

**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**SCHOOL OF COMMERCE**  
**MASTER'S OF HUMAN RESOURCE MANAGEMENT**



**Effects of Training on Employee Performance in  
Ethiopia Revenue and Customs Authority at  
Customs procedure Sector**

**A Thesis Submitted in Partial Fulfillment of the Requirements for the  
Award Degree of Master in Human Resource Management**

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**GSD 006/006**

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**Addis Ababa**

## DECLARATION

I declare that the project entitled “**Effects of Training on Employee Performance in Ethiopia Revenue and Customs Authority at Customs procedure Sector**” is my original work and has not been presented for a degree in any other university, and that all sources of material used for the project have been duly acknowledged.

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Signature\_\_\_\_\_

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## LETTER OF CERTIFICATION

This is to certify that Alemayehu Mulugeta has carried out this project work on the topic effects of Training on Employees Performance , in Ethiopia Revenu and customs Authority under my supervision. This work is original and suitable for the submission in partial fulfillment of the requirement for the award of Masters in Human Resource Management.

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\_\_\_\_\_  
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**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF COMMERCE**  
**GRADUATE PROGRAM**

**Effects of Training on Employee Performance in Ethiopia  
Revenue and Customs Authority at Customs procedure  
Sector**

**By: Alemayehu Mulugeta**

**Approved by Board of Examiners:**

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## **ACRONYMS AND ABBREVIATION**

ANOVA:	Analysis of Variance
ASYCUDA:	Automated System for Customs Data
ERCA:	Ethiopian Revenue and Customs Authority
HR:	Human Resource
HRD:	Human Resource Development
HRM:	Human Resource Management
KSA:	Knowledge, Skill and Ability
KPI:	Knowledge Performance Indicators
OJT:	On-The-Job Training
SMART:	Specific, Measurable, Achievable, Realistic and Timely
SPSS:	Statically Package for Social Science
T&D:	Training and Development

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## **ABSTRACT**

*People are considered to be the source of competitive advantage. Many forward looking organizations are giving more emphasis to employees and their related issues. In the cut-throat competitive world, the organizations have realized that their most valuable asset is their human capital and many are convinced for large investments in employee training and development. However, mere investment is not adequate; they have to ensure that the investment made will generate good returns. As a backdrop to this, the present study is undertaken to analyze effect of training on employee performance. The present study was conducted in ERCA. The study made use of descriptive and inferential statistics to analyze the data, the study was done based on primary and secondary data sources, all the necessary data has been gathered from primary sources using questionnaires. Stratified simple random sampling technique was used, to make strata. The mean score of training design indicates moderate mean score which means design of the training program of ERCA of is satisfactory. The mean of delivery style also implies moderate mean score. This shows that the trainers of ERCA didn't deliver the training as expected by the trainee and the mean score of Employees performance is moderate mean score, this result implies employees' of ERCA have an average performance level since they were not comfortable with the present design and delivery of the training program. Regarding linear correlation between the two variables training and employee performance, are very closely related. This indicates that the trainees will reach at the desired level of performance if the training is well designed and delivered. The other finding of the study shows that delivery style also has a positive and significant relationship with employee performance, In addition to this, the dimensions of training (training design and delivery style) significantly explain the variations in employee performance therefore, this study finding asserts that ERCA training providers should consider these two important dimensions so as to increase employee's performance. However, the result shows moderate concern is given to those important dimensions by ERCA training providers. Therefore, it is advisable to consider when designing and delivering training so as to make employee's motivated, committed, productive, and well performer.*

*Key words: training design, training delivery, employee performance. ERCA*

# CHAPTER ONE

## INTRODUCTION

The study aims at assessing effects of training on employee performance in Ethiopia customs and revenue authority with due emphasis on effects on analyzing training needs assessment, designing training program, delivery of training effectiveness. This chapter specifically provides an introductory part that includes background of the study, statement of the problem, research question, objective of study, significance of the study, scope of the study, limitation of the study definition of terms and lastly gives an overview of the organization of the study.

### **1.1. Background of the Study**

As we ahead the second decade of the 21st century, change remains an enduring theme. In order to survive and prosper, organizations in the private and the public sectors will need to respond in a timely and flexible way to social, technological, economic and political change. This means ability to cope with the external and internal requirements will decide the organization's survival and growth. This implies that existing and new staff will need to acquire new knowledge, skills, attitudes and perspectives on a continual basis (Roger and Jim, 2009 : 369).

An organization can use training to overcome deficiencies in employees. Often effective training can produce productivity gains that offset the cost of training. Training is especially important in industries with rapidly changing technologies.

Training is a learning process whereby people acquire the necessary skills and knowledge to enhance the achievement of organizational goals. Since learning process is tied to a variety of organizational purposes, training provides employees with specific, identifiable knowledge and skills for use on their present job. It is no longer a question of whether an organization wants to develop its human resources or whether it should develop its human resources, it is a matter of survival.

Skills and knowledge can easily become obsolete in same way as machines or technology. So if an organization is to survive these must be constantly kept up to date. In support of this idea, Pigors and Myers (1981:281) mentioned that no organization can choose whether or not to train employees. Employees regardless of their education and experience need to be trained as far as they are in work. They further stated that continuous training could help employees develop their ability to learn, adapting themselves to new work methods, learning to use new kinds of equipment and adjusting to major changes in job content and work related activities.

The aforementioned reality has received the recognition of business firms and other organizations, and they are engaged in providing their employees with training and development opportunities. Nowadays, organizations are spending a significant amount of money for purpose of employee training and development on a continuous basis with the understanding that money spent on staff development program shouldn't be designed and conducted for its own sake.

The goal of employee training is to increase the capabilities and potential of employees in carrying out their duties. Effective training program contribute significantly to the improvement of organizations' competitiveness, productivity, sustainability and the quality of product/ service to customers; reduce the need for close supervision, increased moral and adaptability to new methods (Cowling and Mailer, 1998:61; Graham and Bennet, 1998: 283; Pont, 1991:1). Hence training programs have a lot of importance for employees as well as for the organization if it carried out in a planned and systematic way.

Harris and DeSimon (1994:2) states that in order to meet the current and future needs, the organization should begin training and development activities when an employee joins the organization and continues throughout his/her career's whether he/she is an executive or not. Training is the act of increasing the knowledge and skill of an employee for doing a particular job. Training is a short term educational process and utilizing a systematic and organizational procedure by which employees learn technical knowledge and skill for a definite purpose.

Different authorities defined the term training in different ways. However, the concept remains similar. Foot and Hook (2005:228) defined training as a planned process to modify attitudes, knowledge or skill behavior through learning experience to achieve effective performance in an activity or range of activities. Its purpose is to develop the ability of the individual and satisfy the current and future needs of the organization.

Similarly, Monopa and Saiydain (1999:172) mentioned that, the central ideas of training Activities focuses on improving employees and manager's performance on the current job she/he holds. They further said that it is an activity that is designed to help workers to acquire and apply knowledge, skill, ability and attitude in their work place. For Dessler (2005:270) training is the method used to give new or present employees the skills they need to perform their jobs. For Byar and Rue (2006:164) training is a learning process that involves the acquisition of knowledge, skills and abilities (KSA) necessary to successfully perform a job.

Cascio (2010), on the other hand, described training as a planned program undertaken to improve employee knowledge, skill, and social behavior so that, the performance of the organization improves considerably. Griffin (2000:394) argues that training usually refers to teaching operational or technical employee how to do the job for which they are hired. Hence, from the above definitions, it is possible to say that, all scholars agree on the point that training provides employees with specific, identifiable knowledge and skills for use on their present jobs.

Sometimes the word training is synonymous with development. But both training and development have similarities and differences. Regarding the similarity and differences of training and development, Decenzo and Robbins (1999:227), states that both are similar in the methods used to affect learning, improve employees and organizational competencies to cope up with the changing environment. However, they are different in their time frame i.e. training is more present day oriented; its focus is on individuals' current jobs, enhancing those specific skills and abilities to immediately perform their jobs. On the other hand, development is a long term activity which focuses on future jobs requirements in the organizations. Adams and Griffin (1994), indicated the distinction between training and development as training is the acquisition of knowledge and skills, often manual for particular job, while development as improvement and growth of individual's faculties, attitudes insights and traits.

To sum up the above-mentioned ideas, training provides employees with specific, identifiable knowledge and skills for use on their present jobs whereas development being broad in scope focuses on less tangible aspects of performance useful for both present and future jobs.

Although provision of training and development opportunities to new and experienced employees are time consuming and expensive, organizations should find these costs to be a sound investment in human resources. In support of this idea Harris and De Simon (1994:2) state that those programs that are designed to develop in an organization should be integrated to long term plans and strategies of the organization.

Graham and Bennett (1998:283) identified training as having dual functions. On the one hand, training benefits the organization by enabling it to make use of its human resource whose ability and competence to perform organizational tasks is improved. On the other hand, training gives employees a feeling of mastery over their work and of recognition by management which in turn increases their job satisfactio

According to Vemic (2007), training should not be undertaken for its own sake. It must be geared to the objectives of the particular organization. It is essential to know what the present skills are and based on the agreed objectives, what training is required to meet the objectives. Training also lead the employee to the right mix of knowledge, skills and attitudes, help a job holder to perform tasks successfully (Kumpikaitè, 2008). Often effective training can produce productivity gains that offset the cost of training. Training is especially important in industries with rapidly changing technologies In modern industrial environment, the need for training of employees is widely recognized to keep the employees in touch with the new Organizations need to be aware of more realistically towards keeping their human resources up-to-date. In so doing, managers need to pay special attention to all the human resource management. This study, therefore, goes on to discuss one of the core functions of human resource which is training, employee performance, and how the former affects the latter.

Training can help the standardization of operating procedures, which can be learnt by the employees. Standardization of work procedures makes high level of performance rule rather than

exception. Employees work intelligently and make fewer mistakes when they possess the required know-how and skills.

For employees to carry out their duties effectively and efficiently, they must have the relevant skills, knowledge, values, attitudes and competencies as well as understand their organization's culture. Thus, the purpose of this study is to investigate the effect of training on employee performance at ERCA and provide suggestions to the organization as how it can make best use of training programs to make their employees perform well on their job. In order to understand the study aim, emphasis to need analyses for training given, identifying the training programs' existing in the organization, the objective of the training offered, the methods employed and finally the effects of training on employee performance need to be explored in depth.

in spite of the large number of researches on the relationship between training and employee performance, there appears to be a gap, concerning the study of effect of training on employee performance. The purpose of this study is to close this gap by deeply investigating this phenomenon through the relevant literature, shedding more light into the relationship of training effectiveness, and superior employee performance and providing suggestions to the firms as how they can make best use of training programs to make their employees perform well on job

## **1.2. Statement of the Problem**

Many organizations in the public sector are engaged in training of staff and ERCA is one of such organization that has been participating in training for a long period of time. However, for a certain condition it appears that training in ERCA is unscheduled. Employee training is currently perceived as an effective means of achieving successful international competitiveness around the world (Hameed and Waheed, 2011).

The perception of employees on training in combination with an adequate and effective training program has a great impact on the success of any training carried out in an organization. If employees receive adequate and effective training, this will have a positive impact on the employees' productivity. Effective training programs are aimed at improving the employees' performance. Training refers to bridging the gap between the current performance and the standard desired performance. Training programs not only develop employees' performance, but also help an organization to make best use of its human resources in favor of

gaining organizational advantage. Training programs have to be designed carefully if the intended goals are to be achieved and evaluated. In designing the training program, issues like analysis of training needs, training content, selection of trainers, trainees, the training facilities and environment and training methods should be given serious attention for the learning process to be effective and successful. Evaluation of the training program also needs to be carried out to obtain feedback for further improvement in designing training programs. Therefore, it would seem mandatory by any organization to plan for such a training program for its employees to enhance their abilities and competencies that are needed at the workplace.

Though there are challenges confronting companies there is increasing realization of the effect of human resource training. Though some researchers believe that training and its effect towards enhancement of employee performance as well as organizational performance is very important.

Amir and Amen (2013), the majority of governmental, private and international organizations fail to recognize the importance of training to increase their employees' productivity and when the economy slows or when profits decline, many organizations first seek cuts in their training budgets. This will lead to high job turnover then increase the cost to hire new employees which lower down the organization's profitability.

For example, Saleem et al. (2011) stated that good training system help organizations make sure those employees in every organization can understand the condition in which the company is in and keeps them updated to have the required skill that they need to perform their day to day activity. This shows human resource training provides an opportunity for human resource department to play a more strategic role in employee performance enhancement.

Neelam et al., (2014) also stated that training is an important aspect of HRM and it is important for organizations to get skilled and capable employees for better performance, and employees will be competent when they have the knowledge and skill of doing the task. Training would provide opportunities to the employees to make a better career life and get better position in organizations.

In doing so, organizations' efficiency would be increased. On the other hand, employees are the resources and assets of an organization if they are skilled and trained would perform better than

those who are unskilled and untrained. Therefore, the purpose of this study is to find out the relationship between training and its effect on employees' performance.

On the contrary, few people these days would argue against the importance of training and its major influence on the success of organizational effectiveness and employee performance enhancement.

According to Andrew (2012), investment on training entails obtaining and maintaining space and equipment. It also means that operational personnel employed in the organization's main business function must also direct their attention from time to time towards supporting training and its delivery. This means they are required to give less attention to activities that are obviously more productive in terms of the organization's main business.

The researcher, having the above debatable issues in mind, while conducting a preliminary assessment observed a few basic short-comings in the human resources' training practice at Customs procedure sector. These were reflected in performance of employees that lacked the adequate training. Moreover, it is also alleged that customs collection of Tax and Revenue is not growing as expected because of lack of well trained employees. The researcher did observe that some of the employees are not adapting with the current technological practices such as the use of current software ASYCUDA (Automated System for Customs Data). Further, the researcher's informal gathering of preliminary survey data of some of the customers of the customs revealed that they are not satisfied by the service provided. Based on the above, the researcher set-out to explore the training practices at the sector in question with a view to determine relations or effects they have on employees' performance.

Therefore, the purpose of this study is to find out the relationship between training and its effect on employees' performance at ERCA custom procedure sector.

### **1.3. Research Questions**

The research questions were drawn in line with the objectives as follows:

1. What is the effect of Training on employee performance as perceived by Employees of ERCA Customs procedure sector?

2. Does training design has a significant effect on the employee performance on Customs procedure sector of ERCA?
3. Is there a relationship between Delivery style and employee performance? on Customs procedure sector of ERCA?

#### **1.4. Objectives of the Study**

The main objective of the study is to investigate the effect of employee training on employee performance and specific objectives of the study are as follows:

1. To investigate perceptions of training on employees performance in ERCA Customs procedure sector.
2. To assess ERCA's training design effectiveness on employees performance of Customs procedure sector.
3. To assess ERCA's training delivery effectiveness on employees performance of Customs procedure sector

#### **1.5. Significance of the Study**

The study deals with the practice of training on identifying its effect on employee performance. It would help the management of the ERCA Officials to concentrate on variables that have significant influence on not only employee's performance but also company's performance. And The result of the study serve as an Input for the organizations to re-examine how much they were effective from the previous training expenditure that employed by the organizations towards improving the performance of the workforce to take corrective action for the future Therefore, this study has important implications, as it would help ERCA and other Public organization to practice training in order to enhance their employee's performance. It is also assumed that the result of this study would help for top management of the ERCA to make proper decisions in relation to training. It also serves as a secondary source of data for those who want to conduct further investigation in this area.

Finally, the outcome of this study would serve as a catalyst for further research on the area. It is also predicted that the study would make a theoretical contribution to the body of knowledge related to the practice of training and its effect on employee performance with particular emphasis in ERCA customs Procedure sector.

## **1.6. Scope of the study**

The scope of the study focused on ERCA Head office, Kality and Mojo Customs Branch emphasizing on the effect of On-the-job and Off-the-job methods of training on customs procedure sector's employee performance. Hence, the study is delimited to the sector's training programs, design of training, training delivery style, post-training performance evaluation of training on employee performance. Hence, it is intended to assess the selected employees training practices from design of training and training delivery style angle over a three year period. The sample respondents comprise all custom procedure sector staffs at Kality and Mojo Branches of the company who are working on a permanent basis.

## **1.7. Limitation of the study**

This study was not totally free of limitation. Accordingly, apart from the various minor problems the researcher encountered when conducting this research, there are some problems which worth mentioned here.

Lack of awareness among the respondents to fill out questionnaires with due care and return them on time and lack of willingness to fill questionnaires were some of the limitation that the study faced while collecting the data from the respondents.

## **1.8. Definition of Terms**

**Employees:** refers to civil servants who worked in ERCA Customs on the bases of permanent salary payment.

**Customs Procedure:** Means all Customs operations which shall be carried out by the persons concerned and by the Authority in order to comply with customs law. proclamation No 859/2006.

**Performance:** tasks to be performed, along with the ratings to be offered for each level of performance. It is established in advance and employee's actual performance is evaluated against the already set standards in the performance plan.

**Training:** A process that changes employee's behavior at work through the application of learning principles. This behavioral change usually has a focus on knowledge or information, skill or activities, and attitudes or belief and value system.

## **1.9. Organization of the study**

The study is organized into five chapters. Chapter one introduced the study by giving the background information, the research problem, objectives, and significance of the study. Chapter two deals with the review of relevant literature related to the research problem. Chapter three discusses the research methodology adopted for the study and relevant justifications. It outlines the methodology for carrying out the secondary and primary data collections.

Chapter four present the findings on the effect of training on employee performance due to training in ERCA. It also lay out the researcher analysis on the trainer responses to the effect of such training on its employees in terms of performance. Chapter five presents the summery and conclusions that will draw from the research findings and recommendations of the researcher to enhance organizational effectiveness through training, and to ensure a stable and committed human resource in the ERCA.

# **CHAPTER TWO**

## **LITERATURE REVIEW**

Training is the organized procedure by which people learn knowledge or skills for a definite purpose (Jones and George, 2005). The objective of training is to achieve a change in the behavior of those trained. This means that the trainees shall acquire new manipulative skills, technical knowledge and skills on the job in such a way as to aid in the achievement of organizational goals.

### **2.1. Definition of training**

Different authors have defined the term training using their own words though they have used different wordings, all definition convey the same meaning. Some of the definitions by some of the writers are: According to Mathis and Jackson (2008), training is the process whereby people acquire capabilities to perform jobs. The focus of training is the job or task for example, the need to have efficiency and safety in the operation of particular machines or equipment, or the need for an effective sales force to mention but a few.

Training is a systematic process of altering the behavior, knowledge, and or motivation of employees in a direction to increase organizational goal achievements. Generally speaking, most organizations have long recognized the importance of training to its development. Helping employees to become effective in their job is one of the most fundamentally important tasks in people management that any work organization has to undertake. Employers depend on the quality of their employee's performance to achieve organizational aims and objectives; employees have motivational need for development, recognition status, and achievements that can should be meet through job satisfaction. Hence the initiative for providing this help must come from the employers (Tyson and York, 2000).

### **2.2. Reasons for carrying out training**

Employers do not regularly consider the feelings of their employees regarding skills development. Accordingly, Frost, Vos and Dreyer (2003) claim that the traditional business organization is closely modeled on the military style of management, probably because armies

are the largest and almost certainly the oldest human organizations. In response to this, Katcher and Snyder (2003) identify some of the reasons why employers need their employees to continuously learn new skills:

### **2.2.1. Capital improvement.**

Organizations tend to spend a lot of money on upgrading their plants and equipment, yet little on upgrading their human capital. Employees are an asset to the organization but employers are more concerned about reaching deadlines and profit maximization rather than employees skills development, without which employee performance could be hampered. Although the organization still achieves productivity, the focus should also be on the dedication, commitment and loyalty of employees. If employees do not receive ongoing training, up-to-date equipment will not be used optimally.

### **2.2.2. Morale improvement**

Employees who continuously upgrade their job skills will also improve their productivity. Developing employee skills not only plays a role in the workplace, but in the external world as well. It contributes to the full personal development of each employee and the socio-economic development of the nation at large; therefore, happy employees may be productive, but more productive employees are happier.

### **2.2.3. Ability to adapt to change**

The more skilled the workforce is, the easier it will be for the entire organization to adapt to changes that may arise in the domestic and global market place in the demand of its products and services.

## **2.3. Why is employee development important?**

Employee development is something that most people imagine as intrusive all-day group training sessions. Unfortunately, this dreaded approach to employee development is just the opposite of how employee development should occur and feel to employees. Employee development can manifest itself in many forms of training, evaluation, educational programs, and even feedback.

If executed correctly, the effects of training on employee performance can often encourage growth within the worker and the organization itself (Katcher and Snyder, 2003).

### **2.3.1. Employee development: a self-fulfilling prophecy**

One of the larger aspects of developing employees' skills and abilities is the actual organizational focus on the employee to become better, either as a person or as a contributor to the organization. The attention given by an organization, coupled with increased expectations following the training opportunity can lead to a self-fulfilling prophecy of enhanced output by the employee. Employees that receive regular, scheduled feedback, including training, along with an increase in expectations, actually have a higher level of worker output (Katcher and Snyder, 2003).

### **2.3.2. Employee development decreases operational costs**

The hope is that employees who receive training in line with their individual or organizational goals will become more efficient in what they do. Organizations should look at the positive effects of training on employee performance, and consider employee development as a targeted investment in making the workers stronger. More importantly, development plans that include "train-the-trainer" (training that trains employees to become trainers of a skill) can provide exponential benefits to the organization. This training can be anything from how employees can do their own jobs better to employees being groomed to replace their supervisors. In addition, employees who become trainers might be further inclined to stay with the organization, and possibly reduce employee turnover (Katcher and Snyder, 2003).

### **2.3.3. Perceived benefits of employee development**

Perceived benefits of employee development besides supporting the organization, employees might recognize that most types of employee development initiatives provide them with benefits. Employee development programs that range from certification to education reimbursement, even to basic job skills training, have a certain cost to the organization that can easily be considered a benefit to the employee. Such awareness on the part of the employee can also lead to greater loyalty to the organization as well as enhanced job satisfaction.

#### **2.3.4. Employee development**

Employee development limits organizational liability According to Frost et al. (2000), most human resource professionals would agree that limiting organizational liability when training employees is a very important aspect of employee development. Certain jobs require training and certification in order for an employee to successfully execute the minimum job requirements related to that position. The proper documentation of employee development before or during the employee's completion of their job cannot only help follow and develop training, but also limit liability in the case of human error on the part of these employees. An example of how documented employee training could be helpful would be if a stockroom employee were assigned the position of forklift operator. Obviously, the organization would be expected to put this employee through all the necessary training to ensure the employee can operate the equipment, and do so in accordance with any applicable policies and regulations. Although employee training documentation will almost never completely protect an employer from legal liabilities, training and certification can hopefully reduce legal costs and reputation damage for the organization (Frost et al., 2000).

#### **2.4. Training Needs Assessment**

The study by The Asia Foundation (2009) stated that training needs assessment is one of the methods to collect adequate necessary information that can be used to determine an appropriate type of training programme that can be adopted and may be useful. The study also proposed that training needs assessment is performed to satisfy four major requirements: the determination of the goals of training, the task to be adopted for the achievement of the goals, the particular responsibility to be fulfilled by each employee, and the identification of discrepancies in the behaviour of the employees. Training needs must always be analysed in a manner that improves the performance of the organization as a whole and then that of the employees. (Japan International Cooperation Agency, 2013)

#### **2.5. Objectives of the Training Course**

After assessing the training needs of the participants, the trainer is now in a position to start planning for the training program. The must keep, however, in his/her mind that it is not enough

to simply to list the topics one intends to cover in the training program. A training program is constructed in terms of the achievement of objectives. The crucial question, therefore, is not what topics to cover but what the trainer wants the participants to value, understand, or do with the topic.

Objectives of training should relate to the training analysis. These objectives must show the desired condition to be occurred. So that, it can be used as a bench mark against which employee performance and the given training program can be measured. The objective of training is to bridge the gap between existing performance ability and desired performance.

The particular objectives of training according to Armstrong, (2000) are to develop the competence of employees and improve their performance, to help people to grow the organization in order to future needs for human resource can be met, and to reduce the learning time for employees to become fully competent as quickly and economically as possible.

## **2.6. Training Design**

Once training has been designed, the most important decisions to make are how the training will be delivered. Nadler, 1984 as cited in Nassazi, 2013 noted that all the human resource development activities are meant to either improve performance on the present job of the individual, train new skills for new job or new position in the future and general growth for both Individuals and organization do as to able to meet organization's current and future objectives.

Training methods vary greatly, so it is essential to get the right combination to ensure the highest possible rate of learning and the subsequent rerun on investment. Organizations should identify the training method that best fits their employees' learning styles, be flexible enough to allow for changes when needed, and ensure that the training can be transferred into everyday job skills.

Regardless of the method used, ensuring that training is effective the primary goal. (Gilley, Gilley, Quatro, & Dixton, 2009) HRM needs to determine which training methods are the most appropriate for the skill and the employee. It may be necessary to combine several methods (Decenzo & Robbins, 2010)

## **2.7. Training Delivery**

Once training needs have been identified using the various analysis, and then training objectives and priorities must be established. All of the gathered data is used to compile a gap analysis, which identifies the distance between where an organization is with its employee capabilities and where it needs to be. Training design is the process of developing a plan of instruction for each training program to be offered to meet training objective (Goldstein & Ford, 2007).

The key activities involved in designing a training and development program are; setting objectives, selecting the trainer or vendor, developing lesson plan, selecting program methods and techniques, preparing materials and scheduling the program. In this process an organization may opt to buy or make the HRD program owner. In any case, prudent move should be made to optimize the use of the human resource in the organization from the program. Trainers should be selected either internally or externally, train- the trainer programs should be held, training methods for each training module should be selected, and training materials should be prepared. Participant oriented design should be prepared. In all means, training and developmental opportunities should be given on a performance opening and to whom they are badly needed. The most important issue to be inculcated in the design phase is that trainings and developments should have explicit objective before they are delivered (Randy et.al. p163). After the design stage is completed the next step will be implementation.

Training design process refers to a systematic approach for developing training programs. Training design process should be systematic yet flexible enough to adapt to business needs

(Noe, HollenBeck, Gerhart, & wright, 2008). Whether job-specific or broader in nature, training must be designed to address the specific objectives. Training objectives are set to close the gap. The success of training should be measured in terms of the objectives set. Useful objectives are measurable. This objective serves as a check on internationalization, or whether the person really learned. Objectives of training can be set in any area by using one of the following four dimensions: such as Quality, Quantity, Timeliness, and Cost savings as a result of training.

Effective training design considers the learner characteristics, instructional strategies, and how best to get the training from class to the job (training transfer) in order to produce learning. (Mathis & Jackson, 2011)

## **2.8. Selection of Trainers and Trainees**

After deciding the suitable method and techniques, as well as contents of the training program, selecting the appropriate participants of the training program comes worth and valuable. In training programs trainers and trainees are the important components of training program. To be efficient and effective, the training program must be provided with trainers who have been carefully screened and selected for their suitability. In the same token, it is advisable to select the correct trainees to be able to achieve the best training program results. Truelove (2000:239). Taking the role of a trainer in to consideration, setting clear and well defined selection criteria of appropriate person who is capable to carry out the responsible is not arguable.

## **2.9. Learning Styles**

When you deliver information in a training session, you will soon notice that learners have different preferences for receiving information. The three learning modes are Visual , Auditory and Kinesthetic. All learners can learn through each of these modes, but they usually have a strong preference for one.

## **2.10. Training Materials**

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

## **2.11. Organizational training**

Training refers to the acquisition of the skills, knowledge and competencies required to perform a task, by means of teaching. Noe et al. (2003:251) defines training as “a planned effort to facilitate the learning of job-related knowledge, skills, and behavior by employees”. Although the list of reasons for conducting training sessions is exhaustive, Rothwell and Kazanas (2006:212) categorize them into two sets:

- 1) To fill a "performance gap" as identified during the performance management process; and
- 2) To fill up a "growth gap", that is, to be promoted or to be able to fill another open position in the organization. Other studies worthy of consideration have been carried out to determine the reasons why organizations should train their employees. Many organizations are forced to train only to reclaim their Skills Development Levies (SDL) which they pay monthly to government. Others do not even take advantage of this, and regard it as a cost to the company. They consequently do not bother with the training and development of workers. This seems to be an international problem, as confirmed by Robbins et al. (2003:157). The unfortunate situation is that many managers pay lip service to training, while allowing unsystematic and inefficient training practices to flourish.

## **2.12. Employee training**

Training addresses gaps or discrepancies between an ideal and an optimal stage of development. However, from a comparison between desired and actual work methods or between desired and actual results, needs arise on the job. Smit and de Cronje (2003:78) refer to three methods for identifying needs: the generic methods, performance analysis, and competency assessment. Where performance analysis focuses on deficiencies or problems, competency assessment focuses on opportunity for improvement. Trainers identify how they believe people should perform and then design a training program to give the workers the skills they need. Training can only be executed when it has been determined which employees should receive training and what their current levels, knowledge and skills are. Consequently, the assessment of the individual will indicate the range of skills and knowledge that is to be acquired. Note that the difference

between actual performance and required performance will ultimately form the training gap, and therefore indicate the extent of training needed.

### **2.13. Adult Education Concepts**

Adult education is a multidisciplinary process oriented to favor lifelong education for all, as well as efficient learning throughout life. It aims to provide the knowledge that improves professional qualifications and to achieve civic, social, moral and cultural attitudes and skills for performing responsibilities and for progress in all spheres of life.

It is based on justice, on the disposition to favor the understanding of cultural aspects in human evolution and the cooperation of international peace, carrying out a process of teaching-learning that tends to harvest an open mind, a way of understanding human relations, a way of seeing the world, a spirit, an attitude, a mental disposition and an ethical character.

It tries to balance the importance of technical knowledge and professional requirements with the full development of the personality.

It pursues fomenting the positive valuation of active participation in civic life and in social and economic development, adapting to the aims of development within the community in line with satisfying the needs of contemporary societies.

It tries to enable the relations that unites man with their environment and culture; to favour the respect towards diversity of cultures and customs; to foment the interest of creating new material goods and new spiritual and aesthetic values; to raise the cultural level in developing the critical understanding of the principal social problems; to improve the capacity of self-esteem, by facilitating individual survival and the ability to be happy.

It attempts to prepare individuals so that they may perform multiple functions participating in the life of their community and in the international community with the spirit of mutual

appreciation of cultural values of the East and the West. It also searches to favour the progress of UNESCO.

All while keeping in mind international problems; encouraging the knowledge of the United Nation's activities; applying human rights, while assuming the ideals of a culture of peace and mutual understanding between nations; favoring democracy in the right to education, the fortification of values of democracy, international understanding and tolerance, while using all of the branches of knowledge and the possibilities offered by museums, libraries, artistic creation, and information and communication technology. Retrieved 19 May 2017 from <http://unesdoc.unesco.org/images/0014/001494/149411e.pdf>

## **2.14. Adult Learning Principles**

There are a number of factors to consider when conducting learning activities for adults. These factors are commonly referred to as Adult Learning Principles.

### Primacy and Recency

Generally the first and last ideas, concepts, skills or topics are better retained by the learner.

In order to ensure that the information delivered between the first and last sections is retained, you may need to use summaries or incorporate interactive elements to deliver these ideas with greater impact. Delivering information in small, manageable chunks will allow important points to be recapped and reviewed, reinforcing the learner's understanding and retention of information.

### Suitability and Relevance

In any learning opportunity that is not appropriate to their needs or is not relevant to their position or role. This means that it is important to establish the current knowledge and skill level of the learner to ensure that the information you are delivering is pitched at the correct level.

### Motivation and Support

For motivation to occur you must ensure that each learner wants to learn, is ready to learn, has a reason to learn. The principle of appropriateness and relevance is important to the achievement

of motivation. If information is not relevant to the task or job of the learner you will not be able to maintain their interest or motivation. It is essential to the learning process that learners are provided with a supportive environment where they can feel free to ask questions, make comments and take risks.

### Two Way Communication

Two way communication indicates that a learning experience should allow for interaction between the facilitator or coach and the learner. Any experience that involves the facilitator or coach talking at the learner will not be very successful.

### Feedback and Reinforcement:

Feedback allows both the facilitator or coach and the learner to provide information about the learning experience. You give the learner feedback about the standard of their performance and the learner gives feedback about whether they are understanding the information being delivered. Reinforcement refers to the opportunity for the learner to confirm their retention. Reinforcement activities can include summaries, informal questions or a quiz. You can also use reinforcement to reward the learner's performance.

### Active Learning:

Active learning means learning by doing. Example: When coaching one of your team members to make outbound sales calls, allowing them to perform the task while observing them will assist the learner's retention and give you the opportunity to provide feedback. Active learning encourages the learner to learn more effectively and will assist in increasing or maintaining the learner's level of motivation.

### Multi-sense Learning:

Generally learners take in most information through sight, however a learning experience is more effective when the learner uses more than one of their five senses. Using two or more senses is vital to maximizing learner retention and caters for learners who learn better through other senses. Retrieved 19 August 2008 from [https://www.dlsweb.rmit.edu.au/toolbox/leadership/toolbox/ls/ls\\_c07.htm](https://www.dlsweb.rmit.edu.au/toolbox/leadership/toolbox/ls/ls_c07.htm)

## **2.15. Types of training**

The following are the types of training provided in organizations:

### **2.15.1. On-the-job methods**

Management education normally takes place off the job, but a great deal of learning takes place on the job. According to Smit and de Cronje (2003:73), there have been several recent studies on managerial learning and skills development in South Africa that result from on-the-job experience. This research suggests that managers learn most from assignments that are very difficult and challenging. A program of management education should include assignments and job rotation plans that stretch managers to their limits (Grobler, Warnich, Carrel, Elbert and Hatfield, 2006:123).

### **2.15.2. Off-the-job methods**

Sensitivity training includes techniques such as laboratory and t-group training, communication workshops and outward board's trips. The purpose of sensitivity training is to make employees more aware of their own behavior and how their behavior is perceived by others. It also increases the participants' awareness and acceptance of the differences between them. In terms of this type of training, small groups of eight to fourteen individuals who are strangers to each other are usually grouped together and assisted by a trainer. During the discussion, employees discuss themselves, their feelings, and the group process (Grobler et al., 2006:130).

The most frequent changes derived from this training include a more favorable self-perception, reduced prejudice, improved scores on tests of interpersonal relations. Training and development programs in the view of (Grobler et al., (2004:345), training needs have to be determined first. In this regard, a basic "communication-linking process" between both parties is required. Training must be addressed in such a way that it covers the employees' performance-development needs and is in accordance with their job descriptions. Both the employee and the employer have to work together in order to determine what the employees do not know. They must also identify training method which exert an impact on the job, so that he/she can be trained in order to fill that particular gap. The employee should be granted the responsibility to make decisions regarding his/her training, while employers should provide their employees with opportunities to

improve their foundational skills so as to enable them to cope with more complex situations. The American Society for Training and Development recommends a minimum of 40 hours of training a year for every employee (Kreitner and Kinicki, 2007:124).

In addition to the previous arguments, McConnell (2004:159) supports a partnership approach between the employees and their companies in determining training needs, as well as the involvement of the employees in setting up training goals. By being involved, employees will not only support the training programs, but their morale will also be enhanced. Training is a life-long process which must be continued beyond the initial qualification in an effort to maintain, upgrade and update skills throughout the person's working life. Employees should understand how their jobs affect the bottom line. As with training, both company and employee must hold shared/collective responsibilities in the employee education process (Noe, Hollanbeck, Gerhart and Wright, 2003:399).

Firstly, the employee must carry out self-assessment, where he/she is expected to identify his/her opportunities and needs for improvement. The second step is a reality check where the employee identifies which needs can realistically be developed. The third step comprises goal setting. Here, the employee identifies goals and methods in order to determine his/her progress towards the goal. The final step consists of action planning, where steps and timetables are identified in order to reach the desired level of development.

During the self-assessment stage, employee behavior is expected to provide assessment information in order to identify the strengths, weaknesses, interests and values pertaining to the career of the individual. During the reality check, the company communicates the performance evaluation, and where the employee fits in regarding the long-range plans of the company.

During the goal-setting stage, the company ensures that goals are specific, challenging and attainable. Subsequently, the company must make a commitment to assist the employee in reaching the goal. During the final stage, the company identifies the resources that the employee will need to reach the goal, including courses and work experience.

## **2.16. Effective training in the organization**

Effective employee training leads to an increase in quality goods and services as a result of potentially fewer mistakes. Consequently, accuracy, effectiveness, good work, safety practices and good customer service can be expected. An intelligent and well-trained workforce is central to both productivity and the success of an organization. Organizations can save money by retaining valuable employees: the costs of recruitment and training of new entrants can be avoided. Another gain from the training identified is its effects on quality. Training provides employees with skills that improve their performance. As human performance increases, business performance also improves. Rothwell and Kazanas (2006:234) are of the opinion that training not only influences the bottom line, but is also critical in cost saving. As a consequence of employee training, the level of turnover is reduced.

Training is imperative for any organization, which will certainly realize a return on investment in training and developing their workers. Those who neglect this important aspect of human resource management are bound to suffer the consequences as warned by Nel, Van Dyk, Haasbroek, Schultz, Sono and Werner (2004:167), who state that investing in employee training and education is vitally important in today's competitive marketplace. When companies fall behind in the development of their human resources, they are prone to fall behind in countless other ways as well. The above is confirmed by Noe et al. (2003:51) in their comment on the fact that we live in very turbulent times. Changes occur frequently in organizations, in jobs and in the way they are performed. Nowadays, it is important for managers to help people to grow in confidence, and to develop new skills to cope and adapt to the challenges of change.

Workers are essentially assets to an organization and should therefore be treated as human capital. The implications of more investment in them would raise expectations from them in terms of performance. Their improved skills and behavior will give the organization its competitive edge. Perry (2007:95) asserts that human capital represents the human factor in the organization. The combined intelligence and skills and expertise of employees give the organization its distinctive character. The human elements of the organization are those that are

capable of learning; striving for change, innovation and provision of creative thrust, which if properly nurtured will ensure long-term survival of the organization.

According to McConnell (2004:239), companies that have an investment perspective of human resource management view training as an opportunity to increase long-term productivity.

Training may also be viewed as a solution to a number of problems, such as substandard quality resulting from skills deficiencies and the voluntary turnover of employees seeking more rewarding jobs. It may also reduce the involuntary turnover of employees who are terminated because of skills deficiencies and may provide a means of preventing skills obsolescence.

### **2.17. Training Effectiveness**

Hung (2010) has proposed four categories of factors that can describe the effectiveness of a Training & Development program being implemented. These categories are: Behavioral changes, Improvements in knowledge, skills and attributes, Substantial and measureable outcomes, & Reaction of the trainees (employees) in terms of perceived training benefits and improved performance. On the other hand, Noe (2008) presented some conditions that need to be fulfilled for making a T & D program efficient and beneficially effective. These are: employees who get training must be provided with sufficient chances to put the learned things into work and then get review response (feedback) on that; complete, relevant, and interesting training material should be delivered while keeping in view the outcomes expected from the training program; the basic requirements must also be met to ensure the smooth completion of training event and then getting transfer of learned skills; observation and practice based learning opportunities must be given to the individuals attending the training session. These all factors can help to develop and successfully implement a training program that will aid the employees to literally advance in their knowledge, skills and attributes (KSAs). For making training effective following points have been given by Armstrong (2009):

### **2.18. Factors that hinder the training of employees**

Robbins et al. (2003:231) points out that many employers are opposed to training initiatives because they assume that the responsibility for training people to be workers falls on the school system, not on firms. In addition, they consider that it is the responsibility of the employees to

learn how to do their job so that they are hired. Furthermore, they regard training programs as an expense which it is difficult to convince shareholders to approve. According to the perspective of the researcher, if aligned with the goals, mission and objective of the organization, and supported by both the employer and the employee, training, programs delivered the right way and at the right time provide substantial returns for the employer in terms of increased productivity, knowledge, loyalty and profit (Robbins et al., 2003:401).

Perry (2007:282) asserts that work appears among the first illustrations outlining the clear reasons why training programs fail. His study was seconded by Kleiman (2003:389), who addressed the failures of training programs in greater depth. In these two works, the first reason identified for the failure of training programs stems from the training objectives not being aligned with the business needs. If the root of the problem of poor performance, for instance, it is related to factors such as reward systems, job design and motivation, which are not related to training, training will be pointless.

Thirdly, in the absence of objectives to provide direction and focus, training will certainly not succeed. Training should include a focused process that allows the employee to ponder desired results. Objectives afford important direction and focus for learning the final product, which is a change in job performance. Researchers also hold that when training is too expensive if compared to its short-term return on investment, then companies may consider it a failure and, therefore, unacceptable.

However, the long-term pay-off may be rewarding. Training will be worthless if the participants regard the training program as a mere event without any change to their behavior. Whenever training is considered as a single event, the chances of behavior change are slim. Training is also likely to fail if participants are not held accountable for the results.

Generally, employees are not held accountable for the use of the contents of their course in the workplace. Unless they are held accountable, no change will occur in their behavior (Kleiman, 2003:49).

If the conditions are not conducive to learning, the training efforts will have been in vain. Moreover, without the support of line management training will also fail. When there is no support from direct managers/supervisors, the employees will resist implementing the new skills

and knowledge acquired during the training course. Management involvement is crucial to the learning process. Another reason for the failure of training occurs when the company fails to isolate the effects of training. However, other factors rather than training may influence performance. Thus, the advances directly related to training must be isolated. If not, some training programs clearly noticeable as impacting on the bottom line may be discarded as irrelevant. For the success of a training program, top executives' commitment is critical. Top management will not only allocate resources but, for the training to succeed, will also participate in the design of the process. Lastly, training will be unsuccessful if there is a failure to provide feedback and use information about results. If the company fails to evaluate training by providing feedback, employees will not be able to know about their progress, nor facilitators to understand the success of their programs. At ERCA, employees are provided with training; however, after training they fail to transfer whatever they have learnt to their working environment in order to improve performance. When an employee retires or leaves the organization it becomes difficult to find someone internally to fill the vacant post, even though other employees have been sent for training for such positions.

## **2.19. Factors affecting training**

Feedback is a very important condition for the successful acquisition of skills. Training can be done mentally, where the employees go over the events in their heads in order to be properly prepared. It is important that information is given correctly in the early stages of learning. This is so because if errors are not picked up early, the employee will be greatly disadvantaged when someone spots them later. Indeed, if the employees have been applying such faulty skills for years, it may mean that they are never fixed. The role of practice in the business of skills acquisition is very important when one thinks how much time employees spend perfecting the skills involved in their tasks. The main purpose of job training is to give employees the knowledge and skills they need to perform effectively in their fields of expertise. According to Kreitner and Kinicki (2007:69), there are a number of factors on the job that prevent transfer of learning. These include the following:

- If learners see no value in applying new skills, believe no rewards will result from doing so, or do not value the rewards, and then transfer of learning from classroom to the job will not occur.

- If individuals have little or no latitude to change what they do because the job tasks are too tightly controlled, then training can never be applied unless task controls are relaxed.
- If a learner's supervisor is not in favor of training, then there is little or no likelihood that a learner will be applying newly acquired skills. Supervisors exert a powerful influence over the behavior of subordinates because they control rewards and punishment.
- If a trainee returns to the project field only to find that fellow workers greet new ideas with skepticism, then training will not be imparted successfully.
- Cascio (2005:342) enumerates other factors that affect training, these are explained below:
- Funding for employee training: Adequate funding continues to be a concern. While the need for resources to provide employee training increases, funding may not be available. In fact, funding for training may be one of the first items to be eliminated in times of financial constraints.
- Less job security: Employees in the private sector (and employees in general) have less job security than previously. It is often said that people can expect to have many different employers and even different careers during their work life. Given this idea and reality, employees will continuously search for employers who will provide them with opportunities to develop transferable skills.

Limited opportunities for development: Most organizations have a flat organizational structure. This means that there is little room for promotion. Employees and organizations need to embrace the idea that moving up is not the only way to be satisfied with one's work. An alternative is to create challenges for employees in their current positions or in a similar position.

## **2.20. Impact of training on organizational productivity**

Training as reviewed above, the major factor in the creation of employee human capital, which determines the long-term productivity of an employee's behavior (Nel et al., 2004:145). While training is concerned with the employee's current job, development prepares the employee for future job requirements. Effective development programs allow management to maintain a workforce that can adequately replace employees who may leave the company or who are moved

to other areas. It also allows for employees to cope with newly developed technology, and ensures that adequate human resources are available for expansion into new areas.

Nel et al. (2004:142) outlines the following effects of training on organizational productivity:-

- increased success of quality projects
- reduction of project failures and defects
- reduction of staff turnover
- minimal supervision needs
- the ability to progress
- greater capabilities to carry out more projects changes in employee behavior

### **2.21. Evaluation of the Training Program**

Evaluation of the training is the final phase of the training program. The evaluation needs to be made by comparing the results with the objective of the program that were set in the assessment phase. Training evaluation is the process of gathering information that helps to collect all the descriptive and judgmental information required to make effective training decisions (Desimone, 1994) cited by Mengistu (2014). Evaluation should be viewed as part of an effective training process and a base to improve organizational decision- making about human performance improvement. This is critically important because it determines if the learner has achieved the objectives of the program and also highlights areas where the program should be revised. Thus any one comes from a training program or process needs to be evaluated and judged what has changed as a result of training? Does the person feel different? Does he/she know something new? Has he or she acquired new skills? The criteria used to evaluate training depend on the objective of the program before it was implemented.

### **2.22. Employee Performance**

Employee performance is defined as the outcome or contribution of employees to make them attain goals Herbert, John & Lee 2000) cited by ( (Nassazi ,2013). Afshan et al. (2012) define

performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Employee performance can be manifested in improvement in production, easiness in using the new technology, highly motivated workers.

Employee performance is the important factor and the building block which increases the performance of overall organization. Employee performance depends on many factors like job satisfaction, knowledge and management but the most important factor of employee performance is training and development. (Fakhar Ul Afaq, Anwar Khan, 2008). Employee performance is normally looked at in terms of outcomes. However, it can also be looked at in terms of behavior Armstrong (2000). Kenney et al. (1992) stated that employee's performance is measured against the performance standards set by the organization. There are a number of measures that can be taken into consideration when measuring performance for example using of productivity, efficiency, effectiveness, quality and profitability measures Ahuja (1992) as briefly explained hereafter.

- Profitability is the ability to earn profits consistently over a period of time. It is expressed as the ratio of gross profit to sales or return on capital employed (Wood & Stangster 2002).
- Efficiency is the ability to produce the desired outcomes by using as minimal resources as possible
- Effectiveness is the ability of employees to meet the desired objectives or target (Stoner 1996).
- Productivity is expressed as a ratio of output to that of input (Stoner, Freeman and Gilbert Jr 1995). It is a measure of how the individual, organization and industry converts input resources into goods and services. The measure of how much output is produced per unit of resources employed (Lipsey 1989).
- Quality is the characteristic of products or services that bear an ability to satisfy the stated or implied needs (Kotler & Armstrong 2002). It is increasingly achieving better products and services at a progressively more competitive price (Stoner 1996).

According to Hawthorne studies and many other research works on productivity of worker highlighted the fact that employees who are satisfied with their job will have higher job performance, and thus supreme job retention, than those who are not happy with their jobs Landy, (1985). Moreover, it is stated that employees are more likely to turnover if they are not satisfied and hence demotivated to show good performance. Employee performance is higher in happy and satisfied workers and the management found it easier to motivate high performers to attain firm targets. (Kinicki and Kreitner, 2007). The employee could be only satisfied when they feel themselves competent to perform their jobs, which is achieved through better training programs. Additionally, as noted by Draft (1988), it is the responsibility of the company managers to ensure that the organizations strive to and thus achieve high performance levels. This therefore implies that managers have to set the desired levels of performance for any periods in question. This they can do by for example setting goals and standards against which individual performance can be measured. Companies ensure that their employees are contributing to producing high quality products and/or services through the process of employee performance management. This management process encourages employees to get involved in planning for the company, and therefore participates by having a role in the entire process thus creating motivation for high performance levels. It is important to note that performance management includes activities that ensure that organizational goals are being consistently met in an effective and efficient manner. Performance management can focus on performance of the employees, a department, processes to build a product or service, etc.

Earlier research on productivity of workers has showed that employees who are satisfied with their job will have higher job performance, and thus supreme job retention, than those who are not happy with their jobs Landy (1985). Further still, Kinicki & Kreitner (2007) document that employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets.

### **2.23. Employee Performance Indicators**

Tracking employee training and measuring training effectiveness is a key objective of any HR department. To ensure that there is adequate return on investment in training of new and Current employees, the organization has to establish key performance indicators (KPI). KPI if created and tracked properly serve as a benchmark for measuring the progress of employees

towards a set of broader based goals or objectives (Lilly, 2011). However, most organizations are faced with the challenges of developing a good KPI. Lilly (2011) suggests that quality key performance indicators for tracking employee training effectiveness should include:

- (a) measurable and quantifiable indicators;
- (b) competency based indicators;
- (c) linked to proficiency indicators; and
- (d) mapped to organizational and employee goals indicators.

Hakala (2008) explains that performance measurement uses the following indicators of performance.

1. Quantity: This indicator places emphasis on the number of units produced, processed or sold against the set standard i.e. the number of units to be produced, processed or sold.
2. Quality: The quality of work performed can be measured by several means. The percentage of work output that must be redone or is rejected is one such indicator. In a sales environment, the percentage of inquiries converted to sales is an indicator of salesmanship quality.
3. Timeliness: This indicator measures how fast work is performed or how fast services are provided. For example, in a service industry, the average customer's downtime is a good indicator of timeliness, while in a manufacturing outfit, it might be the number of units produced per hour.
4. Cost-Effectiveness: The cost of work performed should be used as a measure of performance only if the employee has some degree of control over costs.
5. Absenteeism/Tardiness: An employee is obviously not performing when he or she is not at work. Other employees' performance may be adversely impacted by absences, too.
6. Creativity: It can be difficult to quantify creativity as a performance indicator, but in many white-collar jobs, it is vitally important. Supervisors and employees should keep track of creative work examples and attempt to quantify them.

7. Adherence to Policy: This may seem to be the opposite of creativity, but it is merely a boundary on creativity. Deviations from policy indicate an employee whose performance goals are not well aligned with those of the company.

8. Gossip and Other Personal Habits: This indicator may not seem performance-related to the employee, but some personal habits, like gossip, can detract from job performance and

Interfere with the performance of others. The specific behaviors should be defined, and goals should be set for reducing their frequency.

9. Personal Appearance/Grooming: Most people know how to dress for work, but in many organizations, there is at least one employee who needs to be told. Examples of inappropriate appearance and grooming should be spelled out, their effects upon the employee's performance and that of others explained, and corrective actions defined.

Hakala (2008) goes further to state that performance indicators must be assessed by some means in order to measure performance itself. He enumerated the following as some of the ways in which performance is assessed from the above indicators.

a. Manager Appraisal: A manager appraises the employee's performance and delivers the appraisal to the employee. Manager appraisal is by nature top-down and does not encourage the employee's active participation. It is often met with resistance, because the employee has no investment in its development.

b. Self-Appraisal: The employee appraises his or her own performance, in many cases comparing the self-appraisal to management's review. Often, self-appraisals can highlight discrepancies between what the employee and management think are important performance factors and provide mutual feedback for meaningful adjustment of expectations.

c. Peer Appraisal: Employees in similar positions appraise an employee's performance. This method is based on the assumption that co-workers are most familiar with an employee's performance. Peer appraisal has long been used successfully in manufacturing environments, where objective criteria such as units produced prevail. Recently, peer appraisal has expanded to white-collar professions, where soft criteria such as "works well with others" can lead to

ambiguous appraisals. Peer appraisals are often effective at focusing an employee's attention on undesirable behaviors and motivating change.

d. Team Appraisal: This is similar to peer appraisal in that members of a team, who may hold different positions, are asked to appraise each other's work and work styles. This approach assumes that the team's objectives and each member's expected contribution have been clearly defined. There are as many indicators of performance as there are companies and jobs. The various assessment methods can be used in combinations. It is important to choose indicators that align with each company's goals and assessment methods that effectively appraise those indicators.

## **2.24. Effects of Training on Employee Performance**

Training increase the overall performance of the organization. Although it is costly to give training to the employees but in the long run it give back more than it took (Flynn e t al., 1995). Every organization should develop its employees according to the need of that time so that they could compete with their competitors (Raja, Furguan, and Mohammed, 2011).As stated on Naveed, et al., 2014 Training and development has positive effect on employee performance.

According to Partlow, (1996) training should be designed according to the need of employee and organizations which perform these things get better results. The design of training should be according to the needs of the employees (Ginsberg, 1997).Additionally, a significant relationship was found between the employees training and their resultant performance in accomplishing different tasks. It was found that those employees who have taken trainings were more capable in performing different task & vice versa.

Training has direct relationship with the employees' performance. Basically training is a formal & systematic modification of behavior through learning which occurs as result of education, instruction, development and planned experience Michael Armstrong, (2000).Because of the practical implications of training, it is important to have training that is effective. Studies have proven that more costly but effective training can save money that is wasted on cheap but inefficient training Ginsberg, (1997). Generally, it is hard to attain a high level of performance without training (Nelson, Hilary and Michael, 2012).As cited in Gunu et al., (2013) many organizations have over the years introduced good manpower training and development

strategies in order to enhance better employee performance at work and increase their productivity. However, the efforts of such strategies in most cases have always been jeopardized in most organizations, as a result of some factors that impede against the achievement of their objectives. Some of the impeding factors include recruitment/selection problems, training procedure and inadequate facilities, government policy, the economy and labor legislation (Nguyen, 2009).

According to Barzegar and Shahroz (2011), the most important impact of training on employees and organization performance is improve the quality and quantity of organization's output, increase in the organization's profitability, safeguarding the organization stability, minimizing the risk, decrease the organization cost and expenses, improving the management of the organization and establishing the organization as national and international entities. Training must be related to the mission and performance goals of organization. Singh and Madhumita (2012) believe that training is important mean to improve the employees' productivity which ultimately affects the organization performance and effectiveness (Azara, Syed, and Muhammed Shaheen, 2013). Similarly Abeeha and Bariha (2012) in their studies carried out in Pakistan, observed a positive correlation between employees' training and organizational competitive advantage. Abang, May, and Maw (2009) on the other hand, pointed out that Lynch and Black in their studies revealed that only off-the job (general) training improves organizational performance whereas on the job training does not. Training and development has been acknowledged to be a very important component of organizational performance (Eleve ,nd). However, it is not an end goal rather training is characterized as a means to an end – the end being productive, efficient work organizations, populated by informed workers who see themselves as significant stakeholders in their organizations' success (Byrne, 2009). Furthermore, as cited in Afshan et al., 2012 there is a positive association between training and employee performance.

Training generates benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior April, (2010). Organizations that are dedicated to generating profits for its owners (shareholders), providing quality service to its customers and beneficiaries, invest in the training of its employees (Evans and Lindsay, 1999).

Companies can reap the rewards of providing training for their employees because well-trained workers help increase productivity and profits. Investing in employee training should improve worker retention rates, customer satisfaction and creativity for new product ideas. Effective training saves labor by reducing time spent on problem-solving and saves money in the long run by producing a better workforce.

#### **2.24.1. Saving Time and Costs**

Investment in training can improve a company's financial standing. Poor performance often results when employees don't know exactly what they're supposed to do, how to do their jobs or why they need to work a certain way. Training can help solve these performance problems by explaining the details of the job. This should reduce duplication of effort in the workplace; the time spent correcting mistakes and the problem solving necessary to correct bad performances. Improved performance from employee training can reduce staff turnover, lower maintenance costs by reducing equipment breakdowns and result in fewer customer complaints. Better performance from employees typically creates less need for supervision and brings increased worker output.

#### **2.24.2. Employee Satisfaction**

Job satisfaction generally increases and self-esteem improves when employees better understand the workings of the company. Training can also enhance morale on the job and loyalty to the company. Workers who believe their company offers excellent training opportunities are generally less likely to leave their companies within a year of training than employees with poor training opportunities.

#### **2.24.3. Expectations and Needs**

Training plays a key role in employee commitment, according to Scott Brum of the University of Rhode Island. The training program must meet expectations and needs of the employees, though. Companies are more likely to retain employees who view their training as relevant to their jobs and subsequently have a positive commitment to their company. A successful training program consists of management providing employees with accurate information and communication about the training as well as a program that ensures that training is relevant to their jobs.

#### **2.24.4. Turnover Costs**

Keeping well-trained employees pays off significantly for companies because the cost of employee turnover can be high. Costs include separation costs, such as exit interviews, administrative functions related to termination, severance pay and unemployment compensation. Replacement costs consist of attracting applicants, entrance interviews, testing, travel and moving expenses, pre-employment administrative expenses, medical exams and employment information.

#### **2.25. Relationship between training & employee performance**

Public service performance, i.e. the performance of workers and organizations in delivering public services, is a multi-faceted concept. It can be understood in an expansive or a more narrow way. The expansive understanding includes factors internal to an organization such as job satisfaction, organizational citizenship behavior voluntarily helping others in the workplace Organ (1988), and organizational commitment (the strength of a person's attachment to and involvement in an organization, see Grusky 1966). All of these have in turn been shown to be conducive to performance understood more narrowly, namely as outputs and outcomes, in particular efficiency, and effectiveness.

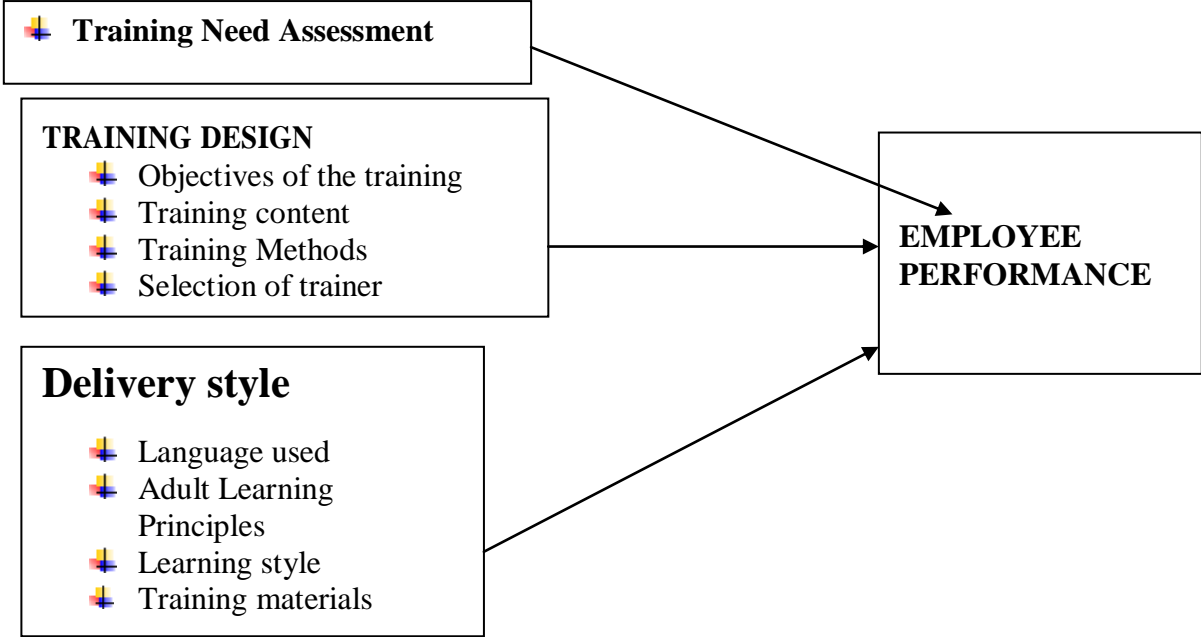
Moreover, employee performance is an important building block of an organization and factors which lay the foundation for high performance must be analyzed by the organizations. Since every organization cannot progress by one or two individual s effort, it is collective effort of all the members of the organization. Performance is a major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization (Mwita, 2000). Therefore, impact of training on employee performance is not only significant but studies prove that it also increases job satisfaction and commitment towards the organization and training transfer is more likely to increase performance, job involvement, and increases motivation to learn and transfer (Velada and Caetano, 2007).

Taiwo (2001) is of the opinion that the objectives of training are to: provide the skills, knowledge and aptitudes necessary to undertake required job efficiently. Therefore, she or he has the potentials, he may progress, increase efficiency by reducing spoilt work, misuse of machines and lessening physical risks. Obisi (1996) submitted that training aim at developing

competences such as technical, human, conceptual and managerial for the furtherance of individual and organization growth. Also Taiwo (2001) postulated that the process of training is a continuous one. The need to perform one’s job efficiently and the need to know how to lead others are sufficient reasons for training and the desire to meet organizations objectives. It is to increase personnel efficiency, professional growth, and smooth and more effective organization s operations. According to Amisano (2009), employee performance may be related to numerous factors within the workplace, such as overall job satisfaction, knowledge, and management. But there is a definite relationship between training and performance, as training programs can address numerous problems that relate to poor performance. Knowledge training programs increase an employee's job knowledge. An increase in job knowledge means that the employee will feel more comfortable doing his job and will perform at a high level.

**2.26. Conceptual Framework of the Study**

The theoretical framework as resented on **Figure 1** has been formulated to depict a relationship between training and employee performance. In the literature review, it has been observed that training has an impact on Employee Performance. Organizational performance ultimately depends upon employee performance and training is a tool to improve employee performance.



**Figure 0-1: Conceptual Framework Model Adapted from**  
*(Source: Raja, Furguan, Mohammed (2011))*

## **CHAPTER THREE**

### **RESEARCH METHODS**

#### **3.1. Introduction**

The main objective of this research was to assess The Effect of Training on Employee Performance in Ethiopia Revenue and Customs Authority. This chapter discusses how the research methodology was employed in the study. It indicates the research design, research instrument, the population, sample size, sampling techniques and data analysis techniques.

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

The study is explanatory and quantitative research approach was employed to undertake the study. Quantitative research method was adopted to show the relationship among the variable to analyze using descriptive and inferential statistics. The study covers ERCA Head office, Addis Ababa Kality and moja customs procedure sector.

#### **3.3. Source of Data**

In attempt to address the Effect of Training on Employee Performance in ERCA and to provide possible recommendations, the study was based on the collection of both primary and secondary data. With regard to primary data, the data collected through questionnaire filled by the existing employees of the organization. Regarding secondary data the researcher used training manual for further clarification.

#### **3.4. Study Population**

The population of the study is a total of 500 Customs procedure employees. Out of this, 57 employees belong to ERCA head office, 300 employees of Addis Ababa Custom Branch Office and 143 employees are of moja branch office.

### 3.5. Sampling Technique

For the purpose of this study, stratified simple random sampling techniques were employed. The study used stratified random sampling techniques for current employees. Stratified random sampling was used to achieve representation of the respondents. The respondents are stratified on the basis of their office category. Currently 500 Customs procedure employees working in these three offices and among these employees a sample of 217 employees were drawn. Out of 217 questionnaires distributed to respondents, 191(87.21%) responded and returned questionnaires. It is believed that the sample taken is representative of target population.

### 3.6. Sample size and sampling technique

#### 3.6.1. Sample size

To get a representative sample for the population under the study the following sample technique were utilized.

$$n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2 (N - 1) + z^2 \cdot p \cdot q}$$

Where,

P = sample proportion, q = 1-p;

Z = value on standardized normal distribution curve corresponding to the level of significance. The level is usually 5% and the corresponding Z value is 1.96.

N = number of total population;

n = sample size required;

Source: C.R. Kothari (2004)

A 95% confidence level is used to select the appropriate sample size and the value of Z is 1.96.

E = 0.05 which is acceptable sample error;

p = 0.5, where q is 1-p;

N = 500

$$\begin{aligned} n &= \frac{1.96^2 (0.5) (0.5) (500)}{0.05^2 (500-1) + 1.96^2 (0.5) (0.5)} \\ &= 217.49 \end{aligned}$$

$$\underline{\underline{n \approx 217}}$$

Based on the above information, the sample size (n) is calculated for the target population of 500 and it is 217. Therefore, the study’s sample size of 217 was considered to be representative to the population.

**Table 0-1: Total number of Custom Procedure sector Employees**

<b>Office category</b>	<b>Number</b>
Head office	57
Kality customs Branch	300
Mojo customs Branch	143
<b>Total</b>	500

By using the sample size obtained from the above formula, the proportion or the strata sample size was determined for each offices in customs. The strata sample size was determined based on the below stated equation:

- $n_h = ( N_h / N ) * n$  Where;
- $n_h$  is the sample size for stratum h;
- $N_h$  the population size for stratum h;
- N is the total population size;
- n is the total sample size.

**Table 3.2: Sample size determination**

<b>Target population</b>			
<b>Office category</b>	<b>Number</b>	<b>Percentage</b>	<b>Proportion (sample size)</b>
<b>Head office</b>	<b>57</b>	<b>11.52%</b>	<b>25</b>
<b>Kality customs Branch</b>	<b>300</b>	<b>59.91%</b>	<b>130</b>
<b>Mojo customs Branch</b>	<b>143</b>	<b>28.57%</b>	<b>62</b>
<b>Total</b>	<b>500</b>	<b>100%</b>	<b>217</b>

### **3.6.2. Sampling technique**

The researcher used a stratified random sampling method to select the sample for the study. The strata's represented the three offices involved in the research. Stratification means that specific characteristics of individuals (e.g., both females and males) are represented in the sample and the sample reflects the individuals with certain characteristics of the population. When randomly selecting people from a population, these characteristics may or may not be present in the sample in the same proportions as in the population, since it was difficult to include many employees those which were working in the three offices of customs while the study was conducted; stratification shows their representation.

## **3.7. Data Collection and Measurement Methods**

### **3.7.1. Measurement Methods**

Two types of data were collected for this study. A questionnaire is one of the main tools for collecting data from respondents in the study. Such method provides quantitative part of the study's database.

### **3.7.2. Measurement Methods**

In this study the questionnaire had seven pages and three sections - Section-A, Section-B, and Section-C. All sections of the questionnaires were prepared in the English language.

Section-A Background of the Respondent:

In this section, the questions are designed to get information on the demographics of the respondents or respondent profile such as sex, age, level of education and years of experience. The questionnaires used the Multiple-Choice question where the respondents have to choose the most suitable answer that is related to them and used nominal scale. Nominal scale categorizes individual into mutually exclusive and collectively exhaustive groups. It allows the researcher to assign subjects to certain categories or groups.

Section B: employee training:

This section on the other hand, consisted of 9 groups of questions along the line of training dimensions. As will be discussed further in the results sections, they were grouped into two categories – training design and training delivery related.

Training need assessment, training design (objective), training content, training method, training language used, trainer selection criteria, training delivery (adult learning principles), learning styles, training materials are identified as independent variables whereas training performance is taken as the dependent variables.

The questionnaires was developed using a five-point Likert scale ranging from 1 (strongly agree with the statement) to 5 (strongly disagree) for each of the statements. It comprises of statements and questions designed to examine the responds on how strongly subjects agree or disagree towards it. The questionnaire, which is equipped with full instructions, is then distributed among the existing randomly selected respondents.

Section C: employee performance

This part of the questioner focused on gathering respondents' perception of how training affected different aspects of their individual. Similar to the previous section, a 5-point Likert scale was used here.

### **3.8. Reliability Test**

Cronbach's alpha is a coefficient of reliability and it is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. Hence, according to Lombard (2010), coefficients of .90 or greater are nearly always acceptable, 0.80 or

greater is acceptable in most situations, and 0.70 may be appropriate in some exploratory studies for some indices. By tracing this literature the researcher tested the internal consistency of the items which were developed for respondents. Therefore, as shown in **Table 3.3** the values of Chronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, values of Chronbach's Alpha were in the range from **.945** up to **.985**. so, the reliability of the whole items were reliable and acceptable because as Lombard stated coefficients of 0.90 always acceptable, Thereby, it can be said that it is proved that the questionnaire is valid, reliable, and ready for distribution for the population sample.

**Table 3.3: Reliability test**

**Chronbach's Alpha for Major dimension factor of the questionnaire and the entire questionnaire.**

<b>variables</b>	<b>Cronbach's Alpha</b>	<b>N of Items</b>
<b>Entire questionnaire</b>	<b>.985</b>	<b>49</b>
<b>Training Design</b>	<b>.945</b>	<b>13</b>
<b>Training Delivery</b>	<b>.974</b>	<b>21</b>

*Source: Author's computation, 2017*

**3.9. Data analysis**

Data collected from questionnaires were analyzed by using SPSS window 20.0 version. Both descriptive and inferential statistics are employed to analysis data; descriptive statistics such as frequency and percentage are used to describe the respondents' characteristics. Regarding inferential statistics, correlation analysis is used to show the degree of the relationship between independents and dependent variables. Regression analysis is also used to show the impact of independent variables on dependent variable

### **3.10. Ethical Consideration**

The ethical issues for this research is mainly related to all the data collected from the ERCA, official letter from the college asking for a permission to access for data was provided to the ERCA. Participant's willingness to respond genuinely for provided questioners was communicated and after data collection Participants' response confidentiality and anonymity has guaranteed, confidentiality about the information obtained from the ERCA was guaranteed according to the ERCA's policy. As much as possible ethical language was used in the questioners constructed and distributed to the respondents.

## CHAPTER FOUR

### DATA PERESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1. Introduction

In this chapter, the result obtained from ERCA Customs Procedure Sector selected employees questionnaire survey are presented and analyzed. First demographic characteristics of the respondents are presented. It follows with a summary respondent's reply on training. Then it follows with description of the data gathered, discussed and analyzed the findings carefully in order to assess the training practice of ERCA Customs Procedure Sector. Presentation of findings has been organized in accordance with the study objectives.

#### 4.2. Data Analysis and Interpretation

This chapter presents the results and findings of the research. The chapter mainly includes data results from the statistical tests conducted on the gathered primary data. The research mainly emphasis was to examine the effects of training on employee performance.

Descriptive analysis and inferential analysis of the study are presented respectively. Two hundred seventeen questionnaires were distributed to the respondents and out of 217 questionnaires, 191 of them were collected that accounts 88% response rate. Accordingly, the analysis of this study is based on the number of questionnaires collected. Here The statistical program used for the analysis and presentation of data in this study is the Statistical Package for the Social Sciences (SPSS) version 20.

#### 4.3. Characteristics of the Respondents Results

The data collected from the questionnaire are summarized and presented in this section. Accordingly, the first part presents biographical data of respondents. As summarized in **Table 4.1** in the following page, Item 1 of the table represents Gender distribution of respondents. Accordingly 54.5% of them are male and the remaining 45.5% are females. Therefore, from the sampled respondents there are a greater proportion of male respondents than the female.

**Table 0-1: Background information of Respondents**

No.	Item		Frequency	Percent	Valid percent	Cumulative percent
1.	Gender of Respondents	Female	87	54.5	45.5	45.5
		Male	104	45.5	54.5	100.0
		Total	191	100.0	100.0	
2.	Age of Respondents	21-30 years	159	83.2	83.2	83.2
		31-40 years	23	12.0	12.0	95.3
		41-50 years	9	4.7	4.7	100.0
		Total	191	100.0	100.0	
3	Position	Junior	64	4.7	33.5	33.5
		Senior	108	56.5	56.5	90.1
		Team leader	12	6.3	6.3	96.3
		Process Owner	7	3.7	3.7	100
		Total	191	100.0	100.0	
4.	Educational Back ground	Diploma	9	4.7	4.7	4.7
		BA/BSC	135	70.7	70.7	75.4
		M.A/M.Sc	47	24.6	24.6	100
		Total	191	100	100	
5.	Work Experience	Below 2 years	77	40.3	40.3	40.3
		From3-8 years	95	49.7	49.7	90.1
		From9-14years	11	5.8	5.8	95.8
		From15-08 years	8	4.2	4.2	100.0
		Total	191	100.0	100.0	

*Source: Own Survey Questionnaire, 2017*

The age of respondents as it is shown on item 2, respondents in the range of 21-30 years are 159(83.2%), respondents in the range of 31-40years are 23(12.0%), in the range of 41-50 years 9 (4.7%). This indicates that the majority of the groups are within the age range of 21-30 while consisting all of the age groups.

Item 3 of the above table indicates that out of the total participants, Senior officers formed the majority representing 108(56.5%) Junior officers, accounted 64(33.5%) next were team leaders and process owner each of them accounted 12(6.3%) and 7(3.7%) respectively. The 4th item indicates the educational level of respondents. From the table, 9(4.7) are diploma holders 135 (70.7%) of BA and BSc degree holders 47(24.6%) 47(24.6%) had Masters. This shows that from respondents of ERCA employee most of them are BA and BSc degree holders.

The last item indicates the work experience of respondents. From the table, 77 (40.3%) of the respondents have below 2years, 95 (49.7%) of the respondents are from 3 to 8 years and 11 (5.8%) of the respondents are from 9 to 14 years and 8(4.2) have from 15 to 20 years. This shows that from respondents of ERCA employee most of them have from 3 to 8 years' experience.

#### 4.3.1. Descriptive Statistical analysis of training and employee performance

**Table 4.2** presents a group summary of the independent variables namely training design and training delivery. Training need assessment, objective of the training, training content and training method are the training design part where as language used , selection of trainer, training delivery of adult learning, learning style and training material, are the delivery part of training.

**Table 4.3** on the other hand provides the summary of descriptive statistics of all variables that are evaluated based on a 5-point scale (1 being strongly disagreed to 5 being strongly agreed). As it is indicated below the mean of training need assessment, objective of the training, training content, training method, language used ,selection of trainer, training delivery of adult learning, learning style, training material, and employee performance was presented as 3.41, 3.46, 3.40, 3.71,3.43,3.34,3.22,3.28,3.69 and 3.42 respectively.

**Table 0-2: Mean and standard deviation of Grouped - training design and training delivery**

	N	Minimum	Maximum	Mean	Std. Deviation
Mean design	191	1	5	3.43	0.99
Mean Delivery	191	1.12	5	3.40	0.97
Valid N (list wise)	191				

**Table 0-3: Mean and standard deviation of training dimension and employee performance**

	N	Minimum	Maximum	Mean	Std. Deviation
Training need assessment	191	1	5	3.42	1.03
Objective of the training	191	1	5	3.46	1.02
Training content	191	1	5	3.41	1.14
Training method	191	1	5	3.71	1.08
Language used	191	1	5	3.43	1.25
Selection of trainer	191	1	5	3.34	0.98
Training delivery of adult learning	191	1	5	3.22	1.07
Learning style	191	1	5	3.28	1.16
Training material	191	1	5	3.69	1.12
Employee performance	191	1	5	3.43	1.00
Valid N (list wise)	191				

*Source: Own survey, 2017*

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

Standing from this, the the mean of selection of trainer, Training delivery of adult learning, and Learning style) shows low mean score. These shows, as respondents' response: the selected trainer didn't satisfy the trainees, the mean of adult learning principles has low mean it means the trainer didn't follow adult learning principles and the learning style also indicate low mean ,and it means the learning style is not appreciated by the trainees. So the selection of trainer, Training delivery of adult learning, and Learning style should be designed carefully so as to improve employee performance.

And variables within training need assessment , objective of the training , training content, training method, language used and training material can be interpreted as variable with moderate mean score. These shows the training materials are relatively enough and adequate, and it isn't good as it is expected and the administration must do on training need

assessment issues, on objective of the training , the language used, and on the training material with that of the trainer,this helps the training program to be effective besides the performance of employees will arise.

Furthermore, the above result shows the mean score 3.42 for Employees performance with standard deviation of 1.00. Since the mean of employee performance is 3.42 it is considered as moderate mean score. Accordingly, employees’ of ERCA has an average performance since; they are not satisfied as such with the present design and delivery style of the training program.

### 4.3.2. Results of Inferential Statistics

Correlation refers to synonym for association or the relationship between variables. It measures the degree to which two sets of data are related. Higher correlation value indicates stronger relationship between both sets of data (Coetzee, 2003).

In this section Pearson’s Product Moment Correlation Coefficient, single regression and multiple regression analysis was computed. With the help of these statistical tools, conclusions are drawn with regard to the sample and decisions are made with respect to the research questions.

#### 4.3.2.1. Pearson's Product Moment Correlation Coefficient

Pearson’s Product Moment Correlation Coefficient was used to determine the relationship between training design with employee performance and training delivery with employee’s performance .

**Table 0-4: Correlation between training design, delivery and employees’ performance**

		<b>Correlations</b>		
		Performance	Training Design	Training Delivery
Employee Performance	Pearson Correlation	1	.875**	.865**
	Sig. (2-tailed)		.000	.000
	N	191	191	191
Training Design	Pearson Correlation	.875**	1	.924**
	Sig. (2-tailed)	.000		.000
	N	191	191	191
Training Delivery	Pearson Correlation	.865**	.924**	1
	Sig. (2-tailed)	.000	.000	
	N	191	191	191

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

The results in **Table 4.4** indicate that, there is positive and significant relationship between training design and employee performance ( $r = 0.875$ ,  $p < 0.01$ ), therefore, as it is cited on (Alwadael, 2010)  $r$  value 0.875 indicates or conclude very strong association exist between training design and delivery style.

The correlation coefficient of delivery style and employee performance also shows positive and significant relationship since the  $r$  value 0.865,  $P < 0.01$ . Therefore training delivery has also very strong association with employee performances.

**4.3.2.2. Regression Analysis – effects of training on employee performance**

In simple regression, we have only two variables, one variable defined as independent is the cause of the behavior of another one defined as dependent variable. Since the result provides only the direction and significance of relationship between variables. Multiple regression analysis was employed to examine the effect of training dimensions on employee performance.

**4.3.2.2.1. Simple Regression Analysis**

Since this research was designed to investigate training with employee performance, we employed linear regression analysis. As presented below (Table 4.5), the effect of training on employee performance was computed. In order to determine how both training design and training delivery influence employee performance, a simple linear regression was done , and the result provides or shows the direction and significance of relationship between variables.

**Table 0-5: Regress employee performance on training design Model Summary**

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.875 <sup>a</sup>	.765	.764	.486

a. Predictors: (Constant), Training Design

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	145.481	1	145.481	615.059	.000 <sup>b</sup>
	Residual	44.704	189	.237		
	Total	190.185	190			

a. Dependent Variable: Performance

b. Predictors: (Constant), Design

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.378	.127		2.970	.003
	Design	.884	.036	.875	24.800	.000

a. Dependent Variable: Employees Performance

From **Table 4.5** above correlation between training design and employee performance is given by 0.875 . Additionally, R square and adjusted R square value of the simple linear regression is given by 0.765 and 0.764, respectively. This is interpreted as 76.5% of variance in employee performance is explained by training design, while 23.5% of variation in employee performance can be attributed to other variables which are not considered in this study. If another factor is presented, it would further explain 56.1% as shown by the Adjusted R square. The F-statistic of 615.059 at 1 and 189 degrees of freedom is statistically significant at 99% confidence level; which implies the variation in employee performance that is explained by training design expressed by R square is statistically significant.

**Table 0-6: Regress employee performance on delivery style**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.865 <sup>a</sup>	.748	.747	.503

a. Predictors: (Constant), delivery

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	142.278	1	142.278	561.306	.000 <sup>b</sup>
	Residual	47.907	189	.253		
	Total	190.185	190			

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.380	.133		2.857	.005
	Delivery	.890	.038	.865	23.692	.000

a. Dependent Variable: Performance

b. Predictors: (Constant), delivery

From **Table 4.6** above correlation between delivery style and employee performance is given by 0.865. Additionally, R square and adjusted R square value of the simple linear regression is given by 0.748 and 0.747, respectively. This is interpreted as 74.8% of variance in employee performance is due to delivery style, while 25.2% of variation in employee performance can be attributed to other variables which are not considered in this study. If another factor is presented, it would further explain 74.7% as shown by the Adjusted R square. The F-statistic of 561.306 at 1 and 189 degrees of freedom is statistically significant at 99% confidence. Thus, the Beta-value of .890 indicates level of employee's performance will improve in .890 units if there is a one unit increase in level of delivering training program.

#### 4.3.2.2.2. Multiple Regressions

In order to determine the extent to which the explanatory variables explain the variance in the explained variable, multiple regression analysis was performed. To assess the statistical significance of the result it is necessary to look in to **Table 4.7** ANOVA.

**Table 4.7: Regress training dimensions (training design and delivery style) as independent variable on employee performance as dependent variable**

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887 <sup>a</sup>	.787	.785	.464

a. Predictors: (Constant), Design, delivery

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	149.669	2	74.834	347.237	.000 <sup>b</sup>
	Residual	40.517	188	.216		
	Total	190.185	190			

a. Dependent Variable: Performance

b. Predictors: (Constant), Design, Delivery

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.261	.124		2.105	.037
	Delivery	.400	.091	.388	4.408	.000
	Design	.521	.089	.516	5.856	.000

a. Dependent Variable: Performance

The result of multiple regression analysis shows that the value of F statistics 347.237 at 2 and 188 degrees of freedom is statistically significant at 99% confidence which means that model is statistically significant. The R<sup>2</sup> of the model is .787, which shows that approximately 78.7% of variance in dependent variable (employee performance) can be explained by the linear combination of the independent variables training and development (training design and delivery style).

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter summarizes and concludes the findings of the study that have emerged from the data analysis presented in Chapter Four.

#### 5.1. Summary of Findings

The mean score of training design (3.43) indicates moderate mean score which means design of the training program of ERCA is satisfactory. The mean of delivery style (3.4) also implies moderate mean score. This shows that the trainers of ERCA didn't deliver the training as expected by the trainee. The mean score of Employees performance was 3.43 which, is moderate mean score. This result implies employees' of ERCA have an average performance level since they were not satisfied with the present design and delivery of the training program.

Based on the results in **Table 4.4**, the correlation coefficient (P) between employee performance and training design and delivery were found to be 0.848 and 0.869 at (P=0.000) respectively. The findings of this study therefore, indicate that there was a highly significant linear correlation between the two variables (Training and employee performance). This implies that the two pairs of variables are very closely related. This supports the argument by Miller et.al (2002) who indicates that there is a strong relationship between training and performance. They argue that employees who are skilled tend to be more productive than those who are not. Becker (2001) indicates that organizations should invest in their employees through training in order to boost their performance since this is the only way for organizations to improve on their portfolio. This indicates that the trainees will reach at the desired level of performance if the training is well designed and delivered.

The other finding of the study shows that delivery style also has a positive and significant relationship with employee performance. This study also confirmed by the study of (Naveed et al., 2014). This indicates that if employees are satisfied with the delivery style of the training program their performance will enhance.

to deliver training in effective manner organization should understand adult learning principle, follow different and interesting learning style, and fulfill the needed material adequately.

In addition to this, the dimensions of training (training design and delivery style) significantly explain the variations in employee performance by 89% and 84.8% respectively.

Therefore, this study finding asserts that ERCA training providers should consider these two important dimensions so as to increase employee's performance. However, the result shows moderate concern is given to those important dimensions by ERCA training providers. Therefore, it is advisable for them to give a special consideration when designing and delivering training so as to make employee's motivated, committed, productive, and well performers.

## **5.2. Conclusions**

The primary objective of this study was to assess the effect of training on employee performance in ERCA. The study has been successful in accomplishing the three research objectives. Thus, based on the finding of the study the following conclusions are drawn:

On the whole, the study sought to investigate the effect of training on employee performance at ERCA and findings and recommendations provided. Training contributes in such a way that employees can enhance their dexterity. There is a causal relation between training and employee performance. Training helps organizations in achieving their strategic objectives and gives organizations a competitive edge.

- Employees of ERCA based on the present study, it can be concluded that effectiveness of training significantly depends on training needs determination, training design, trainer performance and trainee performance. In this context, appropriate attention has to be devoted for all the influencing dimensions that have a telling impact on training effectiveness.
- Employees of ERCA are not satisfied with the present design (objectives of the training, training content, training method and selection of trainer) and delivery style (adult learning principle, learning style and training material) of the training program.
- ERCA management will need to take action to correct its training activities, and make sure the processes involved are duly followed.
- The findings of this research indicated that ERCA's nature of work depends mainly on high technology and a variety of detailed customs procedure, laws, regulation, etc. This makes continuous training of its human resource crucial and vital, taking into consideration the rapid technological advancement, policies, rules and regulation.
- From the results of the study, it can be concluded that ERCA certainly had a well-established policy to invest in the training of employees', however the processes involved are not being duly followed. It also organizes training programs from time to time for its

employees to update their knowledge and skills and to ensure that maximum efficiency exist in ERCA.

- The Employees of ERCA have an average performance level since they are not well satisfied with the present design and delivery of training program.
- Training design has a positive and significant relationship with employee performance.

### **5.3. Recommendations**

It is an undeniable fact that in recent times many organizations have come to the realization of the importance of the role of training programs as it increases the organization's staff efficiency, skills and productivity. In order to reap the full benefits of a training initiative, ERCA should ensure that the following measures are instituted at the work place.

- ✓ The selection of trainer, Training delivery of adult learning, and Learning style should be designed carefully so as to improve employee performance.
- ✓ The training materials are relatively enough and adequate, and it isn't good as it is expected and the administration must do on training need assesement issues, on objective of the training , the language used, and on the training material with that of the trainer,this helps the training program to be effective besides the performance of employees will arise.
- ✓ In order to position ERCA for success, management must empower departments in the various branches to engage in training
- ✓ ERCA management should ensure that the training offered to employees should be relevant to their needs. All cadres of employees should be given equal opportunities in terms of sponsorship. In order to achieve this, training needs analysis should be conducted to ascertain the possible gaps. Training committees which represents all cadres of employees should be formed in order to ensure fairness in the award of training
- ✓ **Systematic Training**  
Identification of training needs should be done more professionally in conjunction with the line manager as well as the individuals involved together with the HR personnel. Everyone involved should agree exactly to what the trainees are lacking, for instance what skill is needed, and what attitudes need to be changed toward work performance.

- ✓ The needs identified should emanate from ERCA's strategic plan, which also cover departmental/sectional/teams and individual plans. ERCA should see learning, training as well as training's objectives, plan, implementation and evaluation as a continuous process for organizational development and survival.
- ✓ **Objectives should be SMART and unambiguous**

Objectives should be SMART (Specific, Measurable, Achievable, Realistic and Timely) and unambiguous, and should develop individual as well as meet the needs of the Ports. Objectives should also include performance targets, measures standards and should be seen as attainable by individuals. Also a basis for motivating through intrinsic and extrinsic rewards should be provided as this will lead to commitment and improved performance.
- ✓ **Provide Specific information to employees**

Performance appraisal information system which is used yearly at the ERCA to assess employees' performance should provide specific information to employees about their performance problems and ways they can improve their performance. This assessment should provide a clear understanding of the differences between current and expected performance, identifying the causes of the performance discrepancies and develop action plans to improve performance of employees through training programs. Management of ERCA should also link reward to performance as much as possible.
- ✓ **Create more Opportunities for training**

Training needs should be considered on the basis of overall company objectives. The goals of the company should determine what training programs are to be organized for staff. Staff should be motivated to add value to themselves and to their lives.
- ✓ **Career Planning and development**

Organizational career planning involves matching an individual's career aspirations with the opportunities available in the organization. Career pathing is the sequencing of the specific jobs that are associated with these opportunities. For career management to be successful in ERCA, both the Authority and employees must assume equal share of the responsibility for it. Employees must identify their aspirations and abilities, and through counseling recognize what training are required for a particular career information and training to its employees.

✓ **Develop employees through formal education**

The ERCA could develop its employees through formal education which will give employees the opportunity to attend short courses offered by consultants or an executive MBA and university programs which normally involve lectures by experts.

✓ **Motivation and Morale**

Motivation generally seeks to boost employees' morale to work hard and thus increase productivity. It is against this fact that the researcher wishes to recommend that in instituting proper training programs, ERCA should initiate a policy for motivation attached to training. Motivation include both extrinsic, such as more pay, allowance, fringe benefits, and intrinsic such as recognition, appreciation, acceptance by fellow workers, opportunities for promotion, career development and consultation for important matters. Morale on the other hand increases productivity indirectly by reducing absenteeism, accidents, employee turnover and grievances. This means that the workforce can never develop in an organization where there is low morale and lack of motivation because motivation and morale leads to job satisfaction, which in turn leads to development.

✓ **Enrich job experience**

Most employee development occurs through job experiences. Development is most likely to occur when there is a mismatch between the employee's skills and past experiences, and the skills required for the job. To be successful in their job, employees in ERCA must stretch their skills. There are several ways that job experiences can be used for employee development in ERCA and these include the enlargement of current job, job rotation, transfers and promotion to positions with greater challenge.

✓ **Improve interpersonal relationships**

An interpersonal relationship is another way for employees to develop skills, increase knowledge about the organization and its clients by interacting with a more experienced member. Interpersonal relationships can develop as part of a planned effort to bring together successful senior employees of the ERCA together with less experienced ones.

✓ **Evaluate training for effectiveness**

It is vital to evaluate training in order to assess its effectiveness in producing the learning outcomes specified when the training intervention is planned, and to indicate

where improvements or changes are required to make the training even more effective. The basis upon which each category of training is to be evaluated should be determined at the planning stage while considering how the information required to evaluate learning events would be obtained and analyzed.

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# APPENDIX A:

## Questionnaire

ADDIS ABABA UNIVERSITY  
SCHOOL OF COMMERCE GRADUATE PROGRAM  
MASTERS IN HUMAN RESOURCE MANAGEMENT

*Questionnaire for ERCA Customs procedure Sector Employees*

This questionnaire is designed to request information for purely academic purposes. This is to enable the researcher, **Alemayehu Mulugeta** a final year student of Addis Ababa University School of Commerce to complete his thesis on the topic; **Effects of Training on Employee Performance in ERCA Customs procedure sector Employees**; in pursuance of Master of Human Resource Management Degree. I would like to thank you in advance for your co-operation and for scarifying your valuable time.

N.B:

1. You don't need to write your name.
2. The researcher has scheduled to get the filled questionnaire back within three days.
3. All information given would be treated with utmost confidentiality.

### SECTION A

#### BASIC DEMOGRAPHIC DATA

Please fill in the blanks, and put this mark (√) to indicate your choice for these items that have alternative responses.

1. Sex:     .Female     . Male
2. Age: Which of the following age categories do you belong to?  
.Below 21years   .From 21 – 30   .From 31 – 40   .From 41 – 50  
.From 51 – 65
3. Educational background:A. Certificate and below   .Diploma   . B. B.A/ B.Sc  
. M.A. /M.Sc.   .PhD
4. **Please indicate your position**, in your organization  
. Juniour   . Senior   . Team leader   . process owner

5. Work experience, in your organization

.Below 2years . From 3 – 8years . From 9 – 14years

.From 15 – 20years . 21years and above

**SECTION B**

Training Design, Delivery Style

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

No.	Training Design objective of the training course	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
<b>1</b>	<b>Training need assessment</b>					
1.1	Training need assessment documents are well organized and used					
1.2	Training need assessment process was participatory					
1.3	Training needs identified was helpful for upcoming					
<b>2</b>	<b>Training Design objective of the training course</b>					
2.1	I was given sufficient information on the objectives of the training course before my arrival.					
2.2	The training course encouraged exchange of information and expression of ideas successfully.					
2.3	The objectives of the training were coherent with my needs.					
2.4	The objectives of the course were achieved					
<b>3</b>	<b>Training content</b>					
3.1	The topics covered were relevant to me					
3.2	The content was organized and easy to follow.					

		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
3.3	I consider that the training programs are designed at level of abilities and education of employees					
3.4	I received updated training which is required for my position					
<b>4</b>	<b>Training method</b>					
4.1	I found the different training methods listed below to be relevant and of good quality: a) Lectures					
4.2	b) Group discussion					
4.3	c) Review and revision					
<b>5</b>	<b>The language used in the training sessions was easy to understand.</b>					
<b>6.</b>	<b>Selection of trainer</b>					
6.1	Trainers have sufficient knowledge					
6.2	The training staff encouraged participation throughout the course					
6.3	The training staff was responsive to participants needs and questions					
6.4	Trainers communicate well					
6.5	Trainers are open, honest and fair to all.					
6.6	The trainer used a voice loud and clear enough to hear easily.					
6.7	The trainer summarized the main points before finishing.					
6.8	The trainer used effective examples and illustrations					

		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
6.9	The trainer used body language to help communicate ideas visually					
<b>7.</b>	<b>Training delivery Adult learning principles</b>					
7.1	The training exercise best help trainees learn and apply different types of knowledge or skill.					
7.2	I consider that duration of training is appropriate to keep me motivated for learning					
7.3	The trainer clearly described what to expect from the presentation					
7.4	The trainer defined unfamiliar technical terms					
7.5	The trainer provided clear instructions for all activities.					
<b>8</b>	<b>Learning styles</b>					
8.1	The practical activities of the training and teaching methods were effective					
8.2	The training session is flexible and includes variety of energizers					
8.3	The training I took part uses different media (flipcharts; videos; Music etc.) in the training room					
8.4	The training program I received accommodates different learning styles					

		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>9</b>	<b>Training material</b>					
9.1	I assume the material, handouts and/or activities useful to the training provided to me are adequate.					
9.2	The materials distributed were helpful					
9.3	The trainer made sure materials could be read					

## SECTION C

### Questionnaire on employee performance

No.	Questions or descriptions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	In my opinion, training has helped me to improve my performance since I joined ERCA					
2	Whenever the performance evaluation report shows that the employee performs poorly, an employee is given the required training.					
3	I can say that after training employees in ERCA are working well their regular activities.					
4	The training provided by the organization helped me to perform my work quickly and efficiently.					
5	Because of the knowledge, skills and attitude that I received from the training I can accomplish activities without waste.					
6	I fell that training enable me to perform my work with greater accuracy and precision.					
7	I think that works carried out in group after training enable me more effective than individually.					
8	Because of the good training practices of the organization, employees are committed for their work and for the organization.					

9	After training I feel that I am committed for my work					
10	I feel a strong sense of belonging to this organization since it has a good training method to acquire the needed skills and to become loyal for different activities.					
11	I think that active participation during training has a positive effect on my commitment to the organization and for my work.					
12	I have a good relationship with my trainer to learn more in the training so that I will ask what I did not understand to increase my competence.					