing particular knowledge and skills which can improve personal and professional growth of less-experienced people .

Mentoring can be one-to-one, non-judgmental associations in which a personal willingly provides time to encourage and support others which normally developed at the transition time in the life of mentee and lasts for sustained and significant period of time. Mentoring assists, support, advocacy or guidance provided by one individual to other for the achievement of pre-determined objectives over the specific period of time. Ramessh (2015).

Furthermore, Ramessh (2015) also cited, mentoring as “Off-line help by one person to another in making significant transitions in knowledge, work or thinking”. In other words, mentoring is a type of support of one person to another person within individual relationships generated through regular contacts over the specific time period. However, mentoring associates to identification and nurturing of likelihood for an individual which can be long-term procedures in which the objectives might change but are always determined by the mentees or learners. The learners own both the process and the goals. Feedback comes from the learners and the mentor assists them to develop understandings and insights intrinsic interpretation.

The mentor is generally a supervisor or manager rather than a co-worker. The intention of mentoring is to support the employee, help orient them to the job and work environment and prepare the employee for increasing responsibility.

Job instructions: Also known as step-by-step training in which the trainer explains the way of doing the jobs to the trainee and in case of mistakes, corrects the trainee.

Committee assignments: A group of trainees are asked to solve a given organizational problem by discussing the problem. This helps to improve team work.

Apprenticeship: Apprenticeship is a formalized method of training curriculum program that combines classroom education with on-the-job work under close supervision. The training curriculum is planned in advance and conducted in careful steps from day to day. This method is appropriate for training in crafts, trades and technical areas, especially when proficiency in a job is the result of a relatively long training or apprenticeship period, e.g., job of a craftsman, a machinist, a printer, a tool maker, a pattern designer, a mechanic. “Apprenticeship increases productivity since motivated and highly trained workers produce better products, have better work habits and are absent less often. Apprenticeship also increases worker safety, reduces labor turnover, create a versatile workforce and provided employers with employees who can adapt to new technologies” chumo et.al (2015).

Chumo concluded in their study apprenticeship as a technique of training played a role in an organization's employee's retention, and job satisfaction. As much as training is crucial in equipping the employees with the necessary skills they need to perform their jobs effectively, it is also essential in developing their loyalty and commitment to an organization hence low employee turnover.

On-the-job training is very hands on and this makes it very appealing to many people involved in the process while the end result is the trainee doing the real job. Since this is the element of realistic practice, rather than worrying about skills transfer from simulator or lecture, the trainee learns on the actual equipment or machinery involved performing actual job tasks. On the job training also could be structured or unstructured.

2.3. EMPLOYEE PERFORMANCE

According to Aiman (2015) the performance on part of the workforce is the driving force behind the survival of any business firm. Further, well performing employees contribute to the efficiency and success of the organization. Aiman also described employee performance as “the set of employee behavior, results, and outcomes that come after completing the job tasks using certain competencies and that are measured through different metrics constitute employee performance.”

As sited on Aiman (2015) two types or dimensions of performance are being given. These are tasks dimension of Performance (includes all those work activities that allow the completion of tasks in a job) and Contextual Dimension of Performance (includes all those behaviors that make an employee act responsibly toward the organization). On the other hand KPIs, performance reviews and appraisals help employees know how they have been doing and what further development or training they need to do to improve.

Reviews should be available to all staff and also using the performance and development agreement plan to outline our employee's expected performance standards and goals as well as skills improvement is important.

Indicators of Employee Performance

“Determinants of employee performance are those competencies or factors that are used to measure the effectiveness and level of individual performance” Aiman (2015). He emphasized that these are the indicators of workforce performance in any organization. Aiman also cited the indicators of performance which are procedural knowledge, declarative knowledge, and motivation. These are the constituents of performance and their product is equal to performing well **i.e. Motivation X Declarative Knowledge X Procedural Knowledge=Performance**

Motivation refers to the degree of hard work inserted into the job and the level of contribution toward achieving the goals

Declarative knowledge is inclusive of the knowledge about different guiding principles, procedures, particulars and the job responsibilities

Procedural knowledge is to know the way of doing the job properly and the skills required to perform the job e.g. technical, functional, and cognitive skills.

Measuring Employee Performance

As sited on Aiman (2015) there are several methods employee performance can be measured based on the organizational preferences and the performance management system in practice over there. The performance management system defines the performance measures for employees i.e. the criteria to quantify and calculate the level of performance. “BSC, Alternate ranking (ranks employees from best to the worst performer), Graphic rating (rank employees based on the score won in the list of traits included on the rating graph), Paired comparisons (making pairs of employees by deciding on certain traits then measuring the individuals’ standing on each trait and declaring who is better), Forced distribution (employees are to be ranked on predefined criteria), Critical incidents (manager notes down the incidents of critical importance both good & bad and then evaluate the employee), and Behaviorally anchored rating scale (it uses a combination of rating methods and critical incidents) are some of employee performance measure sited on “. Aiman (2015).

Aiman also mentioned three basic approaches to performance measurement: *Approach of traits* is during the year approach and deals with measuring the individual characteristics indicating the performance; *Approach of behavior* deals with evaluating the ways employee uses to carry out his/her job; *Approach of results* that is an end of the year evaluation approach and deals with evaluating the employees based on achievement of targets.

In General the concepts of performance are studied through evaluation of overall performance and the management of the performance and the evaluation of performance is the process classifying certain outcomes within a definite timeframe. Moreover, the axiom, 'If you can't measure it, you can't manage it,' underpins the rationale for organization having a completed and comprehensive performance measurement system such as the Balanced Scorecard or total quality performance management. This approach connects measures throughout an organization to translate high level objectives into lower level activities.

Performance criteria need to be unambiguous, clearly explained, relevant to the work tasks undertaken by employees and achievable. The criteria should not include factors beyond the control of the individual employee. Supervisors also need to be trained to provide regular, meaningful and constructive feedback.

Employees should also be provided with appropriate training and development opportunities to overcome weaknesses in performance identified through the appraisal process. Therefore, employees are more willing to get involved in decision-making, goal setting or problem solving activities, which subsequently result in higher employee performance.

“Training and development are often used to close the gap between current performances and expected future performance. Training and development falls under HRD function which has been argued to be an important function of HRM. Amongst the functions activities of this function is the identification of the needs for training and development and selecting methods and programs suitable for these needs, plan how to implement them and finally evaluating their outcome results “Job (2016).

By assuming that individual social and demographic characteristics of employees are likely to intercept and affect the impact of training on employee's performance Stella (2015) conducted quantitative and qualitative cross-sectional analytic case study. The review of the literature conducted explains and highlights the role of effective training and feedback in improving the quality of task process which ultimately results in the improvement of performance of employees. Hence, finding the socio-demographic determinants of the impact of training on employee's performance was the gap in the research paper. Accordingly the findings indicated that statistically significant correlations and regression results reflected in all the variables: employee's career, performance, security, satisfaction and development and they were positively associated to on-the-job training.

According to Salini (2015) On-the-job training is an extremely prominent feature on employee performance and service quality provision. Although much has been documented about it and the various forms it takes, it has not received the attention it deserves and this led to a decision to investigate the case. To answer the question at hand the researcher employed quantitative method because of the results obtained through quantitative research are objective and the design is more scientific. Hence, they identified on the job training plays an important part in employee performance and concluded that even though on the job training is implemented there are some challenges which influence against its perfect implementation which are not clearly mentioned there.

By mentioning the existing studies Job (2016) have taken a general employee training focus creating a gap on issues on the effect of training on employee performance. They clearly stated that studies of issues associated with training in less-developed countries are rarely found. Also sited that some of these researchers argue that the recognition of the importance of training in recent years has been heavily influenced by the intensification of competition and the relative success of organizations where investment in employee development is considerably emphasized.

Job (2016) mentioned one of the major functions within an organization; on-the-job-training has for long been recognized and thus attracted great research attention by academic writers. It has yielded a variety of definitions of on job training it is planned and systematic modification of behavior through learning events, activities and programs which result in the participants achieving the levels of knowledge, skills, competencies and abilities to carry out their work effectively.

On their study Mehrdad (2009) aiming to see the degree of effectiveness of on the job training on Iranian managers they have found that it can be concluded that from manager's point of view, on the job training with 95% confidence level can improve work quality.

Aliya (2015) on the other hand using quantitative research method determined that there is maximum margin to know about the effect of long working hours, stress, trainings, communication barriers and financial rewards and personal problems on the performance of employees in the banking sector of Pakistan. The objectives of the study was to find the factors affecting the job performance of employees, to find the relationship between long working hours and employees performance, to analyze the impact of trainings on job performance of employees, to figure out the effect of communication barriers on job performance of employees, to find the relationship between financial rewards and employee job performance and to analyze the impact of stress on the employee job performance.

Though the objective of the study vary the results of the study indicated there is a positive relationship between the trainings and employees' performance , there is a negative relationship between the Long working hours and employees' performance , there is a relationship between the Stress and employees' performance , there is a negative relationship between the communication barriers employees' performance, there is a positive relationship between financial rewards and employees' performance in the Banking sector of Pakistan. The researchers also recommended that even though the results indicated that the hypotheses tested gave significant result and it is clear that the entire directional hypotheses were true and gave positive results obtained.

Furthermore, there is a margin to check the relationship among independent variables like long working hours, trainings, stress, communication barriers and financial rewards of the company. Aliya (2015).

In their study Somayeh (2013) Employees and their direct managers in Sepah Bank considered on-the-job training courses effective in promoting occupational performance in relation to work yield, increase of knowledge and occupational skills, and cooperative spirit. Also, the results of a study conducted by some researchers confirm this finding. According to Somayeh (2013) although other studies confirmed the positive impact of on-the-job training on accurate judgment and decision-making, this study did not confirm that issue. As a result, investment in other methods might be needed to promote employees' accurate judgment and decision-making.

The above studies indicate that the issue at hand which is the effect of on the job training on employee performance and the factors that affect employee performance need to be studied thoroughly and some of the literature are not consistent. Therefore, inconsistencies in the literature, the diversity of the issue, multiple factors that affect employee performance, the focus in which scholars gave for training in general rather than on-the-job in particular will help us in identify the knowledge gap and let us raise a lot of question. This is the main motive leading the researcher to conduct this study.

In addition to the above points raised the researcher basically identified most of the literatures focus on training and development .Though there are two main methods of training are very well known namely on-the-job and off-the-job this study focus on on-the-job training specifically as it needs more attention and it is one of the most important factor of which employees performance in organization could be affected positively.

2.4. CONCEPTUAL FRAMEWORK

Conceptual frameworks are abstract representations connected to the research project's goal that direct the collection and analysis of data .This is the way researcher tried to organized ideas to achieve a research project's purpose.

The study was guided by the following conceptual framework which will be used to explain the relationship between the independent variable on-the-job training and dependent variable employee performance and the effect that one have on the other.

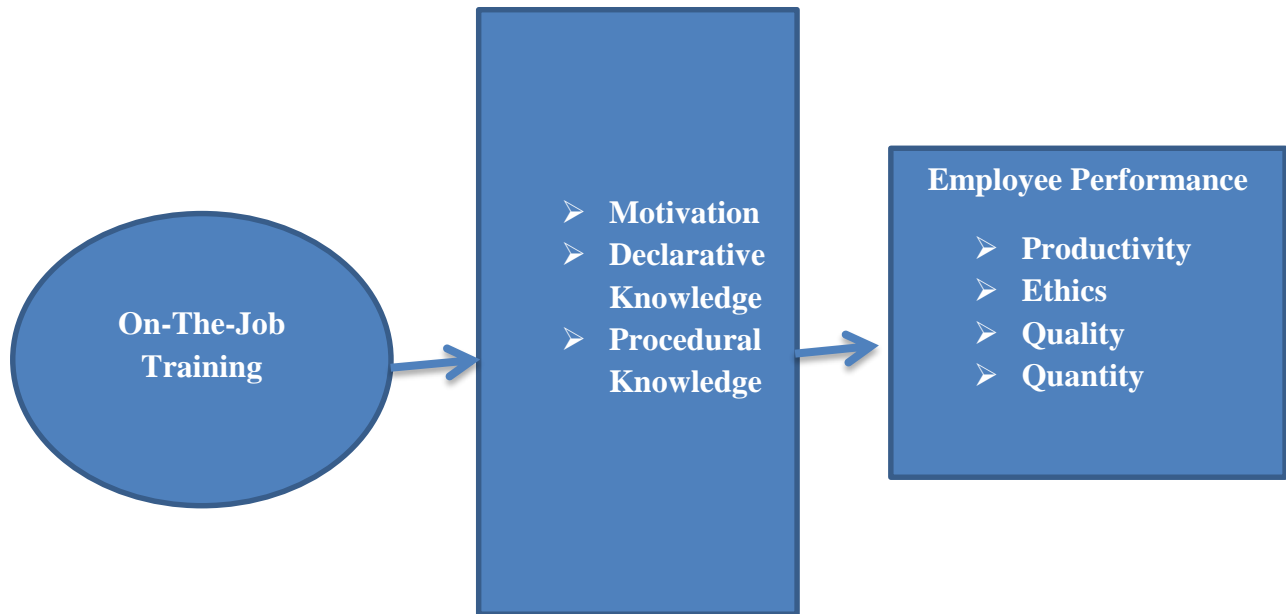


Fig.1 (Source, Nelson *et.al* 2012)

The conceptual framework proposed in the above figure States that those employees took on-the-job training possess three things namely motivation, declarative knowledge and procedural knowledge as employee performance is the product of motivation ,declarative knowledge and procedural knowledge. This would enable us the productivity, ethics, quality of work, quantity of work are also the elements of employee performance in which the employee could be measured.

Other factors that have effect on employee performance which are defined in the next chapter of this study which are external to the organization and internal to the organization are beyond the scope of this study and considered as extraneous variable which will be defined in the subsequent section of this study.

CHAPTER THREE

RESEARCH METHEDODOLOGY

3.1. INTRODUCTION

In this study self-administered questioner was used to gather relevant data which can answer the research question clearly. While the researcher planned to employ quantitative approach for data collection, correlational analysis and interpretation of data was also used in order to see the research problem more completely and to determine the relationship of the variables.

The questionnaire was designed in such a way that giving freedom for participants to express their views in response to the question asked without any influence or clues from the researcher. And this technique was sufficient by itself for conducting the research as it helped in finding a better result.

3.2. RESEARCH DESIGN

As sited on Salini (2015) the choice of the research design to be used in a study should depend on the nature of the research, the possible limitations and the underlying paradigm that informs the research project. Since the research design is the overall strategy that we choose to integrate the different components of the study in a coherent and logical way and ensure that the researcher has effectively addressed the research problem. So that descriptive study was used to describe existing situation under study and the study have undertaken descriptive analysis that describes the effect of on-the- job-training on employee's performance.

3.3. RESEARCH APPROACH

“There are two basic approaches to research: quantitative approach and the qualitative approach” Kothari (2004). On the other hand some authors like Alzheimer (2009) state that there are four main approaches namely quantitative, qualitative, mixed and participatory approaches to the research are available. This study employed quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion.

The researcher selected this approach due to the fact that quantitative research is usually involves collecting and converting data into numerical form so that statistical calculations can be made and conclusions drawn.

3.4. VARIABLES

3.4.1. Extraneous Variables

“Independent variables that are not related to the purpose of the study, but may affect the dependent variable are termed as extraneous variables “Kothari (2004).

On previous chapter the researcher mentioned that employee performance could be affected by various factors and the main aim of this study is to see the effect of one of those factors which is called on-the-job training the researcher need to clearly differentiate other extraneous variables. These extraneous variables are mentioned in various ways in different literatures. In their study Le Tran et al. (2015) identified leadership, coaching, empowerment, participation, organizational culture, motivation, work environment and training as main factors that affect employee performance. On the other hand Aliya et al. (2015) tested and identified long working hour, training, stress and financial rewards do have an effect on employee performance.

Thus the researcher classified the above mentioned and other extraneous variables as follows.

3.4.2. Extraneous variables Internal to the organization

Employee participation: Employee participation is an influence sharing process among employees who are not at the same hierarchical level. Managers and subordinates are equally involved in organization’s affairs like problem solving, information sharing and decision making by undertaking the participative management practices. Syed et.al (2015)

Reward: According to Armstrong (2009) reward is concerned with the formulation and implementation of strategies and policies that are to reward people fairly, equitably and consistently in accordance with their value in the organization.

Job security: Job Security is the presumption or confidence of an employee that he will not lose his current job he is holding to. High level job security indicates that the employees will not lose their jobs in the near future. Job security is more of a perception; it is intangible thing which we cannot look at but we feel it.

Employee employer relationship: The term 'employee relations' refers to a company's efforts to manage relationships between employers and employees. An organization with a good employee relations program provides fair and consistent treatment to all employees so they will be committed to their jobs and loyal to the company. Such programs also aim to prevent and resolve problems arising from situations at work.

Motivation: Internal and external factors that stimulate desire and energy in people to be continually interested in and committed to a job, role, or subject, and to exert persistent effort in attaining a goal.

Profession: some reflected on their own professionalism as being a result of qualifications and experience, while others described integrity and credibility as being fundamental attributes.

Recruitment: It is about attracting, interviewing and hiring new employees

Placement: Placement is the process of assigning a specific job to each one of the selected candidates.

Attendance: defined quite simply as showing up for work

3.4.3. Extraneous variables External to the organization

Political influence: political influence is the ability of private individuals and groups to impact on the government's making and implementation of official policy decisions. Almon (2016)

Socio cultural factors: Sociocultural factors are customs, lifestyles and values that characterize a society. Some examples are religion, attitudes, economic status, class, language and law.

Environmental factors: Environmental factors refer to any element that might bring change to an existing environment. This includes human factors and natural forces such as the weather.

3.5. DEPENDENT AND INDEPENDENT VARIABLES

The researcher wants to know the effect of **on-the-job training (independent variable)** on **employee performance** which is (**dependent variable**). Literatures define the above dependent and independent variable as follows.

On Stella (2015) on the job training defined as an indicator to enhance superior skills, knowledge, capabilities and outlook of the employees that results in effective performance of the workers .On-the-job training is typically one-on-one instructional session designed to give an employee additional skills, tools and resources in performing a job more successfully. As Stella mentioned on-the-job training is a considerable investment, companies and employees need to know the effects of it and decide whether the investments will be justified.

On the other hand as it was mentioned earlier Aiman (2015) Employee performance was defined as “The set of employee behavior, results, and outcomes that come after completing the job tasks using certain competencies and that are measured through different metrics constitute employee performance”. It was also discussed in Stella (2015) clear and specific performance standards or measures assist in ensuring that employees know what he or she was required to perform.

This study also will try to show and determine whether there exists a relationship between these variables or not. This will be done based on the initial hypothesis made and discussed in chapter one of this proposal.

3.6. POPULATION

Employees of private commercial banks in Ethiopia that have taken on the job training previously, their supervisors, and training experts are the overall population of this study. Anyone meeting these criteria is eligible as a member of the target population, but we know it would be impossible to identify everyone in the entire country due to the fact that the time and budget limitation are there.

As it is mentioned above due to the constraints time and budget the researcher decided to consider only reachable or accessible employees who are working on Addis Ababa city branches and have taken on-the-job-training, their supervisors/city branch managers who are found in Addis Ababa and training experts of the selected private commercial banks.

3.7. SAMPLING UNIT

Employees who have taken on-the-job training, Branch Managers and HR/Training experts are sampling unit of this study.

3.8. SAMPLING FRAME AND METHOD

Due to lack of getting the actual number of the above sample unit from all selected private commercial banks in Ethiopia the researcher was unable to determine the sample frame. As a result based on various literature recommendations the researcher decided to employ purposive sampling technique to determine the sample size of the respondents.

Ranjit (2006) stated that it is possible to use non-probability sampling when the researchers judgment is on deciding as to who can provide the best information to achieve the objectives of study. Ranjit also emphasized that this sampling strategy is more common in qualitative research, but when we use it in quantitative research we can select a predetermined number of people who, in our judgment, are best positioned to provide us the needed information for our study.

3.9. SAMPLE SIZE

“The size of sample should neither be excessively large, nor too small and It should be optimum. An optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility” Kothari (2004). In the meantime the researcher decided to select six commercial banks among eighteen private commercial banks using purposive sampling. It is assumed that the banks are representative considering their experience (duration) in the banking industry, their previous employees are the basis for newly emerging banks and frequent and extensive on-the-job-training conducted in the bank.

Table1. According to Anthony *et.al* (2007) Minimum Sample Size Recommendations for Most Common Quantitative and Qualitative Research Designs are describe as follows

Research Design/Method	Minimum Sample size suggestions
Correlational	64 participants for one-tailed hypotheses; 82 participants for two-tailed hypotheses (Onwuegbuzie et al., 2004)
Causal-Comparative	51 participants per group for one-tailed hypotheses; 64 participants for two-tailed hypotheses (Onwuegbuzie et al., 2004)
Experimental	21 participants per group for one-tailed hypotheses (Onwuegbuzie et al., 2004)
Case Study	3-5 participants (Creswell, 2002)
Phenomenological	≤ 10 interviews (Creswell, 1998); $\exists \geq 6$ (Morse, 1994)
Grounded Theory	15-20 (Creswell, 2002); 20-30 (Creswell, 2007)
Ethnography	1 cultural group (Creswell, 2002); 30-50 interviews (Morse, 1994)
Sub-Group Sampling design	≥ 3 participants per subgroup (Onwuegbuzie & Leech, 2007c)

Furthermore, since the researcher is studying about the effect of on the job training on employee performance then it is better and accurate to take sample from only those who took on-the-job training as it ensures the research returns relevant information and avoid wasting of time taking samples that have nothing to do with research topic.

Therefore, based on the above table as this study is correlational and quantitative by its nature the researcher selected 90 respondents by taking only reachable population which can be found in Addis Ababa city branch from six banks the researcher planned to choose these 90 respondents by considering 15 respondents from each bank. The sample will comprise of 36 supervisors, 36 employees who have taken on-the-job training and 18

human resource training experts assuming that at least there are minimum of three training experts found in each bank.

Table.2.The following table summarizes the distribution and response rate of questionnaires from the respondents.

Name of the Bank	Total Number of Questioner Distributed	Total Number of Questioner Completed and Returned	Response rate per Bank
Awash Bank	15	10	66.67%
Wegagen Bank	15	13	86.67%
Nib International Bank	15	15	100%
Bunna International Bank	15	14	93.33%
Co-operative Bank of Oromiya	15	9	60%
Bank of Abyssinia	15	14	93.33%
Total	90	75	

3.10. DATA SOURCE AND TYPES

Primary data was gathered using questionnaire. Therefore, questionnaires were mainly used to gather facts about opinions and attitudes of respondents on the effect of on-the-job-training on employee performance.

The questionnaire was designed based on the structure which can serve to identify the research's purpose which was analyzed by gathered data through the questionnaire. The questionnaire have four main sections: the first section includes demographic background of the respondents; the second section includes items which help to determine and measure the attitude of employee toward on- the-job-training and whether it enhanced their

performance or not, the third section helps to measure the supervisors view toward on-the-job-training and its effect on performance of employees under their direct supervision. The last section helps the researcher to clearly identify the human resource departments view on-the-job-training and its effect on employee performance. Here the five-point Likert scale was employed in order to explore the respondents' view.

3.11. DATA COLLECTION PROCEDURES

Initially the researcher obtained co-operation letter written for selected banks from the Addis Ababa University College of Business and Economics School of Commerce. Afterwards, though formal letter were written to the banks some of the banks showed hesitation to give employees data as the nature of human resource activity is confidential.

So that informally approaching the selected bank officials was found to be demanding in order to convince them the data is required only for academic research purpose. Accordingly, in this study data was collected through a survey using the designed self-administered questionnaires by providing provided to the respondent through hand delivery selecting those employees who have taken on-the-job training, their immediate supervisors and human resource department training experts. This method was selected due to the fact that it has a higher response rate and it will permit the reporting of sensitive information without revealing the identity of the respondents thereby encouraging more honest responses.

3.12. DATA ANALYSIS

Statistical Data analysis software SPSS version 20 and excel was used to analyze the collected data, representations like tables and charts also used to make sure easy and quick interpretation of data is held on. Responses expressed in percentages, data from the completed questionnaire was checked for consistency and the items was grouped based on the responses given by the respondents and coded for easy usage of SPSS and excel. In general the data obtained was analyzed by using quantitative and correlational analysis method to see the effect of on-the-job-training on employee performance and their relationship on selected private commercial banks in Ethiopia.

3.13. RELIABILITY TEST

This study by its nature measures attitude or opinions of employees who have taken on-the-job training, their supervisor and training experts. Accordingly Ranjit (2006) stated that In quantitative research there are three scales which have been developed to ‘measure’ attitudes. Each of these scales is based upon different assumptions and follows different procedures in their construction.

The three major types of attitudinal scale are:

1. The summated rating scale, also known as the Likert scale
2. The equal-appearing interval scale or differential scale, also known as the Thurstone scale;
3. The cumulative scale, also known as the Guttman scale

In order to make accurate interpretation of the findings out of the three scales, the researcher used the first one Likert scale which is the easiest to construct and therefore can be used far more. Thus in order to know the reliability of the measures a reliability analysis was carried out on the questioners provided to the respondents.

”Reliability is the degree of accuracy or precision in the measurements made by a research instrument” Ranjit (2006). So that Cronbach’s alpha which is the most commonly used technique when we want to assess the internal consistency of a questionnaire that is made up of multiple Likert-type scales and items is used to determine to assesses how reliably the test items that are designed to measure the same construct .

Table 3. Reliability Statistics of Employees opinion

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.876	.884	10

As we can see from the above table while checking the reliability of questions provided for employees of the selected private commercial banks the value of Cronbach Alpha is

found to be .876 which clearly indicates that the results are reliable. The reliability indicator shows that it must be more than .7 and these results are visible in this study.

Table 4. Reliability Statistics Supervisors Opinion

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.920	.924	10

While considering the internal consistency of the questioner provided for supervisors we have also identified the value of cronbatch alpha being .920 which is also again more than .7 and this indicates that the questioner provided for supervisors were consistent and the results are reliable.

Table 5. Reliability Statistics of HR/Training Experts Opinion

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.935	.934	10

The researcher also considered the internal consistency of the questioner provided for human resource staffs/training experts. As a result like the above result obtained the value of cronbatch alpha was more than .7 which was .935. So that we can conclude that all questions are consistent and the results are reliable for the three groups in which questioner were distributed.

CHAPTER FOUR

FINDINGS, ANALYSIS, INTERPRETATION AND DISCUSSION OF RESULTS

4.1. RESPONSE RATE

A total of 90 questionnaires were distributed to the reachable target population. This initially consisted of selection of six private commercial banks namely Wegagen Bank S.C, Awash International Bank S.C, NIB International Bank S.C, Bunna International Bank S.C, Co-operative Bank of Oromya S.C, Bank of Abyssinia S.C. The number of questionnaires distributed was for three groups of the selected private commercial bank staffs. Out of the 90 questionnaires distributed, a total of 84 were returned which represents a response rate of 93.33 %. However, 9 questioners was not properly filled and rejected. So that the researcher believed this response rate was satisfactory to draw conclusions from the study and it is representative.

4.2. DISSCUSSION OF THE MAIN FINDINGS

This study examined the effects of on-the-job training on employee performance in selected private commercial banks. The study further examined whether demographic variables such as age, years of experience, gender, level of education affect the employees performance. The study has also analyzed the effect of on-the-job training on employee's performance by gathering their opinion, their supervisor's opinion and HR department opinion. Accordingly the following findings were obtained and analyzed.

4.3. DEMOGRAPHIC CHARACTERSTICS OF RESPONDENTS

Table 6. Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	57	76.0	76.0	76.0
Female	18	24.0	24.0	100.0
Total	75	100.0	100.0	

As it can be seen from the above table 57 or (76. %) of the respondents are Male employees of the banks whereas the remaining 18 (24. %) are Female.

When we see the proportions of female and male respondents we can see that somehow male employees are larger in number.

Table7. Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-30	36	48.0	48.0	48.0
31-40	28	37.3	37.3	85.3
41-50	10	13.3	13.3	98.7
51-60	1	1.3	1.3	100.0
Total	75	100.0	100.0	

48% of the total respondents fall below age group less than 30 years. This indicates that there are a large number of young employees in the banking sector. Out of the 75 respondents only 1 employee is above 51 years old and the rest 38 are between 31 and 50 years. As knowledge can be acquired and accumulated through tenure it can be assumed that most of them have been passed through various on-the-job training.

Table 8. Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Diploma	2	2.7	2.7	2.7
BA/BSC	54	72.0	72.0	74.7
MA/MSc	19	25.3	25.3	100.0
Total	75	100.0	100.0	

Majority of the respondents are well educated and do have BA/BSC degree and this number accounts around 54 or 72% of them. While 25.3% of the respondents have MA/MSc degree the remaining 2.7% have Diploma. The Educational qualification of the respondents indicates that the individuals in each bank are well educated and there could be exposure for on-the-job training in their respective bank in which they belong to.

Table 9. Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
0-1 year	9	12.0	12.0	12.0
1-5 year	47	62.7	62.7	74.7
Valid 5-10 year	12	16.0	16.0	90.7
>10 years	7	9.3	9.3	100.0
Total	75	100.0	100.0	

The work experience of the respondents across the selected private commercial banks is presented in table 4 above. Out of the 75 respondents who answered this question, nearly 12 % of the employees have an experience of less than 1 year in their bank whereas 62.7 % of the respondents' have served their bank at least for 5 years.

The remaining 25.3 % of the respondents worked in their respective bank more than 5 years which in general indicating that the employees of the bank are committed to their bank and they can be reliable source of responding to the question raised about on-the-Job training.

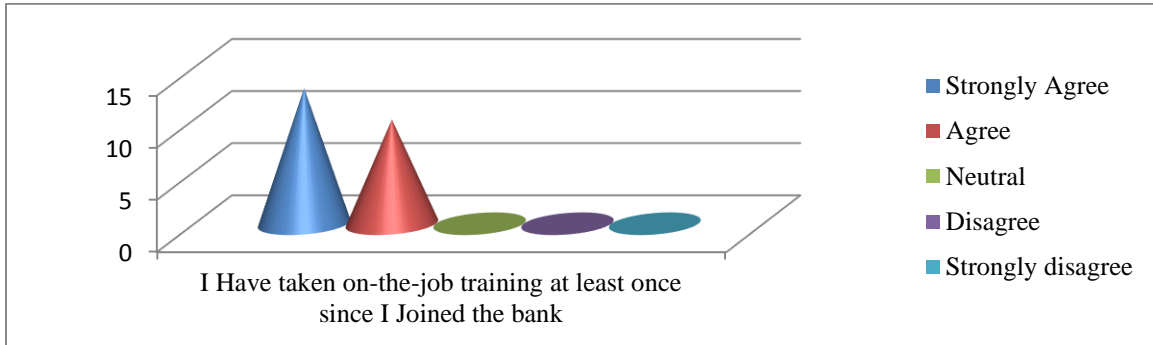
4.4. ANALYSIS OF RESPONDENTS OPENION

This section is used to present and analyze the data collected using SPSS version 20 and Excel software to know how on-the-job training affect employee performance that exist in the selected banks, how much they are motivated due to on-the-job training given to them, how much employees are having procedural knowledge and declarative knowledge. For simplicity, the questions were also categorized into three parts which can also clearly address the above areas. These are question provided for employee who have taken on-the-job training, their supervisors and Human resource Staffs/training experts. The researcher categorized each question according to the category it belongs. The categories, the questions and their corresponding responses are presented as follows.

4.4.1. Employees response

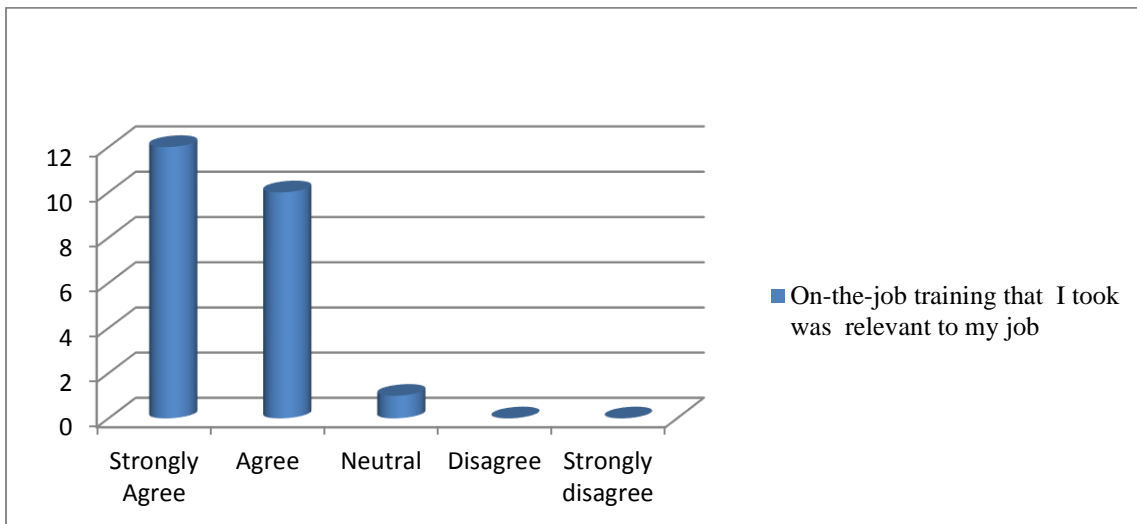
The following question was raised to get the employees confirmation whether they have taken on-the-job training at least once after they joined the bank they are currently working.

Fig 2. I have taken on the job training at least once since I joined the bank



As we can see from the above chart 13 respondents have answered as they strongly agreed with the question and 10 of the respondents also agreed on the question .So that almost 100% of the respondents agreed that they have taken on-the-job training in their respective bank. Their response can give as assurance about the reliability of subsequent responses in which we are going to obtain from the respondents.

Fig 3. On-the-job training that I took was relevant to my job

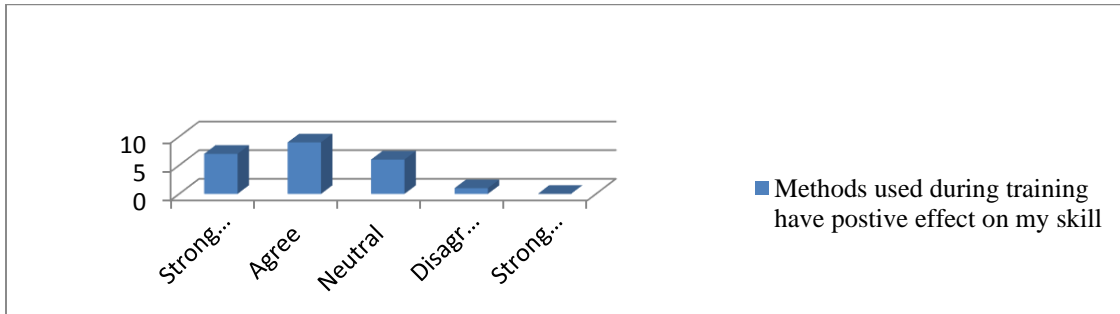


To determine on-the- job training given for employees had relevancy to their job the above question were provided for respondents. Accordingly while 22(95.7%) of them agreed in general and the other 4.3% or 1 employee remains neutral.

This shows that while on-the-job training provided to them was relevant by default their skill would be developed. Kipping the individuals' skill up to date also can give him/her the confidence to handle any task given by the employer.

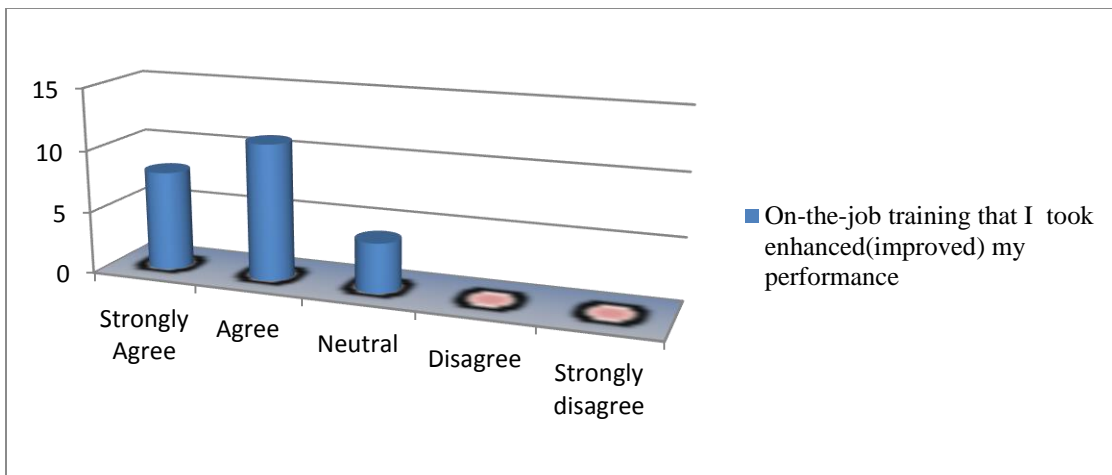
In addition to that by giving on-the-job training relevant to their work employers can sharpen their employees' skill which can help them to become more efficient and productive in their job area.

Fig 4. Methods used during training have positive impact on my skill



69.5 % of respondents agreed that methods used during the training have positive effect in their skill while 26.1% remain neutral only 4.3% of them disagreed on the question. This indicates that the method of on-the-job training conducted do have a positive effect on individuals skill.

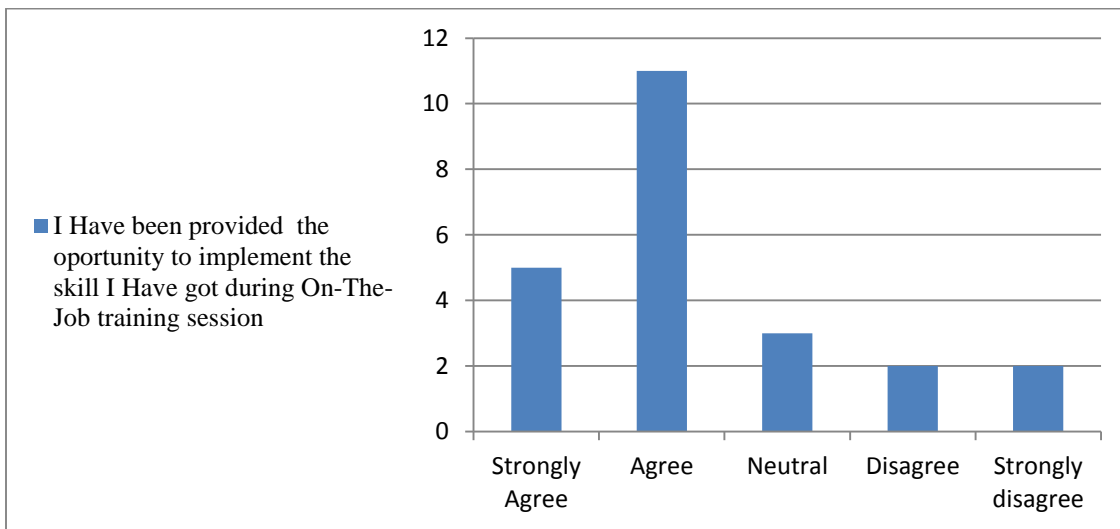
Fig 5. On-the-job training that I took enhanced my performance



As it can be seen from the above chart 19 employees or (82.6%) of them agreed On-the-job training that they took improved their performance. Among them while 8 employees strongly agree 11 employees were just agreed and the rest 17.4% or 4 of them would like to remain neutral. Response obtained from each employee for this question can be good evidence about the importance of on-the-job training and its positive effect on employee performance.

There are different kinds of training methods that the trainer use while conducting on-the-job training. It is therefore, necessary to get employees confirmation in relation to the method used during on-the job training .The following question were asked and the question also enabled the researcher to determine the importance and positive effect on employee’s skill that on-the-job training has.

Fig.6. I have been provided the opportunity to implement the skill I have got during on-the-job training session

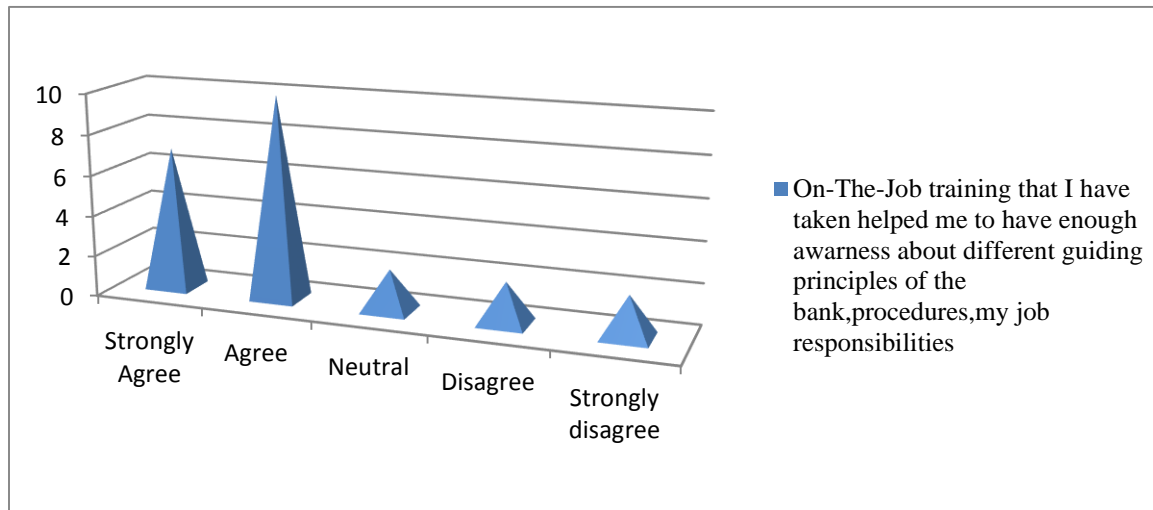


To know if the opportunity have been provided for them to implement the skill they have got during on-the-job training session, the respondents were provided the above question to answer. So that 47.8% agreed, 21.7% strongly agreed 17% of them disagreed. In general 16 employees agreed 3 remain neutral and 4 disagreed.

This indicates that those employees who took on-the-job training have been given the opportunity to implement their skill and they are motivated as a result. It is also important that training schemes are put in place to help and develop skills throughout their job. To retain knowledge, skills need to be practiced and refreshed on regular basis so elements are

not forgotten.

Fig 7. Having enough knowledge about the banks procedures and job responsibilities.

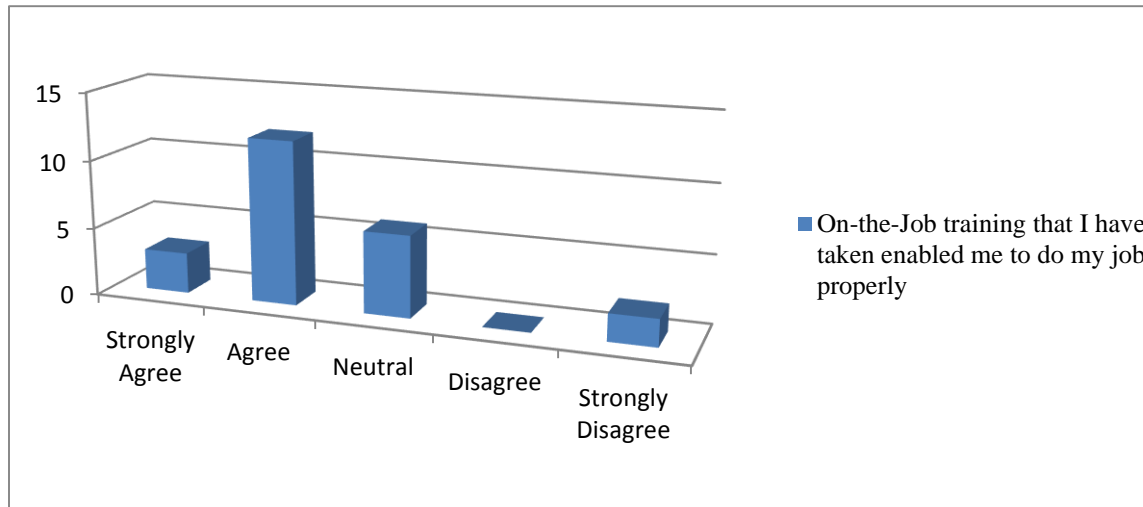


Procedural knowledge is previously defined and to determine if the employees have acquired the skills for doing their job properly the above question were provided. Therefore 73.9% of them agreed that on-the-job training that they have taken created awareness about the guiding principle of the bank, procedures and their job responsibilities. 8.7% would like to remain neutral and the other 17% disagreed on the idea.

Working without knowing the companies work procedure or guiding principle is too much risk to take in any business in the contrary if employees know about their companies working procedure and guiding principle it brings expertise through routine procedure, maintained quality, good performance management and saving time.

Therefore, the above result indicates that due to on-the-job training given to them the more the employees have got enough awareness about their organizations guiding principle, work procedures and their responsibility the more they become good performer of their assigned tasks. In general this means the employees are confirming and gained declarative knowledge due to on-the-job training provided to them by their respective bank.

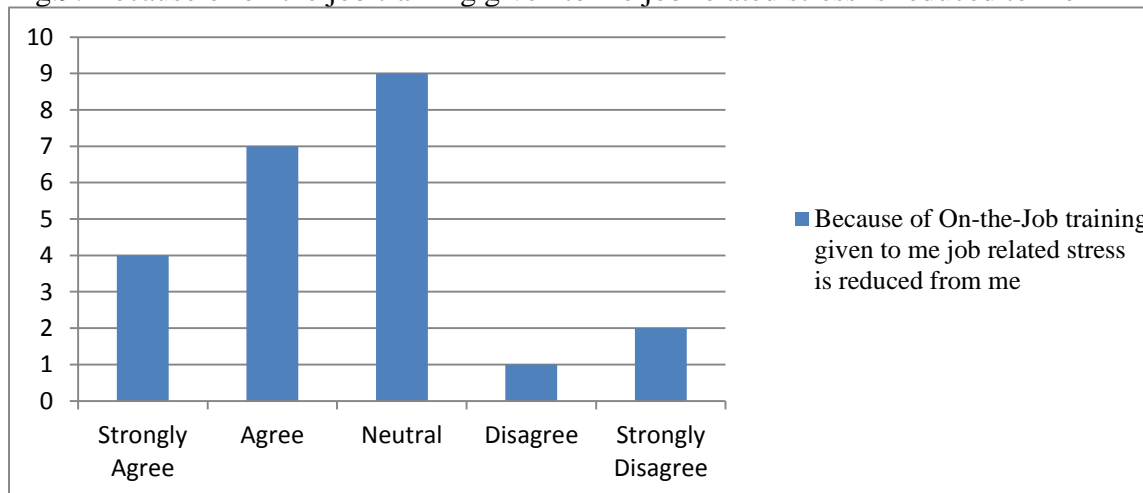
Fig.8. On the job training that I have taken enabled me to do my job properly.



It is clearly shown in the above chart as 15(65.2%) employees agreed that due to on-the-job training they have taken they are able to do their job properly and the 6(26.1%) do not want to give their opinion in this regard while the remaining 8.7% showed they strongly disagreed.

Since this kind of training takes Place on-the-job it can be concluded that it is highly realistic and it is often inexpensive because no special equipment is needed other than what is normally used on the job. So that the above response is best evidence that employees appreciate the chance to develop knowledge and skill without ever leaving the work and this question ensure that due to on-the-job training given to them employees are able to perform their job effectively and properly.

Fig.9. Because of on the job training given to me job related stress is reduced to me

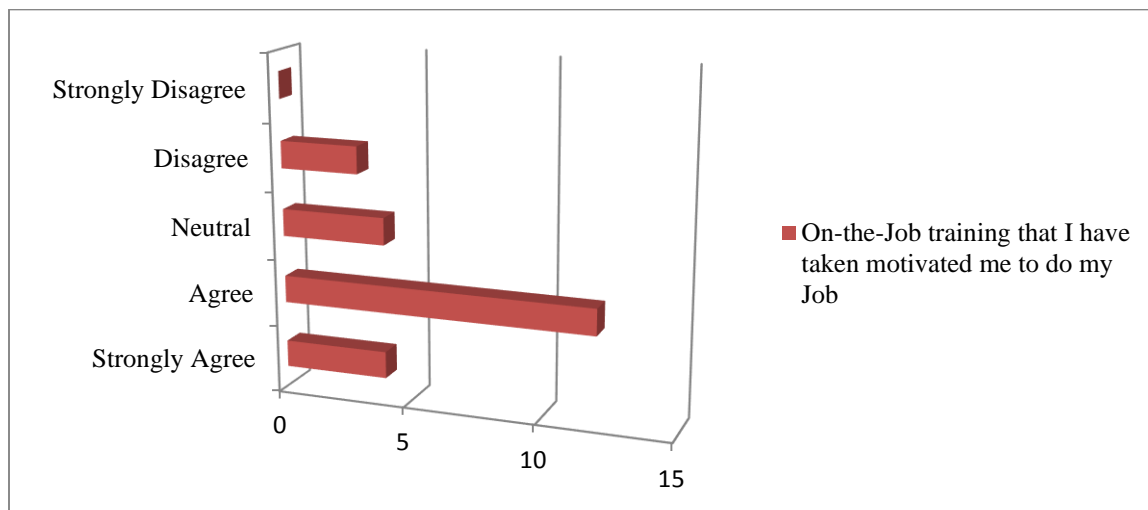


It is obvious that the extent to which individuals feel that the demands of their workload and the associated time pressure are source of pressure and stress. To determine whether on-the-job training given to the employees has reduced job related stress to them the above question were asked and the subsequent answer were obtained.

Stress is the major problem that employees most often face and accordingly in the above table respondents around 47.8% agreed that on-the-job training that they have taken reduced job related stress for them.39.1% didn't say nothing and the rest 13% completely disagreed for the point raised.

As it can be seen from the response obtained majority of them did not give positive answer and this may mean that still they are experiencing job related stress which could not be solved by on-the-job training. On the other hand this may also mean the effect it has on the organization result in low morale and poor motivation which may directly have negative impact on their performance.

Fig.10. On the job training that I have taken motivated me to do my job

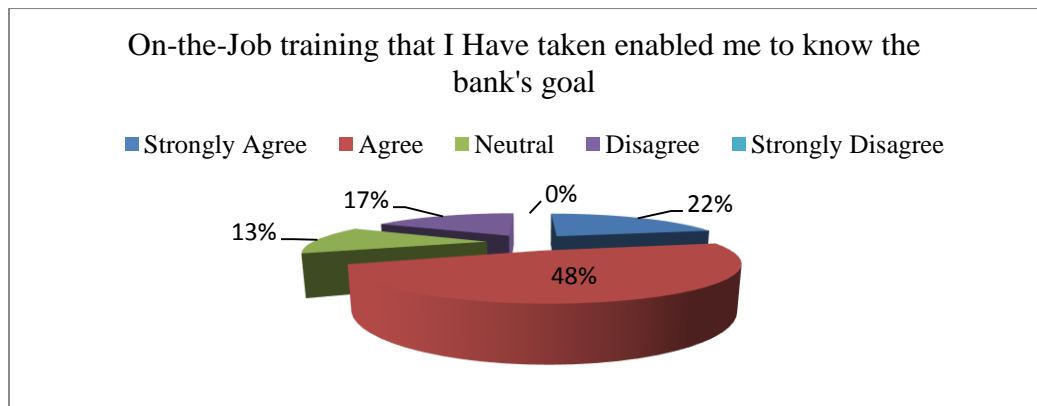


Just like stress motivation is also the most important point that organizations focus on. So that to know the level of motivation that arises due to on-the-Job training selected respondents were asked the above question. Meanwhile 52.2% strongly agreed, 17.4%

agreed, 17.4 would like to be neutral and the remaining 13% disagreed.

From the above response we can say that those employees who took on-the-job training are motivated to do their job. This is to mean that we can see that those employees don't show lack of motivation due to on the job training given to them, they are fully engaged to do their job after taking on-the-job training and at a basic level employees who feel better due to on-the-job training given to them are employees with grater motivation to succeed.

Fig.11. On the job training that I have taken enabled me to know the bank's goal



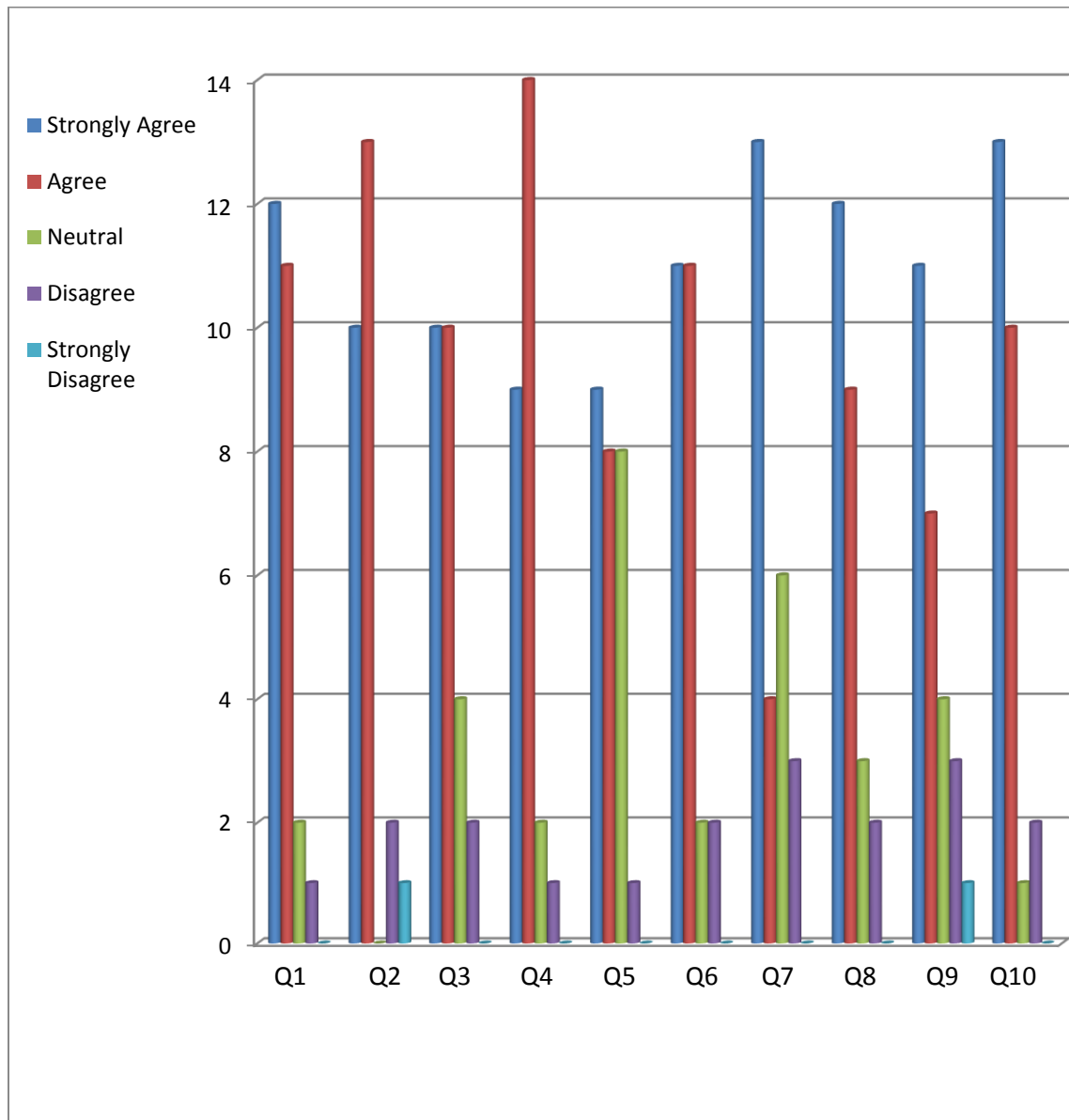
Knowing their organization goal should be the first task for every employees and knowing that employees of the selected private commercial banks in Ethiopia know their organization goal and determining on-the-job-training they have taken enabled them to do so is the last part of the question provided to selected employees. Hence, 21.7% strongly agreed,47.8% agreed ,13% neutral and 17.4% disagreed about the contribution of on-the-job training toward awareness creation of organizational goal.

From the above finding we can say that majority of those employees who took on-the-job training believe that their performance is enhanced due to on-the-job training that they have taken. It may convincingly be stated that on the job training to a big extent leads to an improved employee's performance but still it is not the sole factor that leads to good performance rather it is a combination of external and internal to the organization factors those that were mentioned earlier and this result is the same to previous literature Nelson *et.al* (2012).they have identified as influence or effect of on the job training on employee performance is very big.

They have also cited as there are other factors that lead to performance which, among others, include working environment, employee skills and knowledge, motivation and rewards, communication flow and organizational management. In their study they specifically mentioned all these factors may directly or indirectly contribute to performance; however, the importance of on the job training on performance should not be neglected.

4.4.2. Summary of Supervisor/Branch Managers/ Response

Fig.12.



The first question provided for supervisors/branch managers of all selected banks were a question which help the researcher to determine if on-the-job training can boost up the

morale of employees under their direct supervision. Based on the result obtained 88.5% of them agreed on as on-the job training boost the morale of employee's while 11.5% of them disagreed. Almost 90% of supervisors confirmed that without any hesitation as on-the-job training boost up employees moral. This means if the employee's moral boosted up they can attain what is expected from them after experiencing the training program.

Subsequently the second question was getting confirmation on on-the-job training given for employees reduced job related stress level of the employees. The response was agreed by 88.5% of the respondents and disagreed by 11.5% of the supervisors. This indicates also the employees who took on-the-job training are free to perform the job assigned to them without greater confidence.

The third question was asked to know if on-the-job training given for employees improved their decision making skills 38.5% strongly agreed, 38.5% agreed and 33% disagreed. The result shows clearly the skill of employees who took on-the-job training with regard to decision making were enhanced after they have been engaged in the training program.

It has been also confirmed that the performance appraisal of those employees who took on-the-job training shows great result. In this regard 88.4% of them agreed and 11.5% of the disagreed. Furthermore, 65.4 % of the respondents agreed as employees who took on-the-job training know the objective of the branch clearly while 34.6% did not agree on the question provided to them. From this response we can understand that due to the fact on-the-job training given to them employees of the branch become aware of the branches objective and as a result their performance appraisal result also shows great result.

Another confirmation obtained from the supervisors was assertion that made on employees who took on-the-job training clearly knows well how to do their job. Accordingly 84.6 % of them responded as employees clearly know how to do their job while the rest 7.7% confirmed as neutral and 7.7% did not agree.

Here also the branch managers/supervisors confirmed the declarative knowledge the employee got after on-the-job training has been provided to them by agreeing on employees clearly know how to do their job . Also the assumption that employees who took on-the-job training brought positive behavioral change after the training was another question provided for supervisors .As a result the question was confirmed by 65.4 % of the branch

managers as it is true and 23.1% of the managers would like to remain neutral and 11.5% answered as they did not agree. This indicates positive behavioral changes are definitely the result of motivation.

Efficiency and effectiveness of employees are the main indicator of employees performance so that to know how employees are efficient and effective the researcher asked the respondents whether on-the-job training given for employees of the branch can enabled them to do their job efficiently and effectively. This point is agreed by 88.8 % of supervisors and disagreed by the remaining 7.7 % of them while 11.5 % of them remain neutral. This response also indicates job related costs could be reduced and the effort and time spent on job could be reduced by on-the-job training for employees.

Overall most of supervisors agree on employees who took on-the-job training got necessary skill required of them to do the job and only 15.2% of them disagreed while 15.4% would like to remain neutral. On the other hand for the question saying that overall I am satisfied with those employees under my direct supervision who took on-the-job training 88.5% of supervisors agreed as they are satisfied with employees who took on-the-job training under their direct supervision. Looking through the above responses we can say that most of the supervisors agree on the importance of on-the-job training on enhancement of employee performance.

4.4.3. Human resource staffs/Training experts Response

Table 10. One of the major factor to increase our employees competency level is on-the-job training given for them

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	1	3.8	3.8	3.8
Neutral	2	7.7	7.7	11.5
Valid Agree	11	42.3	42.3	53.8
Strongly Agree	12	46.2	46.2	100.0
Total	26	100.0	100.0	

One of the major factors to increase employee's competency level is on-job-training given for them and the same question was asked to the selected HR/training experts. As it can be seen from the above table 88.5 % of the respondents agreed and 3.8% of the respondents disagreed while the rest of them were stayed neutral.

Table 11. resulted in higher productivity and financial return in our bank

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	7.7	7.7	7.7
Neutral	1	3.8	3.8	11.5
Valid Agree	10	38.5	38.5	50.0
Strongly Agree	13	50.0	50.0	100.0
Total	26	100.0	100.0	

Another question which is helpful in knowing the performance of each individual was getting confirmation on that of knowing how on-the job training has resulted in higher productivity and financial return in to the respective banks. 50% of the respondents were strongly agreed, 38.5% agreed, 3.8% were neutral and 7.7 % disagreed.

Table 12. our bank conducts extensive on-the-Job training for its employees

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	3	11.5	11.5	11.5
Neutral	4	15.4	15.4	26.9
Valid Agree	11	42.3	42.3	69.2
Strongly Agree	8	30.8	30.8	100.0
Total	26	100.0	100.0	

Determining whether the selected bank conducts extensive on-the-job training for its employees or not was the area in which the researcher was interested. So that 73.1% of the respondents confirmed that their bank gives extensive training for their employees.

Table 13. Employees of our bank can work independently and they give high performance due to on-the-job training given for them

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	7.7	7.7	7.7
Neutral	6	23.1	23.1	30.8
Valid Agree	11	42.3	42.3	73.1
Strongly Agree	7	26.9	26.9	100.0
Total	26	100.0	100.0	

To know the relationship between on-the-job training and employee's performance the researcher asked a question whether employees of the banks can work independently and they have given high performance due to on the job training given for them. For this question 69.1% of training experts proved that they can agree and 7.7% of them disagreed.

Most of the time this kind of situation occur in newly hired employees and if the employees start to work independently the task given for them then due to on-the-job training given to them we can conclude that their performance was enhanced.

Table. 14. Employees of the bank feel happy to work in team after they took on-the-job training

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	1	3.8	3.8	3.8
Neutral	7	26.9	26.9	30.8
Valid Agree	14	53.8	53.8	84.6
Strongly Agree	4	15.4	15.4	100.0
Total	26	100.0	100.0	

One of the indicators of employee performance is motivation 69.2% of training experts proved that employees of the bank feel happy to work in team after they took on-the-job training.

Table.15. Quality and Quantity of our employees productivity increased in the last three years due to on-the-job training given to them

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	3	11.5	11.5	11.5
Neutral	9	34.6	34.6	46.2
Valid Agree	7	26.9	26.9	73.1
Strongly Agree	7	26.9	26.9	100.0
Total	26	100.0	100.0	

Employee's productivity could be measured considering their performance in specified period of time and as a result to know whether they have been performing well during the past three years because of on-the-job training given to them, it has been established that 53.8% agreed and 11.5% disagreed while 34.6% remained neutral.

Table.16. Most of the banks employee who have taken on-the-job training do understand the banks objective, work procedure and policy very well

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	7.7	7.7	7.7
Neutral	4	15.4	15.4	23.1
Valid Agree	12	46.2	46.2	69.2
Strongly Agree	8	30.8	30.8	100.0
Total	26	100.0	100.0	

If employees understand their organizations objective, work procedure and policy very well that means they know what to do, why they are doing their job and how they are doing their job .We can observe from the above table 77% of the respondents agreed that if the employee take on-the-job training there is great possibility of knowing the organization objective, policy and procedure while 15.4% remained neutral and 7.7% disagreed.

Table. 17.Target given for those employees who have taken on-the-job training often met

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	7.7	7.7	7.7
Neutral	7	26.9	26.9	34.6
Valid Agree	11	42.3	42.3	76.9
Strongly Agree	6	23.1	23.1	100.0
Total	26	100.0	100.0	

Most often organizations set plan for their employees and if this plan is met well because of on-the-job training given for them then it would be possible to say that on-the-job training and employee's performance do have relationship. Based on this assumption the above question provided for training experts to get proof. So that 65.1% agreed while 26.9% remained neutral and 7.7% disagreed.

Table. 18. On-the-job training given for our employees brought positive behavioral change on them

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Neutral	5	19.2	19.2	19.2
Agree	11	42.3	42.3	61.5
Strongly Agree	10	38.5	38.5	100.0
Total	26	100.0	100.0	

It was revealed that on-the-job training would result in positive behavioral change. The question was proved by 80.5% of the respondents as agreed while only 19.2% of the respondents remained neutral.

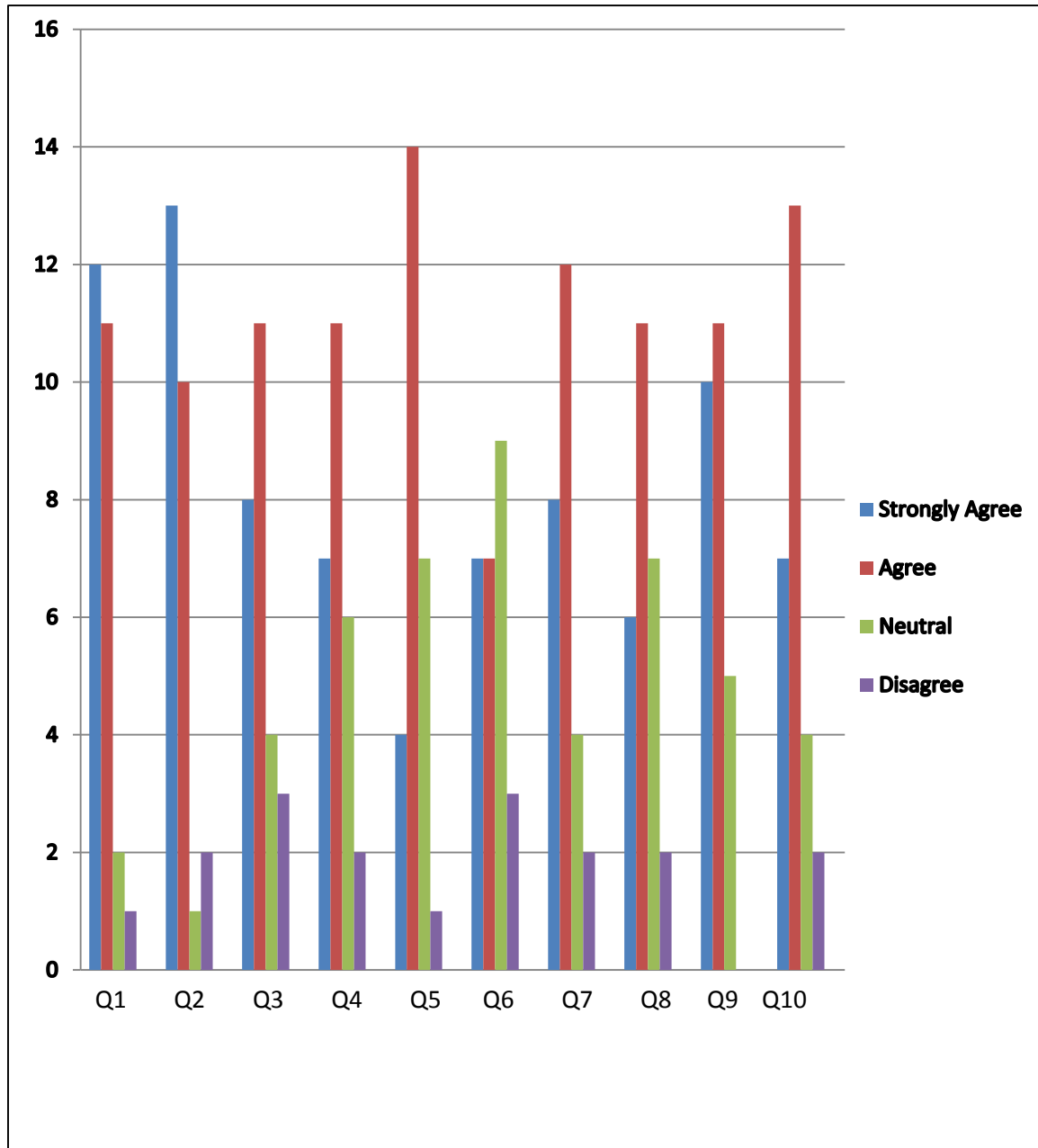
Table. 19. On-the-job training has resulted in higher employee performance in our bank

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	2	7.7	7.7	7.7
Neutral	4	15.4	15.4	23.1
Agree	13	50.0	50.0	73.1
Strongly Agree	7	26.9	26.9	100.0
Total	26	100.0	100.0	

76.9% of the respondents proved that employee's performance was reached in higher level due to on-the-job training given to them .This shows how much on-the-job training is important to be resulted in enhancing employee's performance.

The researcher tried to summerize response given by human resource staffs/training experts of the selected private commercial banks in the following graph.the graph depicts the overall openion of the respondents. In general as we can see from the graph majority of the repondents agreed on each question provided to them.

Fig.13. Summary of question provided for training experts



4.5. CORELATION ANALYSIS

Determining the relationship between on-the-job training and employee performance is the main research question of this study. So that in order to investigate the relationship between on-the- job training and employee performance the researcher has made a correlational analysis of data collected.

According to (Nicholas, 2011) the relationships between two phenomena are investigated to see whether and how they influence each other. An important aspect here is the different measurement of these relationships, such as in our case determining the relationship between on-the-job training and employee performance and their degree of association, statistically termed correlation coefficients. As Nicholas stated the commonly used coefficients assume that there is a linear relationship between the two variables, either positive or negative. Hence, the following tables show correlation result between on-the-job training and employee's performance based on data collected from selected respondents in which grouped as employees who took on-the-job training, their supervisors/branch managers and human resource department staffs/training experts.

Correlation result of on-the-job training and employee's performance based on data collected from employees who took on-the-job training

Table.20. Descriptive Statistics

	Mean	Std. Deviation	N
On-the-job training	4.52	.464	23
Performance	3.72	.793	23

Table.21. Correlations

		On-The-Job- Training	Employee Performance
On-The-Job- Training	Pearson Correlation	1	.544**
	Sig. (2-tailed)		.007
	N	23	23
Employee Performance	Pearson Correlation	.544**	1
	Sig. (2-tailed)	.007	
	N	23	23

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

The above table shows Pearson correlation result between on-the-job training and employee performance based on data collected from employees who took on-the-job training. According to the result the correlation coefficient(r) equals 0.544, indicating a positive relationship. P-value is 0.007 which indicates that the coefficient is significantly

different from zero and a substantial trend toward significance. Therefore, we can conclude that those employees who took on-the-job training confirmed us on-the-job training is positively related to employee performance. This tells us in particular the more individual employees are taking on-the-job-training it has positive influence in their performance.

Correlation result of on-the-job training and employee’s performance based on data collected from Supervisors

Table.22.Descriptive Statistics

	Mean	Std. Deviation	N
On-The-Job Training	4.19	.674	26
Performance	4.07	.783	26

Table.23. Correlations

		On-The-Job- Training	Performance
On-The-Job-Training	Pearson Correlation	1	.825**
	Sig. (2-tailed)		.000
	N	26	26
Performance	Pearson Correlation	.825**	1
	Sig. (2-tailed)	.000	
	N	26	26

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

Data gathered from employee’s supervisor as indicated in the above correlation table, it shows that the correlation coefficient(r) equals 0.825, indicating a strong relationship and the P-value < 0.001 which indicates that the coefficient is significantly different from zero. Therefore, this is evidence which can help the researcher to conclude as there is a relationship between on-the-job training and employee performance. Here also the more individual employees are taking on-the-job-training the more their performance will be enhanced.

Correlation result of on-the-job training and employee’s performance based on data collected from Human resource training experts

Table.24. Descriptive Statistics

	Mean	Std. Deviation	N
On-The-Job Training	4.12	.739	26
Performance	3.94	.841	26

Table.25. Correlations

		On-The-Job Training	Performance
On-The-Job Training	Pearson Correlation	1	.800**
	Sig. (2-tailed)		.000
	N	26	26
Performance	Pearson Correlation	.800**	1
	Sig. (2-tailed)	.000	
	N	26	26

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

From the above correlation table, it can be seen that the correlation coefficient(r) equals 0.800, indicating a strong relationship. P-value < 0.001 and indicates that the coefficient is significantly different from zero. Therefore, we can conclude that human resource department training experts also confirmed us on-the-job training is related to employee performance. In particular the more individual employees are taking on-the-job-training the more their performance will be enhanced.

The overall correlation analysis result shows that there is a positive relationship between on-the-job training and employee’s performance. The result is also similar to Ismail (2012) study which identified to enhance employee performance the contribution of on-the-job training is better as compared to wage growth, this finding is also consistent with the assertion by Jobs (2016), he asserted that there is a significant direct relationship between on the job training maintained by the firm and employee task performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. SUMMERY OF FINDING AND CONCLUSION

The purpose of this study was to determine the effect of on-the-job training on employee performance and to describe their relationship in selected private commercial banks in Ethiopia. The chapter also provides the summary of the findings from chapter four, and it gives conclusions and recommendations of the study based on the objective of the study.

As it can be seen from the response given by the respondents most of the selected private commercial banks in Ethiopia have over the past years been involved in giving on-the-job training activities for their employees. Data collected from employees, Supervisors and HR training experts indicates the fact that findings are broadly consistent with prior management literature of on-the-job training. Almost all questions that are related to motivation, procedural knowledge and declarative knowledge are confirmed by the respondents as strongly agreed and agreed.

The study also attempted to see the relationship between on-the-job training and individual employee's job performance. The finding of correlation analysis indicates that many of the employee feel on-the-job training given to them enhanced their performance and they believe that on-the-job training is positively related to their performance. Clearly also, majority of employees supervisors and training experts do believe that on-the-job training given for employees brought a positive effect on their banks employee performance. In addition, the results indicate that on-the-job training has positive effect not only on employees' performance but also on organizational performance.

We can say that in general the result of on-the-job training have achieved a high degree of recognition by employees, their supervisor and training experts for its importance in helping individuals become better performers in selected private commercial banks in Ethiopia.

Generally the following findings were obtained from the research analysis mainly:

- ❖ On-the-job training has improved individual employee's job performance in the selected private commercial banks.
- ❖ There is a positive relationship between on-the-job training and employee performance in selected private commercial banks in Ethiopia.

Finally, the research findings concluded that on-the-job training would enable management of selected private commercial banks in Ethiopia better accelerate to solve the challenges associated with staff performance.

5.2. RECOMMENDATION

As this study basically focus on on-the-job training the researcher recommendation specifically also focuses on this area in relation to the finding and general information gathered. The Manifestation of on-the-job training was mentioned earlier as coaching, mentoring, counseling committee membership, job rotation. On the other hand employee performance indicators were also mentioned as having motivation, declarative knowledge and procedural knowledge. So that in order to enhance their employees performance private commercial banks in Ethiopia need to conduct on-the-job-training in either one or multiple way of the above mentioned manifestation technique. Banks management should insure the employees have possessed those three indicators of performance mentioned in this study.

The major activities that private commercial banks need to do should be increasing coaching activity in the bank, On-the-job training should be made to boost the performance of staff and must include mentoring activities, well documented on-the-job training record should be maintained, Provide the opportunity for their employees to participate as member in different committees, continuous and adequate on-the-job training should be conducted , as job rotation is usually applied and it is one of the manifestations of on-the-job training the banks management needs to restructure and redesign their job rotation framework as non – financial motivator to improve employee

performance in their organization., sufficient amount of required budget should be allocated for conducting the appropriate on-the-job training.

5.3. LIMITATION AND FUTURE LINES OF RESEARCH

This work suffers from two basic limitations that need to be considered to be able to interpret its conclusions appropriately. The researcher presents these limitations, along with the future lines of research that they open up.

The main data collection instrument was the questionnaire and the information obtained could be biased because many items are based on respondents' opinion as it can suffer from the limitation of subjectivity.

Another limitation is that though random sampling is more appropriate for quantitative approach and this study is quantitative in nature the researcher need to employ random sampling technique. However, the sampling methods used were non-random sampling which was purposive sampling that also mainly assumed it suffer from biasness.

Future work should analyze the effect of on-the-job training on individual employee performance over a qualitative study. This would isolate the biasness which may have been observed in this study and the doubt in being representativeness of the respondents and the sample size determination which one can be argued in this study.

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Section B: To be filled by employees only

No	Question	(5) Strongly Agree	(4) Agree	(3) Neutral	(2) Disagree	(1) Strongly Disagree
On-The-Job Training Related Questions						
1	I have taken on the job training at least once since I joined the bank					
2	On-the-job training that I took was relevant to my job					
Motivation Related Questions						
3	On-the-job training that I took enhanced(improved) my performance					
4	Methods used during training have positive effect on my skill					
5	I have been provided the opportunity to implement the skill I have got during on-the-job training session					
6	Because of on the job training given to me job related stress is reduced from me					
7	On the job training that I have taken motivated me to do my job					
Procedural Knowledge Related Questions						
8	On-the-job training that I have taken helped me to have enough awareness about different guiding principles of the bank, procedures, my job responsibilities					
9	On the job training that I have taken enabled me to know the bank's goal					
Declarative Knowledge related questions						
10	On-the-job training that I have taken enabled me to do my job properly.					

Section C: To be filled by Supervisors/branch managers only

No	Question	(5) Strongly Agree	(4) Agree	(3) Neutral	(2) Disagree	(1) Strongly Disagree
On-The-Job Training Related Questions						
1	On-the-job training given for employees improved their decision making skills					
2	The performance appraisal of those employees who took on-the-job training shows great result					
3	Overall I am satisfied with those employees under my direct supervision who took on-the-job training					
Motivation Related Questions						
4	On-the-job training boost up the morale of employees under my direct supervision					
5	On-the-job training given for employees under my direct supervision reduced job related stress level of the employees					
6	Employees who took on-the-job training brought positive behavioral change after the training					
Procedural Knowledge Related Questions						
7	Employees who took on-the-job training knows the objective of the branch clearly					
Declarative Knowledge related questions						
8	Employees who took on-the-job training clearly knows well how to do their job					
9	On-the-job training given for employees of the branch enabled them to do their job efficiently and effectively.					
10	Overall employees who took on-the-job training got necessary skill required of them to do the job					

Section D: To be filled by training experts (HR department) only

No	Question	(5) Strongly Agree	(4) Agree	(3) Neutral	(2) Disagree	(1) Strongly Disagree
On-The-Job Training Related Questions						
1	One of the major factor to increase our employees competency level is on-job-training given for them					
2	Our bank conducts extensive on-the-job training for its employees					
Motivation Related Questions						
3	Quality and quantity of our employees productivity increased in the last three years due to on-the-job training given for them					
4	On-the-job training has resulted in higher employee performance in our bank					
5	On-the job training has resulted in higher productivity and financial return in our bank					
6	Employee of the bank feel happy to work in team after they took on-the-job training					
7	On-the-job training given for our employees brought positive behavioral change on them					
Procedural Knowledge Related Questions						
8	Most of the banks employee who have taken on-the-job training do understand the bank's objective, work procedure and policy very well					
9	Target given for those employees who have taken on-the-job training often met					
Declarative Knowledge related questions						
10	Employees of the banks can work independently and they give high performance due to on the job training given for them					

