



**ST.MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF TRAINING AND DEVELOPMENT PRACTICES**  
**IN ETHIOPIAN PETROLEUM SUPPLY ENTERPRISE**

By  
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**JANUARY, 2016**  
**ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF  
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## **ENDORSEMENT**

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

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**JANUARY, 2016**

## **DECLARATION**

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

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JANUARY **2016**

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

**EPSE-** Ethiopian Petroleum Supply Enterprise

**EPE-** Ethiopian Petroleum Enterprise

**NPRDA-** National Petroleum Reserve Depot Administration

**T&D-** Training and Development

**TNA-** Training Need Assessment

## **ABSTRACT**

*Systematic training plays a paramount role in equipping employees with the required knowledge, and skills in order to remain competitive in the dynamic society whether in developing or in developed world. The main objective of this paper was to investigate current practices and challenges of the training and development system of Ethiopian Petroleum Supply Enterprise. The study used survey data obtained through questionnaires, interview and secondary information sources to supplement the primary data. One hundred twenty four (124) questionnaires were distributed for the collection of data. Descriptive statistics was applied to analyze the questionnaire. Results show that the major challenges facing effective employees training included the lack of staff training policy in EPSE, loopholes in selecting trainees and insignificant support to training by the EPSE managers. Based on the findings, the author recommended that a regular formal need assessment of the employees should be done in order to identify employees' need in terms of skills and knowledge. There is also a need for a training policy guiding EPSE and a formal structure clearly outlining the criteria based on which trainees are identified and selected for training as this will eliminate bias in selection of trainees.*

**Keywords:** *Training, Development, Employee Development, Employee performance and Ethiopian petroleum supply Enterprise.*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the study

The survival of any organization in the competitive society lies in its ability to train its human resource to be creative, innovative, which will always enhance performance and increase competitive advantage.

Nowadays, organizations operate in a complex and changing environment that greatly enhances and influences their growth and expansion. To cope up with this changing environment and technological advancement, organizations need to develop and train their employees. In addition, the survival of any organization depends on the quality of human resources of the company. An organization can also use training to try to overcome deficiencies in employees. Often effective training can produce productivity gains that offset the cost of training. Training is especially important in industries with rapidly changing technologies. Training of human resource involves changes in skills, knowledge, attitude and or social behavior (Ahmad & Din, 2009).

It is undeniable that an organization, whether a production oriented or service rendering one, requires a well-trained employee in order to attain its specific and general objectives within 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).

Employee training and development is one of the crucial human resource practices and is the process whereby people acquire capabilities to aid in the achievement of organizational goals. It involves planned learned activities designed to improve an employee's performance at his/her current job. Training refers to the methods used to give new or present employees the knowledge, skill and ability they need to perform their job (McCracken and Wallace, 2000).

Although training is often used with development, the terms are not synonymous. Training typically focuses on providing employees with specific skills or helping them to correct deficiencies in their performance.

Organizational leaders are often not clear about what they want from training and therefore fail to connect training with the overall organizational goals and strategy (Neitzel, 2006). Training should not be regarded as a luxury to be undertaken when time and budgets allow. The management should recognize that the training function has valuable intelligence to employees' core skills. The training unit, in a successful program, should understand the organizations strategic direction and then it can design and implement a creative way of moving people in that direction.

In contrast, development is an effort to provide employees with the abilities the organizations will need in the future. Employee development is therefore, training people to acquire horizons, technology or viewpoints. This enables leaders to guide their organizations to new expectations by being proactive rather than reactive. (Isiaka, 2011).

To ensure that training goals are achieved, care must be taken when designing the training process model. Even though different models are proposed by different authors the training process model to be followed by the researcher was developed by Randy .et at (2002). According to this author the training process model has four stages: training need assessment (TNA), design, and implementation and evaluation stages.

Training improves the knowledge, skill and attitude of the workforce and develops their services (Bell.et al., 2003). Training prepares employees for the new and specific jobs and it is often non- managerial employees oriented while development is managerial oriented and essential for future assignments. Global competition has made training and development a viable tool for all kinds of organizations (Ahmad & Din, 2009).

According to Ahmad and Din (2009), employee training and development are based on the premise that staff skills need to be improved for organizations to grow. New entrants into organizations have various skills, but not all are relevant to organizational needs. Therefore, training and development are required for employees to enable them work towards taking the organization to its expected destination.

According to Vemic (2007), training should not be undertaken for its own sake. It must be geared to the objectives of the particular organization. It is essential to know what the present skills are and based on the agreed objectives, what training is required to meet the objectives. Training also lead the employee to the right mix of knowledge, skills and attitudes, help a job holder to perform tasks successfully (Kumpikaitè, 2008). Often effective training can produce productivity gains that offset the cost of training. Training

is especially important in industries with rapidly changing technologies.

Organizations are surrounded by different political, social, economic and technological changes which create challenges to which they need to pay attention regardless of their size, location and industry (McCracken and Wallace, 2000). These changes have challenged the organizations to learn how to manage or confront the changes quickly and successfully. Organizations are relying on their human assets, the knowledge, competence and capabilities of their workforce as source of success. It is therefore, essential for the organizations to develop effective HRM practices and policies that will enable them to attract, retain and motivate competent employees who will, in turn contribute to the successful achievement of organizational objectives.

Helping employees to become effective in their jobs is one of the most fundamentally important tasks in human resource management that organization has to undertake (Tyson, 2006). Because in most cases, there may be gap between employee knowledge, skill, and ability (KSA) and what the job demands. Thus, training is one of the major techniques that organizations undertake to fill this gap and improve the skill and competency levels of their employees.

Ethiopian Petroleum Supply Enterprise has emphasized on the importance of training and development for its employees. However, giving emphasis by itself doesn't assure the effectiveness of the training program unless it is supported by a systematic training process.

TNA is subject to the views, assessment and experiences of bosses. Unless the core framework of needs assessment consists of at least three levels of analysis namely: organization analysis, task analysis, and individual analysis its effectiveness is under question. Likewise, training evaluation is an important stage of the training process, but the most ignored one. As per Santos & Stuart (2003) ,organization devotes little attention to the evaluation of training programs. Similarly, organizations evaluate training rarely because training is being seen as an overhead cost not an investment to be evaluated (Ikhlas 2005). According to Kirkpatrick (1998) training efforts are evaluated using four criteria: reaction (level 1), learning (level 2), job behavior (level 3), and results (level 4). However, as per the researcher's observation EPSE rely on level one that is, trainee's reaction of Kirk Patrick's evaluation model when evaluating their training programs.



In order to accomplish its objectives and the same time to meet the ever growing demand of petroleum products which is used for the development of the country, the enterprise imports the refined petroleum products via Djibouti port from middle east and gets it distributed all over the country through petroleum distributing companies. It is also to forecast, maintain, and administer the required national petroleum reserve and, based on the instructions of the government, supply petroleum products from the reserve.

The government sets prices and control of all petroleum products, because petroleum is one of the most strategic commodities in our country. Petroleum is vital to all economic activities and also tools of transport, industry, agriculture and communication touching every aspect of our daily life activities. Huge industries, small scale industries, cement factories; textile industries, etc. use petroleum and petroleum products.

The government is highly participating and assisting the organization in the form of financing and bilateral agreement made between Ethiopia and other countries to import petroleum such as Sudan to supply benzene.

This vast and newly redefined mission could be successfully accomplished by attracting qualified staffs from the market and retaining and developing the existing staffs.

## **1.2 Statement of the problem**

Most research findings indicate that training has a positive impact on business outcome through increased productivity, improved management skill, reduced production cost easy access to profitability, and expanded market resulted from new idea from the training. Organizations are surrounded by different political, social, economic and technological changes which create challenges to which they need to pay attention regardless of their size, location and industry (McCracken and Wallace, 2000; Nolan, 2002). These changes have challenged the organizations to learn how to manage or confront the changes quickly and successfully.

Organizations should invest more in systematic T&D activities as the way to increase human capital, which is considered an important base for the success of any organization (DTI et al., 2000).

Considering the reality mentioned above, over the years, EPSE has been allocating huge sums of money in its budgetary allocation towards training of staff to build the capacity

of staff to perform their job functions effectively. But its implementation lacks appropriate systems and hence not cost effective. The lack of clear T&D policy and plan, inadequate need assessment and less attention to prioritizing needs, non-configuration of training and development program with the organization objectives, ineffective implementation and improper evaluation of training and development practices all are the possible problems in EPSE, as per the preliminary interview undertaken by the researcher, such variables are not investigated in Ethiopian context adequately.

One of the prominent reasons that motivated the researcher to pick up this point is that in reality there is a problem in the effectiveness of training and development in improving employee's performance on EPSE as the researcher's observation before conducting the study.

### **1.3 Research questions**

Upgrading employee's performance and improving their skills through training and development is a necessity in today's competitive environment. Essentially the research question must answer the questions of whether the training has clear policy and realistic objectives, whether training needs assessment implemented properly and whether the training is transferred.

In order to fulfill the objectives, the study will have the following questions:

1. How is the enterprise's Training and Development (T&D) need assessment made?
2. What types of T&D are being used in EPSE?
3. What are the challenges encountered by the organization in its T&D practices?
4. How does the company evaluate the effectiveness of training?
5. How does the company evaluate effectiveness of employee development?

## 1.4 Objectives of the study

### General Objective

The General Objective of the study is to investigate current practices and challenges of the training and development system of Ethiopian Petroleum Supply Enterprise and show its gap in relation to contemporary approaches and recommend possible solutions that help to optimize the effectiveness of training and development programs.

### Specific Objective of the Study

In order to explore the training and development practices and problems, the research was conducted with the following objectives:

- To determine the T&D need assessment practices of EPSE.
- To assess the T&D practices of EPSE.
- To identify the challenges those influence the success of T&D program of the EPSE.
- To investigate the effectiveness of training approaches used in EPSE.
- To determine the effectiveness of employee development practices of EPSE.

## 1.5 Definition of key terms

- **Training** -is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively (Gordon 1992).
- **Development-** is a broad ongoing multi-faceted set of activities (training activities among them) aimed at bringing someone or an organization up to another threshold of performance, often to perform some job or a new role in the future (McNamara 2008).
- **Employee Development:** It is a system for assisting employees to develop within their current jobs or advance to fulfill their goals for the future.
- **Employee performance-**is defined as the outcome or contribution of employees to make them attain goals (Herbert, et al 2000) while performance may be used to define what an organization has accomplished with respect to the process, results, relevance and success. Afshan et al. (2012) define performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Employee performance can be manifested in improvement in production, easiness in using the new technology, highly motivated workers.

## **1.6 Significance of the study**

In this dynamic modern business environment where things are continuously changing, in order to improve productivity of employees' it is very necessary to update training and development system of an organization.

Training and development promotes organizational vitality by providing progressive training and development opportunities that support lifelong learning and assist individuals in working effectively together within their departments and throughout the organizational system.

The study is intended to benefit managers, employees, and other researchers. Managers can utilize the findings to reconsider its current practice and redesign successful T&D program. Successful T&D program has a positive contribution in terms of upgrading knowledge and skills. Finally, other researchers can also use the study as a stepping stone to conduct detailed research on T&D practices of organizations.

## **1.7 Scope and limitation of the Study**

Conceptually, the study is intended to investigate T&D program of an organization, one of the components of human resource management. Specifically, the study addressed issues such as the training need assessments, T&D approaches, T&D evaluation, and the challenges that influence the success of T&D.

The method of investigation used in this study is a survey method. This is because survey can measure many variables, test multiple hypotheses, and infer temporal order from questions about past behavior, experiences or characteristics (Neuman, 2007:186). The total population of EPSE is 558 but 202 are working in Addis Ababa at the head office. The remaining 356 staffs are working in 15 branch offices. The study was on head office. This is because in branches there are no T&D functions, every three year there is rotation of employees so there is no uniqueness in branches and everything relating to T&D activities is centralized in the head office.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

The main objective of every organization is to improve its performance but it can never be possible without the efficient performance of employees. In order to sustain economic growth and effective performance, it is important to optimize the contribution of employees to the aims and goals of the organizations. Employees are the most valuable assets of every organization, because a skillful work without Human capital is not possible. Getting these things in mind every organization is investing a huge capital in training and development. It is not only the workers who need training. Supervisors, managers and executives also need to be developed in order to enable them to grow and acquire maturity of thought and actions. Training and development constitute an ongoing process in any organization.

#### **2.1 Scope of the Literature Review**

This section would deal with a review of relevant literature on the following topics: What is training and development, distinction between training and development, importance of training and development, systematic training approach and process, effective training and development, effect of training and development on employee's Performance and challenges of training and development.

Furthermore, this section would try to review topics such as: Organizational objectives and strategies, training and development needs assessment, analyzing of training goals, designing training program, implementation of training program and evaluation of results.

#### **2.2 What is Training and Development?**

Training and development is the field concerned with organizational activity aimed at improving the performance of individuals and groups in organizational settings. It has been known by several names, including employee development, human resource development, and learning and development (Harrison 2007).

Training and development are planned learning experiences which teach employees how to perform current and future jobs more effectively. Sims (2002) emphasizes that training

focuses on present jobs while development prepares employees for possible future jobs. Basically, the objective of training and development is to contribute to the organization's overall goal.

These two processes, Training and Development, are often closely connected. Training can be used as a proactive means for developing skills and expertise to prevent problems from arising and can also be an effective tool in addressing any skills or performance gaps among staff. Development can be used to create solutions to workplace issues, before they become a concern or after they become identifiable problem (Kim, 1997).

Training and development is beneficial not just for the organization itself but also to the individual employees. On the one hand, training and development leads to improved profitability and/or more positive attitudes toward profit orientation, improves the job knowledge and skills at all levels of the organization, improves the morale of the workforce and helps the employees identify with organizational goals (Sims, 1990).

The need for T&D is determined by the employee's performance deficiency, computed as follows:

*Training and development need = desired performance - actual performance (McClelland, 2002).*

For the most part, the terms "training" and "development" are used together to describe the overall improvement and education of an organization's employees. However, while closely related, there are important differences between the terms that center on the scope of the application.

## **2.3 Distinction between Training and Development**

Although the terms "training" and "development" are mostly used simultaneously and synonymously yet they have different meanings.

### **2.3.1 Training**

Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively (Gordon 1992).

Training is a short run process that is planned and systematic. The training initiative comes from the managers of the organization to meet the present needs required for the job.

Training has traditionally been defined as the process by which individuals change their skills, knowledge, attitudes, and/or behavior (Robbins and DeCenzo, 1998). In this context, training involves designing and supporting learning activities that result in a desired level of performance.

While training focuses more on current job duties or responsibilities, development points to future job responsibilities.

The training is to enhance an employee's knowledge and skills, modification of the behavior as per the job requirements and application of the learning to the day to day on-job activities. This is an imposed obligation to the employee by the employer. The training initiative comes from the managers of the organization to meet the present needs required for the job. Whereas, development is an initiative comes from the employee voluntarily and is long run in time period.

Training is an educational process People can learn new information, re-learn and reinforce existing knowledge and skills, and most importantly have time to think and consider what new options can help them improve their effectiveness and performance at work. Effective trainings convey relevant and useful information that inform employees and develop skills and behaviors that can be transferred back to the workplace (Noe,2011).

The goal of training is to create an impact that lasts beyond the end time of the training itself. The focus is on creating specific action steps and commitments that focus people's attention on incorporating their new skills and ideas back at work.

Training can be offered as skill development for individuals and groups. In general, trainings involve presentation and learning of content as a means for enhancing skill development and improving workplace behaviors.

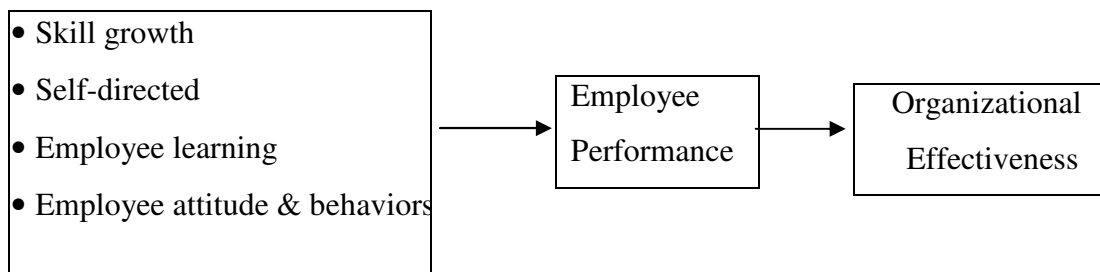
In general, training programmes have very specific and quantifiable goals, like operating a particular piece of machinery, understanding a specific process, or performing certain procedures with great precision.

### **2.3.2 Development**

Development is a volunteer activity of an employee to grow himself over a period of time. However, development also is the organized use of systematic and technical

knowledge to acquire explicit objectives or requirements. Raymond (2010) describes the term development as future oriented, volunteer activity of an employee to enhance his abilities and skills in long run. Development is a long run educational procedure emphasizes on a systematic and organized method through which managerial personnel acquire conceptual and theoretical knowledge. It is intended for the in general development of managers to assemble their long run requirements. Thus, development tends to be an initiative that is intentional and comes from the employee himself.

Fig 2.1 Employee Development



Source: Own conceptualization as guided by literature

Development typically refers to long-term growth and learning, directing attention more on what an individual may need to know or do at some future time.

Development is a process that “strives to build the capacity to achieve and sustain a new desired state that benefits the organization or community and the world around them”. (Garavan, et al1995).

Development perspective examines the current environment, the present state, and helps people on a team, in a department and as part of an institution identify effective strategies for improving performance. In some situations, there may not be anything “wrong” at the present time; the group or manager may simply be seeking ways to continue to develop and enhance existing relationships and job performance. In other situations, there may be an identifiable issue or problem that needs to be addressed; the Development process aims to find ideas and solutions that can effectively return the group to a state of high performance. Development implies creating and sustaining change. (Marmer, 1999).



Developmental programmes, concentrate on broader skills that are applicable to a wider variety of situations, such as decision making, leadership skills, and goal setting. (Jacob, Ronal L. 2003.)

Even if mostly literatures are used training and development interchangeably it has its own difference in concept (Armstrong, 2006). These differences are stated below.

**Table 2.1 Difference between Training and Development**

<b>Training</b>	<b>Development</b>
<ul style="list-style-type: none"> <li>• Training means learning skills and knowledge for doing a particular job</li> </ul>	<ul style="list-style-type: none"> <li>• Development refers to the growth of an employee in all respects. It is more concerned with shaping the attitudes.</li> </ul>
<ul style="list-style-type: none"> <li>• Training generally impart specific skills</li> </ul>	<ul style="list-style-type: none"> <li>• Development is more general in nature and aims</li> </ul>
<ul style="list-style-type: none"> <li>• Training is concerned with main training and improving current job performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Development builds up competences for future performance and has a long-term perspective.</li> </ul>
<ul style="list-style-type: none"> <li>• Training is job centered in nature.</li> </ul>	<ul style="list-style-type: none"> <li>• Development is career- centered in nature.</li> </ul>
<ul style="list-style-type: none"> <li>• The role of trainer or supervisor is very important in training.</li> </ul>	<ul style="list-style-type: none"> <li>• All development is ‘self - development ‘and the executive has to be internally motivated for the same.</li> </ul>

## **2.4 Importance of Training and Development**

Technological advances are changing the way people doing things. Current requirements are for more professional and technical tasks and fewer activities. Therefore, organizations T&D programs need to be built on realization that flexibility, skills, and professionalism is essential requirements to face up to modern work challenges. Since the nature of work requires a high level of skill and flexibility T&D programs in developing countries should be committed to invest heavily in training and development (Wachira et al., 2012).

The basic purpose of training is to develop skills and efficiency. Every organization has to introduce systematic training programmes for its employee’s .This is because trained

personnel are like valuable assets of an organization, who are responsible for its progress and stability. Training is important as it constitutes a vital part of managerial control.

Training can bring tangible benefits to both organization and the employees, It is equally important for both organization and the employees (Ballot et al, 2006). From an employee perspective training leads to higher performance, reduce job level stress, increase motivation, fills skill gaps, enables to use new technology confidently, and makes them flexible, committed and loyal (Pollitt,2006). Thus training can increase capability of employees and serve as a source of qualification and learning. Employees are less likely to quit the job and make them more marketable in competitive job market (Brinkerhoff, 2006).

On the other hand Training has also an impact on organization and that impact may be in the form of increase sales, increase market share, reduce operational cost, reduce absenteeism rate, or whatever other objective the training was designed to achieve (Daniels, 2003). It also expands the knowledge base of organization; helpful in implementing superior technology and innovation, and learning from others reduces turnover and absenteeism rates of employees (Politt, 2006).

Some of the potential benefits of training and development to the employees and the employers are summarized below.

**Table 2.2 Benefits of Training and Development**

<b>Benefits of Training</b>	<b>Benefits of Development</b>
<ul style="list-style-type: none"> <li>➤ Faster learning of new skills</li> <li>➤ Increased productivity</li> <li>➤ Standardization of procedures</li> <li>➤ Lesser need for supervision.</li> <li>➤ Higher morale.</li> <li>➤ Increasing Confidence</li> </ul>	<ul style="list-style-type: none"> <li>➤ Efficient way for managers to measure current performance and define key areas for improvement.</li> <li>➤ Tools to help execute organizational strategy and develop the employee skill set necessary to drive success.</li> <li>➤ Managerial Development</li> <li>➤ Career advancement.</li> </ul>

It can be concluded that in light of several benefits, training is an important activity, which should be taken very seriously by the employees as well as the employers.

Therefore, to maximize these benefits training programs should align with organizational values, goals, and objectives. Thus, organizations have to develop systematic training programs by assessing training needs, designing, implementing and evaluating the training program to meet those benefits.

## **2.5 Systematic training approach and process**

Identification of training needs should be done more professionally in combination with the line manager as well as the individuals involved together with the HR personnel. Everyone involved should agree exactly to what the trainees are lacking, for instance what skill is needed, and what attitudes need to be changed toward work performance.

The needs identified should derive from organization strategic plan, which also cover departmental/sectional/teams and individual plans. Organization should see training and development as well as training's objectives, plan, implementation and evaluation as a continuous process for organizational development and survival.

In the absence of planned and systematic training, employees learn their job either with the help of trial and error through observation. These methods cost additional time and energy. Effective training should be based on a systematic approach rather than being piecemeal, fragmented, or isolated short programs developed to meet specific short-terms needs. Armstrong (2006) argues that training will fail to obtain its objectives and affect organizational performance if it is based on a piecemeal basis and in isolation without the backing of top management.

A systematic training approach includes some important stages: development of Training Needs Assessment (TNA); designing training program; implementing it; and finally evaluating the effectiveness of the program (Randy L. et al, 2002).

**Fig 2.2 Steps of Systematic training process**



Source (Randy et al, 2002)

### **2.5.1 Organizational objectives and strategies**

The first step in the training process in an organization is the assessment of its objectives and strategies. What business are we in? At what level of quality do we wish to provide this product or service? Where do we want to be in the future? It is only after answering these and other related questions that the organization must assess the strength and weakness of its human resource (Aswathappa 1997).

### **2.5.2 Training and development Needs assessment**

A training need is a gap between “what is” and “what ought to be” regarding training and development activities. Training needs assessment is used for identifying gaps and to provide information for a decision on whether the gaps could be addressed through training. The assessment is part of a planning process focusing on identifying and solving performance problems. These performance problems may be related to knowledge, skills and attitudes (Joseph, 2009),

Need assessment diagnoses present problems and future changes to be met through training and development. Organizations spent vast sums of money on training and development. Before committing such huge resources, organizations would do well to

assess the training needs of their employees. Organizations that implement training programs without conducting needs assessment may be making errors. For example a needs assessment may reveal that less costly interventions (e.g. selection, compensation package, job redesign) could be used in lieu of training.

### **Types of Needs Analyses**

The process of identifying training needs in an organization for the purpose of improving employee job performance (Joseph, 2009).

- **Organizational Analysis.** An analysis of the business needs or other reasons the training is desired. An analysis of the organization's strategies, goals, and objectives. What is the organization overall trying to accomplish? The important questions being answered by this analysis are who decided that training should be conducted, why a training program is seen as the recommended solution to a business problem, what the history of the organization has been with regard to employee training and other management interventions.
- **Person Analysis.** Analysis dealing with potential participants and instructors involved in the process. The important questions being answered by this analysis are who will receive the training and their level of existing knowledge on the subject, what their learning style is, and who will conduct the training. Do the employees have required skills? Are there changes to policies, procedures, software, or equipment that require or necessitate training?
- **Work analysis /Task Analysis.** Analysis of the tasks being performed. This is an analysis of the job and the requirements for performing the work. Also known as a task analysis or job analysis, this analysis seeks to specify the main duties and skill level required. This helps ensure that the training which is developed will include relevant links to the content of the job.
- **Performance Analysis.** Are the employees performing up to the established standard? If performance is below expectations, can training help to improve this performance? Is there a Performance Gap?
- **Content Analysis.** Analysis of documents, laws, procedures used on the job. This analysis answers questions about what knowledge or information is used on this job. This information comes from manuals, documents, or regulations. It is important that the content of the training does not conflict or contradict job requirements. An experienced worker can assist (as a subject matter expert) in determining the appropriate content.

- **Training Suitability Analysis.** Analysis of whether training is the desired solution. Training is one of several solutions to employment problems. However, it may not always be the best solution. It is important to determine if training will be effective in its usage.
- **Cost-Benefit Analysis.** Analysis of the return on investment (ROI) of training. Effective training results in a return of value to the organization that is greater than the initial investment to produce or administer the training.

### **2.5.3 Analyzing of training goals**

A training analysis is conducted ultimately to identify training goals, that is, what areas of knowledge or skills that training needs to accomplish with trainees in order that trainees can meet organizational goals (usually in terms of a performance standard).

Usually this phase also includes identifying when training should occur and who should attend as trainees. Ideally, criteria are established for the final evaluation of training to conclude if training goals were met or not. (McNamara 2008).

### **2.5.4 Designing training and development program**

Training design is considered as one component of systematic training approach. Every training and development program must address certain vital issues: who participates in the program? , Who are the trainers? , What methods and techniques are to be used for training? , What should be the level of training? , What learning principles are needed? Where is the program conducted? (Aswathappa, 1997).

### **2.5.5 Implementation of the training program**

Once the training program has been designed it needs to be implemented. Implementation is considered with certain problems. In the first place, most managers are action oriented and frequently say they are too busy to engage in training efforts. Secondly, availability of trainers is a problem. In addition to possessing communication skills, the trainers must know the company's philosophy, its objectives, its formal and informal organization, and the goals of the training program. Training and development requires a higher degree of creativity than, perhaps, any other personnel specialty.

Program implementation involves action on the following lines:

- Deciding the location and organizing training and other facilities
- Scheduling the training program
- Conducting the program
- Monitoring the progress of trainers. (Aswathappa,1997)

### **2.5.6 Evaluation of the results**

The last stage in the training and development process is the evaluation of results. Since huge sums of money are spent on training and development how far the program has been useful must be judged /determined. Evaluation helps determine the results of the training and development program. In practice, however organizations either overlook or lack facilities for evaluation.

Evaluation is the final phase of the training and development program. It is a means to verify the success of the program, i.e. whether employees in the program do the jobs for which they have been trained. As Balogun(2011) noted, the concept of evaluation is most commonly interpreted in determining the effectiveness of a program in relation to its objectives. Human resource development is an investment in people. The major reason for investment in training and development program is that to help employees to perform better in the achievement of organizational objectives. Hence, evaluation is a means to assess the cost/benefit of the program to the organization. However, Balogun (2011) noted, evaluation is like brushing your teeth after every meal everyone advocates it but few actually do it. Evaluation can be done for various purposes. It may be done:

To increase effectiveness of the program while it is going on; to increase the effectiveness of the program to be held next time;

To help participants to get feedback for their improvement and efficiency; to find out to what extent the objectives are achieved.

## **2.6 Effective Training and Development**

A training program is said to be effective when training outcome matches with its objectives. The degree with which outcome is closer to objective determines training effectiveness.

Evaluating the effectiveness of training program is an important step as it is carried out to see how well the training objectives have been met and whether it is the best method for achieving those objectives. The failure to consistently find results for the effectiveness of

training through the use of behavioral and performance rating criteria can be attributed to several sources, including training design issues, trainee characteristics, work environment characteristics, and criterion issues (Baldwin & Ford,1988; Goldstein, 1986)

Effective training will indicate not only finding out whether the training was well done but also asking what it achieved and whether it was worthwhile for the organization to be sponsoring it. Therefore, to ensure the training is effective, the human resource and training literatures stress that the organizations need to adopt a systematic approach to training which often include identifying needs, delivery and evaluation. Inarguably, a careful implementation of each element of training and development process (need assessment up to evaluation) is needed to make it effective. From the employee perspective, training is unlikely to be effective unless it is related to high level of motivation, better ability to perform their job, and hopefully also makes them feel positive toward their work (Balogun, 2011).

**Action on the following lines needs to be initiated to make training practice effective (Noe, 2011):**

Ensure that the management commits itself to allocate major resources and adequate time to training. This is what high-performing organizations do;

Ensure that training contributes to competitive strategies of the firm. Different strategies need different employee skills for implementation. Let training help employees' at all levels acquire the needed skills;

Ensure that a comprehensive and systematic approach to training exists, and training and retraining are done at all levels on a continuous and ongoing basis; Make learning one of the fundamental values of the company. Let this philosophy penetrate down to all employees in the organization;

Ensure that there is proper linkage among organizational, operational and individual training needs; create a system to evaluate the effectiveness of training.



## **Key Elements of an Effective Training and Development Program**

**Training Design**—Every training and development program must address certain vital issues: 1. Who participates in the program? 2. Who are the trainers? 3. What methods and techniques are to be used for training? 4. What should be the level of training? 5. What learning principles are needed? 6. Where is the program conducted? (Aswathappa, 1997).

**Training Delivery style**—Delivery of training should facilitate learning understanding by incorporating: Adult learning principles, Learning style and Training materials.

**Training implementation**—Once the training programme has been designed it needs to be implemented. Implementation is beset with certain problems. In the first place, most managers are action oriented and frequently say they are too busy to engage in training efforts. Secondly, availability of trainers is a problem. In addition to possessing communication skills, the trainers must know the company's philosophy, its objectives, its formal and informal organization, and the goals of the training programme. Training and development requires a higher degree of creativity than, perhaps, any other personnel specialty.

### **2.7 Effect of Training and Development on Employee's Performance**

Training and development increase the overall performance of the organization. Although it is costly to give training to the employees but in the long run it give back more than it took .Every organization should develop its employees according to the need of that time so that they could compete with their competitors (Raja, et al. 2011).Additionally, a significant relationship was found between the employees training and their resultant performance in accomplishing different tasks. It was found that those employees who have taken trainings were more capable in performing different task & vice versa. Training has direct relationship with the employees' performance. Basically training is a formal & systematic modification of behavior through learning which occurs as result of education, instruction, development and planned experience (Armstrong, 2000).

Good performance illustrates how well an employee has performed his or her assigned tasks. All the organizations have certain set of expectations towards the employees and their performance to achieve allocated objectives. Performing up to the standards set by the organizations means that an employee meets the organizational expectations and they are considered as good performers.

## 2.8 Challenges of Training and Development

Training and development faced many problems. The most important problems and challenges confronting T&D activities and programs were: poor TNA process, absence of clear T&D policies; sending inappropriate persons to the training programs; lack of on-the-job training; lack of motivation among employees to attend T&D programs; lack of long-term plans for developing human resources in the organizations; lack of professionals in the T&D department. However, the high cost involved in T&D programs, the discrepancy between the provided T&D and job skills, the lack of linking T&D with the overall organization plans and senior managers' doubt about the importance of T&D were also problems of T&D in the organization (Altarawneh, 2005).

T&D challenges often negatively affect efficiency in service provision in any organization. The core challenges constraining effective employees' training are:-

- **Lack of Staff training policy** it is difficult for trainees to understand the way the department works without proper training programmes being set up in place Jacobs (2003). This implies that work organizations without suitable training policies and programmes cannot run human resource training and development programmes successfully.
- **Inadequate Budgetary Allocation to Employees Training**  
It is difficult for an organization to train enough employees if they do not set aside enough funds for staff training to enhance efficiency in service delivery. Adequate funds should be allocated by the organization for facilitating training programmes. Organization should increase their current financial allocation for training in order to build the quality of its human resource.
- **Loopholes in selecting Trainees and Irregular Training** (undefined time for Training)  
Lack of formal structure of selecting the trainees in the organization give way to corruption. The regularized formal need assessment of the employees in order to identify every employee need in terms of skills and knowledge. Departmental assessment of employees should be regularized in order to clearly understand the strength and weakness of every department and be able to address the gaps in time. Systematic training system is often preferable because it is participatory and often addresses the skill gaps of employees (Cole, 1996).

## ➤ **Insignificant support to training by the Management**

Ngirwa (2006) noted that lack of top management support to training was one of the biggest problems affecting staff training and development.

Subordinates who receive sufficient information and support from their seniors, and who engage in challenging tasks that demand taking responsibility tend to have more positive work attitudes in addition to engaging in more positive work behaviors than those who receive less support (Bakker and Demerouti, 2007).

## **2.9 Empirical evidences on T&D**

### **2.9.1 Training and development**

organizations that provide training for up to two days are roughly 13 percentage points more likely to continue operating successfully than those organizations providing no training. Training in excess of two days shows even better results. These findings together with those of Lee et al., (2010), Zhang and Li (2009) and Georgia is and Pitelis (2012), amongst others, provide the support for the linkage between HRM practices, including training and development, and an organizations' performance.

The lack of training and development by employers in the United States when they stated that statistics suggests that only 16% of United States employees have never received any training from their employers. Now organizations are beginning to realize the important role that training and development play in enhancing performance and increasing productivity, and ultimately stay in competition. They reiterated that as a result of this realization, General Electric, Texas Instruments and Federal Express have all made substantial investments in training. They now invest between 3% and 5% of their payroll in training. Neo et al. (2000).

Firm must design the training program with clear goals and objectives while keeping in mind the particular needs of both individual and the firm. Training programs is the

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

Black and Lynch (1996) a study in America on the impact of human capital investments such as employer-provided training and development, indicated that employer-provided training and development raises subjective productivity and performance measure by almost 16%.

Again Black and Lynch (1996) citing Bartel (1989) stated that returns on training and development investments increase productivity by 16%.

## **2.9.2 Employee Performance**

Training effects on behavior of employees and their working skills which resulted in enhanced employee performance and further constructive changes that serves as increase employee performance (Kraiger 2002). Arthur et al. (2003) developed an analysis of 1152 sample size from 165 resources and revealed that in distinction with no-training or pre-training conditions; training had commonly positive result on job-related performance. However, dissimilarities in positions of effect sizes were not big, the efficiency of training vary regarding the training transfer technique and the skill being trained. Benefits of training program are also related to technical skills of the employees. For instance, Davis and Yi (2004) developed two researches with approximately 300 contributors with the help of behavior-model training and remained capable to increase significantly computer skills. Psychologically practicing tasks permitted trainees to grow learned knowledge, abilities and task.

Training is positively effects on the employee performance of the employees. During a qualitative study concerning mechanics in India, Barber (2004) originates that on-the-job training headed to superior novelty and implicit skills. Technical and professional skills are very important for the employees to perform a job in an effective way. Providing training opportunities to employees can enhance the performance of the employees.

### **2.9.3 Organizational Benefits from Training and Development Program**

Employee development programs are important for any organization to stay solvent and competitive in the market. Though it is expensive for the organization to spend the money on their employees but this investment is positive for the organizations to hold the place in the market. American Society for Training and Development mentioned two motives that are significant for employee's knowledge, first employees identify the worth of training and marketable by organization and second CEOs of the companies understand that how fast information is transferring in current business environment (Fenn, 2000). Greengard (2000) described that organizations are required to develop and maintain such learning environment for the employees that expand the knowledge of organization and competitive ability. However, employee training programs derived through a high price, but have a positive impact on return-on-investment. Microsoft, and General Electric Company are entirely large effective organizations, and these organizations realize training opportunities as an investment (Kleiman 2000).

Wanger (2000) described in his study that American Society for Training and Development found an association between financing in employee development program and higher revenues from stock market. American Society for Training and Development moreover originate that companies who apply average of \$1,575 each employee on learning got 24 percent growth in gross profit and 218 percentage increase in revenue each employee instead of those who spend fewer on employee training and development, investing in employee development is a condition that is suitable for

individual and organizations (Rosenwald 2000). Furthermore, employee training and development programs not only increase the profit of organizations but also provide difference within their native market. Organizations can practice training and development opportunities to support them available to the current employees, perspective employees, plus clients of the company. GSD&M's Idea U, assists employees to recognize their characters and established that it has prepared people as superior contributors to business (Petrecca 2000).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Approach and Design**

##### **Research Approach**

This study used quantitative approach. Questionnaires were used as the survey instrument. The Quantitative research is that which tries to find answer to a question through analysis of quantitative data, i.e., the data shown in figures and numbers (Taylor, 1998). Patton (2002) has argued that a qualitative research methodology can help researchers approach fieldwork without being constrained by any predetermined categories of analysis.

##### **Research design**

It is a framework or structure for data collection and analysis. It is a plan for conducting research, which usually contains specifications of elements to be investigated and the procedures to be followed.

The primary aim of this study is to describe the employee training and development practice. To achieve this objective, descriptive type of research design with a mixed approach (qualitative and quantitative) was applied. The descriptive type of research design helps to portray accurately the characteristics of a particular individual, situation or a group (Creswell, 2009). So that, in this study the descriptive research design was used to describe the employee training and development practice. The mixed research method is considered to be very efficient in answering research questions compared to the quantitative and qualitative approach when used in isolation (Creswell, 2009).

This research was a descriptive type of survey method which is concerned with the present situation and attempt to determine the status of the phenomena under investigation. According to Yogesh, et al (2006, PP 105), descriptive type of research helps to:

- identify present conditions and point to present needs
- study immediate status of a phenomenon
- fact findings
- examine the relationships between traits and characteristics (trends and patterns)
- The descriptive survey is more realistic than others research types.

Therefore, descriptive design is appropriate in this study because it

- helps to describe the actual practices of training and development processes (i.e, how the case organization conduct training need identification, deliver training, and evaluate performance)
- assist to identify and describe the challenges encountered by EPSE in designing and executing training programs

## **3.2 Sampling techniques**

### **3.2.1 Target Population**

The Enterprise organized by Board of director, one chief Executive officer(CEO) at the top, one Deputy CEO, five departments lead by department managers, and five advisory/technical support services lead by service heads, 13 depot branch offices located at different regional states and two branch offices located abroad at Djibouti and Khartoum. The Human resource & property administration department is one of the five departments in the Enterprise, under it the Human Resource Management team is organized having the responsibility of managing Training & Development activities.

The aim of the study is to explore the training and development practices of EPSE. In line with this, primary data were collected from managers and employees.

Currently EPSE has 558 managerial and non-managerial staffs. Out of this number 202 are working in Addis Ababa at the head office. The remaining 356 staffs are working in 15 branches located at Sululuta, Bahirdar, Gonder, Mekelle, Adigrat, Gambella, Shashemene, Agaro, Nekemet, Harer, Combolecha, Awash and Welayita and the remaining two branches are located abroad (Djibouti and Sudan).

The study targets 202 employees in Addis Ababa, the head office of EPSE. This is because first, targeting the head office ensures good representation of departments and units; second, employees are homogenous i.e. there is no uniqueness in branches third top level decision makers and strategists are working in the head office.



### 3.2.2 Sample Size Determination

The study used the combination of both stratified and simple random sampling techniques. The samples of total population were stratified on the basis of departments and take a sample of 134 employees for the study. This sample size was distributed relatively kept proportional to the sizes of the population (stratification), almost whole top level and middle level managers were participated.

Of the total number of staff members in the head office (i.e., 202), 134 employees are respondents of the study. The sample size (i.e., 134) is determined using the following formula (Baidam, 2001): Do you to the nature of the study population which is finite and easiness of the formula this formula is an appropriate selection to apply it for this particular study.

$$n = \frac{N}{1 + \delta^2 N}$$

Where, n = the required number of sample size

N= Number of total population

$\delta$ = is the level of precision or sampling error = (0.05)

N=202,  $\delta$ = 0.05

$$n = \frac{202}{1 + (0.05)^2 202} = 134$$

Since departments are responsible to develop and execute employees training plans, the sample size was distributed to the different functional divisions of EPSE. The distribution is proportionate to the size of each department in terms of number of employees. From each department, key informants were selected using simple random sampling technique. The following table presents the proportionate distribution of sample respondents:

**Table 3.1 Proportionate Sampling Determination for each Department**

No.	Department	Target population in each department	Proportion of sample size
1	General manager	10	$[(10/202) \times 134] = 7$
2	Legal service	4	$[(4/202) \times 134] = 3$
3	Audit Service	6	$[(6/202) \times 134] = 4$
4	Plan and organization dev't. Service	7	$[(7/202) \times 134] = 5$
5	Info. Technology Service	7	$[(7/202) \times 134] = 5$
6	Petroleum Laboratory Service	5	$[(5/202) \times 134] = 3$
7	Pet. Purchase and sales dept.	20	$[(20/202) \times 134] = 13$
8	Pet. Stock & Engineering dept.	27	$[(27/202) \times 134] = 18$
9	HR & property administration dept.	94	$[(94/202) \times 134] = 62$
10	Finance dept.	22	$[(22/202) \times 134] = 15$
	<b>Total</b>	<b>202</b>	<b>134</b>

A total of 134 questionnaires were circulated and 124 were collected that accounts 93% response rate, out of which 10 questionnaires were unfilled and no questionnaires were discarded due to missing data. Accordingly, the analysis of this study is based on the number of questionnaires collected.

The researcher used closed type questionnaire distributed to managers and non-managerial employees and semi structured interview was designed in collecting data from managers. Managers were selected for the interview as per their experience in developing T&D plan. Cooper and Schindler (2001) stated that closed questions are generally preferable in large survey. They reduce the variability of response, are less costly to administer and are much easier to code and analyze.

Respondents for interview were chosen for interview using purposive or judgmental technique. Based on this, the researcher purposely identified the top and middle managers for the interview that best enable the study to answer the research questions and to meet

the research objectives. That means those who are considered to have the required information needed to answer the research questions as per their attitude and experience in developing T&D plan was selected for the interview. Sekaran (2014) states that purposive sampling is confined to specific types of people who can provide the desired information.

### **3.3 Techniques of data and tools of data collection**

The necessary data for this study were collected from both primary and secondary sources. The primary data collected through questionnaires and interviews. Structured and semi-structured interviews prepared and an interview conducted with managers of the Enterprise. The secondary data were collected from relevant documents, organization reports, newspapers and magazines that were related to the study.

### **3.4 Procedures of data collection**

#### **3.4.1 Designing and validating data collection instruments**

The survey questionnaire used in this study is compiled from the literature. Training Need Assessment, Training delivery methods, Evaluation methods and effectiveness of training, T&D problems and challenges from Altarawneh (2005). In order to further check validity and reliability, the questionnaire was tested.

#### **3.4.2 Administering the survey**

The type of survey was a self administered survey where the researcher personally distributes and collects the questionnaire.

### **3.5 Methods of data analysis**

In this study to analyze the collected data descriptive data analysis method was employed. Data collected through interviews were analyzed by using description of facts. Those data collected through questionnaires was analyzed using the Statistical Package for Social Sciences (SPSS).The researcher also used descriptive statistics, like Freq. and median to analysis the data. Tables were used to present the data. Adequate steps were taken to ensure the validity of the questionnaire.

### **3.6 Ethical Consideration**

The researcher reflects on the ethical issues in every aspects of the activity doing this study. Furthermore, when distributing the questionnaire, respondents are guaranteed that the information they provide is confidential and used for academic purpose only. Moreover a statement conform the prohibition of including any identity detail or personal references in the questionnaire. This was to avoid any biased response or unauthentic data provided by respondents and to make participants safer in filling the questionnaire. As the result the gathered data was kept confidential and would not be used for any personal interest and also the whole process of the study controlled to be within acceptable professional ethics.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

The study was designed to describe the training and development practices of EPSE. To address this objective, data were collected from managers and employees of the enterprise. Accordingly, a total of 134 questionnaires were distributed to employees; of this, 124 (93%) usable questionnaires were collected. To further describe the responses obtained from employees, interview was held with department managers.

This chapter aims to present the results obtained from survey questionnaires and interview sessions. Data collected from employees were analyzed using Statistical Package for the Social Sciences (SPSS) version 20.

Descriptive statistical tools like Freq. and percentage are used to analyze the data. The presentation and discussion of the findings are done in a chronological order to enhance the reader's understanding of the results at a glance. This chapter presents the data, which have been collected and analyzed using tables for its interpretation in relation to the research questions and interviews conducted.

#### **4.1 Demographic and General Issues**

##### **4.1.1 Overview of organization under study**

Ethiopian government, to fulfill the country's energy requirement has established one of a public enterprise called EPSE. Accordingly, EPSE has been engaged in broad and important activities that play an important role in the development of the domestic economy of the country since its foundation. The enterprise provides a vital service to the nation's economy by importing, distributing and keeping adequate reserve for emergency purposes refined petroleum products.

EPSE established by the council of minister regulation No. 265/2012 through the amalgamation of the former Ethiopian Petroleum Enterprise (EPE) which was operating as importer and distributor of refined petroleum products for the country and on the other hand National Petroleum Reserve Depots Administration (NPRDA) which was serving as administrator of the required national petroleum reserve based

on the national plan. The merger of the two institutions to form EPSE, a firm to be governed by the public enterprise Proclamation No. 25/1992, has been effective since July 2012. The major objective for which EPSE is established as indicated in its establishment regulation is the following:-

- i) On the basis of the assessment of the country's demand, to supply petroleum to distribution companies, by importing clean petroleum products and/or by processing imported crude oil.
- ii) To forecast, maintain and administer the required national petroleum reserve based on the national plan of the government.
- iii) To engage in any other related activities necessary for the attainment of its objectives.

#### 4.1.2 Gender of respondents

Table 4.1 below presents composition of respondents based on sex.

**Table 4.1 Gender composition of respondents**

Gender	Freq.	Percent	Valid Percent	Cumulative Percent
Male	68	54.8	54.8	54.8
Valid Female	56	45.2	45.2	100.0
Total	124	100.0	100.0	

Source: Own Survey 2015

The table shows that the male respondents formed majority of the target population with a total of 68 representing 54.8%, while 56 respondents were female representing 45.2%. From the gender profile of the respondents it can be inferred that the biasedness of the responses we gate have a chance to be minimized since the proportion between the groups is not very different.

### 4.1.3 Age of respondents

The researcher needed to know the age distribution of respondents to help categorize employees because the EPSE has lot of workers. Table 4.2 below summarizes the data obtained on the ages of respondents.

**Table 4.2 Age distribution of respondents**

Age category	Freq.	Percent	Valid Perc.	Cumul. Perc.
18-25	6	4.8	4.8	4.8
26-35	45	36.3	36.3	41.1
Valid 36-45	42	33.9	33.9	75.0
>45	31	25.0	25.0	100.0
Total	124	100.0	100.0	

Source: Own Survey 2015

Analyzing the data obtained from the questionnaire, table 4.2 reveals that 45(36.3) respondents, which represents the majority, were between 26-35 years. The next largest respondents were between the age of 36-45 representing 33.9% and they were 42 in number. The third group of respondents was fall under the age category of above 45 representing 25% and they were 31 in number. The fourth groups which can easily understand that they are young to do a lot for the organization that represent 4.8 percent or 6 employees from the total respondents.

### 4.1.4 Educational background

It was also necessary for the study to determine the educational levels of the respondents as that could determine the nature of training which may be most appropriate for trainees. Table 6 below presents the data of educational background of respondents:

**Table 4.3 Educational background of the respondents**

Educational qualification	Freq.	Percent	Valid Perc.	Cumulative Per.
high school	6	4.8	4.8	4.8
Diploma	30	24.2	24.2	29.0
Valid Bachelor	80	64.5	64.5	93.5
Masters	8	6.5	6.5	100.0
Total	124	100.0	100.0	

Source: Own Survey 2015

Table 4.3 reveals that the educational profile of respondents ranges between high school certificate and Masters Degree.

Majority of the respondents, 80 (64.5%), were first degree holders. Among the respondents, there are 30 in number or 24.2% are diploma holders. 8 out of 124 respondents were master graduates i.e. 6.5% and 6 high school holder representing 4.8%. The data indicate that EPSE has employees with different educational background, which again requires training and development systems and programs.

It can be said from the survey that, most of respondents (95%) of Ethiopian petroleum supply enterprise employee are diploma and above, therefore, they would have the ability to understand in filling the questionnaire.

#### **4.1.5 Work Experience of Respondents**

The study also wanted to find out the years of service the respondents have rendered to the organization to enable us put their responses into proper perspective. Table 4.4 below represents the categories of years of service as indicated by the respondents.



**Table 4.4 respondents' years of service in the organization**

Years of service	Freq.	Percent	Valid Percent	Cumulative Per.
Valid Less than 2 years	37	29.8	29.8	29.8
2-5 years	26	21.0	21.0	50.8
6-10 years	17	13.7	13.7	64.5
More than 10 years	44	35.5	35.5	100.0
Total	124	100.0	100.0	

Source: Own Survey 2015

It can be seen that respondents who have served more than 10 years representing 35.5% i.e. 44 formed the majority; respondents who have served less than 2 years representing 37 in number or 29.8%. This means the organization has a blend of experienced and young professionals who require constant refresher training to update their skills and perform on the job. Respondents who have served for 2-5 years followed with a Freq. of 26 representing 21.0%. The remaining respondents have served 6-10 years, with a Freq. of 17 representing 13.7%. From the table we can conclude that the experience of the respondents can help to assess T&D practice of the organization.

#### **4. 2 Descriptive Statistics**

The main characteristics of the data are quantitatively described in the descriptive statistics. In the descriptive statistics summaries about the sample population responses are provided.

For better understanding and simplicity of presentation the five scale rating is changed to three scale rating by taking the two extremes of the scale as one level like agree and strongly agree as “acceptance” and the other extreme disagree and strongly disagree as “non acceptance.”

#### 4.2.1 Training Needs Assessment

This part of the analysis is concerned with part one of the questionnaire, which is related to how TNA is conducted in terms of Freq. of conducting TNA, the methods used in determining training needs, the indicators for TNA and the conditions under which training is provided to the employees. Employees were asked to rate factors using 5-point likert scale, where (1) is strongly disagree and (5) is strongly agree.

**Table 4.5 Training Needs Assessment**

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Median value
TNA involves analysis of training programs in terms of realizing the enterprise's strategies, goals, and objectives.	Freq.	48	36	19	12	9	2.00
	Val. perc	38.7	29.0	15.3	9.7	7.3	
TNA of EPSE evaluates potential participants	Fre.	14	17	50	33	10	3.00
	Val.perc.	11.3	13.7	40.3	26.6	8.1	
TNA of EPSE involves analysis of the job and the requirements for performing the work.	Fre.	41	31	13	34	5	2.00
	Val.perc	33.1	25.0	10.5	27.4	4.0	
TNA conducted when employees are newly recruited,	Freq.	41	31	26	20	6	2.00
	Val.perc	33.1	25	21	16.1	4.8	
when employees need training on new technologies, equipments and new working methods	Freq.	40	36	25	12	11	2.00
	Val.perc	32.3	29	20.2	9.7	8.9	
when performance appraisal assessment show some gap	Freq.	38	53	20	9	4	2.00
	Val.perc	30.6	42.7	16.1	7.3	3.2	
when employees are upgraded to fill new positions	Freq.	22	50	38	8	6	2.00
	Val.perc	17.7	40.3	30.6	6.5	4.8	
when departments request it	Freq.	9	15	32	37	31	4.00
	Val.perc	7.3	12.1	25.8	29.8	25	
when employees request it	Freq.	27	53	30	11	3	2.00
	Val.perc	21.8	42.7	24.2	8.9	2.4	
Total Valid Percent							124 100

Source: Own Survey 2015

From the table above, the majority 67.7% of the participants responded that the TNA of EPSE doesn't analyze training needs in terms of realizing the enterprise's strategies, goals, and objectives, the remaining (17%) and (15.3%) of the respondents agreed and remained neutral respectively. Besides, the median value result is (2.00). This shows that the enterprise does not analyze training programs in terms of realizing the enterprise's strategies, goals, and objectives.

Employees were asked whether the organization TNA of EPSE evaluates potential participants, the majority (40.3%) of the participants responded neutral; the remaining (34.7%) and (25%) of the respondents were agreed and disagreed respectively. Besides, the value result is (3.00).

The employees were also asked whether TNA of EPSE involves analysis of the job and the requirements for performing the work. Majority 58.1% of the participants responded that EPSE does not analyze the job and the requirements for performing the work; the remaining (31.4%) and (10.5%) of the respondents were agreed and neutral respectively. Further, the median value is (2.00). This implies that TNA of EPSE does not consider the job and job requirements.

Employees were asked whether TNA is being conducted when employees are newly recruited. Majority (58%) of the respondents were disagreed the remaining (20.9%) and (21%) of the respondents were agreed and neutral respectively Further, the median value is (2.00).

Employees were asked TNA conducted when employees need training on new technologies, equipments and new working methods, majority (61.3%) of the respondents were disagreed the remaining (18.6%) and (20.2%) of the respondents were agreed and neutral respectively Further, the median value is (2.00).

Employees were asked TNA conducted when performance appraisal assessment show some gap, majority (73.3%) of the respondents were disagreed the remaining (10.5%) and (16.1%) of the respondents were agreed and neutral respectively Further, the median value is (2.00).

Employees were asked TNA conducted when employees are upgraded to fill new positions, majority (58%) of the respondents were disagreed the remaining (11.3%) and (30.6%) of the respondents were agreed and neutral respectively Further, the median value is (2.00).

Employees were asked TNA conducted when departments request it, majority (54.8%) of the respondents were agreed that training is conducted when departments request it the remaining (19.4%) and (25.8%) of the respondents were agreed and neutral respectively Further, the median value is (4.00).

Employees were asked TNA conducted when the employees request it, majority (64.5%) of the respondents were disagreed the remaining (11.3 %) and (24.2%) of the respondents were agreed and neutral respectively Further, the median value is (2.00).

TNA in EPSE focused more on department request (4.00) with little or no emphasis on organizational mission (2.00). This is further evidenced by the managers interviewed. According to interviewees, the organization identifies training needs every budget year based on department managers/supervisors recommendations. Managers recommend training by looking at employees’ potential gap observed at the time when they are promoted or assigned to new positions. There is no formal document that shows the status of all employees which helps to identify gaps and finally to determine who are eligible to take training and what type of training is appropriate to them.

Armstrong (2006) argues that training will fail to obtain its objectives and affect organizational performance if it is based on a piecemeal basis and in isolation without the backing of top management. Such approach loses sight of organizational mission and cross functional impact.

#### 4.2.2 Training Delivery Methods/approach

**Table 4.6 To what extent forms of training are used by EPSE?**

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Median value
On-the-job training	Freq.	13	35	31	35	10	3.00
	Val.perc	10.5	28.2	25	28.2	8.1	
Off-the-job (within the org. but not on the job)	Freq.	15	25	40	31	13	3.00
	Val.perc	12.1	20.2	32.3	25.0	10.5	
External training	Freq.	3	8	35	54	24	4.00
	Val.perc.	2.4	6.5	28.2	43.5	19.4	
						Total	124
						Valid Percent	100

Source: Own Survey2015

The table above reveals that all of the training approaches were utilized in the enterprise. Employees were asked to what extent On-the-job training are used by EPSE majority (38.7%) of the respondents were disagreed the remaining (36.3%) and (25%) of the respondents were agreed and neutral respectively Further, the Median value is (3.00).

Employees were asked to what extent Off-the-job ( within the organization but not on the job) are used by EPSE majority (35.5%) of the respondents were disagreed the remaining (%) and (32.3%) of the respondents were agreed and neutral respectively Further, the Median value is (3.00).

Employees were asked to what extent External training are used by EPSE majority (62.9%) Of the respondents were agreed the remaining (8.9%) and (28.2%) of the respondents were disagreed and neutral respectively Further, the Median value is (4.00).

The presence of off-the-job training (within the organization) and on-the-job training help the organization to fit training to organizational culture and cost reduction. However, as the findings revealed, EPSE depends mostly on external training centers (4.00) that design courses common to whole institutions which are very difficult to contextualize the training contents and other necessary conditions of EPSE.

### **4.2.3 Evaluation of T & D Effectiveness**

This part of the analysis is related to part three of the questionnaires, which is about training evaluation. To explore how this stage is conducted many questions were asked.

**Table 4.7 Evaluation of T& D Effectiveness**

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Median value
EPSE has a system that is used to evaluate T&D program	Freq.	38	37	25	16	8	2.00
	Val.perc.	30.6	29.8	20.2	12.9	6.5	
EPSE evaluates its T&D by:- 1. Asking employees to fill a questionnaire at the end of the program	Freq.	2	22	36	43	21	4.00
	Val.perc.	1.6	17.7	29	34.7	16.9	
2. the trainees at the end of each training program	Freq.	48	36	19	12	9	2.00
	Val. Perc.	38.7	29.0	15.3	9.7	7.3	
3. .Testing the trainees before and after the training programs	Freq.	43	44	26	7	4	1.00
	Val. Perc	34.7	35.5	21.0	5.6	3.2	
4. Asking the trainees' managers or supervisors for their assessment of the trainees' learning	Freq.	40	24.0	46	8	6	2.00
	Val. Perc.	32.3	19.4	37.1	6.5	4.8	
5. Performance appraisal reports	Freq.	25	24	23	31	21	3.00
	Val. Perc.	20.2	19.4	18.5	25.0	16.9	
Total Valid Percent							124 100

Source: Own Survey 2015

The table above shows EPSE has a system that is used to evaluate T&D program, majority (60.40 %) of the respondents were disagreed the remaining (19.40 %) and (20.2 %) of the respondents were agreed and neutral respectively further, the Median value is (2.00).

The table above shows that the majority 51.60% of the participants ascertain that questionnaire and/or after training reports were used as evaluation tools and techniques. 41.94% of respondents replied that performance appraisal reports were also the technique applied. Others like interviewing trainees, testing trainees before and after and asking trainees managers/supervisors were less used techniques. These imply that EPSE uses Asking employees to fill a questionnaire at the end of the program or trainees reports after training as a domain training evaluation tool.

The most obvious method used by EPSE to evaluate training effectiveness is by asking employees to fill a questionnaire at the end of the program (4.00). Although the method is helpful to check employees overall perception of a training session, it is least informative

without checking further in terms of pre training and post training tests (1.00), supervisors' observation in the real work setting (2.00), and overall performance of trainees after attending a training program (3.00). According to Kirkpatrick (1998) successful evaluation of training and development program uses many techniques at a time than a single method.

#### 4.2.4 Training Effectiveness

**Table 4.8 Training Effectiveness**

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Median value
T&D in EPSE is integrated with the overall EPSE strategy	Freq.	39	44	27	13	1	2.00
	Val.Perc	31.5	35.5	21.8	10.5	0.81	
The EPSE has a clearly defined strategy relating to T & D	Freq.	43	44	26	7	4	2.00
	Val. Perc.	34.7	35.5	21.0	5.6	3.2	
T&D strategy is derived from and related to the overall EPSE's strategy	Freq.	33	28	44	16	3	2.00
	Val. Perc.	26.6	22.6	35.5	12.9	2.4	
The EPSE has a clear ongoing plan for training and development	Freq.	19	26	41	29	9	3.00
	Val. Perc	15.3	21.0	33.1	23.4	7.3	
Training plans and policies are integrated with the overall EPSE's plans and policies	Freq.	28	22.0	43	26	5	3.00
	Val. Perc.	22.6	17.7	34.7	21.0	4.0	
The EPSE has a formal (written) training and development plan and policy	Freq.	4	5	39	32	44	2.00
	Val. Perc	3.2	4.0	31.5	25.8	35.5	
The EPSE has informal (unwritten) training and development plan & policy	Freq.	13	20	40	42	9	3.00
	Val. Perc	10.5	16.1	32.3	33.9	7.3	
Top management is committed to, supports,	Freq.	30	41	39	9	5	2.00
	Val. Perc	24.2	33.1	31.5	7.3	4.0	
Training strategy, plan and policies are in harmony with the EPSE's personnel policies	Freq.	37	28	36	21	2	2.00
	Val. Perc	29.8	22.6	29.0	16.9	1.6	
EPSE has a specific budget for training and development	Freq.	1	1.0	17	57	48	4.00
	Val. Perc	0.8	0.8	13.7	46.0	38.7	
T&D budget is sufficient to achieve training and development plans	Freq.	3	8	36	52	25	4.00
	Val. Perc	2.4	6.5	29.0	41.9	20.2	
EPSE emphasis cost effectiveness evaluation to assess the effectiveness of training	Freq.	34	51	30	7	2	2.00
	Val. Perc	27.4	41.1	24.2	5.6	1.6	
<b>Total</b>							124
<b>Valid Percent</b>							100

Source: Own Survey 2015

From the table above we can ascertain that more than half of the participants 70.2 %, 68.5%, 67% 61.3%, 57.3%, and 52.4% disagreed to take the following factors: Training and development in EPSE is integrated with the overall EPSE strategy, EPSE emphasis cost effectiveness evaluation to assess the effectiveness of training, training and development in EPSE is integrated with the overall EPSE strategy, EPSE has a formal (written) training and development plan and policy, top management is committed to, supports, and provides all the facilitation to training, training strategy, plan and policies are in harmony with the EPSE's personnel policies respectively are the major factors for effectiveness of T&D programs in EPSE.

Some participants 35.5%, 33.1%, 34.7% and 32.3% are neutral for Training and development strategy is derived from and related to the overall EPSE's strategy, EPSE has a clear ongoing plan for training and development, Training plans and policies are integrated with the overall EPSE's plans and policies and The EPSE has informal (unwritten) training and development plan and policy respectively.

On the other hand 84.7 % and 62.1% of the participants agree that EPSE has a specific budget for training and development, Training and development budget is sufficient to achieve training and development plans respectively.

One of the factors that influence training effectiveness is inadequate budget assigned to it. In this regard, respondents stated that the budget assigned for training is adequate (4.00). But, different training programs of EPSE didn't meet the intended purposes as they are not guided by well articulated strategy (2.00), integrated with the overall strategy of the enterprise (2.00), and evaluated in line with the cost incurred (2.00). According to (McNamara 2008), organizations should check training effectiveness in terms of realizing organizational goals given the budget assigned and the training and development direction of an organization.



## 4.2.5 Employee Development

**Table 4.9 Employee development**

	Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value	Median value
1	EPSE Managers always trained to support employee development	Freq.	35	30	53	4	2	2.66	2.00
		Val. Perc.	28.2	24.2	42.7	3.2	1.6		
2	Managements delegate tasks and responsibility	Freq.	15	45	36	22	6	2.67	3.00
		Val. Perc.	12.1	36.3	29.0	17.7	4.8		
3	Employee development plans of EPSE include both short- and long-term goals	Freq.	33	28	44	16	3	2.42	3.00
		Val. Perc.	26.6	22.6	35.5	12.9	2.4		
4	Employee development activities of EPSE focus not only on the job	Freq.	35	26	20	40	3	2.60	3.00
		Val. Perc.	28.2	21.0	16.1	32.3	2.4		
5	Employee development plan of EPSE is created jointly	Freq.	28	26.0	41	25	4	2.60	3.00
		Val. Perc.	22.6	21.0	33.1	20.2	3.2		
6	Employee development plan of EPSE is primarily designed to realize the mission	Freq.	29	32	34	23	6	2.56	3.00
		Val.Perc.	23.4	25.8	27.4	18.5	4.8		
<b>Total</b>								124	
<b>Valid Percent</b>								100	

Source: Own Survey 2015

Item No 1 of this category depict EPSE Managers always trained to support employee development, majority (52.4%) of the respondents were disagreed the remaining (4.8 %) and (42.7%) of the respondents were agreed and neutral respectively Further, the median value is (2.00).

The next issue is EPSE Managements delegate tasks and responsibility, majority (48.4%) of the respondents were disagreed the remaining (22.5 %) and (29%) of the respondents were agreed and neutral respectively Further, the mean value is (3.00).

Employees were asked Employee development plans of EPSE include both short- and

long-term goals, majority (49.2%) of the respondents were disagreed the remaining (15.3%) and (35.5%) of the respondents were agreed and neutral respectively Further, the mean value is (3.00).

Employees were asked Employee development activities of EPSE focus not only on the job, majority (49.2%) of the respondents were disagreed the remaining (34.7%) and (16.1%) of the respondents were agreed and neutral respectively Further, the mean value is (3.00).

Participants were asked Employee development plan of EPSE is created jointly, majority (43.6%) of the respondents were disagreed the remaining (23.4%) and (33.1%) of the respondents were agreed and neutral respectively Further, the mean value is (3.00).

Also participants were asked Employee development plan of EPSE is primarily designed to realize the mission, majority (49.2%) of the respondents were disagreed the remaining (23.3%) and (27.4%) of the respondents were agreed and neutral respectively Further, the mean value is (3.00).

Employee development of a company requires integration of the long-term and short-term employee capacity building interventions with overall success of the organization, managerial support, and participatory planning and decision making Noe. Raymond (2010). In this regard, overall employee development practice of EPSE is below average, with little managerial support (2.00), unplanned actions (3.00), little employee participation (3.00), and inadequate delegation of authority and responsibility (3.00).

#### 4.2.6 T and D problems and challenges.

**Table 4.10 Training and Development problems and challenges**

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Median value
Lack of clear staff training policy in the org.	Freq.	2	5	38	51	28	4.00
	Val.Perc.	1.6	4.0	30.6	41.1	22.6	
Inadequate budgetary allocation to employees training	Freq.	34	36	48	5	1	2.00
	Val.Perc.	27.4	29.0	38.7	4.0	0.8	
Ambiguity in selecting trainees for training	Freq.	1	16	61	31	15	3.00
	Val.Perc.	0.8	12.9	49.2	25.0	12.1	
Insignificant support to training by management	Freq.	2	22	36	43	21	4.00
	Val.Perc.	1.6	17.7	29.0	34.7	16.9	
Some senior managers do not believe in the importance of training	Freq.	23	30	29.0	17.0	25.0	3.00
	Val.Perc.	18.5	24.2	23.4	13.7	20.2	
Lack of long-term plan for developing human resource	Freq.	3	8	36	52	25	4.00
	Val.Perc.	2.4	6.5	29.0	41.9	20.2	
Poor co-operation and co-ordination b/n the various departments and the T&D department	Freq.	1	9	40	43	31	4.00
	Val.Perc.	0.8	7.3	32.3	34.7	25.0	
Poor quality training programs	Freq.	21	33	43	22	5	3.00
	Val.Perc.	16.9	26.6	34.7	17.7	4.0	
High cost of T&D program.	Freq.	36	53	28	5	2	2.00
	Val.Perc.	29.0	42.7	22.6	4.0	1.6	
Lack of on-the-job training	Freq.	23	35.0	36	22	8	3.00
	Val.Perc.	18.5	28.2	29.0	17.7	6.5	
Inaccurate training need analysis	Freq.	9	15	32	37	31	4.00
	Val.Perc.	7.3	12.1	25.8	29.8	25	
Discrepancy b/n the provided T&D and job skills	Freq.	3	23	38	37	23	3.00
	Val.Perc.	2.4	18.5	30.6	29.8	18.5	
Work environment does not support new behaviors learned	Freq.	28	57	26	10	3	2.00
	Val.Perc.	22.6	46.0	21.0	8.1	2.4	
Lack of motivation among employees	Freq.	26	55	22	18	3	2.00
	Val.Perc.	21.0	44.4	17.7	14.5	2.4	
EPSE does not link training programs with its business plan	Freq.	13	20	40	42	9	4.00
	Val.Perc.	10.5	16.1	32.3	33.9	7.3	
Sending inappropriate persons to the training programs	Freq.	19	16	59	20	10	3.00
	Val.Perc.	15.3	12.9	47.6	16.1	8.1	
Difficulties to evaluate T&D outcomes	Freq.	4	8	41	49	22	4.00
	Val.Perc.	3.2	6.5	33.1	39.5	17.7	
Employees cannot implement their new ideas, skills and knowledge	Freq.	15	45	36	22	6	2.00
	Val.Perc.	12.1	36.3	29	17.7	4.8	

Source: Own Survey 2015

From the table above we can ascertain that more than half of the participants 63.7 %, 62.1 % and 59.7 % , 57.2%, 54.8%, 51.6% agreed that Lack of clear staff training policy in organization, Lack of long-term plan for developing human resource, Poor co-operation and co-ordination between the various departments and the training and development department/division, Difficulties to evaluate training and development outcomes, Inaccurate training need analysis and Insignificant support to training by management are respectively the major possible factors that were hindering the effectiveness of T&D programs in EPSE.

Some participants 49.2% ,30.6% ,32.3%,47.6% Ambiguity in selecting trainees for training, Discrepancy between the provided training and development and job skills, EPSE training programs does not link with its business plan, Sending inappropriate persons to the training programs respectively were also possible factors that could hindered the effectiveness of the training programs.

On the other hand 71.7 %, 68.6%, 65.4% and 56.4% of the participants disagree to take the following factors: high cost of training and development programs, Work environment does not support new behaviors learned, Lack of motivation among employees, Inadequate budgetary allocation to employees training respectively as factors that were hindering the effectiveness of T&D programs in EPSE.

As mentioned earlier, the training and development activities of EPSE are not linked to the enterprise's overall strategy; and its effectiveness is not considered in terms of the budget assigned and attainment of organizational goals. Corresponding to such results, it is logical to identify factors that limit the contributions of training for the enterprises success. Based on this, respondents were asked to indicate those factors that negatively affect training success. Accordingly, lack of clear staff development policy (4.00), lack of long-term employee development plan (4.00), poor cooperation and coordination between departments (4.00), difficulty to evaluate training and development outcomes (4.00), and inaccurate training need analysis (4.00) are the challenges identified by respondents. The result is consistent with the literature. For example, a study conducted by (Altarawneh, 2005) identified, as main determinants of successful training and development program.

The interview with the Human Resource Manager and others Managers did indicate that EPSE has no a separate and clearly stated training and development policy, but some points that could guide the training and development activities are stated in the Enterprise's Administration Manual, which is very narrow and incomplete.

Training policies are the expressions of the training philosophy of the organization (Armstrong, 1996) and training policies provide guidelines for training, and ensures a company's training resources are allocated to predetermined requirements.

When I critically examined the training policy of EPSE from different sources (document review, data from questionnaire and interview) I ascertained that EPSE has a written T&D procedure manual (in fact not comprehensive) as one part in the enterprise's administrative manual. But the enterprise's T&D policy lacks some essential elements of training and development issues, like it doesn't spelt out clearly when and how training needs identified, and how and when training and development activities are evaluated. The policy doesn't make provision for career development and doesn't link it to career progression in the organization. The policy even doesn't provide a coherent structure for training that should help improve employee access to training in a very organized way that could help the EPSE derive the benefits of training.

## CHAPTER FIVE

### CONCLUSION AND RECOMMENDATIONS

The purpose of this research was to assess the training and development practices of Ethiopian Petroleum Supply Enterprise. The following questions were raised and addressed.

1. How is the enterprise's Training and Development (T&D) need assessment made?
2. What types of T&D are being used in EPSE?
3. What are the challenges encountered by the organization in its T&D practices?
4. How does the company evaluate the effectiveness of training?
5. How does the company evaluate effectiveness of employee development?

Based on this, the chapter presents conclusion and recommendations.

#### 5.1 Conclusion

Based on the research findings, the following conclusions were drawn.

- The findings show that EPSE has less formal and systematic TNA. TNA is highly subjective because it depends mainly on managers or supervisors views about employees' training needs rather than on what performance appraisal records show or what the employees' job description shows.
- T&D program in the organization under study did not incorporate in the organization's long term or strategic plan. As a result, the training and development program objectives are not known, the impact of training interventions cannot logically be measured, and the impacts of training does not clearly observed either in changing the behavior of employees and improving performance.  
Employees of EPSE are not satisfied with the present training design (objectives of the training, training content, training method and selection of trainer).
- The presence of off-the-job training within the organization and on-the-job training help the organization to fit training to organizational culture and cost reduction. However, as the findings revealed, EPSE depends mostly on external training

centers that design courses common to whole institutions which are very difficult to contextualize the training contents and other necessary conditions of EPSE.

- The study found out that EPSE has little emphasis on training program evaluation practice. Hence, it is concluded that the return out of the resources invested on training activities are not properly accounted in light of organizational goal attainment.

Based on the responses for problems and challenges facing the T&D activity of EPSE, it is revealed that lack of training policies and plan, inaccurate training need analyses and lack of integration of T&D programs with overall company strategy are the major factors that were hindering the effectiveness of T&D programs in EPSE.

## **5.2 Recommendations**

Ethiopian petroleum supply enterprise is a backbone to the country's development, by supplying & storing strategic reserve refined petroleum products. Hence, in order to obtain the full benefits of a training program, EPSE should ensure that the following are implemented at the workplace.

Based on the findings and conclusions of the study, the researcher forwards the following recommendations to the training providers of EPSE and suggestion for other researchers.

- Training policies are the expressions of the training philosophy of the organization and training policies provide guidelines for training, and ensures a company's training resources are allocated to predetermined requirements. Therefore, EPSE has to have comprehensive and well articulated T&D policy that could guide its implementation.
- TNA is playing a very important role in identifying individuals who need to be trained, designing the program that relates to the needs of both individuals and the organization, determining the program objectives and the required resources for implementing the program. Therefore, EPSE should conduct TNA regularly.

- TNA decisions should be based on systematic way (assessing training needs, designing, implementing and evaluating the training program) for assessing the training needs of the employees and organization rather than disorganized actions and simply taking the will and viewpoints of employee's manager/supervisor as the only source of training needs.
- Training needs can be determined by using different techniques rather than merely depending on subjective views of managers/supervisors. EPSE can use performance appraisal results, job description, questionnaires, interviews, observation and training committee to determine the needs for training.
- EPSE mostly depends on off-the-job training of external providers and very rarely on internal providers. To have positive results from training and development program, organizational commitment to training must tie in closely with appropriate effective training methods and training delivery mechanisms. Therefore, in order to have effective methods and implementation, the organization should use both internal and external training methods in accordance with the situation and benefits of organization. It also has to use multi techniques that help to maximize the effectiveness of the program.
- Training evaluation is a critical step in the training process as it is the way to know whether the training program has fulfilled its objectives thus, EPSE has to evaluate training effectiveness at least two times during the process to compare trainees' newly acquired skills with the skills defined by the goals of the training program.
- Evaluation must be objective and targeted as an important outcome, including individual, job and organizational improvement rather than solely dependent on trainees' opinions about the training session at the end of training programs, thus, performance appraisal results, job performance, and organizational performances can serve as additional training evaluation tools.
- Feedbacks from employees on training should be collected before and after training like that of the organization received feedback during training. This will enable the organization to improve their current and future training programs and to measure its effect.



### **5.3 Limitation and direction for future research**

It is obvious that adequate and reliable information is important to undertake any kind of survey precautions. However, the carelessness of some respondents while filling the questionnaires during data collection was considered as limitation to the study.

This study directly focuses on the assessment of training and development practices; However, future research could also investigate the impact of training and development towards the organizational performance of EPSE, factors affecting employee training and development practice in EPSE etc.

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## Appendix I



### *ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES*

#### **Research Questionnaire**

#### **Dear Participant**

The purpose of this questionnaire is to collect data from employees of EPSE for conducting Masters of Business Administration (MBA) thesis on the title “Assessment of Training and Development Practices” in Ethiopian Petroleum Supply Enterprise; and I would like to request your participation in my study. Your participation in this research will lead to academic outputs that will advance knowledge and understanding of Training and Development Practices. I kindly request you to spent your precious time to fill this questionnaire as frank as and reasonable as possible.

Your participation in this survey is entirely voluntary and all information will be treated as confidential. Therefore, you all are not expected to write your name. Give a true picture of your feelings about and existing reality in the questions.

The research will be conducted under the attentions of the St. Mary's University School of Graduate Studies and will comply with the St. Mary's University ethical requirements.

Please be honest and make the researcher Successful.

Thank you in advance, for your cooperation!!

Hanna Damte

**[Hanna2721@gmail.com](mailto:Hanna2721@gmail.com)**



1	TRAINING NEED ASSESSMENT	Strongly disagree	Dis agree	Neutral	Agree	Strongly agree
		1	2	3	4	5
1.1	Training need assessment involves analysis of training programs in terms of realizing the enterprise's strategies, goals, and objectives.					
1.2	The training need analysis of EPSE evaluates potential participants (i.e., their level of subject matter knowledge and learning style) and the person/s/ who will conduct the training.					
1.3	The training need analysis of EPSE involves analysis of the job and the requirements for performing the work.					
1.4	When training is provided in your organization?					
1.4.1	Training is conducted when employees are newly recruited,					
1.4.2	Training is conducted when employees need training on new technologies, equipments and new working methods					
1.4.3	Training is conducted when performance appraisal assessment show some gap					
1.4.4	Training is conducted when employees are upgraded to fill new positions					
1.4.5	Training is conducted when departments request it					
1.4.6	Training is conducted when the employees request it					
2	TRAINING DELIVERY METHODS/APPROACH					
	<b>To what extent the following forms of training are used by EPSE?</b>					
2.1	On-the-job training					
2.2	Off-the-job (within the organization but not on-the-job)					
2.3	External training (outside the organization)					
3	EVALUATION OF T& D EFFECTIVENESS					
3.1	EPSE has a system that is used to evaluate training and development programs.					
3.2	EPSE evaluates its T&D by					
3.2.1	Asking employees to fill a questionnaire at the end of the program					
3.2.2	Interviewing the trainees at the end of each training program					
3.2.3	Testing the trainees before and after the training programs (pre and post test)					
3.3.4	Asking the trainees' managers or supervisors for their assessment of the trainees' learning					
3.2.5	Performance appraisal reports					



4	<b>TRAINING EFFECTIVENESS</b>	Strongly disagree	Dis agree	Neutral	Agree	Strongly agree
		1	2	3	4	5
4.1	Training and development in EPSE is integrated with the overall EPSE strategy.					
4.2	The EPSE has a clearly defined strategy relating to Training & development					
4.3	Training and development strategy is derived from and related to the overall EPSE's strategy					
4.4	The EPSE has a clear ongoing plan for training and development					
4.5	Training plans and policies are integrated with the overall EPSE's plans and policies					
4.6	The EPSE has a formal (written) training and development plan and policy					
4.7	The EPSE has informal (unwritten) training and development plan & policy					
4.8	Top management is committed to, supports, and provides all the facilitation to training and development activities.					
4.9	Training strategy, plan and policies are in harmony with the EPSE's personnel policies (e. g. recruitment, salaries, promotion, security of development, etc)					
4.10	EPSE has a specific budget for training and development					
4.11	Training and development budget is sufficient to achieve training and development plans and objectives					
4.12	EPSE emphasis cost effectiveness evaluation to assess the effectiveness of training					
5	<b>EMPLOYEE DEVELOPMENT</b>					
5.1	EPSE Managers always trained to support employee development, Constantly monitor progress, encourage and direct					
5.2	Managements delegate tasks and responsibility					
5.3	Employee development plans EPSE include both short- and long-term goals that “plan for the future.”					
5.4	Employee development activities of EPSE focus not only on the job a person currently holds but also on jobs that may be of interest to the person in the future.					
5.5	Employee development plan of EPSE is created jointly by supervisors and employees.					
5.6	Employee development plan of EPSE is primarily designed to realize the mission and vision of the enterprise.					

6	TRAINING AND DEVELOPMENT PROBLEMS AND CHALLENGES.	Strongly disagree	Dis agree	Neutral	Agree	Strongly agree
		1	2	3	4	5
6.1	Lack of staff training policy in organization					
6.2	Inadequate budgetary allocation to employees training					
6.3	Ambiguity in selecting trainees for training					
6.4	Insignificant support to training by management					
6.5	Some senior managers do not believe in the importance of training					
6.6	Lack of long-term plan for developing human resource					
6.7	Poor co-operation and co-ordination between the various departments and the training and development department/division					
6.8	Poor quality training programs					
6.9	High cost of training and development programs					
6.10	Lack of on-the-job training					
6.11	Inaccurate training need analysis					
6.12	Discrepancy between the provided training and development and job skills					
6.13	Work environment does not support new behaviors learned in training and development programs					
6.14	Lack of motivation among employees					
6.15	EPSE does not link training programs with its business plan					
6.16	Sending inappropriate persons to the training programs					
6.17	Difficulties to evaluate training and development outcomes					
6.18	Employees cannot implement their new ideas, skills and knowledge					

**Thank you for your cooperation and valuable information!**

## **Appendix II**

### **Unstructured Interview Questions with Managers**

This is an interview designed to gather information on Training and Development Practices of Ethiopian Petroleum Supply Enterprise. The management bodies of the enterprise will be the interviewees. Genuine and complete responses by each interviewee are highly helpful to make the findings of the study reliable.

Thank you

#### **Part I: Personal information**

Sex \_\_\_\_\_

Position \_\_\_\_\_

Qualification \_\_\_\_\_

Year of service \_\_\_\_\_

#### **Part II: The interview**

1. Do you conduct formal training and development need assessment in EPSE?
2. What is your base for selecting appropriate trainees for appropriate training?
3. What factors do you consider in selecting training and development program?
4. Does EPSE has a training policy? Is the policy documented?
5. Does the Enterprise allocate sufficient funds to carry out training and development program effectively?
6. What are the major purposes of training in EPSE? Have you ever established training and development objectives for the trainees?
7. What are the possible factor/challenge that could hinder the effectiveness of training and development in EPSE?
8. What do you suggest to make effective the EPSE T&D programs?