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# Journal of Business and Administrative Studies (JBAS)

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Volume 8, No. 1

ISSN-2077-3420

January 2016

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**Bi-annual Journal Published by  
St. Mary's University  
Faculty of Business  
Addis Ababa, Ethiopia**

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## **Effects of Training Practices on Employees' Performance in East Addis Ababa District of Commercial Bank of Ethiopia**

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### **Abstract**

*Training is the act of enhancing the knowledge, skill, and attitude of an individual for doing a particular job. In the present situation training is increasingly viewed as a means of not only fostering the growth of the individual employee but as an integrated part of organizational growth. Employee performance is normally looked at in terms of outcome. This research examined the effects of training practice on employee performance in commercial bank of Ethiopia (CBE) at East Addis Ababa District. To achieve the objectives of this study descriptive survey and explanatory research design was used. Data was collected through questionnaire from a sample of 234 those were selected using simple random sampling method and interview for managers of CBE. The data collected from the questionnaire were analyzed using inferential and descriptive Statistical tools such as mean, standard deviation, correlation, and multiple regression analysis. The results of this study indicate that, training practice dimension such as (need assessment, training objectives, training methods, selection of trainees and trainers, implementation of training program and evaluation and feedback) have positive and significant relationship with and have significantly contribute 58.4% to employee's knowledge, skills and attitudes. On the other hand, employee's knowledge, skills and attitudes have positive and significant relationship with and contribute 61.3% to employee performance. Based on the findings of the study, the researchers recommend starting need assessment. to analyzing organization, task and people level, doing the training evaluation and feedback before, during and after training; reassessing training objectives and design as much as possible SMARTER objectives.*

**Keywords:** *Attitudes, employee performance, knowledge, skills and training process*

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## **1. Introduction**

Organizations are facing increased competition due to globalization, changes in technology, political and economic environments (Evans, Pucik, & Barsoux, 2002). Therefore, prompting these organizations to train their employees as one of the ways to prepare them to adjust to the increasing change and thus enhance their performance. It is, therefore, in every organization responsibility to enhance the job performance of the employees and certainly implement of training, which is one of the major steps that most companies need to achieve. As is evident, employees are a crucial resource; it is important to optimize the contribution of employees to the company's aims and goals as a means of sustaining effective performance. This therefore calls for managers to ensure an adequate supply of staff that is technically and socially competent and capable of career development into specialist departments or management positions (Afshan, et al. 2012).

It is an undeniable fact that an organization, whether production-oriented or service rendering one, requires well-trained employees in order to attain its specific and general objectives within a rapidly changing environment. It is the trained people that mobilize and make use of both the human as well as the non-human resources of the organization to achieve its goals (Brum, 2007).

Training is the act of increasing the knowledge and skill of an individual for doing a particular job. In the present situation training is increasingly viewed as a means of not only fostering the growth of the individual employee but as an integrated part of organizational growth. Ngirwa (2009), defined training as a learning process in which employees acquire knowledge, skills, experience and attitudes that they need in order to perform their job better for the achievements of their organizational goals. It is the bridge between job requirements and employee present specifications. This means that changing what employees know, how they work, or their attitudes towards their jobs and organization are necessary. Training can be defined as a planned learning experience designed to bring about permanent change in an individual's knowledge, attitudes, or skills (Noe, 2011).

A study conducted by Dagmawit (2014) clearly stated that CBE has a gap that needs to be filled with regard to training practices. It needs to carryout need assessment before conducting any training, CBE is not providing sufficient

training materials and resources for the trainees, CBE should give due attention to the formulation of proper training objectives from the very beginning. CBE is not in a good status in conducting training evaluation before training is conducted. On the other hand CBE has to give due attention to securing and assigning qualified trainers before conducting trainings. Those gaps have a great impact on achieving the training objectives of the company. Therefore, this initiates us to conduct on effects of training practice on employee performance at CBE.

According to Tomas (2011), employee training is in the industry particularly in less developed economies like Ethiopia, Kenya, and Zimbabwe is undoubtedly needed. Hence, this study has focused on one of Ethiopian Commercial Bank, for which employee training seems to have become essential to achieve national economic objectives. Ahmad and Bakar (2003) suggest that employees who recognize the benefits of training tend to be more committed and so be more willing to participate in an organization's training activities. Barrett & O'Connell (2001) emphasized the importance of effective training for organizational success. They realized the importance of employees training in the workplace as training gives the impression of care and importance of employees, so they will be loyal to the organization. Organizations that invest in training give the feeling of values and employees will be less interested in quitting. Existing research suggests that training and development provision is taken as a sign by employees that their organization wishes to enter into a social exchange with them. This creates a strong psychological bond between them and their employer (Garrow, 2004). Earlier research shows that perceptions of training are related to participation in training. That indicates training is available and the organization supports training. It helps in career advancement within the organization (Thereon, Organizational, Job, and Personal Predictors of Employee Participation in Training and Development, 1997). Training is defined by Bartlett (2001), employees feel free to obtain training opportunities which enhance awareness, skills and abilities needed for the existing job. Despite this fact, none of them are conducted a study on the effect of training practices on employee performance in the Ethiopian banking industry namely at Commercial Bank of Ethiopia (CBE).

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

The human resource training programs are merely established with the purpose of empowering the less skilled manpower and equip it with the necessary skill and knowledge and enable them to successfully carry out their duties and responsibility, and improve their productivity. The connection between economic survival and productivity has become obvious in the last decade with the result of that increase in productivity and developing a strategic goal for many firms. The rapid change in production systems and methods has had significant impact on production skill requirement. Thus, employees face the need to constantly upgrade their skills, knowledge and develop an attitude that permits them to adopt change. The delivery of efficient and effective training is required to enhance the productivity of employees and improve their personal performance.

Since 1990s, the Commercial Bank of Ethiopia (CBE) has made huge investment on training and development with the objective of improving the skill and knowledge as well as attitude changes of employees in the banking operation. CBE has its own training and development department, to upgrade the skills and knowledge of its employees (CBE Annual Report, 2013/14). Moreover, the bank sends abroad some of its selected staff particularly management staff members for the training and development program provided by World Bank, IMF and other institutions. However, since it has its own training center, sending employees abroad would not have guaranteed the employees' improvement in personal development. On the other hand, stakeholders reflect some weakness that need attention: lack of customer-oriented service delivery explained in terms of conducting training program in the absence of appropriate needs assessment and analysis, establishing training objectives without the participation of clients, and rendering generic training programs thereby failing to address the specific needs and problems of clients and employees, and lack of appropriate evaluation and feedback in well-established manner. So, these conditions initiates the researchers to investigate the existence of training practices, the effect of training practice on KSA and KSA on employee performance at the CBE, even though Dagmawit (2014) and Solomon (2015) had carried out studies on the training practice on CBE.

Employee training is currently perceived as an effective means to achieving successful international competitiveness around the world (Hameed & Waheed, 2011). Furthermore, the benefits for implementing employee training have been widely recognized by many companies. So, employee training enhances a company's performance by changing the knowledge, skills and attitude, of employees through training and development.

In general, lack of well-planned and established training practice policy, such as inadequate needs assessment, inappropriate training objectives, using outdated training methods, lack of good trainers, lack of close supervision and follow up and evaluation at each stage of the training process, lack of consideration about the link between human resource function and training, lack of strategic alignment between training and development function to its business strategy are some of the major problems that most organization including CBE are facing.

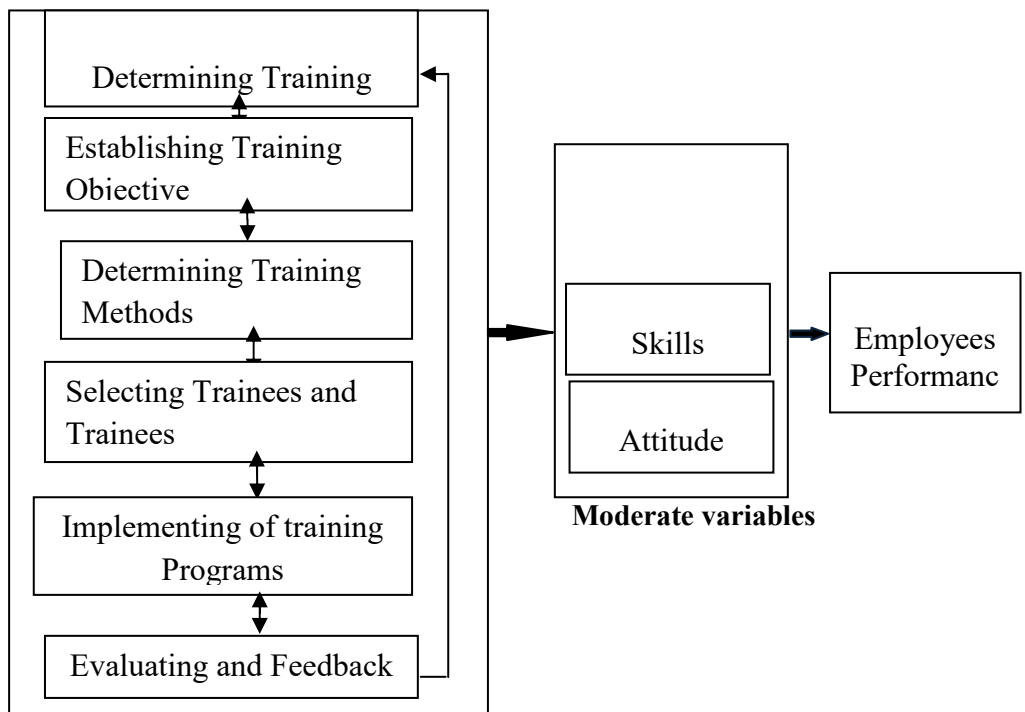
There has been valuable study entitled with the training practice in CBE by (Dagmawit, 2014) and employee training and development in CBE by (Solomon, 2015). However, none of them are conducted on effects of training practice on employee performance. So, this study tries to assess the existence of training practice on CBE. Hence, this study attempted to assess whether the aforementioned problems exist or not and reanalyze the effect of training practice on KSA and KSA on employee performance. In other words, how training practice affects the employee performance and to evaluate the existence of training practice such as needs assessment, training objectives, training methods, selection of appropriate trainees and trainer, implementation of training program and well established evaluation and feedback have effect on employees KSA and KSA on employee performance. In trying to evaluate the effect of training practice on employee performance in selected district and branches of CBE in Addis Ababa, this study would specifically try to test the following hypotheses:

Hypothesis 1: Training practice has effect on employees' knowledge, skill and attitude

Hypothesis 2: Knowledge, skill and attitude has effect on employee performance.

## 2. Conceptual Framework

The training process concerns a cycle of activities including identification of training needs assessment; in this case it is identifying and prioritizing training needs; in determining training objectives; there is a need to make sure the objectives are measurable, achievable, and specific.



**Figure 1. Conceptual Framework of the study**

Source: Own construction based on Armstrong (2006), Lloyd and Leslie (1994), and Pynes (2004, 2008)

The training methods can be on-the-job or off-the-job to implement its objectives. On the other hand, in selecting the appropriate trainees and trainers: the trainees have to be selected based on their skill gap or what the job requires but trainers should be selected on their capability, communication and motivation skills; the training program should be delivered on time; finally the training quality has to be evaluated in terms of the outcome and the designed feedback (Armstrong, 2006).

The aforementioned can serve as independent variables for this study and they must be carefully identified in the process because their result will have effect on the moderating variables namely knowledge, skills, and attitudes. So, a well-designed training practice will have great effect on employees in enhancing their knowledge, skills, and attitudes (moderating variables). Finally, the overall effects of training practice (independent variable) and knowledge, skills, and attitudes (moderating variables) can be indicators of employee performance (dependent variables) ) since the ultimate goals of training is to boost the employee knowledge, skills and attitudes in the work place. Hence, if employees gain KSA due to training, they can enhance their performance.

### 3. Research Methods

The study has applied explanatory type of research design and mixed approach. The rationale behind the research employed explanatory research design was to examine the causal relationship between variables and to show their significant effect to the dependent variables. The targeted population for this study was managers and non-managers at each level of CBE which exist in East Addis District at Addis Ababa and branches under this district are the pool of the study. East Addis district has 73 branches right now and only 20% of the branches were focus of this study including the head office of East Addis district and 13 branches which were established earlier and having more experienced employees. Each respondent was selected by using simple random lottery methods. This is because East Addis district is one of the industrialized, early emerging district and to give equal chance for branches.

The sample size was considered as large enough and representative CBE employees of the East Addis District. Hence, the sample size believed to be adequate to generalize the research finding. Accordingly, out of 600 target population, 234 respondents were selected by using sample size determination formula developed by Kothari (2004).

$$n = \frac{Z^2 \times P \times q \times N}{e^2 \times (N-1) + Z^2 \times P \times q}$$



Where;

n: is desired sample size,

Z: is the value of standard variation at 95% confidence interval ( $Z= 1.96$ ),

P: is estimated proportion of employees (50%),  
or  $p=$  sample proportion,  $q = 1 - p$ ;

e: is precision level (error) (5%), and

N: it target population.

$$\text{Therefore: } n = \frac{1.96^2 \times 0.5 \times 0.5 \times 600}{0.05 \times (600-1) + 1.96^2 \times 0.5 \times 0.5} = 234$$

**Table 1: Population and Sample Size form each Branches of East Addis District**

No	Branches Name	Target Population (N)	Proportional Sample Size (n)
1	East Addis Ababa District	56	22
2	Africa Avenue	54	21
3	Airport	42	16
4	Andinet	53	21
5	Bole	50	19
6	China Africa	35	14
7	Gerji	43	17
8	GurdSholla	48	19
9	HayaHulet	34	13
10	Kotebe	38	15
11	Megenagna	47	18
12	Meri	29	11
13	Meskel Square	37	14
14	Urael	36	14
<b>Total</b>	<b>14</b>	<b>600</b>	<b>234</b>

Source: Own construction

Since the aim of this study was to get actual information about effects of training practice on employee performance in CBE, so that, the study has focused on part of the target population such as managers and non-mangers of employees at each level which exist in selected branches of East Addis District at Addis Ababa. The rationality of focusing managers and non-

managers was most of the time the training is conducted for those employees rather than non-clerical. Primary data were collected through two major tools. The first was self-administered questionnaire developed by the researchers based on the information from different literature and studies. Secondly, in order to reach the objectives in-depth interview with key informants had been used.

The study has used descriptive and inferential statistics data analysis method. The descriptive statistical results were presented by tables, frequency distributions and percentages, which includes the means, standard deviations values which are computed for each variable in this study. Furthermore, Pearson's correlation coefficient was used to determine the relationships between training practices and knowledge, skill and attitude as well as knowledge, skill and attitude and employee performance. Finally, multiple regression analysis was used to investigate the effects of training practices on knowledge, skill and attitude as well as knowledge, skill and attitude and employee performance. The equation of multiple regression in this study is generally built around three sets of variables, namely dependent variables (employee performance), moderating variable (knowledge, skill and attitudes) and independent variables (need assessment, training objectives, training methods, selection of trainees and trainers, implementation of training program and evaluation and feedback).

### **Equation One**

Regress Knowledge, skill and attitudes on the training practices

$$Y_i = \beta_0 + \beta_1 \times X_1 + \beta_2 \times X_2 + \beta_3 \times X_3 + \beta_4 \times X_4 + \beta_5 \times X_5 + \beta_6 \times X_6 + E$$

Where **Y** is the moderating variable- Knowledge, skill and attitudes

**X1, X2, X3, X4, X5 and X6** are the explanatory (independent) variables

**$\beta_0$**  is the intercept term- it gives the mean or average effect on **Y** of all the variables excluded from the equation, although its mechanical interpretation is the average value of **Y** when the stated independent variables are set equal to zero.

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5,$  and  $\beta_6$  refers to the coefficient of their respective independent variable which measures the change in the mean value of Y, per unit change in their respective independent variables.

E Errors

### Equation Two

Regress employee performance on the knowledge, skill and attitudes

$$Y_i = \beta_0 + \beta_1 X_1 + E$$

Where Y is the dependent variable- Employee performance

X<sub>1</sub>= Moderating Variables (Knowledge, skill and attitudes)

$\beta_0$  is the intercept term- it gives the mean or average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y.

$\beta_1$  refers to the coefficient of their respective moderating variable which measures the change in the mean value of Y, per unit change in their respective moderating variables.

E Errors

## 4. Results and Discussion

### 4.1 Training practice

The aims of training are to enhance employees' skills, knowledge, and attitudes in regard to their personal development or performance. But this cannot be effective when there is no effective and appropriate training practice. According to Armstrong (2006), training program should be systematic in that it is specifically designed, planned and implemented to meet defined needs. Thus, a good training program should involve the following fundamental steps: determining training needs assessment, developing training objectives, developing training methods, identifying the trainees and trainers, implementation of training program finally, evaluating and feedback the effectiveness of training development program.

Table 2 shows the overall results of descriptive statistics for training process, knowledge, skill and attitudes and employee performance. The finding of this study indicates that most of employees were sufficiently agreed with the training

method with the cumulative values of (3.58 and .84272), establishing training objectives scored (3.49 and .948), selection of trainees and trainer with (3.41 and .82), knowledge, skill and attitudes of employees with cumulative of (3.41 and .8576) of a mean and standard deviation respectively. This implies that, CBE have to maintain its strength on determining training methods, establishing training objectives, selection of the right trainees and trainers and knowledge, skills and attitudes of employees in order to have competent employees in the banking industry. However, employees on other variables are agreed with the implementation of training program cumulative were (3.293 and .959), employee performance with cumulative of (3.29 and .8947), determining training needs scored with a cumulative of (3.01 and .996) of mean and standard deviation respectively.

This indicate that, CBE have to work with those variables such as implementation of training program, employee performance by having before and after training measurement and determining need assessment have to work with assessing the employees competency level and work demand. Finally, evaluation and feedback scored moderately agreed with a cumulative of value (2.877 and 1.01) of a mean and standard deviation consecutively. This implies that, CBE have to give due attention to evaluate employees before training, during training and after training is conducted and provide the feedback to employees so as to adjust their selves and to evaluate the training effectiveness as a whole.

**Table 2: Training Practice**

Variables	n	Mean	Std. Dev.
Determine Training Needs	224	3.01	.996
Establish Training Objective	225	3.49	.948
Determine Training Methods	226	3.58	.842
Selection of Trainees and Trainers	225	3.41	.821
Implementation of Training Program	226	3.29	.959
Evaluation and Feedback	226	2.87	1.01
Knowledge, Skills and Attitudes	226	3.41	.857
Employee Performance	226	3.29	.894

Source: Primary Data (2016)

#### 4.3.4 Results of Multiple Linear Regression Analysis

Multiple regression analysis was employed to examine the effect of training processes (need assessment, training objectives, training methods, selections of trainees and trainer, implementation of training program and evaluation and feedback on employee's knowledge, skill and attitude) in one side and the effect of employee's knowledge, skill and attitude on employee's performance on the other hand. The result revealed that all independent variables except the establishing training objectives accounted for 58.4% of the contribution for knowledge, skill and attitudes of employee ( $R^2 = 0.584$ ). Thus, 58.4% of the variation in knowledge, skill and attitudes of employee can be explained by the six training practices.

#### Hypothesis 1

*H<sub>1</sub>: Needs assessment has effect on knowledge, skill and attitudes.*

*H<sub>0</sub>: Needs assessment has no effect on knowledge, skill and attitudes.*

The results of multiple regressions, as presented in table 3 below, revealed that need assessment has a positive and significant effect on knowledge, skill and attitudes of employee with a beta value (beta = .140), at 99% confidence level ( $p < 0.01$ ). This implies that, if need assessment increases by 1 percent, knowledge, skill and attitudes will increase by .140. Therefore, the researchers may reject the null hypothesis and it is accepted that, need assessment has a positive and significant effect on knowledge, skill and attitudes of employee.

**Table 3: Coefficient of Regression Model for “Knowledge, Skills and Attitudes” as Moderating Variable**

Variables	Unstandardized Coefficients		Standardized Coefficients	t
	B	Std. Error	Beta	
Constant	0.55	.188		2.92 <sup>***</sup>
Determine Training Needs	0.12	0.05	0.14	2.34 <sup>**</sup>
Establish Training Objective	-0.004	0.06	-0.004	-0.064
Determine Training Methods	0.10	0.06	0.10	1.79 <sup>*</sup>
Selection of Trainees and Trainers	0.27	0.07	0.26	3.99 <sup>***</sup>
Implementation of Training Program	0.30	0.06	0.34	4.69 <sup>***</sup>
Evaluation and Feedback	0.08	0.05	0.09	1.622

<sup>\*\*\*</sup>Significant at  $p < 0.01$ ; <sup>\*\*</sup>Significant at  $p < 0.05$ , and <sup>\*</sup>Significant at  $p < 0.1$ ;  $R^2 = 0.584$

Source: Own analysis based on primary data (2016)

**Hypothesis 2**

***H<sub>1</sub>: Training objectives have effect on knowledge, skill and attitudes.***

***H<sub>0</sub>: Training objectives have no effect on knowledge, skill and attitudes.***

The results of table 3 showed that the standardized coefficient beta and p-value of training objectives has negative and insignificant effect with (beta = -.004,  $p > 0.01$ ). This implies that, if training objectives decreases by 1 percent, knowledge, skill and attitudes will decrease by -.004. Thus, the researchers fail to accept the directional hypothesis and establish training objectives have a negative and insignificant effect on knowledge, skill and attitudes. Therefore its contribution to knowledge, skill and attitudes is insignificant. On the other hand the empirical study show that, the calculated value (0.23) is less than the tabulated value (at 95% confidence level is 1.64 for one tail). So, Null hypothesis is rejected. It can be concluded that prior to induction of training programs, objectives and content of training programs are not clearly explained to the trainees.

**Hypothesis 3**

***H<sub>1</sub>: Training methods have effect on knowledge, skill and attitudes.***

***H<sub>0</sub>: Training methods have no effect on knowledge, skill and attitudes.***

The result of table 3 showed that the standard coefficient of beta and p-value of training methods has positive and significant effect at (beta = .101,  $p < 0.01$ ). This implies that, if training objectives increases by 1 percent, knowledge, skill and attitudes will increase by .101. So that, researchers may reject the null hypothesis and it is accepted that training methods has a positive and significant effect on knowledge, skill and attitudes. On the other hand, the empirical study show that the calculated value (0.13) is less than the tabulated value (at 95% confidence level is 1.64 for one tail). So, Null hypothesis is rejected. It can be concluded that banks do not arrange a variety of training methods for different levels of employees. It is revealed by talking with bank executives that banks mainly follow lecture methods & multimedia visual presentations.

**Hypothesis 4**

***H<sub>1</sub>: Trainees and trainers have effect on knowledge, skill and attitudes.***

***H<sub>0</sub>: Trainees and trainers have no effect on knowledge, skill and attitudes.***

Table 3 further shows that, selection of trainees and trainer have a positive and significant effect on knowledge, skill and attitudes with a beta value (beta = .256), at 99% confidence level ( $p < 0.01$ ). This implies that, if trainees and trainer increases by 1 percent, knowledge, skill and attitudes will increase by .256. Therefore, the researchers may reject the null hypothesis and selection of trainees and trainers have positive effect on knowledge, skill and attitudes. On the other hand, the empirical study show that the calculated value (0) is less than the tabulated value (at 95% confidence level is 1.64 for one tail). So, Null hypothesis is rejected. It can be concluded that most of the training instructors do not have sufficient knowledge regarding specific training programs.

### **Hypothesis 5**

***H<sub>1</sub>: Training program has effect on knowledge, skill and attitudes.***

***H<sub>0</sub>: Training program has no effect on knowledge, skill and attitudes.***

As table 3 also depicts that, the standard beta and p-value of implementation of training program has positive and significant effect with (beta = .335), and significant at 99% confidence level ( $p < 0.01$ ). This implies that, if training program increases by 1 percent, knowledge, skill and attitudes will increase by .335. As a result, the researchers may reject the null hypothesis. So as to recognize implementation of training program has a positive and significant effect on knowledge, skill and attitudes of employee. On the other hand the empirical study show that, the calculated value (-0.11) is more than the tabulated value (at 95% confidence level is -1.64 for one tail). So, Null hypothesis is accepted. It can be concluded that banks provide sufficient services for employees' career development.

### **Hypothesis 6**

***H<sub>1</sub>: Training evaluation and feedback has effect on knowledge, skill and attitudes.***

***H<sub>0</sub>: Training evaluation and feedback has no effect on knowledge, skill and attitudes.***

Furthermore, the result of table 3 showed that the standard coefficient of beta and p-value of evaluation and feedback has positive and significant effect at (beta = .098,  $p < 0.01$ ). This implies that, if evaluation and feedback increases by 1 percent, knowledge, skill and attitudes will increase by .098. Thus, the

researchers may reject the null hypothesis and accepted that, evaluation and feedback has a positive and significant effect on knowledge, skill and attitudes of employee.

**Table 4. Coefficient of Regression Model for “Employee Performance” as Dependent Variable**

Variables	Unstandardized		Standardized	t
	Coefficients			
	B	Std. Error	Beta	
Constant	0.50	0.15		3.30***
Knowledge, Skills and Attitudes	0.82	0.04	0.78	18.83***

\*\*\* Significant at  $p < 0.01$ ;  $R^2 = .61$

Source: Own analysis based on primary data (2016)

### Hypothesis 7

*H<sub>1</sub>: Knowledge, skill and attitudes has effect on employee performance.*

*H<sub>0</sub>: Knowledge, skill and attitudes has no effect on employee performance.*

The overall results revealed that all moderating variables such as knowledge, skill and attitudes accounted for 61.3% of the contribution to employees performance ( $R^2 = 0.613$ ). Thus, 61.3% of the variation in employee performance can be explained by the employee knowledge, skill and attitudes and other unexplored variables or factors may limit the contribution of knowledge, skill and attitude on employee performance by accounting about 38.7%. The result of multiple regression as presented in table 4 above revealed that, knowledge, skill and attitudes of employee has a positive and significant effect on employee performance with a beta value (beta = .783), at 99% confidence level ( $p < 0.01$ ). This implies that, if knowledge, skill and attitudes by 1 percent, employee performance will increase by 0.783. Therefore, the researchers may reject the null hypothesis and it is accepted that, knowledge, skill and attitudes has a positive and significant effect on employee performance.



**Table 5. Summary of Hypothesis Testing Results**

Hypotheses	Result
Needs assessment has effect on knowledge, skill and attitudes.	Accepted/Positive
Training objectives have effect on knowledge, skill and attitudes.	Rejected/Insignificant
Training methods have effect on knowledge, skill and attitudes.	Accepted/Positive
Trainees and trainers have effect on knowledge, skill and attitudes.	Accepted/Positive
Training program has effect on knowledge, skill and attitudes.	Accepted/Positive
Training evaluation and feedback has effect on knowledge, skill and attitudes.	Accepted/Positive
Knowledge, skill and attitudes have effect on employee performance.	Accepted/Positive

Source: Own analysis based on primary data (2016)

## 5. CONCLUSION AND RECOMMENDATIONS

### 5.1 Conclusion

Based on the major finding of the study the following conclusions were proposed as follows.

- Training needs can be assessed by analyzing the major human resources areas: the organization as a whole, the job characteristic and the needs of the individuals. This analysis will provide answers to the following questions: Where is training needed; what specifically must an employee learn in order to be more productive and who need to be trained. However, the finding of the study also indicates that, CBE did not exercise the need assessment procedure such as identifying the gap between what an organization is expecting to happen and what actually occurs. As a result, it lacked completeness to enhance personal development.
- The availability of training objective is essential especially for such a vast company with thousands of employees and many branches

throughout the country. The finding of the study also indicates that, the bank has specific objectives in terms of topics and goals, measurable in terms of outcome, attainable and time bounded in terms achievable and on time schedule of training objectives. The training objectives also provide the standard for measuring what has been accomplished and for determining the level of accomplishment.

- The program of training helps the employee to adjust to rapid changes in job requirements and keeps them updated to new technologies and methods. The finding of the study also indicates that, CBE uses the two broad types of training methods available to the Banking industry: On-the-job and Off-the-job training methods. Therefore, CBE have to keep in doing so.
- After deciding the suitable training methods, as well as content of the training program selecting appropriate trainees and trainers of the program invaluable. The finding of the study also indicates that, CBE have a good culture in selection of the right trainers from abroad or domestically based on their capability and experience for the subject matter of the program. While, CBE did not have a good method in selection of the right trainees because of this employee failure in the program is not only damaging to the employee but a waste of money as well. So that selecting the right trainees is important to the success of the training programs.
- In every training program decisions have to made as who should be trained, who are the instructors, where and when the program is to be conducted and what are the material requirements. Since human resource department have to aware about training increase the skill and knowledge of employees motivate employees to learn and attain their personal goals, provide feedback to improve the program are the most important factors to be taking in to account.
- Evaluation of learning can be done through assessment and validation tools to provide the data for the evaluation. Evaluation of the training program is necessary to determine whether the training accomplished its objectives. Unfortunately, the finding of the study also indicates that, CBE did not have proper evaluation and feedback procedures are often

neglected in CBE. Therefore, without evaluation mechanism of before, during and after training had been conducted it is difficult to conclude the training if effective because evaluation is concerned with determining what impact the training has had on the employee and the organization as a whole.

- Knowledge is the cognitive process of mental skills; attitude was related to the affective area that has to deal with feelings or emotions and skills the psychomotor process of manual or physical skills. These three can be seen as the goals of the learning process after a learning incident has occurred. Therefore, the finding of the study also indicates that, training which is conducted by CBE has a great contribution for personal development of employee's knowledge, skill and attitudes.
- Employee performance is normally looked at in terms of outcomes. However, it can also be looked at in terms of behavior and employee's performance is measured against the performance standards set by the organization. The finding of the study indicates, trainings of CBE has a power in enhancing their employees performance in terms of the amount of quantity they produced, the quality service they provides to the customs, timeliness of their work done, efficient utilization of resource and ultimately it creates an innovative skills. Since the existence of training can help employees to acquiring new knowledge, skill and attitude in the Bank.
- The training processes have a positive and significant relationship with that of knowledge, skill and attitudes and finally knowledge, skill and attitudes has significant relationship with employee performance. The finding further indicates that the highest relationship is found between knowledge, skill and attitudes on employee performance and the lowest relationship found between training methods and knowledge, skill and attitudes of employees. Therefore, the training process dimension and knowledge, skill and attitudes and employee performance has positive and statistically significant relationship in CBE.
- Moreover, the multiple regression result further shows that researchers found out that not all of the training process dimensions have positive effects on knowledge, skill and attitudes. Out of the six training

processes dimensions five dimensions (need assessment, training methods, selection of trainees and trainer, implementation of training program and evaluation and feedback) have positive and significant effects on knowledge, skill and attitudes. However, training objectives has a negative and insignificant effect on knowledge, skill and attitudes. The results of this study further indicate that knowledge, skill and attitudes have positive and significant effect on employee's performance and this is the most important factor to have a positive and significant effect on employee performance.

## **5.2 Recommendations**

Based on the findings and conclusion of the study, the following sound recommendations are forwarded to alleviate or at least to minimize currently encountered problems in the CBE with related to effects of training practice on employee performance.

- CBE should conduct need assessment before conducting any training in the future in order to ensure an effective human resource development. Training needs should be based on organization's need, type of work to be done and skills necessary to complete the work. Since once the needs of employees are not identified in a formal manner it could be wasteful of time and financial resources. So that, CBE has to focus on proper need assessment before conducting any training because the importance of needs assessment is to diagnose the current problems and future challenges that should be met through training.
- In this dynamics and complex business environment the success of training program can be measured in terms of the objective set. However, CBE training objectives doesn't have positive effect on knowledge, skill and attitudes and the training objectives are insignificantly contribute to the employee knowledge, skills and attitudes. Therefore, CBE has to work on designing of objective to make SMARTER.
- CBE has to continue by updating its training methods and the use of training methods such as on-the-job and off-the-job. Since it will help the bank to have competent employees in the Bank industry and CBE

may lose the advantage that comes from off- the- job or on-the-job training methods in this competitive environment.

- CBE has good experience regarding with selection of the right trainers. However CBE is not effective in identification of the right trainees. So that CBE has to focus on identification of job categories where the training needs have been identified and the identification should be performed by the training analyst and supervisor or experts using guidelines that govern the selection of the employee for training from Human Resource department.
- CBE has to uphold working with the implementation of training program. While, the human resource development program decisions should be based on cost considerations, especially who trained abroad for leadership and management roles need to be analyses well. The management must believe that the program will: Increase the skill, knowledge and attitudes of employees, motivate employees to learn and attain their personal goals, and provide feedback to improve the program should be taking in account in implementation of training programs.
- CBE is not in a good status in conducting training evaluation before, during and after training is conducted. In connection with this, it has to focus on conducting a pre, during and post training evaluation for defining the overall training objectives of the bank. CBE has to give due attention for evaluation of learning through assessment and validation tools to provide the data for the evaluation. Assessment is the measurement of the practical results of the training in the work environment; while validation determines if the objectives of the training goal were met. Training must be evaluated in terms of how much the participants learned; how well they use their new skills on the job (did their behavior change?) and whether the training program achieved its desired results (reduced turnover, increased customer services etc.).
- As we are now in globalization age it is characterized by intense competition. So that, to be sustain in dynamics business environment we have to update our employees knowledge, skills and attitudes

through formal training. No doubt that training enhance employees capability in working environment but CBE has to go giving training for employees further in addition to the existing training culture. Since now a days there is high level of technological advancement in banking sectors so as to take the market share. However, CBE has to work with continuous trained employees because training will create capable and competent employees in the operation.

- Based on this study outcome, training enhances employee performance at working place or in the social settings. However, CBE has to give great emphasis to continue by evaluating the employee performance. Normally, performance is looked at in terms of outcomes. However, in addition to outcomes CBE should have to focus on as the predetermined standards to evaluate employee's performance.
- Regarding to correlation between training processes namely (need assessment, training objective, training methods, selection of trainees and trainers, implementation of training program, evaluation and feedback and employee knowledge, skill and attitudes) and employees knowledge, skills and attitudes and employees performance has a positive and significant relationship in CBE. Therefore, CBE has to keep up those variables relationship to the high level because without the existence of training process dimension employee will not acquire new knowledge, skills and attitude in particular and personal development in general.
- In terms of contribution the five dimension of training process such as (need assessment, training methods, selection of trainees and trainers, implementation of training program and evaluation and feedback has effect on employee knowledge, skill and attitudes). However, CBE has to give proper attention to training objective since in terms of contribution it is contributing negatively. So that it will affect the degree of whole contribution to knowledge, skill and attitudes of employees.

### 5.3 Areas for Further Research

The main intention of this section is to give some direction for future researchers who are interested to study in human resource development area in general and training and development in particular. So that the future researchers can study the following recommended areas.

- This study directly focuses on effects of training practice on employee performance. However, the plan and implementation are not properly studied therefore this it is suggested that further studies should be conducted to explore how training and development program can be strategically designed and aligned with the organizational goals to meet the desired performance.
- Besides, it is recommended to see the impact of training and development outside Addis Ababa. Since, in this dynamics and complex business environment it will help to see the variation between city and regional employee performance.
- This study found a gap in CBE by the following variables such as need assessment, training objective and evaluation and feedback are not well addressed by the bank. Therefore, the coming researchers can study on those gaps in order to fill the gap to the extent and to check the bank has filled its gap since after 2016.
- Finally, future researchers can make a comparison between private and government banks in Ethiopia on the effect of training practice on employee performance.

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