

# ST. MARY'S UNIVERSITY

# SCHOOL OF POST GRADUATE

DEPARTMENT OF BUSINESS ADMINISTRATION

THE EFFECT OF TRAINING ON EMPLOYEE PERFORMANCE: IN CASE OF BERHAN BANK S.C ADDIS ABABA CATCHEMENT AREA

A RESEARCH SUBMMITED TO ST. MARY'S UNIVERSITY SCHOOL OF POST GRADUATE IN PARTIAL FULFILMENT FOR THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION.

**BY CHALTU DAMENA** 

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Addis Ababa, Ethiopia

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# A RESEARCH SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF ST. MARY UNIVERSITY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER IN BUSINESS ADMINISTRATION

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## DECLARATION

I, CHALTU DAMENA, declare that the research project entitled 'THE EFFECT OF TRAINING ON EMPLOYEE PERFORMANCE: IN CASE OF BERHAN BANK S.C ADDIS ABABA CATCHEMENT AREA" is my original work that is done under the guidance and advice of my advisor TAYE AMOGNE. This research project is done as partial fulfillment for Masters of Arts Degree in Business Administration (MBA). This research has not been done before and all sources of materials used for the study have been appropriately acknowledged.

#### CHALTU DAMENA

Date:\_\_\_\_\_

Signature-----

# **CERTIFICATION**

This is to certify that CHALTU DAMENA has done the study on the topic 'THE EFFECT OF TRAINING ON EMPLOYEE PERFORMANCE: IN CASE OF BERHAN BANK S.C ADDIS ABABA CATCHEMENT" This study is authentic and has not been done before by any other researcher on the same topic.

#### **APPROVED BY BOARD OF EXAMINERS**

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# Acronyms

BB	Berhan Bank
HR	Human Resource
SPSS	Statistical Package for Social Science
SD	Standard Deviation
VIF	variance inflation factor

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## Abstract

The main objective of this research is to assess the effect of training on employee performance in Berhan bank Addis Ababa catchment area. In order to get the real picture of the effect of training on employee performance, the research design was explanatory design. The total sample of the study was 290 and 275 were collected back. The sources of data were primary and secondary. The findings revealed that there is training gap analysis in the bank but there is also low attention from bank management, insufficient and inconsistent time, no inclusion of new job roles but repetitive in content of training, in addition the practice of design were not aggressively designed, before the training, employee's basic skills were not ensured to master the training content. In case of correlation all independent variables have significant correlation. Training need assessment (r=.444\*\*p<0.01), training design(r=.312\*\*p<0.01), Training Delivery (r=.518\*\*) and Evaluation of Training (r=.197\*\*). Training delivery and need assessment are having strong and significant correlation with the dependent variable employee performance. In case regression, R-square, indicates that 41.6% of variation on employee performance is explained independent variables. Training need assessment has a b value .344 (p < 0.05), training design beta value .115 p < 00, Training Delivery beta value .401 P<0.01, Evaluation of Training beta valu.098. This indicted that training need as training needs assessment; training design; training delivery; and training evaluation have a statistically significant and positive relationship with employee performance. Finally the researcher recommends since all independent variables were significant the manager of the bank should due attention fro each phase in training process.

Keywords: Training, Training Needs Assessment, Training Design, Training Delivery, Training Evaluation, Employee Performance

# **CHAPTER ONE**

## **1. INTRODUCTION**

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

The success of any organization in the long-run depends very much on the quality of its human resources. This is especially true in the service oriented industry like banking where improvements in service have to be continuously made to meet the escalating expectations of the customers (Rajendran K., 2005).

There are also technological changes which are very rampant in the banking industry like the introduction of electronic funds transfer, e-banking, mobile banking etc. This has led to the need for improving the employee training in the banking sector as per the improved technology. Trainings helps a great deal in the acquisition of new technical knowledge and skills in the different aspects of banking so as to provide quality services to the banks customers as well as to avoid errors that will lead the bank to lose its image (Leonard. A.,2011).

In this technologically dynamic environment, upgrading of services and adaptability to the changing environment are essential for the very survival of an organization. Training is a tool that can assist organizations in building a more committed and productive workforce.

In order to survive and prosper, organizations in the private and the public sectors will need to respond in a timely and flexible way to social, technological, economic and political change. This means ability to cope with the external and internal requirements will decide the organization's survival and growth. This implies that existing and new staff will need to acquire new knowledge, skills, attitudes and perspectives on a continual basis (Roger and Jim, 2009).

Employees are the organization's most valued assets that need continuous capacity building activities to stay competent in a competitive industry. For any organization to achieve a competitive advantage, each staff in every department must perform excellently. Therefore, it is every organization's responsibility to enhance the job performance of the employees. Certainly implementation of training is one of the major steps that most companies need to achieve. Staff development and learning encompasses various activities intended to support staff in meeting performance expectations and growing professionally.

Human resource is the very important and the backbone of every organization and it is also the main resource of the organization. So organizations invest huge amount on the human resource capital because the performance of human resource will ultimately increase the performance of the organization. Performance is a major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization (Mwita, 2000).

Mwita (2000) explains that performance is the key element to achieve the goals of the organization so to performance increases the effectiveness and efficiency of the organization which is helpful for the achievement of the organizational goals. But the question arise that how an employee can work more effectively and efficiently to increase the growth and the productivity of an organization. There are many factors which improve the work of the employee. One of those is Human Resource Development (Raja, et al., 2011).

According to Grizzell (2003) explanation the contribution of training in organizations growth is also emphasized in theories and empirical findings. They mentioned particularly that the human motivations view which argues that motivational characteristics can be acquired through training and learning from others. Training enables companies to adapt to fluctuating conditions and be operative in the market. Thus, Berhan Bank offer some training to employees however, it is not performing as expected.

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

The fulfillment of banks vision, mission and objectives largely depend upon its employees. In this ever changing environment, the need for training employees is widely recognized to keep the employees in touch with the new technological developments.

According to Mello (2011), training involves some kind of change for employees: Changes in how they can do their jobs, how they relate to others, the condition under which they perform, or changes in their job responsibilities. In order to keep employees with the changes, organizations are expected to make continuous investment in training.

Training programs are the vital human resource management practices which positively affect the quality of the workers knowledge, skills and capability and thus results in higher employee

performance at work. It is directly related to employees' performance that also affects the organizational performance.

As Noe et al. (2010), training is used to improve employee performance, which leads to improved business results. So, the goal of training programs of all organizations should be to maintain or improve the performance of individuals. In so doing, employees will have the required skills to implement the firm's strategy and ensure the success of the organization (Anthony, Kacmar and Perrewe, 2010).

It is necessary to have effective training practices that involve a systematic approach for developing training programs with the use of training design process that starts with a training needs assessment & ends with training evaluation. In this process, training needs analysis and training evaluation are significant (Noe et al., 2008). Otherwise, they bring waste in significant financial resources, time and effort. Some of the benefits of employee training are job satisfaction; motivation; efficiencies in processes; financial gain; increase capacity to adopt new technology and methods; and reduce employee turnover.

Berhan Bank S.C prepares training programs for all its employees by Central HRM and Development department in order to have effective and qualified employees who can satisfy the customers' needs. However, in general staff meetings conducted in the last consecutive three years (2018, 2019 and 2020 and 2021), numbers of complaints raised from customers about the services that were provided by employees in Addis Ababa branches.

Furthermore, there are researches conducted on the effect of training on employee performance in other banks but as far as the researcher 'Knowledge no research has been undertaken to assess the effect of training on employee performance regarding Berhan bank. Thus, the researcher sought to assess the effect of training on employee performance of employees in Berhan bank in selected branches.

## **1.3 Research Questions**

The study was guided by the following research questions:

- 1. What is the effect of training needs assessment on employee performance?
- 2. What is the effect of training design on employee performance?

- 3. What is the effect of training delivery on employee performance?
- 4. What is the effect of training evaluation on employee performance?
- 5. What is the overall effect of training on employee performance of the case organizations?

# **1.4. Research Objectives**

# 1.4.1. Main Objective

The main objective of the study was to assess the effect of training on employee performance in Berhan Bank s.c in the light of the existing training theories and practices.

# 1.4.2. Specific Objectives

In addition, the study had the following specific objectives:-

- 1. To determine the effect of training needs assessment on employee performance in the case organizations
- 2. To measure the effect of training design on employee performance in the case organizations
- 3. To examine the effect of training delivery on employee performance in the case organizations
- 4. To determine the effect of training evaluation on employee performance in the case organizations
- 5. To identify the overall effect of training on employee performance of the case organizations

# 1.5. Significance of the Study

The findings of the study will be helpfull Berhan Bank to know well the effect of its training efforts on employee performance and also use as an input to take an appropriate measure for its training practices. In addition, the results of the study was also be helpful for other researchers who would like to do further studies in the area of this study.

# **1.6 Scope of the Study**

All training programs for bank employees are prepared by HRM department of the bank. This shows that all the training programs for all branch employees emanate from the same source. Because of this, all branches were homogenous for the purpose of this study. Therefore, in order to assess the effect of training on employee performance, Addis Ababa catchment area was purposely selected. The study was only focused on the training aspect of the bank by emphasizing on specific variables training needs assessment, training design, training delivery and training evaluation. In addition, the study was delimited by the data which were gathered via questionnaire from employees at one point in time.

# **1.7 LIMATION OF THE STUDY**

The focus of the study is only in Berhan bank Addis Ababa catchment area this was limited the generalizablity of the finding to other. In addition, shortage of time ,skill on research and few employees refusal to fill the questioner is the other limitation of the study.

#### **1.8 Operational definition**

- Training: Training is the use of systematic and planned instruction activities to promote learning and is an organized activity for increasing the knowledge and skills of the people for a definite purpose.
- Employee Performance: In the performing arts, generally performance comprises an event in which a performer or group of performers present one or more works of art to an audience. Usually the performers participate in rehearsals beforehand. Afterwards audience members often applaud.
- Employee: Employee is permanent employee of Berhan Bank who knows more about effect of training.
- Training Needs Assessment: it is the method of determining if a training need exists and, if it does, what training is required to fill the gap
- Training design: it is developing new training and educational courses and lessons for your existing employees.
- Training delivery: it consists of the techniques and materials used by trainers to structure learning experiences.

# 1.8 Organization of the Study

The study is organized in five main chapters. The first chapter deals with the introductory part which is deliberate on back ground of the study then statement of the problem, objective of the study (general and specific objectives), significance of the study, scope of the study, limitation of the study. The second chapter of the research included important points as review of related literature such as definition and meaning of training, its importance, and guidelines of training and empirical views. The third chapter of this paper includes the methodology part which includes data sources, data gathering methods, sampling and sampling procedures, data analysis techniques. Chapter four deals with analysis and discussion of the results based on the data collected using the questionnaire. The last chapter (fifth) concentrates on the conclusions and recommendations that have been given based on the findings of the study. Finally, references and appendixes is included in the paper.

# **CHAPTER TWO**

# 2. REVIEW OF RELATED LITERATURE

#### **2.1 Concept of Training**

Training is one of the major areas of the human resource management functions that are particularly relevant to the effective utilization of human capita of the organization. Hardly any organization these days disagree with the significance of training influencing to success of an organization. Training is the use of systematic and planned instruction activities to promote learning. It involves the use of formal processes to communicate knowledge and help people to acquire the skills necessary for them to perform their jobs satisfactorily. It is described as one of several responses an organization can undertake to promote teaches (Rahaib T., And Umer A., (2012).

According to (Mahapatro, 2010) 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. Training is an organized activity for increasing the knowledge and skills of the people for a definite purpose. It involves systematic procedures for transferring technical knowhow to the employees. In other words, the trainees acquire technical knowledge, skills and problem solving ability by undergoing the training program

Even when employees are carefully selected, it does not still guarantee totally acceptable performance from the employees. This is because while the potential of an employee to perform is one thing, performing is another and therefore, an employee with a high potential to perform may not still perform his job if he does not go through training. This is why training of newly employed starts with organizational orientation (Dessler, 2005).

To achieve the organizational goals employee performance is important that depends on a variety of factors. But training receives high importance as it improves the skills, capabilities, confidence and competencies. However, employees are a very crucial and expensive resource to every organization. There are significant changes today in terms of the value of the employee. Along with these changing values are the workplace trends that have significant effect on employees' knowledge and skills.

According to Armstrong (2006), training is the act of increasing the knowledge and skills of an employee for doing a particular job. Training involves the department of skills that are usually

necessary to perform a specific job. Its purpose to achieve a change in the behavior of those trained and to enable them to do their jobs better. Training makes newly appointed workers fully productive in the minimum time. Training is equally necessary for the old employees whenever new machines and equipment are introduced and/or there is a change in the techniques of doing things. In fact, it does not stop anywhere training is a continuous process.

A number of scholars have defined training among which, shows that as training refers to a planned effort by a company to facilitate employees' learning of job-related competencies. These competencies include knowledge, skills, or behaviors that are critical for successful job performance.

In this competitive world, training plays an important role in the competent and challenging format of business (Pallavi 2013).

Training is designed to provide learners with the knowledge and skills needed for their present job, because only few people come to the job with the complete knowledge and experience necessary to perform their assigned job.

Aidah (2013) stated that training and development has an effect on the performance of employees with regards to their jobs. The optimization of the employees' contribution in order to achieve the aims and goals of any organization is necessary for organization's growth and effective performance. Training is a key element for improved performance; it can increase the level of individual and organizational competency.

Training helps to reconcile the gap between what should happen and what is happening between desired targets or standards and actual levels of work performance. Furthermore, training need is any shortfall in employee performance, or potential performance which can be remedied by appropriate training. However, there are many ways of overcoming deficiencies in human performance at work, and training is one of them. In general training can enhances skills, competency, ability and ultimately worker performance and productivity in organizations.

Most of the time organizational success relied on the skills and abilities of its employees, and this means that organizational success depends to an extent on considerable and continuous investment in training. This ensures an adequate supply of staff that is technically and socially competent. It is important for organization to get skilled and capable employees for better performance, and employees will be then competent when they have the knowledge and skill of doing the task. In doing so, organizations efficiency will increase. The researchers also tried to give emphasis on training since

employees are the resources and assets of an organization if they are skilled and trained they will perform better than those who are unskilled and untrained.

Training should also be done with an objective of building the how to deliver quality services to the customers. Thus, renewing knowledge is an imperative for the organization, and not an option. Training is important for the survival of any organization. Training is the use of systematic and planned instruction activities to promote learning. The approach can be summarized in the phrase learner-based training. It involves the use of formal processes to impart knowledge and help people to acquire the skills necessary for them to perform their jobs satisfactorily.

It is described as one of several responses an organization can undertake to promote learning. 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' (Armstrong, 2010).

Training is therefore, necessary to enhance the knowledge, skills and attitude of employees. It will also make it easier for employees to acquire further knowledge based on the foundation gained from the training and further knowledge based on the foundation gained from the training and further effect changes in co-workers. In order to sustain performance there is the need for training in empowering the workforce to be creative and innovative. Training of employees will aid in the productivity, profitability or survival of businesses in the present competitive business environment (Javed, 2014).

## 2.2 Nature of Training

Dessler (2006) defined the training as giving new and different skills to the employees for performing their jobs. Armstrong (2010) suggests that" training can refer to the practice of equipping employees with skills, knowledge, and abilities, with the aim of building organizational capabilities and increasing organizational performance. Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively.

According to (Neelam et al, 2014) Training and development is defined as the planned learning experiences that teach employees how to perform current and future job. Training has become the

most important factor in the business world today, because training increases the efficiency and the effectiveness of both employees and the organization (Raja et al., 2011).

Training is a systematic restructuring of behavior, attitude and skills through learning- education, instruction and planned experience. The cardinal purpose of training is to assist the organization achieves its short and long term objectives by adding value to its human capital. Training is not undertaken for the sake of training, but rather are designed to achieve some needs. Therefore, training is need based in the sense that they are undertaken to fill some knowledge gap within an organization (Gunu et al., 2013).

Additionally, as cited on Joseph (2009), training describes the formal, ongoing efforts that are made within organizations to improve the performance and self-fulfillment of their employees through a variety of educational methods and programs. In the modern workplace, these efforts have taken on a broad range of applications from instruction in highly specific job skills to long-term professional development. In recent years, training and development has emerged as a formal business function, an integral element of strategy, and a recognized profession with distinct theories and methodologies.

## 2.3 Objective of Training

According to Rajendran (2005)The main objective of training is to improve the performance of both individual and the organization. Sometimes employees do not meet their job performance requirements. Training need analysis is a systematic method for determining what need to be done to bring performance in particular job to the expected level. In some cases the needs analysis determines that employees lack necessary knowledge, skill and abilities to do the job and training is required. After assessing the training needs of the participants, the trainer is now in a position to start planning for the training program. The must keep, however, in his/her mind that it is not enough to simply to list the topics one intends to cover in the training program.

A training program is constructed in terms of the achievement of objectives. The crucial question, therefore, is not what topics to cover but what the trainer wants the participants to value, understand, or do with the topic. Even if the subject you are covering seems very vague or intuitive, you'll still want to have a concrete way to measure what participants learn. For example, you might be giving a seminar on diversity in the workplace with an overall goal of making employees more sensitive to cultural issues(Rajendran ,2005).

That is a broad goal, so your aim should be to come up with a way to measure it specifically. When you are developing your objectives, remember that they should be: Specific Objectives should be clear-cut and to the point, without leaving a lot of room for ambiguity.

## 2.4 Importance of Training

According to Abeeha (2012) 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 the employee is trained well. Firms can develop and enhance the quality of the current employees by providing comprehensive training. 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.

According Afshan S. Sobia I. Kamran A. Nasir M. (2012) 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. This is only a partial listing of the many benefits that result from training. Training can add great value to the organization when it is implemented based on appropriate need analysis.

According to Aidah Nassazi (2013)The purpose of training is mainly to improve knowledge and skills, and to change attitudes or behavior. It is one of the most important potential motivators which can lead to many possible benefits for both individuals and the organization. Changing technology requires that employees possess the knowledge, skills and abilities needed to cope with new processes and production techniques.

According to Anam A., et al., I., (2013)The recognition of the importance of training in recent years has been heavily influenced by the intensification of competition and the relative success of organizations where investment in employee training is considerably emphasized. They add that technological developments and organizational change have gradually led some employers to the realization that success relies on the skills and abilities of their employees, and this means considerable and continuous investment in training and development.

# **2.5Types of Training**

There are two broad types of training available to the businesses: on-the-job and off-the-job techniques. Individual circumstances and the "who," "what" and "why" of your training program determine which method to use (Armstrong, 2006).

## 2.5.1On-the-Job Training

On-the-job training is conducted on the job, to develop the skills of non-managerial employees. The employee is placed into the real work situation and shown the job and the tricks of the trade by experienced worker or the supervisor (Glueck, 1978).

Other authors explained, on-the-job training includes several steps. First, the trainee receives an overview of the job, its purpose, and its desired outcomes, with an emphasis on the relevance of the training. Then, the trainer demonstrates the job to give the employee a model to copy.

Next, the employee is allowed to imitate the trainer's example. Demonstrations by the trainer and practice by the trainee are repeated until the job is mastered. Finally, the employee performs the job without supervision. On-the-job training is one way in which an employer may invest in human capital needed for strategic advantage. Such investments may be made by structuring a job so that employees learn while they work. For example, employees' skills may be increased by learning how to perform new tasks or operate new equipment. Employers may structure jobs so that these skills may be learned from other employees. They may also give employees time to learn new procedures or how to operate new equipment through self-instruction, such as by reading technical manuals, or by learning new software through self-instruction. Employers may also absorb the costs of lower productivity while workers lacking relevant skills learn through interaction with skilled employees or through trial-and-error processes.

On-the-job training is delivered to employees while they perform their regular jobs. In this way, they do not lose time while they are learning. After a plan is developed for what should be taught, employees should be informed of the details. A time-table should be established with periodic evaluations to inform employees about their progress. On-the-job techniques include orientations, job instruction training, apprenticeships, internships and assistantships, job rotation and coaching. According to Michael Armstrong (2010), Managers have a vital role in helping their people to learn and develop. Most learning takes place on the job but it will be more effective if managers provide the coaching, guidance and support people need.

# **2.5.2 Induction/Orientation**

According to Armstrong (2010) the first several days on the job are crucial in the success of new employees. This point is illustrated by the fact that sixty per cent of all employees who quit do so in the first ten days.

According to Armstrong (2010), orientation training should emphasize on the company's mission, the key members of the organization, the departments and how the department helps fulfill the mission of the company. Orientation formats are unique to each firm. However, almost all emphasize these areas, the employment situation (job, department, and company), company policies and rules, compensation and benefits, corporate culture, team membership, employee development and dealing with change and socialization.

Induction/orientations 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. This involves getting new employees familiarized and trained on the new job within an organization. During this process, they are exposed to different undertakings for example, the nature of their new work, how to take on their identified tasks and responsibilities and what is generally expected of the employees by the organization. They are further given a general overview of the organizational working environment including for example, working systems, technology, and office layout, briefed about the existing organizational culture, health and safety issues, working conditions, processes and procedures (Aidah, 2013).

#### **2.5.3 Job Rotation**

In job rotation, employees move from one job to another to broaden their experience. This breadth of knowledge is often needed for performing higher level tasks. Rotational training programs help new employees understand the variety of jobs and their interrelationships. Job rotation has much potential as a training method, but it also has some potential problems. The new hires may have such short assignments that they feel more like visitors in the department that a part of the workforce. Because they often do not develop a high level of proficiency, the new hires can lower the overall productivity of the work group. In addition, employees who observe or have to work with an individual rotation through their department may resent having to help a fast track employee who may in time become their boss (Noe, 1999).

Job rotation and transfers (Aidah, 2013) as a way of developing employee skills within organization involves movements of employees from one official responsibility to another for example taking on higher rank position within the organization, and one branch of the organization to another. For transfers for example, it could involve movement of employees from one country to another. These rotations and transfers facilitate employees acquire knowledge of the different operations within the organization together with the differences existing in different countries where the organization operates.

#### 2.5.4 off-the-Job Training

Off-the-job training techniques include lectures, television conferences or discussions, case studies, role playing, simulation, group exercise, and laboratory training. Most of these techniques can be used by small businesses although, some may be too costly. On- the-job training has also been argued to be the most useful but equally the most abused and most unsuccessful method of training (Tobin and Daniel, 1998).

#### **2.5.5 Lecture**

A lecture is a talk with little or no participation except a question-and-answer session at the end. It is used to transfer information to an audience with controlled content and timing. When the audience is large, there may be no alternative to a straight lecture if there is no scope to break it up into discussion groups (Armstrong, 2010).

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.

The effectiveness of a lecture depends on the ability of the speaker to present material with the judicious use of visual aids. But there are several limits on the amount an inert audience can absorb. In a lecture it is common to provide a framework for ideas by using a drawing or system model to

show the interconnection of points. Facts, by giving effect, keep together the framework of ideas that

the speaker has assembled. They clarify and give dimension to what is being said. The danger is to use too many, so that the audience are overwhelmed by facts and figures which begin to bemuse them. If the presentation is to be accompanied by a hand-out, facts may be usefully contained in that, so that they can be referred to later, without the audience having to remember them (Taylor, *et al.* ,2008)

## 2.6 Approach to Training

According to Charles R. Greer (2003) Adopting a systematic approach to training helps ensure that organizations are getting the most out of themselves and their employees. A systematic approach to training includes taking the time to analyze what results the organization needs from its employees, if employees are accomplishing those results, and what training approaches are needed by employees to better accomplish those results.

According to Charles R. Greer (2003) A systematic approach includes evaluating approaches before, during and after training to ensure whether employees truly benefited from the training in terms of enhanced results to the organization.

Effective training includes using sound principles of performance management and good, basic training techniques. A systems approach ensures a comprehensive training process that remains focused on the needs of the organization. The process typically includes the phases: Analyze the organization's needs and identify training goals which, when reached, will equip learners with knowledge and skills to meet the organization's needs. Usually this phase also includes identifying when training should occur and who should attend as learners (Charles R., 2003).

According to Dessler G., (2005) Design a training system that learners and trainers can implement to meet the learning goals; typically includes identifying learning objectives (which culminate in reaching the learning goals), needed facilities, necessary funding, course content, lessons and sequence of lessons. Develop a training "package" of resources and materials, including, e.g., developing audio-visuals, graphics, manuals, etc. Implement the training package, including delivering the training, support group feedback, clarifying training materials, administering tests and conducting the final evaluation. This phase can include administrative activities, such as copying, scheduling facilities, taking attendance data, billing learners, etc.

According to Dessler G., (2005) evaluate training, including before, during and after implementation of training. In a systematic approach to training, each phase of the process produces results needed by

the next phase. For example, the training analysis phase produces learning goals that are used by the next phase, training design. Training design (often called instructional design) refers to the design methods and materials from which learners can reach the goals and objectives. Typically, each phase provides ongoing evaluation feedback to other phases in order to improve the overall systems process.

#### **2.7 Effective Training Practice and its Key Elements**

The training techniques used should be appropriate to the purpose of the course and to the characteristics of participants their jobs, learning needs, previous experience, level of knowledge and skills, and how receptive they will be to being taught (motivated to learn). A blend of different techniques should be used where appropriate. It is particularly important in management, supervisory and interpersonal skills training to provide ample time for participation and active learning through discussion, case studies and simulations. Lectures should form a minor part of the course (Armstrong, 2006).

The relevancy of training also plays a role in establishing employee commitment. Employees enter into training programs with specific expectations and needs. The result of training programs that do not meet the expectations and needs of participants may be lower commitment, negative attitude change, and an increase in turnover. Effective training program is one such organizational practice that can lead to greater employee commitment and a more stable workforce (Greer, 2003).

The first element requires correctly designed and developed training. However, even though properly designed and developed to a defined set of job relevant criteria, if the recipients are already qualified to do the job, this training will not be effective, resulting in a waste of time and resources. The second element is addressed using a defined set of activities and methods to evaluate training delivery effectiveness. The third element is critical to help management allocate resources most effectively. This element addresses activities and methods that will ensure that training to be developed is needed and that it has resulted in improved performance. This section will address these two elements and methods and activities to determine whether training is the appropriate solution to improve performance (Armstrong, 2006).

#### 2.7.1 Training Design

According to Abeeha (2012) Training design is developing new training and educational courses and lessons for your existing employees. It roots out the gaps in training and fills them in with new

material for better performance. It also allows your team to grow their skills rather than becoming static in their roles.

If an employee feels well-trained, they automatically commit to the organization. As mentioned some of the most noticeable independent variables affecting training and development. One of the factors is training design (Bahara, 2012).

There are processes of training design discussed below. Needs assessment and learning objectives. This part of the framework development asks you to consider what kind of training is needed in your organization. Once you have determined the training needed, you can set learning objectives to measure at the end of the training.

- Consideration of learning styles. Making sure to teach to a variety of learning styles is important to development of training programs. Delivery mode. What is the best way to get your message across? Is web-based training more appropriate, or should mentoring be used? Can vestibule training be used for a portion of the training while job shadowing be used for some of the training, too? Most training programs will include a variety of delivery methods.
- **Budget**. How much money do you have to spend on this training?
- **Delivery style.** Will the training be self-paced or instructor led? What kinds of discussions and interactivity can be developed in conjunction with this training?
- Audience. Who will be part of this training? Do you have a mix of roles, such as accounting people and marketing people? What are the job responsibilities of these individuals, and how can you make the training relevant to their individual jobs?
- **Content.** What needs to be taught? How will you sequence the information?
- **Timelines.** How long will it take to develop the training? Is there a deadline for training to be completed?
- Communication. How will employees know the training is available to them?

#### 2.7.2 Training Delivery

Organizations use all kinds of training delivery methods to improve the skills and qualifications of their personnel. However, it's also worth remembering that different training delivery methods have different features and weaknesses (Bahara, 2012).

Training is a set of a systematic processes designed to meet learning objectives related to trainees' current or future jobs. These processes can be grouped into the following phases; needs analysis, The Effect Of Training On Employee Performance: In Case Of Berhan Bank S.C Addis Ababa Catchement Area By Chaltu Damena St. Marry, 2022

design, development, implementation, and evaluation. The phases are sequential, with the outputs of the previous phases providing the inputs to those that follow. Figure 1 depicts the phases and their relationships. Training delivery methods consist of the techniques and materials used by trainers to structure learning experiences. Different training delivery methods are better or worse at achieving various learning objectives. During the design phase the different methods are examined to determine their appropriateness for the learning objectives. Once appropriate methods have been identified, they are applied to the training plan in the development phase (Bahara, 2012).

There are three categories of learning objectives: knowledge, skills, and attitudes (KSAs). Knowledge objectives are of three types: declarative, procedural, and strategic. Declarative knowledge is the person's store of factual information. Procedural knowledge is the person's understanding about how and when to apply the facts. Strategic knowledge is used for planning, monitoring, and revising goal-directed activity. Skill reflects one's proficiency at specific tasks such as operating a piece of equipment, giving a presentation, or making a business decision. Attitudes are beliefs and/or opinions about objects and events and the positive or negative affect (feelings) associated with them. Attitudes affect motivation levels, which in turn influence a person's behavior. Most training programs have learning objectives for knowledge, skill, and attitudes; these programs need to combine several methods into an integrated whole because no single method can do everything well (Bahara, 2012).

The various training delivery methods can be divided into cognitive and behavioral approaches. Cognitive methods provide information orally or in written form, demonstrate relationships among concepts, or provide the rules for how to do something. They stimulate learning through their effect on cognitive processes and are associated most closely with changes in knowledge and attitudes. The lecture, discussion, e-learning and, to some extent, case studies are cognitive methods. Though these types of methods can influence skill development, it is not their strength (Bahara, 2012).

Conversely, behavioral methods allow the trainee to practice behavior in a real or simulated fashion. They stimulate learning through experience and are best at skill development and attitude change. Equipment simulators, business games, role plays, the in-basket technique, behavior modeling and, to some extent, case studies are behavioral methods. Both behavioral and cognitive methods can be used to change attitudes, though they do so through different means. On-the-job training is a combination of many methods and is effective at developing knowledge, skills, and attitudes, but is best at the latter two(Bahara, 2012).

# 2.7.3 Training Material

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

Peer-review (optional) the training manager may wish to have training materials peer reviewed by technically competent external reviewers or by a standing advisory board established for that specific purpose. These reviewers should possess relevant expertise and experience in the disciplines appropriate to the course subject. It is advisable that one or more of the reviewers be an experienced worker representing those to whom the training is directed. While it is not required under, having materials peer reviewed by those with relevant expertise has proven useful (Greer, 2003).

# 2.7.4 Evaluation of Training

According to (DeCenzo 2005) explanation, 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.

According to (Robin, 2005)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. There are three popular methods of evaluating training programs. **Post-training performance method**: - Evaluating training programs based on how well employees can perform their jobs after training.

**Pre-post-training performance method**: Evaluating training programs based on the difference in performance before and after training (Robin, 2005).

**Pre-post-training performance with control group method**: Evaluating training by comparing pre and post- training results with individuals (DeCenzo & Robin, 2005).

## **2.8 Employee Performance**

According to Grizzell J., (2003), Employee performance is the important factor and the building block which increases the performance of overall organization. Employee performance depends on many factors like job satisfaction, knowledge and management but the most important factor of employee performance is training and development.

Employee performance is normally looked at in terms of outcomes. However, it can also be looked at in terms of behavior. The employee's performance is measured against the performance standards set by the organization (Armstrong, 2010).

There are a number of measures that can be taken into consideration when measuring performance using productivity, efficiency, effectiveness, quality and profitability measures 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.

Efficiency is the ability to produce the desired outcomes by using as minimal resources as possible, Effectiveness is the ability of employees to meet the desired objectives or target. 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).

Productivity is expressed as a ratio of output to that of input. 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, Quality is the characteristic of products or services that bear a 33 ability to satisfy the sated or implied needs. It is increasingly achieving better products and services at a progressively more competitive price (Stoner, 1996).

According to Hawthorne studies and many other research works on productivity of worker highlighted the fact that employees who are satisfied with their job will have higher job performance, and thus supreme job retention, than those who are not happy with their jobs. Moreover, it is stated that employees are more likely to turnover if they are not satisfied and hence, demotivated to show good performance (Aidan, 2013).

Employee performance is higher in happy and satisfied workers and the management found it easier to motivate high performers to attain firm targets. The employee could be only satisfied when they feel themselves competent to perform their jobs, which is achieved through better training programs. Additionally, as noted, 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

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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.

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 employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets.

The main purpose of training is to improve the employee skills or employees get more knowledge and also improve their performance. Determine the performance level through improvement in productivity, Absenteeism and employee satisfaction. The study investigated the benefits of training. Training contributes to improved team work; improve positive attitude and efficient disciplinary work force (Shekeel, 2015).

## 2.9Relationship between Training and Employee Performance

According to Joseph K., (2009) Performance can be defined as the achievement of specified task measured against identified standard of accuracy or predetermined, completeness, cost and speed. In an employment contract, performance is deemed to be the accomplishment of a commitment in such a manner that releases the performer from all liabilities laid down under the contract. Efficiency and effectiveness are ingredients of performance apart from competitiveness and productivity and training is a way of increasing individual's performance.

In addition Joseph K., (2009) point outs that to achieve the organizational goals employee performance is important that depends on a variety of factors but training receives high importance as it improves the skills, capabilities, confidence and competencies (Naveed, *et al.*, 2014).

Training generates benefits for the employee as well as the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies

and behavior. It is obvious that training plays an important role in the development of organization, improving performance as well as increasing productivity, and eventually putting companies in the best position to face competition and stay at the top.

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#### **2.10 Empirical Reviews**

A number of researches have been conducted regarding the effect of training on employee performance. The findings of the studies show that training has a positive effect on employee performance.

Sabir et al. (2014) examined the effects of training and development on employees 'productivity by using correlation and regression and the finding was a positive relationship.

Ashikhube, KimaniChege and Musiega (2013) conducted a study on the effect of training dimensions on employee's work performance: a case of Mumias Sugar Company in Kakamega County. Results show that there was a positive and significant effect between training needs assessment and employee performance in Mumias Sugar Company Limited. Training contents has a positive and significant effect on the employee performance in Mumias Sugar Company Limited and training evaluation and employee performance were positively and significantly.

Elnaga and Imran conducted a research aimed at studying the effect of training on employee performance and to provide suggestion as to how firm can improve its employee performance through effective training programs. The study found that those employees who receive periodical effective training sessions are more able to perform well on the job by increasing the quality of work (2013).

Philipina Ampomah((2016) conducted a study on the effect of training and development on employee performance in a private tertiary institution in Ghana: a case study of Pentecost University College.

The study found that employees are motivated through training; and training and development results into higher performance

A study was conducted by Banzoussi (2015) regarding the effect of training practices on employees and organization performance in Congolese Telecommunication Companies. Following the empirical framework, a survey was developed and data collected from four telecommunication companies. The Results indicates that training practices have a positive linear relationship with employee and organization performance. Furthermore, training practices have positive and statistically significant effect on employees and organization performance.

Abeba, Mesele and Lemessa (2015) also conducted a study to determine the effect of training and development on the employees' performance and effectiveness at District Five Administration Office, Addis Ababa, Ethiopia. The finding was training and development had positively correlated and claimed statistically significant relationship with employee performance and effectiveness.

Githinji A.,(2014) The purpose of this study was to explore the effects of training on employee performance among the international civil servants. The study was guided by the following research questions; What is the role of training on employee engagement? What is the role of training on employee motivation? What is the role of training on employee job satisfaction? A survey research design was used for this study. The survey design was appropriate for this study because it allowed investigation of possible relationshipsbetween variables as well as data collection from broader category and comparisons between variables. The study population was 144 staff of the United Nations Support Office for the African Mission in Somalia. A sample of 45 was drawn using random stratified sampling approach from a list of sample frame provided by the employee register at UNSOA. The data was collected by use of a questionnaire. The data analysis involved frequencies, means, percentages, analysis of variance and bivariate analysis in form of cross tabulations. The findings were presented using Tables and figures. On the role of training on employee engagement the study showed that in general training enhances employee engagement in change processes. As a measure of engaging in change process, the top level management and non-management management staff were more likely to be induced in taking new tasks after undergoing training compared to those in the middle level management. Similarly training most likely motivates the top level to be committed to taking initiatives in helping other employees. This case may not apply for the middle level management and the non-management staff. Secondly the study also showed that training

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enhances employee engagement in innovation. Thirdly, the study showed that training enhances better performance among employee and lastly the study showed thattraining enhances employee enthusiasm to work.

On the role of training on employee motivation the study showed that training enhances employee motivation as it allows for employee recognition within the organization. Likewise training aligns employees to the organizational goals at UNSOA. On the other hand training enhances positive leadership traits in the organization's leaders. Lastly training facilitates motivation for work performance. On the role of training on job satisfaction the study showed that training enhances staff/supervisor/customer relationships at work. Though the level of conviction that training improves relationships with supervisor declines from the top level management, followed by middle level management and finally for the non-management staff. Further the study showed that training enhances the findings the study has also shown that there is declining trend in the level of conviction that training improves performance by influencing job satisfaction from the top level management to the non-management staff members. Lastly the study revealed that training imparts positively on the work activities.

The study concludes that training influences employee performance by positively influence employee engagement to change process; innovation; better performance and enhance enthusiasm to work. It further concludes that training enhances employee performance by positively influencing employee motivation level through employee recognition; alignment to organizational goals; positive leadership traits; and motivation for work performance. Finally training enhances employee performance by influencing positively job satisfaction by enhancing staff/supervisor/customer relationships at work; the employee's ability to use their own initiatives and skills at work; opportunities for pay

and promotion; and by influencing the work activities. The study recommends that training should be conducted time to time to ensure that employees have the necessary engagement to change processes, innovation; better performance and job enthusiasm for enhanced employee and organizational performance. It also recommends that the management of UNSOAneeds to ensure training strategies are not only aligned to productivity but also to enhancing employee motivation for superior performance. Further UNSOAmanagement needs to evaluate its training strategies with respect to job satisfaction to ensure that the effects are uniformly attained across the organization. Finallythe study

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only focused on the international civil servants at UNSOA. Other studies on different populations and at different time zones would be welcome to ensure strong empirical conclusions on how training effects on employee training

Amir E.,(2013) Employee is a blood stream of any business. The accomplishment or disaster of the firm depends on its employee performance. Hence, top management realized the importance of investing in training and development for the sake of improving employee performance. This conceptual paper aimed at studying the effect of training on employee performance and to provide suggestion as to how firm can improve its employee performance through effective training programs. The research approach adopted for the study conforms to qualitative research, as it reviews the literature and multiple case studies on the importance of training in enhancing the performance of the workforce. Further the paper goes on to analyse and understand the theoretical framework and models related to employee development through training and development programs, and its effect on employee performance and on the basis of the review of the current evidence of such a relationship, offers suggestions for the top management in form of a checklist, appropriate for all businesses, to assess the employee performance and to find out the true cause(s) of the performance problem so the problem could be solved in time through desired training program.

The study in hand faces the limitations as there are no adequate indications to correlate directly the relationship between training and employee performance. Hence, there is a need for conducting an empirical research in future to test the proposition discussed in the study. The study in hand provides brief overview of the literature about training effectiveness and how it contributes in enhancing the employee performance and ultimately concludes along with recommendation to give directions for future research by applying different level of analysis on exploring the effect of training practices on employee performance.

Aidah N.,(2013), Employees are major assets of any organization. The active role they play towards a company's success cannot be underestimated. As a result, equipping these unique assets through effective training becomes imperative in order to maximize the job performance. Also position them to take on the challenges of the today's competitive business climate. Although extensive research has been conducted in the area of Human Research Management, the same cannot be said on employee training especially as it concerns developing countries. The purpose of this thesis was to evaluate the effects of training on employee performance, using the telecommunication industry in Uganda as case

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study. In order to understand the study aim, four goals were developed and these focused particularly on identifying the training programs' existing in the industry, the objective of the training offered, the methods employed and finally the effects of training and development on employee performance. The study was based on three case studies of the biggest telecommunication companies operating in Uganda. A qualitative research approach of the data collection was adopted using a questionnaire comprising of 18 questions distributed to 120 respondents. Based on this sample the results obtained indicate that training have a clear effect on the performance of employees. The findings can prove useful to Human resource managers, Human resource policy decicision makers, as well as government and academic institutions.

Alemayehu M., (2017) People are considered to be the source of competitive advantage. Many forward looking organizations are giving more emphasis to employees and their related issues. In the cut-throat competitive world, the organizations have realized that their most valuable asset is their human capital and many are convinced for large investments in employee training and development. However, mere investment is not adequate; they have to ensure that the investment made will generate good returns. As a backdrop to this, the present study is undertaken to analyze effect of training on employee performance. The present study was conducted in ERCA. The study made use of descriptive and inferential statistics to analyze the data, the study was done based on primary and secondary data sources, all the necessary data has been gathered from primary sources using questionnaires. Stratified simple random sampling technique was used, to make strata. The mean score of training design indicates moderate mean score which means design of the training program of ERCA of is satisfactory. The mean of delivery style also implies moderate mean score. This shows that the trainers of ERCA didn't deliver the training as expected by the trainee and the mean score of Employees performance is moderate mean score, this result implies employees' of ERCA have an average performance level since they were not comfortable with the present design and delivery of the training program. Regarding linear correlation between the two variables training and employee performance, are very closely related. This indicates that the trainees will reach at the desired level of performance if the training is well designed and delivered. The other finding of the study shows that delivery style also has a positive and significant relationship with employee performance, In addition to this, the dimensions of training (training design and delivery style) significantly explain the variations in employee performance therefore, this study finding asserts that ERCA training providers should consider these two important dimensions so as to increase employee's performance. However,

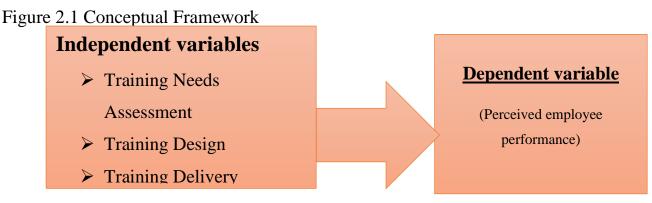
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the result shows moderate concern is given to those important dimensions by ERCA training providers. Therefore, it is advisable to consider when designing and delivering training so as to make employee's motivated, committed, productive, and well performer

A study Jerry S.,(2019) Companies can reap the rewards of providing training for their employees because well-trained workers help increase productivity and profits. Investing in employee training should improve worker retention rates, customer satisfaction and creativity for new product ideas. Effective training saves labor by reducing time spent on problem-solving and saves money in the long run by producing a better workforce. Investment in training can improve a company's financial standing. Poor performance often results when employees don't know exactly what they're supposed to do, how to do their jobs or why they need to work a certain way. Training can help solve these performance problems by explaining the details of the job. This should reduce duplication of effort in the workplace, the time spent correcting mistakes and the problem solving necessary to correct bad performance costs by reducing equipment breakdowns and result in fewer customer complaints. Better performance from employees typically creates less need for supervision and brings increased worker output.

#### 2.11 Conceptual Framework

The variables of this study are training dimensions (training needs assessment, training design, training delivery, and training evaluation) and employee performance. Training dimensions are independent variables while employee performance is dependent variable. Based on the research objectives, the following conceptual frame work is formulated.



Source: Own Survey, 2022

#### **CHAPTER THREE**

## **3.RESEARCH METHODOLOGIES**

#### **3.1Research Design**

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The function of research design is to provide for the collection of relevant evidence with minimal expenditure of effort, time and money (Kothari, 2004).

Based on the research objective and basic questions explanatory research design is used to assess and determine whether training have effect on employee performance in Berhan Bank employee found in Addis Ababa Catchment area.

#### **3.2 Research Approach**

The research tried to investigate the effect of training on employee performance: In case of Berhan bank s.c Addis Ababa catchment area .To address this objective the study employeed mixed research approach which was more of qualitative. Mixed research approach was used specifically to address quantitative part through structured closed ended questionnaire while qualitative aspect was addressed via open ended questions and interview, this makes the study more concise because the quantitative information can be supported by the qualitative explanation (Kothari, 2004).

#### **3.3Target Population**

The target population of this research was permanent employees of the Berhan Bank who was having training and working in Addis Ababa catchment, under Human Resource Development Department having a size of 1,200 employees. Employees under human resource development department are directly concerned to training delivery.

#### **3.4 Sample Size Determination**

Using single population proportion formula and using proportion (0.5) prevalence to obtain the maximum sample size at 95 % certainty and a maximum discrepancy of 5% between the sample and the underlying population. The formula to determine the sample size is below:

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$$n = \frac{Z \frac{2}{\alpha} p (1 - P)}{d^2}$$

Where;

P is the population proportion =0.5

 $Z\alpha/2 = Z$  value at ( $\alpha = 0.05$ ) = 1.96 corresponding to 95% confidence level.

d = the margin of error =0.05; the resulting sample size will be 384employees.

Since the total number of employees in Brehan bank Addis Ababa catchment is 1,200 Which is less than 10,000; I need to use correction formula.

 $n_f = \frac{no}{1 + no/N} = \frac{384}{1 + 384/1,200} = 290$ , by using 5% non-response rate =15

#### **3.5 Sampling Technique**

Regarding sampling technique purposive sampling technique were employeed. In berhan bank the traing activity is conducted by at head office level and all branches were trained at head office level. In this year 2021/22 a total of 1200 employees were trained and such number were taken as a total population.

The partciapntes were addressed via there contact which registred during the traing time. The researcher send the questinnaier via there email and the branch manager were responsible for the filling of the questinnier. Generally purposive sampling were applied in this study.

#### **3.6. Sources of Data**

Both primary and secondary source of data were used to fully answer the research under Addis Ababa Catchment area and Human Resource Development Department at head office. Primary data pertaining to the effect of training on employee performance were collected through a selfadministered questionnaire by using research instrument. The questionnaire gives importance to all factors in relation to the effect of training on employee performance were filled by the employee of the bank. It was show the opinion of the employees in regard to each question. Same interview questions was provided to samples working at human resource development department.

Secondary source of data that focus on training practice, with regard to employee performance that is relevant to this research includes; training documents, training material, journals, training research papers done by the management trainee of the bank that deals with the training and employee The Effect Of Training On Employee Performance: In Case Of Berhan Bank S.C Addis Ababa Catchement Area By Chaltu Damena St. Marry, 2022

performance were utilized as secondary source of data. Moreover, the documents that kept enormous valuable information regarding the training practice of the bank as referenced.

#### **3.7 Instrument and Procedure of Data Collection**

Standardized self-administered questionnaires were distributed to randomly selected respondents and principal investigator made interview with key informants to gather information from secondary data and observation were made to valuable documents during data collection period. Properly filled questionnaires were sorted, and gathered data is used for analysis.

#### **3.7.1. Questionnaire**

Questionnaire is a fairly reliable tool for gathering data from large diverse varied and scattered social group. The questionnaire was in the form of Likert scale and open ended parts, prepared in English language. The questioner is planned to adopt standardized questioners from management journals. The questioners was adopted from different journals which specialized on traing

To examine what the bank's employees and managers perception toward the effect of training and development on employee performance in Berhan Bank a self-administered questioner were developed and distributed for data collection.

## **3.7.2.** Procedures of Data Collection

Before distributing the questionnaires the initial questionnaire were pretested to check for three aspects namely; to check any grammar error or spelling error, to ensure that all questions are well understood and on the basis of feedback modification and improvement on the instrument was made. Following the pilot test the questionnaire was administered and distributed to all samples identified for the study by researcher. During the distribution, orientation was given for all sample respondents on how to fill the questionnaire. Finally, the questionnaires was collected after checking whether each question items was answered or not, in order to avoid not responded item error.

#### **3.8 Data Analysis**

To present the association between the variables, the collected data was analyzed using explanatory research method. These variables was used in the form of dependent (effect) and independent (cause)

variables. Training is the cause (independent) factor and the employees performance is the effect (dependent) variable.

For analysis raw data were gathered through questionnaires, quantitative methods of data analysis was employed. After data collection, raw data were organized and checked to avoid improperly responded questions. The quantitative data gathered through questionnaire were coded, tabulated, organized and treated with statistical techniques for analysis and inference. To undertake the quantitative analysis inferential statistical tools were used and finding was presented using explanatory type, inferential, percentile, and Pearson correlation values.

#### **3.9 Model Specification**

To examine the effect of training on employee performance: in case of Berhan bank s.c Addis Ababa catchment area the following linear regression model is developed. Variables are carefully selected in review of literature which needs to be specified.

Liner Regression techniques was employed to analyses the straight-line relationships among two or more variables and estimates the  $\beta$ 's in the equation.

Specified regression model equation for linear relationship among variables is;

 $yj = \beta \ 0 + \beta 1x1 \ j + \beta 2x2 \ j + \ldots + \beta pxpj + \epsilon j$ 

Where:

Yj is represents dependent variable for observation j.

Xj is represents the independent variables (IV"s) for observation j

 $\beta 0$  is the intercept

 $\beta$  is the unknown regression coefficients.

εj is the error (residual) of observation j.

Based on the above, the model is modified based on the research variables that described in the conceptual framework in chapter two. To examine the effect of training on employee performance: in case of Berhan bank s.c Addis Ababa catchment area the researcher develops the following model.

 $eP = \beta \ 0 + \beta 1 \ TNA + \beta 2 \ TD + \beta 3 TDS + \beta 4 \ TE + \epsilon \dots 2$   $eP = employee \ Performance (Dependent \ Variable)$  TNA = train need assessment  $TD = Training \ design$   $TDS = Training \ delivery$   $TE = training \ evaluation$   $B0, B1, B2, B3, B4, = All \ are \ unknown \ Intercepts$  $\epsilon = error \ term \ or \ the \ residual$ 

#### **3.10 Ethical Consideration**

During data collection, respondents were informed as to why the data is collected. They were informed about the objectives and methods of the study. The privacy of respondent was kept safe. Moreover, respondents expected to provide their response voluntarily. Finally, any work of scholar would acknowledge at reference part.

## **CHAPTER FOUR**

## 4. DATA ANALYSIS, DISCUSSION AND INTERPRETATION

#### **4.1 Introductions**

This chapter covers the analysis and interpretation of the various data collected through the use of data collection instruments as per objectives of the study. The main emphasis of the research was to investigate the effect of training on employee performance: in case of Berhan bank s.c Addis Ababa catchment area. Primary data was collected from the employees of the bank using questionnaire and secondary data was collected through reviewing, journals, articles, books and the bank human resource policy, procedure and annual reports of employee management.

This chapter contains three parts. They are the demographic part, the descriptive analysis part and the inferential analysis part specifically contains the correlation and regression.

The collected data were described and analyzed as per the topic of the chapter using statistical tools: Descriptive and inferential statistics including linear regressions with the help of SPSS. 290 questionnaires were distributed and 275 of them are collected back which is 94.8%. The total number of questions was 32 which is the sum of questionnaires under each variable and other four open ended questions were analyzed in this part of the research.

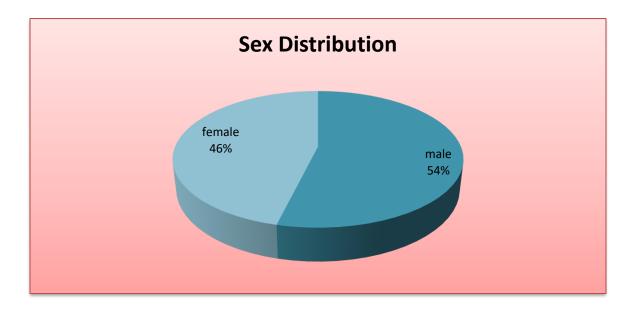
#### **4.2 Demographic Characteristics of Respondents**

The demographic information of respondents gathered for these studies were gender, age and educational qualification.

#### **4.2.1 Gender of the Respondents**

The study involved gender distribution of respondents in order to answer the questionnaires provided. The following figure 4.1depicts male and female participants. Out of 275 respondents, 148 (53.9%) were male while 127(46.1%) were females. This indicates that employees of Berhan bank s.c Addis Ababa catchment area are proportional in gender-wise. This implies that the male and the female population of Berhan bank s.c Addis Ababa catchment area have the chance to be represented in every matter.

### Fig 4.1 Genders Distribution of Respondents



Source: Survey Result, 2022

One difficulty encountered by investigators of sex differences and traning among workers in bank settings is the difficulty of comparing the training need of men and women carrying out exactly the same job owning to gender segregation in the allocation of work tasks (Rydstedt & Evans, 1998)

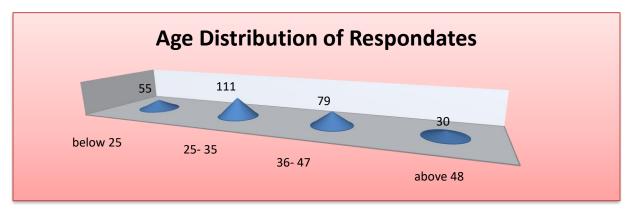
Men and women differ significantly in their characteristics. Although sex refers to the biological differences between male and females, the list of actual differences is potentially long. Obviously, males and females differ automatically. As a rule, males are more physically active than females. Females tend to be more verbal than males. Men value independence and achievement, women value intimacy and attachment. While men are action oriented "they take care of the business", while women are people oriented they take care of others.

Regarding Berhan Bank from an interview the interviewed revealed that there is no significant difference in training gap and training need as well due to sex.

## **4.2.2 Age Distribution of Respondents**

When we look at the age group of respondents, the larger number of employees is between the ages of 25-35 which adds to 111 respondents representing to 40.3% of the total respondents. Second largest age groups which constitute 28.7 % of the respondents are 36-47 years of age. The rest covers 30% of The Effect Of Training On Employee Performance: In Case Of Berhan Bank S.C Addis Ababa Catchement Area By Chaltu Damena St. Marry, 2022

the population which accounts below 25 and above 48 years. From this result we can observe that majority of Berhan bank s.c Addis Ababa catchment area employees of are at the productive age group.



## Fig 4.2 Age Distribution of Respondents

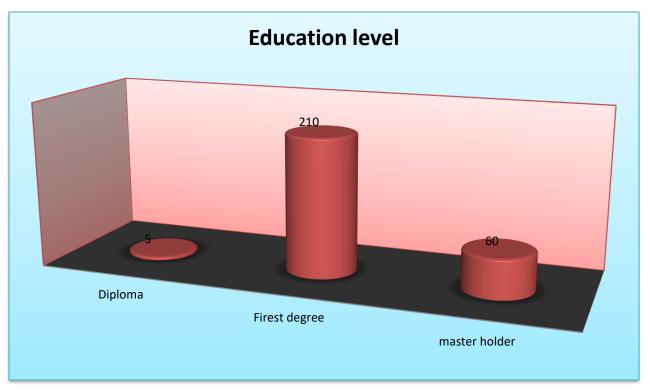
According to Beer & Cannon (2004) old employees more concerned with health, mentoring others, job security and place a higher value on leisure activities. In addition, they have low job demand, job variety and feedback, lowered motivation drive when it comes to performing new tasks. They are less motivated by training prospects, reduced concern for career advancement and forming new relationship. Generally, relatively older worker are less motivated, flexible, cost more and able to learn to accept training.

## **4.2.3 Educational Qualification of Respondents**

Regarding the educational qualification the following facts are revealed. 76.3% of them were BA/BSc Degree holders while 1.8% of them are diploma holders. The remaining (21.8%) are above MA/SC holders. From this 98% of the employees are highly qualified which means that the overall banking practice of bank can be easily understood and implemented.

Fig 4.3 Educational Background of Respondents

Source: Survey Results, 2020



Source: Survey Result, 2020

In Berhan bank s.c Addis Ababa area, the interviewed reveal that staffs were not allowed to update their career through education formally by bank sponsor or another means but employees were used their leisure time for education. Though the bank gives extensive training on the bank area the employees were not able to attend formal education. Furthermore they revealed that the educational level of employees was creating difference in understanding the technology. Senior employees were understood easily than juniors in the sector.

## 4.3 Descriptive Analysis and Finding of the Study

In this section, the collected data was entered and reported using SPSS. The mean value and standard deviation of each factor is analyzed and presented. For a data set, the mean is the central value of a discrete set of numbers, specifically the sum of the values divided by the number of values.

Standard deviation is a number used to tell how measurements for a group are spread out from the average (mean), or expected value. A low standard deviation means that most of the numbers are close to the average. A high standard deviation means that the numbers are more spread out.

In this section the mean standard deviation of training phases or dimensions were presented.

## **4.3.1 Type of Training**

As we all know when a new candidate is appointed in the bank, then the candidate does not know anything about that institute, the bank has to take care of that newly recruited officer and he has his own institute. The whole mechanism is to be aware of it so that it can become a better human resource in the future. The banking sector is one of the best areas to understand the importance of human resources and to give importance to them. The bank provides excellent training to its employees so that they can prove invaluable assets for the bank during their service

Here under is the practice training and training type in Berhan bank.

Ν		Mean	Std.
Valid	Missing		Deviation
275	0	3.9673	.97544
275	0	3.2582	1.43810
275	0	3.1964	1.30886
275	0	2.9891	1.23951
275	0	3.7564	1.19408
	Valid 275 275 275 275 275	Valid     Missing       275     0       275     0       275     0       275     0       275     0       275     0       275     0	Valid         Missing           275         0         3.9673           275         0         3.2582           275         0         3.1964           275         0         2.9891

## Table 4.1 the Mean and Standard Deviation of Type of Training

Sour: Survey Result, 2022

The above table shows the most common training practices in the bank. Berhan bank practices Orientation/Induction training is well planned in the bank, Job Rotation is common in the bank, Job Instruction is practiced in the bank, there is enough off the job training in the bank and the lecture training programs are designed at level of abilities and education of employees but most commonly practiced training types were induction and lectures because those variables were have high men value.

In the open ended participates reveled the following training types in the bank. The most commonly list were In-service training which mean that, the officers are trained many times during their service period. The other mentioned is Special training which is done in banks. Most banks give their officers the freedom to choose the work area according to their own interests and provide them training in special areas selected by them. The third is Refresher training or the HR Department strives to bring employees of different banks in the country together at one location.

At Yarmouk University in Jordan, Maaly M. (2015) investigated the opinions of administrative leaders and administrative staff toward the training courses offered, as well as the effect of training on employee job performance. The findings revealed that training courses are moderately related to the training needs of employees, and that there are various factors that influence who is selected for training. The findings also revealed a link between effective training and employees' job performance. Several recommendations were made based on the study's findings.

#### 4.3.3 Training Need Assessment

According to Mesfin et al., (2021), training need assessment is the procedure of assessing if a training need exists and, if so, what training is required to fill the gap is known as training needs assessment. TNA uses target surveys, interviews, observations, secondary data, and/or workshops to precisely determine the levels of the current situation. The difference between current and desired status may suggest issues, which might be converted into a training requirement.

Here under is the practice of training need assent in the Berhan bank Addis Ababa region.

	Ν		Mean	Std.
	Valid	Missing		Deviation
Training needs were identified by comparing	275	0	3.9673	3.66414
your actual performance with the desired				
performance				
Training needs were identified by comparing	275	0	3.6218	1.07165
your current abilities with the new requirements				

### Table 4.2 Mean and Standard deviation of Training Need Assessment

of work				
The objectives of the training were clear	275	0	3.5055	.96042
There is training gap analysis in the bank	275	0	3.3055	.96346
Grand Mean			3.6000	1.66492

#### Source: Survey Result, 2022

The mean score of training mean need assessment in Berhan bank is 3.6 with standard deviation 1.6. In more specifically training needs were identified by comparing employees actual performance with the desired performance. Sometimes training needs were identified by comparing employees current abilities with the new requirements of work and the objectives of the training were relatively clear. In more general terms there is training gap analysis in the bank.

In the open denuded participants revealed some gaps in the training need assessment practice of the bank. they point out that there is low attention from bank management, insufficient and inconsistent time, no inclusion of new job roles but repetitive in content of training and the bank were always relying on last year's results, or in other word not updating to meet new technologies demand,. Most crucial gaps were the bank were not utilizing previous feedback, which indicted that no firm process in place.

As study done by Mekonnen et al., (2021), a training needs assessment compares an individual's present level of competency, ability, or knowledge in one or more areas to the needed competency standard established for their role or other positions within the company. The gap between present and desired competencies might aid in determining training requirements. Management may make informed judgments regarding the best strategies to address competency gaps among individual employees, specific job categories, or groups/teams, rather than assuming that all employees require training or even the same training. Assessments can be done at any time, although they are most commonly done after hiring, during performance reviews, when performance improvement is required, for career development plans, succession planning, or when changes in an organization necessitate making necessary adjustments to the workforce.

## 4.3.4 Training Design

As we all know training designee is the mode of distribution, a collection of teaching plans that will be offered via instructors, web, or self-guided reading, and assignments that test and challenge the employee's grasp of the topic are all part of a program design.

Here under is the practice of training design in Berah bank Addis Ababa region.

Table 4.3 Mean S	Standarded Devation	Traing Designe
------------------	---------------------	----------------

	Ν		Mean	Std.
	Valid	Missing	n	Deviation
Before the training, your motivation and basic	275	0	3.3200	1.10711
skills were ensured to master the training content				
Instructional strategies of the training were	275	0	3.2327	1.11248
appropriate				
The training content was related to the training	275	0	3.2873	1.10458
objective				
			3.2800	1.10806

Source: Survey Result, 2022

The mean score of training design in Berhan bank is 3.2 and standard devotion is 1.1. This modes mean indicated the practice of design were not aggressively designed. In other word before the training, employee's motivation and basic skills were not ensured to master the training content, even instructional strategies of the training were not highly appropriate. Lastly the training content was not related to the training objective.

In the open ended participants revealed that Changes in regulation cannot be easily managed. The NBE is well-known for its tough laws and frequent updates in order to better secure their customers' interests and data. As a result, Berhan bank was suffering to cope up with such regulation every matter. In addition the dynamism of technology in the industry was pressure the bank to design different training contents and methods in Beran bank. In other word Training courses in the bank were failing for a variety of reasons, one of which is a failure to adapt to technological development.

A study done by Zewude et al., (2021) point outs rapidly changing regulatory frameworks and audits pose additional obstacles, necessitating equally rapid and effective training. While financial institutions are eager to integrate breakthrough technologies such as artificial intelligence and machine learning, they may be overlooking a critical issue: business-speed training programs for both workers and customers.

#### 4.3.5 Training Delivery

According to Shimeliset al., (2021) Training delivery methods consist of the techniques and materials used by trainers to structure learning experiences. Different training delivery methods are better or worse at achieving various learning objectives.

Here under is the practice of Training Delivery

#### Table 4.3 Mean Standard Deviation of Training Delivery

	Ν		Mean	Std.
	Valid	Missing		Deviation
The training delivery method was appropriate to	275	0	3.6255	1.32415
the training objective				
The training room was properly organized,	275	0	3.9964	1.08573
comfortable and appropriate for the training				
delivery.				
The training was conducted as it is scheduled	275	0	3.6909	1.09865
			3.7709	1.16951

#### Source: Survey Result, 2022

The mean score of training delivery in Berhan bank is 3.7 and its standard deviation 1.1. More specifically the training delivery method was appropriate to the training objective, The training room was properly organized, comfortable and appropriate for the training delivery, The training was conducted as it is scheduled.

In open ended participates revealed the existence of employee and management involve to set goals. in addition to this bank has a training hall at head office and that hall is full of use visual aids and most bank trainers were tried to test new techniques. sometimes the bank were deploy use highquality trainers from higher foreign or domestic university but he bank were not run regular training sessions though out the year, and not be flexible.

A study done by Mesfin,(2021) explains In the training world, material is a big deal, but it's only one half of the learning equation. The magic happens, however, when high-quality information is delivered using the most effective training delivery techniques, allowing learners to receive, retain, and apply the lesson. There are many various ways of training delivery to choose from, whether your goal is to convey knowledge, enhance skills, or change behaviors.

#### **4.3.6 Training Evaluation**

According to Mekonnen et al.,(2021)Training evaluation is the systematic process of collecting information and using that information to improve your training. Evaluation provides feedback to help you identify if your training achieved your intended outcomes, and helps you make decisions about future trainings.

Here under is the practice of training evaluation in the bank

	Ν		Mean	Std.
	Valid	Missing		Deviation
Interview with or a questionnaire to you was	275	0	3.6473	.94132
conducted to know your reaction levels				
whether you liked the training, the trainer, and				
facilities				
Evaluation was conducted to know whether	275	0	2.9491	1.07948
you have gotten more knowledge than you				
have before				
Your job performance was observed in order	275	0	3.4255	1.05544
to know the effect of training on job				
performance				

#### Table 4.4 Training Evaluation

#### Grand mean

#### Source: Survey Result, 2022

As the above table showed that the mean score of training is 3.3 and standard deviation is 1.0. This modest mean indicated that Interview with or a questionnaire to employee was conducted to know there reaction levels whether they liked the training, the trainer, and facilities but Evaluation were not conducted to know whether the employee e gotten more knowledge than they have before. Sometimes job performance was observed in order to know the effect of training on job performance.

In the open ended participants revealed that the existence of ambiguous questions were used. to evaluate the training, even training evaluation data were not used to make informed decisions. Most commonly training solutions were not designed to enable effective data capture in the bank, in other word the capabilities to analyze data were limited in the bank

A study done by Mesfin(2021)remarked that Employee training and development is becoming a more significant function of HRM as firms strive to improve their human capital and compete in a fast-changing business environment. It's also worth noting that matching an organization's training program with its aims and goals is critical. A similar assessment is made to determine the current state of the organization's training. T The findings also demonstrate that the employees polled have a very positive attitude toward the Bank's trainings in terms of relevance, application, objectivity, motivation, knowledgeableness, satisfaction, and efficacy. The Bank has also established a training assessment process and has done some of them, although the evaluations have been found to be insufficient in terms of demonstrating the effect of trainings in specific areas.

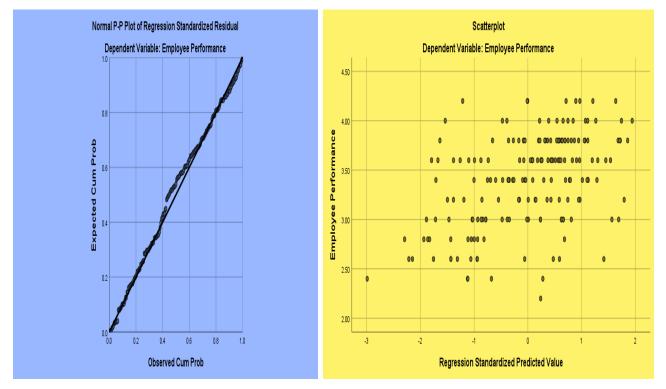
#### **4.4 Inferential statistics**

It allows one to draw conclusions or inferences from data. Usually this means coming to conclusions about a population on the basis of data describing a sample. Statistical inference uses probability and information about a sample to draw conclusions ("inferences") about a population or about how likely it is that a result could have been obtained by chance

## 4.4.1 Linearity Test

Linear regression needs the relationship between the independent and dependent variables to be linear. It is also important to check for outliers since linear regression is sensitive to outlier effects. The linearity assumption can best be tested with scatter plots; the following picture depicts no and little linearity is present

## Fig 4.4 Linearity Test Result



Source: survey result, 2022

## 4.4.2 Testing the Skewness and Kurtosis of the Data

Skewness is a measure of symmetry, or more precisely, the lack of symmetry. A distribution, or data set, is symmetric if it looks the same to the left and right of the center point. Kurtosis is a measure of whether the data are heavy-tailed or light-tailed relative to a normal distribution. That is, data sets with high kurtosis tend to have heavy tails, or outliers. Data sets with low kurtosis tend to have light tails, or lack of outliers. A uniform distribution would be the extreme case (Kothari, 2004)

		Training need assessment	training design	Training Delivery	Evaluation of Training	Employee performance
Ν	Valid	275	275	275	275	275
	Missing	0	0	0	0	0
Skev	vness	6.324	758	646	491	080
Std.	Error of	.147	.147	.147	.147	.147
Skev	vness					
Kurt	osis	68.061	.718	.154	.224	637
Std.	Error of	.293	.293	.293	.293	.293
Kurt	osis					

## Table 4.5 Skewness and Kurtosis

Source: Survey Result, 2022

The values within the range of +1.96 and -1.96 are the said to be acceptable. Beyond these limits can be called skewed data (Hair, 2010) and Bryne (2010) argued that data is considered to be normal if Skewness is between -2 to +2 and Kurtosis is between -7 to +7. From rule of the thumb the researcher's data is normally distributed

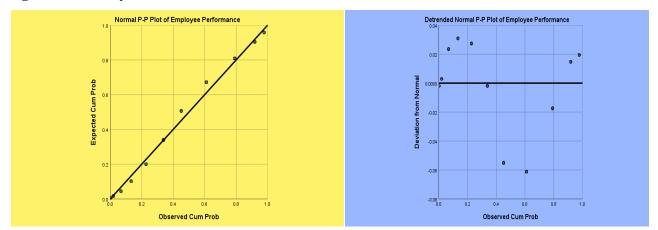
## 4.3.3 Normality Test

Normality tests are used to determine if a data set is well-modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed. The tests are a form of model selection, and can be interpreted several ways, depending on one's interpretations of probability:

In descriptive statistics terms, one measures a goodness of fit of a normal model to the data if the fit is poor then the data are not well modeled in that respect by a normal distribution, without making a judgment on any underlying variable (kothari,2004)

Multiple regressions assume that variables have normal distributions (Darlington, 1968). This implies that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve (Keith, 2006). This assumption can be tested by looking at the P-P plot for the model together with above histogram of the standardized residuals.

The closer the dots lie to the diagonal line, the closer to normal the residuals are distributed.



#### Fig 4.5 Normality Result

Source: Survey Result, 2022

## 4.4.4 Multi collinearity Test

Multi collinearity means a state of very high inter-correlation or inter-associations among the independent variables. It is therefore a type of disturbance in the data, and if present in the data the statistical inferences made about the data may not be reliable.

Multi collinearity generally occurs when there are high correlations between two or more predictor variables. In other words, one predictor variable can be used to predict the other. This creates redundant information (Kothari, 2004)

Strong relationship between explanatory variables is a problem of multi collinearity and not acceptable for ordinary list square regression analyses.

Table 4.6 Multi collinearity Test

Coefficients <sup>a</sup>						
Model		Collinearity	Statistics			
		Tolerance	VIF			
1	training need assessment	.951	1.052			
	training design	.883	1.132			
	Training Delivery	.866	1.155			

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Evaluation of Training	.968	1.033
a. Dependent Variable: performance		

Source: Survey Result, 2022

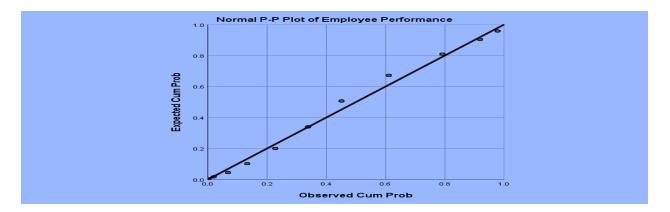
According to Kothari (2004) Variance-inflation factor (VIF) has also been checked and values are found smaller, which supports that multi collinearity is not a problem. In this study all VIF were less than 10 got acceptances as per (Hair, 2010). Moreover, tolerance statistics in regression analysis helps to detect co-linearity problem. Tolerance value runs from 0 to 1 and values closer to 1 indicates no multi collinearity problem (Keith, 2006). In this study all the tolerances are above 0.8 and, therefore, the amount of variation in that construct is not explained by other predictors. Both Tolerance and VIF tests indicated that there is no multi collinearity problem of the data.

## 4.4.5 Homoscedasticity Test

Homoscedasticity means that the variance around the regression line is the same for all values of the predictor variable (X). The plot shows a violation of this assumption. For the lower values on the X-axis, the points are all very near the regression line. For the higher values on the X-axis, there is much more variability around the regression line

This assumption requires even distribution of residual terms or homogeneity of error terms throughout the data. Homoscedasticity can be checked by visual examination of a plot of the standardized residuals by the regression standardized predicted value (Osborn & Waters, 2002). If the error terms are distributed randomly with no certain pattern then the problem is not detrimental for analyses. The following Figures below shows that the standardized residuals in this research are distributed evenly indicating heteroscedasticity are not a serious problem for this data.

## Fig 4.6 Homoscedasticity Result



Source: survey result, 2022

## 4.4.6 Autocorrelation Test

Autocorrelation is a mathematical representation of the degree of similarity between a given time series and a lagged version of itself over successive time intervals. It is the same as calculating the correlation between two different time series, except autocorrelation uses the same time series twice: once in its original form and once lagged one or more time periods (Kothari, 2004)

Table 4.7 Au	utocorrelation
--------------	----------------

Model Summary <sup>b</sup>							
Model	R	R Square	Adjusted R	Std. Error of the	Durbin-Watson		
			Square	Estimate			
1	.645 <sup>a</sup>	.416	.407	.50477	1.221		
a. Predict	a. Predictors: (Constant), Evaluation of Training, training need assessment, training design,						
Training Delivery							
b. Depend	b. Dependent Variable: employee performance						

Source: survey result, 2022

Autocorrelation or independence of errors refers to the assumption that errors are independent of one another, implying that subjects are responding independently (Stevens, 2009). Durbin- Watson statistic can be used to test the assumption that our residuals are independent (or uncorrelated). This statistic can vary from 0 to 4. For this assumption to be met, the DW value needs to be close to 2. Values below 1 and above 3 are problematic and causes for concern.

## **4.5 Correlation Analysis**

Correlation analysis was applied to test the "interdependency" of the variables. In this section, the direction and degree of the strength of the relationship among the variables were determined. The Pearson's Product Movement Correlation Coefficient was computed to determine the relationships between Evaluation of Training, training need assessment, training design, Training Delivery and employee performance.

Correlation analysis is useful way of exploiting relation (association) among variables. The value of the coefficient  $\circledast$  ranges from -1 up to +1. The value of coefficient of correlation  $\circledast$  indicates both the strength and direction of the relationship. If r = -1 there is perfectly negative correlation between the variable. If r = 0 there is no relationship between the variable and if r = +1 there is perfectly positive relationship between the variables. For values of r between + and 0 or between 0 and -1, different scholars have proposed different interpretation with slight difference.

For this study decision rule given by Bartz (1999) was used to describe the strength of association among the variables as follows.

#### **Table 4.8 correlation coefficient**

Measure of Association	Descriptive Adjectives			
>0.00 to 0.20; <-0.00 to -0.20	Very weak or very low			
>0.20 to 0.40; <-0.20 to -0.40	Weak or low			
>0.40 to 0.60; <-0.40 to -0.60	Moderate			
>0.60 to 0.80; <-0.60 to -0.80	Strong or High			
>0.80 to 1.0; <-0.80 to -1.0	Very high or Very Strong			
Source: Bartz (1999				

## Table 4.9 Correlation Result

Correlations								
		training	training	Training	Evaluatio	Employ		
		need	design	Delivery	n of	ee		
		assessme			Training	perform		
		nt				ance		
training need	Pearson	1	.172**	.186**	.058	.444**		
assessment	Correlation							
	Sig. (2-tailed)		.004	.002	.337	.000		
	Ν	275	275	275	275	275		
training	Pearson	.172**	1	.316**	.113	.312**		
design	Correlation							
	Sig. (2-tailed)	.004		.000	.062	.000		
	Ν	275	275	275	275	275		
Training	Pearson	.186**	.316**	1	.167**	.518**		
Delivery	Correlation							
	Sig. (2-tailed)	.002	.000		.005	.000		
	Ν	275	275	275	275	275		
Evaluation of	Pearson	.058	.113	.167**	1	.197**		
Training	Correlation							
	Sig. (2-tailed)	.337	.062	.005		.001		
	N	275	275	275	275	275		
Employee	Pearson	.444**	.312**	.518**	.197**	1		
performance	Correlation							
	Sig. (2-tailed)	.000	.000	.000	.001			
	Ν	275	275	275	275	275		
**. Correlation is significant at the 0.01 level (2-tailed).								

Source: Survey Result, 2022

As we can see from the above table all independent variables have significant correlation like training need assessment (r=.444\*\*p<0.01), training design(r=.312\*\*p<0.01) Training Delivery (r= .518\*\*) and Evaluation of Training (r= .197\*\*). Though all variable are

significant trading delivery and need assessment are have strong and significant correlation with the dependent variable employee performance. This implies that increase or decrease in independent variables is associated with similar change in employee's performance.

#### **4.6 Regression Analysis Results**

Multiple regression analysis applied to find out whether there was statistically significant relation surfaced between employee motivation and the independent variable. Moreover, it helped to devise a formula that shows the relation between the dependent variable (employee performance) and the independent variables evaluation of training, training need assessment, training design, training delivery).

#### Table 4.10 Model Summary

Model Summary							
Model	R R Square Adjusted R Square		Std. Error of the				
				Estimate			
1	.645 <sup>a</sup>	.416	.407	.50477			
a. Predictors: (Constant), Evaluation of Training, training need assessment, training design,							
Training Delivery							

Source: survey result, 2022

As indicated in the model summery table the linear combination of the independent variable was significantly related to the dependent variable, R=..645a, R square= .416 adjusted R square=.407

R value tells that the overall independent variables evaluation of training, training need assessment, training design, training delivery have strong effect on the dependent variable.

R-square value .416 indicates that 41.6% of variation on dependent variable (employee performance) is explained by the above dimensions such as Evaluation of Training, training need assessment, training design, Training Delivery). And other factors that are not included in the model may explain the remaining variation in employee's performance.

#### Table 4.11 ANOVA Result

ANOVA <sup>a</sup>								
Model		Sum of	df	Mean Square	F	Sig.		
		Squares						
1	Regression	48.988	4	12.247	48.067	.000 <sup>b</sup>		
	Residual	68.794	270	.255				
	Total	117.782	274					
a. Dependent Variable: performance								
b. Predictors: (Constant), Evaluation of Training, training need assessment, training design,								

#### Training Delivery

Source: survey result, 2022

The above ANOVA table indicates the statistical significance of the regression model that was run. Here, p is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data). The regression model considers employee performance as dependent variable Evaluation of Training, training need assessment, training design, Training Delivery as independent variables. The regression coefficients explain the average amount of change in the dependent variable due to a unit change in the independent variable holding other explanatory variables constant.

James W(2014) Low job satisfaction and low motivation does not only reduce performance of the health systems but also constitute a serious push factor for migration of health workers, both from rural areas to the cities, and to other countries. It is therefore an important goal of human resources management in the health sector to strengthen the performance of health workers, from heads of health facilities to auxiliary staff. The general objective of this study was to assess the effect of the training on the performance of staff in the public health institutions in Kenya. The target population is the doctors, clinical officers, nurses and subordinate staff serving in public health facilities within Siaya County. The data was collected through administration of questionnaires. The questionnaires included both open ended and closed questions. The researcher took a sample size of 20% giving a sample size of 56 respondents, employing a stratified sampling technique. The researcher distributed the questionnaires and collected them after two weeks which was sufficient for the respondents to have filled them adequately and duly. Then the data was then entered by coding into a computer program, SPSS to facilitate

analysis. From our study it shows there is a strong positive relationship between training of employees

and performance

Table 4.12 Regression Coefficient

Coefficients <sup>a</sup>							
Model		Unstandardized		Standardized	t	Sig.	
		Coefficients		Coefficients			
		В	Std. Error	Beta			
1	(Constant)	.964	.205		4.695	.000	
	training need	.194	.027	.344	7.218	.000	
	assessment						
	training design	.080	.034	.115	2.330	.021	
	Training Delivery	.302	.038	.401	8.023	.000	
	Evaluation of Training	.094	.045	.098	2.062	.040	
a. Dep	endent Variable: employed	e performance					

Source: survey result, 2022

As we can see in the above coefficient table training need assessment has a b value .344 (p<0.05), training design beta value .115 p<00, Training Delivery beta value .401 P<0.01, Evaluation of Training beta valu.098. This indicted that training need assessment and Training Delivery has strong effect on the performance of employees in the bank.

From the regression table the beta valu suggestes that

- A unit increment in training need assessment creates 34.4 percent imporvemnt in employee performance there for working on need assessment leades to an improvement in need assessment.
- A unit change in training designe creates 11.5 percent improvement in employee perfoamance
- A unit change in training delivery method creates 40.1 percent improvement in employee performance.
- > A unit change in evalution of traning in berhan bank leaders an improvement of

perfomnace 9.8 percent.

Generally dentify the skills that employees need to do their jobs, identify gaps between where they are and what they need, and focus training on resolving the gaps. Always start with job tasks and work backwards to be sure the training is targeted to improving necessary job skills.

A study one by Abdullah K., (2015) provides the cognitive support for developing employee's performance level at optimized level through consciousness towards applied approach and unrealistic ideas. The diligence of the research is to present the factors that help to perfrom the employees to perform their job well. The study identifies the strong relationship among the defined factors that enhance the employee's motivation level in banking sector.

#### **CHAPTER FIVE**

#### 5. CONCLUSION AND RECOMMENDATION

#### **5.1 Conclusion**

The finding is presented in three way thus are demographic, descriptive and inferential analysis

- The main emphasis of the research was to investigate the effect of training on employee performance: in case of Berhan bank s.c Addis Ababa catchment area. Primary data was collected from the employees of the bank using questionnaire and secondary data was collected through reviewing, journals, articles, books and the bank human resource policy, procedure and annual reports of employee management.
- The most common training practices in Brehan bank was induction and lectures, because those variables were having high mean value. In addition to this, In-service training, Special training and Refresher training were employed in the bank.
- The mean score of training mean need assessment in Berhan bank is 3.6 with standard deviation 1.6. Training needs were identified by comparing employee's actual performance with the desired performance and identified by comparing employee's current abilities with the new requirements of work and the objectives of the training were relatively clear. In more general terms there is training gap analysis in the bank but there is also low attention from bank management, insufficient and inconsistent time, no inclusion of new job roles but repetitive in content of training.
- The mean score of training design in Berhan bank is 3.2 and standard devotion is 1.1. the practice of design were not aggressively designed, before the training, employee's motivation and basic skills were not ensured to master the training content, even instructional strategies of the training were not highly appropriate.
- The mean score of training delivery in Berhan bank is 3.7 and its standard deviation 1.1. The training delivery method was appropriate to the training objective, The training room was properly organized, comfortable and appropriate for the training delivery, The training was conducted as it is scheduled. In open ended participates revealed the existence of employee and management involve to set goals. In addition to this bank has a training hall at head office and that hall is full of use visual aids

- The mean score of training evaluation is 3.3 and standard deviation is 1.0. This modest mean indicated that Interview with or a questionnaire to employee was conducted to know there reaction levels whether they liked the training, the trainer, and facilities but Evaluation were not conducted to know whether the employee gotten more knowledge than they have before.
- In case of inferential analysis, all independent variables have significant correlation, training need assessment (r=.444\*\*p<0.01), training design(r=.312\*\*p<0.01)</li>
   Training Delivery (r= .518\*\*) and Evaluation of Training (r= .197\*\*). Training delivery and need assessment are having strong and significant correlation with the dependent variable employee performance.
- R-square indicates that 41.6% of variation on employee performance is explained Evaluation of Training, training need assessment, training design, Training Delivery. Training need assessment has a b value .344 (p<0.05), training design beta value .115 p<00, Training Delivery beta value .401 P<0.01, Evaluation of Training beta valu.098. This indicted that training need as
- For training to be successful, learners must be ready and able to learn. Before training, Berhan Bank did not ensure the employees' readiness for the training. But, it had good practice in considering instructional strategies and training transfer of the training design elements. The key to successful training is to choose a method that would best to accomplish the objective of the training. In this regard, the organization selected appropriate method to conduct training. In addition, the coordination, administration and keeping the schedule of the training program was acceptable by employees. It is necessary to identify the training program's strengths and weaknesses. This includes determining whether the program is meeting the learning objectives, the quality of the learning environment, and whether transfer of training to the job is occurring. As findings revealed, training evaluation was not conducted at reaction, learning and behavioral level of evaluation.

#### **5.2. Recommendation**

- In today's world, the banks in which they operate must contend with an ever-changing environment. Herefor the berhan bank mangers should traing employees because It is critical to provide employees with training in order for them to cope with new difficulties and changes. Without efficient training procedures, a considerable amount of money, time, and effort is wasted when it comes to investing in training. Generaly the need assessment should re organized in a new way.
- It is well established that human resources process is critical to achieving Berhan Bank objectives. However, in order to be useful to them, trainers must be competent and efficient in all of their jobs. As a result, in order to have productive employees, bank managers should regard training since one of the most important actions in attaining organizational goals, as training has a large and beneficial effect on employee performance.
- Since the four phases of a systematic approach to establishing training programs (training needs assessment, training design, training delivery, and training evaluation) have a favorable relationship with employee performance in Berhan Bank. To achieve a positive effect in its employees' performance, Berhan Bank hould adopt a systematic training program design approach that begins with a training needs assessment and finishes with a training evaluation.
- In Berhan Bank, the study discovered issues during the phases of training needs assessment, training design, and training evaluation. As a result, before implementing training programs, mangers must do a comprehensive training needs assessment at the person level, comparing actual employee performance to intended performance, or at the task level, comparing present employee abilities to future job requirements.
- It is beneficial to ensure employee preparation for training in order to have successful training. As a result, while establishing a training program, the bank must consider gap of employees.
- Mangers must consider training evaluation as an integral part of the overall training program and evaluate its training efforts at the reaction, learning, and behavioral levels of evaluation by conducting interviews with or administering questionnaires to the trainees, test etc

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## **Appendixes**



## ST. MARRY UNIVERSITY SCHOOL OF POST GRADUATE DEPARTMENT OF BUSSINES ADMINISTRATION

## Dear Respondents!

The main objective of this questionnaire is to gather your opinion regarding the effect of training on employee performance: in case of Berhan bank s.c Addis Ababa catchment area. The data and opinion gathered will be used for St. Marry University School of Post Graduate in Partial Fulfillment for the Degree of Masters of Business Administration. Your faithful and quick response will make the research fruitful. The information you provide will be kept confidential. Thank you in advance for your collaboration. If you have problems in completing this form, please do not hesitate to contact in the following address.

Chaltu Damena Mobi: +251 91 938 4226

## Part I: General Information of Respondents

Note✓ No Need of Writing Your Name✓ Circle your answer1) Gender: A. MaleB. Female2) Age: A. Below 25 yearsB.25-30 yearsC.31-36 yearsD.37-42 yearsE.43- 48 yearsF. above 48 years3) Educational Qualification:

A. Certificate	B. Diploma
C. First Degree	D. Second Degree and above

# **PART II:** Specific Questions about the the effect of training on employee performance: in case of Berhan bank s.c Addis Ababa catchment area

Note:

- ✓ Questions are designed to ask your level of agreement on the raised point. You expect to choose from the given alternatives where the acronyms are explained below.
  - SDA =strongly disagree
  - DA = disagree
  - M= Modest
  - A = Agree
  - SA = Strongly Agree

No	Statements	SDA	DA	Μ	Α	SA
	Types of Training					
1	Orientation/Induction training is well planned in the bank					
2	Job Rotation is common in the bank					
3	Job Instruction is practised in the bank					
4	There is enough Off the job training in the bank.					
5	The lecture training programs are designed at level of					
	abilities and education of employees					
	Training Need Assessment					
1	Training needs were identified by comparing your actual					
	performance with the desired performance					
2	Training needs were identified by comparing your current					
	abilities with the new requirements of work					
3	The objectives of the training were clear					
4	There is training gap analysis in the bank					
	Training Design					
1	Before the training, your motivation and basic skills were					
	ensured to master the training content					
2	Instructional strategies of the training were appropriate					
3	The training content was related to the training objective					
4	The training was designed in order to use on the job what					
	knowledge and information that you have learned in the					
	training					
5	Supervisor support of the training was available to					
	transfer new knowledge, skills and behaviours on the job					
	Training Delivery					
1	The training delivery method was appropriate to the					
	training objective					
2	The training room was properly organized, comfortable					

	and appropriate for the training delivery.			
3	The training was conducted as it is scheduled			
	Evaluation of Training			
1	Interview with or a questionnaire to you was conducted to			
	know your reaction levels whether you liked the training,			
	the trainer, and facilities			
2	Evaluation was conducted to know whether you have			
	gotten more knowledge than you have before			
3	Your job performance was observed in order to know the			
	effect of training on job performance			
	Employee Performance			
1	Employee was delivered the result in short period of time			
2	Employee improved his/her output.			
3	Customer satisfaction was increased due to employee			
	activity			
4	Employee increased his/her performance			
5	Employee increased his/her commitiment due to training.			

## Part Three: Open Ended Questions

- 1. How training need assessment is conducted in the bank
- 2. How is Training Design is done in the bank
- 3. How is training evaluated in the bank?

\_\_\_\_\_

4. How do you evaluate the effect of training on employee performance in the bank?

\_\_\_\_\_

\_\_\_\_\_

Thank You in Advance!