

# St. Mary's University College School of Graduate Studies

# ASSESMENT OF EMPLOYEE TRAINING PRACTICES AT ANBESSA SHOE FACTORY IN ADDIS ABABA - ETHIOPIA

BY WOLELA WOLDEGEBRIEL

> FEBRUARY, 2013 ADDIS ABABA, ETHIOPIA

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

FEBRUARY, 2013 ADDIS ABABA, ETHIOPIA

# ST. MARY'S UNIVERSITY COLLEGE SCHOOL OF GRADUATE STUDIES FACULTY OF BUSINESS

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# **DECLARATION**

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

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February, 2013

# **ENDORSEMENT**

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

# LIST OF ABBREVATIONS

ASF Anbessa Shoe Factory

OJT On-The-Job Training

HR Human Resource

HRD Human Resource Development

IOL International Labor Organization

T & D Training and Development

ICT Information and Communication Technology

TNA Training Need Assessment

# **ACKNOWLEDGEMENTS**

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# **ABSTRACT**

The objective of this study is to assess the training practice of ASF. The concern is how many of the employees within the respective production departments get series of effective trainings that would help increase their technical capacity. The paper provides a review of the current training practice and offers suggestions for further investigation. An extensive review of the literature in terms of research findings from studies that have been trying to measure and understand the impacts that individual HR practices like training have on employee productivity across various sectors. Data was collected through stratified random sampling. A questionnaire was designed using structured questions to collect primary data from employees of ASF. Personal interviews were held with HRM management staff of the organization. 64 questionnaires were distributed but Data is collected from the 53 staff members of ASF. The results indicated that Most of the employees were of the view that training was effective tools for both personal and organizational success. Since, the training program designed in ASF is not based on the requirement of the job; most of employees were motivated but not satisfied to do their job. The findings also revealed that training practices, methods and activities at ASF are not in line with the best practices regarding the planned and systematic nature of the training process as is generally known. And it was recommended that the factory should introduce more training programs annually and it must be systematic and aimed at producing changes in behavior on the job. Additionally, training must be provided to each newly hired employee before that employee can work in a risk environment. The study concluded that for a better and higher effectiveness, possible changes should be made in the future. This will have a benefit both for the employees and the organization.

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#### CHAPTER 1

#### INTRODUCTION

Background on the area of study has been discussed in this chapter. An overview of the footwear industry in Ethiopia in general and particularly on Anbessa Shoe Factory is also presented. Anbessa Shoe Factory's vision, mission, value is examined. A brief discussion on statement of the problem, objectives, significance, scope and limitations of the study, definition of terms and organization of the research paper are also provided.

# 1.1 Background of the Study

The ultimate objective of a business is to minimize costs and maximize profit under any standard or measurements. The mission of big investments including those in the manufacturing sector is to pursue long-term profit. In every business undertakings there are inputs required to start off and move forward. These include human, financial and material resources. The successful intervention in this regard depends on the quality of management and performance of non-managerial employees with a shared vision for a common goal.

The effect on employee development in the smooth function of the business especially higher productivity is of paramount importance to gear towards the ultimate end of the company. It is stressed that organizations must manage resources mainly money, equipment, information and people where investment in training and development of employees mutually reinforces for effective jobs and increased productivity (Applied Human Resource Management: Training and Developing Employees). Employee training such as skill development trainings, on job training as well as experience sharing is the key factor in the success of the business organization.

It is expected that industrial development need to offer plenty of employment opportunities to the poor from the perspective of poverty reduction (Sonobe, et al, 2006). At the same time this implies that industrial development and expansion is positively correlated with well equipped productive workforce. Despite the fact that many other factors play a key role in the success of a business organization, it is extremely dependent on its human resources filled with effective, financially solvent and competitive employees (Shelton, 2001). Without manpower the business cannot

operate in any way. The human component is the organization is the key and valuable resource for an organization to succeed in doing lucrative business that determines its ultimate goal. The nominal availability and/or the collection or mob of people cannot suffice to guarantee for the success of the organization. At the same time, what matters is the technical quality and fitness of employees in every production process. This requires series improvement of employee performance including training, support, effective communication and motivation. This is an important precondition to be overseeing for an organization to be able to competitive in the technologically advancing global markets. In due course the survival of an organization implies the prosecutions of sustainable competitive advantages within the framework high performance, competitiveness and advancement of the knowledge and skills level of employees. Even if the amount, quality and quantity of employee development carried out vary enormously from organization to organization, the training and development of employees is an issue that has to be faced by every organization (Laing 2009)

It is a fact that Ethiopia is the poorest country in the world with its economy has so far dependent on traditional agriculture. The trade sector has been characterized by raw material export, including such as coffee, hide and skins. At the same time, there have been so many imports of finished products such as footwear for local consumption. The government has been making efforts to discourage imports of finished materials and raw materials exports, and encouraging exports of processed with value added products. Creating conducive environment mainly in manufacturing investment be it domestic or foreign is the priority task by the government of Ethiopia. Observations show that there has been increasing involvement of manufacturing companies in Ethiopia to do business. Among the involvements are the investments in footwear manufacturing sector. As stated so far, these manufacturing industries created job opportunities for so many Ethiopians, developing their competence of which meets the set objectives by the companies in particular and the expected demand by the country in general.

The leather footwear sub-sector accounts for 72% of all leather & leather products enterprises in Ethiopia. The leather footwear sub-sector is dominated by traditional crafts shops, micro and small-scale enterprises. Apart from the traditional crafts, which are geographically distributed all over the country, the rest are geographically concentrated in towns and big cities (Tegene and Tilahun 2009). Anbessa shoe factory is one of the oldest shoe companies in the country, and is considered by locals as

landmark factories in Ethiopia. Anbessa Shoe Share Company engages in the production and distribution of shoes for gents, ladies, children, and handicaps. It offers leather shoe uppers, finished leather footwear, leather articles, workers shoes, civilian shoes, and military shoes. The company serves Italy, Germany, Sweden, and North America markets, as well as African countries. Anbessa Shoe Share Company was formerly known as Darmar Shoe Factory. The company was founded in 1939 and is based in Addis Ababa, Ethiopia with retail locations in Addis Ababa, Arada, Lidetta, Kirkos, Woreda, Kebele, Bahirdar, Gonder, Jimma, Nekemet, Diredawa, Hawassa, and Nazret. Known for its fine leather shoes and articles, the company is engaged not only in production, but in distribution as well. Using their qualified employees and current technology, to become the premier company which produces and export the first choice leather and leather product is a vision of the factory. The factory also has its own mission which is producing quality leather and leather product and selling them in local market as well as international market to make the owner profitable and globally competent in its products and services thus in return it allows the employee safety. Efficient use of time management, quality product, transparency & accountability ,good governance, independence, commitment to excellence Service, fairness, moral & ethical integrity, use new technology are values of the factory.

This study intends to investigate the practice of employee training at Anbesa Shoe factory and also to verify whether there is an existence of any established training system, and its impact on worker performance.

#### 1.2 Statement of the Problem

As a matter of necessity and of course requirement for competitive performance in any business organization, the availability of sufficient, competent, effective and efficient human recourses are extremely important. There is a strong correlation among revenue, productivity and employee development. There are quite a number of footwear manufacturing industries operating in Ethiopia. Such manufacturing companies in Ethiopia believe the importance of employee development through training and induction to enhance their productivity.

The footwear manufacturing industries stress that employee development is one of their major human resource development strategies for sustainable productivity and technology transfer. The manufacturing industries allocate and spend resources in the

training of employees. However, it is not clear how many of the employees within the respective production departments get series of effective trainings that would help increase their technical capacity. The other problem is how much of the organizations are effective in expending resources in meeting the intended purpose. The third concern here is that it is not enough to train employee capacity but trend analysis is expected to be conducted to identify the appropriateness thereby measuring production level before and after the intervention. Then again the manufacturing industries are expected to be effective from the expenditure they invest for training in a win-win situation. Employee training has a positive effect on productivity that makes manufacturing industries effective.

This research was carried out to analyze the situation of employee development through trainings at Anbessa Shoe Factory in Addis Ababa. Possible solutions have been provided to the following basic questions.

- 1. What are the training policies and practices at ASF?
- 2. How do employees describe their satisfaction on trainings received?
- 3. What are the factors that respondents identify as those that have played great roles on job performance and productivity?
- 4. What are the links between employee training and organizational effectiveness recognized by respondents?
- 5. What do employees say about the level of investment by the shoe factory on trainings and towards meeting its objectives?

# 1.3 Objectives of the Study

This study has general and specific objectives as discussed below.

# 1.3.1 General Objective

The general objective of the study is to assess the training practices of ASF.

## 1.3.2 Specific Objectives

The followings are specific objectives of the study:

- 1. To show the training practices and training methods of the factory.
- 2. To describe any existing measurement models on training practice of the factory.
- 3. To learn about employee thoughts on the factory level of investment on trainings towards meeting set objective
- 4. To explore the employee attitude on their training experience and the role it played on the attainment of organizational objectives.
- 5. To identify links between employee training and organizational effectiveness.

# 1.4 Significance of the Study

As stated elsewhere in this research investigation, the number of footwear manufacturing industries operating in Ethiopia is increasing. The reason for the flourishing number of such industries is in turn associated with the favourable conditions created in the country as well as to make use of the fruits of cheap labour. Now it is time to deal with the strategy the footwear manufacturers brought in the development of employee capacity as a stepping stone for the formulation of efficient and effective commitment mechanism; to ensure the needs of employees as contemplated in the organizational effectiveness. We have to search and research the level to which these industries strategize for the effective development of their employees in an attempt to increase productivity.

Accordingly, this study is hopeful to give us some insight into the practice of employee development in the engagement to pursue their intention in these very competitive markets in the globalize world. The outcomes of the research will further serve as an input for business organizations to develop and/or re-examine their human resource management strategy with particular relevance to employee development as a key success factor for productivity. The findings of the study enable the industries under study to look themselves in detail and identify gaps with possible remedies to strengthen

the performance of their employees. It can also serve as an input for those who want to do further research in the area.

# 1.5 Scope of the Study

The scope of the study has covered the training practice and its impact on workers performance at Anbessa Shoe Factory situated in Addis Ababa at head office. Moreover, the focus of the study was delineated to the training practices of the factory to the side with the concerned employees and managers. Athough assessment of other human resource programs are equally important; this research limits itself only the training part due to time and resource constraints. Accordingly the analysis and conclusions will be based on this component.

## 1.6 Limitation of the Study

The study was limited to the employee training component of the human resource management field and the employee development part was not addressed in this study due to time and resource constraints. In addition to the above limitation, lack of access to the right data as well as lack of up-to- date literature to conduct the study were among the various problems encountered by the researcher during her study.

# 1.7 Definition of Key Terms

**Human Capital:** Dessler, (2003) define human capital as "The knowledge, education, training, skill and expertise of a firm's workers"

**Human Resource:** People who work in an organization (Mejia, 2001)

**Human Resource Development:** A major HRM function that consists not only of T&D but also individual career planning and development activities and performance appraisal (Mondy, 1990)

**Human Resource Strategy:** A firm's deliberate use of human resources to help it gain or maintain an edge against its competitor in the market place (G. Mejia, 2001)

**Human Resource Management (HRM):** Activities an organization conducts to use its human resources effectively (Hill, 2000)

**Employee Training:** The researcher defines training as: series of skill development trainings offered to employees by the factory to improve the quality of production.

**Footwear Industries:** The researcher defines Footwear Industries as: manufacturing industries which are operating in Ethiopia and making footwear products for local and international markets.

**Productivity:** The researcher defines productivity as: the degree of the factory performance to enhance the quantity and quality of footwear products those are competitive in markets.

# 1.8 Organization of the Research Paper

This research paper is divided in to five chapters. Chapter 1 introduces the research with a view to provide background to the study and statement of the problem. It sets out objectives, significant, scope and limitation of the study, definition of terms and organization of the entire paper. Chapter 2 discusses the key concepts that are used in the paper to place the problem in a broader perspective of literature. Chapter 3 concentrates on the research methodology adopted for the study and relevant justifications. It outlines the methodology for carrying out the secondary and primary data collections and how results were analyzed. Chapter 4 presents the findings and analysis. Chapter 5 summarizes the main findings in the conclusion part and gives recommendations to assist the factory in the future

### **CHAPTER 2**

#### LITERATURE REVIEW

In this Chapter, literature review is discussed in detail. Section 2.1 gives an overview of definition and concept of training. Section 2.2 discusses training and human resource development. 2.3 and 2.4 review benefits of training and employee training on organizational effectiveness, respectively. Section 2.5 discusses the types of training whereas principles of training are examined in section 2.6. Finally, methods and processes of training are presented under section 2.7 of this chapter.

# 2.1 Definition and Concept of Training

For quite some time, activities related to training and development were the main functions of Human Resources divisions. Few people these days would argue against the importance of training as a major influence on the success of an organization. Employees are a crucial, but expensive resource. According to Rosemary Harrison (2005), in the field of human resource management training and development is the field which is concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including human resource development, and learning and development.

Trainings today have become an integral part of any company's operations. The need of the hour has rightly forced all enterprises to make this happen so that an adequate supply of personnel becomes available for survival, progress and growth. Since competition is increasing and technology accelerating, there is shortage of adequately educated and trained manpower. In some industry sectors, there is even a shortage of manpower. Not even unskilled workers with the potential of becoming productive employees are available in today's market. (Ghosh and Kumar 1991).

Different authors have defined the term training using their own words. According to Manpower Service Commission (1981) Glossary of Training Terms, defines training as:

"...a planned process to modify attitude, knowledge or skill behavior through learning experience to achieve effective performance in an activity or a range of activities. Its purpose in the work situation is to develop the ability of individual and to satisfy the current and future needs of the organization."

Training is a learning process whereby people acquire skills or knowledge to aid in the achievement of goals. Because learning processes are tied to a variety of organizational purposes, training can be viewed either narrowly or broadly. In a limited sense, training provides employees with specific, identifiable knowledge and skills for use on their present jobs (Mathis and Jackson: 1994).

Training is designed to provide learners with the knowledge and skills needed for their present jobs. Showing a worker how to operate, a supervisor how to schedule daily production are examples of training according to Mondy, Noe and Premeaux (2002).

Gomez- Mejia, Balkin and Cardy (2001) also defined training as it typically focuses on providing employees with specific skills or helping those correct deficiencies in their performance. Generally, although training seeks to help employees do their present job, the benefits of training may extend throughout a person's entire career in helping individuals develop for future responsibilities.

# 2.2 Training and Human Resource Development

Human resource management is the utilization of individuals to achieve organizational objectives. Basically, managers get things done through the efforts of others; this requires an effective human resource management (Mondy, Noe and Premeaux, 2002). HRD is a major HRM function that consists not only of training and development but also individual career planning and development activities and performance appraisal, an activity that emphasized training and development. Training is designed to provide learners with the knowledge and skills needed for their present job (Mondy,Noe and Premeaux, 2002).

The concept of knowledge management and management of human resources, especially the functions of employee training within the learning organization, are engaged with the basic resource of modern business, i.e. with knowledge and its utilization.

The human resource or personnel department is responsible to undertake the functions of upgrading skills and knowledge of employees and this is done through training, educating and developing skills and knowledge (Mathis and Jackson, 1994).

# 2.3 Benefits of Training

Training is one of the most important potential motivators which can lead to many possible benefits for both individuals and the organization. Many assert that training of employees in an organization is one of the main functions of human resource management. According to Arthur and Bennett (2003), for instance, "training is one of the most pervasive methods for enhancing the productivity of individuals and communicating organizational goals to new personnel." This it to say, human resource capital is the engine of productivity, higher competitiveness and economic growth. The quality of skilled manpower determines the levels of efficiency, effectiveness and success of an organization towards its mission.

It is generally agreed that sustainable economic growth and effective performance will be achieved through optimizing the skillful contribution of employees towards the achievement of the mission, goals and objectives of business organizations. Danziger and Dunkle (2005), in their empirical survey of American workers to identify suitable methods of training in the workplace, confirmed that "virtually all modern organizations accept that a well-trained workforce is a critical success factor." Accordingly, in a changing world, as rapid technological advancement affects the productivity and competitiveness of an organization, the purpose of training improves and enhances knowledge, attitude, behavior and skill of the workforce. There are a number of benefits training can offer to an organization and also to target employees, such as those identified by Cole (2002). These are:

- High morale employees who receive training have increased confidence and motivation:
- Lower cost of production training eliminates risks because trained personnel are able to make better and economic use of material and equipment thereby reducing and avoiding waste;
- Lower turnover training brings a sense of security at the workplace which reduces labor turnover and absenteeism is avoided;
- Change management training helps to manage change by increasing the understanding and involvement of employees in the change process and also provides the skills and abilities needed to adjust to new situations;

- Provide recognition, enhanced responsibility and the possibility of increased pay and promotion;
- Give a feeling of personal satisfaction and achievement, and broaden opportunities for career progression; and
- Help to improve the availability and quality of staff.

Moreover, according to the ILO report no. 5, 2008, training is a vital component of improved productivity where productivity is a function of the relationship between outputs and inputs measured in terms of, among others, the following.

- Labor productivity and productivity of individuals including employment rate, stability of employment, job satisfaction, and employability across jobs or industries through new skills learned on or off the job influences the level and growth of productivity.
- Skill development and other investment in human capital are among the factors for productivity growth and
- Other sets of factors and policies necessary for productivity growth are insufficient for productivity growth without incorporating skill development as an integral part of broader development policies.
- Since skills are critical in the structural adjustment of economies workers and enterprises must be able to learn new technical, entrepreneurial, and social skills.

Employee development in general and employee training in particular are very important for employees, which indicate the care an organization provides in order to develop its employees' skill and knowledge (Elena 2000 in Hamid and Wahid, 2011). Hamid et al (2011) reinforce the idea that when organizations are investing in employee development they are contributing towards the employee development activities, which in turn motivates the employees to work hard, utilize their full skills and efforts to achieve the goals of organizations. Tees, et al (1987) stressed that training is one of the most important strategies of management for reaching organizational goals in that it upgrades organizational skills needed to overcome gaps in performance, and can bring back savings to an organization that are many times more valuable than the cost of the training itself.

# 2.4 Linkage between Employee Training and Productivity

Obliviously, the ultimate aim of an organization is to earn revenue and maximize profit and there are inescapable links between employee training and level of productivity. Increased productivity and competitive advantage remains ambitious without exerting maximum effort in getting skilled and empowered human capital. According to Singh and Mohanty (2012) there are cyclical relationships (as shown in figure below) among training, employee, productivity and revenue. In an attempt to increase productivity, the correlative duty of an organization is to strengthen the human capital through training without which objectives fail to be achieved.

Revenue Employee Productivity

Figure 2.1 Relationship Cycle

Source: Inter science Management Review (IMR)

The detail of the above relationship cycle provides that training and productivity is directly connected with employee performance. Employee performance depends on an organizations commitment to invest to providing comprehensive training in problem solving, decision making, teamwork and interpersonal relations. Furthermore, Hameed and Waheed (2011) reinforce the positive correlation between employee development and employee performance for organizational effectiveness to become competitive in their model presented below (with some self modification).

Figure 2.2 Factors affecting the link between employee performance and organizational effectiveness



Accordingly, skills, attitude, knowledge, innovation and creativity are fundamentals of employee training that correlate with the increase performance or otherwise in organizational productivity. When a need arises for an individual employee to attend training, the need would lead to employee development, and employee development would lead to increased employee performance (Singh and Mohanty, 2012).

#### 2.5 Employee Training on Organizational Effectiveness

The management of people at work is one of the primary keys to organizational success (Mejia,Balkin and Cardy). In an organization, employees must receive training to perform their jobs and to grow in their knowledge, skills, and abilities. Training provides employees with opportunities to learn new skills. The organization thus develops its internal talent for the future. Training has both current and future implications for the success of organizations. Employers also are aware that the training or retraining of individuals for the jobs of the future may determine the success of many firms around the world. Many types of trainings exist, including job-skill training, supervisory training, management development, and employee development to name a few.

Changing pattern in many occupations and industries requires better educated and trained workers. But the educational performance of those recently entering the workforce generally is deficient when compared with that of many other developed countries. Technology shifts and computerization also require continual training and updating of employees in many organizations.

Employers should evaluate results by measuring the effect of training on the achievement of organizational objectives. The results are productivity, turnover, quality, time, sales and costs. Generally, the effectiveness and success of an organization therefore lies on the people who form and work within the organization.

# 2.6 Principles of Training

According to N.G. Nair and Latha Nair (2004), the followings are some of the principles of trainings which are of universal application.

- 1. Training plan: Training must be well planned, predesigned and ably executed. Effective implementation depends to a great extent on planning.
- 2. Organizational Objectives: T & D program must meet objectives of the organization.
- 3. Equity and Fairness: All employees must enjoy equal opportunity to drive benefit out of such training and must have equal chance to undergo such trainings.
- 4. Appropriateness: Training must be appropriate to suit the needs of organization as well as individuals.
- 5. Application Specific: Training content is balanced between theory and practice. It must be "application specific".
- 6. Upgrading information: T & D program should be continuously reviewed at periodic intervals in order to make them up-to-date in terms of knowledge and skill.
- 7. Top Management support: Top management support is essential to make T & D effective.
- 8. Centralization: For economy of effort, uniformity and efficiency, a centralized training department is found more common and useful.
- 9. Motivation: T & D must have motivational aspect like increment, promotion, pay, certificate, etc.

# 2.7 The Training Process

Trainings are not as effective in serving an organization's goal without prior assessment, identification, prioritization, organization, presentation and evaluation of the training needs, processes as well as outcomes. As Miller et al, (2002) rightly put "designing a training and development program involves a sequence of steps that can be grouped into five phases: needs assessment, instructional objectives, select training methods, implementation and evaluation." The following sub-sections provide brief overview literature regarding the methods of the training process.

# 2.7.1 Assessment of Training Needs

In an effort to conduct employee training, needs assessment shall be the first step the human resource management department of an organization has to carry out. Training needs assessment is a "process of collecting information about an expressed or implied organizational need that could be met by conducting training" (Barbazette, 2006: in Cekada 2011). As discussed so far, training policies function to systematically analyze training gaps in the realm of an organization's effectiveness in productivity and efficient utilization of resources. Available literature on this point portray that to be effective, being critical activity, training decisions need to be based on a consistent flow of reliable information about the quality of performance and productivity, which entail assessing training needs to identify gaps between the needs and current skills in various parts of an organization (Tees, et al, 1987; Mendell and Hamsley, 2007; Miller, et al, 2002).

The training needs assessment phase requires setting of objectives to justify expenditure and return on outcome. In this phase, i.e. ahead of any actual training intervention, the who, what, when, where, why and how of training must be determined by the management thereby analyzing information gathered pertinent to goals and objectives of an organization, jobs and related tasks that need to be learned, competencies and skills that are needed to perform the job including individuals who are to be trained (Miller, et al, 2002). Apparently needs assessment involves the identification of a gap between the existing capacity and the needed capacity during the course of operations of a business organization. If, for example, the difference between the current employee capacities is less than the required, the training manager is in urgency to critically analyze the cost benefit ratio and assess the specific training fields required to be filled to ensure the needed performance with the desired competencies and skills. Hence, it can be inferred

from the aforementioned literature that training needs assessment (TNA) is a function of the actual practices and expectations of an organization (PE), the current and desired job performance (CDP) and existing and desired competencies and skills (EDCS) as well as the needed capacity (NC).

Once again, Miller, et al (2002); Arthur and Bennett (2003) identified the following three levels of needs assessment.

- 1. Organizational Analysis: Looks at the effectiveness of the organization and finds out which organizational goals can be attained through employee training, where it is needed and under what conditions it will be conducted. It requires the management to gather information from all relevant sources such as from the profile of the organization, strategic plans, reports, audits, and the like. Organizational analysis should identify the impact of internal (strength, weakness, opportunities and challenges) as well as external (political, legal, economic, and technological) environments.
- 2. Task Analysis: Looks into what must the trainees learn in order to perform the job effectively including what the training will cover. Task analysis provides data about a job and the knowledge, skills, attitudes and abilities needed to achieve optimum performance. Sources of data collection at this level include job description, analysis of knowledge, skill, attitude and abilities, performance standards, job observations, job performance, job inventory questionnaire, review literature about the job, asking questions about the job and analysis of operating problems.
- 3. Individual/Person Analysis: Analyzes how well the individual employee is doing and determines which employees need training and the kind of training needed and/or for what. Sources of information for needs assessment at the individual level include performance evaluation, performance problems, observation, work samples, interviews, questionnaires, attitude surveys and up-to-date checklists or training progress charts.

Thus, obtaining and analyzing the right information is a critical factor for the success of needs assessment as the starting point in employee training. Experts in this area affirm that an adequate training program depends upon securing reliable data as a basis for answering persistent questions of who is to be trained, in what are they to be trained, by whom are they to be trained, how are they to be trained, and how are the results of trainings to be evaluated (McGehee and Thayer in Tees et al, 1987).

Tees et al (1987) in a manual developed for a systematic approach to training needs assessment outlined the following five-step process of a training needs assessment, which will produce a substantial amount of information about organizational performances and will furnish the manager with a guidance system for identifying needs that call for training solutions and for choosing the most suitable training remedy."

## Step 1 - Management sanction and preparation

The training needs assessment process begins when a decision is made by management to sanction the use of systematic needs assessment in locating appropriate targets for training. If training needs assessment is new to an organization, it may be necessary to appoint and train staff or to engage competent outside assistance. Strong management support is required to give credibility to assessment activities in the eyes of organizational units affected.

#### Step 2 - Scanning the work situation

Performance discrepancies exist at every organizational level. Some discrepancies exist or develop when employees do not know how to perform their duties correctly or do not wish to do so. Other discrepancies come into existence as the consequence of starting new programs, hiring new people or installing new facilities and equipment. The nature and extent of discrepancies in performance within a human settlements organization can be identified by continuous scanning - studying records and reports produced by or about the organization, observing job performance directly and asking questions to verify facts and opinions obtained through other means.

#### Step 3 - Focusing on discrepancies and needs

Performance discrepancies vary in nature and can affect an organization in different ways. Some are serious and can be damaging if not corrected. Others are less serious but can, nevertheless, affect the work of many employees. Still

others may not be serious enough to require corrective action. Focusing is an analytical activity that helps to direct management attention to the most important discrepancies. In addition, through focusing, discrepancies that exist because employees do not have the knowledge or skill to perform correctly (training needs) can be separated from discrepancies that exist for other reasons (non-training needs).

## Step 4 - Planning for implementation

Identifying and formulating proposals for meeting an organization's training needs requires careful planning. There are many resources available to the organization to train its employees, both from within the organization and from outside. A strategy for using the resources available must be developed to meet each identified training need. Priorities must be assigned to the various strategies based on criteria of potential impact, cost, feasibility and timing for consistency with the organization's requirements.

#### Step 5 - Reporting to management

The final step in a training needs assessment is to prepare a written report to management. The report must contain enough detail to support a decision by management on each training proposal. Report contents should include background information on each training need and a description of desired performance levels. In addition, report content should include strategies for using training to achieve or restore performance to the desired level, priority rankings and an assortment of facts about each strategy. A worksheet for management use in reporting action on each strategy may be provided in the report. The needs assessment process ends when a decision is made by management to implement suggested training."

In order to get to the right solution to workplace problems, and of course problems that limit productivity, training needs assessment must be conducted with an ongoing process of gathering data to determine what training needs exist so that trainings can be developed to help an organization achieve its goals and objectives (Cekada 2011). Indeed, training needs assessment is of paramount importance to analyze the current performance of an organization that will enable the management to identify and prioritize the type and strategy for adequate training to its employees.

## 2.7.2 Determining Training Objective

After these analyses have been done, it is easier for the training objectives to be established and also to know what the learners must be able to do after the training program. An objective is a specific outcome that the training or the development program is intended to achieve (Scarpello and Ledvinka, 1988). In most cases, training and development objectives are set for the trainees. These objectives define the performance that the trainee should be able to exhibit after training (Scarpello and Ledvinka, 1988).

One of the things to consider in designing a training program is what the program is to accomplish. In other words a training program cannot be designed until what that program is to accomplish is known. It is imperative for organizations to realize that in designing a training program it is equally important to consider what the trainees should know or be able to do after the training is complete. Training objectives should however be attainable and measurable.

# 2.7.3 Select Training Methods

There are various types of training that an organization may adopt depending on the main objectives of training. The selection of method for training need to be based on identified training needs, training objectives, an understanding on the part of the trainees, the resources available and an awareness of learning principles. The most popular training and development method used by organizations can be classified as either on-the-job or off-the-job (DeCauza et al,1996). According to DeCauza et al, there are a variety of training approaches that managers can use and these include:

# **On-the-job Training**

This is the most widely used training method, as in comparison, on-the-job method of training is simple and less costly to operate. Observing this method critically, the training places the employee in actual work situations and makes them appear to be immediately productive. Here, there is a close collaboration between trainer and learner. There are three common methods that are used in on-the-job training and these are; learning by doing, mentoring and shadowing and job rotation.

**Learning by doing:** this is a very popular method of teaching new skills and methods to employees. Here the now employee observes a senior experienced worker and learns what to do. It is the method of using a senior or experienced worker who has been trained in instruction or training method and whose teaching skills are coordinated with a developed program linked to off-the-job courses.

**Mentoring:** this is another version of the system whereby a senior or experienced employee takes charge of the training and development of a new employee. This suggests a much closer association than master/apprentice and elements of a father/son relationship can exist whereby the mentor acts as an advisor and protector to the trainee.

Shadowing and job rotation: this usually aims to give trainee managers a feel for the organization by giving them the experience of working in different departments. Trainees must be encouraged to feel it is not time wasting and people in the various departments in which they are temporarily working must feel a commitment and involvement in the training if it is to work. Unfortunately, trainees are not usually welcomed and are seen by supervisors and workers in the department as obstacles to the daily routines. Job rotation is another version of training help relieve boredom and thereby raise the productivity of shop floor workers. It is a management technique used to rotate incumbents from job to job or from department to department or from one plant to another in different geographical areas.

The researcher believes that on-the-job method of training has a setback. A critical review of the method reveals that, although employees learn doing the job, their productivity tends to be low because they do not have the skills and knowledge needed to be effective and efficient. In an on-the-job training method, the emphasis is more on the acquisition of specific, local knowledge in a real situation. Unlike on-the-job method, off-the-job method emphasizes developing an understanding of general principles providing background knowledge and generating an awareness of comparative ideas and practices.

#### Common group training methods include:

#### • Lecture and course – Based Training

This type of training is conducted in classroom environment or on line. The classroom version provides the trainee with an easy way to interact and exchange ideas with others in the class at scheduled times. Online training is often more flexible and allows the trainee to work when and where he wants to. Lecture and course based training, whether in a classroom or on line, is often used to teach an employee new skills or update his current knowledge with new information (http://www.ehow.com)

#### • Demonstration

Demonstration is very effective for basic skills training. The trainer shows trainees how to do something. The trainer may provide an opportunity for trainees to perform the task being demonstrated (http://www.ehow.com).

#### Simulations

Simulation training used a duplicate work operation that is set up independently of the worksite. In this setting, trainees can learn under realistic conditions but away from the pressures of the production schedule. Having a receptionist practice on a switchboard in a simulated setting before taking over as a telephone receptionist allows the person to learn the job more easily and without stress. Consequently, there may be fewer mistakes in handling actual incoming calls. Airlines use simulators to train pilots and cabin attendants, astronauts train in mock-up space capsules, and nuclear power plant operators use model operations control rooms and consoles (L. Mathis, H. Jackson 1994)

# Induction training

Induction training is important as it enables a new recruit to become productive as quickly as possible. It can avoid costly mistakes by recruits not knowing the procedures or techniques of their new jobs. The length of induction training will vary from job to job and will depend on the complexity of the job, the size of the business and the level or position of the job within the business (Jim Riley, 2012

# 2.7.4 Organization and Implementation of Training

The ultimate purpose of training needs assessment as discussed so far is to find out possible problems that might have hampered its desired level of achievement and determine what types of trainings are required and how these trainings become best solutions to current problems. So, once the human resource management is through with the assessment phase in employee training identification and prioritization, important decisions need to be made for implementation in its practical sense. In other words, organization of training and the facilitation of its delivery to employees is one of the three functions of human resource management department/division in an organization.

Furthermore, organizing and conducting employee trainings depend on the outcome of the needs assessment and type of trainings identified and prioritized during the needs assessment levels discussed elsewhere. This is to say, the context of the organization and the nature of the work such as the size and number of employees, commitment to employees' skill development, ICT sophistication, determines the training types as to whether it has to be electronic-learning (e-learning), instructor/trainer led or self and/or peer training (Danziger and Dunkle, 2005). In due course Danziger and Dunkle, (2005) analyzed the methods of adopting and conducting training in the realm of features of an organization. Some of their analyses include:

- 1. Size of an organization: Size is indicative of and coupled with a number of factors including complexity as well as availability of resources. The size of an organization is associated with modes of training and particularly the use of on-line training modules (such as mostly in the case of paperless/digitized organizations) and/or self-help trainings (in the case of small organizations).
- 2. Skill development: Relates to fostering skill development among employees such as through instructor- led courses, e-learning opportunities, and organized training sessions either within a classroom setting or with coworkers or supervisors, and online computer or software training modules.

Implementation of employee training that begin with the result of the training needs assessment hence involves determining the selection of training techniques/methods, facilities including location and venue/classrooms, identifying and assigning trainers/instructors, manuals to mention some. In doing so, trainings need to be

designed and delivered to meet the needs of all employees that enable employees to perceive they are being treated fairly and adequately pertinent to the training they receive (Schmidt Steven W 2009 in Devi and Shaik, 2012).

# 2.7.5 Evaluation of Training and Methods of Evaluation

Implementation of employee trainings has to be result oriented, which should directly be linked to productivity and organizational effectiveness. Available literature shows that there are many reasons for conducting evaluations of trainings during and upon delivery to employees. The management axiom on the need for evaluation says 'nothing will improve until it is measured' in which training programs have to be assessed on the basis of the program itself, of the behavior external to the training environment and its desired effect (Ongori and Nzonzo, 2011). According to Hemus and Moores (2008) evaluation of trainings is important to the transfer of learning into the workplace so that its success or otherwise can be established to demonstrate the contribution of trainings towards organizational success. Worthy to mention, Hemus and Moores (2008) further figured out four stages of employee training evaluation as presented here below.

- Stage 1 Reaction: What did the participant think about the development activity? Evaluation of information on the attitudes and opinions of participants to the learning they have undertaken typically via evaluation forms or comment sheets provides useful information to allow or assist with modifying the curriculum/training program.
- Stage 2 Learning attained: Did the participant learn what was intended? Were the learning objectives met? Evaluation here looks at the extent to which learning objectives have been achieved. Evaluation of learning can be carried out during the activity using interactive sessions, tests and practical application and after the activity by training results, observing the learner's new knowledge and skills in context.

- **Stage 3 Performance**: Did the learning transfer to the job? How has the development activity improved individual performance, for example specialist knowledge or professional approach? This stage of evaluation examines the impact of a learning experience on individual/team performance at work. The need to have agreed clear learning objectives prior to the learning experience is the key to this level of evaluation so that when evaluation takes place there are measures to use.
- Stage 4 Organizational Impact: How has this development activity affected the organization, faculty, central department or unit in terms of improved performance for example, better results, enhanced quality or standards, financial stability, fewer complaints, increased morale and professional image? Evaluation at this stage assesses the impact of learning on organizational effectiveness, and whether or not it is cost effective and/or efficient in organizational terms.

Interpretation of these stages of evaluation tells that process of evaluation entails to identify purpose of evaluation, selection of evaluation methods such as qualitative and/or quantitative methods and designing of data collection tools and ultimately collect and analyze data/information pertinent to the training.

#### **CHAPTER 3**

#### RESEARCH DESIGN AND METHODOLOGY

This chapter discusses in detail the research design and methodology used. It specifies the total population, sampling procedure, data collection process as well as the data analyses techniques adopted. The chapter also provides an overview of the different types of research designs and provides justification on the use of the methods.

#### 3.1 The Research Design

The aim of this study is to investigate the effect of training on productivity at ASF. This study is then, intended to critically evaluate the training practices of Anbessa Shoe Factory based on the fundamental theories, principles, management philosophies that are supposed to be effective parameters just to evaluate the actual practices being performed by the factory and assessing the variables that influence its inefficiency and examine the implications of the training practices on the factory's mission and vision.

Explanatory research design was used for this study to seek and provide an explanation for the relationship between employee training and productivity. Data was collected from a population through stratified random sampling. This method restricts the possible samples to those which are "less extreme" by ensuring that all parts of the population are represented in the sample in order to increase the efficiency. Both qualitative and quantitative methods of data collection were used to obtain the desired results of the factory. In the course of analyzing the problems, both primary and secondary data collection procedures have been employed. Participants of this research were non-management and management staff employed by ASF in Addis Ababa particularly in the head office and all departments were used for the study. designed questionnaires were prepared and distributed to the sampled management and non-management staff. The questionnaires were administered personally by the researcher to the respondents and 10% of employee selected from the various departments. Accordingly, 64 questionnaires have been distributed of which 26 were for the management staff and the remaining 38 were distributed to non-management staff to secure their feelings about the HRD practices of the shoe factory which helps the researcher to draw conclusions regarding the study and make some possible suggestions and/or recommendations for any significant problems identified.

Interviews were also conducted to gather information on the subject from the management of the organizations to ascertain management view on how ASF has traditionally dealt with the issues of training. Desk reviews of documents on training from ASF were also done. This helped the researcher to ascertain whether ASF has training policies in place, and also to check whether the processes of training are being dully followed.

#### 3.2 Sources of Data

The data for this research work was obtained basically from primary and secondary sources. Questionnaires were used as a primary data source. It was also sourced from semi-structured personal interviews conducted. Besides an extensive discussion was held with the HRM, this interview was also intended to provide general perception on how ASF has usually dealt with issues of training and development.

The secondary data was gathered from the ASF corporate plan, Human Resource Management policy, bulletins and annual reports of training and development.

#### 3.3 Population and Sampling

Target population of the study was mention the target group /key informants here like the senior staff, middle level and lower staff who have filled in the questionnaires, and those whom you have conducted the interview. ASF has total 942 staff members of which 641 are permanent staff. All permanent staff that have stayed at least one year and who can relatively better to tell their experience on training was included in the study which allow for adequate representation of the various views expressed and in excluding those who are temporary working because most of them have been working less than one year haven't taken any training.

The selection of the respondents was carried out by using stratified random sampling research method. Stratified random sampling method was used/chosen because this method/it restricts the possible samples to those which are ``less extreme'' by ensuring that all parts of the population are represented in the sample in order to increase the efficiency. Therefore, out of 641 employees who work in the organization questionnaires were distributed to 10% of the total considering the cost, dissertation deadline and the variability within the population and acceptable sample size that the

sample size thus remains 64 employees. In addition, the researcher has conducted interviews for a few management staff to get their insight.

#### 3.4 Methods of Data Collection

The purpose of data collection is to obtain information, keep on records, make decisions about important issues and pass information to others. In order to meet this objective, the research employed data collection procedures at two levels. At pre-test stage, the research was making sure that the research instruments were well prepared for the assessment. At that stage it was important to make sure the goal of the assessment is reflected in the contents of the research tools and the target population was well defined. The second stage was at the data collection level. The first procedure at this level was keeping in touch with coordinators of the center. It included building consensus with the coordinators on how the assessment was conducted. Once the consensus was built, it made the process of the data collection easy. Data collected from the target was based on the willingness to respond the questions and no personal information was collected from the respondents. The issue of confidentiality is also given due consideration in all data collection activities.

#### **Questionnaire**

As a means to conduct the assessment, primarily structured and semi-structured questionnaires were prepared. Most information necessary for the assessment was obtained through those instruments. The questionnaires were prepared following a logical pattern in order to enable respondents to give appropriate information. Sometimes based on its necessity the questionnaires included multiple responses and scales to measure respondents' attitudes. Personally identifiable information (e.g., name of participant) is not collected.

#### **Interview**

Interviews were conducted to gather information on the subject from the management of the organizations to ascertain management view on how the factory has regularly dealt with the issues of training. An interview schedule allows the interviewers to have an outline of important themes covered during the interview. All interview questions were formulated in such a way as not to lead the respondents to any particular answer.

#### **Observation**

An observation was also carried out to clarify and fill in possible gaps in the completed questionnaire and conducted interview.

#### 3.5 Methods of Data Analysis

The collected data was analyzed and interpreted by using both qualitative and quantitative techniques. The data collected by open ended interview questions and observation ware analyzed qualitatively. The closed ended questionnaires were analyzed quantitatively by using figures, tables. Microsoft office Excel was used to compute and compile the collected data. Development of data coding templates, data cleaning, processing, analysis and the overall management of the data was done manually just after the collection of data.

Qualitative data of the original Amharic interview were translated into English for analysis. The transcriptions were made word-for-word and supplemented by notes taken during data collection. Data analysis have mainly been done based on the thematic approach that involves organizing meaningful category from the collected information by sorting the collected data, looking for patterns, similarities, differences and/or contradictions.

#### 3.6 Ethical Consideration

At the beginning the researcher has explained the purpose of the study to respondents. After that one questionnaire was given to each respondent. Respondents were guaranteed that no one will have access for an individual respondent's information except the researcher. Then, respondents have given their informed consent by completing and returning the questionnaire. Results of the study are reported in a complete and honest way without misinterpreting or intentionally misleading others with regard to the research findings. The study is the researcher's own work, and where researcher's ideas or words were used, it was acknowledged in the research report.

Every person involved in the study was entitled to the right of privacy and dignity of treatment, and no personal harm was caused to subjects in the research. Information obtained was held in strict confidentiality by the researcher.

#### **CHAPTER 4**

#### DATA PRESENTATION AND ANALYSIS

This chapter is divided in to two main sections, each with its subsection. The first section is concerned with demographic characteristics of the respondents whereas the second section focuses on analysis and interpretation of data. These two sections are composed of data and information that were collected through secondary data sources (written documents) and primary data sources (personal interview with human resource manager), and the results of questionnaires from respondents' opinion.

#### **4.1** Demographic Characteristics of the Respondents

This part discusses the demographic characteristics of the respondents. This might include: respondents age, gender and educational background.

Table 4.1: Distribution of Respondent by Age, Gender and Educational Background, Year of Service

A. Respon dents age	No of respo ndent	%	B. Gender	No of respon dent	%	background		%	D. Service Year	No. of Respon dents	0/0
18 – 25	21	39.62	Male	27	50.94	Elementary	0	0	<5	21	39.62
26 – 35	16	30.19	Female	26	49.06	High School	8	15.09	6-10	13	24.53
36 – 45	13	24.53				Certificate	16	30.19	11-15	6	11.32
>46	3	5.66				Diploma	17	32.08	16-20	4	7.54
						First Degree		20.75	>21	9	16.99
						Masters Degree	1	1.89			
Total	53	100		53	100	Total	53	100		53	100

#### A. Age of Respondents

As presented in table 4.1 the researcher needed to know the age distribution of the respondents to help categorize the employees. 21 respondents fall under the age category of 18-25 representing 39.62% and sixteen respondents were between 26 and 35 years of age representing 30.19 % of the total respondents which implies that they are young to do a lot for the organization. The third group of the respondents was between the age of 36 and 45 representing 24.53% and they were 13 in number. Three respondents aged greater than 46 representing 5.66%.

#### **B.** Gender of Respondents

In regards to gender of respondents, the table 4.1 indicates that 27 of the respondents among the target population were male representing 50.94%, while 26 respondents were female representing 49.06%. This indicates that both genders are included in this study.

#### C. Educational Background of Respondents

It was also necessary for the study to determine the educational levels of the respondents as that could determine the most appropriate kinds of trainings. The educational status of the respondents under study showed that a higher percentage of respondents had diploma level of education which accounted for 17 of the respondents'. Sixteen of the respondents were certificate whereas eleven of the respondents were first degree holders. Moreover, eight or 15.09% of the respondents were high school certificate holders. This suggests that people of different educational qualifications are present in the organization indicating that different levels of training may also be required to improve their quality.

#### D. Service Year in the Factory

To this end, almost more than half of the respondents have been working for more than five years in the factory which indicates that they have long period of experience in the factory which contributes to both the quality and quantity of the information they provide. Additionally, the respondents have been serving in ASF ranging from one year to over 21 years. This means the organization has a blend of experienced and young professionals who require constant refreshment training to increase the organization's productivity.

#### 4.2 Analysis of Data

In this section the assessment of employee training practice at Anbessa Shoe Factory will be discussed. This data analysis and interpretation part is composed of different data and information that were collected through secondary data (written documents) and primary data (personal interview with Human resource Manager), and the result of questionnaires from respondents' opinion. The respondents were senior managers, middle level managers, and technical level staff of the factory. This chapter presents the data, which have been collected and analyzed using tables and charts for its interpretation in relation to the research questions and interviews conducted.

This helps the researcher to ascertain whether ASF provides trainings and constantly updates the skills of its employees, as well as the technical knowhow of workers to keep abreast with the rapidly changing trends in management, engineering and technology. Additionally, the documentary analysis was also conducted to help the researcher determine whether the factory has a training policy in place and the processes of training were being properly followed. The presentation and discussion of the findings are done in a chronological/sequential order to enhance the reader's understanding of the results at a glance.

# **4.2.1** Information Gathered from the Documentation on the Purpose of Training at ASF

- To utilize human resource that further helps the employee to achieve the
  organizational goals as well as their individual goals. In essence, trained
  employees can help to achieve high quality products and services in a shorter
  time period.
- To enhance the company's ability to adopt and use advances in technology because of a sufficiently knowledgeable staff.
- The existing and newly recruited staff needs to be refreshed, updated and introduced to the standard of quality on customer handling and providing efficient and effective services.

#### 4.2.2 The Company's Policy on Training and Development

In this the researcher tried to assess the training and development policy of the factory. The interview with the Human Resource Managers did indicate that ASF has a training policy in place. The HRM at ASF, which is primarily responsible for implementation of staff training and development plan, is working closely with department managers in assessing areas that staff needs training and development support. Existing and newly recruited staffs need to be refreshed and updated through training.

Both in-house and abroad training programs are given to employees. The in-house trainings such as workshops, seminars and short-term trainings are organized by the organization own senior staff. External trainings, including local and overseas or abroad trainings, are also given to selected staff to update their skills and knowledge.

# **4.2.3** Respondents' Opinion about Human Resource Development of the Factory

Training is a significant tool for employee development. The quality of employees and their development through training and education are major factors in determining long-term profitability of a small business. If you hire and keep good employees, it is good policy to invest in the development of their skills so they can increase their productivity. Under this section the responses of the questionnaires by both the employee and management group are summarized and shown in tables and then analyzed.

Sixty-four questionnaires were prepared and distributed to human resource manager, higher and middle level managers, and technical staff of the company in order to review the practice of employee training program in ASF. Of these, 53 were kind enough to fill and return the questionnaires while the rest 9 were failed to return the questionnaires distributed to them. Figure 4.1 below present's data on a number of respondents who returned and unreturned their questionnaire. All the returned questionnaires were complete and considered for the analysis as follows.

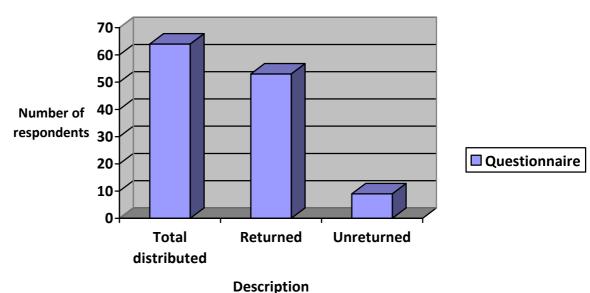


Figure 4.1 Number of employee respondents

53 respondents out of a sample of 64 employees completed and returned their questionnaires. Thus, 22 respondents were from Management staff and the rest 31 were Non-Management staff.

The researcher also needed to know job classification of respondents. Table 4.2 below summarizes the data obtained on the job classification.

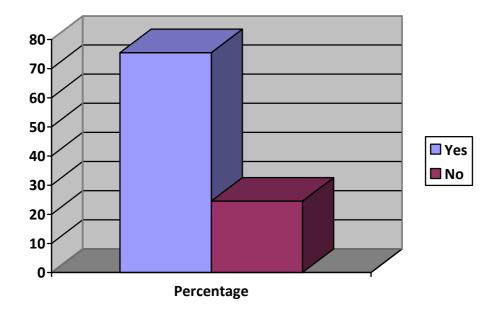
#### **Table 4.2 Job Classification of Respondents**

The selection of the respondents was carried out by using stratified random sampling method. This was preferred in order to secure proportional representation of all the functional departments of the factory.

Job Classification	No. of Respondents	Percent
General Manager	1	1.89
Machine Operator/Production	20	37.74
Selling and Marketing Department	12	22.64
Administration Department	8	15.09
Quality & Design Department	3	5.66
Finance	4	7.55
Purchasing and Supply Management  Department	3	5.66
•	2	2.77
Technique Department	2	3.77
Total	53	100

Table 4.2 indicates the various positions of management staff who responded to the questionnaire. Machine operator formed the majority with twenty representing 37.74%, one general manager and techniques department representing 1.89% and 3.77. Quality & Design department and purchasing & supply management are accounted each for three which represents 5.66%. Four finance head with 7.55% representation. Eight respondents were from administration department and representing 15.09%. Finally, twelve respondents were from selling and marketing department representing 22.64%. This analysis indicates ASF employs various kinds of job holders who combine their efforts towards the improvement and achievement of organizational objectives.

Figure 4.2 Employee participation in training



In this study, it tried to assess both management and non-managements' opinion. With regards to the involvement of training, the majority or 23 of the non-management respondents participated in training that was both directly and indirectly related to their jobs with 74.19% representation, in addition to this 17 of the management respondents have seen some sort of training in one way or another for their duration of stay in the factory under their supervision with 73.91% representation. However, according to the interview done with the Human Resource Manager, he indicated that induction training have been provided for all newly hired employees despite the fact that the employees' response was contradictory. This indicates that the factory gives adequate importance regarding training and development in updating the skills and knowledge of most employees and, which make employees more effective and productive.

**Table 4.3 Training Method** 

Question	Methods	No. of Respondents	Percent
Training Methods	Seminar	6	13.04
used at ASF	On-the-job training	26	56.52
	Discussions	2	4.35
	Lectures & Course based	4	8.70
	Simulations	0	0
	Demonstration	8	17.39

As table 4.3 shows, 56.52% non-management and management staff responded that ASF uses to great extent on the job training as the most commonly used type of training program. Eight respondents have taken and seen demonstration with representing 56.52%. 8.70 & 13.04 of respondent have seen and taken Lecture and Seminar training respectively. Finally, two respondents have taken discussions representing 4.35% of the respondents.

An interview with the Human Resource Manager indicates that beside other training methods, most of the time ASF conduct on- the-job training for existing staff and induction training for newly hired staff. Different studies show that trainings must be systematic and aimed at producing changes in behavior on the job and this does not mean that everyone should plan training activities using exactly the same method.

This indicates that the most popular training method used by ASF can be on the job training. Since, on the job training imparts the training provided at the work place, trainees learn the job and practically doing it at the same time.

#### **4.2.3.1** Non-management Staff Opinion

Thirty eight questionnaires were prepared and distributed to non-management staff to review the practice of employee training program in ASF. Figure 4.4 below present's Non-Management staff opinions on training durations and sessions.

**Table 4.4 Non-Management Respondents Opinion on Training Duration/Sessions** 

No. of times	No.	of Percent									
	respondents										
No. of training session	No. of training sessions attended per year										
Only once	16	55.17									
Twice	0	0									
Several times	5	17.24									
Missed	8	27.59									
Training duration											
1-3 month	24	82.76									
4-6 month	0	0									
7-12 month	3	10.34									
13- 15 month	2	6.90									

When comparison was made on the total number of training sessions attended, it was found that 16 or 55.17% respondents have attended one training sessions however, 5 or 17.24% respondents have attended more than three sessions per year. Finally, there are respondents which they are named as missed in the above table that did not specify their attendance in the questionnaire because of unknown reason that representing 27.59%. In terms of the duration in training or adequacy of training period, about 82.76% of the respondents had been in training from 1 to 3 months. 10.34% and 6.90% of the respondents had been in training for 7-12 and 13-15 months, respectively. This implies that most of the time ASF provide short-term trainings to its employees and the trainings given to employees per year at ASF are very few and less frequently conducted.

**Table 4.5 Types of Training** 

Qu	estions		Types of Training	No.	Percent
Types	of trai	nings	Computer skill	1	3.45
taken			Operational (production	16	55.17
			related training)		
			Accounting	0	0
			Machine operation	3	10.34
			Induction	7	24.13
			Conducting performance	0	0
			appraisal		
			Team building	2	6.90
			Managerial skill/ leadership	0	0
			Operational safety program	0	0
			If other	0	0

There are various ways to use employee training. In the case of ASF, 16 employees have been taken operational trainings and five respondents have taken new employee orientation training. Three employees have taken machine operation training. Two respondents have received team building and computer skills trainings. Finally, one respondent has taken training on conducting performance appraisal. This indicates that most of the time, ASF focuses on production based trainings while no or less training was provided for supportive staffs. On the other hand other trainings different from production were not provided on assessing individual gaps.

Table 4.6 Respondents opinion on overall training practice in ASF

Ouestions	Ver	Very high		High		derate	Low		Ve	ry Low
Questions	No.	%	No.	%	No.	%	No.	%	No.	%
A. Match between training & job requirements	8	34.78	0	0	7	30.43	5	21.74	3	13.04
B. Awareness of the training objective	7	30.43	1	4.35	7	30.43	5	21.74	3	13.04
C. Effectiveness of method of training	8	34.78	3	13.04	0	0	7	30.43	5	21.74
D. Impact of training on improving skill, knowledge, attitudinal change, additional capability	8	34.78	4	17.39	3	13.04	5	21.74	3	13.04
E. Applicability of the type of training for the job	7	30.43	0	0	1	4.35	12	52.17	3	13.04
F. Effect of training on motivation	10	43.48	3	13.04	5	21.74	3	13.04	2	8.70
G. Training versus job satisfaction	2	8.70	5	21.74	18	34.78	3	13.04	5	21.74
H. Match between enough training & job requirement	5	21.74	0	0	5	21.74	8	34.78	5	21.74

#### A. Match between Training and Job Requirement

As indicates in the above table, 34.78% of the respondents feel that the training is highly planed based on the requirements of the job. The rest of the respondents feel moderate, low and very low. This indicates that most of the time the training program designed in ASF is not based on job requirements as the majority of the respondents have replied and needs assessment is not conducted by the human resource management department.

#### **B.** Awareness of the Training Objective

The respondents were also asked if they were always clear about the objectives of each training program they took. As many as 15 out of 23 respondents said moderate, low and very low' to the question. This implies that most of the trainees don't know the objectives for each training program they participate in.

#### C. Effectiveness of Methods of Training

Training methods used by the factory have been found to be ineffective by the majority of respondents (52.18%), whereas 47.82% of the respondents have found them to be effective. The Human Resource Manager was also asked to identify effectiveness of the training methods used. He indicated that induction and on the job trainings are being provided to employees by ASF and that both are being considered effective. Also, new

employees tend to the ones mainly engaged in induction training. Hence, it implies that most employees lack confidence to say the organization has good training methods to increase productivity.

### D. Impact of Training on Improving Skills, Knowledge, Attitude Change, New Capability

As table 4.6 clearly illustrates that as many as 12 out of the 23 respondents agreed and link their knowledge, skill and attitude, and generally their productivity with training whereas eleven of the respondents did not agree. From this we can understand that the training delivered for employees in the stated organization helped to receive the necessary knowledge and skills but not sufficient.

#### E. Applicability of the Type of Training for the Job

The study also sought to find out whether the type of the trainings provided by ASF is applicable for the job and 69.57% of the respondent responses were moderate, very low and low. This implies that the type of training that they have taken is not relevant to the job.

#### F. Effect of Training on Motivation

According to Cole (2002), employees who receive training have increased confidence and motivation. As the above table clearly indicates, majority of respondents feel motivated by the training activities of the factory which implies due to the training provided to employee in ASF, most of the employees are motivated with the training provided by the factory and they are willing to do their job.

#### G. Training Vs Employees' Job Satisfaction

Respondents were also asked to rate their job satisfaction in the training conditions that the organization provided. Therefore, as indicated in the above table, majority of the respondents were not satisfied of the training that the organization provides in order to increase the organization's productivity. The interview with the HRM did indicate that training as human resource development has an effect in employee satisfaction and increased commitment. So it is noted that in order to create conducive environment, the organization still needs improvement in its trainings.

#### H. Training & Job requirement

To this end, five of the respondents believed they had enough training that has enabled them to do their job and 18 of the respondents totally do not agree on the issue. This reply shows the factory should give greater care and emphasis on the effectiveness of training program.

Table 4.7 Respondents Opinion on Training Expenditures, Post Training Evaluation and Employee Satisfaction

Questions	Y	es	No		
Questions	No.	%	No.	%	
A. Employee's Opinion on the adequacy of training expenditure	8	34.78	15	65.22	
B. Effectiveness of training expenditure	12	52.17	11	47.83	
C. Post training Evaluation	5	21.74	18	78.26	
D.General employee's satisfaction on the overall aspect of the training programs	11	47.83	12	52.17	

#### A. Employee's Opinion on the Adequacy of Employee Training Expenditure

Training is an investment in HR with a promise of better returns in future. It was also necessary for the study to assess the training expenditures in ASF. 65.22 % of respondents replied that the expenditure for employee training was not enough. This implies that ASF has not allocated adequate funds for employee training and development program.

According to the Human resource manager, the factory should invest more on training to achieve the organization's objectives and ASF it needs great effort to change the attitude. It should train more employees to enhance its productivity.

#### **B.** Effectiveness of Training Expenditure

As indicated in table 4.7, respondents were asked whether the organization was effective in regards to training expenditures and 52.17 % respondents believe that it was effective and the HRM manager also agreed with this idea.

In addition to the above, the researcher has also asked managers to indicate whether the organization is effective in training expenditure. Among the total respondents, majority or 13 of the management respondents responded that the organization was effective from the training expenditures and the rest four said it was not effective.

#### **C.** Post Training Evaluations

The other point was whether the training program evaluated during or at the end of the program, 78.26 of respondent responded that the trainings did not evaluate. In addition to this, an interview with the HRM indicates that training programs were not being evaluated. This indicates that ASF does not give emphasis on evaluations.

#### D. Employee Satisfaction with the Overall Aspect of the Training Programs

To this end, about 47 or below the average number of respondents who were satisfied with the overall aspect of the training programs in the organization showing that the origination should give due emphasis on the satisfaction of the trainees.

#### 4.2.3.2 Management Staff Opinions Overall on Training Benefits

The Managements is responsible for discussing, planning, implementing, organizing and reviewing all employees training and development needs / plans in the pursuit of the company's primary business objectives and with regard to long-term growth, operational stability, organizational change and personal fulfillment.

Table 4.8 Management Staff assumption on the Benefits of Training

Responses on Training Benefits		y High	ligh High		Moderate		Low		Ver	y Low
responses on Training Denemes	No.	%	No.	%	No.	%	No.	%	No.	%
Increased competence	7	41.18	5	29.41	5	26.41	0	0	0	0
Enhanced quality of	4	23.53	6	35.29	7	41.17	0	0	0	0
product/service										
Improves skills, knowledge,	6	35.29	7	41.18	4	23.53	0	0	0	0
attitude change, new capability										
Reduces accidents	9	52.94	4	23.53	2	11.76	0	0	2	11.76
Reduce control	2	11.76	10	58.82	2	11.76	0	0	3	17.65
Reduction in turnover	0	0	10	58.82	4	23.53	0	0	3	17.65
Improved work motivation	4	23.53	10	58.82	3	17.65	0	0	0	0
Increased job satisfaction	7	41.18	7	41.18	2	11.76	0	0	1	5.88
Increased work efficiency	3	17.65	9	52.94	5	29.41	0	0	0	0
Improved profitability	4	23.53	9	52.94	4	23.53	0	0	0	0

Training is one of the most pervasive methods for enhancing the efficiency of individuals and communicating organizational goals to new personnel. It is the most potential motivators which can lead to many possible benefits for both individuals and the organization. However, many organizations engage in training for different purposes and it was necessary to find out what major purpose underlies training in ASF. The concern therefore is how ASF carries through its training and what impact the training has had on its employees in terms of increased efficiency. purpose of training can be strengthened by the responses gathered. The above table reveals, as majority of the respondents believe, the training given to employees at ASF increases competency enhances quality of product and helps to improve the skills, knowledge, attitude, change, new capability and competencies. In addition to this, the HR manager also feels that employee training has a significant role to play on productivity and strengthen the level of continuous investment. The HR Manager indicates that the employees who get training are productive and produce effectively and efficiently. And this has been found to contribute a lot the overall effectiveness of the organization.

In addition, the HR manager was asked on factors played a great role on job performance and productivity. He indicated that employee compensation, working environment and lack of training are among those factors on the job that affect employee performance and productivity in ASF. .

The management staffs were also asked to show their opinion on how much training has helped employees to improve work motivation, increased job satisfaction, increased work efficiency and improve profitability thus reducing accidents and employee turnover since they joined ASF. The above table reveals that the training reduced accidents and employee turnover and improved work motivation, job satisfaction, work efficiency and profitability as more than 60% of the respondents replied. According to the Human Resource Manager of the factory, the rate of employee turnover of the factory is considerably high; more than 150 staff leaves the organization every year which contradicts with the responses made by the management staff. This implies that the high turnover is related to employee job dissatisfaction where training might play a significant role towards bringing employees satisfaction. Thus table 4.8 above shows that majority of the management staff feels that the training enhanced employee's effectiveness and increased their efficiency.

#### CHAPTER 5

## SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### **5.1 Summary of Findings**

After analyzing and interpreting the data, certain findings have come up to show the practice of employee training at Anbessa Shoe Factory. These are summarized as follows.

- According to the interview made with higher management bodies, ASF provides
  induction training for all new employees though there are respondents who have
  not taken any training so far. And it was also revealed that the provision of
  ongoing trainings is not as expected.
- Some of the respondents are highly satisfied with the training program provided by the shoe factory.
- Non-management employees felt that the organization is not following an effective training method that allows it to increase productivity.
- Majority of the respondents are of the opinion that the factory is committed in promoting a training program but some individuals responded that they have never participated in trainings.
- Most of the time, ASF provides short-term on the job and one time trainings for
  its employees. The trainings designed in ASF are not based on the requirements
  of the job being performed and the majority of the respondents replied that the
  types of trainings they have taken so far are not relevant for the job.
- Most of the respondents replied that training programs were not being evaluated during or at the end of the trainings.
- The majority of the respondents believe that training and development has increased the knowledge and skills of employees although it is still not considered as being sufficient.

- Most of the respondents feel that training budget allocated by the organization
  was not sufficient to enhance their technical capacity. The HRM also indicated
  no analysis has been made so far indicating the adequacy of investment on
  effective employee training.
- Moreover, training provided to employees in ASF motivated most employees but did not satisfy them in order to do their job well.
- According to the ASF policies that the researcher reviewed, both in-house and
  overseas training programs are given to employees. The in-house trainings,
  including workshops, seminars and short-term trainings are organized by the
  organization senior staff. External trainings, including local and overseas
  trainings are given to selected staff to update their skills and knowledge.

#### **5.2** Conclusions

In this paper, the researcher has attempted to critically evaluate the training practices at Anbessa Shoe Factory. Subsequently, the primary data obtained through interviews and questionnaires distributed to senior managers, middle level managers and technical level staff of the company was employed. Accordantly, the human resource manager was contacted and information was gathered through interviews. Hence, the following conclusions are inferred from the study.

From the result of the study, it can be concluded that ASF does not have a well established policy and system on training of employees especially in regards to the training of pre-existing employees and evaluating the trainings offered. The provision of trainings for new employees has been found to be useful as they embark on their new job. This research reveals that the provision of training for pre-existing employees is found to be mutually important in enhancing skill and knowledge. Evaluations, particularly post training evaluations, have not been given much consideration by ASF although these are a means to assess the cost / benefit of trainings in the HRD program of the factory.

The finding of this study also indicated that training is one of the factors that played a great role on employees' job performance and productivity at ASF. Furthermore, the study illustrates that employees become more effective, efficient and satisfied as they

get more training. This makes the provision of continuous training to the factory human recourse crucial and vital.

Furthermore, it can be concluded from questioners distributed and observations made that training delivered for employee in ASF helped employees to receive the basic knowledge, skill and attitude and ultimately helping achieve the factory's objectives. On the other hand, it has been widely said that that training provided to employees was not sufficient and the factory did not allocate enough budgets for training.

Finally, the study has shown that with the provision of training, employees are more able to perform their work effectively and efficiently indicating the possibility that the factory could achieve the set target with low cost, high quality and high productivity.

#### 5.3 Recommendation

Based on the above conclusion drawn, the following recommendations are forwarded to the management of the factory, to improve the current problems that the factory has been encountered in relation with the Human Resources Development Programs.

- The Human Resource department of the factory should provide a comprehensive range of training programs to all staff aimed specifically to meet their needs and to develop their knowledge and skills in core areas, in order to achieve the ASF's objectives. Providing trainings for only new employees is one of the shortcomings as ongoing training for current employees can also help them to rapidly adjust to changing job requirements.
- Training at ASF must be systematic and aimed at producing changes in behavior on the job and this does not mean that everyone should plan training activities using exactly the same method. For trainings to be effective, various methods must be used depending on the needs identified.
- The factory should introduce more training programs such as Operational safety program and workshops which benefit both employer and employees. Visit to related shoe factory can also help to gain knowledge about their method of work, which enables to improve productivity. Additionally, it is important to introduce good training programs with selected topics related to improve quality and productivity.

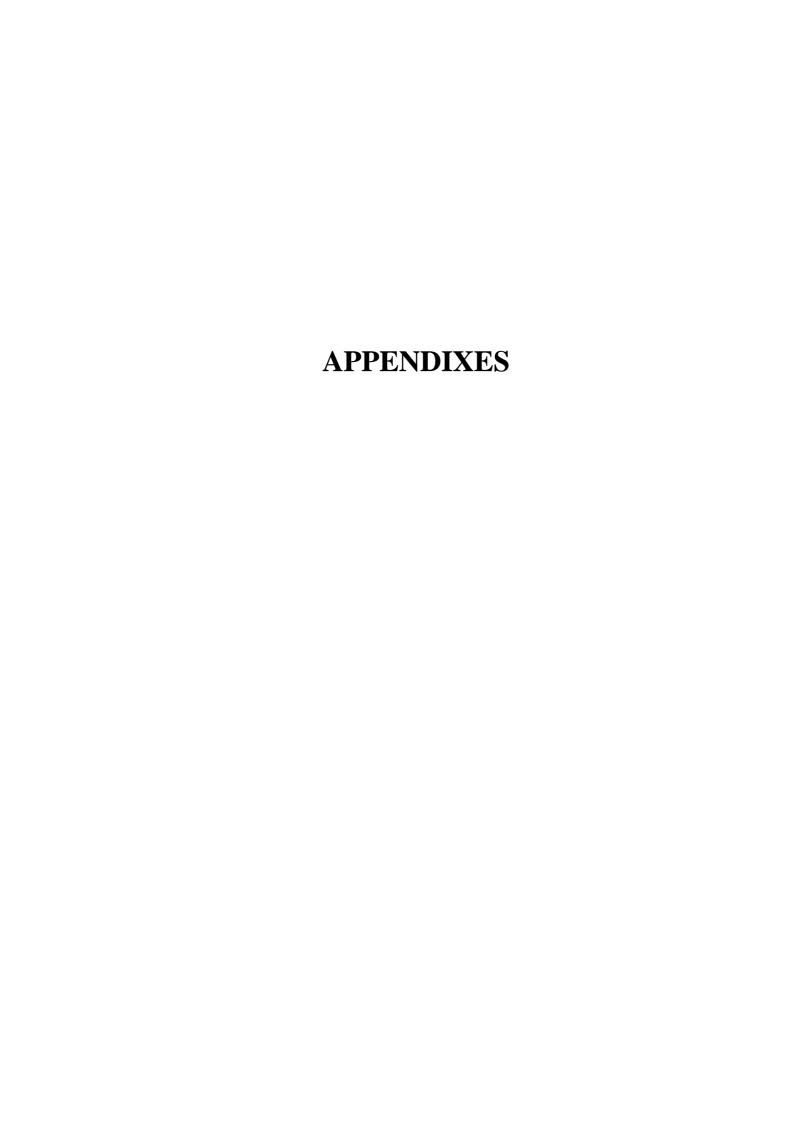
- The Human Resource Management Department Head of the factory should assess the training need of subordinates for it may increase training effectiveness by the enhancement of good interpersonal relationship.
- Identification of employees for training and development programs should be free from bias.
- Before conducting any training the factory should do need assessment. In addition to this, it is recommended that management should look at various training methods and determine which ones are appropriate.
- As training was found to be one of the major factors for performance and productivity the factory should allocate more funds. By investing on training, organizations can improve employee productivity which ultimately increases productivity and effectiveness
- All training programs should be evaluated systematically and training policy should thus be regularly reviewed to ensure that it is in line with the factory's overall objectives. And also it will help the organization gain information on how to improve future trainings.
- The human resource department should give emphasize on the training programs to satisfy all staff to meet their needs and to develop their knowledge and skills in core areas, in order to achieve the factory's objective.
- The introduction of a new and/ or innovative training program to ASF will surely help reach greater heights in the years to come. With the provision of proper and relevant trainings, an employee could become multi-skilled. Thus, training endeavors to impart knowledge, skill and attitude necessary to perform job related tasks. Training and development programs should vary according to the ability and attitude of individual employees. For some jobs, a different type of employee training is needed as the job varies everyone may not have the same kind of training need.

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#### Appendix 1 – Questionnaire to be completed by employees

#### Dear Respondent,

My name is Wolela Woldegebriel I am doing research for the fulfillment of the requirement of Master's degree in business administration. Your kind responses to the following questions are highly appreciated as they are important data sources for my research work. You are not expected to write your name so that your identity is always kept anonymous. This questionnaire has been designed to solicit information for purely academic purposes Thank you.

```
1. Age (Years)
  A) 18 - 25 () B) 26 - 35 () C) 36 - 45 ()
  D) 46 - 55 ( ) E) 56 - 59 ( ) F) If any specify (-----)
2. Gender; A) Male () B) Female ()
3. Educational Background;
  A) High School () B) certificate () C) Diploma () D) First Degree ()
  E) Masters Degree () F) other (please specify) (-----)
1. What is your position in the organization?
   A) Machine Operator () B) Accounts Clerk ()
   C) Secretary ( ) D) Driver () E) Advanced Accountant ( )
   F) Computer Operator ( ) G) Junior Engineers ( ) H) Security Officer ( )
   I) other specify (-----)
2. How long have you been working with this organization?
   A) 1 - 5 years () B) 6 - 10 years ()
   C) 11 - 15 years ( ) D) 16 - 20 years ( )
   E) 21 and greater than () F) if other specify (-----)
3. Have you received any training since you have joined the organization?
   A) Yes ( ) B) No ( )
4. What methods were used for the facilitation if your answer is yes for Q # 6
   above? More than one answer is possible.
   A) Seminar () B) On-the-job training ()
   C) Discussion ( ) D) Lectures & Course-based ( )
   E) Simulation () F) Demonstration ()
   G) if any other specify (-----)
```

5.	If your answer yes for question # 6, for how long you had been in training on
	average?
	A) 1-3 months () B) 4-6 moths ()
	C) 7- 12 months ( ) D) 13-15 months ( )
	E) 16- 18 months () F more than 1.5 year ()
6.	If your answer for question # 6, how many times you have taken training per
	year on average?
	A) Only once ( ) B) Twice ( ) C) Several times ( )
7.	What types of training you have taken? More than one answer is possible.
	A) Computer skill ( ) B) Operational ( )
	C) Accounting ( ) D) Machine operation ( )
	E) Induction ( ) F) Conducting performance appraisal ( )
	G) Tem building ( ) H) Managerial skill/leadership ( )
	I) Operational safety program ( ) J) If other please specify ()
8.	Please put "X" in the space provided with respect to each question. 1 = Never  2 = rarely  3 = sometime  4 = often  5 = always

No.	Questions	Re	espo	onse	es	
		1	2	3	4	5
1	Do you think the training program designed based on the requirements of the job? Or employee inability/ability for the job?					
2	Is the type of training you have taken applicable for the job after the training?					
3	Do you have known the objective of the training?					
4	Does the training increase your motivation to the job you do?					
5	Does training improves your skills, knowledge, attitude change, new capability					
6	Does the training lead you to be satisfied with your job?					
7	Do you think the method of training used by the organization is effective?					
8	Do you have enough training that enables you to do your job as required?					

(You may write N if your answer is out of the given choice.)

No	Question	Yes	No
9	Do you think the expenditure for employee training is enough?		
10	Does the training program evaluate during or at the end of the program?		
11	Do you think that the organization is effective from the training expenditure?		
12	Are you satisfied with the overall aspect of the training programs in the organization?		
13	Do you think the organization is effective from the training expenditure?		

#### Appendix 2 – Questionnaire to be completed by line managers

#### Dear Respondent,

My name is Wolela Woldegebriel I am doing research for the fulfillment of the requirement of Master's degree in business administration. Your kind responses to the following questions are highly appreciated as they are important data sources for my research work. You are not expected to write your name so that your identity is always kept anonymous. This questionnaire has been designed to solicit information for purely academic purposes Thank you.

```
4. Age (Years)
```

```
A) 18 – 25 () B) 26 –35 () C) 36 –45 ()
```

D) 
$$46 - 55$$
 ( ) E)  $56 - 59$  ( ) F) If any specify (-----)

- 5. Gender; A) Male () B) Female ()
- 6. Educational Background;
  - A) High School () B) certificate () C) Diploma () D) First Degree ()
  - E) Masters Degree ( ) F) other (please specify) (------)
- 7. How long have you been working with this organization?

A) 
$$1 - 5$$
 years () B)  $6 - 10$  years () C)  $11 - 15$  years ()

- D) 16 20 years ( ) E) 21 and greater than ( )
- 8. Have you ever seen any form of training for employees under your supervision since you have became a supervisor?
  - A) Yes ( ) B) No ( )
- 9. What methods were used for the facilitation if your answer yes Q # 5? More than one answer is possible
  - A) Seminar () B) On-the-job training () C) Discussions
  - D) Lectures & Course based ( ) E) Simulations ( )
  - F) If any other please specify (-----)
- 10. Please put "X" in the box you think represent the result of the training in front of each question.

### 1= Very low; 2= Low; 3= Moderate; 4= High;5= Very high; = 5,

(You may write N if your answer is out of the given choice.)

No.	. Questions				es	
		1	2	3	4	5
1	Increased productivity					
2	Enhanced quality of product/service					
3	Improve quantity					
4	Improves skills, knowledge, attitude change, new capability					
5	Enhance the use of tools and machine, operational safety					
6	Reduces accidents					
7	Reduces lateness, absenteeism					
8	Eliminates obsolesce in skills,					
9	Reduction in errors					
10	Less supervision necessary					
11	Reduction in turnover					
12	Improved work motivation					
13	Decreased material wastage					
14	Increased job satisfaction					
15	Increased work efficiency					
16	Improved profitability					

11.	Do you think the organization is effective from the training expenditure? Yes No why?
	Your opinion about the effectiveness of the organization from the employees training expenditure

### Appendix 3 – Questionnaire to be completed by Executive management and Human Resource Management

Dear Respondent,

My name is Wolela Woldegebriel I am doing research for the fulfillment of the requirement of Master's degree in business administration. Your kind responses to the following questions are highly appreciated as they are important data sources for my research work. You are not expected to write your name so that your identity is always kept anonymous. This questionnaire has been designed to solicit information for purely academic purposes Thank you.

Mission:

Vision:

Objective:

Number of Employees (temporary, permanent):

Qualification of Employees per units/departments:

Units of production:

How do you employ your staff?

- 1. How do newly employed staffs start working?
- 2. Have you been affected by labour turnover? If so how many per year?
- 3. Does employee training affect productivity and strengthen the level of continuous investment?
- 4. How do employees describe their satisfaction on trainings they received?
- 5. What factors do respondents describe has played a great role on job performance and productivity?
- 6. What is the link between employee development through training and organizational effectiveness?
- 7. What do employees say on the Anbessa Shoe Factory level of investment on training towards meeting its objective?
- 8. Did your organization give training for the employees so far?
- 9. Why and what types of training? How often and what methods the organization is used?

- 10. How do you express the cost of training per employee on average per year? How much is the yearly expenditure? Percentage in comparison with payroll expenses?
- 11. Do you conduct evaluation of the training effectiveness? How? Methods used?
- 12. How do you see the return and level of performance outcome of the training in terms of the?
- 13. Do you think the factory is effective from the training expenditure?
- 14. What is your thought on the relationship between training expenditure and effectiveness in the context of your organization?