



**ST. MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**GENERAL BUSINESS ADMINISTRATION PROGRAM**

**TRAINING PRACTICE AND ITS EFFECT ON EMPLOYEES  
PERFORMANCE:**

**THE CASE OF DASHEN BANK SHARE COMPANY**

**BY:**

**BESELAM GIZAW TESEMA**

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**DECEMBER 2018**

**ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF  
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**APPROVED BY BOARD OF EXAMINERS**

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## **DECLARATION**

I, the undersigned, declare that this thesis is my original work prepared under the guidance of Goitom Abrham (Asst. Professor). all sources of materials used for this 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 institution for earning any degree.

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Name

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Signature & Date

## **ENDORESEMENT**

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

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Advisor

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Signature & Date



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## **LIST OF ABBREVIATION /Acronyms**

<b>HR:</b>	Human Resources
<b>HRM:</b>	Human Resources Management
<b>SPSS:</b>	Statistical Package for Social Science
<b>ANOVA:</b>	Analysis Of Variance
<b>E.C:</b>	Ethiopian Calendar
<b>G.C:</b>	Gregorian calendar

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## **ABSTRACT**

*Amongst the important function of human resource management, one of the crucial function is employee development through proper training, and development programs. Employee development refers to the capacity and capability building on an employee, and thus as of whole organization, to meet the standard performance level (Elena P. 2000). Effective training programs helps in constructing a more conducive learning environment for the workforce and train them to cope with the upcoming challenges more easily and in time (Wei-Tai, 2006). The main purpose of this research is to see training practice and its effect on employees performance in Dashen Bank S.C. The study has raised to see how the training process is managed at Dashen Bank, to what extent are training programs organized and guided by a well-designed training policy and what is the effect of training programs organized by the bank on employee performance as a basic research question. The researcher used simple random sampling technique and 200 employees were selected from Head Office to participate in this study. Questionnaires were distributed to sample respondents and all questionnaires were returned.*

*Interview questions were also developed for Dashen Bank employee's learning and development department manager. After the required data are collected descriptive (i.e. frequency, percentage and mean) analysis were used to analyze the data using SPSS version 20. Because, descriptive allow to use both qualitative and quantitative data as a means to determine and describe, "What is "of a topic, and inferential statistics tries to examine the direct effect of training on employees to improve their performance. The finding in the correlation analysis indicates all relationship between the independent variables (training policy, training need assessment, training design, training implementation, evaluation) and dependent variable (knowledge, skill, and attitude) are positively and significantly correlate. Based on the findings of the study, the researcher recommend the bank to keep constant review of its training practices to identify its effectiveness on its employee's performance regularly.*

**Key Words** *Training, Training policy, training management and employee performance*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Improved capabilities, knowledge and skill of the talented workforce proved to be a major source of competitive advantage in a global market (McKinsey, 2006). To develop the desired knowledge, skill and abilities of the employees, to perform well on the job, requires effective training programs that may also effect employee motivation and commitment (Meyer and Allen, 1991).

Thomas (1997) argues that employee training involves teaching employees skills that can help them become more efficient and productive workers. Training is often conduct to familiarize new employees with the roles and responsibilities of their positions as well as company policies. Many companies offer continuing training opportunities for employees, focusing on skills that can improve efficiency. Employees who well trained often have higher motivation and morale because they feel that the company has invested in their ability and development. This also results in lower turnover rates.

Employee development refers to the capacity and capability building on an employee, and thus as of whole organization, to meet the standard performance level (Elena P. 2000) .Effective training programs helps in constructing a more conducive learning environment for the workforce and train them to cope with the upcoming challenges more easily and in time (WeiTai, 2006).

According to Farooq. M, & Aslam. M. K (2011), managers are trying their level best to develop the employee's capabilities, ultimately creating good working environment within the organization. For the sake of capacity building managers are involved in developing the effective training programs for their employees to equip them with the desired knowledge, skills and abilities to achieve organizational goals. This struggle by the top management not only improves the employee performance but also creates positive image of the firm worldwide, (Jia-Fang, 2010).

Due to fast pace global and technological development, the firms are now facing new changes as well as challenges. Technological advancements have molded the need of capabilities and

competencies required to perform particular tasks. Thus, to cope with these challenges, more improved and effective training programs are required.

Performance management can focus on performance of the employees, a department, processes to build a product or service, etc. Earlier research on productivity of workers has showed that employees who are satisfied with their job will have higher job performance, and thus supreme job retention, than those who are not happy with their jobs (Landy 1985)

Improvement of productivity is a central issue in present-day organizations. Productivity through job performance stands as a widely researched domain in literature of organizational behavior (OB) and human resource (HR) development (Bommer et al., 1995; Lawler, & Worley, 2006; Schiemann, 2009). Job performance as in the form of *performance assessment and management* is an essential part of effective HR management and it is a most sought-after developmental intervention in HR portfolio (Bateman, & Snell, 2007; Fay, & Luhrmann, 2004; Hellriegel et al., 2004). The term “employee performance” signifies individual’s work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaged profile, and compassionate colleagues/employers around (Hellriegel, Jackson, & Slocum, 1999; Karakas, 2010). In order to utilize HR fully and augment organizational success, effective employee performance management system is imperative for a business organization. The performance driven objective is expected to be aligned with the organizational policies so that the entire process moves away from being event-driven to become more strategic and a people-centric perspective (Jena, & Pradhan, 2014; London, 2003; Mone, & London, 2009).

There are large number of researches on the relationship between training and employee performance, but the purpose of this study was to deeply investigate the training practice and its effect on employee performance using Dashen Bank S.C. as a case study, and provide suggestions to the company as how it can make best use of training programs to make employees perform well on their job.



## **1.2. Background of the Organization**

Dashen Bank was established in accordance with monetary and banking proclamation number 83/1994 and the commercial code of 1960. The bank started operation on September 20, 1995 with initial capital of birr 14,900,000 and 11 shareholders.

As viewed from the mission statement, D.B. is striving to provide efficient and customer focused domestic and International banking service by overcoming the continuous challenges for excellence through the application of appropriate technology..

As per the annual report of D.B. for the year ended June 2017, the paid up capital of the bank has reached 1,490,000,000 and its primary capital raised to birr over 2,000,000,000.

Cognizant of the fact that the success of the bank highly depend on the quality of its human resources, the bank continues to strengthen its staff capabilities through providing various trainings. During the fiscal year of, the bank invested 2% of its recurrent expenditure on staff training and development

Since establishment, the bank has gone through many stage and development. D.B. is the one of among the leading private bank in the country in both profitability and technological advancement.

## **1.3. Statement of the Problem**

The benefits of training can Improves morale of employees; Training helps the employee to Get job security and job satisfaction. The more satisfied the employee is and the greater is His morale, the more he wll contribute to organizational success and the lesser will be Employee absenteeism and turnover. Less supervision, a well-trained employee will be well Acquainted with the job and will need less of supervision. Thus, there will be less wastage of Time and efforts. Fewer accidents but of errors are likely to occur if the employees lack Knowledge and skills required for doing a particular job ( Rowden and Conine (2005). Staff training and development is recognized as crucial element in the attainment of Organizational goals and objectives. In order to sustain economic, and effective Performance it's important to optimize the contribution of employees to the aims and goals Of an organization. Training is a systematic process to enhance employee's skill, knowledge And competency, necessary to perform effectively on job. Overall, training affects organizational

competitiveness, revenue and performance (Evans and Lindsay, 1999). In order to achieve its overall goal of performance improvement, training must lead to the enhancement of professional knowledge and skills both at individual and collective levels. It should also equip personnel to respond appropriately to emerging challenges. Training should also bring about appropriate changes in attitudes and should strive for that unique synthesis between improvement of the individual's competencies and promotion of organizational objectives (Mathis & Jackson, 2011). Past researches proved a positive link between training and employee performance, as training brings benefits for the employee along with for the firm by positively impacting employee performance through the enhancement of employee's competencies and behavior

Job performance as in the form of performance assessment and management is an essential part of effective HR management and it is a most sought-after developmental intervention in HR portfolio (Bateman, & Snell, 2007; Fay, & Luhrmann, 2004).

DBSC has been one of the leading financial institutes in the country for the last decade. This could not be done without the effort of its staff. Cognizant of the fact that the success of the bank, highly depend on the quality of its human resources as indicated by the bank training and development department document, the department is responsible for identifying poor performance and establish training opportunities for improving performance. From the preliminary study conducted, the researcher has found some indicators of problems related to training and employee performance. According to the pilot survey the bank is not monitoring and reviewing the progress of Employees to ensure that the training requirements met and also has seen problem to identify training Opportunities for improvement based on performance deficiencies, this is manifested with a growing number of complaints from staffs. Thus, this constitutes to see the performance gap to implement a relevant training intervention for the sake of developing particular skills and abilities of the workers and its effect on the performance of employees and given the fact that if employees are not well trained, errors are likely to occur that can be a big problem in the attainment of organizational goals and objectives..

Therefore, due to the existence of the above-perceived problem this study empirically aimed to assess the training practice of the bank and see how training affect performance. From the preliminary study conducted, the researcher has found some indicators of problems related to training and employee performance and the tangible return of training against training objective

for improving employees' performance. This study begins from the realization of the need to effectively administer effect of training on employee performance.

## **1.4 Basic Research Questions**

To address the problem the study intended to seek answer for the following basic research question

- What is the training practice in the Dashen bank?
- What is the level of performance?
- What is the relationship between training and performance in Dashen bank?
- How does training affect employee performance?

## **1.5 Objective of the Study**

### **1.5.1 General Objective of the Study**

The general objective of the study was to assess how training program are practiced at Dashen bank and determine their effect on employee's performance.

### **1.5.2 Specific Objectives**

Specifically the objectives of the study included the following:

- | To find out the training practice of dashen bank.
- To see the company level of performance.
- To assess the relationship between training and employee performance.
- | To identify how does training affect employee performance..

## **1.6 Significance of the Study**

The purpose of this study was to find out issues of employee training and how it affects the performance of employees in Dashen bank S.C. The result of the study serve as an input for Dashen Bank to re-examine how much they were effective in their training programs towards improving the performance of the workforce.

It serves as a secondary source of data for those who want to conduct further investigation in this area, adds to the existing literature, and may serve as an additional source of reference.

## **1.7 Scope/Delimitation of the Study**

The researcher believes that it was appropriate to conduct the study in large scale. However, the limited time and other resources do not allow doing so. Hence, the scope of the study was delimited only to employees located in Addis Ababa. In addition, this empirical research work is limited to study training and its effect on the performance of employees using 200-sample respondent's .by using simple random sampling technique from probability sampling technique and also interview the training and development Manager with regarding to the issue.

## **1.8. Organization of the Study**

The study was organized into five chapters. The first chapter discusses background information, the research problem, objectives, and significance of the study and delimitation of the study. Chapter two is concerned with the various literatures reviewed in order to enhance the knowledge about the area. Chapter three discussed the research methodology that is adopted for the study with relevant justifications. Chapter four presents the findings on the effect of training on employee performance in Dashen Bank S.C. Chapter five consist findings, conclusions and recommendations.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITRATURE**

#### **2.1 Theoretical Literature Review**

##### **2.1.1 Concept of Training**

Training refers to a planned intervention aimed at enhancing the elements of individual job performance” (Chiaburu and Tekleab, 2005). It is all about improving the skills that seems to be necessary for the achievement of organizational goals. Training programs, may also help the workforce to decrease their anxiety or frustration, originated by the work on job (Chenet al., 2004).Effective training and development programs aimed at improving the employees” performance. Training refers to bridging the gap between the current performance and the standard desired performance. Training could be given through different methods such as on the coaching and mentoring, peers cooperation and participation by the subordinates. This team work enable employees to actively participate on the job and produces better performance, hence improving organizational performance. Training programs not only develops employees but also help an organization to make best use of their humane resources in favour of gaining competitive advantage. Therefore, it seems mandatory by the firm to plan for such a training programs for its employees to enhance their abilities and competencies that are needed at the workplace, (Jie and Roger, 2005). Training not only develops the capabilities of the employee but sharpen their thinking ability and creativity in order to take better decision in time and in more productive manner (David, 2006). Moreover it also enable employees to deal with the customer in an effective manner and respond to their complaints in timely manner (Hollenbeck, Derue and Guzzo, 2004). Training develops self-efficacy and results in superior performance on job (Svenja, 2007), by replacing the traditional weak practices by efficient and effective work related practices (Kathiravan, Devadason and Zakkeer, 2006).

Those workers who feel themselves to be unable to perform a task with the desired level of performance often decide to leave the firm (Chen et al., 2004), otherwise their stay at frim will not add to productivity (Kanelopoulos and Akrivos, 2006). The greater the gap between the skills necessary and those possessed by the workforce, the higher the job dissatisfaction of the workers.

Rowden (2002), suggest that training may also be an efficient tool for improving ones job satisfaction, as employee better performance leads to appreciation by the top management, hence employee feel more adjusted with his job. According to Rowden and Conine (2005), trained employees are more able to satisfy the customers and (Tsai et al., 2007), employees who learn as a result of training program shows a greater level of job satisfaction along with superior performance.

Training is the use of systematic and planned instruction activities to promote learning. The approach can 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 described as one of several responses an organization can undertake to promote learning. As Reynolds (2004) points out, training has a complementary role to play in accelerating learning: „It should be reserved for situations that justify a more directed, expert-led approach rather than viewing it as a comprehensive and all-pervasive people development solution.“ He also commented that the conventional training model has a tendency to „emphasize subject specific knowledge, rather than trying to build core learning abilities“.

### **2.1.2 Organizations Need for Training**

According to Raymond A Noe. organizational, analysis involves identifying whether training supports the company’s strategic direction; whether managers, peers, and employees support training activity; and what training resources are available. Formal training is indeed only one of the ways of ensuring that learning takes place, but it can be justified in the following circumstances after analysis of training at individual, task, and organizational level.

Organizational analysis considers the context in which training will occur. That is organizational analysis involves determining the business appropriateness of training, given the company’s business strategy, its resources available for training, and support by managers and peers for training activities. (Noe, HollenBeck, Gerhart, & wright, 2008)

Training needs can be diagnosed by analyzing organizational outcomes and looking at future organizational needs. Organizational analysis comes from various operational measures of organizational performance. Departments or areas with high turnover, customer complaints,

high grievance rates, high absenteeism, low performance, and other deficiencies can be pinpointed. Following identification of such problems, training objectives can be developed if training is a solution. During organizational analysis, focus groups of managers can be used to evaluate changes and performance that might require training. (Mathis & Jackson, 2011) The work requires skills that are best developed by formal instruction.

- Different skills are required by a number of people, which have to be developed quickly to meet new demands, and cannot be acquired by relying on experience.
- The tasks to be carried out are so specialized or complex that people are unlikely to master them on their own initiative at a reasonable speed.
- Critical information must be imparted to employees to ensure they meet their responsibilities.
- A learning need common to a number of people has to be met and can readily be dealt with in a training program: for example induction, essential IT skills, and communication skills.

Therefore, Effective training certainly has the potential to increase knowledge, skills, and abilities (KSAs) and enable employees to leverage their KSAs for organizational benefit that increases organizational performance (in productivities, quality of service/products....) by improving individual performance of the employee (Gerhart, & wright, 2008).

### **2.1.3 Aim and Objective of training**

. It is recognized that the right mix of knowledge, skills and attitudes/behaviors“, helps a job holder to perform tasks successfully, depend on the different aim of training different scholars put its objective in many perspective among them:

- Management objectives such as: ease the burden on supervisors, skills acquisitions for leaders suitable for their work, assist management to discover the right man in the right place, supply workers with all information they need related to the project objectives and policies, preparing leaders and develop their abilities. (Maher, 1999).

- Economic and social objectives such as: increased production efficiency, increased the standard of living for workers, increased the efficiency of individuals to achieve the objectives of the organization, change the individual's behavior to suit the requirements of the work performed, and change directions to provide knowledge and skill. (Alqadi, 1998).
- Technical objectives such as; reduced the maintenance costs, improve customer services, increased work efficiency, reduce the damaged and lost, raise the technical level of workers, and improve worker performance.

Organisations try to achieve this by:

- ✓ Proper selection of personnel, i.e., choosing the right person for the right job; and
- ✓ Human resources development - through training intervention - helping them to learn in order to bridge the performance gap, if any, and make them more proficient. The component of development may also be added to this process. In order to achieve its overall goal of performance improvement, training must lead to the enhancement of professional knowledge and skills both at individual and collective levels. It should also equip personnel to respond appropriately to emerging challenges. Training should also bring about appropriate changes in attitudes and should strive for that unique synthesis between improvement of the individual's competencies and promotion of organizational objectives (Mathis & Jackson, 2011).

#### **2.1.4 Types of training**

There are five key areas for training: Knowledge, skill, techniques, attitudes, experience. These areas can be achieved through a good training program's goal related to these areas. Training is classified into different types based on different criteria.

According to (Mathis et al, 2008) training is classified based on the content of training or focus of the program such as, personal computer, team building, sexual harassment, hiring and selection, new equipment operation, Train the trainer, leadership, conducting performance appraisal, new employees orientation and etc. Training is generally imparted in two ways:



- On the job training, on the job training methods are those which are given to the employees within the everyday working of a concern. It is a simple and cost-effective training method. The in-proficient as well as semi-proficient employees can be well trained by using such training method. The employees are trained in actual working scenario. The motto of such training is “learning by doing.” Instances of such on-job training methods are job-rotation, coaching, temporary promotions, etc.
- Off the job training, off the job training methods 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. 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).

### **2.1.5. Designing training policy**

Training policy is derived from organizational strategic plan on overall human resource management. In order to make employees effective company equipped their staff with the necessary skill and knowledge, the organization should clearly specify its training and development policy, and must be responsible for the production of an annual staff training programme which will be based on both the individual staff training needs and that of staff team training needs. The policy should be linked with the organizational philosophy on human resources and strategy. Organizations need to set out the standard format for application for education and training in the company. There should be a written policy and principles including the determination of what, when, and how staff receive the necessary training (Collette Kelleher 2014).

### **2.1.6. Training Methode/Techniques**

According to (Olaniyan et al, 2008) the method of training can be classified

- a) On the job training/coaching -This relates to formal training on the job. A worker becomes experienced on the job over time due to modification of job behaviors at the point of training or acquisition of skills.
- b) Induction/orientation - This is carried out for new entrants on the job to make them familiar with the total corporate requirements like norms, ethics, values, rules and regulations.
- c) Apprenticeship - A method of training where an unskilled person understudies skilled person.
- d) Demonstration-Teaching by example, whereby the skilled worker performs the job and the unskilled closely observes so as to understand the job.
- e) Vestibule - This is done through industrial attachment for the purpose of skills and technology transfer. It is therefore achieved through placement of an individual within another area of relevant work or organization. The effect is the acquisition of practical and specialized skills or it is a type of training which occurs in special facilities that replicate the equipment and work demands of jobs (Mathis, et al, 2008).
- f) Formal Training - A practical and theoretical teaching process which could be done within or outside an organization. When training is carried out inside an organization, it is called an in-house training. Off-house training is carried out in professionalized training areas like Universities, Polytechnics and Professional Institutes.

In fact the method that employ by the organization has its own effect on the effectiveness of the organization from the training expenditure. As a result, companies are increasingly searching for the right blend of training methods to maximize the effectiveness of learning. Others are looking for more cost-effective alternatives to online learning which for some enterprises has proven to be a more expensive route than anticipated. Coaching by line-managers and on-the-job training are

now playing an increasingly important role in the current financial climate (Blain, 2009). Many training techniques are created almost every year by the rapid development in technology. Deciding among methods usually depends on the type of training intended, the trainees selected, the objectives of the training program and the training method. Training is a situational process that is why no single method is right for every situation. While some objectives could be easily achieved through one method, other objectives could necessitate other methods. Many training programs have learning objective in more than one area. When they do, they need to combine several training methods into an integrated whole (Alipour et al, 2009).

According to (Alipour et al, 2009) training methods could be classified as cognitive and Behavioral approaches. Cognitive methods provide verbal or written information, demonstrate Relationships among concepts, or provide the rules for how to do something. These types of Methods can also be called as off the job training methods. On the other hand, behavioral Methods allow trainee to practice behavior in real or simulated fashion. They stimulate learning Through behavior which is best for skill development and attitude change. These methods can Be called as on-the-job training methods.

### **2.1.7 Benefit of Training**

Training is important and an imperative tool for the organization to revamp the Performance of all the personnel for organizational growth and success. It is beneficial To both employers and employees of an organization. An employee will become more Efficient and productive if he is trained well. Firms can develop and enhance the quality Of the current employees by providing comprehensive training and development.

Training is essential not only to increase productivity but also to motivate and inspire Workers by letting them know how important their jobs are and giving them all the Information they need to perform those jobs (Anonymous, 1998). The general benefits Received from employee training are: increased job satisfaction and morale, increased motivation , increased efficiencies in processes, resulting in financial gain, increased capacity to adopt new technologies and methods, increased innovation in strategies and products and reduced employee turnover. Training can bring tangible benefits to both the organization and the employees. As elaborated by Chatterjee (1995), the major purposes of training are:

- It establishes a sound relationship between the worker and his/her job.
- It upgrades skills and prevents obsolescence.
- To keep pace with changing technology training.
- It develops healthy, constructive attitudes.
- Influencing employee attitudes to achieve support for organizational activities and to obtain better cooperation and greater loyalty.
- It prepares employees for future assignments.
- It increases productivity.
- To promote efficient and cost-effective ways of performing jobs
- It minimizes operational errors.
- Unnecessary repetition, wastage and spoilage of materials are brought down.
- With better knowledge and skills, the employee approaches his/her job with greater confidence and sureness. It also improves the morale of the employees.
- It improves employee's satisfaction with their job.
- Training is a powerful tool that breeds in the employee a sense of pride as well as of belonging.
- Moreover, training can improve the relationship between the employees and their immediate supervisor.

The benefits of training can be summed up as Improves morale of employees; Training helps the employee to get job security and job satisfaction. The more satisfied the employee is and the greater is his morale, the more he will contribute to organizational success and the lesser will be employee absenteeism and turnover. Less supervision, a well-trained employee will be well acquainted with the job and will need less of supervision. Thus, there will be less wastage of time and efforts. Fewer accidents, errors are likely to occur if the employees lack knowledge

and skills required for doing a particular job. The more trained an employee is, the less are the chances of committing accidents in job and the more proficient the employee becomes. Chances of promotion, employees acquire skills and efficiency during training. They become more eligible for promotion. They become an asset for the organization. Increased productivity, Training improves efficiency and productivity of employees. Welltrained employees show both quantity and quality performance. There is less wastage of time, money and resources if employees are properly trained( Rowden and Conine (2005)..

### 2.1.8 Managing the Training Process

There are different models that show the steps in the training process, though the contents are more or less the same. According to Kulkarni, (Kulkarni, 2013)The training process involves four stages, namely:



### : Steps of Training Process

Figure 2.1: (Mathis & Jackson, 2011)

### **2.1.8.1 Assessment of training needs.**

Training needs are discrepancies between identifiable shortfalls in knowledge, skills and attitudes of the employee vis-à-vis what is required by the job, or the demands of organizational change. (Itika, 2011)

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, Hollenbeck, Gerhart, & wright, 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)

#### **A. Analysis of Training Needs**

The first step in training needs assessment is analyzing what training might be necessary (Mathis & Jackson, 2011). 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)

- **Organizational Analysis** – is a process for determining the business appropriateness of training. Organizational analysis considers the context in which training will occur.

That is organizational analysis involves determining the business appropriateness of training, given the company's business strategy, its resources available for training, and support by managers and peers for training activities. (Noe, Hollenbeck, Gerhart, & Wright, 2008)

Training needs can be diagnosed by analyzing organizational outcomes and looking at future organizational needs. Organizational analysis comes from various operational measures of organizational performance. Departments or areas with high turnover, customer complaints, high grievance rates, high absenteeism, low performance, and other deficiencies can be pinpointed. Following identification of such problems, training objectives can be developed if training is a solution. During organizational analysis, focus groups of managers can be used to evaluate changes and performance that might require training. (Mathis & Jackson, 2011)

- Task/ job analysis – is the process of identifying the important tasks and knowledge, skill and behaviors that need to be emphasized in training for employees to complete their tasks. (Noe, Hollenbeck, Gerhart, & Wright, 2008). By comparing the requirements of jobs with the KSAs of employees, training needs can be identified.
- Person analysis- is a process for determining whether employees need training, and whether employees are ready for training. The competencies of current jobholders could also be assessed to determine their suitability for their jobs. (Noe, Hollenbeck, Gerhart, & Wright, 2008)

Person analysis involves

- 1.** Determining whether performance deficiencies result from a lack of knowledge, skills or ability (a training issue) or from a motivational or work design problem
- 2.** Identify who needs training
- 3.** Determining employees' readiness for training

Carrying out a training needs analysis is a task for an experienced trainer, but it also requires a good understanding of what goes on in the job and what the management is thinking. (Itika, 2011)

## **B. 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)

Once it has been determined that training is necessary, training goals must be established.

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 is an 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).

### **2.1.8.2 Designing the training programs.**

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 objective. (Goldstein & Ford, 2007)

Training design process refers to a systematic approach for developing training programs.

Training design process should be systematic yet flexible enough to adapt to business needs (Noe, Hollenbeck, Gerhart, & Wright, 2008). Whether job-specific or broader in nature, training must be designed to address the specific objectives. Training objectives are set to close the gap. The success of training should be measured in terms of the objectives set. Useful objectives are measurable. This objective serves as a check on internalization, or whether the person really learned. Objectives for training can be set in any area by using one of the following four dimensions: such as Quantity, Quality, Timeliness, and Cost savings as a result of training. (Sishan Solomon, 2014)

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

### **Learner Characteristics**

For training to be successful, learners must be ready and able to learn. Learner readiness means that individuals have the ability to learn, which many people certainly have. However, individuals also must have the motivation to learn, have self-efficacy, see value in learning, and have a learning style that fits the training. (Mathis & Jackson, 2011)

### **Instructional Strategies**

An important part of designing training is to select the right mix of strategies to fit the learners' characteristics. Practice/feedback, over-learning, behavioral modeling, error-based examples, and reinforcement/immediate confirmation are some of the prominent strategies available in designing the training experience. (Mathis & Jackson, 2011)

## **Transfer of Training**

Trainers should design training for the highest possible transfer from the class to the job.

Transfer occurs when trainees actually use on the job what knowledge and information they learned in training. The amount of training that effectively gets transferred to the job is estimated to be relatively low, given all the time and money spent on training. Effective transfer of training meets two conditions. First, the trainees can take the material learned in training and apply it to the job context in which they work. Second, employees maintain their use of the learned material over time. A number of things can increase the transfer of training. Offering trainees an overview of the training content and how it links to the strategy of the organization seems to help with both short-term and longer-term training transfer. (Mathis & Jackson, 2011)

Every training and development program must address certain vital issue who participates in the program?

- Who are the trainers?
- What methods and techniques are to be used for training?
- What should be the level of training?
- What learning principles are needed?
- Where is the program conducted?

Trainers should be selected on the basis of self-nomination, recommendations of supervisors or by the HR department audience.

It is very necessary for the organization to design the training very carefully (Armstrong, 2000). The design of the training should be according to the needs of the employees. Those organizations which develop a good training design according to the need of the employees as well as to the organization always get good results. It seems that Training design plays a very vital role in the employee as well as organizational performance. A bad training design is nothing but the loss of time and money (Raja, Furqan, & Muhammed, 2011).

### **2.1.8.3. Implementation of the training program.**

Once training has been designed, the most important decisions to make are how the training will be delivered. Nadler, 1984 as cited in Nassazi, 2013 noted that all the human resource development activities are meant to either improve performance on the present job of the individual, train new skills for new job or new position in the future and general growth for both individuals and organization to be able to meet organization's current and future objectives. Training methods vary greatly, so it is essential to get the right combination to ensure the highest possible rate of learning and the subsequent return on investment. Organizations should identify the training method that best fits their employees' learning styles, be flexible enough to allow for changes when needed, and ensure that the training can be transferred into everyday job skills. Regardless of the method used, ensuring that training is effective is the primary goal. (Gilley, Gilley, Quatro, & Dixon, 2009). HRM needs to determine which training methods are the most appropriate for the skill and the employee. It may be necessary to combine several methods. (Decenzo & Robbins, 2010)

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: -

**i. On-the-job Training**    **ii. Off-the-job Training**    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.

### **2.1.8.4. Evaluation of the training program.**

The evaluation and validation of any training process is a very important key element not to be overlooked or treated lightly in the development of any training development process because it becomes the tool used to tell us if we reached our intended goals or objectives.

Training should be evaluated several times during the process. Determine these milestones when you develop the training. Employees should be evaluated by comparing their newly acquired skills with the skills defined by the goals of the training program. Any discrepancies should be

noted and adjustments made to the training program to enable it to meet specified goals. Many training programs fall short of their expectations simply because the administrator failed to evaluate its progress until it was too late. Timely evaluation will prevent the training from straying from its goals.

According to DeCenzo and Robin (2005), there are three popular methods of evaluating training programs.

1. Post-training performance method: Evaluating training programs based on how well employees can perform their jobs after training.
2. Pre-post-training performance method: Evaluating training programs based on the difference in performance before and after training.

Pre-post-training performance with control group method: Evaluating training by comparing pre and post- training results with individuals.

### **2.2.1 Employee performance**

Employee performance is defined as the outcome or contribution of employees to make them attain goals (Herbert, John & Lee 2000) while performance may be used to define what an organization has accomplished with respect to the process, results, relevance and success . Afshan et al. (2012) define performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Employee performance can be manifested in improvement in production, easiness in using the new technology, highly motivated workers. Employee performance is normally looked at in terms of outcomes. However, it can also be looked at in terms of behavior (Armstrong 2000). Kenney et al. (1992) stated that employee's performance is measured against the performance standards set by the organization. There are a number of measures that can be taken into consideration when measuring performance for example using of productivity, efficiency, effectiveness, quality and profitability measures (Ahuja 1992) as briefly explained hereafter. *Profitability* is the ability to earn profits consistently over a period of time. It is expressed as the ratio of gross profit to sales or return on capital employed (Wood & Stangster 2002). *Efficiency and effectiveness* - efficiency is the ability to produce the desired outcomes by using as minimal resources as possible while effectiveness is the ability of employees

to meet the desired objectives or target (Stoner 1996). *Productivity* is expressed as a ratio of output to that of input (Stoner, Freeman and Gilbert Jr 1995). It is a measure of how the individual, organization and industry converts input resources into goods and services. The measure of how much output is produced per unit of resources employed (Lipsey 1989). *Quality* is the characteristic of products or services that bear an ability to satisfy the stated or implied needs (Kotler & Armstrong 2002). It is increasingly achieving better products and services at a progressively more competitive price (Stoner 1996).

As noted by Draft (1988), it is the responsibility of the company managers to ensure that the organizations strive to and thus achieve high performance levels. This therefore implies that managers have to set the desired levels of performance for any periods in question. This they can do by for example setting goals and standards against which individual performance can be measured. Companies ensure that their employees are contributing to producing high quality products and/or services through the process of employee performance management. This management process encourages employees to get involved in planning for the company, and therefore participates by having a role in the entire process thus creating motivation for high performance levels. It is important to note that performance management includes activities that ensure that organizational goals are being consistently met in an effective and efficient manner. Performance management can focus on performance of the employees, a department, processes to build a product or service, etc. Earlier research on productivity of workers has showed that employees who are satisfied with their job will have higher job performance, and thus supreme job retention, than those who are not happy with their jobs (Landy 1985). Further still, Kinicki & Kreitner (2007) document that employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets.

### **2.2.2 Dimensions of Employee Performance**

Performance is a multicomponent concept and on the fundamental level one can distinguish the process aspect of performance, that is cognitive ability and is primarily facilitated through knowledge (requisite technical knowledge or principles to ensure job performance and having an ability to handle multiple assignments), skill (application of technical knowledge to accomplish task successfully without much supervision), and task habits (an innate ability to respond to assigned jobs that either facilitate or impede the performance) (Conway, 1999).

According to Wright & Geroy (2001), employee competencies change through effective training programs. It not only improves the overall performance of the employees to effectively perform the current job but also enhance the knowledge, skills and attitude of the workers necessary for the future job, thus contributing to superior organizational performance. Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve firm objectives in a competitive manner. Further still, dissatisfaction complaints, absenteeism and turnover can be greatly reduced when employees are so well trained that can experience the direct satisfaction associated with the sense of achievement and knowledge that they are developing their inherent capabilities (Pigors & Myers 1989).

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

### **2.2.3 Effect of training on performance**

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

also enhances the knowledge, skills and attitude of the workers necessary for the future job, thus contributing to superior organizational performance.

## **2.3 Empirical Findings**

Most of the previous studies provide the evidence that there is a strong positive relationship between human resource management practices and organizational performance. (Purcell et al., 2003). According to Guest (1997) mentioned in his study that training and development programs, as one of the vital human resource management practices, positively affects the quality of the workers' knowledge, skills and

capability and thus results in higher employee performance on the job. This relation ultimately contributes to supreme organizational performance. The result of Farooq, M & Aslam, M. K (2011) study depicts the positive correlation between training and employee performance as  $r = .233$ . Thus, we can predict from this finding that it is not possible for the firm to gain higher returns without best utilization of its human resource, and it can only happen when the firm is able to meet its employees' job-related needs in a timely fashion. Training is the only way of identifying the deprived needs of employees and then building their required competence level so that they may perform well to achieve organizational goals.

Moreover, the result of the study of Sultana, A, et al. (2012), conducted in the telecom sector of Pakistan, states the  $R^2$  as .501 which means that 50.1% of variation in employee performance is brought by training programs. Further, the T-value was 8.58 that explains training is a good predictor of employee performance.

As depicted by the work of Harrison (2000), learning through training influences organizational performance by greater employee performance, and is said to be a key factor in the achievement of corporate goals. However, implementing training programs as a solution to covering performance issues such as filling the gap between the standard and the actual performance is an effective way of improving employee performance (Swart et al., 2005).

According to Swart et al., (2005), bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular skills and abilities of the workers and enhancing employee performance. He further elaborates the concept by stating that training

facilitate organization to recognize that its workers are not performing well and a thus their knowledge, skills and attitudes needs to be moulded according to the firm needs. There might be various reasons for poor performance of the employees such as workers may not feel motivated anymore to use their competencies, or may be not confident enough on their capabilities, or they may be facing work- life conflict. All the above aspects must be considered by the firm while selecting most appropriate training intervention, that helps organization to solve all problems and enhance employee motivational level to participate and meet firm expectations by showing desired performance. As mentioned by Swart et al.(2005) this employee superior performance occur only because of good quality training program that leads to employee motivation and their needs fulfilment.

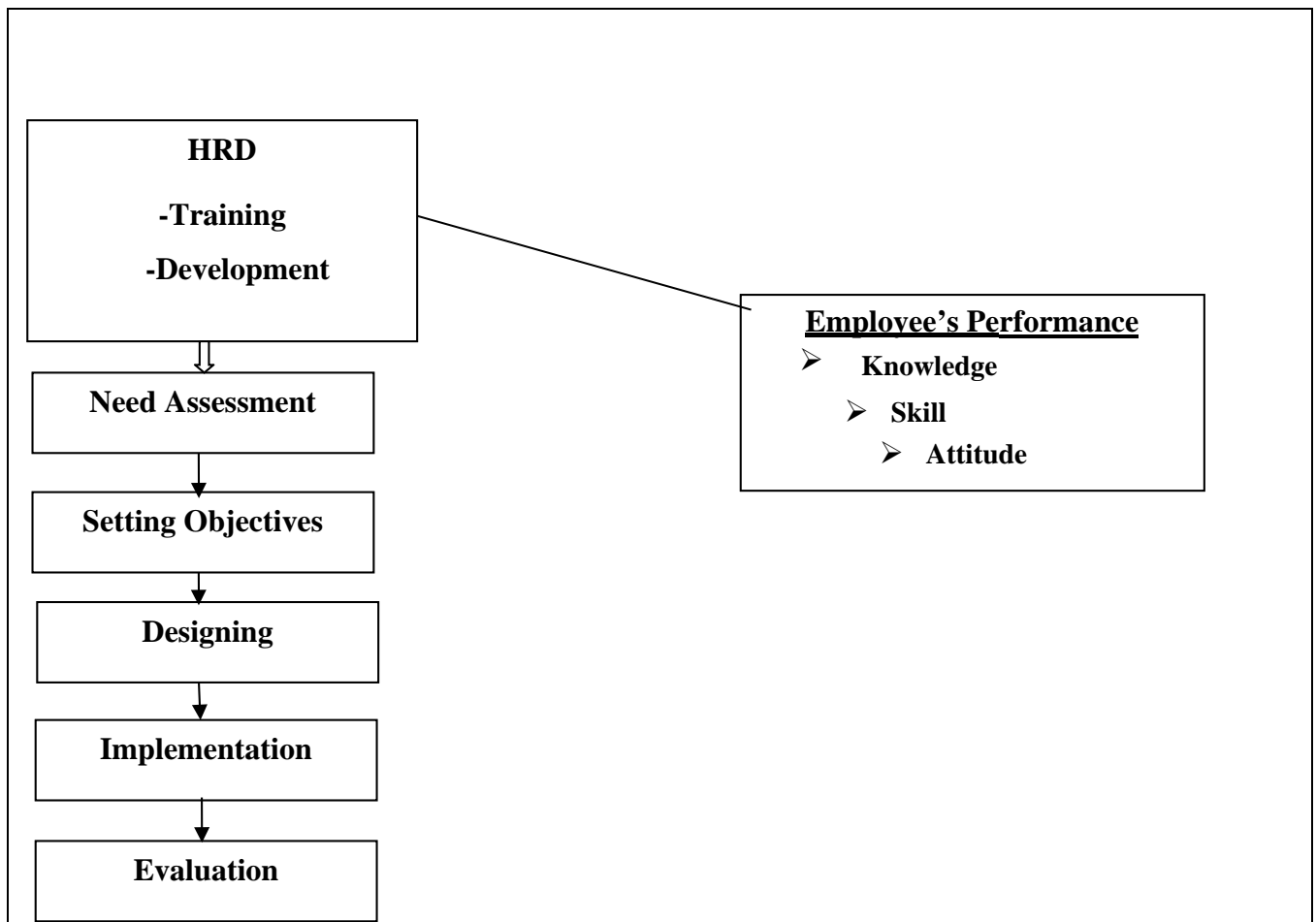
However, employee performance is also effected by some environmental factors such as corporate culture, organizational structure, job design, performance appraisal systems, power and politics prevailing in the firm and the group dynamics. If the above mentioned problems exist in the firm, employee performance decreases not due to lack of relevant knowledge, skills and attitude, but because of above mentioned hurdles. To make training effective and to ensure positive effect of training on employee performance these elements should be taken into consideration Wright and Geroy (2001). Besides, Eisenberger et al.(1986) stated that workers feel more committed to the firm, when they feel organizational commitment towards them and thus show higher performance.

Generally, it can be debated that the effect of training program on employee outcomes such as motivation, job satisfaction and organizational commitment, did not received much attention so far. Rare work was done to test whether firms can affect their workers attitude, through proper training interventions. According to Lang (1992) training should be planned in such a way that it results in organizational commitment. On the other hand Gaertner and Nollen (1989) proposed that employees' commitment is a result of some human resource practices, that is, succession planning and promotions, career development and training opportunities. All these practices, when achieved results in greater employee performance. Moreover, Meyer and Smith (2000), investigate the link between Human Resource Management practices and organizational commitment, so as to discover the causes of effective employee performance.



## 2.4 Conceptual Framework

There have been various theories propounded to explain the relevance of training needs in any establishment of organization. In social learning theory, employees acquire new skills and knowledge by observing other members of staff whom they have confidence in and as well believe to be credible and more knowledgeable (Bratton,2007; McKenna, *et al.*, 2006). The theory posited that training and learning is influenced by person's self-efficacy and his ability to successfully learn new skills, which can be influenced by encouragement, oral persuasion, logical confirmation, observation of others. Thus, the conceptual framework was formulated to show the association between the independent and dependent variables



Conceptual framework of the study

Figure 2.2: Adopted from Abbas Q. and Yagoob.S (2009)

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1. Research Design and Approach**

The research design is the conceptual structure within which research conducted; it constitutes the blueprint for the collection, measurement and analysis of data. As such, the design includes an outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data (C.R.Kothari,1990). The purpose of this research was to see the effect of training on employee performance. The method of the study was descriptive and inferential statistic. Because, descriptive allow to use both qualitative and quantitative data as a means to determine and describe, “What is “of a topic, and inferential statistics tries to examine the direct effect of training on employees to improve their performance. This study conducted on sample base on dashen bank’s branch offices and head office employees located in Addis Ababa. The study included different information depending upon the respondents (persons who have taken training) such as demographic variables, frequency of training, training expenditure (training input), and training out comes measurement, evaluation models, training methods and others. Therefore, through this strategy researcher could recognize the status of the employee after the training provided to them based on the information, which will collect through this strategy.

In order to achieve the intended objective, both quantitative and qualitative methods were chose. Hence, the convenient research designs considered suitable for this study was descriptive case study.

In order to conduct this study, first the researcher focus on the major problem by taking some initial theory as a background to the problem identified then it focus on the underlying causes problem not just their symptom and link each a problem identified to both relevant theory, evidence, conceptual issues raised by other writers/experts after this by gathering information from employees in both by primary data(questionnaire and interview) and the secondary data is collected from different human resource documents, books and internet and DBSC internal and external published documents, analysis and interpreted by using different tools like frequency,

percentage and table. Finally, the researcher recommend the organization based on the data gathered from employees.

### 3.2. Population Sample Size and Sampling Technique

A sample design is a definite plan for obtaining a sample from the sampling frame. It refers to the technique or the procedure the researcher would adopt in selecting some sampling units from which inferences about the population is drawn. Sampling design is determined before any data are collected In other words, it is the process of obtaining information about an entire population by examining only a part of it(C.R.Kothari,1990). For this study, simple random sampling method was in use by simply selecting from different work unit and those who have taken training and senior staffs. The aim of using sampling method is to adequately manipulate the large number and reduce the cost of producing the questionnaire to the entire population. The target populations of the study dashen bank’s head office employees located in Addis Ababa. The sampling units are accessible, easy to measure and cooperative where each item in the population has an equal chance of inclusion in the sample, and has the same probability of being select. The researcher use the formula for estimating the sample size provided by Taro Yamane (1969) which was cited in Obasi and Ekwueme (2011) and cited again on Belaynew asrie, Electronic commerce (2012). Out of 450 employees of DB located in head office the researcher were select 200-employees. Moreover, for interview the study used the training and development department manager.

$$n = \frac{N}{1 + N(e)^2} \qquad n = \frac{450}{1 + 450(0.05)^2} = 200 + 400(0.05) = 200$$

Where,     n = sample size,     N= population  
 1 = constant,     e = error estimate

### **3.3 Source of data and Instruments of Data Collection**

The study based on both secondary and primary data sources. It begin by secondary data analysis through the detailed review of related literature books, articles, training and development policy documents will review. Primary information about the level of employee's satisfaction with human resource development practices of the corporation obtain through questionnaire survey. The questionnaire comprises three sections. Section I contains demographical questions about the respondents including sex, age, years of work experience.

Instruments for the data collection to answers for the questions raised; Five Point Likert's scale questionnaire was designed for Trainees and Line Managers, semi-structured interview for Human Resource Manager, and reviewing of documents of the organizations in relation to training aspects will carried out to obtain the required data.

The data include both secondary and primary data. The data were qualitative (ordinal), and quantitative in nature. By using the Five Point Likert's Scale questionnaire for trainees and line managers, the researcher could obtain qualitative data. Moreover, additional qualitative and quantitative part of data obtain through interview with the Human resource training and development department senior officials (person who under take training activities) and reviewing of secondary data available in the organizations, respectively.

### **3.4 Data Collection Procedure**

The researcher adopts three methods in collecting data for the study. First, the relevant literatures are review to get adequate information on the topic. Second, objectives and research questions formulate to show the direction of the study. Third, data gathering tools were develop of which Questionnaire used to the respondents and scheduled interview with the officials in order to collect the necessary data that need to conduct the research.

### **3.5 Analysis of Data**

The data, which obtain from sample analyzed according to the objective of the study that obtained through different data collection instruments and analyzed qualitatively and quantitatively. The method of the study was descriptive and inferential statistic The

qualitative data from semi-structured interview and from questionnaires and secondary documents was analyzed by using different descriptive statistical techniques. For qualitative data which obtained through interview with the manager of training and development and secondary data obtain from review of different document analyze based on the fore stated schedule. Qualitative (ordinal) and some quantitative data analysis carry out by using frequency distribution, tabulate and percentages, and, with the help of SPSS software, These was done for each group of items relating to the research questions.

### **3.6 Research Instruments Validity and Reliability**

#### **3.6.1 Validity**

Validity refers to the extent to which a test measures what we actually wish to measure .The questionnaire adapted by reading different research thesis and literature review, which is written by different scholars carefully. Overall, it has design to reflect information collected and presented in the literature review by taking a pilot test.

Pilot testing allows assessing the questions validity and the likely reliability of the data. It also enables the researcher to know whether the design of data collection instruments is successful in meeting the research objectives and in obtaining meaningful responses. Therefore, pilot test conducted and this validation was make to get some evidence on whether the content of the items was relevant in helping to answer the research questions as well as to check the clarity of the questions.

#### **3.6.2 Reliability**

A reliability test is use to assess consistency in measurement items. If a research tool is consistent, stable, predictable and accurate, it is said to be reliable. The greater the degree of consistency and stability in an instrument, the greater its reliability (Bhattacharjee,2012).defined reliability as the degree to which the measure of a construct is consistent or dependable. Internal consistency reliability test will use to determine reliability of the questionnaire by calculating Cronbach's Alpha, which is use to measure the internal consistency of the measurement items, Higher Alpha coefficients indicate higher scale reliability. (Joseph & rosemary, 2003).

*Table 3-0 Reliability test*

<b>Dimension</b>	<b>Alpha coefficient for Dimension</b>
Training policy	0.826
Training need assessment	0.827
Training design	0.823
Training implementation	0.824
Training evaluation	0.829
Knowledge	0.831
Skill	0.824
Attitude	0.851
<b>Reliability of total scale</b>	<b>0.848</b>

### **3.7 Ethical Considerations**

The study conducted by considering ethical responsibility. This includes providing information to the respondents the purpose of the study and the use of the information as well. Information obtained held in strict confidentiality by the researcher. Respondents' anonymity kept so that participants would feel free and safe to express their ideas

# CHAPTER FOUR

## DATA ANALYSIS AND INTERPRETATION

This chapter deals with presentation, analysis and interpretation of data gathered from employees of the D.B.S.C. by using questionnaire and interview. Data was collected and analyzed in order to see training practice and its effect on performance as stated under the methodology part, to collect the data from employees, questionnaires were prepared and distributed to selected Head office employees and interview manager of learning and development section. In this study, 200 questionnaires were distributed to the respondents and all questionnaires were returned.

The questionnaire was structured in a 5-point Likert's Scale format. This involves the use of special rating scale that asks respondents to indicate the extent to which they agree or disagree with a series of mental belief of the statements about a given subject (Strongly Agree = 5, Agree = 4, Neutral = 3, Disagree=2 and Strongly Disagree = 1). When presenting the results, strongly agreed and agreed responses were combined, as with strongly disagreed and disagreed responses were also combined for the percentages.

### 4.1 Response Rate

*Table 4-1 rate of respondents*

<b>Respondent in total</b>	<b>Rate of return</b>	<b>Rate in percent</b>
<b>200</b>	<b>200</b>	<b>100%</b>

For this study totally 200 dashen banks head office employees has been participated and all the response were returned and as it showed on the above table the response rate was met 100%.

### 4.2: General Profile of Respondents

Under this section, the researcher collected information about the general background of the respondents. The researcher collected personal information of respondents like age, gender, educational background, and year of service (experience) in the organization.

**Table 4-2 the profile of respondents**

ITEM	ALTERNATIVE	FREQUENCY	PERCENT
I (SEX)	Male	130	65%
	Female	70	35%
	Total	200	100
II (AGE)	20-25	10	5%
	26-31	108	54%
	32-40	50	25%
	40-45	24	12%
	Above 45	8	4%
	Total	200	100
III (Education)	Diploma	12	6%
	Degree	156	78%
	Masters	30	15%
	Other	2	1%
	Total	200	100
IV (LENGTH OF SERVICE)	1-3	5	2.5%
	4-5	20	10%
	6-8	84	42%
	9-11	77	38.5%
	More than 11	14	7%
	Total	200	100

**Source: Own survey, 2018**

Based on the data obtained from the respondents, from the above table ITEM I shows that the distribution of the respondents by gender, and it is clear from the table that 65% which account 130 of the respondents are male while the remaining 35%(70) are female. This implied male's employment in D.B. is relatively high than female employees. This shows the organization to constitute a natural experiment suited to this application since, thought they can generate significant change in number of women in the position and also the organization decision acquire are establish a possible causal link between the change in the general composition of management and the subsequent response of other female and male workers.

Based on the data obtained from the respondents, from the above table **ITEM II** shows the distribution of the respondents by age, accordingly, most of the respondents are between 26-31



years old with the frequency of 108%, while 5%, which is account 10 of the respondent, is between 20-25 years, which is the lowest frequency. Between 32-40 years constitute 25 %( 40) which is moderate relative to the other age range. Among the age bracket above 40 years has the frequency consisting 16 %( 32). As to the press release of National Youth Policy, young age range is 14-35. Thus it can be said that majority of the respondent engaged in the industry as employees are young aged, this implies young age are willing to work energetically and face challenges that's their jobs may brought them and In most situation adult are very eager and have a good tendency to interact new technology and change. Also the others respondents are matured enough to implement the safety and health policy of the company.

**ITEM III** shows that 1%, 78% and 6% of the respondents have high school completed, first degree and diploma holder respectively. While the remaining 15% of the respondent are post graduate (2<sup>nd</sup> degree) holder. This implies that D.B.S.C. depends on at least high school completed so as to undertake its main activities this helps the organization beyond the value that educated employees add to client relationship, well informed, knowledgeable workers enhanced company leadership and also well-educated employees are more goal oriented, better work performance, accept more responsibility and accountable for what they are doing. Moreover, this allows the organization to implement advanced technology and works to depend on skillful arrangement.

Based on the data obtained from the respondents, from the above table. **ITEM IV** Indicated that 42% (84) of the respondent they worked in the organization for the year between 6 up to 8, 38.5% (77),of the respondents worked 9 to 11 years, 2.5%(5) of the respondent worked for less than four year and,20(10%) 4 up to 5 years respectively, the remaining 7% (14) of the respondent worked more than eleven years. From this data, it is possible to say most of D.B. employees are experienced. This helps the organization to dedicate workers produce higher quality work which result in a significant cost savings for the organization, punctuality seems to be a given for older workers, pride in a job well done and efficiency and confidence to share their recommendation and idea by adding organizational skill and its allow the bank to do their tasks in short period of time with effectiveness and efficiently.

### 4.3. Analysis of Data Collected For the Study

In order to make employees effective company equipped their staff with the necessary skill and knowledge, the organization should clearly specify its training and development policy, and must be responsible for the production of an annual staff training programmer which will based on both the individual staff training needs and that of staff team training needs (collette Kelleher 2014).

**Table 4-3.1 Respondents opinion on authority and alignment of training policy with the company goal**

	<b>Mean</b>	<b>Std.Deviation</b>
There is a separate department responsible for manpower training in my company	4.01	1.1
There is clear training policy in the company	2.92	1.18
The training policy is up to date with the fast changing trends	3.72	1.14
Training policies and procedures are aligned with corporate strategic goal	2.7	1.21
The training policy clearly determine and has standard format how staffs receive the necessary training	3.98	1.04

**Source: Own survey, 2018**

The table above shows the response of the respondents on the availability of a separate department responsible for work force training. Mean value 4.01 shows respondents agreed on there is a responsible department for work force training and this implies the employee knows there is a separate department for human resource development, and responsible unit, for any issues related to work force teaching and shows the company mostly aware employees about internal structure of the company. On a question, there is clear training policy in the company 2.92 mean shows respondents opinion that shows the organization do not specify its training and development policy for the staff and dashen bank need to amend its way of specifying, and should put a written policy and principles including the determination of what, when, and how staff receive the necessary training.

Question related to the training policy is up to date with the fast changing trends 3.72 mean from the data shows that which is good but of Dashen Bank should modernize its training policy in order

to make employees effective and equipped their staff with the necessary skill and knowledge. When asked whether Training policies and procedures are aligned with corporate strategic goal a low mean value of 2.7 on this. The bank training policy has no clearly stated policy on overall human resource management and which shows it is not aligned with the corporate objective of the bank. Question related to the training policy clearly determine and has standard format how staffs receive the necessary training almost the response shows no clear determination on staff training. Therefore, the bank needs to set out the standard format for application of education and training in the company, which is a written policy and principles including the determination of what, when, and how staff receive the necessary training.

### **Need Assessment**

Training needs are discrepancies between identifiable shortfalls in knowledge, skills and attitudes of the employee vis-à-vis what is required by the job, or the demands of organizational change. Needs assessment measures the competencies of a company, a group, or an individual as they relate to what is required. (Decenzo & Robbins, 2010).

**Table 4-3.2 Respondents Reaction on conducting training need assessment**

	<b>Mean</b>	<b>Std.Deviation</b>
Training need assessment is conducted at organization level	3.95	1.05
Training need assessment is conducted at task level	3.79	1.20
Training need assessment is conducted at individual level	4.23	1.124
The Training need assessment conducted in your organization is able to differentiate performance problems caused by employees lack of skills, knowledge and abilities	4.1	0.98
The Training needs analysis methods used by your organization produce relevant findings on performance gap	3.99	1.16
The Training needs analysis methods of the organization enable to clearly identify the required training that employees" need to perform their job	4.24	1.01

**Source: Own survey, 2018**

The table above shows the response of the respondents whether their organization conducts a formal training needs assessment at organization level. The mean value 3.95 implies respondents agreed on that the bank has organizational analysis in determining the business appropriateness of training, given the company's business strategy, its resources available for training, and support by managers and peers for training activities.

Organization conducts formal training needs assessment at task level, 3.79 value of mean indicate respondents agreed on. Thus, from this we can understand that there is a formal training need assessment practice at task level identifying the important tasks and knowledge, skill and behaviors that need to be emphasized in training for employees to complete their tasks.

According to the response on training need assessment at individual level has highest mean value, which is 4.23, which shows the majority confirmed that there is assessment at this level so, the bank has a good assessment on employees need training, and whether employees are ready for training. The competencies of current jobholders also assess to determine their suitability for their jobs.

From the above table question on training need assessment conducted in your organization is able to differentiate performance problems, caused by employees' lack of skills, knowledge and abilities 40% agreed, 51% disagreed and 9% kept neutral the result shows, the bank does not conduct a good need assessment to identify gaps, and this means it do not determine that the training is necessary for the specified area and these let the bank not to be effective on filling the performance gaps of employees.

From the above table Training needs analysis methods of the organization enable to clearly identify the required training that employees need to perform their job 35% agreed 46%disagreedand 19% neutral and this shows there is no effective need analysis which can identify relevant training for the needed area.so the bank has no good and relevant need assessment mechanisms in order to address the performance gap

According to the data gathered from the interview conducted with the training and development manager of the bank the training process of the organization 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 aforementioned process based on the urgency of the performance gap to be improved. As mentioned by the manager the big problem that they faced in this process is that the immediate managers of employees are failed to identify those needs properly

### **Training Design**

It is very necessary for the organization to design the training very carefully. The design of the training should be according to the needs of the employees. Those organizations, which develop a good training design according to the need of the employees as well as to the organization, always get good results (Armstrong, 2000).

*Table 4-3.3 the Respondents view on training design*

	<b>Mean</b>	<b>Std.Deviation</b>
The organization sets measurable training objectives	3.55	1.16
I think my company properly plan the training program in line with the training policies	3.94	1.0
The company design training program based on the purpose of training	4.28	0.95
The company design training program based on employees level of knowledge	4.31	1.05
The company design training program based on employees level of skill	2.72	1.6
The training design is compatible with the actual job to be performed	4.0	0.99
The contents of training that I have taken are relevant for my current job	3.94	1.1

**Source: Own survey, 2018**

In the above table, shows that the majority respondents i.e. 3.55 agreed that the organization sets measurable training objectives while designing the training. As indicates the majority which is mean of 4.28 of the respondents agreed that the company properly plan the training program in

line with the training policies. Even though there are some respondents who are disagreed, the respondents agreed that the organizations target the training objectives when designing.

Based on the answer for the question that the company design-training program based on employees level of knowledge and skill half of the respondents agreed when the other disagreed on it. This shows that the bank method of design is not that much bad but need immediate revision in order to make it produce more positive outcome on employee's performance

Based on the result most respondent disagreed that the training is designed to be compatible with the actual job to be performed, in contrary some agrees on this idea. From the figure it is possible to say that even if the majority employees disagree on the compatibility of training design to the actual job to be performed, a substantial number of employees also do not have any idea on the raised issue. The other question that was asked to the respondents was whether the contents of training are relevant to their current job even if some of the respondents disagreed, the majority i.e. (3.94) of the respondents agreed to this idea.

The interviewees replied that following the needs assessment stage the bank continue to be engaged in the training design stage based on the design policy of the bank. According to the department manager, the bank 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 additions, the training department also tries to ensure that the trainings being given to employees have a direct relevance to current job of the trainees. Moreover, the manager stated that they are continuously being challenged with the needs assessment gap that exists from the mangers side. They stated that the needs assessment stage precedes the design stage and hence whatever mistakes or errors made during the assessment stage has a hampering effect on the appropriateness of the design stage.

### **Training delivery**

Organizations should identify the training method that best fits their employees learning styles, be flexible enough to allow for changes when needed, and ensure that the training can be

transferred into everyday job skills. Regardless of the method used, ensuring that training is effective is the primary goal. (Gilley, Gilley, Quatro, & Dixon, 2009).

**Table 4.3.4 Respondents opinion on training implementation**

	<b>Mean</b>	<b>Std.Deviation</b>
The organization gives on-job training through coaching, job rotation learning	3.8	1.13
The organization gives off job training method like classroom lecture and seminar	4.16	1.06
The delivery method that the organization used is convenient to get the necessary knowledge and skills	4.0	1.11
The organization implements participatory training delivery method	3.82	1.2
The trainers in my organization can transfer and demonstrate the training appropriately	4.0	1.08
The trainers are knowledgeable about the subject matter	3.96	1.07
The training materials are complete and appropriate to the level of trainees	3.88	1.2
The training environment is conducive to conduct training	3.95	1.14
The training delivery method has enabled me to transfer the skills acquired back to my job	3.8	1.27

**Source: Own survey, 2018**

The respondents were asked whether their organization uses both the training delivery methods i.e. on-job and off-job training and the majority is indicated by the mean no 3.8 and 4.16 of the respondents agreed and this match with the information that is found in the interview.

Even though some of the respondents remained neutral and disagreed, the most employees, which can be seen by the mean result 4.0 of the respondents, believed that the training delivery method of the bank is convenient to get the necessary knowledge and skills.

As the above table shows delivery method, whether there is an opportunity of participation in the training delivery method and the majority of the respondents disagreed on the availability of

participatory environment and the rest agreed. Even if majority based on 3.96 mean result of the respondents agreed that trainers were capable and knowledgeable about the subject matter, and few of respondents are remain neutral and disagreed on the ability of trainers in transferring and demonstrating the training appropriately.

The statement the training materials are complete and appropriate to the level of the trainee is the majority of the respondent disagreed and remains neutral, which indicates employees give more emphasis to the training materials and teaching aid when training is conducted.

As indicate by the mean value of 3.98 of the respondents agreed that there is a conducive environment to conduct training in the bank. This indicate that environment is an important aspect unless that the trainee may be put off and distracted by the noise or apparent confusion of a totally new experience and finds it difficult to cope with learning ,to work with new people, as well as a new job. Lastly, the respondents were asked whether training delivery method has enabled them to transfer the skills acquired back to their job. 3.8 mean result shows that the bank's training delivery method is becoming not effective as intended and will lead to training objective missing, and should take corrective action as soon as possible.

According to the interview, training delivery method is the third process of training. In addition, they use both the on-the job and off-the job training methods to deliver the training. 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 bank is not effective and satisfactory, as it needs to be.

### **Training Evaluation**

The evaluation and validation of any training process is a very important key element not to be overlooked or treated lightly in the development of any training development process because it becomes the tool used to tell us if we reached our intended goals or objectives. (Raja, Furqan, & Muhammed, 2011)



**Table 4-3.5 the Respondents opinion on training evaluation**

	<b>Mean</b>	<b>Std.Deviation</b>
The organization measures the trainee’s satisfaction about the training session	3.85	1.13
The organization tests the trainees before and after the program about the training and value added to performance	4.1	1.06
The organization measures employees behavior change in the work place after training	3.89	1.14
The organization evaluates employees benefit resulted from training	3.82	1.2
The organization evaluates organizational results obtained from training program organized	4.0	1.08

**Source: Own survey, 2018**

According to the interview, training evaluation is the last step in the training process. Response of the respondents on the question. The organization measures the trainee’s satisfaction about the training session?” As it clearly stated in the table 3.85 of mean of the respondents agreed that, there is a proper measure of trainee’s satisfaction in the organization. The respondents agreed that there is a proper measurement of the session of training in the bank

Almost half of the respondents disagreed to this question and this assured us even there is the practice of evaluating the training session in the bank it is not conducted properly i.e. the effectiveness of training evaluation in the bank is not satisfactory. This implies that the employees not clear and well understand the training evaluation method.

As it is shown in the above table of the respondents are agreed that the organization tests the trainees before and after the program about the training and value added to performance. In addition, to do this testing the trainees before and after the training and looking the performance result of the trainees would be better since this shows the exact change on performance of the trainees” properly.

Moreover, for the question on the organization measures employee's behavior change in the work place after training the result shows mean of 3.89 agreed training evaluation method should evaluate the change on the performance that comes after the training program.

The response indicate that on the organization evaluate employees and organizational benefit resulted from training indicated that 4.0 mean value of the respondents were agreed. This implies that it is using the evaluation method properly unless that has, makes it difficult to differentiate the change in performance of employees that was caused by the training and also the effectiveness of the training that were delivered to the employees.

### **Knowledge**

Performance is a multicomponent concept and on the fundamental level, one can distinguish the process aspect of performance that is cognitive ability and is primarily facilitated through knowledge (requisite technical knowledge or principles to ensure job performance and having an ability to handle multiple assignments) (Conway, 1999).

***Table 4.3.6 Respondents opinion on effect of knowledge on their performance***

	<b>Mean</b>	<b>Std.Deviation</b>
I feel that training enable me to perform my work with greater accuracy and precision	3.87	1.13
I can say that training practice of the company helped me to perform and work effectively my regular activities	4.09	1.17
Training programs improved my knowledge and which increases my performance on the job	3.53	1.44
I feel confident that my training enabled me to completely perform all aspects of my job	3.94	1.14

**Source: Own survey, 2018**

As the above table indicates, 3.87 of the respondents agree and strongly agree that training enable them to perform their work with great accuracy and precision. The agreement indicates that training

helps employees in enabling them to work with great accuracy. so this implies the need to investigate the effect and value of each training before delivering to the employees. Mean result 4.09 showed us the bank training practice has been helping employees to work effectively their regular activities. Training programs improved employee knowledge and which increase their performance based on the mean value of 3.53.

This figure indicates that the training provided by the bank is effective in adding value on the performance of the employees, based on the given data. As a result it has provide good training which increase performance.

### **Skill**

Through training the employee, competencies are developed and enable them to implement the job related work by the required skill (application of technical knowledge to accomplish task successfully without much supervision) (Conway, 1999).

***Table 4-3.7 the Respondents opinion on contribution of skill acquired on their performance***

	<b>Mean</b>	<b>Std.Deviation</b>
employee training offers me an opportunity to learn new skill	4.02	1.13
Because of the knowledge, skills and attitude that I received from the training I can accomplish activities without waste.	3.66	1.13
After training I feel that I am committed for my work	3.93	1.12
I feel a strong sense of belonging to this organization since I acquire the needed skills	3.98	1.09

**Source: Own survey, 2018**

As shown in the above table mean of 4.02 agree and strongly agree that training has increased their level of new skill related to the job they perform. Therefore, it indicates that the organization has a good training practice in place to improve the level of skills of the employees that is demanded by the job. Based on the respondents answer more than half (3.56 mean result) agreed on the statement that asks, the knowledge, skills and attitude that I received from the training I can accomplish activities without waste, this implies there is appositve situation with in the bank

employees performance. However, there is a huge figure dis agreed on it, which need follow up to make it and convert to the positive dimension.

Employee response on the statement after training I feel that I am committed for my work. The result shows that there is a commitment to their work after having training so that I can say the bank has good training practice that make employees to sense belongingness and being committed for their tasks

As the table shows with regard to strong sense of belonging to the organization since it has good training methods to acquire the needed skills and to become loyal for different activities, it is also discovered that, the majority of respondents that representing were agreed.Hence, it can be concluded that employees have confidence to say I have strong sense of belonging to the organization since it has a good training methods to acquire the needed skills and to become loyal for different activities

### **Attitude**

Once training requirements have been identified using needs analyses, training objectives and priorities can be established. Training objectives and priorities are then determined to close the gap.one of the training objectives is attitude that create interest in and awareness of the importance of something. (Decenzo & Robbins, 2010)

***Table 4.3.8 the respondent’s opinion on the contribution of attitude change on employee performance***

	<b>Mean</b>	<b>Std.Deviation</b>
Employee training at the company enhance my commitment to take the initiative in helping other employees when the needed arise	4.03	1.13
Training programs encourage teamwork and self –managed Team culture.	3.28	1.57
the training provided by the company enabled me to like my job and willingly expend extra hours on working	2.92	1.21
I am satisfied with the training condition including the material and facility of the training that the organization provides to increase my work commitment	3.43	1.48

**Source: Own survey, 2018**

Employee training at the company enhance my commitment to take the initiative in helping other employees when the needed arise mean of 4.03 shows agreed on these statement so that employees are satisfied with the training result for having good team sprit among them.

Response on training programs encourage teamwork and self –managed team culture mean out come was 3.28 which shows that there is still good teamwork among and have positive impact on employees.

The respond result shows that on the statement training provided by the company enabled me to like my job and willingly expend extra hours on working. Mean result of 2.92 Based on this the company employees are not satisfied well in order to exert more effort and time on work due to the effect of training in which they received before so the bank need to investigate and evaluate its method of training.

The response for the question on am satisfied with the training condition including the. Material and facility of the training that the organization provides to increase my work commitment mean value indicate 3.43. And this shows employee commitment is the feeling of loyalty that employees have towards the organization that they work for, which largely depends on the extent to which they believe in the values and aims of the organization and feel personally involved in the task of making the organization successful (Brum, 2007). Hence, the bank staffs are more loyal and committed even if there is no fully full field pre condition about the training within the organization

#### **4.4 Correlation Analysis**

To determine the existence and level of association, the researcher used bivariate correlation. Pearson's correlation coefficient falls between -1.0 and +1.0, indicates the strength and direction of association between the two variables. (Field, 2005) The Pearson's correlation coefficient (r) was used to conduct the correlation analysis to find the level and direction of the relationships between the dimensions.

The classification of the correlation efficient (r) is as follows: 0.1 – 0.29 is weak; 0.3 – 0.49 is moderate; and > 0.5 is strong. (Field, 2005)The bivariate correlation of a two-tailed test confirm the presence of statistically significant difference at probability level  $p < 0.01$  i.e. assuming 99%

confidence interval on statistical analysis. Hence all the dimensions have a strong positive relationship to the dependent variable which is significant even at the  $p < 0.01$  level. In order to determine the most influencing factor of employee performance, relationship between all variables was determined through correlation analysis before proceeding to regression analysis. The table under depicts the  $r$  value for the relationship between independent variables and dependent variable. Therefore, Effective training certainly has the potential to increase knowledge, skills, and abilities (KSAs) and enable employees to leverage their KSAs for organizational benefit that increases organizational performance (in productivities, quality of service/products....)by improving individual performance of the employee (Gerhart, & wright, 2008).

		Training policy	Need assessment	Training design	Training implementation	Training evaluation	knowledge	skill	attitude
Training policy	Pearson Correlation	1							
	Sig. (2-tailed)	0.00							
	N	200							
Need assessment	Pearson Correlation	0.623**	1						
	Sig. (2-tailed)	0.000	.00						
	N	200	200						
Training design	Pearson Correlation	.578**	.599****	1					
	Sig. (2-tailed)	.000	.000						
	N	200	200	200					
Training implementation	Pearson Correlation	.377****	.471****	.622****	1				
	Sig. (2-tailed)	.000	.000	.00	.000				
	N	200	200	200	200				
Training evaluation	Pearson Correlation	.485**	.336****	.294****	.435****	1			
	Sig. (2-tailed)	.000	.000	.00	.000	.000			
	N	200	200	200	200	200			
Knowledge	Pearson Correlation	.312****	.499****	.336	.455****	.462	1		
	Sig. (2-tailed)	.000	.000	.00	.000	.00	.000		
	N	200	200	200	200	200	200		
Skill	Pearson Correlation	0.364**	.361****	.414****	.397****	.537****	.600**	1	
	Sig. (2-tailed)	0.000	.000	.00	.00	.000	.00	.000	
	N	200	200	200	200	200	200	200	
Attitude	Pearson Correlation	.250**	.179****	.431****	.352****	.348****	.181****	.390**	1
	Sig. (2-tailed)	.000	.000	.00	.00	.000	.00	.00	.000
	N	200	200	200	200	200	200	200	200

**Table 4.4.1 Correlation Analysis**

**Source: Own survey, 2018**

As per the above table all factors which measures employee performance have a positive coefficient within the range of 0.250 to 0.623,all are significant at  $p < 0.01$  level. Independent

variables have a positive correlation with the dependent variables. Among all Even if it is positive, it shows a weak correlation between attitude and need assessment.

Also shows the correlation of the independent variables within themselves. It can be noted that all variables are positively correlated with each other and there is a strong positive correlation between training need assessment and training policy, which is 0.623 and 0.622 respectively.

#### **4.5 Regression analysis**

Regression is a method of estimating or predicting a value on some dependent variable given the value of one or more independent variables. Like correlations, statistical regression examines the association or relationship between variables. Unlike with correlations, however, the primary purpose of regression is prediction (MArczyk, dematto...)

Depending on the number of variables, one can run either simple linear regression with one dependent or independent variable or otherwise, run multiple regressions to see the linear relationship between one dependent and two or more independent variable. These shows linear multiple regressions to study the effect of independent variable (training) on the dependent variable (employee performance).

#### **Assumption: Linearity**

The model that relates the response  $Y$  to the predictors  $X_1, X_2, X_3, \dots, X_n$ , is assumed linear in the regression parameters (Chatterjee & Hadi, 2012). this means that the response variable is assume to be a linear function of parameters ( $\beta_1, \beta_2, \beta_3, \dots, \beta_n$ ) but not necessarily a linear function of the predictor variables  $X_1, X_2, X_3, \dots, X_n$ , as cited by, kasaye, E.

The result of this study also showed that, there is a linear relationship between the independent variables of relationship training and the response variable employee performance. This means that for every increase in the independent variable Training policy, Need assessment, Design, Implementation and Evaluation the dependent variable Employee performance will increase.



## Multicollinearity

If there is a high degree of correlation between independent variables, we have a problem of what is commonly described as the problem of multicollinearity (Kothari, 2004)The study checks this with the Variance Inflation Factor (VIF) which calculates the influence of correlations among independent variables on the precision of regression estimates. The VIF factor should not exceed 10, and should ideally be close to one. Below table shows there is no multicollinearity exist.

Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variables in the model and is calculated using the formula  $1-R^2$  for each variable. If this value is very small (less than 0.10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity. This also confirms the absence of multicollinearity according to Collinearity Statistics table below

**Table 4.5.1 Collinearity statistics**

Model	Collinearity ty statistics	
	Tolerance	VIF
Training policy	0.451	2.218
Need Assessment	0.531	1.885
Design	0.447	2.239
Implement	0.514	1.1945
Evaluation	0.667	1.500

**Source: Own survey, 2018**

## Regression Analysis Results

The basic multiple regression assumption for this study was met, the researcher decided on the data and further processed it. Under this part, the researcher was mainly focused on the three most important elements of regression output, i.e. the Model Summary, the ANOVA test and the Beta coefficient.

### Model Summary Analysis

All data for the related variable were entered in to SPSS and analyzed accordingly with the following table

**Table 4-5.2 Model summary analysis**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.703	.494	.481	.42955

Predictors: (Constant), Training policy, Need Assessment, Design, Implement and Evaluation

Dependent Variable: Employee Performance

The above model summary table shows the outcome of the variable entered in to SPSS. The multicorrelation the multiple correlation coefficients between all of the predictor variables and the dependent variable is 0.703 indicating a high relationship between the two factors.

The multiple regressions also produced a coefficient of multiple determinations ( $R^2$ ) = 0.494 showing the amount of variance explained by the predictor variables. This means that 49.4% of the variance in the dependent variable is accounted for through the combined linear effects of the predictor variables in the model.

### ANOVA Analysis

**Table 4-13 ANOVA Analysis**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.013	5	7.003	37.953	.000 <sup>b</sup>
	Residual	35.795	194	.185		
	Total	70.808	200			

**Source: Own survey, 2018**

- a. Dependent Variable: Employee performance
- b. Predictors: (Constant),

ANOVA (Analysis of Variance), used to compare whether the mean of one dependent variable differ significantly across the categories of another independent variables. ANOVA provides, the result of test of significance for R and R2 using an F-statistic.

The F-test in the ANOVA table confirmed that the model developed is statistically significant (F=37.953, p<.01). This study aims to identify the most contributing independent variables in the prediction of the dependent variable. Thus, the strength of each predictor (independent) variable influence on the criterion (dependent) variable can be investigated via standardized Beta coefficient. The regression coefficient explains the average amount of change in dependent variable that is caused by a unit of change in the independent variable. The larger value of Beta coefficient that an independent variable has, the more support to the independent variable as the more important determinant in predicting the dependent variable. i.e. employee performance..

#### 4.8.3. Coefficient Analysis

**Table 4-14 SPSS output of variables showing individual Coefficient**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.885	.227		3.892	.000
	Training policy	-.113	.227	-.135	-1.776	.077
	Need assessment	.144	.064	.165	2.359	.019
	Design	.282	.074	.290	3.798	.000
	Implementation	.092	.058	.114	1.601	.111
	Evaluation	.352	.048	.458	7.322	.000

**Source: Own survey, 2018**

a. Dependent Variable: Employee Performance

In order to identify which predictors are significant contributors to the 49.4% of explained variance in employee performance and which ones is not the standardized coefficients shown in the table above are important to look at.

As seen in the fore mentioned table, the independent variables need assessment 0.14, training design 0.282, implementation 0.92, evaluation 0.352 and policy has -0.113 has effect on dependent variable so based on the response the company training practice shows a good movement except training policy but there should be serious control on each item of training variables. In general they are are positive and significant predictors of dependent variable.

#### **4.6 Discussion on Major finding**

This part tries to make clear about the major findings on effect of training on employee performance in Dashen Bank. The study tries to see the effect using Training policy, Need assessment, Design and evaluation as a measurement for the effect on dependent variable( Employee performance) which is explained in Three dimension i.e Skill ,Attitude and knowledge.

The correlation result shows a positive correlation between independent and dependent as it is seen from Pearson's Correlation Coefficient. According to the result the variables have different magnitude in their correlation some of them have strong correlation and the other have slightly significant correlation.

As shows the regression coefficients for the independent variables. The importance of the training (independent variables) in contributing to the variance of the employee performance (dependent variable) was explained by the standardized Beta coefficient.

The results revealed, that the existence of training need assessment ,design, implementation and evaluation, lead to a appositve effect on dependent variable( employee performance) as it has depicted in figure on the above table The coefficients of variables indicated that the variables have different magnitudes of correlation with the dependent variables accordingly need assessment has16.5%, training design 29%,training implementation 11.4%, and finally evaluation has 45.8% positive correlation which means, well implemented training management, has high influence on employee day to day work activities.

Also depend on the result employees are performing well depend on the existing human resource management strategies of the company. Moreover, when company exert good human resource management system every outcome will lead to have and achieve the stated objective of the company. So based on the result good employee training led the bank to have positive result on employee performance, also they need to make more development on employees in order to get more performance level of employees. Employee development refers to the capacity and capability building on an employee, and thus as of whole organization, to meet the standard performance level (Elena P. 2000) .Effective training programs helps in constructing a more conducive learning environment for the workforce and train them to cope with the upcoming challenges more easily and in time (WeiTai, 2006)

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS and RECOMMENDATIONS

#### 5.1. Summary of Major Findings

This part of the study aims to summarize the finding and results that have emerged from the data analysis presented in Chapter four. The general objective of this study was to examine the practice and effect of Training on Employee Performance in the case of Dashen Bank S.C.

From the study the following particular finding were observed:

- **Availability of long-term and short term training plan and implementation of training policy:-**
  - ✓ There is a gap to clearly specify its training and development policy, it does not linked well with the organization philosophy on human resources strategy
  - ✓ The bank training policy is not articulated well on overall human resource management and which shows it is not aligned with the corporate objective of the bank.
  - ✓ Based on the findings the bank has both short term and long-term plan, which specify the steps and procedure.
- **Management of training process:-**
  - ✓ The bank has organizational analysis in determining the business appropriateness of a training, based on the company's business strategy and its resources available for training.
  - ✓ Even if there is a training need assessment practice at task level to identify the important tasks, knowledge, skill and behaviors that need to be emphasized in training but it does not good enough for employees to complete their tasks.
  - ✓ The majority confirmed that there is a need assessment at individual level, which helps to make assessment on employees need training or whether employees are ready for training and the competencies of current jobholders' suitability for their jobs.

✓ The reaction of employees towards the material and facility of training, the delivery method as well as the trainer's ability was slightly good to increase their knowledge and to offer them the opportunity to identify their potential for further development.

➤ **Effect of training on employee performance:-**

✓ Training helps employees to work and perform their job the employees are working well with their regular activities after training. They are also committed because of their active participation during training and by the facility of training that, the organization provides for them. .

✓ Results from the correlation analysis indicate that there exists a significant and moderate relationship between the independent variables and the dependent variable. All variables except (policy for dependent variables) are positively correlated with each.

✓ The coefficients of variables indicated that the variables have different magnitudes of correlation with the dependent variables accordingly need assessment has 16.5%, training design 29%, training implementation 11.4%, and finally evaluation has 45.8% positive correlation which means, well implemented training management, has high influence on employee day to day work activities.

✓ Also depend on the result employees are performing well depend on the existing human resource management strategies of the company. Moreover, when company exert good human resource management system every outcome will lead to have and achieve the stated objective of the company

## 5.2 Conclusions

This paper has discussed the training practice and its effect on employee performance in the case of Dashen Bank Share Company. It assumes that training and employee performance have a significant relationship. Based on the responses of the sample population as well as interpretations and findings discussed above, the researcher represents the following conclusions.

Based on the finding even if the bank conduct the need identification it is not as good as to fill the gap between actual performance and desired performance or between current abilities and job requirements that can be closed by training.

There is a responsible department for employee training and development but it is not well organized and this implies the distance between where an organization is with its employee capabilities and where it needs to be are not aligned.

According to the response on training design the banks plan is not systematic and flexible enough to meet the need of the employees as well as to the organization achieve business need.

The response gained on training delivery and employee performance shows positive outcome based on the independent variable, which is training management, and dependent variable (performance).so this shows the trainees can achieve and maintain satisfactory performance over time. Dashen Bank mostly follow on-the-job training and off the job training. This indicate the bank uses these common approaches in order to take strategic advantages like - active practice, provides immediate feedback, high motivation, high transfer to job and Lowers training cost. Such investments may be made by structuring a job so that employees learn while they work evaluating training programs based on how well employees can perform their jobs after training.

Participants' performance is measured after attending a training program that help the company to determine if behavioral changes have been made. The post-training performance method may overstate training benefits

The training is based on an identification of the latest requirements, priorities and plans of the participants, but the bank is not using this information well, and this tell us that the training program



is not take account of any transfer issues from employee to ensure the gap seen to be filled by training

### **5.3 Recommendations**

Based on the findings and conclusions the researcher recommends the following which will be helpful for the organization.

- the organization should clearly specify its training and development policy, and must be responsible for the production of an annual staff training program me which will based on both the individual staff training needs and that of staff team training needs
- Organizations needs to set out the standard format for application and has to follow accordingly for education and training in the company
- The training practice at the bank should be kept under constant review. It is important to identify the effectiveness of the training practice of the company. It help the organization to know whether employees are comfortable with their job, their workplace and organization they are working for, which in turn help the company result in profitability by provide quality services to its customers
- The management of the company should try as much as possible to adopt good and positive different kind of motivational techniques to increase the moral of the workers towards performance.
- The company should seek for various ways of improving employees, performance in their company by finding out the effect, causes or problems associated with training that will help them to identify those things, which make active their staff and apply them properly.
- Management has to make sure employees share in the company's success. Human resources of the company should focused on employee effective training system that is to foster employee identification with the organization's success and satisfaction of employees.
- 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 as to reduce the tendency of giving trainings repeatedly to the same employee.

- Should improve their performance assessment system and should be properly linked so that they can identify the exact performance deficiency caused by the absence of skills or knowledge that can be remedied by training.
- The analysis indicated that there is a training design policy but it is not being implemented properly. According to Mathis and Jackson (Mathis & Jackson, 2011), effective training design should consider the learner's characteristics, instructional strategies, and how best to get the training from class to the job (training transfer) in order to produce learning. Therefore, need to give due attention during the designing stage. They also need to ensure that they adhere to the design policy of the bank during this stage. Furthermore, the bank should communicate their training objective so that training can play a positive role in the organization.
- Employees are very conscious about the delivery style of trainings (Armstrong, 2000). Thus, Training delivery approaches should be relevant to the job functions of employees. ALSO should consider other more effective training techniques that could enhance the employees' degree of acceptance and must be serious about the selection of good trainers. Trainers should be qualified, with good communication skills, good understanding of the management philosophy, objective and importance of the training program. Even the most well designed training system is worthless unless the company are committed to ensuring that it is conducted properly and consistently. To have a positive result from training program, organizational commitment should be tied closely with appropriate effective training methods and training delivery mechanism.
- Though the training evaluation system being used by the banks is a good idea it only measures the immediate reaction of the trainees and lacks the ability to address post test performance improvement or behavioral change occurring due to the training. Hence, it is recommended the bank apply training impact analysis in order to assess the effectiveness of the training program by measuring the trainees' performance before and after training.

#### **5.4 Limitation of the Study**

The limitation faced by the researcher while conducting this research was time and conducted this research with few respondents limiting the subject area and the generalization of the study. The researcher may have biases in selecting sample because it may need in-depth level of research and sufficient funds. In addition, since it is not possible to incorporate all factors of training in one study, only specific factors are included in this study

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## APPENDIX 1: Questionnaire

### Questionnaires Distributed to Respondents

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MA-GENERAL BUSINESS ADMINISTRATION

Dear Sir/Madam

This questionnaire has been designed to solicit information purely for academic purposes. These researches is conducted as a partial fulfillment of the award of Master degree at St.

Marry University, entitled; **“Training practice and its effect on employees’ performance” the case of Dashen Bank sc.** Therefore, your participation in giving reliable information has a vital contribution for the success of this study. Therefore, I 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 kept confidential, and will be used for academic purpose only. Thank you in advance for your cooperation.

#### Note

- You do not need to write your name.
- You are expected to complete and return the questionnaire with in a week’s time.
- Your honest and unbiased response will have significant contribution for the success of the study.
- Indicate your answer by putting “√” mark in the appropriate box

#### ***Part One - Background Information***

1. Gender            Male            Female
2. Age range

20-25  26-31  32-40  40-45  above 45

3. What is your current Educational Qualification?  
 Diploma  Bachelor Degree

Master's Degree  Other, [please specify] \_\_\_\_\_

4. What is your length of Service year in the bank?

1-to3 years 3 to 5 years  
 6 to 8 years 9 to 11  
 More than 11 years

**Part 2 - Question Related to the Study Section 1 – question related to training policy**

*N.B SD (1) = strongly disagree N (3) = Neutral S (5) =strongly agree*

*D (2) = Disagree A (4) = Agree*

No		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
1	There is a separate department responsible for manpower training in my company					
	There is clear training policy in the company					
2	The training policy is upto date with the the fast changing trends					
3	Training policies and procedures are aligned with corporate strategic goal.					
4	The training policy clearly determine and has standard format how staffs receive the necessary training					

*Section 2- Question / Statement related to the management of the training process*

No	Statements related to training need assessment	1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
1	Training need assessment is conducted at organization level					

2	Training need assessment is conducted at task level					
3	Training need assessment is conducted at individual level					
4	The Training need assessment conducted in your organization is able to differentiate performance problems caused by employees' lack of skills, knowledge and abilities					
5	The Training needs analysis methods used by your organization produce relevant findings on performance gaps					
6	The Training needs analysis methods of the organization enable to clearly identify the required training that employees' need to perform their job.					

No	Statements related to training design	1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
7	The organization sets measurable training objectives					
8	I think my company properly plan the training program in line with the training policies.					
9	The company design training program based on the purpose of training.					
10	The company design training program based on employees „level of knowledge.					
11	The company design training program based on employees „level of skill.					
12	The training design is compatible with the actual job to be performed					
13	The contents of training that I have taken are relevant for my current job					

No	Statement related to training implementation	1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
14	The organization gives on-job training through coaching, job rotation learning.					

15	The organization gives off-job training method like classroom lecture and seminar.					
16	The delivery method that the organization used is convenient to get the necessary knowledge and skills.					
17	The organization implements participatory training delivery method.					
18	The trainers in my organization can transfer and demonstrate the training appropriately.					
19	The trainers are knowledgeable about the subject matter.					
20	The training materials are complete and appropriate to the level of trainees.					
21	The training environment is conducive to conduct training.					
22	The training delivery method has enabled me to transfer the skills acquired back to my job.					

No	Statement related to training evaluation	1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
23	The organization measures the trainee's satisfaction about the training session					
24	The organization tests the trainees before and after the program about the training and value added to performance					
25	The organization measures employees' behavior change in the work place after training					
26	The organization evaluates employees „benefit resulted from training					
27	The organization evaluates organizational results obtained from training program organized					

No	Statement related to the effect of training on employee performance /knowledge/	1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)

1	I feel that training enable me to perform my work with greater accuracy and precision					
2	I can say that training practice of the company helped me to perform and work effectively my regular activities					
3	Training programs improved my knowledge and which increases my performance on the job					
4	I feel confident that my training enabled me to completely perform all aspects of my job					

No	Statement related to the effect of training on employee performance /Skill/	1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
5	employee training offers me an opportunity to learn new skill					
6	Because of the knowledge, skills and attitude that I received from the training I can accomplish activities without waste.					
7	After training I feel that I am committed for my work					
8	I feel a strong sense of belonging to this organization since I acquire the needed skills					

No	Statement related to the effect of training on employee performance /Attitude/	1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
9	employee training at the company enhance my commitment to take the initiative in helping other employees when the needed arise					
10	Training programs encourage teamwork and self –managed team culture					

11	the training provided by the company enabled me to like my job and willingly expend extra hours on working					
12	I am satisfied with the training condition including the material and facility of the training that the organization provides to increase my work commitment					

**APPENDIX 2: INTERVIEW QUESTION FOR MANAGERS**

- Is there a separate department in the company that is responsible for worker training?

- How the company conduct training need assessment?
- Do you consider the resource available for training as adequate?
- Is there a separate department in the company that is responsible for workers training
- How employees are selected for training?
- How do you evaluate the effectiveness of the training and improvement of an employee after training
- What procedures guide the training of staff and how is the program implemented?
- Do you think the methods used in the human resource training have achieved the desired results?
- Does each training program have specific objective that it tries to achieve?