



**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES**

**ASSESSING TRAINING PRACTICES AT NYALA  
INSURANCE SHARE COMPANY**

**BY  
SARA BELAYHUN**

**JULY, 2017  
ADDIS ABABA, ETHIOPIA**

**ASSESSING TRAINING PRACTICES AT NYALA INSURANCE  
SHARE COMPANY**

**BY  
SARA BELAYHUN**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL  
OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF  
MASTER OF BUSINESS ADMINISTRATION**

**JULY, 2017**

**ADDIS ABABA, ETHIOPIA**

**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
SCHOOL OF BUSINESS**

**ASSESSING TRAINING PRACTICES AT NYALA  
INSURANCE SHARE COMPANY**

**BY**

**SARA BELAYHUN**

**APPROVED BY BOARD OF EXAMINERS**

\_\_\_\_\_  
**Dean, School of Business**

\_\_\_\_\_  
**Advisor**

\_\_\_\_\_  
**External Examiner**

\_\_\_\_\_  
**Internal Examiner**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Asst. Professor Shoa Jemal. All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of earning any degree.

---

Name

**St. Mary's University, Addis Ababa**

---

Signature

**July, 2017**

## ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate studies for examination with my approval as a university advisor.

Shoa Jemal

\_\_\_\_\_

Advisor

Signature

**St. Mary's University, Addis Ababa**

**July, 2017**

## AKNOWLEDGMENTS

First and for most, I would like to thank the Almighty God for all his helps and giving me the chance to enjoy the fruits of my endeavor.

I would like to forward my earnest gratitude to my advisor Assistant Professor Shoa Jemal who has provided me with valuable guidance and direction diligently.

Also I would like to forward my deep gratitude to Dr Samuel Dernas for his professional contributions and advice.

Last but not least, I extend my sincere gratification to my family for being there for me whenever I need them and for their unconditional support and encouragement throughout my education.

**Thank you all!!!!!!!!!!!!!!**

## ACRONYMS/ABBREVIATIONS

TNA – Training Need Assessment

TD – Training Design

TDY – Training Delivery (Implementation)

TE – Training Evaluation

SPSS – Statistical Package for Social Sciences

NISCO-Nyala Insurance Share Company

## Table of Content

	<b>Page</b>
AKNOWLEDGMENTS .....	i
ACRONYMS/ABBREVIATIONS .....	ii
LIST OF TABLES .....	v
LIST OF FIGURES .....	vi
ABSTRACT .....	vii
<b>CHAPTER ONE:INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the study .....	1
1.2 Statement of the problem .....	2
1.3 Research Questions .....	4
1.4 Objective of the study .....	4
1.4.1 General Objective .....	4
1.4.2 Specific Objectives .....	4
1.5 Significance of the study .....	5
1.6 Scope of the study .....	5
1.7 Limitation of the study .....	6
1.8 Organization of the Study .....	6
<b>CHAPTER TWO: REVIEW OF RELATED LITERATURE.....</b>	<b>7</b>
2.1 Theoretical Literature .....	7
2.1.1 Benefits of Effective Training .....	9
2.1.2 Types of training.....	9
2.1.3 Steps in Training Process .....	10
2.1.4 Just-in-time training.....	19
2.2 Empirical Findings .....	19
2.3 Conceptual Framework .....	21
<b>CHAPTER THREE:RESEARCH DESIGN AND METHODOLGY .....</b>	<b>23</b>
3.1 Research Design and Approach .....	23
3.2 Population, Sample Size and Sampling Techniques .....	24
3.2.1 Research population .....	24



3.2.2 Sample Size .....	24
3.2.3 Sampling Techniques .....	25
3.3 Sources of Data Collection.....	25
3.4 Data Gathering Instrument.....	26
3.5 Procedures of Data Collection.....	26
3.6 Pilots Testing.....	26
3.7 Reliability and Validity of the Instrument .....	27
3.7.1 Reliability .....	27
3.7.2 Validity .....	27
3.8 Method of Data Analysis .....	28
3.9 Ethical Considerations.....	28
<b>CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION.....</b>	<b>29</b>
4.1 Demographic Information of the Respondent.....	29
4.2 Data Analysis Related to the Study.....	30
<b>CHAPTER FIVE: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>40</b>
5.1 Summary of Major Findings .....	40
5.2 Conclusions .....	41
5.3 Recommendations .....	43
References.....	44
Appendices.....	46

## LIST OF TABLES

Table 1: Summary of Respondents' Characteristics .....	29
Table 2: Employees Response on Training .....	30
Table 3: Results on Frequency of Training .....	31
Table 4: Employees Response on Training Needs Assessment .....	33
Table 5: Employees Response on Training Design .....	35
Table 6: Employees Response on Training Delivery Method .....	37
Table 7: Employees Response on Training Evaluation.....	39

## LIST OF FIGURES

<b>Figure:1</b> Conceptual Framework .....	22
<b>Figure:2</b> Employee Response on-on Time Training .....	31
<b>Figure :3</b> Employee Response on Training Objectives.....	34

### *Abstract*

*The study intended to assess the training practices at Nyala Insurance Share Company. questionnaire and interview instruments were used to collect the data and Stratified random sampling method was used to select samples from the target population .The study employed quantitative approach to gather data from a total of 105 employees at the Insurance . In order to assess the existing training practice of the insurance, the study emphasized on processes of training, which are training needs assessment (TNA), training objectives, training design (TD), training delivery method (TDY) and training evaluation (TE). After the required data were collected descriptive (i.e. frequency, percentage and mean) statistical analysis was used to analyze the data using statistical software application programs (SPSS) version 20.Lack of understanding training objectives ,delay delivery of training and poor assessment of training needs are the major findings of the study . Therefore the study concluded that each of the training processes do not seem to be considered at the insurance Moreover, the overall training practice at the insurance do not appear to be effective due to the gaps in each training process. The study suggested that In order to have an effective training practice the insurance should have to conduct each and every process properly and existence of training programs may not assure the effectiveness of the training program unless it is supported by systematic training process. Eventually, each processes are interrelated, they should be conducted with due care and on- time delivery of the training should given a due attention for the training to be effective and for improvement of employee performance.*

**Key words: Training, Training Need Assessment, Training Objective, Training Design, Training Delivery, Training Evaluation**

# CHAPTER ONE

## INTRODUCTION

### *1.1 Background of the study*

In the competitive world of business, having a resource and utilizing it seems to be important for an organization to sustain its competitiveness. The human resource is one of the resources that may play in the success of organization. In order to develop the skill, ability, knowledge and to be competitive training programs are believed to be essential.

Human Resource has become strategic resource to gain sustainable competitive advantages in this age of globalization (Elnaga & Imran, 2013). The knowledge and skills of an organization's workforce have become increasingly important to its performance, competitiveness, and innovation. Workplace learning and continuous improvement are now considered essential for an organization to remain competitive. Human resource development is like many other virtues in that those who advocate it easily outnumber actual practitioners. Some organizations do indeed a great deal in this area and do it extremely well (David & Geoffrey, 2009).

Every organization needs well-adjusted, trained, and experienced people to perform its activities. As jobs in today's dynamic organizations have become more complex, the importance of employee education has increased (Decenzo & Robbins, 2010). Employee training has become increasingly important as jobs have become more sophisticated and influenced by technological and corporate changes.

Training is a learning experience that seeks a relatively permanent change in individuals that will improve their ability to perform on the job. Investments in training are fundamental to the formation of human capital. Through employee training, individuals learn to adjust to the corporate culture of an organization and become or remain productive under changing conditions (Decenzo & Robbins, 2010).

Most research findings indicate that training has a positive impact on business outcome through increased productivity, improved management skill, reduced production cost easy access to profitability, and expanded market resulted from new idea from the training.

Thus, by considering the above importance of training it appears to be important to give effective training to those who work in the insurance industry in order to improve the performance and competence of its employees. Ethiopian insurance industry players have increased in number from 17 of last year to 18 this fiscal year. out of these 18 companies ,one is licensed to undertake re-insurance operations, seven companies run general insurance and ten composite, general and life business. Some of the Insurances in Ethiopia are Nyala insurance, Ethio-Life and General Insurance, Anebessa Insurance and etc.

Nyala Insurance gave top attention on building its internal capacity by recruiting and training highly skilled officers and agents in order to satisfy new and existing customers demand in rural and urban areas. Thus, the company has continued enhancing the knowledge and the skill of employees through informal and formal trainings the cost of which amounts at least 2% of its annual recurrent expenditure. Therefore, this study tried to investigate the experience of the actual training practice of Nyala Insurance and to provide suggestions to the organizations as how they can make best use of training program by improving the training practice of the insurance.

### *1.2 Statement of the problem*

Every organization requires well trained and experienced employees in order to improve performance, as jobs are changing dynamically. One significant function of Human Resource Management to the effective use of human resources is training. Almost everyone now recognizes the significance of training on the success and growth of organizations. Employees are a very crucial and expensive resource to every organization. There are significant changes today in terms of the value of the employee. Along with these changing values trends at the workplace that have significant impact on employees' knowledge and skills. Training is therefore, necessary to enhance the knowledge, skills and attitude of employees.

Basically training is a formal & systematic modification of behavior through learning which occurs as result of education, instruction, development and planned experience (Armstrong, 2000).

According to Getahun (Getahun, 2012) due to practical implications of training, it is important to have training that is effective. In most cases, there may be gap between employees knowledge, skill and abilities and what the job demands. Thus, training is one of the major techniques that organizations undertake to fill this gap and improve the skill and competency levels of their employees.

The major essence of employee training is to enhance the skills, knowledge, attitudes and abilities of employees. Of course, training has to result in tangible changes in behavior. If staffs do not apply what they have learned, the investment is wasted. Learning is not only about becoming smarter, but about changing behaviors and improving decision making (Lovelock & Wirtz, 2008). With this understanding and fact, whatever training budget or fund is allocated, whatever lots of training are delivered, training is nothing but wastage of time and resource, if it is not effective.

The importance of training is usually to reduce errors and to improve productivity and safety. So, properly planned and executed training benefits both the employer and the employees (Marinescu & Toma, 2013). The Absence of well-established training policy, lack of adequate budget, inadequate need assessment, inappropriate training objective, outdated training method, lack of close supervision and follow up are some of the major problems related to training in most organization in Developing Countries (Zheng, Hyland, & Soosay, 2007).

Many organizations in Ethiopia understand the essence of training and they make the condition favorable for their workers both within the country and abroad and indeed the Insurance Company like other organizations engaged and invest considerable amount of resource to train their employees. As mentioned above, Nyala Insurance Share Company emphasized on the importance of training for their employees. However, giving emphasis by itself doesn't assure the effectiveness of the training program unless it is supported by systematic training process. One of the prominent reasons that motivated the researcher to pick up this point is when observing the practical application of training practices in Nyala Insurance the main problem arise in the effectiveness of training in improving employee's performance. Therefore, this study intended to assess gaps seen while conducting training process. As a result, the study planned to evaluate any variations and gaps, in general problems that may be seen on the

ongoing training practices that the Insurance is undertaking in addressing the organizational objective. Furthermore, it is intended to analyze whether the training practices formulated by the Insurance is effective and contributes to improve the skills, competencies, knowledge and overall performance of employees.

### *1.3 Research Questions*

This study attempts to address the following questions:-

1. How is the training needs assessment practiced at Nyala Insurance?
2. Does Nyala Insurance set a clear training objective?
3. How is training designed at Nyala Insurance?
4. How is training delivered at Nyala Insurance?
5. How is training evaluated at Nyala Insurance?

### *1.4 Objective of the study*

The general and specific objectives of the study are stated below

#### 1.4.1 General Objective

The general objective of the study is to assess the overall training practice at Nyala Insurance Share Company.

#### 1.4.2 Specific Objectives

The specific objectives of the study are:-

1. To assess how the training need assessment is conducted in the Insurance.
2. To identify whether the organization has a clear training objective.
3. To examine how training is designed in the insurance.
4. To examine how training is delivered in the Insurance.
5. To identify how training is evaluated in the Insurance



### *1.5 Significance of the study*

In addition to meeting the objectives of the study which are mentioned above the study will be significant in the following areas.

- Primarily it contributes to the insurance in designing effective training program that have an important managerial implication for the company on how to enhance the job satisfaction as well as work productivity of employees.
- Also this study will help Nyala or other insurance company to understand the importance of training and as a result to improve the training quality.
- Additionally, it is important to employees, customer, stakeholder, government and other institution and furthermore it helps for management of the organizations by providing input for decision on policy setting regarding training and development.
- Lastly, it may have a contribution to the literature and serve as one reference for students and improve the quality of the next research in employee training format.

### *1.6 Scope of the study*

The scope of the study is limited to assess the training practice of Nyala Insurance. Moreover, the study entirely concentrated on the prevailing practice in relation to the Training practices only by excluding other human resources activities of the insurance. Most literatures suggest that there are four processes of training which makes the training practice of any organization effective, these are training needs assessment, training design, delivery approaches and training evaluation.

Nyala Insurance is one of the leading insurance company having over 45 branches stretched throughout the country. It is difficult to conduct a research from all branches due to time and capacity constraints; and hence, the research is focus only to city branches and head office of Nyala insurance and employees located at Addis Ababa city.

### *1.7 Limitation of the study*

- Lack of awareness and willingness of the employees regarding, filling out the questionnaires or providing the required data with care and being unable to return the questionnaire on time.
- The researcher's lack of prior experience in conducting scientific research may have some effect on the finding of the result. However, considerable care taken in the collection and analysis of all the evidential matter in order to minimize the impact of these shortcomings
- Difficulty of covering all the area of the population.

### *1.8 Organization of the Study*

This study is organized in five chapters. Chapter one provides a brief background information to the study, overview of the company under case study, discusses the research problem, scope and limitation, and significance of the study. Chapter two reviews detail literature related to the study. Chapter three presents methodology employed in the study. The fourth chapter focuses on the results and discussions of the study; and finally in chapter five findings, conclusions and recommendations are drawn based on the results of the study.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

#### *2.1 Theoretical Literature*

Training is generally defined as a planned and systematic effort to modify or develop knowledge, skills and attitudes through learning experiences, to achieve effective performance in an activity or a range of activities. Training refers to a planned effort facilitate the learning of job related knowledge, skill and behavior by employee (Goldstein & Ford, 2007).

Training is the use of systematic and planned instruction activities to promote learning. The approach can be summarized in the phrase ‘learner-based training’. It involves the use of formal processes to impart knowledge and help people to acquire the skills necessary for them to perform their jobs satisfactorily. It is described as one of several responses an organization can undertake to promote learning (Armstrong, 2006).

Training is usually provided to adults and is aimed at producing an improvement in performance at work, by addressing weaknesses in knowledge, skills, or attitudes. It tends to be more practically focused and can take place in a variety of environments and concerned with the acquisition of knowledge, skills and attitude (Itika, 2011).

Decenzo and Robinson (2010), “training is a learning experience” it permanently change the behavior or attitude, the skill and knowledge of employees. In addition, training changes the way employees know how they work or the attitudes they have on their current job, their relation with their coworkers and their organization.

The aim of training programs is to enable employees to have the skill and knowledge or attitude to apply in their daily activities so that employees can perform their job successfully (Noe,2010). Training refers to a planned effort by a company to facilitate employees’ learning of job related competencies. These competencies include knowledge, skills, or behaviors that are critical for successful job performance.

Training is seen as one of several possible solutions to improve performance. Other solutions can include such actions as changing the job or increasing employee motivation through pay and incentives. Today there is a greater emphasis on providing educational opportunities for all employees. These educational opportunities may include training programs, but they also include support for taking courses offered outside the company, self-study, and learning through job rotation. Training needs can be assessed by analyzing three major human resource areas: the organization as a whole, the job characteristics and the needs of the individuals. This analysis will provide answers to the following questions:

- Where is training needed?
- What specifically must an employee learn in order to be more productive?
- Who needs to be trained?

According to Armstrong (2006) Training should be systematic in that it is specifically designed, planned and implemented to meet defined needs. It is provided by people who know how to train and the impact of training is carefully evaluated. The concept was originally developed for the industrial training boards in the 1960s and consists of a simple four-stage model:-.Identify training needs, what sort of training is required to satisfy these needs, use experienced and trained trainers to implement training and follow up and evaluate training to ensure that it is effective.

The need for training your employees has never been greater. As business and industry continues to grow, more jobs will become created and available. Customer demands, employee morale, employee productivity, and employee turnover as well as the current economic realities of a highly competitive workforce are just some of the reasons for establishing and implementing training in an organization. To be successful, all training must receive support from the top management as well as from the middle and supervisory levels of management. It is a team effort and must be implemented by all members of the organization to be fully successful.

### 2.1.1 Benefits of Effective Training

Armstrong (1999) states that the fundamental aim of training is to help organizations achieve their purpose by adding to their key resources i.e. the people they employ. Investing in training means that employees will be able to perform better and empower themselves to make use of their natural abilities.

The main objectives of training are to:

- ❖ Develop competencies of employees to improve their performance.
- ❖ Help people to grow within the organization in order that as far as possible, its future Human resources can be met from within.
- ❖ Reduce the learning time for employees starting in new jobs on appointment, transfer or promotion, and ensure that they become fully.

The main purpose of training is to acquire and improve knowledge, skills and attitudes towards work related tasks. It is one of the most important potential motivators which can lead to both short-term and long-term benefits for individuals and organizations (Nassazi, 2013).

Research has shown specific benefits that a small business receives from training and developing its workers, including:-increased productivity, reduced employee turnover, Increased efficiency resulting in financial gains, decreased need for supervision.

### 2.1.2 Types of training

Training programs or events can be concerned with any of the following:

- ❖ Manual skills
- ❖ IT skills
- ❖ Team leader or supervisory training
- ❖ Management training
- ❖ Interpersonal skills, like leadership, teambuilding, group dynamics, neuro-linguistic programming
- ❖ Personal skills, such as:-assertiveness, coaching, communicating, time management;
- ❖ Training in organizational procedures or practices, including:-induction, health and safety,

- ❖ performance management, equal opportunity or managing diversity policy and practice  
Adopted (Armstrong, 2006)

### 2.1.3 Steps in Training Process

The training design process refers to a systematic approach for developing training programs. It includes the steps in this process. Training is one of the most profitable investments an organization can make. No matter what business or industry you are in the steps for an effective training process are the same and may be adapted anywhere. If you have ever thought about developing a training program within your organization consider the following four basic training steps. You will find that all four of these steps are mutually necessary for any training program to be effective and efficient. The way in which a firm plans, organizes, and structures its training affects the way employees experience the training, which in turn influences the effectiveness of the training. Effective training requires the use of a systematic training process (Mathis & Jackson, 2011). There are different models that show the steps in the training process, though the contents are more or less the same. According to (Kulkarni 2013), the training process involves four stages, namely:-

- Assessment of training needs.
- Designing the training programs.
- Implementation of the training program.
- Evaluation of the training program

### 1. Training Needs Assessment

The needs analysis is the starting point for all training. The primary objective of all training is to improve individual and organizational performance. Establishing a needs analysis is, and should always be the first step of the training process.

Training need is a gap between actual performance and desired performance or between current abilities and job requirements that can be closed by training (McConnell, 2003). Need assessment refers to the process used to determine if training is necessary (Noe *et al*, 2008).

Needs assessment occurs at two level-group and individual. An individual obviously needs training when his or her performance falls short of standards, that is, when there is performance

deficiency. Inadequacy in performance may be due to lack of skill or knowledge or any other problem. The problem of performance deficiency caused by absence of skills or knowledge can be remedied by training. Faulty selection, poor job design, improving quality of supervision, or discharge will solve the problem (Garg, 2009). Assessing organizational training needs is the diagnostic phase of a training plan.

This assessment considers issues of employee and organizational performance to determine if training can help. Needs assessment measures the competencies of a company, a group, or an individual as they relate to what is required. It is necessary to find out what is happening and what should be happening before deciding if training will help, and if it will help, what kind is needed (Mathis & Jackson, 2011). Determining training needs typically involves generating answers to several questions (Decenzo & Robbins, 2010).

The objective in establishing a needs analysis is to find out the answers to the following questions:

- “Why” is training needed?
- “What” type of training is needed?
- “When” is the training needed?
- “Where” is the training needed?
- “Who” needs the training? and “Who” will conduct the training?
- “How” will the training be performed?

By determining training needs, an organization can decide what specific knowledge, skills, and attitudes are needed to improve the employee’s performance in accordance with the company’s standards. A training needs analysis is a systematic process by which training needs are investigated and consolidated to provide the basis for the training program (Itika, 2011). Needs assessment typically involves organizational analysis, person analysis and task analysis.

## **Organizational Analysis**

The organization analysis is the process of analyzing the appropriateness of training and development programs in line with the organization business strategies. It considers the context of the organization and when the training and development can be applied (Noe *et al*, 2008). It analyze the need of the organization KSA's that are required for the present and future jobs (Mathis and Jackson, 2010). Analyzing the organization current status helps to identify what it does, how it does it and its member's abilities to do tasks.

This can provide some benchmarks to compare with the effectiveness of these programs (Mahapatra, 2010). Organizational analysis involves determining the appropriateness of training and development programs in light with the business strategy, its resource and availability for training and support of managers and peers for these activities. Managers need to be aware of the business strategy the organization is moving towards. Whether its growth or reduction of its employees, or other strategies the organization is following, the training and development programs need to be according to the business strategy.

In addition, the resources the organization possesses also need to be considered when conducting organizational analysis. The time, resource and expertise the organization possess needs to be considered as well. Still, the support of managers and peers is vital in these programs. Without the willingness of the managers and peers support on how employees can be more effective through these programs and providing a conducive environment for employees to apply the knowledge and skill on their job, these programs will be waste of energy and time (Noe *et al*, 2008).

## **Personal analysis**

The personal analysis identifies which employees are in need of these programs, their readiness and the skill, knowledge and attitude that is required. (Noe *etal*, 2008). The person that is doing the job should be analyzed for the managers to determine the skill and knowledge the employees are requiring. In assessing the training and development programs, managers should identify the variable that might affect these programs.



The primary variables that influence the performance of employees are knowledge and skill. Whether it is a problem of deficiency or to develop employees for the future assignment or roles, managers need to assess their employees. According to Mathis and Jackson (2008), Individual or Personal analysis requires the focuses on individual and how they perform their job. Individual analyses evaluate employees' current competence level with the standard or anticipated need of the organization. The difference between these two may require these programs.

### **Task Analysis**

The third diagnosis in the need assessment is the tasks employees are performing. Task analysis includes reviewing the job involved with employees' skill and knowledge (Mathis and Jackson, 2008). It provides a detailed study about the job and the required skill of the job employees are performing (Grey, 2011). The characteristics of the job and the person involved should be the concern of this assessment. Job description and Job specification is vital during the assessment as well as the environment and condition the employees are performing will not be overlooked (Noe *et al*, 2008).

The result from the three analysis can be used as an input for designing the training and development programs, that is why need analysis is essential to be done frequently for the organization to be aware of training needs ( Edralin,2004).

### **Training Objectives and Priorities**

Once training requirements have been identified using needs analyses, training objectives and priorities can be established by a "gap analysis," which indicates the distance between where an organization is with its employee capabilities and where it needs to be. (Mathis & Jackson, 2011)

Training objectives and priorities are then determined to close the gap. Three types of training objectives can be set:

- ❖ Attitude: Creating interest in and awareness of the importance of something (e.g., sexual harassment training)
- ❖ Knowledge: Imparting cognitive information and details to trainees (e.g., understanding how a product works)

- ❖ Skill: Developing behavioral changes in how jobs and various task requirements are performed (e.g., improving speed on an installation)

Management should explicitly state its desired results for each employee. It is not adequate to say we want change in employee knowledge, skills, attitudes, or behavior; we must clarify what is to change and by how much. These goals should be tangible, verifiable, timely, and measurable. They should be clear to both the supervisor and the employee (Decenzo & Robbins, 2010).

Because training seldom demands unlimited budget item and because organizations have multiple training needs, prioritization is necessary. Ideally, management looks at training needs in relation to strategic organizational plans and as part of the organizational change process. Then the training needs can be prioritized based on organizational objectives. Conducting the training most needed to improve the performance of the organization will produce visible results more quickly (Mathis & Jackson, 2011).

## **2. Training Design**

Training should be systematic in that it is specifically designed, planned and implemented to meet defined needs. 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 *et al*, 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.

Once training needs have been identified using the various analyses, 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 objectives (Goldstein & Ford, 2007).

Well-designed training is important as continuous learning and skill development are now a way of life in modern organizations. To remain competitive, organizations and countries must ensure that their workforce continually learns and develops.

### **3. Training Delivery**

The way training is designed, delivered, and implemented can greatly influence its effectiveness. Once training has been designed, the most important decisions to make are how the training will be delivered.

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 so as to be able to meet organization's current and future objectives (Nassazi, 2013).

There are different types of delivering training depending on the type of training that needs to be delivered; you will likely choose a different mode to deliver the training. When choosing a delivery mode, it is important to consider the audience and budget constrictions. The most effective method depends on the learner and the skill being learned. Training methods are categorized into two groups: on the job and off the job training.

#### **A. On the Job Training**

On-the-job training takes place in a normal working situation, using the actual tools, equipment, documents or materials that trainees will use when fully trained. On the job training has a general reputation as most effective for vocational work. On the job training is a training that is given to organizational employees while conducting their regular work at the same working venues and off the job training involves taking employees away from their usual work environments and therefore all concentration is left out to the training.

On-the-job training is the most common approach in which an employer may invest in human capital needed for strategic advantage. Such investments may be made by structuring a job so that employees learn while they work (Greer, 2003).

On-the-job training is a training that is given to organizational employees while conducting their regular work at the same working venues and off-the-job training involves taking employees away from their usual work environments and therefore all concentration is left out to the training. On job training is planned and structured training that takes place mainly at the normal workstation of the trainee (Beardwell, Holden, & Claydon, 2004).

On the Job training is characterized by following points:-

- ❖ It is done on ad-hoc manner with no formal procedure, or content
- ❖ At the start of training, or during the training, no specific goals or objectives are developed
- ❖ Trainers usually have no formal qualification or training experience for training
- ❖ Training is not carefully planned or prepared
- ❖ The trainer are selected on the basis of technical expertise or area knowledge

The most frequently used method in smaller organizations that is on the job training. This method of training uses more knowledgeable, experienced and skilled employees, such as managers, supervisors to give training to less knowledgeable, skilled, and experienced employees. OJT can be delivered in classrooms as well. This type of training often takes place at the work place in informal manner.

### **Types of on the job training**

**Coaching-** Coaching is one of the training methods, which is considered as a corrective method for inadequate performance. According to a survey conducted by International Coach Federation (ICF), more than 4,000 companies are using coach for their executives. These coaches are experts most of the time outside consultants. An experienced worker or the trainee's supervisor trains the employee. This may involve simply acquiring skills by observing the supervisor or having the supervisor or job expert show the new employee the ropes, step- by step (Dessler & Varkkey, 2010).

**Job rotation-** in which an employee moves from Job to job at planned interval to broaden their understanding of all parts of the business and to test their abilities (Dessler & Varkkey, 2010).

**Internships** are opportunities for students in higher education to utilize their instruction and training in a chosen profession as part of their education. Internships vary from very unstructured to highly structured and may include college credit (Decenzo & Robbins, 2010).

## **B. Off the job training**

Off-the-job training takes place away from normal work situations implying that the employee does not count as a directly productive worker while such training takes place. Off-the-job training has the advantage that it allows people to get away from work and concentrate more thoroughly on the training itself. This type of training has proven more effective in inculcating concepts and ideas.

These methods of training are those in which training is provided away from the actual working condition. It is generally used in case of new employees. Instances of off the job training methods are workshops, seminars, conferences, etc. Such method is costly and is effective if and only if large number of employees have to be trained within a short time period (Noe *et al*, 2008).

### **Types of off the job training**

**Lectures** - A lecture is a talk with little or no participation except a question-and-answer session at the end. It is used to transfer information to an audience with controlled content and timing. When the audience is large, there may be no alternative to a 'straight lecture' if there is no scope to break it up into discussion groups (Armstrong, 2006).

**Case study**- A case study is a history or description of an event or set of circumstances that is analyzed by trainees in order to diagnose the causes of a problem and work out how to solve it. Case studies are mainly used in courses for managers and team leaders because they are based on the belief that managerial competence and understanding can best be achieved through the study and discussion of real events. Case studies should aim to promote enquiry, the exchange of ideas, and the analysis of experience in order that the trainees can discover underlying principles that the case study is designed to illustrate (Armstrong, 2006).

**Role-playing**-In role-playing, the participants act out a situation by assuming the roles of the characters involved. The situation will be one in which there is interaction between two people or within a group. It should be specially prepared with briefs written for each participant explaining the situation and, broadly, their role in it.

Alternatively, role-playing could emerge naturally from a case study when the trainees are asked to test their solution by playing the parts of those concerned. Role-playing is used to give managers, team leaders or sales representatives practice in dealing with face-to-face situations such as interviewing, conducting a performance review meeting, counseling, coaching, dealing with a grievance, selling, leading a group or running a meeting. It develops interactive skills and gives people insight into the way in which people behave and feel (Armstrong, 2006).

**Simulation-** is a training technique that combines case studies and role-playing to obtain the maximum amount of realism in classroom training. The aim is to facilitate the transfer of what has been learnt off the job to on-the-job behavior by reproducing, in the training room, situations that are as close as possible to real life. Trainees are thus given the opportunity to practice behavior in conditions identical to or at least very similar to those they will meet when they complete the course (Armstrong, 2006).

#### **4. Training Evaluation**

Garg (2009) point out, this step will determine how effective and profitable your training program has been. Methods for evaluation are pre-and post- surveys of customer comments cards, the establishment of a cost/benefit analysis outlining your expenses and returns, and an increase in customer satisfaction and profits. The reason for an evaluation system is simple. The evaluations of training programs are without a doubt the most important step in the training process. It is this step that will indicate the effectiveness of both the training as well as the trainer. The evaluation phase is crucial. It focuses on measuring how well the training accomplished what its originators expected. Once a company implements a training program, it must evaluate the program's success, even if it has produced desired results for other companies and even if similar programs have produced desires for it.

There are several obvious benefits for evaluating a training program. First, evaluations will provide feedback on the trainer's performance, allowing them to improve themselves for future programs. Second, evaluations will indicate its cost-effectiveness. Third, evaluations are an efficient way to determine the overall effectiveness of the training program for the employees as well as the organization. The importance of the evaluation process after the training is critical. Without it, the trainer does not have a true indication of the effectiveness of the training.

#### 2.1.4 Just-in-time training

According to Armstrong (2006), just-in-time training is training that is closely linked to the pressing and relevant needs of people by its association with immediate or imminent work activities. It is delivered as close as possible to the time when the activity is taking place. The training will be based on an identification of the latest requirements, priorities and plans of the participants, who will be briefed on the live situations in which their learning has to be applied. The training program will take account of any transfer issues and aim to ensure that what is taught is seen to be applicable in the current work situation.

#### 2.2 Empirical Findings

Empirical findings that have been made by many researchers' were trying to assess and examine the effect of training on employee performance using proposing their own hypothesis. Each of the researches has their own distinctions and conducted with different context and in different country. However their findings are almost the same. Existing literature presents evidence of an existence of obvious effects of training and development on employee performance. Some studies have proceeded by looking at performance in terms of employee performance in particular (Sultana *et al*, 2012) while others have extended to a general outlook of organizational performance (Thareno *et al*, 2007). In one way or another, the two are related in the sense that employee performance is a function of organizational performance since employee performance influences general organizational performance. (Sultan *et al*. 2012) conducted a study on impact of training on employee performance. In their study Training practices of Telecommunication Sector in Pakistan were examined to determine their impact on Employee performance.

Based on a combination of literature review and questionnaire surveys, their paper explores that for any organization to succeed in achieving the objectives of its training program, the design and implementation must be planned and systematic, tailored towards enhancing performance and productivity. The researchers used 360 questionnaires that should be distributed among the employees of five telecom companies in Pakistan. The proposed hypothesis of the study states that there is positive effect of training on employee performance. From the analysis the researchers found that there is a strong positive effect of training on employee performance.

The research observed that most organizations meet their needs for training in an ad hoc and haphazard way while others set about identifying their training needs, then design training

activities in a rational manner and finally assess the results of training. The study concludes that if organizations invest in right type of employee training it can enhance employee performance as well as competencies and skills. In addition, training is seen as a useful means of coping with changes fostered by technological innovation; market competition, organizational structuring and most importantly it plays a key role to enhance employee performance. (Sultana *et al*, 2012) A review and critique of research on training and organizational-level outcomes. Their paper aims to increase the understanding of the effects of training on organizational-level outcomes by reviewing the results of previous studies that have investigated the relationship between training and human resource, performance, and financial outcomes (Tharenou *et al*, 2007).

The results of meta-analysis from 67 studies suggest that training is positively related to human resource outcomes and organizational performance but is only very weakly related to financial outcomes. The relationship between training and firm performance may be mediated by 39 employee attitudes and human capital. Furthermore, the researchers said that training appears to be more strongly related to organizational outcomes when it is matched with key contextual factors such as organization capital intensity and business strategy, in support of the contingency perspective. The paper concludes with a critique of previous studies and directions for future research. Particular emphasis is given to the need for future research to integrate individual-level (micro) and organizational-level (macro) training research, models, and theory (Tharenou *et al*, 2007).

In general, from different literatures and summary of some researchers' findings we can understand that there is a relationship between training and employees' performance. When we say training it has four processes, these are training need assessment, training design, training delivery and training evaluation. So since previous researchers did not indicate the training practice of the Nyala Insurance the research tries to assess the training practice in the insurance to bridge the gap in the area.



### *2.3 Conceptual Framework*

Training should be systematic in that it is specifically designed, planned and implemented to meet defined needs (Armstrong, 2006). There are different models that show the steps in the training and development process, though the contents are more or less the same. According to (Kulkarni, 2013), there are four steps: Assessment of training needs, designing of training programs, Implementation (Delivery) of training programs and Evaluation of training programs.

Identifying individual and company-wide training needs is a first step to increasing productivity and performance, creating sustainable value from human capital, and retaining talented employees (Gilley, Gilley, Quatro, & Dixon, 2009). Once training needs have been identified using the various analyses, training objectives and priorities must be established to design the training properly. Delivery style is a very important part of Training and Development. Employees are very conscious about the delivery style (Armstrong, 2000). If someone is not delivering the training in an impressive style and he/she is not capturing the attention of the audience it means he/she is wasting the time. It is very necessary for a trainer to engage its audience during the training session. And even if the training is delivered in a proper manner if it is not delivered timely to the trainees' it will be a waste of time. Training evaluation is a difficult and complex task but the most important activity in the training process because it is the final logical stage; and organizations should assess their training efforts systematically. The main objective of training evaluation is to prove that the training has actually taught what was intended and to improve the course contents for future use.

All phase should be inter-related and in order to come up with an effective training program, close attention should be given right from the first step up to the last step of the process.

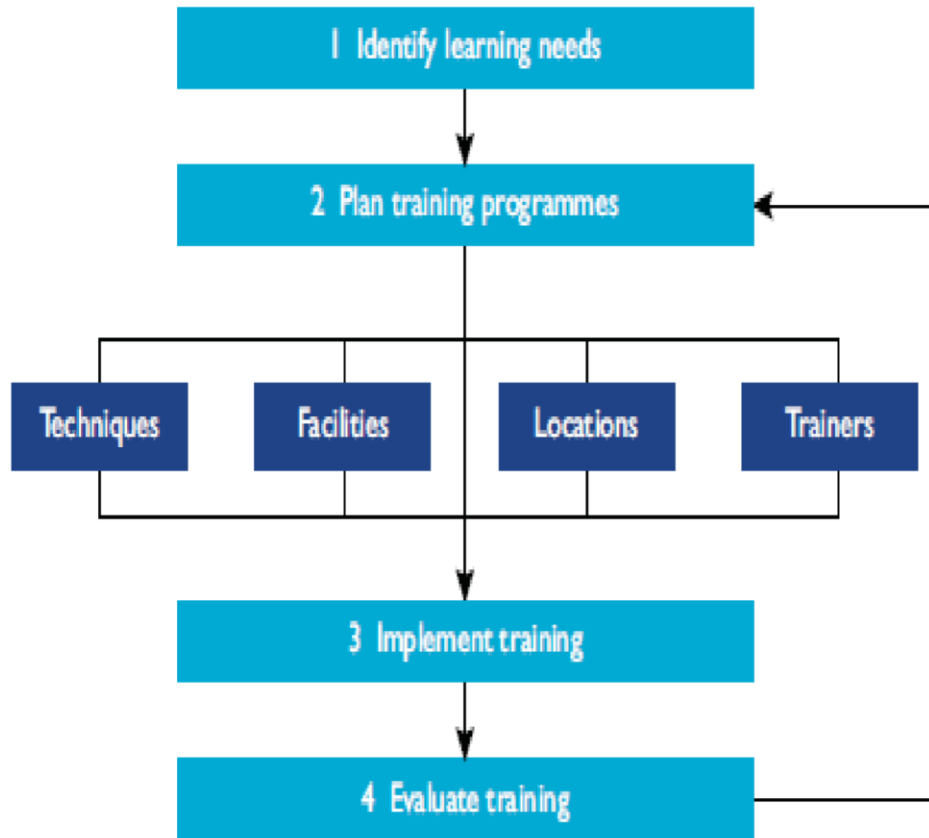


Figure1:- conceptual framework

Source: (Armstrong, 2006)

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

This section deals with the research methodology employed for data gathering as well as the relevant statistical analytical tools that are employed for analyzing the survey results gathered during the study.

#### *3.1 Research Design and Approach*

Business research can be classified on the basis of either technique or purpose. One is based on their purpose. In terms of their purpose we can divide the research into exploratory, descriptive or causal study. Matching the particular decision situation with the right type of research is important in obtaining useful research results (William, Barry, Carr, & Griffin, 2010). Descriptive research is a research that describes a phenomenon or a characteristic of an individual or situation. It simply describes the situation or individual but does not attempt to understand or explain (Adams *et al*, 2007).

This study employed a descriptive design to assess the training practice of the Insurance. This type of research design helps to portray accurately the characteristics of a particular individual, situation or a group. The descriptive survey research design is an appropriate choice because it is a cross-sectional study and the study aimed at measuring the attitude of the employees about the training they are getting from their company (Creswell, 2003).

This study has applied both quantitative and qualitative data (mixed method research) in order to study the effect of training process on employees' performance. A mixed method approach is one in which the researcher collects, analyzes, and "mix" or "integrates" both quantitative and qualitative data in a single study to understand a research problem (Creswell, 2003). Hence, by applying the mixed method the researcher has ensured the strength of the findings towards being more objective and generalizable to the entire population. Quantitative research method used by sending questionnaires to the employee and qualitative research were used personal interview with the training team leader of the organization.

### 3.2 Population, Sample Size and Sampling Techniques

#### 3.2.1 Research population

This research intended to assess the training practice at Nyala Insurance. So the total population of the research is the employees' of the insurance though, incorporating all employees' ideas on the analysis would bring valid conclusions and generalization but economically and operationally it is very difficult to contact all employees in the research. Therefore, taking a representative sample of the population of the employees' was found to be feasible.

#### 3.2.2 Sample Size

To get a represent 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=1-p

Z=value on standardized normal distribution curve corresponding to the level of significance.

The level usually 5% and the corresponding z value is 1.96.

N=number of total population

n=sample size required

Source: Kothiar, (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-pN=184

$$N = \frac{1.96^2 (0.5) (0.5) (184)}{0.05^2 (184-1) + 1.96^2 (0.5) (0.5)}$$
$$n = 125.27$$

As mentioned above out of 184 employee 125 was taken out of the total number of employees the research was focused only on those employees who are working in Addis Ababa branches and under head offices of the insurances.

### 3.2.3 Sampling Techniques

In choosing the research participants, it could be said that, in this study, stratified random sampling techniques was applied in determining the participants that will enable the researcher to answer the research question and to meet the research objectives. since each stratum is more homogeneous than the total population, we are able to get more precise estimates for each stratum and by estimating more accurately each of the component parts, we get a better estimate of the whole Kothari (2004).in brief, stratified sampling results is more reliable and detailed information, so in this study the population were divided into strata's then to select the appropriate sample under each strata simple random sampling was used.

### 3.3 Sources of Data Collection

According to William, *et al* (2010), there are two types of data, primary and secondary. The primary data are those which are gathered for the first time and afresh and thus collected for the case at hand (Kothari, 2004). Secondary data is defined as Data that have been previously collected for some purpose other than the one at hand. For the purpose of this study in order to obtain relevant information both primary and secondary data was used.

For collecting primary data the study has used questionnaires and interviews from the employees of the insurance. The questionnaires were based on those variables that are stated above in the research questions. This is because questionnaires are advantageous in collecting large number of data from large number of respondents and help respondents to fill the questionnaire at their convenient time without the interviewer bias. And the study also used interview because interview has a higher response rate and it clarify the questions well if the questions are not clear, since questionnaire doesn't. The secondary data sources were collected from different published and unpublished materials such as reference books, handouts, journals, company annual report and the internet.

### *3.4 Data Gathering Instrument*

The questionnaire method as instrument of data collection was used because it provides wider coverage to the sample and also facilitates collection of a large amount of data and semi structured interview were used in the process of collecting the research data.

### *3.5 Procedures of Data Collection*

The study used questionnaire that had closed- ended questions that were measured by a five-point Likert scale (From Strongly Agree to Strongly Disagree).First the reliability and validity of research instrument was checked, then after questionnaires were distributed to the participants of the study. After the questionnaires were carefully filled, the researcher personally collected and arranged the completed questionnaires and was arranged for data discussion and analysis. Finally, the collected data were inserted into data set and make ready for data analysis and discussion by using statistical software application programs (SPSS).Semi structured interview was also scheduled to gather information on the management view on the training process of the insurance. As a final point the result was summarized, tabulated and interpreted appropriately and lastly conclusions and recommendations were also forwarded

### *3.6 Pilots Testing*

Before distributing the questionnaires a pilot study was conducted on one of the branches of the Nyala Insurance. The pilot testing was conducted with the objective of ensuring employees understanding of the questions as well as making that there were no problems with wording and measurement. Accordingly, head office and Lideta branch of the insurance were chosen for the pilot testing and a total of 28 questionnaires were distributed to the clerical staff. Overall some questions were excluded and revised to ensure the main population can understand questionnaire. Furthermore, human resources expert reviewed the questionnaire and was revised accordingly.

### 3.7 Reliability and Validity of the Instrument

#### 3.7.1 Reliability

Reliability refers to degree to which the instrument measures the same way whenever it is used in the same conditions with the same subject matter (Adams et al, 2007). It is concerned with the degree of consistence of the instrument. In other words if the measurement of something many times and the result is the same then the outcome is reproducible and the measurement instrument is reliable (Adam et al, 2007). If the measurement is reliable then there is a lesser probability that the result is randomly and measurement error. To ensure the measurement instrument is reliable Cronbach Alpha test was applied.

<b>Reliability Statistics</b>	
cronbach's alpha	No of item
.876	28

From the table indicates the cronbach's alpha for training is 0.876. The results from analysis indicated that the Cronbach's Alpha value is 0.876. This suggested that the internal reliability in this study was acceptable and signified to be good.

#### 3.7.2 Validity

Validity refers to the extent to which a test measures what we actually wish to measure. Reliability has to do with the accuracy and precision of a measurement procedure (Kothari, 2004). The questionnaire was pre-tested with 28 employees to test the content validity of the instrument and also to check the clarity, length, word ambiguity and structure and their suggestion were incorporated before the final distribution of the questionnaire.

### *3.8 Method of Data Analysis*

Both quantitative and qualitative methods were employed in order to attain research objective of the study. For quantitative data, Likert Scales were weighed according to the degree of agreements. The scaling approach was adopted as (SA)= Strongly agree, (A)=agree, (n) =neutral, (SDA)=Strongly disagree and (DA)= disagree. Quantitative data were coded, tabulated, and analyzed by using descriptive statistics (numerical analysis) such as frequency, percentage and mean. It is preferred because it is simple and everybody can understand the results presented. And Tables and charts were also used to ensure the easy presentation of the data. Finally, the result was summarized, tabulated and interpreted appropriately. Meanwhile, responses from the interview were reported in line with the questions forwarded to the interviewees. And then these findings were combined and summarized together with the quantitative data.

### *3.9 Ethical Considerations*

The study was conducted in such a way that it considered ethical responsibility. Ethical responsibility includes providing information about the study for respondents like who's conducting the research, for what and who will benefit.

The Head office was contacted during the training and with the permission of the head office A letter of request for cooperation was submitted. Then questionnaire was distributed through the assistant managers. The front page of the study which indicated the purpose of the study and a separate section was provided for the confidentiality of the information and a signature that the respondent had read the confidentiality clause.



## CHAPTER FOUR

### *DATA ANALYSIS AND INTERPRETATION*

This chapter shows results and discussion of the collected data. It consists of two sections. The first section treats the characteristics of respondents in terms of sex, age, educational qualification and service year in the organization. The second section discusses data analysis related to the study, the analysis and interpretation of data that were collected through questionnaire and interview.

#### *4.1 Demographic Information of the Respondent*

As stated in the previous chapter, the questionnaires were distributed to a total of 125 employees' of the Insurance. However, only 105 questionnaires were appropriately filled and returned. Out of the total sample 7 questionnaires were uncollected and the remaining 13 questionnaires were rejected.

**Table 1: Summary of respondents' characteristics**

Variables	Category	Frequency	percent
Gender	Female	40	38
	Male	65	62
	Total	105	100
Age	20-25 years	18	17
	26-31years	62	59
	32-40years	18	17
	40&above	7	7
	Total	105	100
Educational qualification	Diploma	22	21
	Degree	76	72
	Masters degree	7	7
	Total	105	100
Service year in the company	<3years	38	36
	3-5years	30	28.5
	6-8years	24	23
	>8years	13	12.5
	Total	105	100

Source: (survey result, 2017)

The above table reveal that out of the 105 respondents 45 (38%) were female and the remaining 60 (62%) were male. With regard to respondents` age category, 18 respondents were between 21-25 years representing 17% and the next groups were between the age of 26-31 years representing 59% and they were 62 in number. The third and fourth group of respondents were 18(17%) and 7(7%) fall under the age category of 32-40 and >41 respectively.

It is evidenced that the employees of the insurance hold a range of educational qualification from Diploma to Master`s Degree level. The majority of the respondents which represents 72% (76 in number) were Degree holders followed by diploma holders which represents 21 % (22 in number), while the remaining 7% (7in number) of the respondents were Masters Degree holders.

The above table indicates that the majority 38 (36%) of the respondents have been working in the insurance for less than three years. 30 (28.5%), 24 (23%) and 13 (12.5%) of them served the insurance for 3-5 years, 6-8 years and >8 years respectively.

#### 4.2 Data Analysis Related to the Study

As the aim of this study is to assess the training practice of the insurance, the respondents were asked whether their organization provides them training and 68 (65%) of the respondents agreed. The remaining 37(35%) claimed that they didn`t get any form of training since they joined the insurance.

**Table 2: Employees response on training**

	Frequency	Percent
<b>Yes</b>	<b>68</b>	<b>65</b>
<b>No</b>	<b>37</b>	<b>35</b>
<b>Total</b>	<b>105</b>	<b>100</b>

Source :(Survey result,2017)

Based on the interviewee responses, the insurance gave training to their employees and followed a four stage of training processes to deliver the training to their employees. These are the training need identification stage, training design stage, the training delivery/implementation stage and the training evaluation stage. This demonstrates that the insurance have a training practice.

### 4.2.1 Result on Frequency of Training

The frequencies at which respondents were attending training programs are shown in Table 3 below, the result indicated that out of the 105 respondents who took training since they joined the insurance 4(4%) of the employees were trained only once, 73(69.5%) were trained twice, the number of respondents who are trained several times were 23(22%) and 5(4.5%) number of respondents who are trained are rarely. majority of the respondents took the training twice and there are some respondents who took the training several times and rarely. This clearly demonstrates that there is a gap in allocation of employees for training program, as it is indicated in the interview this is due to lack of proper data management.

**Table3: Results on frequency of training**

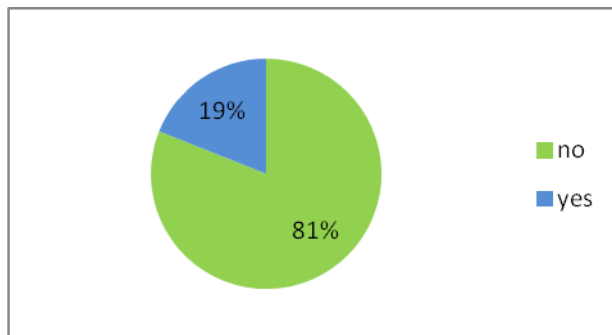
Frequency of training	frequency	percent
Only once	4	4
Twice	73	69.5
Several time	23	22
Rarely	5	4.5
Total	105	100

Source: (survey result, 2017)

### 4.2 .2 Results on On-time Training

As it is indicated in the figure below among the respondents majority which means 85(81%) of the respondent claimed that their organization is not providing them with on time training.

**Figure 2: Response on- on time training**



Source: (Survey result, 2017)

### **4.2.3 Training Need Assessment**

According to the data gathered from the interview conducted with the training team leader of the insurance the training process of the organizations is started from the identification of training needs. To identify those needs they use a questioner and in addition they ask the managers to identify the areas of gaps in which training is needed. And after they received the identified gaps that need to be filled with trainings, they will prioritize the trainings to be given via the mentioned process based on the urgency of the performance gap to be improved. As mentioned by the team leader the big problem that they faced in this process is that the immediate managers of employees are failed to identify those needs properly.

**Table: 4 Employees' Response on Training Needs Assessment**

Statements	Strongly disagree		Disagree		Neutral		agree		Strongly agree		Total	mean
	f	%	F	%	F	%	F	%	F	%		
The organization conduct a formal training needs assessment properly	10	9.5	79	75	4	4	8	7.5	4	4	105	2.2
The organization review its strategies and objectives to reveal valuable information for training	7	6.5	4	4	63	60	30	28.5	1	1	105	3.1
The training needs analysis method used by your organization produce relevant findings on performance gaps	9	8.5	30	28.5	63	60	2	2	1	1	105	2.58
The training needs analysis method of the organization enable to clearly identify the required training that employees need to perform their job	10	9.5	14	13	76	72.5	3	3	2	2	105	2.74
The training need assessment conducted in your organization is able to differentiate performance problems caused by employees lack of skills, knowledge and abilities	22	21	17	16	56	53	6	6	4	4	105	2.5

Source :( survey result, 2017)

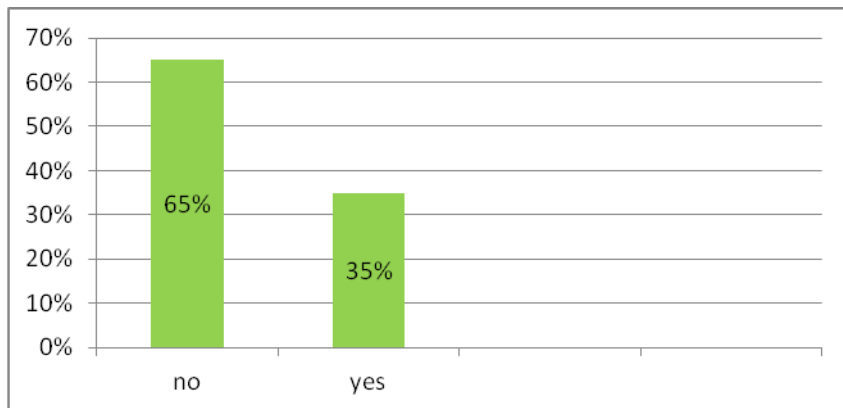
Table 4 shows, the employees' response regarding the needs assessment of training in their organization. They were asked if the organization conduct a formal training needs assessment properly and majority of the respondents disagree with 75%, 9.5% disagree and 4% remained neutral. They were asked whether their organization's training need analysis method review the organization's strategies and objectives, majority of the respondents remained neutral to this question with of( 60%) and (28.5%)of the respondents were agreed. The training needs analysis method of their organization produce relevant findings on performance gaps 60% of the respondents remained neutral to this question.72.5% of respondents were neutral that the organizations training need analysis methods enabled to clearly identify the required training that employees' need to perform their job and the remaining 13% of the respondents were remained disagree to this idea. And for the question whether their organizations training need assessment is able to differentiate performance problems caused by employees' lack of skills, knowledge and abilities,6% of the respondent agreed and 53%of respondents were neutral.

In the above table , the average mean shows that 2.62 i.e., it is possible to conclude that majority of the respondent do not agree that insurance training need assessment practice did not identify the gaps and conducted properly as it is mentioned in the interview discussion above.

#### 4.2.4 Training objective

As it is indicated in the below graph among the respondents majority which means 68(65 %) of the respondent claimed that they don't have a clear understanding of the training objective.

**Figure3: Response on training objective**



The interviewee replied, the training objectives at the Insurance are to: achieve maximum organizational effectiveness, develop a multi-skilled workforce capable of operating flexibly and responding rapidly to changes in business and organizational needs, improve performance on employees' present jobs and ensuring the optimum use of the natural abilities of employees by developing their skills and capabilities for mutual benefit.

#### 4.2.5 Training Design

The interviewee replied that following the needs assessment stage the insurance continued be engaged in the training design stage based on the design policy of the insurance. According to the team leader, the insurance designed the training program based on the identified training needs. The design stage involves identifying the type of training to be given, content of the training, the method of training delivery, venue and duration of the training, the trainer, and specific training materials to be used during the sessions by setting clear and measurable training objectives while designing the trainings.

**Table 5: Employees Response on Training Design**

Statements	Strongly disagree		disagree		Neutral		Agree		Strongly agree		Total	mean
	f	%	f	%	F	%	F	%	F	%		
The organization sets measurable training objectives	20	19	56	53.5	15	14	11	10.5	3	3	105	3.67
The organization has clear training objectives for its training program	3	3	70	66.5	11	10.5	7	6.5	14	13.5	105	3.80
The organization target the training objectives when designing training programs	8	7.5	10	9.5	15	14.5	50	47.5	22	21	105	3.64
The contents of training that have taken are relevant for my current job	5	4.5	5	4.5	5	4.5	45	43	45	43	105	4.14
The organization have in house capacity to implement necessary program	5	4.5	5	4.5	17	16	70	66.5	8	7.5	105	3.67

Source: (survey result, 2017)

Table 5, shows that the majority of the respondents 56 (53.5%) disagreed that the organization sets measurable training objectives while designing the training, 20(19%) of the respondents strongly disagree for this question and the remaining 11(10.5%), 3(3%) and 15(14%) of respondents agree, strongly agree and remained neutral respectively. As indicated above majority 70 (66.5%) of the respondents disagreed that their organization sets a clear training objectives for its training program.

The other question that were asked to the respondents were whether the contents of training are relevant to their current job the respondents of agree and strongly agree are the same in number 45(43%). In statement no. 5 majority 70 (66.5%) agreed that the training is designed to be compatible with the actual job to be performed. The organizations have in house capacity to implement necessary program most of the respondent agreed with 66.5.

In the above table the average mean prove that i.e, 3.78 it is possible to conclude that majority of the respondent agree on training design. But we should not ignore the variables of training design measurements which were in the above table in statement no 1.2. In those points the numbers of respondents who disagreed are significant in number. And this shows that there is a gap in the training design method of the insurance. In view of the fact that the needs assessment stage precedes the design stage errors made during the need assessment stage has a hampering effect on the appropriateness of the design stage .The effect of training needs assessment is reflected in this process because trainings are designed based on the identified needs.



#### 4.2.6 Training Delivery Methods

**Table 6: Employees Response on Training Delivery Method**

Statements	Strongly disagree		disagree		Neutral		Agree		Strongly agree		Total	Mean
	f	%	f	%	f	%	F	%	f	%		
The organization gives both on-job and off-job training	7	6.5	3	3	20	19	70	66.5	5	4.5	105	3.6
the delivery method that the organization used is convenient to get the necessary knowledge and skills	3	3	3	3	12	11.5	70	66.5	17	16	105	3.90
The organization implements participatory training delivery method	1	1	4	4	37	35	60	57	3	3	105	3.57
The trainers in my organization can transfer and demonstrate the training appropriately	5	5.4	3	3	17	16	60	57	20	19	105	3.82
The trainer was capable and knowledgeable about subject matter	15	14.5	11	10.5	20	19	53	50.5	6	5.5	105	3.22
The training materials and teaching aids are complete and appropriate to the level of trainees	4	4	6	5.5	45	43	38	36	12	11.5	105	3.45
The training environment is conducive to conduct training	2	2	4	4	11	10.5	78	74	10	9.5	105	3.85
The training delivery method has enabled me to transfer the skill acquired back to my job	11	10.5	3	3	17	16	61	58	13	12.5	105	3.59

Source:(survey result,2017)

The respondents were asked whether their organization uses both the training delivery methods i.e. on-job and off-job training and the majority 70 (66.5%) of the respondents agreed and 20 (19%) of the respondents remained neutral, 70 (66.5%) of the respondents believed that the training delivery method of the insurance is convenient to get the necessary knowledge and skills. The above table shows from the listed under delivery style dimensions, participation in the training delivery method majority 60 (57%) of the respondents agreed on the availability of participatory environment.

Majority 53(50%) of the respondents agreed that trainers were capable and knowledgeable about the subject matter, 60& 17of respondents were agree and remained neutral on the ability of trainers in transferring and demonstrating the training appropriately. For the question of the training materials and teaching aid complete and appropriate to the level of the trainers majority of the respondents 45(43%) remained neutral and 38 (36%) agreed.

The environment in which the training is conducive environment to conduct training in the insurance, majority 78 (74%) of the respondents agreed and 11 (10.5%) remains neutral. This indicates that the training environment is conducive to conduct training in the insurance. The respondents were asked whether training delivery method has enabled them to transfer the skills acquired back to their job and majority 61 (58 %%) of the respondents were agreed. According to the interview, training delivery method is the third process of training in the insurance. And they use both the on-the job and off-the job training methods to deliver the training and explained that the trainers are taking a TOT (training of trainers) and communicated in advance to properly deliver the trainings.

The average mean for training delivery is 3.62 from this we can conclude majority of the respondent agree on training delivery method of the insurance but Some employees mentioned that even though some of the trainers are knowledgeable they are not able to demonstrate the training properly and this shows that there is a gap in the trainers. This implies that the training delivery practice of the insurance is not satisfactory as it needs to be.

#### **4.2.7 Training Evaluation Method**

According to the training team leader view training evaluation is the last step in the training process of the insurance. In the below table 7 of information on training evaluation majority of the respondents disagree 63(60%) and agree with 30 (28%) that the organization evaluate the training program properly. Majority of the respondent remained neutral 53(50.5%) in the evaluation of training is done by testing the trainees before and after the program. and for the question that evaluation is done using questioner majority 60 (57%) of the respondents agreed and 11(10.5%) remain neutral.

Majority of the respondent 37 agree and 33 remained neutral for the question that the insurance evaluate by asking the trainees' immediate supervisors. And looking the performance appraisal report majority of the respondent 70(66.%) agreed. The average mean scale for training evaluation is 3.39. From this we can conclude that the mean of training evaluation is neutral .This implies that the training evaluation method is not clear and well understood by the employees' of the insurance.

**Table 7: Employees' Response on Training Evaluation**

Statements	Strongly disagree		disagree		Neutral		Agree		Strongly agree		Total	Mean
	F	%	f	%	F	%	F	%	F	%		
The organization evaluate the training program properly	7	6.5	63	60	4	4	30	28	1	1	105	3.1
The organization tests the trainees before and after the program	2	2	2	2	53	50.5	37	35	11	10.5	105	3.50
The organization asks the trainees through questioners at the end of the training program	11	10.5	11	10.5	20	19	60	57	3	3	105	3.31
The organization asks the trainees manager or immediate supervisor	10	9.5	14	13.5	33	31.5	37	35	11	10.5	105	3.23
The organization looks the performance appraisal report to evaluate the training	4	4	5	4.5	11	10.5	70	66.5	15	14	105	3.82

Source :( survey result, 2017)

**CHAPTER FIVE**  
**FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

**5.1 Summary of Major Findings**

Based on the data presented and analyzed in chapter four of the study, the following particular findings were observed:-

- The data indicate that there are some respondents who took the training several times while most of them took the training only a couple of times and this clearly demonstrates that there is a gap in allocation of employees for training program. As it is indicated in the interview this is due to lack of proper data management.
- Majority of the respondent claimed that their organization is not providing them with on time training. Even if the insurance have a training program in place and give training to the employee they failed to give this training at the right time.
- Among the respondents majority which means 68(65 %) of the respondent claimed that they don't have a clear understanding of the training objective.
- The result regarding whether the organizations conduct a formal training needs assessment properly reveals that majority (75%) of the respondents believed that the training needs assessment of the insurance is not conducted properly. This is may be due to the lack of manager's commitment to properly identify the performance gaps that should be filled with trainings. Therefore, Training needs assessment is not conducted properly at the insurance.
- In view of the fact that the needs assessment stage precedes the design stage errors made during the need assessment stage has a hampering effect on the appropriateness of the design stage .The effect of training needs assessment is reflected in this process because trainings are designed based on the identified needs.
- The respondents were asked whether their organization uses both the training delivery methods i.e. on-job and off-job training and the majority 70(66.5%) of the respondents agreed.

- The respondents were asked whether the organization evaluate the training program properly majority of the respondents disagree 63(60%) that the organization evaluate the training program properly. For that reason the effectiveness of training evaluation is not satisfactory at the insurance.

## *5.2 Conclusions*

### **Training Need Assessments**

Training needs assessment was the first phase to be discussed. The result regarding whether the organizations conduct a formal training needs assessment properly reveals that majority (75%) of the respondents believed that the training needs assessment of the insurance is not conducted properly. Based on the results of analysis, training needs assessment methods of the insurance did not identified the gaps properly. The interview made with the team leader also indicated that even if their training process is started with the identification of training needs, the training need assessment practice of the insurance did not identified the gaps and conducted properly and this is may be due to the lack of managers commitment to properly identify the performance gaps that should be filled with trainings.

### **Training Objectives**

As it is indicated in the analysis among the respondents majority which means 68(65 %) of the respondent claimed that they don't have a clear understanding of the training objectives. Even though the interviewee replied, the training objectives at the Insurance are to: achieve maximum organizational effectiveness, develop a multi-skilled workforce capable of operating flexibly and responding rapidly to changes in business and organizational needs, improve performance on employees' present jobs and ensuring the optimum use of the natural abilities of employees by developing their skills and capabilities for mutual benefit.

### **Training Design**

The interviewee replied that following the needs assessment stage the insurance continued be engaged in the training design stage based on the design policy of the insurance. According to the team leader, the insurance designed the training program based on the identified training needs.

The design stage involves identifying the type of training to be given, content of the training, the method of training delivery, venue and duration of the training, the trainer, and specific training materials to be used during the sessions by setting clear and measurable training objectives while designing the trainings. In view of the fact that the needs assessment stage precedes the design stage errors made during the need assessment stage has a hampering effect on the appropriateness of the design stage .The effect of training needs assessment is reflected in this process because trainings are designed based on the identified needs.

### **Training Delivery**

The training delivery method of the insurance was discussed as, majority of the respondents agreed that trainers can demonstrate the training appropriately. The training environment is conducive to conduct training. According to the interview, they use both the on-the job and off-the job training methods to deliver the training and explained that the trainers are taking a TOT (training of trainers) and communicated in advance to properly deliver the trainings. Some employees mentioned that even though some of the trainers are knowledgeable they are not able to demonstrate the training properly and this shows that there is a gap in the trainers. This implies that the training delivery practice of the insurance is not satisfactory as it needs to be.

### **Training Evaluation**

The last stage of training process is training evaluation. According to the analysis 60% of the respondents believed that there is no proper evaluation of training programs in the organizations. This assured us even if there is the practice of evaluating the training in the insurance it is not conducted properly The effectiveness of training evaluation is not satisfactory. Even though the insurance used a questionnaire, performance appraisal to evaluate the reaction of trainees' after the training program they failed to use the other evaluation methods properly. And this implies that not using the evaluation method properly makes it difficult to differentiate the change in performance of employees that was caused by the training.

### *5.3 Recommendations*

Based on the findings, the study propounds the following recommendations:-

1. The preparation of training objectives should be done with meaningful participation of all concerned bodies at Nyala Insurance.
2. Training programs largely help an organization to accomplish its goals and objectives. The top managers at Nyala insurance should practice of conducting training need assessment should encompass the needs of an individual employee so that they are able to determine their own needs. In doing so, it is recommended that there should be participation of both trainees and client organizations.
3. The insurance should strengthen their data management system towards training management i.e. they should have an up to date records of those who attended training from those who haven't taken training. So reducing the tendency of giving trainings repeatedly to the same employees and providing training for those of the employees who haven't participate on training practices could increase the performance of the Insurance.
4. The insurance should give the training at the right time in order to bring the design outcome. Even though the training is designed and delivered in a proper way, if it is not given on time it would be a waste of resource. So the nyala insurance should consider in delivering the trainings on time.
5. Lastly, in order to have an effective training practice Nyala Insurance should have to conduct each and every training process properly. The existence of training programs in place by itself may not assure the effectiveness of the training program unless it is supported by systematic training process. Therefore, since each processes are interrelated, they should be conducted with due care. On time delivery of the training should also be given a due attention for the training practice to be effective and productive.

## References

- Adam, J., Khan, T., Raeside, R. & White D. (2007). *Research Methods for Graduate Business and Social Science students*. New Delhi: Saga Publication Inc.
- Armstrong, G. (2006). *A Hand Book of Human Resource Management Practice*, 10<sup>th</sup> Edition. London: Kogan Page Limited.
- Armstrong, G. (1999). *A Handbook of Human Resource Management Practice*, 7<sup>th</sup> Edition. London: Kogan Page Limited.
- Beardwell, I., Holden, L., & Claydon, T. (2004). *Human Resource Management: A Contemporary Approach*, 4<sup>th</sup> Edition. London: Prentice-Hall.
- Cole, G. A. (2002). *Personal and Human Resource Management*, 5<sup>th</sup> Edition. London: York Publisher.
- Creswell, J. (2003). *Research Design Qualitative, Quantitative and Mixed*, 2<sup>nd</sup> Edition. USA, Sage Publications.
- Decenzo, D. & Robbins, S. (2010). *Fundamentals of Human Resource Management*. Canada: John Wiley & Sons, Inc.
- Dessler, G. & Varkkey, B. (2010). *Human Resource Management*, 11<sup>th</sup> Edition. Delhi: Pearson Prentice Hall.
- Edralin, C. (2004). "Training: A strategic Function, Collage of Business and Economics," Vol.7 no.1.
- Garg, C. (2009). *Study Material for MBA, ZAD Expert faculties*. Rohtak (Haryana): Zad Publication.
- Gilley, A., Gilley, J., Quatro, S. & Dixon, P. (2009). *The Praeger Hand Book of HRM*, Vol. 1. London: Praeger Publisher.
- Goldstein, I. & Ford, J. (2007). *Training in Organization*, 4<sup>th</sup> Edition. New Delhi: Akash Press.
- Itika, J. S. (2011). "Fundamentals of Human Resource Management, Emerging Experiences from Africa," *African Public Administration & Management Series*, Vol. 2. African Studies Center, University of Groningen/Mzumbe University.
- Kothari, C. R. (2004). *Research Methods and Techniques*, 2<sup>nd</sup> Edition. New Age International Publishers, India.
- Kulkarni, P. (2013). "A literature Review on Training and Development and Quality of Work Life." *International Research Journal*.



- Marinescu, P. & Toma, S. G. (2013). "Training Programs: Training and Development Alternatives," Vol. 6. *Journal of Economics and Finance*.
- Mathis, R. L. & Jackson, J. H. (2011). *Human Resource Management*, 13<sup>th</sup> Edition. United States of America, South-Western Cengage learning.
- McConnell, J. H. (2003). "How to identify your Organization's Training Needs: A practical Guide to Need Analysis," New York: American Management Association.
- Mondy, W., Noe M. & Premeaux, R. (1998). *Human Resources Management*. New Jersey: Prentice Hall.
- Nassazi, A. (2013). "Effect of Training on Employee Performance from Uganda." Unpublished.
- Noe, A. (2010). *Employee Training and Development*, 5<sup>th</sup> Edition. New York: McGraw Hill/Irwin.
- Noe, A., Hollenbeck, J., Gerhart, B. & Wright, M. (2008). *Human Resource Management: Gaining a Competitive Advantage*, 6<sup>th</sup> Edition. New York: McGraw Hill/Irwin.
- Sishan Solomon. (2014). "The Effect of Training on Employee's Performance," the case of Commercial Bank of Ethiopia. Unpublished.
- Sultana, A., Irum, S., Ahmed, K., & Mehmood, N. (2012). "Impact of Training on Employee Performance: A study of Telecommunication Sector in Pakistan," *Interdisciplinary Journal of Contemporary Research Business*. Vol. 4, No. 6., pages 646-661.
- Tharenou, P., Saks, A. & Moore, C. (2007). "A Review and Critique of Research on Training and Organizational Level Outcomes," *Human Resource Management Review*, Elsevier Inc.
- Tracey, J. (2003). "An Empirical Investigation of the Relationships among Training Climate, Organizational Commitment, and Job Performance." *Center for Hospitality Research*, Cornell University
- William, G., Barry, J., Carr, J. & Griffin, M. (2010). *Business Research Method*. Brace College Publishers.
- Zheng, C., Hyland, P. & Soosay, C. (2007). "Training Practices of Multinational Companies in Asia," Vol. 31, Issue 6. *Journal of European Industrial Training*.

**APPENDIX ONE: QUESTIONNAIRE**  
**ST.MARY UNIVERSITY**  
**DEPARTMENT OF General MBA**

Dear Sir/Madam

This questionnaire has been designed to solicit information purely for academic purposes. This research is conducted as a partial fulfillment of the award of Master degree in general MBA in St. Mary university under the title; “Assessment of Training Practice in the case of Nyala insurance”. Therefore, your participation in giving reliable information has a vital contribution for the success of this study. So, I respectfully request your kind cooperation in answering the questions as clearly and genuinely as possible. I would like to assure you that the information you provide will be used for research purpose only and all responses will be treated in strict confidentiality.

Note

- ❖ Please don't write your name.
- ❖ Please answer by putting “√” mark on the box with point which highly reflects your idea parallel to your choice.
- ❖ All information will be treated confidentially.
- ❖ Your honest & unbiased response will greatly contribute for the research to achieve its objectives.

For any questions or comments please contact me through:- Sara Belayhun 09-13 55 03 85

sarazoski93@gmail.com

I would like to thank you in advance, for your sincere cooperation and valuable assistance for the success of this research!!

**Part One**

**Section 1 - Part I: Demographic Variables of Respondents**

1. Gender Male  Female

2. In which age group are you?

20-25  26-31  32-40  40& above

3. What is your current Educational Qualification?

Diploma  Degree

Masters Degree  Other, [please specify] \_\_\_\_\_

4. What is your service year in the company?

Less than 3 years  3 to 5 years

6 to 8 years  more than 8 years

**Part II: Opinion Survey on Training Practice**

5. Does your organization provide you a training program since you joined the organization?

Yes  No

6. How often do you attend training programs?

Only once  Twice

Several times  Rarely

7. Does your organization give you on time training?

Yes  No

## 2.1– Information on Training Need Assessment

N.B 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

No		1	2	3	4	5
1	The organization conduct training needs assessment properly					
2	The organization review its strategies and objectives to reveal valuable information for training					
3	The Training needs analysis methods used by your organization produce relevant findings on performance gaps.					
4	The Training needs analysis methods of the organization enable to clearly identify the required training that employees' need to perform their job.					
5	The Training need assessment conducted in your organization is able to differentiate performance problems caused by employees lack of skills, knowledge and abilities					

## 2.2 Information on Training Objectives

1. Does the organization set clear training objectives?

Yes                       no

## 2.3- Information on Training Design

N.B 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

No		1	2	3	4	5
1	The organization sets measurable training objectives					
2	The organization has clear training objectives for its training Program					
3	The organization target the training objectives when designing training programs					
4	The contents of training that I have taken are relevant for my current job					
5	The organization have in house capacity to implement necessary program					

## 2.4- Information on Training delivery practice

N.B 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

No		1	2	3	4	5
1	The organization gives both on-job and off-job training					
2	The delivery method that the organization used is convenient to get the necessary knowledge and skills.					
3	The organization implements participatory training delivery method.					
4	The trainers in my organization can transfer and demonstrate the training appropriately					
5	The trainer was capable and knowledgeable about the subject matter.					
6	The training materials and teaching aids are complete and appropriate to the level of trainees					
7	The training environment is conducive to conduct training.					
8	The training delivery method has enabled me to transfer the skills acquired back to my job.					

## 2.5-Information on Training evaluation

N.B 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

NO		1	2	3	4	5
1	The organization evaluate the training program properly					
2	The organization tests the trainees before and after the program					
3	The organization asks the trainees through questioners at the end of the training program					
4	The organization Asks the trainees' manager or immediate supervisor					
5	The organization Looks the performance appraisal report to evaluate the training					

## 2.6 – Information on perception of employees towards the training practice

Listed below are statements that represent your perceptions towards the training practice of your organization and changes in your performance after attending training

N.B 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

No		1	2	3	4	5
1	Training programs establish a clear view of work roles and increase performance					
2	Training programs encourage teamwork and self –managed team culture					
3	Training programs improved my skills, knowledge and attitude which increase my performance on the job					
4	The training provided by the insurance helped me to perform my work effectively and efficiently.					
5	I realized change on my performance after taking any form of training in my organization.					
6	I have enough training that enables me to do my job a required					
7	There is an effective training practice in my organization					

❖ If you have any comments, please specify

---

Thank You

## **APPENDIX TWO: INTERVIEW QUESTIONS**

### **ST.MARY UNIVERSITY**

#### **Department of General MBA**

##### **Interview Questions**

This interview has been designed to seek information purely for academic purposes. The main purpose of the study is to conduct a thesis on the topic: “Assessment of Training Practice in the case of Nyala Insurance”.

1. How does it look the training process in your organization?
2. How does your organization assess and priority the training needs of employees’?
3. What are the training objectives of the organization?
4. How does your organization design the training program?
5. What methods of training are used?
6. How is training evaluated in your organization?

**Thank you**