St. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

The Effect of Training and Development on Employees performance: The Case of Awash International Bank share Company Head Quarter

By
Teferi Ejigu

June, 2016
Addis Ababa, Ethiopia

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A Thesis Submitted to St. Mary's University School of Graduate Studies in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration (General)

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Abdurazak Mohamed (PhD). 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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ENDORSEMENT

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

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ACKNOWLEDGEMENT

List of Abbreviations/Acronyms

AIB   Awash International Bank Share company

T&D   Training and Development

TPP   Training Practices and Processes

TDT   Training Delivery Techniques

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Abstract

Human resource is the most valuable asset of any organization. Nothing gets done without man power even with the availability of material and money. A good training and development system ensure employees to scale up their skill and knowledge and thereby increase performance. The objective of the study was to investigate the training practice of Awash International Bank Share Company and its effect on performance of employees. The researcher has used both quantitative and qualitative approach in the study and data were gathered through a structured questionnaire and interview. A simple random sampling method was used in choosing participants of the study. A total of 104 employees from the head quarter of the bank took part in the study. The study revealed that, there is an absence of systematic employee training need assessment practice in the organization. Because of inadequacy of commitment by top managers; there is no strategic function of training which in turn resulted in ineffective procedures in designing, implementation and evaluation of training activities. The study concluded that the above mentioned problems affecting the performance of the organization negatively. Therefore in order to improve the effectiveness of training program at AIB, the researcher recommends vital actions and decisions to be undertaken by the organization.

Key words: Training Practices, Delivey Techniques, Effectiveness,Efficiency, Commitment

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In a today's changing global context, both individual and collective skills are the most important assets for organizations, and determine their productivity, competitiveness and ability to adapt and be proactive when faced with an uncertain environment (Pilar Pineda, 2010). As Armstrong (2006) stated, if a training strategy formulated and carried out properly, it would be a crucial device for generating new skills and changing inappropriate skill in people.

According to Beardwell, Holden and Claydon (2004)training, development and skills are key aspects of economic life, hence training offers the hope of increased competitiveness through raising skill levels, productivity and 'value added' at the level of the firm and the national economy. Raymond *et al*., (2011) also clearly stated training as one of the crucial human resource practices and is a process whereby people acquire capabilities to aid in the achievement of organizational goals. As stated by Alexandros and John (2007), it is evident that there is a strong linkage between HRM practices and organizational performance. However, Guest (1997) recognized that training and development, as a unique practice, affects the quality of the HR outcome of skills and ability, but behavioral and attitudinal change and thus higher performance will be achieved by the contribution of the implementation of other practices as well.

Training is a key strategy for human resources development and achieving organizational objectives; hence organizations invest large amounts of resources in training (Guest, 1997). According to a study made by Pilar Pineda (2010), in order for training to be considered an investment, it must be held accountable like other investments made by the organization, and must demonstrate that the decisions and actions taken are relevant and portable. In other words, the actual contribution made by training to the organization's results must be ascertained. Training and development practice within a firm will have so many advantages; it can equip workers to carry out tasks, monitor quality and manage complex products and services (Raymond et *al*., 2011). Redman and Wilkinson (2006) indicated that training and

development can have an extremely positive impact on the quality of production, can insulate firms from skills shortages and is a pivotal element of most models of high-commitment human resource management, its links to productivity and profit are much harder to gauge. Training practices used by organizations may have an effect, direct or indirect on both employee motivation and organizational commitment (Meyer & Allen, 1991). In addition, as Alexandros and John(2007), stated some companies, planning for the long-term, invest in the development of new skills by their employees, so as to enable them to handle issues not currently present, but likely to come up in the future . Beardwell et al. (2004) stated that the penultimate stage in the training strategy is the evaluation and monitoring of training and it is one of the most important but often the most neglected parts of the training process. Hence, organizations must develop appropriate means of evaluating the effectiveness of training program to determine whether the budget allocated to the training program is really an investment or like other overhead costs.

1.2 Back ground of the Organization

Awash International Bank S.C (AIB) was established as the first private commercial bank in Ethiopia after the renaissance of Ethiopia's private sector, on November 10, 1994 by 486 founding shareholders with a paid- up capital of birr 24.2 million and started banking operations on February 13, 1995. The bank's paid-up capital reached birr 2.1 billion as of Nov. 2015 and the number of shareholders grew to 3500.

Its vision is "to be the strongest and most preferred bank of the people.'' The bank's mission is ''to provide modern, efficient, competitive, diversified and profitable banking services at domestic and international banking levels, to a continuously growing number of customers in a socially responsible manner.''

According to the human resource inventory report compiled by employee recruitment and placement division as at 31 March 2016, AIB has 220 Branches throughout the country, and has adequate market knowledge emanating out of 21 years of experience backed by 5975 experienced and motivated employees. AIB accepts different types deposits of savings, fixed time and demand accounts. It also renders various types of credit facilities of short, medium and long term loans and advances, merchandise loans, overdraft facilities, personal loans,

guarantee facilities for bid bond, advance payments, performance and retention money guarantees. The bank also renders international banking services such as export and import L/C, Documentary collection, advance on export bills, non-resident non-transferable birr account ,non-resident account for Ethiopian Diaspora, buying and selling foreign currency and travellers cheaque, accepting Master Cards and effect reciprocal payments. It also gives domestic and international remittance services through its networked branches and agents worldwide respectively. Awash International Bank, as a pioneer private bank, has proven track record of sustainable and significant growth in all operational and financial areas throughout its life of operation. If an organization wants to remain competitive then it has to maintain continuous improvement and workplace education. Fast pace technological development and organizational change help employers to realize that success demands the enhancement of employee skills and abilities and it requires uninterrupted investment in training and development. Training is the systematic attainment and expansion of the knowledge, skills, and attitudes. Training is required by the employees to sufficiently execute a task or job and to improve performance in the job environment (Sultana, Irum, Ahmed & Mehmood, 2012).

The study, therefore, will focus on how providing effective and efficient training and development for employees of AIB would improve their performance of work.

1.3. Statement of the Problem

The Success of any organization in the long run depends very much on the quality of its human resources. This is because; human resource is a strategic resource in which an organization can achieve its competitive advantage. Competitive advantage can be achieved by designing appropriate training and development programs that respond to the changing environment. In the service oriented industries like banks improvements in service have to be continuously made to meet the rising expectations of the customers.

Effective training and development depends on knowing what results are required for the individual, the department and the organization as a whole. With limited budgets and the need for cost-effective solutions, all organizations need to feel secure that the resources invested in training and development are targeted at areas where these are needed and a positive return on the investment is guaranteed. Absence of qualified workforces affects the

employees as well as the employers' quality of work in organization. To survive in this competitive, liberalized and globalized market, the organization need to focus on planning training programs and evolve right approach for its implementation.

The delivery of efficient and effective training is required to enhance the productivity of employees and improve their performance. However, the problem in training and development is that people usually like the training and learn the material taught, but behavior and performance do not always reflect the extent of training delivered and learned.

This is what has been observed on the preliminary study of AIB's training and development practice. Hence, the researcher is intended to conduct the research to investigate the cause and the effect of the stated problem.

1.4. Research Questions

The proposal is designed to answer research questions on the effect of training and development on employees 'performance in Awash International Bank SC (AIB) in addressing the following sub-questions of the study;

1. What training and development policy and procedure does AIB have?
2. How are employees selected for training and development programs?
3. What training and development process and training methods are used in AIB to meet their objectives?
4. How involved are managers on employees training and development program?
5. What effect does training and development programs have on employees' performance?

1.5. Objective of the Study

1.5.1 General objective of the Study

The general objective of the study will be to assess the practices and the effect of overall training and development on employees' performance in Awash International Bank S.C and forwarding strategy for improvement.

1.5.2 Specific Objectives of the Study

- ✓ To assess if there is effective training and development practice.
- ✓ To identify how employees are selected for training and development program.
- ✓ To explain the training and development design.
- ✓ To explain the training delivery methods applied.
- ✓ To outline how training and development is evaluated.
- ✓ To identify possible problems that may encounter.
- ✓ To demonstrate the relationship between training and performance.
- ✓ To forward relevant recommendations based on findings of the study.

1.6 Significance of the study

The study was investigated the effect of training and development on employees' performance of Awash International Bank S.C Headquarter. The investigation will assist the bank to understand and identify the effect of training practice on employees' job performance and the relationship between training and job performance. Thus, the study will help to develop and preserve a quality work life, which will provide an opportunity for employees' job performance and self-confidence. Furthermore, it will aid the management of the bank to introduce a modern scheme of training and development to cope up with the challenges of the forthcoming globalization. The findings will also provide a direction to improve or develop a training program and enables the management to in place an appropriate process of training and development throughout the bank. Finally the study will serve as a reference material for other researches which will be conducted similar issues in the future.

1.7. Delimitation of the Study

This study was focused on assessing the effect of training and development on employees' performance of Awash International Bank S.C.Headquarter. It didn't take into account other factors that may affect employees' job performance other than the training and development practices of the bank. For instance, employees 'personal problems, and the distance of residential area from the place of work were not considered in the study that it may unnecessarily broaden the scope. Owing to time and cost constrain, the respondents the questionnaire and interview were clerical employees from the bank's headquarter.

1.8 Definition of Terms

1. **Training practice**: a planned process to modify attitude, knowledge or skill, behavior through learning experience to achieve effective performance in an activity or range of activities (Wilson, 2004).

2. Training process: the systematic approach of developing training and development program. It involves identifying training need assessment, setting training objectives and developing training policy, designing training policy and programs; implementing and evaluating the training(Armstrong,2006).

3. Training policy and procedure: a training plan of action adopted by the company or training organization and series of activities which are practical nature involved in a training program (John Bouris, 2007).

4. Delivery technique: method of delivering the training to trainees. i.e. on the job training and/or off the job training techniques. On the job training is a training given at the work place under the supervision or guidance of a trained worker or instructor. Off the job training is a training method that trainees have to leave their work place and devote their entire time to the training (Elnaga Amir and Amen Imran, 2013).

1.9 Organization of the Research Reports

The research report is comprised of five chapters. Chapter one consists of background of the study which briefly discuss literature related to the study, statement of the problem that the researcher intended to examine; basic research questions that will be answered based on the data collected and analyzed; objective of the study; definition of basic terms; significance of the study that states about the relevance of the research; delimitation of the study that describes about some constraints in the research and ethical consideration. Chapter two contains relevant literature about the study –it is a section where authors stated about the subject matter. Chapter three consists of issues about research design, sources of data, data collections instruments employed, and the method of data analysis used clearly. Chapter four summarizes the findings of the study, interprets and discusses the results. Chapter five comprises the conclusions and recommendations of the study.

CHAPTER TWO: REVIEW OF RELATED LITRATURE

2.1 Overview of training

Every organization needs well-adjusted, trained, and experienced people to perform its activities. As jobs in today's dynamic organizations have become more complex, the importance of employee education has increased (De Cenzo & Robbins, 2010). The nature of the modern business environment makes training more important today than it ever has been. Moreover, rapid change, especially in the area of technology, requires that employees continually learn new skills to perform their day to day activities. According to Redman and Wilkinson (2006), training is basically a learning experience, which seeks a relatively permanent change in an individual's skills, knowledge, attitudes or social behavior. Continuously there is the need to improving employee's skills and knowledge so that he or she becomes efficient to work on both present and future jobs and tasks. Armstrong (2006) also defined training as a systematic modification of behavior through learning which occurs as a result of education, instruction, development and planned experience.

Effective training can yield higher productivity, improved work quality, increased motivation and commitment, higher morale and teamwork, and fewer errors, culminating in a strong competitive advantage (Morrow, 2001). Conversely, a poorly trained workforce can lead to errors, injuries and even legal issues, all of which can be extremely costly. Not surprisingly, training has become a paramount concern of organizations and researchers alike. Organizations rely on learning strategies, training technology and development efforts to prepare their workforce (Morrow, 2001). As stated by Reid and Barrington (1994) in today's global economy, the knowledge, skills and abilities necessary to maintain a competitive advantage are growing and changing. As the nature of work changes, employees are increasingly required to develop a wide, mutable set of skills that are essential to the success of their organizations.

Training consists of an organization's planned efforts to help employees acquire job-related knowledge, skills, abilities, and behaviors, with the goal of applying these on the job. A training program may range from formal classes to one-on-one mentoring, and it may take place on the job or at remote locations. No matter what its form, training can benefit the

organization when it is linked to organizational needs and when it motivates employees (Noe, Hollenbeck & wright, 2011).

Training plays vital role in the building of competencies of new as well as current employees to perform their job in an effective way. It also prepares employees to hold future position in an organization with full capabilities and helps to overcome the deficiencies in any job related area. Training is considered as that sort of investment by the firm that, not only bring high return on investment but also supports to achieve competitive advantage.

Training programs is the stimulant that workers require to improve their performance and capabilities, which consequently increase organizational productivity. Therefore, training should be designed on the basis of firm specific needs and objectives. Effective training is the thoughtful intervention designed at attaining the learning necessary for upgraded employee performance (Elnaga, Imran, 2013).

2.2 Definition of Training

Training, as defined in the present study "is the planned intervention that is designed to enhance the determinants of individual job performance" (Chiaburu &Teklab, 2005). Training is related to the skills an employee must acquire to improve the probability of achieving the organization's overall business and academic goals and objectives. Positive training offered to employees may assist with reduction of anxiety or frustration, which most employees have experienced on more than one occasion during their employment careers (Truitt, 2011).

According to Cole (2002), in his book called 'Personnel and Human Resource Management training is a learning activity directed towards the acquisition of specific knowledge and skills for the purpose of an occupation or task. The focus of training is the job or task for example, the need to have efficiency and safety in the operation of particular machines or equipment, or the need for an effective sales force to mention but a few.

Training is a planned effort to enable employees to learn job-related knowledge, skills, and behavior (Noe, Hollenbeck & wright, 2011). Training consists of organized learning activities capable of improving individual performance through changes in knowledge, skills, or attitudes. In a broad sense, it includes experiences intended to meet essential job requirements, update skills, prepare people for career movement of any kind, rectify

knowledge or skill deficiencies, and evoke new insights or even create new knowledge. It is thus an important tool for changing individuals by giving them new knowledge and skills (Rothwell & Kazanas, 2003). The fundamental aim of HRD is to enhance resource capability in accordance with the belief that the human capital of an organization is a major source of competitive advantage. It is therefore about ensuring that the right quality people are available to meet present and future needs. This is achieved by producing a coherent and comprehensive framework for developing people (Armstrong, 2006).

The purpose of both training and development is similar. The main difference between the two is in respect to the time frames. Training is more present-day oriented; it focuses on individuals' current jobs, enhancing those specific skills and abilities needed to immediately perform their jobs. This, by definition, is job-specific training, or training designed to make employees more effective in their current job. Employee development, on the other hand, is future oriented and more concerned with education than employee job-specific training. By education we mean that employee development activities attempt to instill sound reasoning processes to enhance one's ability to understand and interpret knowledge rather than imparting a body of facts or teaching a specific set of motor skills. Development, therefore, focuses more on the employee's personal growth (Decenzo et al. 2010)

2.3. Importance of training

Training is important and an imperative tool for the organization to improve the performance of all the personnel for organizational growth and success. It is beneficial to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well. Firms can develop and enhance the quality of current employees by providing comprehensive training and development. Training is essential not only to increase productivity but also to motivate and inspire workers by letting them know how important their jobs are and giving them all the information they need to perform those jobs (Rothwell & Kazanas, 2003).

The general benefits received from employee training are: increased job satisfaction and morale , increased motivation , increased efficiencies in processes, resulting in financial gain, increased capacity to adopt new technologies and methods, increased innovation in strategies and products and reduced employee turnover (Elnaga,Imran, 2013).

Trainings can equip workers to carry out tasks, monitor quality and manage complex products and services within the organization. Training and development safeguards productivity as well as support it by preparing employees for future jobs and insulate firms from skill shortages. Within firms, training and development is a key element of human resource management. When firms compete on the basis of quality and adopt high-commitment work practices such as employee involvement, team working or merit-based pay; developing employees is the key element in performance. It can raise the capacity of the individuals and groups employed, enabling them to participate meaningfully in systems where their contribution is encouraged (Keep and Mayhew 1996).

Training also allows organizations to adapt to changes in the business environment. In addition to these substantive factors, training and development also serves an important and very positive symbolic function. Everything that a firm does sends messages of one kind or another to its employees. Organizations that spend money on raising skills are, quite literally, investing in their workers. Employees who participate in firm-sponsored training are more likely to see themselves as having better career prospects and say that they are intending to stay with their employer than those that do not (Heyes and Stuart 1996).

One of the main advantages of training and development was that it could enhance skills in the workplace, equip workers with expertise and change the way that they worked. Given this, the overall statistics are of concern for, while training figures have risen since the 1980s, there is some evidence that this has been achieved by shorter training courses more evenly distributed (Redman and Wilkinson, 2006).

Due to fast pace global and technological development the firms are now facing new changes as well as challenges. Technological advancements have molded the need of capabilities and competencies required to perform a particular tasks. Thus, to cope with these challenges, more improved and effective training programs are required by all corporates. Effective training programs helps in constructing a more conducive learning environment for the workforce and train them to cope with the upcoming challenges more easily and in time (Wei-Tai, 2006).

Training can help an organization that is moving toward implementation of a new strategy in a changing environment. As a consequence of pressures inside and outside an organization, individuals face new problems and forces for change. These pressures call for new skills from job holders and can change expectations about desirable job performance. While anticipating future change is no simple matter and is fraught with problems (not the least of which is inaccurate prediction), training can serve as a medium for simulating artificial experience to anticipate future events. One benefit of this approach is that it helps people understand what knowledge and skills they might need in the future; thereby motivating those to learn to meet future rather than past needs (Redman and Wilkinson, 2006).

2.4. The justification for training

According to Armstrong (2006), a formal training is indeed one of the ways of ensuring that learning takes place, but it can be justified when:

i.   The work requires skills that are best developed by formal instruction;

ii. Different skills are required by a number of people, which have to be developed quickly to meet new demands and cannot be acquired by relying on experience;

iii. The tasks to be carried out are so specialized or complex that people are unlikely to master them on their own initiative at a reasonable speed;

iv. Critical information must be imparted to employees to ensure they meet their responsibilities;

v.   A learning need common to a number of people has to be met, which can readily be dealt with in a training program, for example induction, essential IT skills, communication skills.

2.5. Effective training practices

Effective training uses the systematic approach which is specifically designed, planned and implemented to meet defined needs with an emphasis on skills analysis. The purpose of the training should be clearly defined in terms of the 'criterion behavior' required as a result of training, and the 'terminal behavior' expected. The latter can be expressed as a statement along the lines of: 'On completing this training the participant will be able to…' Defining criterion and terminal behaviors will provide the basis for evaluation, which is an essential element in the achievement of successful training. The content of the training should be

related to the work contexts of the participants. Ideally, their work should be made a central feature of the subject matter. Every opportunity should be taken to embed learning at work (Armstrong, 2006).

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

Effective training and development programs aimed at improving the employees' performance. Training refers to bridging the gap between the current performance and the standard desired performance. Training could be given through different methods such as on the coaching and mentoring, peers cooperation and participation by the subordinates. This team work enable employees to actively participate on the job and produces better performance, hence improving organizational performance (Elnaga, Imran 2013).

2.6. The Training Process

2.6.1. Identify Training Needs

Needs should only be systematically identified when the cause of a performance problem is lack of knowledge, skill, or appropriate attitude. Otherwise, management action in an area other than training is probably what needed.

Training is only an appropriate solution when skill deficiency is the cause of a problem. It merely furnishes individuals with skills they need to perform. Training is not appropriate to deal with execution deficiency and thus cannot solve problems stemming from such causes as unclear work contexts, mental/physical disability, or lack of feedback. In those cases, other corrective measures have to be taken, and they must usually be taken by the organization's management (Rothwell and Sredl, 2000).

Training based on needs, defined as gaps or discrepancies between an ideal and an optimal state. They are different from wants and interests, which are consciously desired and arise from within the person. Needs on the other hand, arise from the job, from a comparison between desired and actual work methods, or between desired and actual work results (Rothwell and Sredl, 2000).

Hence, training needs assessment is the process of discovering precisely, what gaps exists between what people know, do, or feel and what they should know, do, or feel in order to perform competently. The oldest writing about training needs assessment suggested that training needs should be synthesized from three sources: organizational analysis, work analysis, and individual analysis (McGehee and Thayer, 1961).

In the broad organizational analysis, trainers compare what the organization is doing and what it should be doing. Trainers focus attention on organizational objectives, skills, inventories, organizational climate, and indices of efficiency, including costs for labor, materials, and distribution.

The second source is work analysis. Somewhat narrower than organizational analysis, work analysis compares what the job requires to what the job incumbent can do. Trainers identify individual skill deficiency, the gap between what people need to perform and what they can presently do. Such deficiencies are measured by comparing job results to work standards, job descriptions to employee skills, and perceptions of job requirements to those actually demonstrated on the job (McGehee and Thayer, 1961).

The third source is individual analysis. Most narrow of all, individual analysis centered on a person doing the job. Does he or she know what to do? How to do it to the minimal acceptable level of performance? Attention focuses on comparisons between what should be at present and what is actually happening as measured by employee performance appraisals, tests, and attitude surveys. The results of organizational, work, and individual analysis are synthesized; that is, they are compared, checked, and double-checked (McGehee and Thayer, 1961).

2.6.2 Plan Training Program

According to Armstrong (2006), an instructional objective which describes the results or outcomes sought from instruction should be defined first. There are three parts to any objective: (1) performance—what learners will be capable of doing after the instructional

experience is completed; (2) conditions—what context and what tools will be necessary for performance to occur; and (3) criterion—how well the performance will be exhibited. In some cases, a condition need not be specified when no special tools are required (Rothwell and Kazanas 2003).

An instructional objective is the link between needs and results. Objectives help identify what instruction to offer so as to meet a need and thereby close a performance gap. Objectives can be categorized in two ways in terms of type and scope.

There are three types of objectives:

i.   Cognitive objectives, which have to do with knowledge and information;

ii. Affective objectives, which have to do with feelings and beliefs; and

iii. Psychomotor objectives, which have to do with the ability to manipulate objects. Most training in organizational settings is heavily cognitive.

There are two ways to think of the scope of objectives:

1. Terminal, which are behaviors exhibited at the end of instruction, and Terminal, which are behaviors exhibited at the end of instruction, and

2. Enabling, which are behaviors that contribute to mastery of terminal objectives? They are typically capable of being exhibited at the end parts of instruction, components of a larger instructional experience. Terminal objectives express what learners will be able to do upon completion of a course or program. They are most frequently the center of a trainer's attention (Rothwell and Kazanas 2003).

2.6.3. Prepare test items based on objectives

To demonstrate that learners have mastered behaviors that a training program has been designed to teach, trainers prepare test items corresponding to each instructional objective. In this way, subsequent instructional content or subject matter is clearly focused on results and linked to measures of achievement like test items. Broadly speaking, tests for training are categorized into two types: norm referenced, in which achievement is assessed relative to other learners, and criterion referenced, in which achievement is assessed relative to individual success in mastering instructional objectives. In short, norm-referenced tests compare each learner to others, while criterion-referenced tests compare a learner's progress to pre-established measures (Rothwell and Kazanas 2003).

Another way to think about tests is on the kinds of behaviors or skills they measure. There are four types, all criterion-referenced:

1. An entry test measures how well the learner has mastered instructional prerequisites. One prerequisite to instruction might be simple reading ability. But how well do learners read?

2. A pretest measures the learner's present knowledge or level of skill relative to outcomes sought through instruction. If a learner achieves a score of 100 percent on a pretest, he or she does not need instruction.

3. Post-test measures what the learner knows or can do following instruction. It indicates how well the learner is able to perform, and thus serves as a quality control check on the instruction and the learner.

4. An embedded test is carried out during instruction to assess how well the learner is progressing toward achievement of terminal objectives. An easy way to distinguish between these tests is by placement: entry and pretests occur before instruction embedded tests occur during it, and post-tests occur after it (Rothwell and Kazanas 2003).

2.6.4 Select or design instructional content or subject matter

The decision of what to teach; i.e. the selection or design of instructional content is based on test items and instructional objectives. In this process, it is important to consider whether the content should be

1. Located from existing sources, such as textbooks, other training courses, and/or published articles,
2. Tailor-made for the purpose at hand, or
3. Prepared from some combination of externally available and internally developed content.

In many cases, the choice depends on instructor preferences and on relative costs and benefits associated with each method. Despite the wide variety of media available, the

traditional lecture remains a popular delivery method. When it is used, instructional content is prepared through lesson and unit plans. A lesson plan describes the objectives for one lesson. It usually includes the subject matter to be mastered by the learner and the means of measuring learner achievement. A unit is a group of related lessons. If instruction is offered in a format other than lecture, content is prepared in a way that will (of course) be appropriate for the delivery method (Rothwell and Kazanas 2003).

2.6.5 Choose delivery methods

The decision of how to teach is closely related to what to teach. In fact, these two questions comprise the essential issues in training design. Like content, choice of delivery method depends to some extent on instructor preferences. A careful use of training methods can be a very cost-effective investment in the sense of using the appropriate method for the needs of a person or group. However, many commentators have mentioned that organizations often use inappropriate methods, which can be both costly and time wasting and bring very little improvement in the performance of the employee. In general, training can be divided into on-the-job and off-the-job methods. There is a place for both types, and each can be effective at meeting certain training requirements (Beardwell et al, 2004).

I.   On-the-job training

On-the-job training (OJT) is probably the most common approach to training. It can range from relatively unsophisticated 'observe and copy' methods to highly structured courses built into workshop or office practice. Cannell (1997) defines OJT as training that is planned and structured that takes place mainly at the normal workstation of the trainee although some instruction may be provided in a special training area on site and where a manager, supervisor, trainer or peer colleague spends significant time with a trainee to teach a set of skills that have been specified in advance. There are different types of on the job training which includes:

a. Mentoring

This is one way of On-the-job training, in which 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 or mother–daughter relationship can exist, whereby the mentor acts as an adviser and protector to the trainee. A

study of mentors in the health sector reveals that overemphasis on the technical side of the mentoring process and an underestimation of the emotional side can have negative results. They recommend that appropriate support should be provided for mentors themselves. This dual role of providing professional and emotional support may clash, and it might be advisable for the two roles to be performed by different people (Beardwell et al, 2004).

b. Shadowing and job rotation

Shadowing is another off-practiced on-the-job training method. It usually aims to give trainee managers a 'feel' for the organization by providing experience of working in different departments. It is an old technique, and has been criticized not so much for the concept itself as for the way it is often implemented. Trainees are often not warmly welcomed, and are seen by supervisors and workers in the department as obstacles to the daily routines. However, if well structured, and planned with the cooperation of all departmental supervisors, this method can be a worthwhile learning experience (Beardwell et al, 2004).

Another version of training by switching roles is job rotation, which became popular in the 1970s to help relieve boredom and thereby raise the productivity of shop floor workers. If appropriately implemented, it can be an excellent learning experience for workers, and it fits suitably with HRM concepts of team working and empowerment, whereby people are encouraged to take greater responsibility for their work and that of the team (Beardwell et al, 2004).

c. E-learning

A more recent concept of the informational and learning exchange environment is e-learning (electronic learning). This emphasizes the use of new technology such as e-mail, Internet, intranet and computer software packages to facilitate learning for employees whenever they need it (Beardwell et al, 2004).

The adoption of online learning is attractive to organizations because the required data is available when learners want to learn. This will speed up the learning process and knowledge exchange. Until recently, a unit of learning was expressed in terms of a three-day course, a morning course or a two-hour course. The e-learning forms can be formal, an actual course delivered via soft- ware or the Internet or informal, exchange of information and knowledge

via e-mail or an intranet. The recently established University for Industry in the UK will base a great deal of its approach to learning and delivery of courses on the use of new technology, a trend that is increasing rapidly in universities and other educational institutions (Beardwell et al, 2004).

II. Off-the-job training

Off-the-job training can be provided in different way. It is best to bear in mind that there may be nothing wrong with the methods, but that they may be utilized ineffectively by the trainer or the learner. In other words, the key is to make the appropriate match between the training requirements of the employee and the training methods availabl (Armstrong 2006).

a. Lecture

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

According to Armstrong (2006), the effectiveness of a lecture depends on the ability of the speaker to present material with the judicious use of visual aids. But there are several limits on the amount an inert audience can absorb. However effective the speaker, it is unlikely that more than 20 per cent of what was said will be remembered at the end of the day.

And after a week, all will be forgotten unless the listeners have put some of their learning into practice. For maximum effectiveness, the lecture must never be longer than 30 or 40 minutes; it must not contain too much information, if the speaker can convey three new ideas that more than a half of the audience understands and remembers, the lecture will have been successful; it must reinforce learning with appropriate visual aids but not too many; and it must clearly indicate the action that should be taken to make use of the material.

b. Discussion

The objectives of using discussion techniques are to:

a. get the audience to participate actively in learning;
b. give people an opportunity of learning from the experience of others;

c. help people to gain understanding of other points of view;

d. Develop powers of self-expression.

The aim of the trainer should be to guide the group's thinking. He or she may, therefore, be more concerned with shaping attitudes than imparting new knowledge. The trainer has unobtrusively to stimulate people to talk, guide the discussion along predetermined lines, and provide interim summaries and a final summary.

The leader's job is to guide the discussion, maintain control and summarize from time to time. If necessary, 'reflect' opinions expressed by individuals back to the group to make sure they find the answer for themselves. The leader's job is to help them reach a conclusion, not to do it for them (Armstrong, 2006).

.Case study

A case study is a history or description of an event or set of circumstances that is analyzed by trainees in order to diagnose the causes of a problem and work out how to solve it. Case studies are mainly used in courses for managers and team leaders because they are based on the belief that managerial competence and understanding can best be achieved through the study and discussion of real events. Case studies should aim to promote enquiry, the exchange of ideas, and the analysis of experience in order that the trainees can discover underlying principles that the case study is designed to illustrate. They are not light relief. Nor are they a means of reducing the load on the instructor. Trainers have to work hard to define the learning points that must come out of each case, and they must work even harder to ensure that these points do emerge (Armstrong, 2006).

The danger of case studies is that they are often perceived by trainees to be irrelevant to their needs, even if based on fact. Consequently, the analysis is superficial and the situation is unrealistic. It is the trainer's job to avoid these dangers by ensuring that the participants are not allowed to get away with half-baked comments. Trainers have to challenge assumptions and force people to justify their reasoning. Above all, they have to seize every chance to draw out the principles they want to illustrate from the discussion and to get the group to see how these are relevant to their own working situation (Armstrong, 2006).

c. Role-playing

In role-playing, the participants act out a situation by assuming the roles of the characters involved. The situation will be one in which there is interaction between two people or within a group. It should be specially prepared with briefs written for each participant explaining the situation and, broadly, their role in it. Alternatively, roleplaying could emerge naturally from a case study when the trainees are asked to test their solution by playing the parts of those concerned. Role-playing is used to give managers, team leaders or sales representatives practice in dealing with face-to-face situations such as interviewing, conducting a performance review meeting, counseling, coaching, dealing with a grievance, selling, leading a group or running a meeting. It develops interactive skills and gives people insight into the way in which people behave and feel (Armstrong 2006).

The technique of 'role reversal', in which a pair playing, say, a manager and a team leader run through the case and then exchange roles and repeat it, gives extra insight into the feelings involved and the skills required. Role-playing enables trainees to get expert advice and constructive criticism from the trainer and their colleagues in a protected training situation. It can help to increase confidence as well as developing skills in handling people. The main difficulties are either that trainees are embarrassed or that they do not take the exercise seriously and overplay their parts (Armstrong 2006).

d. Simulation

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

e. Group exercises

In a group exercise the trainees examine problems and develop solutions to them as a group. The problem may be a case study or it could be one entirely unrelated to everyday work. The aims of an exercise of this kind are to give members practice in working together and to obtain insight into the way in which groups behave in tackling problems and arriving at decisions. Group exercises can be used as part of a team-building program and to develop

interactive skills. They can be combined with other techniques such as the discovery method, encouraging participants to find out things for themselves and work out the techniques and skills they need to use (Armstrong 2006).

2.6.6. Implement Training

Training can be offered on-the-job by the supervisor, off-the-job by in-house trainers, and off-the-job and outside of the organization. On-the-job training is the most difficult to recognize because it is usually informal and is rarely distinguishable from regular work activities. Seldom is it preceded by formal needs assessment or preparation of instructional objectives.

The advantage of on-the-job training is that it is highly applied: There is no boundary between who instructs and who supervises. One disadvantage is that supervisors frequently have trouble structuring learning experiences. Off-the-job training is expensive in terms of the time it takes away from productive labor, but it is cost- effective for large groups of people sharing similar needs. In addition, it can be more professionally structured; there is also a separation between the trainer who provides instruction and the supervisor who subsequently judges the adequacy of individual job performance (Armstrong 2006).

2.6.7. Evaluate Training

When off-the-job training is successfully applied on the job by an employee, then trainers say that the learning was "transferred." Of course, the whole point of off-the-job training is usually to give employees the knowledge and skills they need to perform effectively. That is often easier said than done. Staff trainers who conduct the training are not the employee's supervisors and are rarely aware of conditions on the job that prevent transfer of learning. These conditions are called "barriers" to transfer. These include

1. The individual (learner). If learners do not see value in applying new skills, believe that there won't be rewards for doing so, or do not value the rewards, then there won't be a transfer of learning from the classroom to the job. In short, lack of motivation impedes application

2. The job. If individuals have little or no latitude to change what they do because job tasks are tightly controlled, then training can never be applied unless the job itself is changed first.

3. The supervisor. If a learner's superior disapproves of instruction, then there is little likelihood that new behaviors will be exhibited. Supervisors exert powerful influence over behaviors of subordinates because they control rewards and punishments.

4. The work group. If a trainee returns to co-workers only to find new ideas greeted skeptically or disapprovingly, then there won't be a successful transfer of learning. People will not risk social ostracism or put up with the jeering contempt of their peers for very long. They will conform to behaviors that are acceptable.

Of course, the reverse of this principle is also true. The likelihood of successful transfer increases as people see how they benefit from applying what they learn, believe that application of new knowledge or skill will be rewarded, and value the rewards associated with application. Transfer also takes place when people can decide to apply the skill or knowledge on the job and are encouraged by supervisors and co-workers. Generally, the greater the similarity between the job and the training is the greater the likelihood that individuals will successfully transfer their skills from one to the other (Rothwell and Kazanas 2003).

The penultimate stage in the training strategy is the evaluation and monitoring of training. It is one of the most important but often the most neglected parts of the training process. This stage can be viewed as both simple and complicated. It is simple in that monitoring consists in gleaning information from the trainees and then amending the courses and programs in the light of these comments. But it is also complex because there are other stakeholders in the process as well as the trainees: the designers of the courses, the trainers, and the sponsors. Each has their own purposes, aims and objectives, and these must be clearly identified before evaluation can proceed (Easterby-Smith and Mackness, 1992).

2.6.7.1 Levels of evaluation

Four levels of training evaluation have been suggested by Kirkpatrick (1994).

Level 1. Reaction

Level one measures the reactions of the participants toward the training and answers questions about whether the participants liked the training; felt they achieved their learning goals; how much they liked the trainers; and any suggestions they have for improving the training. At this level, evaluation measures how those who participated in the training have reacted to it. In a sense, it is a measure of immediate customer satisfaction (DeCenzo et al. 2010).

Level 2. Evaluating learning

This level obtains information on the extent to which learning objectives have been attained. It will aim to find how much knowledge was acquired, what skills were developed or improved, and the extent to which attitudes have changed in the desired direction. So far as possible, the evaluation of learning should involve the use of tests before and after the program – paper and pencil, oral or performance tests (DeCenzo et al. 2010).

Level 3. Evaluating behavior

This level evaluates the extent to which behavior has changed as required when people attending the program have returned to their jobs. The question to be answered is the extent to which knowledge, skills and attitudes have been transferred from the classroom to the workplace. Ideally, the evaluation should take place both before and after the training. Time should be allowed for the change in behavior to take place. The evaluation needs to assess the extent to which specific learning objectives relating to changes in behavior and the application of knowledge and skills have been achieved (DeCenzo et al. 2010).

Level 4. Evaluating results

This is the ultimate level of evaluation and provides the basis for assessing the benefits of the training against its costs. The objective is to determine the added value of learning and development programs how they contribute to raising organizational performance significantly above its previous level. The evaluation has to be based on 'before and after' measures and has to determine the extent to which the fundamental objectives of the training have been achieved in areas such as increasing sales, raising productivity, reducing accidents

or increasing customer satisfaction. Evaluating results is obviously easier when they can be quantified. However, it is not always easy to prove the contribution to improved results made by training as distinct from other factors and, as Kirkpatrick says: 'Be satisfied with evidence, because proof is usually impossible to get.' Perhaps the most powerful method of demonstrating that learning programs pay is to measure the return on investment, as discussed below (DeCenzo et al. 2010).

2.6.7.2 Return on investment as a method of evaluation

Return on investment (ROI) is advocated by some commentators as a means of assessing the overall impact of training on organizational performance. It is calculated as:

Benefits from training (Br.) – costs of training (Br.) ×100

      Costs of training (Br.)

Kearns and Miller (1997) believe that only this sort of measure is useful in evaluating the overall impact of training. The pressure to produce financial justifications for any organizational activity, especially in areas such as learning and development, has increased the interest in ROI. The problem is that while it is easy to record the costs it is much harder to produce convincing financial assessments of the benefits (Armstrong, (2006).

2.6.7.3 Methods of evaluation include the following:

i.   Questionnaires (feedback forms) or 'happiness sheets' are a common way of eliciting trainees' responses to courses and programs.

ii.   Tests or examinations are common on formal courses that provide a certificate, such as a diploma in word-processing skills, and end-of-course tests can be provided after short courses to check the progress of trainees.

iii.   Projects are initially seen as learning methods, but they can also provide valuable information for instructors.

iv.   Structured exercises and case studies are opportunities to apply learned skills and techniques under the observation of tutors and evaluators.

v.   It is important to have the opinions of those who deliver the training. Tutor reports give a valuable assessment from a different perspective.

vi.   Interviews of trainees after the course or instruction period can be informal or formal, individual or group, or by telephone.

vii.   Observation of courses and training by those devising training strategies in the training department is very useful, and information from these observations can be compared with trainee responses.

viii.   Participation and discussion during training must be facilitated by people who are adept at interpreting responses, as this can be highly subjective.

ix.   Over the past decade appraisal has become an increasingly important method of evaluation. It has the advantage that the line manager and trainee can mutually assess the training undergone in terms of performance and employee development.

A combination of these approaches is advisable. It is also wise to receive feedback from the trainees and the tutors or trainers, and others involved in the assessment process (Beardwell, Holden and Claydon 2004).

2.7 Employee performance

According to Hawthorne studies, and many other research work on productivity of worker highlighted the fact that employees who are satisfied with their job will have higher job performance, and thus supreme job retention, than those who are not happy with their jobs (Landy, 1985). Moreover, it is stated that employees are more likely to turnover if they are not satisfied and hence demotivated to show good performance. Employee performance is higher in happy and satisfied workers and the managements find it easy to motivate high performers to attain firm targets. The employee could be only satisfied when they feel themselves competent to perform their jobs, which is achieved through better training programs (Kinicki and Kreitner, 2007).

Recognizing the role of training practices, enable the top executives to create better working environment that ultimately improves the motivational level as well as the performance of the workforce. According to Leonard-Barton (1992), an organization that gives worth to knowledge as a source of gaining competitive edge than competitors, should build up system that ensure constant learning, and on the effective way of doing so is training. Peffer (1994) highlights that well-trained workforce is more capable of achieving performance targets and gaining competitive advantage in the market. Training is determined as the process of enabling employee to complete the task with greater efficiency, thus considered to be vital element of managing the human resource performance strategically.

2.8 EMPERICAL LITERATURE

Empirical findings are one of the important components of literature review in the study of a given research. This type of literature contribute a lot to the effectiveness of the investigation under study by revealing the gap that the researcher wants to find out and how the research had empirically undertaken. Hereunder are the researcher reviews on some important issues which are directly related to the investigation understudy.

2.8.1 Empirical Findings on Effect of Training on Performance

Khan et al (2011) conducted a research study on similar issue, impact of training and development on organizational performance. The objective of the study was to understand the effect of training and development on the job training, training design and delivery style on organizational performance. The secondary data comprised of comprehensive literature review was critically used for the study. Four hypotheses are developed to see the impact of all the independent variables on the overall organizational performance. Results shown that on the job training, training design and delivery style have significant effect on organizational performance. People learn from practical experience much better as compared to bookish knowledge and it is better for the organization to give their employees on the job training since it is cost effective and time saving. Here we can point out that organizational performance emanates from employees performance and employees' performance comes from effective training; that is, training affects employee performance as a result organizational performance is affected. In general, training affects both employee and organizational performance directly.

Likewise, sultana et al (2012) had conducted a research titled "The impact of training practice on employee performance" in the telecommunication sector of Pakistan. Using the combination of literature review and questionnaire surveys, the paper explores that any organization to succeed in achieving the objective of its training program, design and implementation must be planned and systematic, tailored towards enhancing performance and productivity. Ti has been observed that most organizations meet their need for training in an adhoc and haphazard way while others set their training needs by identifying, then design training activities in a rational manner and finally assess the results of the training. The study concludes that if organizations invest in right type of employee training, it can enhance employee performance as well as competencies and skills. In addition, training is seen as a useful means of coping with changes fostered by technological innovation, market competition, organizational structuring and most importantly plays a key role to scale up employee performance.

Regarding to correlation, the researcher find that the positive relationship between training and performance is 50.8% strong. All the relationships are significant at 1% level of significance for two tailed test and the regression result show that the value of β in the regression table is .582 that indicates 1% change in the predictive variable (training) can change outcome variable (performance) up to 58.2%. Hence, if training is increased by 1%, it will result in increase of performance by 58.2%. The relationship is positive and significant as shown by small p value. The value of R2 is .501 that explains training accounts 50.1% variation in performance and this can viewed that there might be other factors that bring variation of 49.9% in the outcome table. The researcher concluded that training enhances skills, competency, ability and ultimately workers' performance and productivity in organization.

Other researcher Schmidt (2007) in his study of the relationship between satisfactions with work place training and overall job satisfaction was examined that whether or not there was a relationship between satisfaction with job training and overall job satisfaction. He examined three factors that may affect satisfaction with training: methodology, type of training and amount of time spent in training. The study found a high correlation between job satisfaction and overall satisfaction among employees in customer contact positions. Given

the significant relationship between job training satisfaction a logical second step was to disseminate study results further delve into the component of job training that may constitute job training satisfaction. Three variables examined in this study relating to the job training experience were time spent in training, training methodology, and content. All three together were significant in relationship with job training satisfaction. When training, it was important to note that the methodology used should be one that employees believe effective in helping them learn. There were difference between the training methodology preferred by employees and those used in their training. Organizations that offer effective job training may find better trained and more satisfied employees.

Generally a number of other researchers have also conducted a study regarding training and development and its effect on employees and organizational performance as a whole which are not fully discussed here. The imperial findings almost show that training variables positively and significantly correlated with employees and organizational performances. In general speaking every organization has some expectations from employees with respect to their performance. Efficiency, effectiveness, Commitment and self-confidence are some the performance variables resulting from training and development.

2.9   Conceptual Framework of the study

 Designing a training program involves a sequence of steps that can be grouped into four phases: needs assessment, planning, implementation and evaluation. Most of the benefits derived from training are easily attained when training is planned and systematic. This means that the organization, trainers and trainees are prepared for the training well in advance. Armstrong (2006) also adds training should be systematic in that it is specifically designed, planned and implemented to meet defined needs. It is provided by people who know how to train and the impact of training is carefully evaluated. According to Kenney and Reid(1986) planned training is the deliberate intervention aimed at achieving the learning   necessary for   improved job   performance. Planned and systematic training according to Kenney and Reid consists of the following four steps:

1. Identify training needs.
2. Decide what sort of training is required to satisfy these needs.

3. Use experienced and trained trainers to implement training.

4. Follow up and evaluate training to ensure that it is effective.

According to Armstrong (2006), the concept was originally developed for the industrial training boards in the1960s and consists of a simple four-stage model, as illustrated below.
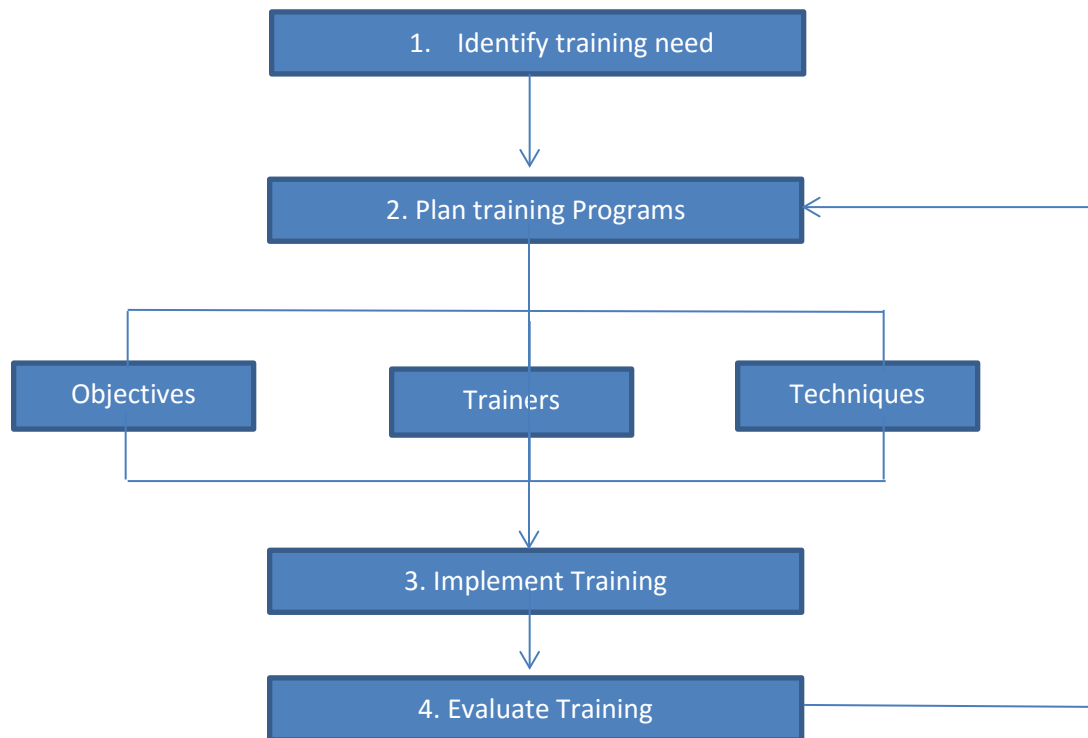
Fig. 2.9.1 Four stage training Model

Hence on the basis of the above review of literature, following proposition could be drawn: Those employees who receive effective training sessions are more able to perform well on the job by increasing the quality of work, hence achieving organizational goals and gaining competitive advantage.

Figure 2.9.2 Theoretical Model Representing Relationship between Independent (Effective training Program) and Dependent Variable (Employee Performance)

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

This chapter presents a description of the methodology that is employed in the study. It spells out the techniques and methods of sampling, data collection, processing, analysis, and the area in which the study was carried out.

3.1. Research Design

Research design is a framework or structure for data collection and analysis. It is a plan for conducting a research. Research design is about organizing research activities, including data collection, and analyzing it in such ways that help to achieve the research aims. Creswell (2003) points out that the term research design refers to a basic plan or strategy of research and the logic behind it, which will make it possible and valid to draw more general conclusions from it. According to Crano and Brewer (2002) an appropriate study design is one that allows valid inferences to be made from the findings and these inferences have direct bearing on the research question that the study attempts to answer. As the study mainly focused on   assessing the cause and effect relationship between training and development situation in AIB, explanatory research type were applied and close ended structured questionnaires and interview were utilized.

3.2. Population and Sampling Technique

The population of the study consisted of respondents from Head Office (HO) located in Addis Ababa. The bank has a total of 5975 employees as of March 31, 2016 (quarterly report of HRM process). The size of the target population under investigation at HO was 798 which comprise 569 clerical staffs and 229 non-clerical staffs. According to Crano and Brewer (2002), sampling is the process of selecting a sufficient number of elements from the population, so that a study of the sample and an understanding of its properties or characteristics would make it possible for us to generalize such properties or characteristics to the population elements. Sample size refers to the number of items to be selected from the universe to constitute a sample. The size of a sample should neither be excessively large, nor too small. It should be optimum. An optimum sample is one which fulfills the requirements

of efficiency, representativeness, reliability and flexibility. While deciding the size of sample, researcher must determine the desired precision as also an acceptable confidence level for the estimate (Crano & Brewer2002). In addition to the above criteria, the size of population, the parameters of interest in the research study and budget must be considered while deciding a sample.

The main purpose of the research was investigating the effect of training and development practice on employees' performance. The research was explanatory study in the form of cross-sectional design(gather data at a particular time). The units of analysis for the study are all departments of Awash International Bank S.C. situated at headquarter. For the purpose of the study all clerical employees of 8(eight) departments are randomly selected based on their exposure to training among the 17 departments. The research was both quantitative and qualitative type. Questionnaires were distributed to the respondents to gather the primary data for the study and also an interview also conducted with the division manager of training and development to collect information on the subject matter and ascertain management view on how Awash International Bank S.C. deal with training practices. Training manuals, management directives, circulars and other documents of the bank on training and development was reviewed. This assisted the researcher to ascertain whether AIB has training policies and procedures and act according to the procedure and policy frame work.

Table 3.2 Manpower structure of the bank

Location of employees	Clerical employees	Non clerical employees	Total
Head Office	569	229	798
City and outlaying branches	2836	2341	5177
Total	3405	2570	5975

Source: quarterly report of HRM as of March 31, 2016

3.3 Sample Size Determination

The sampling technique used to select samples from the sampling frame was simple random sampling. As depicted in the table 3.2 above, there are 569 clerical employees who are currently working in head office of different departments and divisions of AIB. The non-clerical staffs are security guards, cleaners and messengers whose educational level is below diploma as indicated in this study. The units of analysis for the study are all departments of AIB found at the head quarter. The sampling frame was a total 185 clerical employees (professional employees including the managers) of the eight departments (human resource, finance, control, credit, trade service, risk and compliance, planning, research and development, general technical service department) out of the seventeen departments. The researcher gave a unique number to the seventeen departments to select the sample size using random sampling. The first case is numbered 0, the second 2, and so on until the actual sample size is reached (Saunders et. al 2009).

The researcher determined the required sample size by driving a formula from C.R. Kothari (2004). According to Kothari (2004), the sample size for a finite population is determined by using the following formula.

$$n = \frac{z^2.P.q.N}{\epsilon^2(N-1) + z^2.p.q}$$

Where:

N= Population size

n= Sample size

ϵ=   acceptable error

p= sample proportion   q=1-p.

z= the value of the standard variance at a given confidence level.

The size of the total sample frame population is 185, where p is 0.5 because at this p value, n will be the maximum and the sample will yield at least the desired precision. The z value at 95% of confidence level is   1.96.

$$\text{n=} \quad \frac{1.96^2(.5)(.5)(185)}{0.05^2(185\text{-}1)+ 1.96^2(0.5)(0.5)}$$

$$\text{n=} \quad \frac{177.674}{1.4204}$$

$$\text{n=} \quad \underline{125}$$

Thus, the sample size of the study is 125 clerical employees of AIB head quarter. The study targeted only clerical employees of the bank mainly due to their level of awareness in filling questionnaire and understanding items in the questionnaire. Here we can see that the sample size of the 125 of clerical employees representing 68% of the sampling frame.

3.4. Instrument of Data Collection

The sources of data for the study were both primary and secondary. The primary data were collected through close ended and structured questionnaire and interview. The secondary sources of data were training manuals, management directives and other related documents. Five scale Likert Scale was utilized and rated as: Strongly Disagree = SD; Disagree= D; Neutral = N; Agree = A; Strongly Agree = SA. Since the participants of the study are clerical staffs with educational background of diploma and above, the questionnaires were prepared and distributed in English language.

3.5. Procedures of Data Collection

Respondents of the research were voluntary and given full description of the study before deciding to participate. Also participants were informed that the purpose of the questionnaire is to assess their feelings and thoughts on training and development practices of their organization and there is no right or wrong answer. Respondents assured the strict confidentiality of their responses and told that the completed questionnaires will directly be given to the researcher and the questionnaires were given to each participant to fill and return within 10 days' time.

In all 125 questionnaires were distributed to the selected samples of head office departments and the researcher personally collected 107 questionnaires from the respondents. Out of the 107 questionnaires collected, 3 improperly filled questionnaires have been discarded and 18 were not returned back.

3.6. Methods of Data Analysis

In order to measure the different organizational factors and effect of   training and development practices on employee performance of AIB, questionnaire with 5-point Likert Scale was utilized. Data processing was included the editing, coding, transcription in to computer, and verification of data. The relevant data collected for the study through questionnaires are processed, analyzed and interpreted through SPSS Version 20 (Statistical Package for Social Science) software. The techniques for quantitative data analysis were frequency distribution, mean, standard deviation, percentages, Karl Pearson's coefficient of correlation which used to determine the proportion of respondents choosing the various responses and to see the relationship between training and development(independent variables) and the different dependent variables of performances(efficiency, effectiveness, commitment and self-confidence of employees). It was done in each group for each group of items relating to the research questions and objectives. Finally the analysis part was presented in form of tables and examined in narrative form to ensure understanding of the analysis. The information from the interview and documents was analyzed in a narrative form.   -   .

IV   DV

X: Training Practices

Z : Training Delivery Techniques

A: Effectiveness

B: Efficiency

C: Commitment

D: Self-Confidence
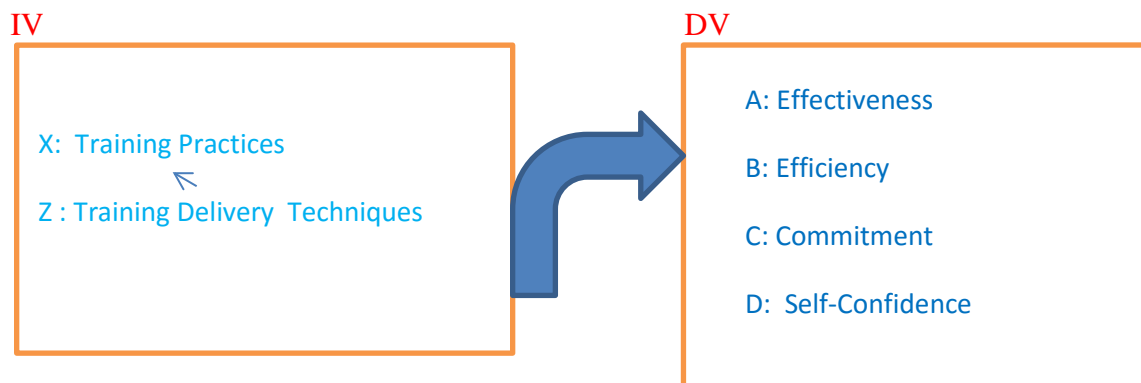
Figure 3.6   The conceptual Frame Work.

3.7. Research Validity and Reliability

Reliability

Cronbach's alpha is the most common measure of internal consistency (reliability); that is, how closely related a set of items are as a group. It is a reliability coefficient that indicates how well the items in a set are positively correlated to one another (http:// en.wikipedia.org/ wiki/ Cronbach's _ alpha). It is most commonly used when you have multiple Likert questions in a survey/questionnaire that form a scale and you wish to determine if the scale is reliable.

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. George and Mallery (2003) provide the following rules of thumb:

">=0 .9 – Excellent, >=0 .8 – Good, >=0 .7 – Acceptable, >= 0.6 – Questionable, >= 0.5 – Poor, and <= 0.5 – Unacceptable" (p. 231).

Table 3.6: Reliability Test Statistics

Cronbach's Alpha	N of Items
.843	36

As shown above in table 3.6, Cronbach's alpha is .843, which indicates a high level of internal consistency for the scale.

Validity

Validity refers to the degree to which a study accurately reflects or assesses the specific concept or construct that the researcher is attempting to measure. Content validity will show the extent to which the survey items and the scores from these questions are representative of all the possible questions about the effect of training and development on employees' performance. The questionnaire was adopted from prior researches from which their validity

has been tested, and also examined by HR officials of AIB. This helped to assess whether the survey questions seem relevant to the subject it is aimed to measure, if it is a reasonable way to gain the needed information, and if it is well-designed.

3.8. Response Rate

Out of the total number of 125 questionnaires distributed, 104 of them were returned and used for the study. Response rate = Total number of responses / Total number in sample X100. Applying this formula, the response rate = 104 /125x100= 83.2%

3.9 Ethical Considerations

Since the researcher used the data from the employees, which was collected through questionnaire, permission was obtained from the bank and the respondents. To maintain the confidentiality of information provided by the respondents, they were requested not to write either their names or addresses on the questionnaire. The researcher had given assurance to the respondents that the responses would be used only for academic purpose. A brief description of the central objectives of the study and the potential benefits of the research out come to the respondents the bank was clearly given in the introductory part of the questionnaire so as to motivate them and participate in the study in providing pertinent information about the company understudy. For all assistances, collaboration of others and sources from information drawn is well-acknowledged.

CHAPTER FOUR: RSEARCH FINDINGS AND DISCUSSIONS

This chapter presents the analysis and discussion of the findings to the study. The data is presented in the form of Tables. Where data could not be quantified is explained. Presentation of findings has been organized in accordance with the study objectives.

A total of 125 questionnaires were circulated to the sample respondents situated at the head quarter of the bank. Out of the 125 questionnaires, 107 are collected and of which 3 were discarded due to missing of data and 18 questionnaires were not retuned back. Therefore, 104 questionnaires were considered for the study on respondents working in the selected organization. Hence calculating the response rate can be executed by using the following formula:

Response rate = Total number of responses / Total number in sample X100. Applying this formula, the response rate = 104 /125x100=83.2%

The data received from the respondents were analyzed with help of statistical software program SPSS-20. Correlation and regression analysis were also performed for measuring the independent and dependent variable i.e. *employee training (training practices and processes, and training delivery techniques) effect* on *employee performances variables (effectiveness, efficiency, commitment, and self-confidence).*

4.1. Demographic profile of respondents

On background data, questions were asked on gender/sex, age, department and educational level. They were summarized as follows:

4.1.1. Gender of Respondents

Table 4.1. 1 Gender composition of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
	Male	70	67.3	67.3	67.3
Valid	Female	34	32.7	32.7	100.0
	Total	104	100.0	100.0	

Table 4.1.1 above presents data on gender of respondents for employees group. The table shows that the male respondents formed the majority of the target population with a total of 70 representing 67.3%, 34 respondents were female representing 32.7%.

4.1.2. Age Distribution

Table 4.1. 2 Age distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
	18-25	27	26.0	26.0	26.0
	26-35	53	51.0	51.0	76.9
Valid	36-45	23	22.1	22.1	99.0
	46-55	1	1.0	1.0	100.0
	Total	104	100.0	100.0	

The data obtained from the questionnaire, shown in Table 4.1.2 reveals that 53 respondents were between 26-35 years representing 51% formed the majority. The next largest respondents were between the age of 18-25 which can easily understand that they are young to do a lot for the organization representing 26% and they were 27 in number. The third group of respondents was fall under the age category of 36-45 that represent 22% or 23 employees from the total respondents. 1 respondent aged between 46-55 representing 1% which indicate that they are in a position to retired in the near future. Most of the respondents (about 77 %) were 35 years of age or below. This result reveals the sample respondents were mainly young and expected to do a lot for their organization.

4.1.3. Educational level

Table 4.1.3 Educational Status of Respondents

Educational Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	8	7.7	7.7	7.7
	1st Degree	82	78.8	78.8	86.5
	Master's Degree	14	13.5	13.5	100.0
	Total	104	100.0	100.0	

It was also necessary for the study to determine the educational levels of the respondents as that could determine what kind of training may be most appropriate. Table 4.1.3 below presents the data of educational background of respondents.

It is evidenced that the respondents from the case companies hold a range of educational qualifications from Diploma to Master's degree level. The majority of the respondents which represent 78.8% had education from the Degree level, 13.5% had on education from the Master's level, 7.7% each had on education from the Diploma level .From chart 4.1.3 it could be inferred that AIB has several level of qualified personnel to help carry out the bank's day to day activities.

Table 4.1.4. Job position of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Director	4	3.8	3.8	3.8
	Department Manager	6	5.8	5.8	9.6
	Division Manager	5	4.8	4.8	14.4
	Senior Officer	36	34.6	34.6	49.0
	Officer	53	51.0	51.0	100.0
	Total	104	100.0	100.0	

AIB as an Organization involved in banking operations over years has developed its own organizational structure that comprises of various job positions which enables to have a planned and systematic training to escalate skills, attitudes, knowledge and competencies for improved worker performance. The table above captures the positions of respondents.

In this regard the sample respondents comprises of the various departments of the bank at the head quarter. Officers constitute the majority which represents 51%. Next to this 34.6% are senior officers; 4.8% are department managers; 4.8% and 3.8% are division manager and director respectively.

4.2 Analysis of Data Related to the Current Training and Development Practices of AIB

4.2.1 Training and Development Practices at AIB

The other objective that the researcher wanted to point out was the nature of the training practices and methods of AIB. The training practices and methods of AIB were therefore assessed using responses from questionnaires administered to the sample of employees, and interview granted by the Training Head of the bank.

Table 4.2.1: Descriptive Statistics of training Practices and Processes

Attributes (Descending by Mean)	N	Mean	SD
A). Since I am employed in AIB S.C., I didn't participate in any form of training.	104	2	0.63
B) .I think that the training strategy and practice of the bank is in alignment with the bank's business objectives	104	3	1.09
C).The management get feedback before and after training about the training program and the value added to my career, behavior and performance	104	3	1.12
D). I think that my organization properly undertaken training needs assessment before the training program is designed and	104	3	1.07

implemented			
E).Generally the training practice of the bank has helped me improve my performance since it is conducted in a planned and systematic manner	104	3	0.92
F). I think the basis for the selection of trainees in the bank is performance evaluation result, not seniority.	104	3	1.09
G).There is a separate department responsible manpower training in my organization with appropriate training policy and procedure	104	3	1.24
H).As a training participant, I prepare a report and submit to my supervisor about the trainer, the relevance of the training to my job and the training facilities	104	3	1.25
I).The bank implements the training program based on the purpose of training and characteristics of employees experience, needs, jobs, level of knowledge and skill, and motivation to train	104	3	1.07
J).I am satisfied with the training program and practice of the bank	104	3	1.06
K).As a permanent employee, I was involved in the practices of the training program.	104	4	0.89

4.2.2 Employee Awareness of the Existence of Training Policy at AIB

The training policy gives a general direction, provides guidelines and informs employees of training and development opportunities available. Employees certainly cannot take advantage of the opportunity offered by a policy whose existence they cannot even aware of. As shown in the table above, letters(K) and(A), indicate that majority of employees at AIB seemed participated the training (mean values,2 and 4) respectively. However, the awareness of the existence of training and development policy and procedure moderately stated by the respondents (mean value 3, letter G). This implies that awareness creation to employees with respect to the existence of training and development policy and procedures was tasks to be accomplished by the bank. As depicted in the above table 5, participants asked if they were

aware of and/or involved in undertaking training need assessment (D), training programs based on purpose of training and employee characteristics (I), alignment of training strategy with business objectives (B), selection of trainees with performance result (F), and management get feedback on training(C).The respondents responded that they had aware of and/ or involve in the attributes of the training practices and processes moderately(with a mean value of 3).

The purpose of training and development policy is to provide a coherent structure for training and development activities that improves access to training meant to help attain organizational goals. Training policies are the expressions of the training philosophy of the organization and training policies provide guidelines for training, and ensures a company's training resources are allocated to predetermined requirements (Armstrong, 1996).

The interview with the Management of HRD did indicate that AIB has a training and development policy in place. The policy was thus obtained for analysis of the contents. A critical examination of the training policy indicates that it contains some essential elements of training and development. It outlined the objectives of the policy, list out responsibility and accountability of HRD staffs, Described Procedures of trainings, spelt out the measures for training and development needs identification, methods of training implementation, types of training, and methods of training and development evaluation. The policy has indeed provided a coherent structure for training that should help improve employee access to training in a very organized way that could help the AIB derive the benefits of training. However, it has been imbedded in the Human Resource Procedure Manual of the bank and it didn't separately prepare and compiled by the organization.

Furthermore, according to the interview with the department manager of HRD, the processes involved in training were not duly followed because of the costs associated with it and lack of coordination with different work unit managers and supervisors. He stated that training at AIB couldn't be considered as planned and systematic as they would have wanted to have it.

According to Armstrong (2000), effective training Practice uses a planned and systematic approach which is specifically designed, planned and implemented to meet defined needs with an emphasis on skills analysis.

The findings regarding the training process that takes place in AIB were studied from the interview made with the HRD Management. He explained that identification of training need at the employees comes in the first step. This is done in collaboration of different work unit managers and supervisors. In this stage managers and supervisors will be required to assess and identifying the skill and knowledge gap of every employee under their supervision. Then HRD collect and analyze the training needs of different work units which lead to planning of training according to the need analysis. Then after the arrangement of different type of training accordingly, in the third stage the implementation of training will be takes place in AIB's training facility or other external training institutions. Finally the evaluation part comes. In this stage as the HRD head explained the training was mostly evaluated during and right at the end of the training. This is done through questionnaire to be filled by participants regarding the content of the training, the trainer and the training facility.

From the response we can understand that though AIB's training process is in line with different literature, activities in the process were not duly followed because of lack of coordination commitment of managements.

Regarding training evaluation, the HRD unit of AIB admitted that not much has been done in terms of training evaluation which is only limited to immediate assessment of trainers and training program after completion. The majority of the respondents also indicated that they are not aware of how training is evaluated.

4.2.3 Training Delivery Techniques

Table 4.2.3: descriptive statistics of training delivery techniques

Attribute (Descending by Mean)	N	Mean	SD
The bank usually uses off the job trainings such as lectures, seminars, case study ,group discussion etc.	104	3	0.96
Off the job training technique of the bank affects my knowledge, skill, competency, effectiveness, efficiency, commitment , self-confidence or in general my performance	104	3	0.93

Most of the time the bank gives to the employees on the job training like job rotation, learning by doing, job instruction etc. …	104	3	1.06
On the job training method of the bank affects my skill, knowledge, competency, effectiveness , efficiency, commitment , self-confidence or in general my performance	104	4	0.93
Generally , the training techniques used by the bank helped me foster/enhance/ my job performance	104	4	0.92

Source: Respondents Questionnaire Data, March2016.

As shown in table 4.2.3 above, respondents were asked which forms of training technique most practiced in the bank they have been working at. They responded as follows: of the two forms of training (on-the-job training with mean value of 4) was mostly applied by their bank and affected their performance, while off the job-training (mean value, 3) was moderately applied by their bank. Hence, it can be inferred that on-the-job training delivery forms conducted within the organization is mostly applied by the bank.

4.2.4. Training and employees job performance variables

It is difficult to isolate the various variables that contribute to performance and measure their true effect and contribution to productivity. The focus of this study however, is the aspect of performance which relates to employee training and development and the effect of such higher skills on the performance of the individual employees. This focus is founded on the basis that employees will not perform well at work no matter how hard they try and regardless of how much they want to until they know what they are supposed to do and how they are supposed to do it (Zaccarelli, 1988).

Thus, it is the knowledge and skills acquired for the job that makes employees effective and efficient. Hence training is the means by which such skills; knowledge and attitudes are impacted to employees to enhance efficiency and effectiveness. In measuring the outcome of

training and development on worker performance in terms of effectiveness respondents were asked the key questions. The responses are summarized in the table below:

4.2.4 .1   A performance Variable -Effectiveness

Table 4.2.4.1: descriptive statistics of a performance variable -effectiveness

Attribute (Descending by Mean)	N	Mean	SD
I can say the training design of the bank meets the deficiency of ability for the job.	104	3	0.96
The training I have taken so far trough my organization has improved my capability.	104	4	0.92
In my opinion the training enabled me deliver the required quality of service.	104	4	0.87
The type of training given by my organization is directly related to my job assignment.	104	4	0.90
I am satisfied with the overall aspect of the training program.	104	4	0.93

Source: Respondents Questionnaire Data, 2016.

As depicted in table 4.2.4.1 above, the participants on average agree that training provided is resulted in improved capability, enabled the workforce to deliver the required quality of service, it is directly related to job assignment and satisfied with the overall aspect the training program (all with a mean value of 4). However, the respondents agreed on the training design of the bank in a moderate way. It is possible to infer from this point that the training design of the organization requires additional improvements to be made the issue under consideration.

4.2.4.2 A Performance Variable – Efficiency

Table: 4.2.4.2   descriptive statistics of performance variable—efficiency

Attribute (Descending by Mean)	N	Mean	SD
In my opinion the training assisted me to lower the frequency of the need of superior supervision.	104	4	0.91
In my opinion the training helped me decrease material wastage at my working area.	104	4	0.94
I can say the training given to me through my organization helped me improve my service delivery time.	104	4	0.93
I can say that the training helped me to reduce lateness and absenteeism.	104	4	0.92
In my opinion the good training approach enabled me to be a fast learner during the training session.	104	4	1.03

Source: Respondents Questionnaire Data, March2016

As indicated in the above table, respondents averagely agreed on that training brought about lower frequency need of superior supervision, decrease material wastage at working area, improve service delivery time, and reduce lateness and absenteeism, and the training approach enabled the work force to be a fast learner (with mean value of 4). From the points one can infer that, although all the respondents are averagely agreed on the issues, training and development still need persistent improvements

4.2.4.3 A Performance Variable ---Commitment

Table 4.2.4.3: descriptive statistics of performance variable --commitment

Attribute (Descending by Mean)	N	Mean	SD
I can say that the training initiated me to become punctual.	104	3	0.93
The training provided by my organization enabled me like my job and willingly expend extra hours on working.	104	4	0.89
In my opinion the training motivated me to practice the organizational values.	104	4	0.93
In my opinion the training inspired me to deliver my tasks as per the requirements.	104	4	0.96

	104	4	0.91
Generally, the training practice of the bank influenced my commitment affirmatively.			

As depicted in the table 4.2.4.3 above, the respondents on average agreed that training is provided for learning enable the work forces like their job and willingly expend extra hours on working, motivated the employees to practice organizational values, and inspired employees to deliver tasks as per the requirements, and generally influenced the work force's commitment affirmatively (with a mean value of 4). However, the participants indicated their agreements moderately regarding training initiated the workforces to become punctual (with a mean value of3). It is possible to infer that the bank should investigate the means that training and development come up with the work forces punctuality with respect to their job.

4.2.4.4 A Performance Variable – (Self-Confidence)

Table 4.2.4.4: descriptive statistics of performance variable (self-confidence)

Attribute (Descending by Mean)	N	Mean	SD
In my opinion the training enabled me to become a self-reliant worker.	104	4	0.92
I can say, due to the training, I rarely need mentoring and coaching of my supervisors.	104	4	0.99
Generally the training helped me develop self-confidence to carry out my duties and responsibilities in a proper way.	104	4	0.99
In my opinion the training equipped me with the relevant skill and capability to do my job without fear.	104	4	1.03
In my opinion, as a result of the training, I can resolve any problem encountered within the range of my duty and responsibility.	104	4	0.96

As indicated in the above table 4.2.4.4, the participants were on the average agreed on the training attributes that the employees get relevant skill and capability to execute their jobs without fear, resolve any problem encountered within the range of their duties and responsibilities, enabled the workforce to become a self-reliant worker, employees rarely

need mentoring and coaching , and it assisted employees develop self-confidence to carry out duties and responsibilities in a proper way(with a mean value of 4). Regardless of the respondents' average agreement on the attributes of training with respect to self-confidence, yet a lot has to be done since the level agreement not absolute.

4.3 Correlation Analysis

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

A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 Field (2005). A correlation analysis with Pearson's Correlation(r) was conducted in all variables in the study to explore the relationship between variables. To interpret the strength of correlation between variables, the guide line supplied by Field (2005) were followed. His classification of correlation coefficient(r) is as follows: 0.1 to 0.29 is weak; 0.3 to .50 is moderate; and > 0.50 is strong.

4.3.1 Correlation between Training practices and processes, and performance Variables

 The result of correlation analysis between the independent variable (training practices and processes) and the dependent variables (performance variables) are shown in the table 11 below. As it is depicted in the table awash international bank Share Company there is moderate and positive correlation between training practices and processes, and performance variables of effectiveness; and the correlation between the training practices and processes and performance variables of efficiency, commitment and self-confident are weak and positive . As indicated in the table, the relationship between training practices and processes, and effectiveness(r=0.344, p<0.01); efficiency(r=0.217, p< 0.05); and commitment and self-confidence (r=0.086, 0.02) respectively.

4.3.2 Correlation between Training Delivery Techniques and performance

The result of correlation analysis between the independent variable (training delivery techniques) and the dependent variables (performance variables) are shown in the table 11 below. As it is depicted in the table, at awash international bank Share Company there is moderate and positive correlation between training delivery technique and performance variables of effectiveness and efficiency whereas the correlation between training delivery techniques and performance variables of commitment self-confidence is weak and positive. As indicated in the table, the relationship between training delivery technique and effectiveness and efficiency (r=0.413, 0.296; p<0.01); commitment and self-confidence (r=0.209, p< 0.05) self-confidence (r=0.082) respectively.

Table 4.3.2: Correlation between training practices and processes, and performance variables

Correlations							
		Training Practices & Process	Training delivery techniques.	Effectiveness	Efficiency	Commitment	Self Confidence
Training Practices & Process	Pearson Correlation	1	.327**	.344**	.217*	.086	.020
	Sig. (2-tailed)		.001	.000	.027	.387	.843
	N	104	104	104	104	104	104
Training delivery techniques .	Pearson Correlation	.327**	1	.413**	.296**	.209*	.082
	Sig. (2-tailed)	.001		.000	.002	.033	.408
	N	104	104	104	104	104	104

Effectiveness	Pearson Correlation	.344**	.413**	1	.407**	.134	.155
	Sig. (2-tailed)	.000	.000		.000	.175	.117
	N	104	104	104	104	104	104
Efficiency	Pearson Correlation	.217*	.296**	.407**	1	.355**	.160
	Sig. (2-tailed)	.027	.002	.000		.000	.104
	N	104	104	104	104	104	104
Commitment	Pearson Correlation	.086	.209*	.134	.355**	1	.336**
	Sig. (2-tailed)	.387	.033	.175	.000		.000
	N	104	104	104	104	104	104
Self Confidence	Pearson Correlation	.020	.082	.155	.160	.336**	1
	Sig. (2-tailed)	.843	.408	.117	.104	.000	
	N	104	104	104	104	104	104
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

Source: Respondents Questionnaire, March 2016.

4.4. REGRESSION ANALYSIS

The researcher also conducted regression analysis to know by how much the independent variable explains the dependent variable.

It is also used to understand by how much the independent variable training practices and process, and training delivery techniques with performance variables (effectiveness, efficiency, commitment and self-confidence). The beta value measure of how strongly predictor variable influences the criterion. The higher the beta value the greater the impact of the predictor variable on the criterion variable. The results of the regression analysis of training practices and process, and training delivery techniques against performance variables (effectiveness, efficiency, commitment and self-confidence) can be seen in the tables presented below.

4.4.1 Regression Analysis Training practices and processes and TDT, and Effectiveness

Table 4.4.1: Beta coefficient of TPP and TDT, and Effectiveness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.537	.388		3.958	.000
	Process Training Practices	.238	.095	.234	2.511	.014
	Training delivery techniques.	.357	.099	.336	3.613	.000

a. Dependent Variable: Effectiveness

Table 4.4.1: R and R square of TPP and TDT,& Effectiveness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.468[a]	.219	.204	.630

a. Predictors: (Constant), Training delivery techniques., Training Practices & Process

Source:-Respondents Questionnaire Data, March 2016

The beta coefficient results indicate that the change of one standard deviation in the predictor variables resulted in a change of standard deviations in the criterion variable. Thus, a change of one standard deviation in training practices and processes has 23.4 % change of standard deviation on employees' effectiveness. In the same manner the change one standard deviation in training delivery techniques has 33.6% change of standard deviation on employees' effectiveness as shown in the table 4.4.1 above. Since the higher the beta value the greater the effect of the predictor variable on the criterion variable. Therefore, the training delivery techniques are moderately higher impact on employees' effectiveness. Whereas training practices and processes is comparatively low impact on employees' effectiveness. As indicated in the table 4.4.2 above, the value of R is 0.468 which a measure of the correlation between the practical value and the predicted value of the dependent variable (effectiveness). Whereas R square (R^2) is the square this measure of correlation and indicates the percentage of the variance the employees' effectiveness with the existence of training practices and processes, and training delivery techniques. Hence, R Square = 0.219 implies that 21.9% of effectiveness is described by training practices and processes, and training delivery techniques.

4.4.2 Regression Analysis Training practices and processes TDT, and Efficiency

Table 4.4.2: Beta coefficient of TPP and TDT, and Efficiency

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.185	.409		5.343	.000
	Training Practices & Process	.135	.100	.134	1.345	.182
	Training delivery techniques.	.264	.104	.253	2.534	.013

a. Dependent Variable: Efficiency

Table 4.4.2: R and R square of TPP and TDT,and Efficiency

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.322[a]	.104	.086	.664

a. Predictors: (Constant), Training delivery techniques., Training Practices & Process

Source:-Respondents Questionnaire Data, March 2016

The results of regression analysis training practices and processes, and training delivery techniques against employees' can be seen in the above tables. A change of one standard deviation in training practices and processes has 13.4 % change of standard deviation on employees' efficiency.   In the same manner the change one standard deviation in training delivery techniques has 25.3 % change of standard deviation on employees' efficiency as shown in the table 4.2.2 above. Since the higher the beta value the greater the effect of the predictor variable on the criterion variable. Therefore, the training delivery techniques are moderately higher impact on employees' efficiency. Whereas training practices and processes is comparatively low impact on employees' efficiency.   As indicated in the table 15 above, the value of R is 0.322 which a measure of the correlation between the practical value and the predicted value of the dependent variable (efficiency). Whereas R square (R^2) is the square this measure of correlation and indicates the percentage of the variance the employees' efficiency with the existence of training practices and processes, and training delivery techniques. Hence, R Square = 0.104 implies that 10.4% of efficiency is described by training practices and processes, and training delivery techniques.

4.4.3 Regression Analysis Training practices and processes TDT, and Commitment

Table 4.4.3: Beta coefficient of TPP and TDT, and Commitment

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.645	.471		5.622	.000
	Training Practices & Process	.022	.115	.019	.187	.852
	Training delivery techniques.	.236	.120	.203	1.973	.051

a. Dependent Variable: Commitment

Table 4.4.3 : R and R square of TPP and TDT,& Commitment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.210[a]	.044	.025	.764

a. Predictors: (Constant), Training delivery techniques., Training Practices & Process

Source:-Respondents Questionnaire Data, March 2016

As indicated in the table 16 above, a change of one standard deviation in training practices and processes has 1.9 % change of standard deviation on employees' commitment.   In the same manner the change one standard deviation in training delivery techniques has 20.3 % change of standard deviation on employees 'commitment as shown in the table 16 above. Since the higher the beta value the greater the effect of the predictor variable on the criterion variable. Therefore, the training delivery techniques are slightly higher impact on employees' efficiency. Whereas training practices and processes is significantly low impact on employees' commitment.   As indicated in the table 4.4.3 above, the value of R is 0.21 which a measure of the correlation between the practical value and the predicted value of the dependent variable (commitment). Whereas R square (R^2) is the square this measure of correlation and indicates the percentage of the variance the employees' commitment with the

existence of training practices and processes, and training delivery techniques. Hence, R Square = 0.044 implies that 4.4% of commitment is described by training practices and processes, and training delivery techniques.

4.4.4. Regression Analysis Training practices and processes TDT, and Self-confidence

Table 4.4.4 : Beta coefficient of TPP and TDT, and Self-confidence

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.260	.486		6.712	.000
	Training Practices & Process	-.009	.119	-.008	-.077	.939
	Training delivery techniques.	.100	.124	.085	.806	.422

a. Dependent Variable: Self Confidence

Table 4.4.4 : R and R square of TPP and TDT,&

Self-confidence

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.082[a]	.007	-.013	.788

a. Predictors: (Constant), Training delivery techniques.,

Training Practices & Process

Source:-Respondents Questionnaire Data, March 2016

As indicated in the table above, a change of one standard deviation in training practices and processes has -0.8 % change of standard deviation on employees' self-confidence.   In the same manner the change one standard deviation in training delivery techniques has 8.5 % change of standard deviation on employees 'self-confidence as shown in the table 4.4.4 above. Since the higher the beta value the greater the effect of the predictor variable on the

criterion variable. Therefore, the training delivery techniques are lower impact on employees' self-confidence. Whereas training practices and processes is negatively impacted employees' self-confidence. As indicated in the table 19 above, the value of R is 0.082 which a measure of the correlation between the practical value and the predicted value of the dependent variable (self-confidence). Whereas R square (R^2) is the square this measure of correlation and indicates the percentage of the variance the employees' self-confidence with the existence of training practices and processes, and training delivery techniques. Hence, R Square = 0.007 implies that 0.7 % of self-confidence is described by training practices and processes, and training delivery techniques.

In this case the results of Beta coefficients training practices and processes and delivery techniques and efficiency is 0.104 that describes a change of 1% standard deviation of 10.4% change of standard deviation on employees' efficiency.

CHAPTER FIVE: MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This final chapter contains the summary of findings, conclusion and recommendations. This chapter concludes the major findings in conjunction with the main purpose of the study. The study looked at the effect of training and development on employee's performance in AIB with a focus of employees in the Head Quarter. The purpose of this study is to examine the effects of training practices and processes and training delivery techniques on employees' performance variables in terms of effectiveness, efficiency, commitment as well as self-confidence of the work force within Awash International Bank Share Company. Furthermore, sub goals are developed to enhance a clear achievement of the purpose of the study.

5.1 Major Findings

It could be understood that training practices and processes is a basic step to identify deficiencies where training is needed and who needs training. Training need assessment as a foundation to propose, organize and implement training programs, should be conducted in a regular and continuous basis. Only an average number of respondents (with mean value of 3) agreed that AIB has a formal training need assessment practice which could be conducted either semiannually or annually. The outcome of the study also reveals that a moderate number of the respondents agreed on the existence of HRD policy and procedure, usage of planned and systematic training practices. The study findings reveal that participants agreed on average that training provided in the organization is aligned with business objectives. In this study there were some number of participants who agreed that feedback is provided after training, and the training given by the bank is purpose oriented.

The interview conducted with the HRD manager of the bank reveals that a training and development policy and procedure is in place. However, the manager didn't hesitate to

elaborate that HRD policy document is not separately prepared and circulated but embedded in the HRM manual.

The findings from the interviewee also indicated that the process involved in training is not duly followed because of cost associated with it and lack of coordination by different work unit and supervisors. He further stated that training at AIB couldn't be considered as planned and systematic as it should have been. The HRD unit also admitted that not much has been done with respect to the training evaluation which is related to immediate assessment of trainers after completion of training.

According to the response of Training and Development manager, although there is a separate and dedicated unit to

Majority of the participants agreed that on- the-job training delivery methods of the bank enabled them boost their skills, knowledge, and consequently job performance. On the other hand, average of the respondents agreed that off-the –job training increased the skill, knowledge and there by job performance. Here it can be inferred that in AIB on the job training is recurrently given and comparatively effective than off-the-job training.

The findings of the study reveals that majority of the respondents agreed that training resulted in attributes of increased capability, deliver quality services, and the training given is related to job assignments. However, some respondents agreed that the training design meets the deficiency of ability for the job. Here it can be inferred that improvements has to be made to the training design.

In the study majority of respondents were agreed that training brought about lower frequency need of superior supervision, decrease material wastage at working area, improve service delivery time, and reduce lateness and absenteeism, and the training approach enabled the work force to be a fast learner (with mean value of 4).

The study reveals that majority of the respondents agree that training bring about commitment and self-confidence. However, some participants agree that training slightly results in commitment and self-confidence.

The findings on the outcome of training practices and processes on employees' performance variables (effectiveness, efficiency, commitment, and self-confidence) revealed that the independent and dependent variables are positively and moderately, weakly correlated with effectiveness($r=0.344$, $p<0.01$); efficiency($r=0.217$, $p< 0.05$); and commitment and self-

confidence (r=0.086, 0.02) respectively. In a similar way the findings of the study indicated that the result of training delivery techniques on employees' performance variables (effectiveness, efficiency, commitment, and self-confidence) revealed that independent and dependent variables are positively and moderately, weakly correlated with effectiveness and efficiency (r=0.413, 0.296; $p<0.01$); commitment and self-confidence (r=0.209, $p<0.05$) self-confidence (r=0.082) respectivel

The researcher also conducted regression analysis to know how much the independent variables explain the independent variables. Accordingly the study indicated that the Beta coefficient results a change of one standard deviation in training practices and process has 23.4%,13.4%,1.9%, and -0.8% change of standard deviation on effectiveness, efficiency, commitment, and self-confidence respectively. In a similar manner, the study showed that the Beta coefficient results a change of one standard deviation in training delivery techniques 33.6%, 25.3%, 20.3%, and 8.5% change of standard deviation on effectiveness, efficiency, commitment, and self-confidence respectively. Regarding the above findings, R Square is the square that measure of correlation indicates the percentage of the variance of the employees' performance variable (effectiveness, efficiency, commitment, and self-confidence) with the existence of training practices and delivery techniques. Accordingly R Square =21.9%, 10.4%, 4.4%, and 0.7% respectively.

5.2 Conclusions

From this study, under HRM AIB has a separate unit responsible for manpower training. The availability of this team can make things easy to coordinate as well as control. From this, it can be concluded that the organization gave more attention for manpower training to enhance their skills, attitudes, and general performance.

Moreover, from the results of the study it can be concluded that AIB certainly had training policy and procedure. However, it is not communicated to the employee clearly and the issues in the policy are not duly followed because of the costs associated with it and lack of coordination and commitment in the managements. Furthermore, the training policy and procedure was embedded in the HRM working manual of the bank.

From the argument of employees it can be concluded that selection method of trainees was not transparent as well as the need assessment was not sufficiently participatory and /or lack of awareness creation regarding the alignment of the training with business objectives. It also possible to summarize that the process and practices involved in training is not appropriately followed as a result of costs associated with it and lack of coordination by supervisors.

From the interview conducted with the HRD manager of the bank concerning development of successors in the long run, it is possible to conclude that the bank has a work unit which deals with the issues but it was not providing educational sponsorship to the employees to capacitate them for development in the future.

The study revealed that participants agreed on –the-job training delivery method of the bank enabled them boost their skills, knowledge and consequently their job performance than off-the-job training.

The study indicated that the outcome of training practices and processes with employees performance variable is positively and moderately correlated with effectiveness($r= 0.344$, $p<0.01$); positively and weakly correlated with efficiency($r= 0.217$, $p<0.05$); whereas positively and weakly correlated commitment and self-confidence($r= 0.086$, 0.02) respectively. The study on the other hand showed that the result of training delivery techniques with employees performance variable is positively and moderately with effectiveness and efficiency ($r= 0.413$, 0.296; $P<0.01$) respectively; positively and weakly correlated with commitment and self- confidence ($r= 0.209$, $p<0.05$); self-confidence($r= 0.082$) respectively.

The study also revealed through the regression analysis of Beta coefficient that a change of one standard deviation in training practices and processes has 23.4%, 13.4%, 1.9%, and -0.8% change of standard deviation on effectiveness, efficiency, commitment, and self-confidence respectively. In a similar fashion, the study indicated that Beta coefficient results a change of one standard deviation in delivery techniques 33.6%, 25.3%, 20.3%, and 8.5% change of standard deviation on effectiveness, efficiency, commitment, and self-confidence respectively.

Furthermore, the study indicated that the measure of the percentage the variance of employees' performance variable (effectiveness, efficiency, commitment, and self-confidence) with the existence of training practices and delivery techniques. R Square = 21.9%, 10.4%, 4.4%, and 0.7% respectively.

It is possible to summarize from the given information of the beta coefficient results and correlation coefficient that the effect of the training delivery techniques against the performance variable of effectiveness, efficiency, commitment, and self-confidence is more significant than that of the training practices and processes against the same performance variables of effectiveness, efficiency, commitment, and self-confidence respectively.

It is also possible to conclude from the study outcome that the training practices and processes as well as the training delivery techniques brought about remarkable change on the performance variables of effectiveness, efficiency, and commitment respectively. In this regard the study showed that the study result on the performance variable, self-confidence is immaterial with respect to the two independent variables. From the given information of the study result, it is possible to conclude that the training practices and processes as well as the training delivery techniques didn't add value of self-confidence to the employees of awash international bank Share Company as the final investigation revealed. It means employees didn't develop self-confidence from the training provided by the bank but from other factors.

5.3. Recommendations

Based on the conclusion of the study, the following recommendations are forwarded:

1. Assessing training needs is playing a very important role in identifying individuals who need to be trained, designing the program that relates to the needs of both individuals and the organization, allocating the required time, determining the program objectives and the required skills and determining the required resources for implementing the program. The Need assessment process should be systematic and must be conducted by Training Division staffs with strong consultation of the line managers and department managers of the bank. In addition, those people in a position of conducting training need assessment

should utilize combination of training need assessment approaches instead of focusing only on questionnaire and performance appraisal report.

Given that some kind of needs assessment exists in AIB, it is pertinent to examine approaches forwarded by many literatures that HRD practitioners deployed in identifying their T & D needs. The five approaches in needs identification include: 1) examining top management and senior managers opinions and perceptions on the organization's future direction; 2) taking into account employees opinions and perceptions of the organization; 3) examining top management strategic directions, goals, objectives and financial situation; 4) examining the business processes and changes in the organization; and 5) taking into consideration internal and external business needs and challenges. When a T & D practitioner takes into account all five approaches in identifying their training needs, the organization can be viewed as having a strategic and effective approach in its needs identification.

2. The AIB should develop its employees through formal education which will give employees the opportunity to attend short courses offered by consultants or an executive MBA and university programs which normally involve lectures by experts, business games and simulations, adventure learning and meetings with customers. This type of the workforce development enables the bank to create a long term attachments with the employees and also building a sense of belongingness to the organization.

3. Training practice of the bank needs to be systematic and should be designed and implemented in a way that enhances the organization's productivity and performance. The organization under study should work on the quality of the training program provided. Training methods and techniques employed, training program schedule, training materials and overall training environment.

4. There is a huge problem for the organization under study in evaluating its training and development program that is helpful in assuring whether the training program has met its objectives. Evaluation helps to collect all the descriptive and judgmental information required to make effective training decisions. Evaluation should be viewed as part of an effective training process and a base to improve organizational decision-making for human performance improvement. Training is a tool used to change people's behavior, while

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evaluating training effectiveness is centered on measuring that change. Therefore, the bank should measure those changes using the most common approaches used to determine the effectiveness of training programs such as pre-post test, pre-post training performance with control group and post training performance.

5. It is important for the Top Management Officials of AIB to understand that training does not have an impact on just employee performance but on a firm's overall performance. There should be a willingness thereof, to revise the training and development practice of the bank and align it with corporate strategy with the understanding that it is an investment that will yield returns.

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APPENDICES

Appendix A

St. Mary's University

School Of Graduate Studies

MBA Program

Dear Respondents;

This questionnaire is designed to collect information about **The Effect of Training and Development on employee's performance at AIB S.C.Head Quarter**. Furthermore, it will contribute towards the fulfillments the researcher's Master's Degree in Business Administration /MBA/. In this regard, your valuable support in responding to the questions raised is of paramount importance to the successfulness of the study. I believe that your organization will be benefited much more from the outcome of the study. Hence, I kindly request you in all regards to fill the questionnaire carefully at your best knowledge. The accuracy of the information you provide determines the ultimate reliability of the study. It has four parts. I kindly assure you that your answers will be strictly confidential and will only be used for academic purpose. No need of writing your name or address.

If you have any query, please don't hesitate to contact me through my cell phone number 0911-83-60-00. E-Address teferiad2012@gmail.com

I would like to thank you in advance for your kind cooperation and timely response.

Teferi Ejigu.

Part I: Demographical information –please put   in the box.

1.1 Gender:

Male	Female

1.2   Age Group:

18-25	26-35	36-45	46-55	55 and above

1.3 Education al Status

Grade 12 complete	Diploma	1st Degree	Master's Degree	PHD

1.4 Which level of job position you are belonging to?

Director

Department Manager

Division Manager

Team Leader

Senior Officer

Officer

Other clerical post

1.5 years of banking experience in AIB?

0-5	6-10	11-15	16-20	21&above

Part two: Questions related to training practices and processes.

How do think the current training practice and process of the company is undertaken? Please read each statement carefully and show /indicate/ the extent of your agreement on the statements in the column using the following rating scales (Likert Scale). Where SD=Strongly Disagree   D= Disagree   N= Neutral   A= Agree   SA= Strongly Agree

NO.	Statements	Scale of Measurements				
		SD	D	N	A	SA
1	There is a separate department responsible manpower training in my organization with appropriate policy & procedure.					
2	Since I am employed in AIB S.C. , I didn't participate in any form of training.					
3	As a permanent employee, I was involved in the practices of the training program					
4	I think that my organization properly undertaken training needs assessment before the training program is designed and implemented					
5	The bank implements the training program based on the purpose of training and characteristics of employees experience, needs, jobs, level of knowledge and skill, and motivation to train					
6	I think that the training strategy and practice of the bank is in alignment with the bank's business objectives					
7	The management get feedback before and after training about the training program and the value added to my career, behavior and performance					
8	I think the basis for the selection of trainees in the bank is performance evaluation result, not seniority.					
9	As a training participant, I prepare a report and submit to my supervisor about the trainer, the relevance of the training to my job and the training facilities					
10	I am satisfied with the training program and practice of the bank					
11	Generally the training practice of the bank has helped me improve my performance since it is conducted in a planned and systematic manner					

Part Three: Questions related to training delivery techniques.

How do you think the existing training delivery technique is conducted /done? please read each statements carefully and show the level of your agreement on the statements in the column using the following rating scale(Liket Scale)   SD= Strongly Disagree
D= Disagree   N= Neutral   A= Agree
SA= Strongly Agree

S.No.	Statements	Scale of Measurements				
		SD	D	N	A	SA
1	Most of the time the bank gives to the employees on the job training like job rotation, learning by doing, job instruction etc. …					
2	The bank usually uses off the job trainings such as lectures, seminars, case study ,group discussion etc.					
3	On the job training method of the bank affects my skill, knowledge, competency, effectiveness , efficiency, commitment , self-confidence or in general my performance					
4	Off the job training technique of the bank affects my knowledge, skill, competency, effectiveness, efficiency, commitment , self-confidence or in general my performance					
5	Generally , the training techniques used by the bank helped me foster/enhance/ my job performance					

Part Four : Questions related to employees' job performance variables:

How do think that the training practice you have taken so far affected your job performance with respect to **Effectiveness, Efficiency, Commitments and Self-confidence**. Please read each statement carefully and show the level of your agreement on the statements in column using the following rating scales (Likert Scale).   SD= Strongly Disagree D= Disagree   N= Neutral   A= Agree   SA= Strongly Agree
  (A)   Regarding Effectiveness.

S.No	Statements	Scale of Measurements				
		SD	D	N	A	SA
1	I can say the training design of the bank meets the deficiency of ability for the job.					
2	The type of training given by my organization is directly related to my job assignment.					
3	The training I have taken so far trough my organization has improved my capability.					
4	In my opinion the training enabled me deliver the required quality of service.					
5	I am satisfied with the overall aspect of the training program.					

Part Four:

(B).   Regarding Efficiency:

S.No	Statements	Scale Measurements				
		SD	D	N	A	SA
1	In my opinion the training helped me decrease material wastage at my working area.					
2	I can say that the training helped me to reduce lateness and absenteeism.					
3	In my opinion the training assisted me to lower the frequency of the need of superior supervision.					
4	I can say the training given to me through my organization helped me improve my service delivery time.					
5	In my opinion the good training approach enabled me to be a fast learner during the training session.					

Part Four:

(C).   Regarding Commitment:

S.No	Statements	Scale Measurements				
		SD	D	N	A	SA
1	In my opinion the training inspired me to deliver my tasks as per the requirements.					
2	I can say that the training initiated me to become punctual.					
3	The training provided by my organization enabled me like my job and willingly expend extra hours on working.					
4	In my opinion the training motivated me to practice the organizational values.					
5	Generally, the training practice of the bank influenced my commitment affirmatively.					

Part Four:

(D). Regarding Self-Confidence:

S.No	Statements	Scale Measurements				
		SD	D	N	A	SA
1	In my opinion the training equipped me with the relevant skill and capability to do my job without fear.					
2	In my opinion, as a result of the training, I can resolve any problem encountered within the range of my duty and responsibility.					
3	In my opinion the training enabled me to become a self-reliant worker.					
4	I can say, due to the training, I rarely need mentoring and coaching of my supervisors.					
5	Generally the training helped me develop self-confidence to carry out my duties and responsibilities in a proper way.					

Appendix B

St. Mary's University

School Of Graduate Studies

MBA Program

Dear manager;

This interview is designed to collect information about **The Effect of Training and Development on employee's performance at AIB S.C.Head Quarter**.   Furthermore, it will contribute towards the fulfillments the researcher's Master's Degree in Business Administration /MBA/. In this regard, your valuable support in responding to the questions raised is of paramount importance to the successfulness of the study. I believe that your organization will be benefited much more from the outcome of the study.   Hence, I kindly request you in all regards to give me an interview at your best knowledge. The accuracy of the information you provide determines the ultimate reliability of the study. I kindly assure you that our issues of discussion will be kept strictly confidential and will only be used for academic purpose.

I would like to thank you in advance for your kind cooperation and precious time.

Teferi Ejigu.

The questions for interview are listed below:

1. What training and development policy and procedure does AIB have?

2. How are employees are selected for training and development program?

3. What training methods are used in AIB to scale up employees skill and knowledge?

4. What development mechanism does AIB use to prepare successor employees in the long run?

5. Do you think that training and development process at AIB is executed in a planned and systematic way?