



DEBRE MARKOS UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

**THE EFFECT OF TRAINING AND DEVELOPMENT ON EMPLOYEES
PERFORMANCE: THE CASE OF COMMERCIAL BANK OF ETHIOPIA GAMBELLA
CITY BRANCHES**

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Declaration

I, Mr. Bisrat Degu hereby declare that the thesis entitled “the effect of training and development on employees performance: the case of commercial bank of Ethiopia Gambella city branches submitted by me for the award of Master Degree in Business Administration at Debre Markos University is my original work and it has not been Presented for the award of any other degree, Diploma, Fellowship or any other similar titles of any other university or institutions.

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Certification

This is to certify that the thesis prepared by Bisrat Degu, entitled: the effect of training and development on employees performance: the case of commercial bank of Ethiopia Gambella city branches and submitted in partial fulfillment of the requirements for the Degree of Masters of Business Administration complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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ABSTRACT

The major target of the study is assessing the effect of training and development on employee's performance: the case of commercial bank of Ethiopia Gambella city branches. The study has adopted causal research design to determine and ascertain whether there existed any association between Training and development and performance of employees of commercial banks. The study is used both primary and secondary data. Methods of data collection are relatively depended on standard questionnaires prepared by the researcher based on the conceptual frame work developed by Gamage and Yuri Sado (2008). Basically this research is intended to assess the role of training and development on the employee's performance. With regard to sampling technique all CBE branches under Gambella city are selected for the study purpose. Hence, according to data obtained from Jimma district HR department, there are 5 CBE branches which are operating in Gambella city, thus the researcher has selected all these CBE branches for the research purpose. The target populations of the study are only employees of the selected bank branches this so because Customers in banks are very difficult to get and it is difficult to identify who are customer and who are not. After the data is collected, it is coded and fed to SPSS sheet to simplify further tasks. The respondents' scores will be summarized from the sheet and made ready for analysis. After that, it is analyzed using both descriptive statistical techniques and descriptive narrations.

Key words: Age of firm, Firm size, Nature of control, Organization support, Attitude of manager & Employees performance

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LIST OF ABBREVIATIONS

CBE	Commercial bank of Ethiopia
T&D	Training and development
GC	Gambella city
UN	United nation
HRM	Human Resource Management
EP	Employees performance
Dt	Determinants

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Human capital can be regarded as the prime asset of an organization and businesses need to invest in that asset to ensure their survival and growth. The organization should ensure that, it obtains and retains skilled, committed and well-motivated workforce it needs. This means taking steps to assess and satisfy future people needs and to enhance and develop the inherent capacities of people- their contributions, potential and employability- by providing learning and continuous development opportunities.

(Armstrong, 2001) Defines training as the formal and systematic modification of behavior through learning, which occurs as a result of education, instructions and development and planned experience. Training is the process of equipping the workforce with the necessary knowledge, skills and attitude to tackle the job responsibilities. Staff development on the other hand is improvement of the employees 'competences for future environmental demands and adaptability (Hidden, 1994). Consider training and development as a planned process to modify attitude, knowledge or skill behavior through learning experiences to achieve effective performance in an activity or range of activities. Corporations are offering a variety of training programs to meet their organizational needs. These include content on IT and systems, processes, procedures and business practices, industry-specific trainings, managerial or supervisory training, interpersonal skills, compliance, sales, executive development, basic skills, new employee orientation, customer service and quality.

Human resources are a crucial but expensive resource and therefore in order to sustain economic and effective performance of this resource, it is important to optimize their contribution to the achievement of the aims and objectives of the organization through training and development. Training is therefore necessary to ensure an adequate supply of employees that are technically and socially competent for both departmental and management positions. (Mullins, 2007)

According to (Heathfield, 2012) the right employee training, development and education at the right time, provides big payoffs for the organization in increase productivity, knowledge, loyalty and contribution.

(Licombe, 2018) On their research entitled in Tanzania Telecommunication Company limited found that many of the seen effects of the training are: improvement in skills of the employees, increased performance, bridges the gap between the job requirements and the skills need to execute the job. Adding on that, training and development has assisted in building team spirit among the staff thus improving proclivity. By reducing the supervisory time which is a result of employees having the required knowledge and skills of doing their job, means that supervisors spend more time into doing other duties which increases the morale of the workers and thus producing a conducive working environment.

The same is true on case of research conducted by Eunice Jane Amadi entitled with the effect of training and development on employees' performance. He found that Call Center's nature of work depends mainly on market and customer dynamics, modern technology as well as new and varied products and services. This makes continuous training and development of its human resource crucial and vital, taking into consideration the rapid customer satisfaction, net promoter score and competition from other telecommunication companies. From the results of the study, it can be concluded that Safaricom certainly has a well-established policy to invest in the training and development of employees, however the processes involved are not being duly followed. Employees who realized the need for change of attitude and want to develop themselves through formal education in order to be abreast with modern technological advances sponsored have themselves to acquire these skills.

Commercial bank of Ethiopia (CBE) is the prime bank in the country in terms of capital, asset and number of branches. The bank has a mission to be one of the world class Banks by the 2025. However, the bank seems unsuccessful in case of its long and important missions despite the work and efforts by the bank. The focus of training and development is one of the prominent ways of any organizations to hit the goals. Therefore, to achieve the mission the bank should enhance employee skill and abilities to compute to the foreign financial market. In the absence of well skilled and qualified human resources, this bank wasn't achieving its mission. In order to enhance the quality of the employees' performance, the bank has been providing trainings.

1.2. Statement of the Problem

In recent years, the issue of worker training has been pushed to the forefront of public policy circles. Renewed interest in training has resulted in part from concerns about the decline in real wages of less educated workers, the effect of changes in work organization on the demand for skills, and whether U.S. workers are appropriately trained to adapt to changes in job requirements brought about by the introduction of new technology.

In spite of the importance of this issue, serious gaps exist in our knowledge of such fundamental questions as how much training takes place, which provides it and who gets it (Lynch, 1995). Because of data limitations, little empirical work has been done analyzing the determinants of training and development using both worker and firm characteristics.

Staff training and development is recognized as crucial element in the attainment of organizational goals and objectives. In order to sustain economic and effective performance, it's important to optimize the contribution of employees to the aims and goals of an organization (Armstrong, 2001).

Here are several studies that have been done in training and development but have focused on other organizations and departments but not in call Centre in the telecommunications industry. (Musili, 2010) researched on the perceived effectiveness of training and development on performance of In-Flight attendants in Kenya Airways. She found that there are other factors affecting employees 'performance in Kenya airways other than training. The employees wanted to be involved in decision making especially regarding personal development.

(Gakuru, 2006) researched on the relationship between training practices and performance, he made a survey of companies listed on the NSE, He considered the organizations in general, he found that the training practices have a significant effect on performance, and that, systematic training yielded better results than non-systematic training.

(Nguku, 2006) researched on staff training and development practices in state corporations in Kenya. She found that employee trainings that are designed to assist employees in acquiring better skills, knowledge and attitudes towards their work yielded better performance. (mohammed, 2006) researched on outsourcing of training services by Commercial Banks in

Kenya. None of these studies has tackled the relationship between training and development and employee's performance in customer care services (call centers) so far, (Musili, 2010) remains the only study on training and development on employees 'performance of in flight attendants in Kenya airways limited.

One of the biggest challenges in conducting this research is getting adequate literature on the aspects of training and development done in Ethiopia. Hence the researcher is forced to make preliminary observation so as to figure out practical problems on the areas of training and development.

Basically this research entirely relies on standard conceptual frame work developed by (Sado G. , 2008) they have done research entitled by Determinants of Training and Development Practices in SMEs. Hence during the preliminary observation , the researcher is tried to figure out practical problems on the areas of Age of the firm,Firm size, Nature of control, Organizational support and Attitude of the owner/ manager (Sado G. , 2008).

With regard to Age of the firm, banks at Gambella are young firms tend to invest more in training and development. Higher training index scores are associated with larger and younger firms. Hence banks in Gambella critically in need of training and development and they have spent thousands of birr every year and that is why the researcher is aimed to focus on the title.

The next important variable is Firm size,the most consistent finding in banks research is that the larger the organization (SIZE); the more likely it is to engage in training (Center, 1992). Large firms may benefit from scale effects in the usage of training practices, even when training unit or manager is absent. This suggests that firm size also has a direct effect on the usage of training practices. Even though banks are bigger institutions in Gambella but the perspective training and development is not practiced very well in the region.

(Holden, Human Resource Management A Contemporary Perspective. , 2013) Pin point that a careful use of training methods can be very cost effective investment in the sense of using appropriate methods. Further they state that, if an increase in the training methods is not appropriate, trainees may end up not benefiting from the exercise hence the size of the organization is very critical point.

The third most important variable is Nature of control, during the observation it is found that owners and partners place more emphasis on technical rather than managerial skills, whereas non-owner managers reversed the relative importance of these two factors. This may be because non-owner managers are interested in career progression. It may also be the case that owner-managers feel threatened if their subordinates develop their managerial competence.

As to (Cole, 2002) Human Resource Management which the controlling unit of training and development in one organization should understand that training is more of a learning activity to acquire better skills and knowledge needed to perform a task. The idea of training is the need for a greater productivity and safety in the operation of specific equipment or the need for an effective sales force, to mention a few.

When we come to Organizational support, during the preliminary observation it is found that strong correlation must exist between the degree of organizational support for training and training intensity. Finally, Attitude of the owner/ manager (*Magjuka, the effects of trainee choice of training on subsequent motivation and learning., 1988*) concludes that managerial beliefs are strongly and positively associated with the pattern and frequency of training in a firm. (Armstrong, 2001) Many organizations have got to the point of recognizing that training and development is a strategic priority rather than a tactical response and reason for training and development is to give the organization a competitive edge which hasn't been recognized in Gambella yet.

The influence of the owner-manager is a key feature impacting upon training and development in the small firm. Commercial banks at Gambella have managers who have very minor emphasis on the role of training and development which could bring to their bank. According to (Noe, 2001) Managers that embrace training and development practices are able to retain customers, suppliers, employees, stakeholders and shareholders in the long-run as they are deemed more trustworthy and better custodians of the interests of the various stakeholders.

1.3. Research Hypothesis

In order to achieve the purpose of this study the following hypotheses are considered to be tested

H1: Age of the firm have positive and significant influence on Employees Performance.

H2: Firm size has positive and significant influence on Employees Performance.

H3: Nature of control has positive and significant influence on Employees Performance.

H4: Organizational support has positive and significant influence *on* Employees Performance.

H5: Attitude of the owner/ manager has positive and significant influence on Employees performance.

1.4. Research Objectives

1.4.1. General objective

The Effect of Training and Development on Employees Performance: The Case of Commercial Bank of Ethiopia at Gambella city branches.

1.4.2. Specific objectives

- To examine the effect of Age of the firm onEmployees Performance
- To examine the effect of Firm size onEmployees Performance.
- To examine the effect of Nature of control onEmployees Performance
- To examine the effect of Organizational support onEmployees Performance
- To examine the effect of Attitude of the owner/ manager onEmployees Performance

1.5. Significance of the Study

Conducting a study on banks is believed to be an important approach. The research results will provide assistance bank management to better satisfy their customers, respond to their needs efficiently and on timely manners.

Besides these identifying factors affecting employee's performance would be the stage for building a good partnership with employees which consequently leads to services development and improvement. Besides, it helps to provide important information for decision makers of the banks. As a result, the findings of this study specifically significant for the following reasons.

The result of this study will offer valuable inputs and directions for bankers to consolidate their marketing strategy, organizational productivity, and customer knowledge management in order to increase their employee's performance. The findings and recommendations of the study will serve as empirical information to the management of banks in Ethiopia for their employee relationship policy formulation.

1.6. Scope and Limitation of the Study

Conducting a research in all service industries is not an easy task; it requires much money, time and effort. Considering money, time and willingness of bankers to give necessary data for the study, therefore, this study was delimited to only The Effect of Training and Development on Employees Performance: The Case of Commercial Bank of Ethiopia Gambella city branches. And in terms of respondents the bank managers and employees was considered but others like employees who are serving as guards and secretaries were not considered in the study.

It is perceived that bank managers have better understanding and knowledge regarding to the overall performance of banks .in relation of the geographical area the study was totally depends commercial bank of Ethiopia branches at Gambella city.

The study limited on the data which is obtained from selected bank branches in Gambella city to assess the effectiveness of employees from training and development. There are certain constraints of the study, the major limitation is time and the other one is non-availability of adequate published and documented data about training and development practices of the banks which shall be useful, but the data which was not available as requires.

1.7. Operational Definitions of Variables

1. **Age of the firm:** The time period for the establishment of banks.
2. **Firm size:** Related to Fund mobility, human resource and number of customer.
3. **Nature of control:** Related to management of fund, resources and performance.
4. **Organizational support:** Overall support of the bank to its employees.
5. **Attitude of the owner/ manager:** General perception of manger towards his employees, polices and procedure and bank in general.
6. **Performance:** Effective activities of the employees achieved and affected by training and development.
7. **Training:** learning experiences designed to enhance the short-term and/or long-term job performance of individual employees.
8. **Development:** Process banks deliberately undertake in order to develop its employees to meet future challenges.

1.8. Organization of the Study

The study had five chapters. The first chapter deal with introductory part which consists of background of the study, statement of the problem, objectives of the study, significance of the study.

The second chapter deals with review of related literature and empirical findings; the third chapter deals with research methods and methodology. The fourth chapter presents the analysis and discussions from The Effect of Training and Development on Employees Performance: The Case of Commercial Bank of Ethiopia Gambella city branchesconsidering all Branches of CBE at Gambella city from where the data was gathered.

Aftercollecting the data, the results of the study was analyzed and interpreted. Finally, based on theanalysis and interpretation, conclusions and recommendations were forwarded.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

As the literature suggests, the nature of the training in the public sector has changed over the recent decades. Traditionally, training was considered to be job-focused, limited to the technical skills and abilities needed by public employees to perform specific tasks. As such, it was differentiated from education, which was considered to be broader in scope, more oriented toward a range of future jobs and generally provided by institutions of higher learning. Traditionally, individuals obtained their education first and subsequently received training in the work environment. Recently, the distinction among training, education, and development has become blurred (Van Wart, 1993).

As public organizations find themselves needing to help employees learn about new technologies and skills, training, in many instances, has begun to look like what has traditionally been called education. The on-going debate in academia over the content of the courses suggested in MBA and PhD programs is illustrative of the nature of these discussions.

According to (DeSario et.al., 1994) training —refers to learning experiences designed to enhance the short-term and/or long-term job performance of individual employees. In this respect, training is viewed as part of an on-going developmental process. Training needs to be linked with the organizational mission. So, when local governments plan their training activities, they need provide the link with the organizational mission and local budget and implementation.

Some authors suggest considering training as investment decisions and they should be made after careful consideration. It is usually advised that training activities should be examined from the perspective of their ability to influence individual job performance, rather than isolated experiences that may or may not contribute to the organization's success. (Thayer, 1961) are usually regarded as the authors of the first textbook on training in organizations. They suggested a three-fold approach to determine the types of training and development experiences that should be implemented, including organizational analyses, task analyses, and person analyses. Accordingly, organizational analyses focus on the organization's ability to support training. Task analyses focus on the knowledge, skills, abilities, and other personal characteristics required to

perform the agency's task. Person analyses focus on the needs of the individual, identifying personal characteristics possessed by the particular individual.

There are two basic questions must be addresses in the design of training activities. The first is the question of how a given course should be delivered. Who should participate? Where the course should be held? What types of learning tools should be used in the program? A second question is the creation of a learning experience that improves the transfer of knowledge. It is not enough for the trainees to learn; they must be able and willing to seek new abilities on their job. From the field of adult education, it is well known that adults are learning differently than children. First of all, adults have to know why they should learn something.

Thus, employees need to see training experiences as relevant to their current work environment. Second, trainees need to be self-directed; they should be active participants in the learning process. Third, both trainees and trainers must recognize that adult employees have a greater volume and different quality of experience than youth. In the design of training and development activities, a wide variety of instructional media is available to trainers and managers.

2.2. Training and Development

(Noe, 2001) says that organizations that embrace training and development practices are able to retain their customers, suppliers, employees, shareholders and other stakeholders in the long run as they are deemed more trustworthy and better custodians of the interests of the various stakeholders. This translates into better financial performance for the business.

(Myles, 2002) states that a company that seeks to train and develop its employees well and reward them for their performance has its employees in turn are motivated and thus are more likely to engage in their work hence improving their performance and loyalty to their company. These same employees being the point of contact with customers provide better service, leading to more repeat business and more referrals from the satisfied customers.

The increase in sales through repeat business and referrals was translated into an increase in business profits thus improving shareholders 'investment. The shareholders are therefore benefiting from the increased returns on their investment and may choose to increase their investment into the business.

(Learner, 1986) conducted an eleven year study and found that organizations with cultures that emphasized training and development and ethical values in every area with regards to employees, customers and stakeholders, as well as leadership from managers, outperformed companies that did not have this cultural characteristics by a huge margin..

2.3. Benefits of Training and Development

The adoption of changing technology in this era of globalization and the emergence of new technologies, organizations are striving to survive, grow and operate profitably in a turbulent, even changing environment. They have to position themselves in order to keep abreast with the new technologies and business development globally. Employees need to be trained and developed regularly so as to deliver even when the external environment changes lead to obsolesce of the current technology in place with the organization Nadler (1984). Training eliminates job discrepancies. To be successful, organizations have to be responsive and fast to changing environment. They have to respond fast to changing consumer requirements and needs for quality, variety, customization, convenience and timeliness.

There is need to ensure that there is synchronization and standardization in how things are carried out in organizations. (Beardwell et al., 2004) human resource management has emerged as a set of prescriptions for managing people at work. The central claim is that by matching the size, skills of the workforce to productive requirements of the organization and by raising the quality of individual employee contribution to production, organizations can make significant improvements on their performance. The main purpose of training and development is to eliminate performance discrepancies whether current or anticipated. Training and development leads to increased employee motivation Seligman (1978).

The management can motivate people through such methods as pay, promotion, praise and training. Gale (1994), states that motivating other people is about getting them to move in the direction you want them to go in order to achieve a result. Motivated people are those with clearly defined goals who take action that they expect was achieved those goals. Training and development also enhances competitive advantage of an organization. This is the essence of competitive strategy. It encompasses those capabilities, resources, relationships and decisions which permit an organization to capitalize on opportunities in the market place and avoid threats to its desired position:

Training and development ensures increased productivity. Armstrong (2003) all organizations are concerned with what should be done to achieve sustainable high level of performance through people. The aim is to develop motivation processes and a work environment that help to ensure that individuals deliver results in accordance with the expectation of management. It also enhances customer relations.

2.4. Employee Performance

Employee's performance means how well employees perform on the job and assignments assigned them measured against the generally accepted measure of performance standards set by their performance in every company. Employees can be said to have performed when they have met the expectations and performed up to standard. Employee performance can also be defined as the functioning and presentation of employees. This means, how employees are able to effectively administer their task and assignments and also how they present their assignment to reflect the quality and good service desired by their companies.

Employees must know what they need to do to perform their job successfully. Setting performance expectations and goals for individuals and groups to channel their efforts towards achieving organizational objectives. Getting employees involved in the planning process helps them understand the goals of the organization, what needs to be done, why it needs to be done and how well it should be done,

(Terrington, 1995) Performance expectations need to be understood and where possible, to involve the contribution from the employees as (Terrington, 1995), argues that as individuals cannot always control their results, it's important to have behavioral targets as well as output targets. It is recommended that there is a personal development plan which would again underpin the achievement of objectives.

Price (2005) states that managing employee performance every day is the key to an effective performance management system. Setting goals, making sure expectations are clear and providing frequent feedback help people perform most effectively. Goal setting involves managers and subordinates jointly establishing and clarifying employees 'goals. It affects performance through influencing what people think and do by focusing their behavior in the direction of goals, energize behavior, motivate people to put forth the effort to reach difficult

goals that are expected and clarifies duties and responsibilities. Participation convinces employees that the goals are achievable and can increase motivation and performance Cummings and Worley (2005). Clear performance expectations are a critical factor in teamwork success, whether your goal is to develop a project team, your departmental team, or a sense of teamwork company-wide, clear performance expectations support teamwork success. Use clear performance expectations to help employees develop accountable, productive, meaningful, participatory teamwork

(Armstrong, 2001) Measurement is an important concept in performance management. It's the basis for providing and generating feedback. It identifies where things are going well to provide the foundations for building further success, and it indicates where things are not going so well, so that corrective action can be taken. Armstrong (2006) all jobs produce outcomes even if they are not quantified. It's therefore often necessary to measure performance by reference to what outcomes have been attained in comparison with what outcomes were expected. Accordingly, the fundamental purpose behind measures is to improve performance. Measures that are not directly connected to improving performance (like measures that are directed at communicating better with the public to build trust) are measures that are a means to achieving that ultimate purpose. Price et al (2005), states that a human resources manager can either question employees about their job, problems or perceived training and development needs or even observation can be used to investigate work flows. Data from internal records can also be analyzed to identify patterns and trends in performance of an employee. Quantity of units produced, processed or sold is a good indicator of performance, but care should be taken not compromise on the quality. Quality of work can be measured by several means, example the percentage of work to be redone or rejected. In sales the percentage of inquiries converted to sales is an indicator of salesmanship quality. Timeliness and how fast work is accomplished.

The cost of work performance can be used as a measure of performance only if the employee has some degree of control over the cost Price (2005). Absenteeism and tardiness, an employee is obviously not performing when he/she is not at work. Other employees' performance may also be affected by this absenteeism. Creativity can be difficult to measure/quantify as a performance measure but in many white collar jobs, it is vitally important. Supervisors and employees should keep track of creative work examples and attempt to quantify them (Noe, 2001) Performance

appraisal tells top performers that they are valued by the company. It requires managers to at least annually communicate to employees their performance strengths and weaknesses.

Appraisals are a major performance measure. Manager's appraisal is whereby a manager appraises the employee's performance and delivers the appraisal to the employee. This is by nature a top-down and does not encourage the employees' active participation. It's often met with resistance because the employee has no investment in its development. Self-appraisal is when the employee appraises his or her own performance, in many cases, comparing the self-appraisal to the manager review. Often, self-appraisals can highlight discrepancies between what the employee and management think are important performance factors and provide mutual feedback for meaningful adjustment of expectations. Peer appraisal- employees in similar positions appraise an employee's performance.

Robert S. Kaplan and David P. Norton have developed a set of measures that they refer to as —a balanced scorecard. These measures give top managers a fast but comprehensive view of the organization's performance and include both process and results measures.

Kaplan and Norton compare the balanced scorecard to the dials and indicators in an airplane cockpit. For the complex task of flying an airplane, pilots need detailed information about fuel, air speed, altitude, bearing, and other indicators that summarize the current and predicted environment. Reliance on one instrument can be fatal. Similarly, the complexity of managing an organization requires that managers be able to view performance in several areas simultaneously.

A balanced scorecard—or a balanced set of measures— provides that valuable information. Kaplan and Norton recommend that managers gather information from four important perspectives: The customer's perspective. Managers must know if their organization is satisfying customer needs. They must determine the answer to the question: How do customers see us? The internal business perspective Managers need to focus on those critical internal operations that enable them to satisfy customer needs. They must answer the question: What must we excel at? The innovation and learning perspective of an organization's ability to innovate improve and learn ties directly to its value as an organization.

Managers must answer the question: Can we continue to create and improve the value of our services? The financial perspective in the private sector, these measures has typically focused on

profit and market share. For the public sector, financial measures could include the results-oriented measures required by the Government Performance and Results Act of 1993 (i.e., the Results Act). Managers must answer the question: How do we look to Congress, the President, and other stakeholders?

2.4.1. Evaluation of Employee Performance

When evaluating the performance of employees, it is very important to have a check list that was used consistently in measuring the performance of all employees. The techniques for measuring the performance of employees may differ from every company. Some of these evaluation techniques are:

Ambition /Initiative - Is the employee able to show he has a vision and goals towards his job and makes the imitative to achieving these goals and vision.

Attitude/Cooperation-Does the employee have a positive attitude towards his fellow employees and his work and also he is able to work on different task?

Communication skills - Is the employee able to communicate effectively with other employees and customers? Has he been able to solve issues due to his communication skills? Focus whether the employee is focused on his job and is able to distinguish his task from personal assignments

2.5 Relationship between Training and Development and Employee Performance

(Myles, 2002)states that a company that seeks to train and develop its employees well and reward them for their performance has its employees in turn motivated and thus are more likely to be engaged in their work hence improving performance and loyalty to their company. These same employees, being the point of contact with customers provide better service, leading to more business and more referrals from the satisfied customers. The increase in sales through referrals and repeat businesses translate into an increase in business profits thus improving shareholders 'investment. The shareholders are therefore benefiting from increased returns on their investment in the business. In addition, good financial performance also attracts new shareholders to the business.

Suppliers are eager to do business with the company due to its financial strength and its positive reputation. The company is therefore able to negotiate friendly purchase terms with suppliers. This example illustrates the virtuous circle's described by Lisk (1996) where there is a reciprocal relationship between training & development and performance.

(Learner, 1986) to further illustrate this reciprocal relationship, conducted an eleven year study and found that organizations with cultures that emphasized training and development and ethical values in every area with regards to employees, customers and stakeholders, as well as leadership from managers, outperformed companies that did not have this cultural characteristics by a huge margin.

According to (Noe, 2001) organizations that embrace training and development practices are able to train customers, suppliers, employees, stakeholders and shareholders in the long-run as they are deemed more trustworthy and better custodians of the interests of the various stakeholders. This translates into better financial performance of the business.

2.6. Best ways to Develop Training Programs

The best way to develop training programs is to go through the training process. That is training needs identification, training plans and implementation, evaluation or training feedback.

2.6.1. Determining training needs

Training needs analysis answers the questions, who if there is, needs training? And what training should be given? There is therefore the need for any organization to first identify the training needs of the organization. The need for training should be identified in accordance with a well organized procedure looking at the training needs from the organizational and employee perspective. Based on the organizational analysis, the organization can assess the level of growth over a defined period of time and then determine the shortfalls and problems in order to help determine the required training programs. Also in identifying the training needs from the employees' perspective, the organization can measure the performances of individual employees.

This can be measured by analyzing the efficiency of the individual employees against the required standards set by the organization through frequent performance appraisals. The difference in the organization and employees actual results expected as well as feedback from customers and shareholders of the organization all can help identify training needs.

The organization may find itself. Training need arises where there is the need to improve or adapt/adjust to changes and solve problems in order to improve on both employee and organizational performance.

2.6.2. Training objectives and plans

There is also the need for the organization and the employees to know the motive for which they undergo training. It can, therefore be concluded that training programs are not be more effective unless the purpose for which it was administered is known. Therefore in planning training, it should go through these stages; develop a training plan, designing a training lesson, selecting the trainer and prepare the trainer.

The training plan serve as the guidelines for both the trainer and the trainee to follow in order to successfully implement the program. It covers the individuals involved in the training, the person that administers the program, the required resources and the content to be followed. Once the plan for the program has been outlined then the training lesson is designed. The training lesson is developed to help the participants focus on the segments developed and also set out the time frame for each segment. After this, a competent trainer is hired to undertake the training. The trainer should be able to communicate and transfer knowledge effectively. Finally, it is very important that the trainer is able to communicate and transfer the skills and knowledge effectively so that the needed impart is realized. Thus the trainer should be well prepared to take on the task in order to achieve the desired results.

2.6.3. Evaluating training programs

In measuring the overall effectiveness of the training program there is the need to also consider the costs and benefits of the training program. This help the organization know whether there has been effectiveness in terms of profits. Evaluation should take place before, during and after the training programs. According to Kenney *et al.* (1992) review of the training program should be done during and after its completion and should be done by a training officer, the line manager, and the trainees themselves. Training can be evaluated in so many ways.

2.7. Types of Training Programs

The kinds of training selected by each organization should depend on the objectives and the level of education and position of employees in the organization. Some of these are the job training,

orientation training and career development training. Job Training This helps employees develop the skills, knowledge, the right attitude and experiences needed on the job and involves teaching the employees how to work on the job hired for. Orientation Training this is given to newly hired employees to induct them into the organization and also train them on the job they hold. The employees are thought the culture, values, mission and processes and activities followed in the organization. Career Development Training this is also given to employees at all levels in the organization to prepare them for future changes, new venture creations and responsibilities.

2.8. Training Purpose, Process and Outcomes

Cole (2002), mentioned in his book Personnel Human Resource Management, that training is more of a learning activity to acquire better skills and knowledge needed to perform a task. The idea of training is the need for a greater productivity and safety in the operation of specific equipment or the need for an effective sales force, to mention a few.

To come up with the desired knowledge, skills and abilities from employees to perform well at their job side, requires proper training programs that may likewise have an impact on employee motivation and commitment. Employees can either build or break their company's reputation as well as profitability. Moreover, they oversee most of the activities which can influence customer fulfillment, the nature of the product and event.

2.8.1. Why training

Training programs are directed towards maintaining and improving current job performance while development seeks to improve skills for future jobs. Considering the progress in the technology, certain jobs become redundant with the replacement of machines in present days. Further education and competence becomes necessary for those in current positions and those wishing to be promoted in the future.

Expressing an understanding of training, (Armstrong, 2001), emphasized that training should be developed and practiced within the organization by appreciating learning of theories and approaches, if training is to be well understood.

2.8.2. Training process

Training in an organization generally involves a systematic approach, followed by a sequence of activities which to Infant, the process is based on four three to four blocks;

Identifying training needs this analysis is necessary to determine the training needs of the employees or a specific job. What are the practical needs? Why an employee needs training? Every training begins with the need analysis, and establishing a need analysis is and should always be the first step in the training process. There are four procedures that managers can use to determine the training needs of employees in their organizations

1. Job requirements analysis. The skills and knowledge specified in the appropriate job description are examined. The employees without the skills needed are candidates for a training program.
2. Organizational analysis. The effectiveness and successes of an organization are analyzed to determine where differences exist. For instance, members of a department with a high turnover rate or a low performance record might require additional training.
3. Performance appraisals. Here, each employees work is measured against objectives established for his or her job.
4. Human resource survey. Managers as well as non-managers are expected to describe what problems they are experiencing at their workplaces and, what actions they believe can be taken to solve the problems. Immediately the training needs are identified, the human resource department must initiate the appropriate training effort, to close the gap between expected and actual results. This may also depend on circumstances like; developing a training plan, designing a training lesson, selecting trainer and preparing the trainers.

Training plans and Implementation: This area of the training process emphasizes on the techniques and methods by which training is carried out. The objectives of training, budgets and the duration are allocated.

Training Evaluation and Feedback: often, this turns to be the most critical part of the training process, focusing on the results achieved after training. The main idea is to analyze the effects of training and determine whether the set goals have been achieved. Reactions such as the

participant's feedback, trainer's feedback, learning behavior and results of the training are being measured. To measure the impact of training, (Kirkpatrick, 1959) Outlined four levels of evaluation, and each of which is a prerequisite for the next level:

1. Reaction and planned action. These are measured reaction or evaluation of how the employees felt concerning the learning experience.
2. Learning and confidence evaluation. Here is the measurement of the increase in knowledge before and after training.
3. Behavioral impact. This is the degree of applied learning back at work – are the members really doing anything diverse after the training program than before?
4. Results. It's important to know what results were achieved, in relation to the previous training objectives that were being set. For instance, has there being any decline in the number of costumer's complaints? Reactions, behavior and learning are of great importance, but if the training program cannot produce measurable performance – related results, then it has not achieved its goals accordingly.

2.9. Theoretical Review

This research focus on two theories those are relevant to training and development and employee performance.

2.9.1. Human capital theory

Human Capital theory was proposed by (Schultz, 1961) and developed extensively by (Becker, 1964) who classified expenditures on human capital as investment rather than consumption. Human capital can be defined as knowledge, skills, attitudes, aptitudes, and other acquired traits contributing to production. Human capital theory suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, hence raising workers' future income by increasing their lifetime earnings (Becker, 1964). In Becker's view, human capital is similar to "physical means of production", e.g., factories and machines: one can invest in human capital (via education, training) and one's outputs depend partly on the rate of return on the human capital one owns. Thus, human capital is a means of production, into which additional

investment yields additional output. Human capital is substitutable, but not transferable like land, labor, or fixed capital.

2.9.2. Social learning theory

Social learning theory was developed to describe and predict how people learn from observation. (Blackburn, Employer characteristics and employee training outcomes in UK SMEs., 2002) observational learning is controlled by processes of attention, retention, and reproduction. From social learning theory, a number of rules can be derived for optimal training conditions. For example: When modeling a task, give the learner a verbal model to guide performance. The best verbal models give rules for the responses of the task, but be as simple as possible and easy to remember. The trainee is most likely to learn to reward himself for a good job performance if he comes to feel that the work he is performing is very important to him and to the company and that he has significant control of the work outcomes. Social learning theory has been applied to industries through training methods. The theory has been used to teach managers to deal more effectively with human relations problems occurring on the job, and to predict which subordinates imitate the behavior of their supervisors. A number of companies have trained their supervisors to deal more effectively with various interpersonal job problems (such as motivating the poor performer, overcoming resistance to change, handling a discrimination complaint.

2.9.3. Training and development methods

(Beardwell et al., 2004)pin point that a careful use of training methods can bevery cost effective investment in the sense of using appropriate methods. Further they state that, if an increase in the training methods is not appropriate, trainees may end up not benefiting from the exercise. Broadly, training programs are classified into: on-the-job training and off-the-job training. On-the-job training – this is probably the most common approach to training and range from the selectively unsophisticated approach which involves verbal instructions or demonstrations of how to use tools and other equipment.

(Van Wart, 1993) observed that on-the-job training has been used to develop employees and typically includes verbal and written instructions, demonstrations and observations and hands on practice imitation. Generally the on-the-job training includes the following types of training, orientation or induction training, apprenticeship and refresher training. Off the job training

sometimes may be necessary to get away from the immediate work environment to a place where the frustration and hustle of work is eliminated. This enables the trainees to study theoretical information or be exposed to new and innovative ideas. This type of training takes place on special courses or in a training area or centre that has been specifically equipped and staffed for training. They include: lectures, training by management institutions, conferences, seminars, case study, and brainstorming.

2.9.4. Effects of training on employees performance

According to (Imran, 2013) Training is a necessity in the workplace. Without it, employees don't have a firm grasp in their responsibilities or duties. 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 brings high return on investment but also supports to achieve competitive advantage. Effective training is considered to be a key factor for improved performance; as it can enhance the level of employee and firm competency. It supports to fill the gap between what performance is required and what performance is happening, i.e. gap between desired performance and actual employee performance

2.10. Empirical Literature Review

This section provided empirical studies done at the world and Tanzania related studies (Eke, 2014) investigated the Impact of Training and Development on Organizational Effectiveness. The study was conducted in Enugu-Nigeria. The objective of the study was to assess the impact of training and development on organizational effectiveness in public sector. Survey method was used to collect data. Findings revealed that effective training is an investment in the human resources of an organization, with both immediate and long range returns. Never the less this study differs with this study on the sense that it put much effort on relating training and organization effectiveness while the current study consider skills development to employees and how the skills have an impact to organization.

(Myles, 2002) analyzed the Impact of Training & Development on Employees' Performance in Banks. The study was conducted in Pakistan. Major findings were that most of the employees

agreed to the itemized statements by making it clear that training and development had a positive impact on their Job knowledge, work quality & quantity, functional skills, and their motivation & loyalty and these are all linked to their performance either strongly or moderately but in a supporting direction. However the author has elaborated the methods and types of training that need to be in place so as to achieve the high impact of the training and development programs at an organization level.

(Blackburn, Employer characteristics and employee training outcomes in UK SMEs., 2002) reviewed the impact of training and development on employee performance in selected public sector organizations. The study was conducted in India. Methodology used was quantitative in which structured questioners were used to collect data. Results from this study revealed that training is important if an organization wants to be gainful. Despite the positive results the study came out with, still this does not answer the pertinent questions like what factors need to be considered for training to bring forth the positive outcomes.

(Terrington, 1995) examined the employee training and its effect on employees' job motivation and commitment. The study was conducted in Pakistan. This study was qualitative in nature and used secondary sources like journals, books and internet web pages to collect different training models. Results revealed that Employee training is the most suitable method to modify and manage workforce skills according to organization's objectives and to improve the overall organizations' performance.

(Kyenze, 2016) Observed the Effect of on the Job Training on Employee Performance. The study was conducted in Kaka mega –Kenya. The research adopted a descriptive research design. The results concluded that, there are on-the-job training programs that are more likely to enhance employee performance in public organization than in organizations without. Training and development are often used to close the gap between current performances and expected future performance. This research differs for the current study because it has only mentioned the availability of training programs that can enhance employee performance and it has failed show the impact of those training. Kum *et al.* (2014) studied the Impact of Training and Development on Employee Performance.

The study was conducted in South Africa. The methodology used was quantitative. Results concluded that companies whose investment perspective is on human resource management

view training as an opportunity to increase long term productivity. Investing in training and development is imperative for any organization, which was certainly realize a return on its investment in training and developing its workers. Workers are essentially assets to an organization and should therefore be treated as human capital. The more that is invested in them, the more that can be expected from them in terms of performance behavior which can give the organization its competitive edge. Nonetheless, this study is different from the current study for it has only mentioned how training can improve performance, but has not described how training can be used to improve performance.

The objective of the study was to find out the impact of training and development function on the administrative staff perforce in the second Vice President's Office. The researcher used case study research design to collect the required data for analysis. The findings of this study revealed that there is a strong positive relationship between training and employee development. However the study has not critically analyzed what factors should be present in an organization so as to make training to be of positive impact.

(Lynch, 1995) explored the factors inhibiting effective staff training; the study was conducted in Temeke Municipal and Kisarawe District Council. The results of this study helped to identify various factors which undermine staff training in Tanzania's local authorities. These stumbling blocks include lack of funds due to inadequate budgets set aside for staff training, malpractices such as favoritism, poor top management support because some managers did not treat staff training as a matter of priority, the absence of viable training policies and training programmes initiated by the local authorities, and the fragmented nature of the staff training. However this study differs from the current study on the sense that, this study was look into the impacts of staff training, while the researcher of this study concentrated much in the factors that inhibit training of the staff in the public sectors.

((2005), 2005) investigated the factors influencing financial performance of small hotels in Tanzania. The study was conducted in Arusha Tanzania. Methodology used was qualitative whereby financial ratio analysis on business performance was used and data was collected from small hotels in Tanzania through face-to-face interviews. The results revealed that, lack of employee training was among the factors that causes low profitability in an organization. Again,

this study has failed to explain what strategies on training and development an organization should adopt to realize the impacts.

2.11. Research Gap

The literatures and studies done on training and development show some elements of training and development practice without going into deep analysis to the impact of training and development on employees performance; also the studies referred to were undertaken some years ago so there is a possibility that the findings they produced are outdated in the current environment. The cited gaps in studies done as cited sited above have motivated the researcher to conduct a detailed study on the impact of training and development on employees' performance in the public sector using TTCL as the case of study Conceptual Framework and Hypotheses Having combined elements from different theoretical perspectives on Human Resource Development; the resource-based perspective, the human capital theory and institutional approach, a framework on training and development in SMEs can be constructed.

The framework is used to derive six hypotheses on the application of training provisions within SMEs. These hypotheses identify various background and organizational variables as determinants of training intensity.

Age of the firm Age of the firm (AGE) is said to be an influential factor for training & development intensity of a business firm. Research findings reveal that young firms tend to invest more in training and development than their older counter parts. Having examined one thousand five (1005) small firms in Britain, (Kitching, 2002) concluded that higher training index scores are associated with larger and younger firms...as well as those in the business and professional services sector. So, our first hypothesis can be stated as follows;

H1: The age of the business is positively related with the training & development intensity of SMEs.

Firm size the most consistent finding in SME research is that the larger the organization (SIZE), the more likely it is to engage in training (Center, 1992). Large firms may benefit from scale effects in the usage of training practices, even when training unit or manager is absent. This suggests that firm size also has a direct effect on the usage of training practices.

Furthermore, most training practices require considerable development costs (Klaas et al., 2000). This results in a cost advantage for larger firms, which is strengthened by the limited supply of financial resources of many small firms. Consequently, larger firms would benefit more from departments and/or employees that have specific knowledge and expertise on the implementation of such training practices. Larger firms are, therefore, more likely to have a separate training unit or person responsible for training than smaller ones. This relationship is confirmed by previous studies (Hornsby and

In turn, the presences of such a department or manager have a positive impact on the application of training practices. To conclude, it is hypothesized the existence of a direct effect of firm size on the usage of training & development practices. So, the second hypothesis can be stated as follows:

H2: Firm size is positively related with the intensity of training and development practices.

Nature of control Nature of control (CONTROL) affects the training intensity of a business. A business unit may be controlled and managed either by the owner manager or paid manager. Some argues that paid managers tend more to invest in training & development activities while others argue that the owner manager is more likely to invest more in training & development.

The influence of ownership has been noted by various researchers. (Whittaker, 1998) have identified that owners and partners place more emphasis on technical rather than managerial skills, whereas non-owner managers reversed the relative importance of these two factors. This may be because non-owner managers are interested in career progression. It may also be the case that owner-managers feel threatened if their subordinates develop their managerial competence. Cromie *et al.* (1995) have identified that family firms were less keen on formal management training than non-family firms.

Training and development is unlikely to be provided as it is feared that, it make the manager more attractive in the labor. This sentiment is shared by Loan Clarke et al. (1999), who found that small firms without a family member in the management team invested more time and money in management training and development. They believe that family-run organizations may feel threatened by nonfamily managers improving their competence. These arguments suggest that the perceived value for high performance work practices including training &

development may be relatively low for owner managed or owner controlled business units. This results in the following hypothesis:

H3: Firms managed by owner-manager(s) are less likely to apply training & development practices than firms managed by paid managers.

Growth in employees Growth in employees (GROEMPL) makes a significant influence on the application of training and development practices in a firm in several ways. First of all, if the number of employees increases, so does the need to decentralize and communicate between employees and departments.. In addition, an increase of the number of employees results in an increasing demand for training practices. These arguments lead to our fourth hypothesis which is stated as follows:

H4: Growth in employment is positively related with training & development intensity in a business firm

Business sector Business sector seems to make an influence on training & development intensity of a business unit. Some argue that firms in service sector may tend to apply more training & development practices than in other sectors. (Blackburn, Employer characteristics and employee training outcomes in UK SMEs., 2002) argue that firms in business professional service sector apply more training & development practices than in others.

Organizational support Organizational support (ORGSUPT) for training is said to be an influential factor for training intensity. This can be measured as a cumulative index which takes into account the presence or absence of a separate unit or person responsible for training, training plan, budget for training, training policies, and training manuals, hand books etc. If the firm does not provide support for or undertake a commitment to employee training, a firm may focus little attention on training activities. We may thus expect a strong correlation to exist between the degree of organizational support for training and training intensity. Hence, we hypothesize:

H5: Firms with a strong organizational support tend to apply more training and development practices

Attitude of the owner/ manager the importance of owner/ manager attitudes (ATTITUD) towards training in small business has been discussed extensively elsewhere (Matlay, 1997, 1998, 1999).

Magjuka (1988) concludes that managerial beliefs are strongly and positively associated with the pattern and frequency of training in a firm. The influence of the owner-manager is a key feature impacting upon training and development in the small firm. Ross (1993) and Kerr and McDougall (1999) maintain that the propensity or motivation to engage in HRD is dependent on the attitude of the senior manager(s), as they determine the ethos and strategic direction for the organization. Research indicates that in the majority of firms employing less than 50 people, the owner-manager takes sole responsibility for the management of human resources. The implications of this are that effective HRM (and HRD) depends on the skills, attitudes and experience of one individual (MacMahon and Murphy, 1999). The owner manager therefore exerts a considerable influence on the likelihood and nature of small firm HRD (Hill and Stewart, 2000). These arguments lead to our sixth hypothesis which is stated as follows:

As one of the major functions within HRM, training has for long been recognized and thus attracted great research attention by academic writers. This has yielded into a variety of definitions of training. It is worth noting that, as researchers continue with their quest into the training research area, they also continue their arguments into its importance. Some of these researchers argue that the recognition of the importance of training in recent years has been heavily influenced by the intensification of competition and the relative success of organizations where investment in employee development is considerably emphasized (Beardwell et al. 2004). Related to the above, Beardwell *et al.* (2004) add that technological developments and organizational change have gradually led some employers to the realization that success relies on the skills and abilities of their employees, thus a need for considerable and continuous investment in training and development.

2.12. HR Training Needs

According to (Wognum, 2001) training and development needs may occur at three organizational levels namely; (1) strategic level where needs are determined by top management while considering organizations goals, mission, strategy and problems, which need to be resolved or fixed (2) tactical level where needs are determined with middle management while considering developments needs to the coordination and cooperation between organization units and (3) operational level where needs are determined with lower executive management and other employees while considering problems related to operations such as performance problems

of individual workers and departments in subject. In order to enable an organization formulate human resource training and development goals that wasable both formal and informal human resource training and development methods and programmes create a workforce that enables effectiveness and competitiveness, it is worth giving consideration to, providing proper coordination as well as proper incorporation of the needs within the three levels. The first issue is to identify the needs relevant to the organizations objectives.

According to (Wognum, 2001) there are three categories of identifying training and development needs. These include: resolving problems, this focuses on workers' performance, improving certain working practices, this focuses on improvement regardless of the performance problems and changing or renewing the organization situation, which may arise because of innovations or changes in strategy.

The above are summarized in Table 1 below. It is worth putting in mind that during the identification of training needs, there is need to create, develop, maintain and improve any systems relevant in contributing to the availability of people with required skills. Moreover, training programmes should be designed to carter for the different needs. Further still, the training programme, content and the trainees' chosen depend on the objectives of the training programme.

A number of approaches have been highlighted in previous literature for identifying needs (Edmond & Noon 2001; Torrington et al. 2005). These are the problem-centred (performance gap) and profile comparison (changes and skills) approaches. Similarly, a number of approaches for analyzing training needs depending on either new or current employees have been pointed out by earlier studies. The two most traditional approaches being the problem centered approach and the profile comparison approach.

The problem centered approach focuses on any performance difficulties and the corporation analyses if the problems are due to insufficient skills, which then need to be developed if the problem is to be solved. Profile comparison approach on the other hand focuses on matching the competencies with the job filled, whether new position or existing position. Some changes in strategy and technology may also bring the need for new or additional skills.

→ Resolve problems (workers' performance) → Improve practices → Change or renew (company situation)

→ Strategic level (top management) → Tactical level (middle management) → Operational level (lower executive management & other employees)

→ Problem centered (performance) → Profile comparison (changes & skills)

2.12.1. Training and development methods

It is noted that all the human resource development activities are meant to either improve performance on the present job of the individual, train new skills for new job or new position in the future and general growth for both individuals and organization so as to be able to meet organization's current and future objectives.

There are broadly two different methods that organizations may choose from for training and developing skills of its employees. These are on-the-job training given to organizational employees while conducting their regular work at the same working venues and off-the-job training involves taking employees away from their usual work environments and therefore all concentration is left out to the training. Examples of the on-the-job training include but are not limited to job rotations and transfers, coaching and/or mentoring. On the other hand, off-the-job training examples include conferences, role playing, and many more as explained below in detail.

Armstrong (1995) argues that on-the-job training may consist of teaching or coaching by more experienced people or trainers at the desk or at the bench. Different organizations are motivated to take on different training methods for a number of reasons for example; (1) depending on the organization's strategy, goals and resources available, (2) depending on the needs identified at the time, and (2) the target group to be trained which may include among others individual workers, groups, teams, department or the entire organization.

2.12.1.1. Job rotation and transfers

Job rotation and transfers (McCourt & Eldridge 2003, 356) as a way of developing employee skills within organization involves movements of employees from one official responsibility to another for example taking on higher rank position within the organization, and one branch of

the organization to another. For transfers for example, it could involve movement of employees from one country to another. These rotations and transfers facilitate employees acquire knowledge of the different operations within the organization together with the differences existing in different countries where the organization operates. The knowledge acquired by the selected employees for this method is beneficial to the organization as it may increase the competitive advantage of the organization.

2.12.1.2. Coaching and/or mentoring

This involves having the more experienced employees coach the less experienced. It is argued that mentoring offers a wide range of advantages for development of the responsibility and relationship building (Torrington et al. 2005, 394 – 395). The practice is often applied to newly recruited graduates in the organization by being attached to mentor who might be their immediate managers or another senior manager. This however does not imply that older employees are excluded from this training and development method but it is mainly emphasized for the newly employed persons within the organization.

2.12.1.3. Orientation

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

2.12.1.4. Conferences

As a training and development method involves presentations by more than one person to a wide audience. It is more cost effective as a group of employees are trained on a particular topic all at the same time in large audiences. This method is however disadvantageous because it is not easy to ensure that all individual trainees understand the topic at hand as a whole; not all trainees

follow at the same pace during the training sessions; focus may go to particular trainees who may seem to understand faster than others and thus leading to under training other individuals.

2.12.1.5. Role playing

Involves training and development techniques that attempt to capture and bring forth decision making situations to the employee being trained. In other words, the method allows employees to act out work scenarios. It involves the presentation of problems and solutions for example in an organization setting for discussion.

Trainees are provided with some information related to the description of the roles, concerns, objectives, responsibilities, emotions, and many more. Following is provision of a general description of the situation and the problem they face. The trainees are thereafter required to act out their roles. This method is more effective when carried out under stress-free or alternatively minimal-stress environments so as to facilitate easier learning. It is a very effective training method for a wide range of employees for example those in sales or customer service area, management and support employees.

2.12.1.6. Formal training courses and development programmes

These are a number of methods which may be used to develop the skills required within an organization. These courses and programmes are usually a set of defined and known programmes where the contents, durations and all the details about the training are clear to both the organization and the personnel to be trained. Unlike informal trainings and programmes, formal training and programmes can be planned earlier and also plan for their evaluation. Employees may undertake these courses and programmes while completely off work for a certain duration of time or alternatively be present for work on a part-time basis. These programmes can be held within the organization (in-house) or off the job. Off the job is argued to be more effective since employees are away from work place and their concentration is fully at training. Depending on the knowledge needed, organization's structure and policies, the trainers too may be coming within the corporation or outside the organization.

2.13. Employee Performance

Employee performance is normally looked at in terms of outcomes. However, it can also be looked at in terms of behavior (Armstrong 2000). Kenney *et al.* (1992) stated that employee's

performance is measured against the performance standards set by the organization. There are a number of measures that can be taken into consideration when measuring performance for example using of productivity, efficiency, effectiveness, quality and profitability measures as briefly explained hereafter. Profitability is the ability to earn profits consistently over a period of time. It is expressed as the ratio of gross profit to sales or return on capital employed (Wood & Stangster, 2002). Efficiency and effectiveness - efficiency is the ability to produce the desired outcomes by using as minimal resources as possible while effectiveness is the ability of employees to meet the desired objectives or target.

It is the responsibility of the company managers to ensure that the organizations strive to and thus achieve high performance levels. This therefore implies that managers have to set the desired levels of performance for any periods in question. This they can do by for example setting goals and standards against which individual performance can be measured.

Companies ensure that their employees are contributing to producing high quality products and/or services through the process of employee performance management. This management process encourages employees to get involved in planning for the company, and therefore participates by having a role in the entire process thus creating motivation for high performance levels. It is important to note that performance management includes activities that ensure that organizational goals are being consistently met in an effective and efficient manner.

2.13.1 Effect of training on performance

In the real world, organizational growth and development is affected by a number of factors. In light with the present research during the development of organizations, employee training plays a vital role in improving performance as well as increasing productivity. This in turn leads to placing organizations in the better positions to face competition and stay at the top. This therefore implies an existence of a significant difference between the organizations that train their employees and organizations that do not. Existing literature presents evidence of an existence of obvious effects of training and development on employee performance.

Some studies have proceeded by looking at performance in terms of employee performance in particular while others have extended to a general outlook of organizational performance. In one way or another, the two are related in the sense that employee performance is a function of

organizational performance since employee performance influences general organizational performance. It therefore not only improves the overall performance of the employees to effectively perform their current jobs but also enhances the knowledge, skills and attitude of the workers necessary for the future job, thus contributing to superior organizational performance.

The branch of earlier research on training and employee performance has discovered interesting findings regarding this relationship. Training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior.

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

Most of the benefits derived from training are easily attained when training is planned. This means that the organization, trainers and trainees are prepared for the training well in advance. Accordingly planned training is the deliberate intervention aimed at achieving the learning necessary for improved job performance. Planned training according to Kenney and Reid consists of the following steps:

Identify and define training needs Define the learning required in terms of what skills and knowledge have to be learnt and what attitudes need to be changed. Define the objectives of the training Plan training programs to meet the needs and objectives by using right combination for training techniques and locations. Decide who provides the training Evaluate training. Amend and extend training as necessary.

2.13.2. The other factors affecting employee performance

2.13.2.1 Management – subordinate relationship

As organizations strive for flexibility, speed and constant innovation, planning with the people and not for the people ensures a positive relationship to performance improvement. When employees are given freedom to participate in organizational decision making for example, there are high chances of having mutual trust between management and employees. Mutual trust and cooperation help to break the barriers between the two parties.

The employees do not resort to strikes and work stoppages without exhausting all the available channels of resolving the dispute. Employees are motivated because management considers them as partners in contributing to organizational success instead of being seen as mere subordinates and therefore avoids engaging into counterproductive behaviors hence improved performance through timely achievement of organizational goals and objectives.

2.13.2.2 Working conditions

Although working conditions do not have a direct impact on production or output, they indeed have an indirect performance for example if the manual or mental work involved in certain jobs in a factory is tiresome, it results in endangering not only the company property but also results in accidents which may further involve such incidents like loss of life. This might have adverse effects on the morale of the entire work force. Therefore organizations should establish working conditions that do not affect the work force negatively by providing among other things noise free environments, adequate lighting systems, and adequate temperatures.

2.13.2.3 Reward system

The overall aim of reward systems is to attract and retain quality human resources. When the pay conditions are perceived by the employee as equitable and in relation to their performance improvement. Organizations can use non-financial rewards like transport fee, incentive schemes to increase performance (Armstrong, 2006). Additionally, organizations should adopt reward systems that are similar to the industry in which they operate or organizations can develop performance based pay systems in order to reward employees according to the set performance

standards and profitability goals. Therefore for performance to improve, organizations need to create and maintain a sense of fairness equity and consistence in their pay structures.

2.13.2.4 Health unionization

In creating a healthy work climate, both management and workers unions should have a united hand and in the well-being of the organizational employees. Unionizations improve the industrial relations in instances where the management allows free participation of employees in trade unions. Management and trade unions negotiate through collective bargaining processes the conditions of workers employment.

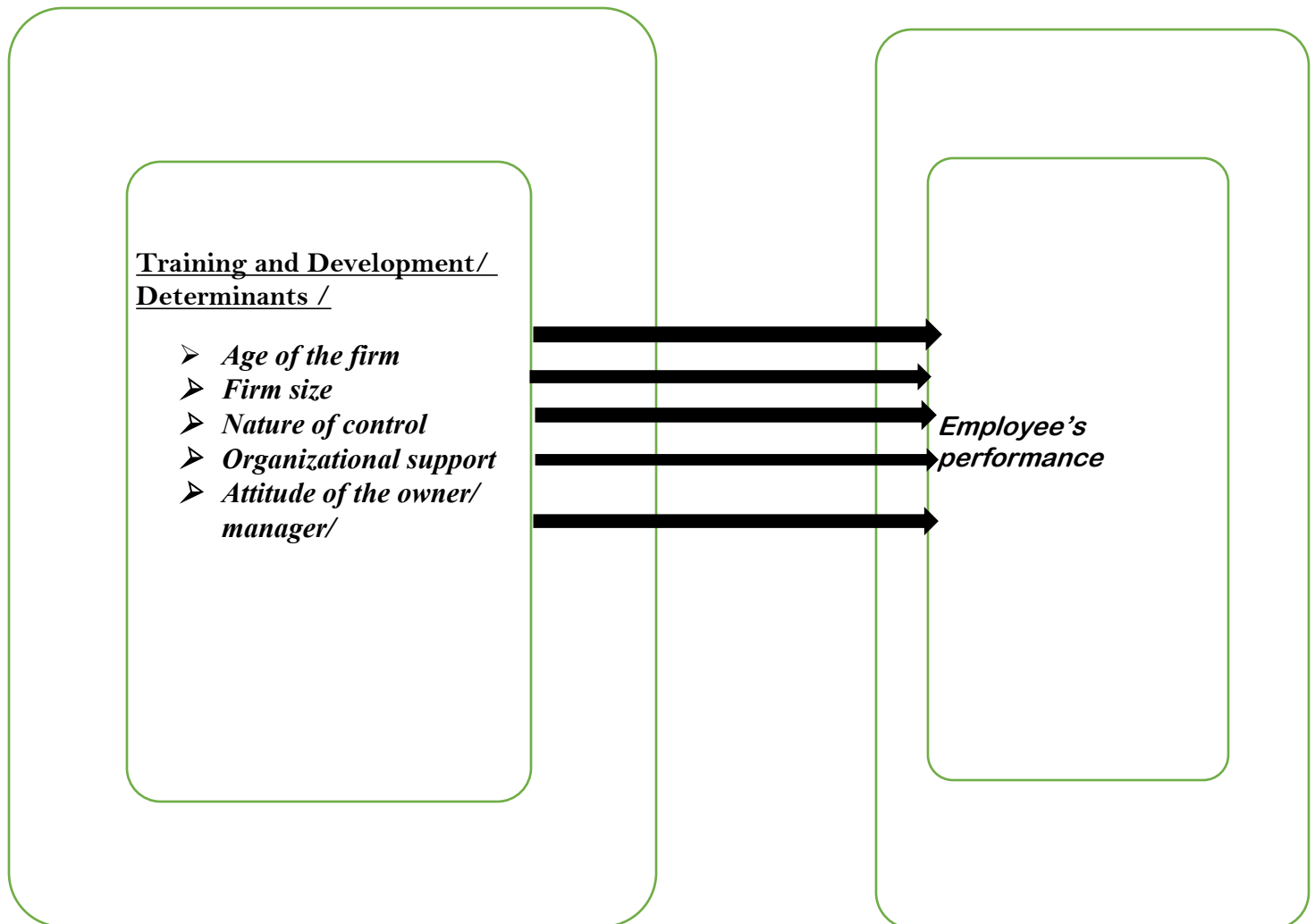
2.13.2.5 Team work

This is when two or more people interact and coordinate to accomplish a specific goal and objective. When organizational members work together in teams, coordination of organizational goals and objectives becomes easier. This lead to the teams sharing performance goals and thus lead to improving the morale of the employees which was later lead to improvements in productivity.

Team works encourages open communication between employees and have compliment skills which enable them to achieve more in a specified period of time as compared to when the individual is working alone hence creating synergy.

2.14. Conceptual frame work of the study

Basically this research entirely relies on standard conceptual frame work developed by (Sado A. G., 2008) they have done research entitled by Determinants of Training and Development Practices in Banks. Hence during the preliminary observation , the researcher is tried to figure out practical problems on the areas of Age of the firm, Firm size, Nature of control, Organizational support and Attitude of the owner/ manager.



CHAPTER THREE

RESEARCH METHODOLOG

3. Description of the Study Area

Gambella is a city and separate woreda in Ethiopia and the capital of the gambella region or kilil. It is 714 km far from the capital city of Ethiopia (Addis Ababa). Located in Anuak zone, at the confluence of the Baro River and its tributary the Jajjaba, the city has latitude and longitude of 8°15'N 34°E and an elevation of 526 meters. According to 2007 census the city has a total population of 39,022.

3.1. Research Design

The study has adopted causal research design to determine and ascertain whether there existed any association between Training and development and performance of employees of commercial banks.

Causal and Explanatory research design was appropriate for this study to the extent that it sought to describe the relationship between Training and development and performance of employees in terms of their objective fulfilment. Descriptive research aimed to describe the characteristics of the phenomenon on the basis of some prior understanding of the nature of the research problem (Veal, 2005) the previous understanding may have been provided by the results of a preceding exploratory research. In this case, the literature reviewed provided the basis for previous understanding of the research problem in different contexts.

Since the research is quantitative, the research approach is deductive. The researcher has formulated hypotheses for the dissertation that need to be confirmed or rejected during research process. Hence the effect of Training and development on the performance of employee's performance is assessed by developing hypothesis that is tested during the research process.

3.2. Data Type and Source

The study is used both primary and secondary data. Primary data are collected through closed ended questionnaires in the form of likert five scales and with description under each item. Accordingly, the closed ended questionnaires are given to employees. Secondary sources of data for the study includes books, published journals, articles and relevant documents (documents related the study) and are also extensively reviewed as references.

3.3. Data Collection Instruments

Methods of data collection is relatively depended on standard questionnaires prepared by the researcher based on the conceptual frame work developed by(Sado G. , 2008)and thiswas prepared in the form of Likert five scales to measure the role of training and development on the employee's performance.

For the purpose of data collection, the researcher has usedclosed-ended questionnaires. Closed-ended questionnaires were prepared on the basis the role of training and development on the employee's performance. Thus, closed ended questionnaires helps to avoid pressure up on the respondents in any direction and better be able to obtain the required data in the study area.

The questionnaire is divided in to two sections. The first section contained the demographic characteristics of the respondents were requested to provide information about their gender, age, year of service or experience and education level.

The second section of the questionnaire is designed to enable the researcher to gather information the role of training and development on the employee's performance. For all questionnaire included in section two, the respondents was requested to indicate their feeling on a five point Likert scale type to measure weighted as follows: 1=strongly disagree, i.e., very much dissatisfied with the case described, 2=disagree, i.e., not satisfied with the case described, 3=neutral, i.e., uncertain with the case, 4=agree, i.e., feeling alright with the case described, and 5= strongly agree, i.e., very much supporting the case described.

3.4. Sampling Design Technique

Basically this research is intended to assess the role of training and development on the employee's performance. With regard to sampling technique all CBE branches under Gambellacity are selected for the study purpose, hence according to data obtained from Jimma district HR department, there are 5CBE branches which are operating in Gambellacity, thus the researcher has selected all these CBE branches for the research purpose.

With regard to respondents employees of 5 CBE branches are selected through simple random sampling technique since the population is homogenous and the same, the researcher believes that no other sampling technique is better than simple random sampling.

3.5. Target Population and Sample Size

The target populations of the study are only employees of the selected bank branches this so because Customers in banks are very difficult to get and it is difficult to identify who are customer and who are not.

The research mainly focus on equality, certainty, convenience, flexibility and efficiency which could be assessed in better way if the researcher asked the employees rather than customers excluding secretaries, guards and other supportive staffs whom they are insignificant for the study.

In the determination of sample size the three criteria was very important to gather the required data from sample respondents. These included the level of precision, the level of confidence or risk and the degree of variability in the attributes being measured that enable the researchers to determine appropriate sample.

Therefore, the total numbers of employees in all branches was known which was found from the human resource management office Jimma CBE district. Then, the researcher used (Yamane, 1967) formula to calculate sample size.

$$n = \frac{N}{1 + N(e)^2}$$

$$n = 326 / 1 + 326(0.05)^2$$

$$n = 180$$

Where n is the sample size, N is the population size/number of employees in all branches/, and e is the level of precision. Using this formula at we had 95% confidence level and 5% level of precision the sample size.

$$n_i = \frac{n * N_i}{N}$$

Where:

n_i = sample size for each bank, N_i = the total number of employees in each bank, N = the Total number of employees in the selected banks n = the total sample size for selected bank.

Table 3.5. Proportionate sample distribution for each bank

Name of Branch	Total population	Proportionate sample
Gambella main branch	76	42
Openo 1	70	39
Openo 2	52	29
Openo 3	48	26
Agarfa	80	44
Total	326	180

Source: own survey (2019)

3.6. Methods of Data Analysis

After the data is collected it is coded and fed to SPSS sheet to simplify further tasks. The respondents' scores was summarized from the sheet and made ready for analysis. After that it is analyzed using both descriptive statistical techniques and descriptive narrations. The demographic profiles and items related to characteristics of respondents are analyzed using simple statistical tools such as tables and percentages.

The data collected using semi structured questionnaire is edited, coded and analyzed with great care. Both in-house and field editing is undertaken to detect errors that had been committed by respondents during completing the questionnaires. The coding of the possible alternatives in the questionnaire was made in advance of administering the questionnaire to sample respondents. Meaning, in a five-point scale the possible responses was pre-coded (forexample, 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, and 5=strongly agree; 1=very low, 2=low, 3=medium, 4=high and 5=very high) to facilitate quick answering of the questions and to simplify data entry in to computer software for analysis.

The edited data is coded and manually entered into statistical package for social science (SPSS) version 20 computer software which consists of descriptive and inferential statistics in terms of mean, percentage, tables, figures, charts and standard deviation and multiple regression.

In addition to this, the researcher is concerned with the interpretation and the representation of justification. Besides, Pearson correlation was used to analyze the relationship between Training

and development and performance of employees due to the ordinal nature of the data employed in the study.

The multiple regression analysis is conducted using the hierarchical regression method. It is conducted to investigate the influence of independent variable on the dependent variable and identify the relative significant influence; i.e. independent variable (Age of the firm, Firm size, Nature of control, Organizational support and Attitude of the owner/ manager/) to the dependent variable; i.e. Performance of employees Banks/dependent variable/. The proposed hypotheses were tested using multiple regression analysis.

Model

$$Y = \text{constant} + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5$$

WHERE

Y = Employees performance

β_1 = Coefficient of age of the firm

X_1 = age of the firm

β_2 = Coefficient of Firm size

X_2 = Firm size

β_3 = Coefficient of Nature of control

X_3 = Nature of control

β_4 = Coefficient of Organizational support

X_4 = Organizational support

β_5 = Coefficient of Attitude of the owner/ manager

X_5 = Attitude of the owner/ manager

3.8. Reliability and Validity

In order for the assessment to be sound, the assessment must be free from bias and distortion. Reliability and validity are two concepts that are important for defining and measuring bias and distortion. Reliability refers to the extent to which assessments are consistent.

The researcher used the most commonly used method of checking reliability which is very important to measure the internal consistency (alpha, α) which is measured by comparing one-half of the test to another half or use methods which is Cronbach alpha.

3.9 ETHICAL CONSIDERATIONS

Before the research is conducted on the Banks, the researcher was informed the participants of the study about the objectives of the study, and consciously consider ethical issues in seeking consent, avoiding deception, maintaining confidentiality, respecting the privacy, and protecting the anonymity of all respondents.

A researcher considers these points because the law of ethics on research condemns conducting a research without the consensus of the respondents for the above listed reasons.

CHAPTER FOUR

RESULTS AND DISCUSSION

In this chapter, the data collected from respondents were analyzed and interpreted using quantitative analysis which involves analysis of the demographical information of respondents and the descriptive and inferential statistics employed to test the hypothesis and to investigate the influence of independent variables on dependent variable. To analyze the collected data in line with the overall objective of the research undertaking, statistical procedures were carried out using SPSS version 20.

4.1. Response rate on questionnaire

A total of 180 questionnaires were distributed to employees of the selected bank branches to assess the impact of Training and Development Practices on employees performance at CBE Gambella city and most questionnaires were filled up and returned only 10 questionnaires were not filled up which means 94.44 percent of questionnaires were filled This indicates that;-banks under study were committed to give information relevant to the research understudy.

Table 4.1: Response Rate on Questionnaire distributed to Bank Employees

No	Name of bank	Questionnaire distributed	Questionnaire responded	Response rate (%)
1	Gambella main branch	42	39	92.85
2	Openo 1	39	39	100
3	Openo 2	29	24	82
4	Openo 3	26	26	100
5	Agarfa	44	41	93
Total		180	170	94.44

Source: Own survey (2019)

4.2. Demographic characteristics of respondents

This descriptive analysis is used to look at the data collected and to describe data captured through the questionnaire. It was used to describe the demographic factors for more clarification. It is mainly important to make some general observations about the data gathered for general or demographic questions. The demographic factors used in this research were gender, age, educational qualification, and work experience of respondents in the banks

Table 4.2.1. Gender of respondents

		Frequency	Percent	Valid Percent
Gender	Male	103	60.6	60.6
	Female	67	39.4	39.4
	Total	170	100.0	100.0

Source: Own survey (2019)

From the above table it is possible to understand that among the 170 respondents 103(60.6%) are male and 67(39.4%) are female. So this indicates that majority of the employees are male.

Table 4.2.2. Age of respondents

		Frequency	Percent	Valid Percent
Age	20-25	50	29.41	29.41176
	26-35	62	36.47	36.47059
	36-45	53	31.17	31.17647
	46-55	5	2.94	2.941176
	Total	170	100.0	100.0

Source: Own survey (2019)

From the above table it is possible to understand that among 170 respondents 50(29.41%) are in between age of 20-25, 62(36.47%) are in between age of 26-35, 53 are in between age of 36-45 and the rest 5 are in between age 46-55.

Table 4.2.3. Working experience

		Frequency	Percent	Valid Percent
Experience	less than 1 year	4	2.4	2.4
	1-5	75	44.1	44.1
	6-10	77	45.3	45.3
	more than 10 years	14	8.2	8.2
	Total	170	100.0	100.0

Source: Own survey (2019)

From the above table it is possible to understand that among 170, 4(2.4%) of employees work in the bank less than one year, 75 (44.1%) of respondents work in the bank from 1 to 5 years. 77(45.3 %) of respondents work in the bank from 6 to 10 years and the remaining 14(8.2%) of respondents work in the bank for more than 10 years.

Table 4.2.4. Educational background of employee

		Frequency	Percent	Valid Percent
Educational background	Diploma	35	20.6	20.6
	First Degree	124	72.9	72.9
	Masters Degree	11	6.5	6.5
	Total	170	100.0	100.0

Source: Own survey (2019)

From the above table it is clear that, 35 (20.6%) employees are diploma holders, 124(72.9 %) employees are degree holders and the rest 11(6.5 %) employees have master's degree educational qualifications.

Table 4.2.5. Position of respondents

		Frequency	Percent	Valid Percent
Position	Manager	35	20.6	20.6
	Vice Manager	29	17.1	17.1
	Officer	106	62.4	62.4
	Total	170	100.0	100.0

Source: Own survey (2019)

From the above table it is clear that, 35 (20.6%) employees are managers, 29(17.1 %) employees are Vice Manager and the rest 106 (62.4 %) employees are officers.

4.3. Reliability Test Result

The reliability test is an important instrument to measure the degree of consistency of an attribute which is supposed to measure. As stated by (Mahon, 2002) the less variation of the instruments produces in repeated measurements of an attribute the higher its reliability.

Reliability can be equated with the stability, consistency, or dependability of a measuring tool. Cronbach's alpha is one of the most commonly accepted measures of reliability. It measures the internal consistency of the items in a scale. It indicates that the extent to which the items in a questionnaire are related to each other. It also indicates that whether a scale is one dimensional or multidimensional. The normal range of Cronbach's coefficient alpha value ranges between 0-1 and the higher values reflects a higher degree of internal consistency. Different authors accept different values of this test in order to achieve internal reliability, but the most commonly accepted value is 0.70 as it should be equal to or higher than to reach internal reliability (Hair, 2003)

Table 4.3: Cronbach's Alpha for each field of the questionnaire

	Cronbach's Alpha if Item Deleted
Age of the firm	.805
Firm Size	.848
Nature of Control	.811
Organizational Support	.781
Attitude of the manager	.822
Employees performance	.792
Entire	0.838

Source: Own survey (2019)

As it can be seen from table 4.3. The Cronbach's coefficient alpha result for all field item are found reliable. The result ranges from 0.848 up to 0.781 which is more than enough to make sure that all the questions are reliable to answer and study. The entire Cronbach's coefficient alpha result is 0.838 which is the highest value and it is possible to conclude that Therefore, based on the test, the results for the items are reliable and acceptable. Each and every question reliability is tested as it is done for each independent variable as it is shown in 4.3. So it is shown on the appendix.

For the sake of checking the validity of the research the researcher has assessed the most important and dominant dimensions of training and development. Besides this the researcher has used enough and most relevant questions that are clearly related to all the dimensions of training and development including the dependent variable which is employee performance.

The researcher arranged sufficient questions in each of variables used in the research so it was not difficult for the researcher to get sufficient information regarding the issue raised in each item of the research. Beside this the researcher has used the comments and suggestion of professional's advisor to make most contents and results of the study valid.

(Stanley, 1966) have defined two major forms of validity that encompass the many types. They refer to "internal" and "external" validity, terms which are today used in most nursing research textbooks. Hence the researcher has tried to make the research findings to be true reflection or representation of reality rather than being the effects of extraneous variables.

At the same time the research has tried to addresses the degree or extent to which such representations or reflections of reality are legitimately applicable across groups.

The research was too much concerned with the consistency, stability and repeatability of the informant's accounts as well as the researcher's ability to collect and record information accurately

The research method yields consistently the same results over repeated testing periods. In other words, using the same or comparable methods obtained the same or comparable results every time the researcher uses the methods on the same or comparable subjects.

4.4. Descriptive Statistics of Scaled Type Questionnaires

Here in this part of descriptive statistics the respondent's perception on each independent and dependent variable is presented. The mean, standard deviation of each question under each in dependent variable is clearly described. The responses of the respondents for the variables Indicated below were measured on five point Likert scale with: 1= strongly disagree, 2= disagree, 3= neutral and 4= agree 5=strongly agree.

4.4.1. Age of the firm

Table 4.4.1. Descriptive statistics for Age of the firm

	Mean	Std. Deviation
Acquiring sufficient skill and experience on all training methods and procedures	3.70	1.211
Being effective from the training expenditure.	3.62	1.226
Easily identifying and determine training and development needs	3.55	1.245
Investing more on training and development	3.39	1.284
retain customers, suppliers, employees, shareholders and other stakeholders through Training and development	3.32	1.308
Scoring Higher training index compared to other related old firms	2.73	1.268

Source: Own survey (2019)

From the above table it is possible to understand the level of agreement with each of the questions under the first variable. Hence employees and their perception regarding to age of the firm is seen. This variable clearly shows what the outlook of respondents regarding to the impact this variable on employee's performance.

Based on this Acquiring sufficient skill and experience on all training methods and procedures has the mean of 3.70 and standard deviation of 1.211 and besides this being effective from the training expenditure has the mean of 3.62 and standard deviation of 1.226.

According to the result which is seen in table 4.4.1 easily identifying and determine training and development needs have the mean value of 3.55 and standard deviation of 1.245. Besides this Investing more on training and development have scored the mean of 3.39 and standard deviation of 1.284 and retain customers, suppliers, employees, shareholders and other stakeholders through Training and development have the mean of 3.32 and standard deviation of 1.308 and finally Scoring Higher training index compared to other related old firms have score the mean of 2.73 and standard deviation of 1.268.

Hence we can conclude that majority of respondents agree that among the factors that are related to the age of the firms Acquiring sufficient skill and experience on all training methods and procedures have significant impact on the performance of employees.

According to (Nunvi, 2006) training programs are directed towards maintaining and improving current job performance while development seeks to improve skills for future jobs. Considering the progress in the technology, certain jobs become redundant with the replacement of machines in present days. Further education and competence becomes necessary for those in current positions and those wishing to be promoted in the future.

Expressing an understanding of training, (Armstrong, 2001), emphasized that training should be developed and practiced within the organization by appreciating learning of theories and approaches, if training is to be well understood.

4.4.2. Firm Size

Table 4.4.2. Descriptive statistics for Firm Size

	Mean	Std. Deviation
Making limited supply of financial resources for training and development purpose	3.06	1.283
Commitment of department and management and having positive attitude towards to training and development	2.91	1.315
Since most training practices require considerable development costs, un able afford them easily.	2.69	1.241
The size of our bank and its benefit from scale effects in the usage of Training practices	2.59	1.343
having a separate training unit and person responsible for training	2.41	1.357
Determining training needs by The size of the bank	2.36	1.321

Source: Own survey (2019)

From the above table it is possible to understand the level of agreement with each of the questions under the second variable. Hence employees and their perception regarding to firm

size is seen. This variable clearly shows what the outlook of respondents regarding to the impact this variable on employee's performance.

Based on this Making limited supply of financial resources for training and development purpose has the mean of 3.06 and standard deviation of 1.283 and besides this Commitment of department and management and having positive attitude towards to training and development has the mean of 2.91 and standard deviation of 1.315.

According to the result which is seen in table 4.4.2 Since most training practices require considerable development costs, unable to afford them easily have the mean value of 2.69 and standard deviation of 1.241. Besides this The size of the bank and its benefit from scale effects in the usage of Training practices have scored the mean of 2.59 and standard deviation of 1.343 and having a separate training unit and person responsible for training have the mean of 2.41 and standard deviation of 1.357 and finally determining training needs by The size of the bank have score the mean of 2.36 and standard deviation of 1.321.

Hence we can conclude that majority of respondents agree that among the factors that are related to firms size Making limited supply of financial resources for training and development purpose have significant impact on the performance of employees.

(Holden, Human Resource Management: A Contemporary Approach Paperback, 2013) pin point that a careful use of training methods can be very cost effective investment in the sense of using appropriate methods. Further they state that, if an increase in the training methods is not appropriate, trainees may end up not benefiting from the exercise. Broadly, training programs are classified into: on-the-job training and off-the-job training. On-the-job training – this is probably the most common approach to training and range from the selectively unsophisticated approach which involves verbal instructions or demonstrations of how to use tools and other equipment.

4.4.3. Nature of Control

Table 4.4.3. Descriptive statistics for Nature of Control

	Mean	Std. Deviation
Employee paid managers and tend more to invest in training & development activities	3.72	1.175
Training and development is unlikely to be provided as it is feared. It was make the manager more attractive in the labor market	3.59	1.224
Owners and partners of the bank placing more emphasis on technical rather than managerial skills	3.59	1.190
Make bank members work together in teams, coordination of organizational goals and objectives becomes easier	3.52	1.311
Making Continuous and strict follow up in the bank on the proper implementation of training and development	3.39	1.306
The effect of Nature of control (CONTROL) on the training intensity of the bank	2.92	1.252

Source: Own survey (2019)

From the above table it is possible to understand the level of agreement with each of the questions under the third variable. Hence employees and their perception regarding to Nature of Control is seen. This variable clearly shows what the outlook of respondents regarding to the impact this variable on employee's performance.

Based on this Employee paid managers and tend more to invest in training & development activities has the mean of 3.72 and standard deviation of 1.175 and besides this Training and development is unlikely to be provided as it is feared. It was made the manager more attractive in the labor market has the mean of 3.59 and standard deviation of 1.224.

According to the result which is seen in table 4.4.3 Owners and partners of the bank placing more emphasis on technical rather than managerial skills have the mean value of 3.59 and standard deviation of 1.190. Besides this Make bank members work together in teams, coordination of organizational goals and objectives becomes easier have scored the mean of 3.52 and standard deviation of 1.311 and Making Continuous and strict follow up in the bank on the proper implementation of training and development have the mean of 3.39 and standard

deviation of 1.306 and finally The effect of Nature of control (CONTROL) on the training intensity of the bank have score the mean of 2.92 and standard deviation of 1.252.

Hence we can conclude that majority of respondents agree that among the factors that are related to Nature of Control Employee paid managers and tend more to invest in training & development activities have significant impact on the performance of employees

(Armstrong, 2001) argues that on-the-job training may consist of teaching or coaching by more experienced people or trainers at the desk or at the bench. Different organizations are motivated to take on different training methods for a number of reasons for example; (1) depending on the organization's strategy, goals and resources available, (2) depending on the needs identified at the time, and (2) the target group to be trained which may include among others individual workers, groups, teams, department or the entire organization.

4.4.4. Organizational Support

Table 4.4.4. Descriptive statistics for Organizational Support

	Mean	Std. Deviation
Coaching and mentoring offers a wide range of advantages for development of the responsibility and relationship building	3.64	1.210
Determine Training needs by top management by considering organizations goals, mission, strategy and problems	3.36	1.281
Having separate unit and person responsible for training, training plan, budget for training, training policies, training manuals and hand books	3.32	1.335
Managers as well as non-managers describe what problems they are experiencing at their workplaces and, Immediately the training needs are identified	3.31	1.377
Organizational support (ORGSUPT) for training is said to be an influential factor for training intensity	3.29	1.374
Providing support for or undertake a commitment to employee training and it focuses little attention on training activities	3.17	1.269

Source: Own survey (2019)

From the above table it is possible to understand the level of agreement with each of the questions under the fourth variable. Hence employees and their perception regarding to Organizational Support is seen. This variable clearly shows what the outlook of respondents regarding to the impact this variable on employee's performance.

Based on this Coaching and mentoring offers a wide range of advantages for development of the responsibility and relationship building has the mean of 3.64 and standard deviation of 1.210 and besides this Determine Training needs by top management by considering organizations goals, mission, strategy and problems has the mean of 3.36 and standard deviation of 1.281.

According to the result which is seen in table 4.4.4 Having separate unit and person responsible for training, training plan, budget for training, training policies, training manuals and hand books have the mean value of 3.32 and standard deviation of 1.335. Besides this Managers as well as non-managers describe what problems they are experiencing at their workplaces and, Immediately the training needs are identified have scored the mean of 3.31 and standard deviation of 1.377 and Organizational support (ORGSUPT) for training is said to be an influential factor for training intensity have the mean of 3.29 and standard deviation of 1.374 and finally Providing support for or undertake a commitment to employee training and it focuses little attention on training activities have score the mean of 3.17 and standard deviation of 1.269.

Hence we can conclude that majority of respondents agree that among the factors that are related to Organizational Support Coaching and mentoring offers a wide range of advantages for development of the responsibility and relationship building have significant impact on the performance of employees (Devanna, 1984) It is argued that mentoring offers a wide range of advantages for development of the responsibility and relationship building. The practice is often applied to newly recruited graduates in the organization by being attached to mentor who might be their immediate managers or another senior manager. This however does not imply that older employees are excluded from this training and development method but it is mainly emphasized for the newly employed persons within the organization.

4.4.5. Attitude of the manager

Table 4.4.5. Descriptive statistics for Attitude of the manager

	Mean	Std. Deviation
Managerial beliefs are strongly and positively associated with the pattern and frequency of training in a bank	3.44	1.371
Employees work is measured against objectives established for his or her job	3.04	1.282
The manager takes sole responsibility for the management of human resources	2.86	1.453
Managers determine the ethos and strategic direction for the bank	2.74	1.437
The effective HRM (and HRD) of our bank depends on the skills, attitudes and experience of one individual(manager)	2.74	1.421
The propensity or motivation to engage in HRD is dependent on the attitude of the senior manager(s).	2.73	1.467

Source: Own survey (2019)

From the above table it is possible to understand the level of agreement with each of the questions under the fifth variable. Hence employees and their perception regarding to Attitude of the manager is seen. This variable clearly shows what the outlook of respondents regarding to the impact this variable on employee's performance.

Based on this Managerial beliefs are strongly and positively associated with the pattern and frequency of training in a bank has the mean of 3.44 and standard deviation of 1.371 and besides this Employees work is measured against objectives established for his or her job has the mean of 3.04 and standard deviation of 1.282.

According to the result which is seen in table 4.4.5 The manager takes sole responsibility for the management of human resources have the mean value of 2.86 and standard deviation of 1.453. Besides this Managers determine the ethos and strategic direction for the bank have scored the mean of 2.74 and standard deviation of 1.437 and The effective HRM (and HRD) of our bank depends on the skills, attitudes and experience of one individual(manager) have the

mean of 2.74 and standard deviation of 1.421 and finally The propensity or motivation to engage in HRD is dependent on the attitude of the senior manager(s).have score the mean of 2.73 and standard deviation of 1.467.

Hence we can conclude that majority of respondents agree that among the factors that are related to Attitude of the managerManagerial beliefs are strongly and positively associated with the pattern and frequency of training in a bank have significant impact on the performance of employees.

Trainees are provided with some information related to the description of the roles, concerns, objectives, responsibilities, emotions, and many more. Following is provision of a general description of the situation and the problem they face. The trainees are there after required to act out their roles. This method is more effective when carried out under stress-free or alternatively minimal-stress environments so as to facilitate easier learning. It is a very effective training method for a wide range of employees for example those in sales or customer service area, management and support employees (Devanna, 1984).

4.4.6. Employee performance

Table 4.4.6. Descriptive statistics for Employee performance

	Mean	Std. Deviation
Our bank embrace training and development practices and it is able to retain customers, suppliers, employees, stakeholders and shareholders and it makes trustworthy and better custodians of the interests of the various stakeholders	3.64	1.210
Our bank train and develop its employees well and reward them for their performance	3.62	1.109
Expectations are clear and frequent feedback is given and it helps us to perform most effectively	3.45	1.264
Frequent and updated training given by the bank enables us to minimize mistakes in our day to day operations	3.36	1.281
We are competent and skilled employees who could work everywhere which is working in the banking sector	3.31	1.377
Employees know what they need to do to perform their job successfully	3.28	1.279
Our bank has used variety of methods for evaluating the performance of its employees	3.18	2.708
Employees perform on the job and assignments assigned them measured against the generally accepted measure of performance standards.	2.98	1.319
Getting employees involved in the planning process helps us to understand the goals of the bank, what needs to be done; why it needs to be done and how well it should be done	2.75	1.654
We cannot always control our results, hence it's important to have behavioral targets as well as output targets	2.41	1.560

Source: Own survey (2019)

From the above table it is possible to understand the level of agreement with each of the questions under the dependent variable. Hence employees and their perception regarding to Employee performance is seen. This variable clearly shows what the outlook of respondents regarding to factors which could reflect the development of employee's performance.

Based on this the question which states Our bank embrace training and development practices and it is able to retain customers, suppliers, employees, stakeholders and shareholders and it makes trustworthy and better custodians of the interests of the various stakeholders has gotten mean of 3.64 and standard deviation of 1.210 and besides this Our bank train and develop its

employees well and reward them for their performance has the mean of 3.62 and standard deviation of 1.109.

According to the result which is seen in table 4.4.6 Expectations are clear and frequent feedback is given and it helps us to perform most effectively have the mean value of 3.45 and standard deviation of 1.264. Besides this Frequent and updated training given by the bank enables us to minimize mistakes in our day to day operations have scored the mean of 3.36 and standard deviation of 1.281 and We are competent and skilled employees who could work everywhere which is working in the banking sector have the mean of 3.31 and standard deviation of 1.331.

Finally, Employees perform on the job and assignments assigned them measured against the generally accepted measure of performance standards, Getting employees involved in the planning process helps us to understand the goals of the bank, what needs to be done; why it needs to be done and how well it should be done and We cannot always control our results, hence it's important to have behavioral targets as well as output targets have score the mean of 2.98, 2.75 and 2.41 respectively.

Hence it is possible to conclude that majority of respondents agree that among the factors that are related to employees performance our bank embrace training and development practices and it is able to train customers, suppliers, employees, stakeholders and shareholders and it makes trustworthy and better custodians of the interests of the various stakeholders could increase and develop the performance of employees.

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

4.4.7. Comparison Analysis of Perception of Respondents towards Training and Development and Employees Performance

Table 4.4.7: Description of Training and Development and Employees Performance

	Mean	Std. Deviation
Nature of control	20.72	7.277
Age of the firm	20.31	5.819
Organization support	20.09	6.018
Attitude of managers	17.53	5.877
Firm size	12.98	5.233

Source: Own survey (2019)

Table 4.4.7 clearly shows the mean and standard deviation of the independent variables from the table it possible to understand the mean ranges from 20.72 to 12.98. Hence it is possible to understand that depending on the level of respondent's agreement Nature of control and Age of the firm have thought as they have a great impact and importance on the employee's performance.

Opposite to this Attitude of managers and Firm size are considered as less important factors for employee's performance in banks which are found in Gambella city.

4.5. Correlation Analysis

Like the demographic factors, the scale typed questionnaire entered to the SPSS software version 20 to process correlation analysis. Based on the questionnaires which were filled by the employees of banks of Gambella city, the following correlation analysis was made.

Table 4.5: Correlations analysis

		Age of the firm	Firm size	Nature of control	Organization support	Attitude of managers	Employees performance
Age of the firm	Pearson Correlation	1	.438**	.505**	.603**	.472**	.530**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
Firm size	Pearson Correlation	.438**	1	.369**	.366**	-.003	.410**
	Sig. (2-tailed)	.000		.000	.000	.970	.000
Nature of control	Pearson Correlation	.505**	.369**	1	.580**	.449**	.497**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
Organization support	Pearson Correlation	.603**	.366**	.580**	1	.588**	.720**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
Attitude of managers	Pearson Correlation	.472**	-.003	.449**	.588**	1	.579**
	Sig. (2-tailed)	.000	.970	.000	.000		.000
Employees performance	Pearson Correlation	.530**	.410**	.497**	.720**	.579**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Own survey (2019)

Since all variables are interval, the relationship between the independent variables i.e. Age of the firm, Firm size, Nature of control, Organization support, Attitude of managers, and the dependent variable i.e. Employees performance was investigated using Pearson product – correlation coefficient.

The results of correlation analysis in the table 4.5 shows all the independent variables were positively and significantly correlated with the dependent variable i.e. selection at 99 percent confidence level ($P < 0.01$).

Correlation is signified by Age of the firm ($r = 0.530$), in the second place we found, Firm size which is ($r = 0.410$), Nature of control ($r = 0.497$). Based on the Pearson correlation test shown in

the table 4.5, Organization support is positively and significantly correlated with selection. Which is ($r=0.720$) and finally Attitude of managers ($r= 0.579$).

4.6. Multiple Regression Analysis

The multiple regression analysis was conducted using the hierarchical regression method. It is conducted to investigate the influence of independent variable on the dependent variable and identify the relative significant influence; i.e., independent variable (Age of the firm, Firm size, Nature of control, Organization support, Attitude of managers) to the dependent variable; i.e. Employees performance.

Table 4.6: Multiple Regression analysis the impact of training and development on the performance of employees

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.770 ^a	.592	.580	5.562
a. Predictors: (Constant), Age of the firm, Firm size, Nature of control, Organization support, Attitude of managers				
b. Dependent Variable: Employees performance.				

Source: Own survey (2019)

As it is clearly seen from the above table it is clearly seen that R square result is 0.592 which Means 59.2 % of variables which directly and indirectly affect selection of a bank are assessed and evaluated in this research paper.

Table 4.6.1: Coefficients of determinates of training and development

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Co linearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
Bank s	(Constant)	5.767	1.860		3.100	.002		
	Age of the firm	.008	.102	.005	.073	.942	.540	1.851
	Firm size	.390	.101	.236	3.857	.000	.673	1.486
	Nature of control	.014	.077	.011	.176	.860	.594	1.682
	Organization support	.626	.107	.435	5.846	.000	.454	2.203
	Attitude of managers	.462	.100	.315	4.617	.000	.540	1.851
a. Dependent Variable: Employees performance								

Source: Own survey (2019)

Model

$$Y = 5.767 + 0.008x_1 + 0.390x_2 + 0.014x_3 + 0.626x_4 + 0.462x_5$$

Where

Y= Employees performance

X1=Age of the firm

X2=Firm size

X3=Nature of control

X4= Organization support

X5= Attitude of managers

4.6.1. Model Diagnostic

Table 4.6.1.1. Test of Multicollinearity

		Co linearity Statistics	
		Tolerance	VIF
	(Constant)		
	Age of the firm	.540	1.851
	Firm size	.673	1.486
	Nature of control	.594	1.682
	Organization support	.454	2.203
	Attitude of managers	.540	1.851

Source: Own survey (2019)

In this assessment, first VIF is applied to detect Multicollinearity in the model. It is noted none of the VIF is greater than 10, those variables are highly related to the other repressor's. But in all cases as shown in Table 4.6.1, it is found that none of the variance inflation factor is greater than 10. Hence there is no problem of co linearity between independent variables

4.6.1.2. Testing the residuals for normality using p-p plot

As it is clearly shown in figure (Appendix II) for p-plot, we observe that the cumulative probability from data and expected cumulative probability from theoretical normal distribution are along the 45 degree line. This indicates that there is no violation of the assumption of normality.

4.6.1.3. Testing the residuals for heteroskedasticity

Plots of residuals against time can be used to examine whether the variance of the error term is Constant or not. As shown in Figure (Appendix II), the spread of the residual does not follow an increasing or decreasing pattern, thus we can say the residuals are homoscedastic.

4.6.1.4. Checking for outliers

From the plot of standardized shown in table (Appendix II) there is no observation whose value of standardized residuals greater than -3 less than 3. Thus there is no problem of outlier. Using Cook's d statistic one observation (observation 31) which is the last and most recent one is identified as possible influential outlier since Cook's d value greater than 1. However, removing

this observation and fitting the regression model did not change the parameter estimate. Therefore the observation is retained in the data.

4.6.1.5. Testing for linearity

Linear regression needs the relationship between the independent variable and dependent variables to be linear. It is also important to check the outlier effects as it is done on 4.6.1.4. The linearity assumption is tested with scatter plots and it is found that there is no and little linearity problem is found.

4.6.1.6. Testing for Normality

In this research all the variables are found multivariate normal. The assumption is tested with a histogram and Q-Q-plot and it is possible to understand that the data is normally distributed a linear transformation.

4.7. Hypothesis Testing

4.7.1. Age of the firm has positive and significant impact on the performance of the employee

As it is founded in the previous correlation result Age of the firm have greatly correlated to the independent variable which is performance of the employee. As it is clearly seen in table 4.6.1. the beta value for Age of the firm $\beta = .008$ which clearly mean that a one percent increase on Age of the firm has resulted banks to increase their employees performance to 0.08 percent.

Age of the firm (AGE) is said to be an influential factor for training & development intensity of a business firm. Research findings reveal that young firms tend to invest more in training and development than their older counter parts. Having examined one thousand five (1005) small firms in Britain, Kitching and Blackburn (2002) concluded that higher training index scores are associated with larger and younger firms...as well as those in the business and professional services sector.

4.7.2. Firm size has positive and significant impact on the performance of the employee

As it is founded in the previous correlation result Firm size have greatly correlated to the independent variable which is performance of the employee. As it is clearly seen in table 4.6.1. the beta value for Firm size $\beta = .390$ which clearly mean that a one percent increase on Firm

size has resulted banks to increase their employees performance to 39 percent which clearly show the significant and positive relation between Firm size and employees performance. The most consistent finding in SME research is that the larger the organization (SIZE), the more likely it is to engage in training (Cambridge Small Business Research Center, 1992; Marshall *et al.*, 1995). Large firms may benefit from scale effects in the usage of training practices, even when training unit or manager is absent. This suggests that firm size also has a direct effect on the usage of training practices.

Furthermore, most training practices require considerable development costs (Klaas *et al.*, 2000). This results in a cost advantage for larger firms, which is strengthened by the limited supply of financial resources of many small firms. Consequently, larger firms would benefit more from departments and/or employees that have specific knowledge and expertise on the implementation of such training practices. Larger firms are, therefore, more likely to have a separate training unit or person responsible for training than smaller ones. This relationship is confirmed by previous studies (Hornsby and Kuratko, 1990).

In turn, the presences of such a department or manager have a positive impact on the application of training practices. To conclude, it is hypothesized the existence of a direct effect of firm size on the usage of training & development practices.

4.7.3. Nature of control has positive and significant impact on the performance of the employee

As it is founded in the previous correlation result Nature of control have greatly correlated to the independent variable which is performance of the employee. As it is clearly seen in table 4.6.1. the beta value for Nature of control $\beta = .014$ which clearly mean that a one percent increase on Nature of control has resulted banks to increase their employees performance to 0.14 percent. Nature of control (CONTROL) affects the training intensity of a business. A business unit may be controlled and managed either by the owner manager or paid manager. Some argues that paid managers tend more to invest in training & development activities while others argue that the owner manager is more likely to invest more in training & development.

The influence of ownership has been noted by various researchers. (Staines, 1994) have identified that owners and partners place more emphasis on technical rather than managerial

skills, whereas non-owner managers reversed the relative importance of these two factors. This may be because non-owner managers are interested in career progression. It may also be the case that owner-managers feel threatened if their subordinates develop their managerial competence. (Cromie et al., 1995) have identified that family firms were less keen on formal management training than non-family firms.

Training and development is unlikely to be provided as it is feared that, it was made the manager more attractive in the labor market. This sentiment is shared by Loan Clarke *et al.* (1999), who found that small firms without a family member in the management team invested more time and money in management training and development. They believe that family-run organizations may feel threatened by nonfamily managers improving their competence. Similar views are held by (Whittaker, 1998) in relation to workforce training, where human resource development is said to be reactive rather than involving an ongoing, long-term commitment.

These arguments suggest that the perceived value for high performance work practices including training & development may be relatively low for owner managed or owner controlled business units.

4.7.4. Organization support has positive and significant impact on the performance of the employee

As it is founded in the previous correlation result Organization support have greatly correlated to the independent variable which is performance of the employee. As it is clearly seen in table 4.6.1. the beta value for Organization support $\beta = .626$ which clearly mean that a one percent increase on Organization support has resulted banks to increase their employees performance to 62.6 percent which clearly show the significant and positive relation between Organization support and employees performance.

Business sector Business sector seems to make an influence on training & development intensity of a business unit. Some argue that firms in service sector may tend to apply more training & development practices than in other sectors. (Blackburn, Employer characteristics and employee training outcomes in UK SMEs., 2002) argue that firms in business professional service sector apply more training & development practices than in others. Wong *et al.* (1997) have suggested that different industrial sectors have different training requirements. In relation to management

training, they propose that service sector SMEs may place greater emphasis on training management to maintain customer relationships. However, as this study is confined only to SMEs in manufacturing sector, analyzing the relation between the ‘sectors’ and ‘training intensity’ is beyond the scope of this study.

Organizational support Organizational support (ORGSUPT) for training is said to be an influential factor for training intensity. This can be measured as a cumulative index which takes into account the presence or absence of a separate unit or person responsible for training, training plan, budget for training, training policies, and training manuals, hand books etc. If the firm does not provide support for or undertake a commitment to employee training, a firm may focus little attention on training activities. We may thus expect a strong correlation to exist between the degree of organizational support for training and training intensity.

4.7.5. Attitude of managers has positive and significant impact on the performance of the employee

As it is founded in the previous correlation result Attitude of managers have greatly correlated to the independent variable which is performance of the employee. As it is clearly seen in table 4.6.1. the beta value for Attitude of managers $\beta = .462$ which clearly mean that a one percent increase on Attitude of managers has resulted banks to increase their employees performance to 46.2 percent which clearly show the significant and positive relation between Attitude of managers and employees performance.

Attitude of the owner/ manager the importance of owner/ manager attitudes (ATTITUD) towards training in small business has been discussed extensively elsewhere.

(Magjuka, Organizational training and signals of importance, 1988) concludes that managerial beliefs are strongly and positively associated with the pattern and frequency of training in a firm. The influence of the owner-manager is a key feature impacting upon training and development in the small firm. Ross (1993) and Kerr and McDougall (1999) maintain that the propensity or motivation to engage in HRD is dependent on the attitude of the senior manager(s), as they determine the ethos and strategic direction for the organization. Research indicates that in the majority of firms employing less than 50 people, the owner-manager takes sole responsibility for the management of human resources.

The implications of this are that effective HRM (and HRD) depends on the skills, attitudes and experience of one individual ((MacMahon and Murphy, 1999) the owner manager therefore exerts a considerable influence on the likelihood and nature of small firm HRD (Hill and Stewart, 2000). These arguments lead to our sixth hypothesis which is stated as follows:

As one of the major functions within HRM, training has for long been recognized and thus attracted great research attention by academic writers. This has yielded into a variety of definitions of training. For example, (Gordon, 1992) defines training as the planned and systematic modification of behavior through learning events, activities and programs which result in the participants achieving the levels of knowledge, skills, competencies and abilities to carry out their work effectively.

It is worth nothing that, as researchers continue with their quest into the training research area, they also continue their arguments into its importance. Some of these researchers argue that the recognition of the importance of training in recent years has been heavily influenced by the intensification of competition and the relative success of organizations where investment in employee development is considerably emphasized (Beardwell et al., 2004) Related to the above, (Beardwell et al., 2004) Add that technological developments and organizational change have gradually led some employers to the realization that success relies on the skills and abilities of their employees, thus a need for considerable and continuous investment in training and development.

Table 4.7.6. Hypothesis testing result

No	Hypothesis	Tool	Result
1	Age of the firm has positive and significant impact on the performance of the employee	Reggration	Rejected
2	Firm size has positive and significant impact on the performance of the employee	Reggration	Accepted
3	Nature of control has positive and significant impact on the performance of the employee	Reggration	Rejected
4	Organization support has positive and significant impact on the performance of the employee	Reggration	Accepted
5	Attitude of managers has positive and significant impact on the performance of the employee	Reggration	Accepted

Source: Own survey (2019)

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

In this chapter summary, conclusions of the research findings that have been analyzed and discussed in the previous chapter are briefly presented. Furthermore, based on the findings of the study possible recommendations are made.

5.1. Summary

Basically this research is done in order to investigate the influence of training and development on employee's performance of CBE branches which are found in Gambella city. The study has used quantitative research approach is implemented and a descriptive research designs also implemented

The target populations of the study are only employees of the selected bank branches this so because Customers in banks are very difficult to get and it is difficult to identify who are customer and who are not.

The research mainly focus on equality , certainty , convenience , flexibility and efficiency which could be assessed in better way if the researcher asked the employees rather than customers excluding secretaries, guards and other supportive staffs whom they are insignificant for the study.

In the determination of sample size the three criteria was very important to gather the required data from sample respondents. These included the level of precision, the level of confidence or risk and the degree of variability in the attributes being measured that enable the researchers to determine appropriate sample.

Methods of data collection was relatively depended on standard questionnaires prepared by the researcher based on the conceptual frame work developed by (Sado G. , 2008)and this was prepared in the form of Likert five scales to measure the role of training and development on the employee's performance.

It is possible to understand that among the 170 respondents 103(60.6%) are male and 67(39.4%) are female . among 170 respondents 50(29.41%) are in between age of 20-25 , 62(36.47%) are

in between age of 26-35 , 53 are in between age of 36-45 and the rest 5 are in between age 46-55. It is possible also to understand that among 170, 4(2.4%) of employees work in the bank less than one year, 75 (44.1%) of respondents work in the bank from 1 to 5 years. 77(45.3 %) of respondents work in the bank from 6 to 10 years and the remaining 14(8.2%) of respondents work in the bank for more than 10 years Further more it is clear that, 35 (20.6%) employees are diploma holders, 124(72.9 %) employees are degree holders and the rest 11(6.5 %) employees have master's degree educational qualifications. Finally it is clear that, 35 (20.6%) employees are managers, 29(62.4 %) employees are Vice Manager and the rest 106 (62.4 %) employees are officers.

As it can be seen from table 4.3.The Cronbach's coefficient alpha result for all field item are found reliable. The result ranges from 0.848 up to 0.781 which is more than enough to make sure that are all the questions are reliable to answer and study. The entire The Cronbach's coefficient alpha result is 0.838 which is the highest value and it is possible to conclude that Therefore, based on the test, the results for the items are reliable and acceptable.

The mean and standard deviation of the independent variables from the table it possible to understand the mean ranges from 20.72 to 12.98. Hence it is possible to understand that depending on the level of respondent's agreement Nature of control and Age of the firm have thought as they have a great impact and importance on employeeperformance. Opposite to this Attitude of mangers and Firm size are considered as less important factors for employees performance in banks which are found in Gambella city

Since all variables are interval, the relationship between the independent variables i.e. Age of the firm, Firm size, Nature of control, Organization support, Attitude of mangers, and the dependent variable i.e. Employees performance was investigated using Pearson product – correlation coefficient. The results of correlation analysis shows all the independent tables were positively and significantly correlated with the dependent variable i.e. selection at 99 percent confidence level ($P < 0.01$). Correlation is signified by Age of the firm ($r = 0.530$), in the second place we found, Firm size which is ($r = 0.410$), Nature of control ($r = 0.497$). Based on the Pearson correlation test shown in the table 4.5, Organization support is positively and significantly correlated with selection. Which is ($r = 0.720$) and finally Attitude of mangers ($r = 0.579$).

As it is clearly seen in the research it is clearly seen that R square result is 0.592 which means 59.2 % of variables which directly and indirectly affect selection of a bank is assessed and evaluated in this research paper.

5.2. Conclusion

During the investigation the researcher used both descriptive and inferential statistics and based on the findings he made the research project to an end by outlining the following classic conclusions.

- ❖ Based on the descriptive statistics which is obtained, the result of each independent variables have been measured, among major determinates of training and development the first factor is age of the firm . hence it is possible to conclude that respondent agree on Acquiring sufficient skill and experience on all training methods and procedures is the most important and agreed factor the empowerment of employees performance .
- ❖ With regard to the second variable, we got firm size. As to the respondents among many elements that could affect employees performance with regard to firms size, making limited supply of financial resources for training and development purpose is believed to be the most important factor.
- ❖ In the third place we got nature of control and Employee paid managers and tend more to invest in training & development activities is believed as the important factor in order to increase the performance of employees of banks at Gambella.
- ❖ The fourth variable was organizational support and as to the respondents they agree that Coaching and mentoring offers a wide range of advantages for development of the responsibility and relationship building. Compared to other factors like Providing support for or undertake a commitment to employee training and it focuses little attention on training activities
- ❖ Finally we got attitude of managers. Here respondents are asked to share their feeling and they agreed that Managerial beliefs are strongly and positively associated with the pattern and frequency of training in a bank and Employees work is measured against objectives established for his or her job. They believe that banks should work on these points so as to increase the performance of employees.

- ❖ The dependent variable i.e. employees performance is also assessed, here respondents believe that Our bank embrace training and development practices and it is able to train customers, suppliers, employees, stakeholders and shareholders and it makes trustworthy and better custodians of the interests of the various stakeholders and Our bank train and develop its employees well and reward them for their performance.

5.3. Recommendation

This study has demonstrated that the influence of training and development on employees performance in CBE branches which are found in Gambella city. In light of the findings and conclusions made above, the following possible recommendations are suggested as being valuable to banks for improving their employee's performance.

Hence in selected CBE branches the activities of Training and Development (Age of the firm, Firm size, Nature of control, Organization support, Attitude of managers) have to be enhanced and reinforced in order to keep and increase employee's performance. This can be enhanced and developed through the following:

- ❖ With regard to Age of the firm. Bankers should be aware that Training and development practices of their bank is able to retain customers, suppliers, employees, shareholders and other stakeholders and banks should work many things so as to acquire sufficient skill and experience on all training methods and procedures.
- ❖ With regard to Firm size. Since most training practices require considerable development costs, banks should start raise fund the implementation of training and development and bank must have a separate training unit and person responsible for training.
- ❖ The third variable is Nature of control, here banks should employee paid managers and tend more to invest in training & development activities. Continuous and strict follow up should be made in the bank on the proper implementation of training and development.
- ❖ The fourth variable is Organizational support. Here the researcher wants to recommend that since Coaching and mentoring offers a wide range of advantages for development of the responsibility and relationship building they should focus on Coaching and mentoring. Besides these Managers as well as non-managers are expected to describe

what problems they are experiencing at their workplaces and, immediately the training needs are identified.

- ❖ Finally Attitude of the owner/ manager. Here Managerial beliefs should be strongly and positively associated with the pattern and frequency of training in a bank and Managers should determine the ethos and strategic direction for the bank.

5.4. Implications for Future Research

Basically the major target of the researcher has full filled but it does not mean that this research has completely answered all the issues regarding to the impact of training and development on employees performance of banks.

The first limitation to sample of banks taken under the study here in the researcher has taken CBE branches at Gambella so future researchers if they could able to see the impact of impact of training and development on employees performance of banks of other commercial banks that could have very interesting finding,

Besides this research have focused only banks but other service industries are also affected by the training and development. So researchers could see on the other service industries as well.

It is also recommendable if future researchers could make this make from comparative perspective because it clearly show what is clearly seen in each of banks so future researchers do on this areas it could be advisable.

Finally this the researcher has taken employees performance only as one dependent variable but there are other factors which could measure be affected by training and development determinates are still not assessed so on ,so future researchers if they are able to see this elements that could have very interesting finding.

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APPENDIX I

DEBRE MARKOS UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

QUESTIONNAIRE TO BE FILLED BY EMPLOYEES

Researcher: BisratDegu

Contact Address: +251-964-560-825.

Email: bisratd100@gmail.com

Research Topic: - The Effect of Training and Development on Employees Performance: The Case of Commercial Bank of Ethiopia Gambella City Branches.

Dear Respondents:-

I would like to express my earnest appreciation for your generous time, honest and Prompt responses

Objective:

This questionnaire is designed to collect data about the effect of Training and Development on Employees Performance. The information that you offer me with this questionnaire used as a primary data in my case study which I am conducting as a partial fulfillment of the requirements for the degree of Masters of Business Administration (MBA) from Debre Markos University. Therefore, this research is to be evaluated in terms of its contribution to our understanding of Training and Development and its effects on Employees Performance and its contribution to improvements in the area.

General Instructions

- There is no need of writing your name.
- In all cases where answer options are available please tick (✓) in the appropriate box.

Confidentiality

I want to assure you that this research is only for academic purpose authorized by Debre Markos University. No other person could access the collected data. In any sort of report I might publish, but, I can not include any information that was made it possible to identify any Respondents.

Thank you again!

PART I: Demographic Information

1. Sex: Male ☐
Female ☐

2. Which of the following age categories describes you?

20-25 ☐

26-35 ☐

36-45 ☐

46-55 ☐

56 and above ☐

3. Number of years you have worked for the Bank (in years)1-5 ☐6-10 ☐11-15 ☐15-20 ☐21 years or more ☐**4. Education level:**High school graduate ☐Technical school graduate ☐C college Diploma ☐BA/BSc Degree ☐Master's Degree ☐PhD ☐

Other (please state) _____

5. Position in the bankManager ☐Vice manager ☐Officer ☐Administrative staff ☐***PART II: Please state your level of opinion for each given statement******Using the following scales:*****1 = strongly disagree 2= Disagree 3= Neutral 4 = Agree 5= strongly agree**

NO	<i>Perceptions of respondents on the Effect of Training and development on Employees Performance</i>	<i>Agreement scale</i>				
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
	<i>Items</i>					
	<i>Questions about Age of the firm</i>					
1	Since our bank is young , it invests more on training and development					
2	Higher training index is scored by our bank compared to other related old firms					
3	Our bank is effective from the training expenditure.					
4	Our bank has acquired sufficient skill and experience on all training methods and procedures					
5	Our bank could easily identify and determine training and development needs					
6	Training and development practices of our bank are able to retain customers, suppliers, employees, shareholders and other stakeholders					

	<i>Questions about Firm size</i>					
7	The size of our bank is determining our training needs					
8	The size of our bank enables us to benefit from scale effects in the usage of Training practices.					
9	Since most training practices require considerable development costs, we couldn't afford them easily.					
10	Our bank makes limited supply of financial resources for training and development purpose.					
11	Our bank have a separate training unit and person responsible for training					
12	Our banks department and management are committed and have positive attitude towards to training and development					
	<i>Questions about Nature of control</i>					
13	Nature of control (CONTROL) affects the training intensity of our bank					
14	Since our bank employee paid managers they tend more to invest in training & development activities					
15	Owners and partners of the bank place more emphasis on technical rather than managerial skills.					
16	Training and development is unlikely to be provided as it is feared. It will make the manager more attractive in the labor market.					
17	Since managers makes bank members work together in teams, coordination of organizational goals and objectives becomes easier					
18	Continuous and strict follow up is made in our bank on the proper implementation of training and development.					
	<i>Questions about Organizational support</i>					
19	Organizational support (ORGSUPT) for training is said to be an influential factor for training intensity					
20	Our bank has separate unit and person responsible for training, training plan,budget for training, training policies, training manuals and hand books					
21	Our bank does not provide support for or undertake a commitment to employee training and it focuses little attention on training activities.					

22	Coaching and mentoring offers a wide range of advantages for development of the responsibility and relationship building					
23	Training needs are determined by top management by considering organizations goals, mission, strategy and problems					
24	Managers as well as non-managers are expected to describe what problems they are experiencing at their workplaces and, Immediately the training needs are identified					
<i>Questions about Attitude of the owner/ manager</i>						
25	Managerial beliefs are strongly and positively associated with the pattern and frequency of training in a bank.					
26	The propensity or motivation to engage in HRD is dependent on the attitude of the senior manager(s).					
27	Managers determine the ethos and strategic direction for the bank					
28	The manager takes sole responsibility for the management of human resources					
29	The effective HRM (and HRD) of our bank depends on the skills, attitudes and experience of one individual(manager)					
30	Employees work is measured against objectives established for his or her job.					
<i>Questions about Employee's performance</i>						
31	Employees perform on the job and assignments assigned them measured against the generally accepted measure of performance standards.					
32	Employees know what they need to do to perform their job successfully					
33	Getting employees involved in the planning process helps us to understand the goals of the bank, what needs to be done; why it needs to be done and how well it should be done.					
34	We cannot always control our results, hence it's important to have behavioural targets as well as output targets.					
35	Expectations are clear and frequent feedback is given and it helps us to perform most effectively					

36	Our bank has used variety of methods for evaluating the performance of its employees					
37	Our bank train and develop its employees well and reward them for their performance.					
38	Our bank embrace training and development practices and it is able to train customers, suppliers, employees, stakeholders and shareholders and it makes trustworthy and better custodians of the interests of the various stakeholders.					
39	Frequent and updated training given by the bank enables us to minimize mistakes in our day to day operations.					
40	We are competent and skilled employees who could work everywhere which is working in the banking sector.					

Thank you again!!!

APPENDIX II
RELIABILITY OF EACH QUESTION

AGE OF THE FIRM	Cronbach's Alpha if Item Deleted
Since our bank is young it invests more on training and development	.840
Higher training index is scored by our bank compared to other related old firms	.895
Our bank is effective from the training expenditure.	.823
Our bank has acquired sufficient skill and experience on all training methods and procedures	.831
Our bank could easily identify and determine training and development needs	.817
Training and development practices of our bank are able to retain customers, suppliers, employees, shareholders and other stakeholders	.829

FIRM SIZE	Cronbach's Alpha if Item Deleted
The size of our bank is determining our training needs	.832
The size of our bank enables us to benefit from scale effects in the usage of Training practices	.834
Since most training practices require considerable development costs, we couldn't afford them easily.	.827
Our bank makes limited supply of financial resources for training and development purpose	.854
Our bank have a separate training unit and person responsible for training	.871
Our banks department and management are committed and have positive attitude towards to training and development	.867

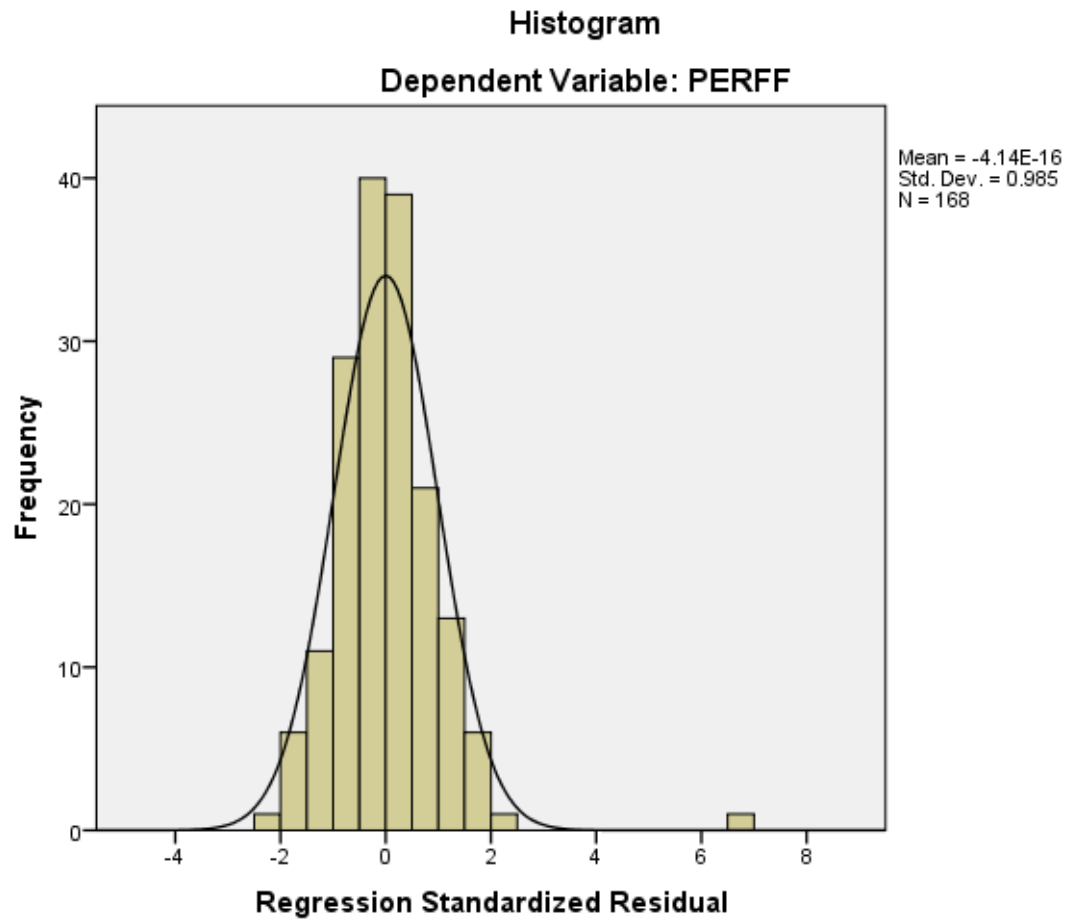
NATURE OF CONTROL	Cronbach's Alpha if Item Deleted
Nature of control (CONTROL) affects the training intensity of our bank	.570
Since our bank employee paid managers they tend more to invest in training & development activities	.825
Owners and partners of the bank place more emphasis on technical rather than managerial skills	.552
Training and development is unlikely to be provided as it is feared. It will make the manager more attractive in the labour market	.540
Since managers makes bank members work together in teams, coordination of organizational goals and objectives becomes easier	.543
Continuous and strict follow up is made in our bank on the proper implementation of training and development	.573

ORGANIZATIONAL SUPPORT	Cronbach's Alpha if Item Deleted
Organizational support (ORGSUPT) for training is said to be an influential factor for training intensity	.826
Our bank has separate unit and person responsible for training, training plan, budget for training, training policies, training manuals and hand books	.825
Our bank does not provide support for or undertake a commitment to employee training and it focuses little attention on training activities	.876
Coaching and mentoring offers a wide range of advantages for development of the responsibility and relationship building	.835
Training needs are determined by top management by considering organizations goals, mission, strategy and problems	.825
Managers as well as non-managers are expected to describe what problems they are experiencing at their workplaces and, Immediately the training needs are identified	.821

ATTITUDE OF MANAGER	Cronbach's Alpha if Item Deleted
Managerial beliefs are strongly and positively associated with the pattern and frequency of training in a bank	.742
The propensity or motivation to engage in HRD is dependent on the attitude of the senior manager(s).	.723
Managers determine the ethos and strategic direction for the bank	.722
The manager takes sole responsibility for the management of human resources	.743
The effective HRM (and HRD) of our bank depends on the skills, attitudes and experience of one individual(manager)	.815
Employees work is measured against objectives established for his or her job	.777

EMPLOYEES PERFROMANCE	Cronbach's Alpha if Item Deleted
Employees perform on the job and assignments assigned them measured against the generally accepted measure of performance standards.	.737
Employees know what they need to do to perform their job successfully	.722
Getting employees involved in the planning process helps us to understand the goals of the bank, what needs to be done; why it needs to be done and how well it should be done	.750
We cannot always control our results, hence it's important to have behavioural targets as well as output targets	.764
Expectations are clear and frequent feedback is given and it helps us to perform most effectively	.717
Our bank has used variety of methods for evaluating the performance of its employees	.787
Our bank train and develop its employees well and reward them for their performance	.742

Our bank embrace training and development practices and it is able to train customers, suppliers, employees, stakeholders and shareholders and it makes trustworthy and better custodians of the interests of the various stakeholders	.731
Frequent and updated training given by the bank enables us to minimize mistakes in our day to day operations	.741
We are competent and skilled employees who could work everywhere which is working in the banking sector	.734



Normal P-P Plot of Regression Standardized Residual

Dependent Variable: PERFF

