SAINT MARY'S UNIVERSITY

SCHOOL OF GRAUDATE STUDIES

ASSESSMENT OF TRAINING AND DEVELOPMENT PRACTICE

IN AWASH INSURANCE COMPANY SHARE COMPANY

BY

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ADVISOR

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JANUARY, 2017

ADDIS ABABA, ETHIOPIA

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A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES, SAINT MARY'S UNIVERSITY, IN PARTIAL FULFULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF MASTERS DEGREE IN BUSINESS ADMINISTRATION

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APPROVED BY BOARD OF EXAMINERS

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Advisor   **Signature and Date**

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Internal Examiner   **Signature and Date**

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External Examiner   **Signature and Date**

DECLARTION

I hereby declare that this thesis entitled "Assessment of Training and Development Practice in Awash Insurance Company Share Company" is my original work, prepared under guidance of Ass. Professor Goitom Abraham and has not been presented for any other program or university. I also assure that all sources of materials used in undertaking this thesis have been duly acknowledged.

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Name   **Signature**

St. Mary's University, Addis Ababa   **January 2017**

ENDORSEMENT

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

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Advisor   **Signature**

St. Mary's University, Addis Ababa   **January 2017**

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ACRONYMS/ABBREVIATIONS

AIC: Awash Insurance Company Share Company

HR: Human Resource

HRM: Human Resource Management

TNA: Training Need Assessment

T & D: Training and Development

KSA: Knowledge, Skill and Attitude

SPSS: Statistical Package for Social Science

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ABSTRACT

To survive and grow, companies must be constantly kept up to date through effective training and development programs. In particular, this study designed to assess the training and development practice in Awash Insurance Company Share Company. The company strategy on training and development are very essential to show the benefits of using strategic view and perception of training, since by linking this strategy with human resource actively, particularly on training and development, it will contribute to the success and enrichment of the organizations. The methodology used to undertake the study was both primary and secondary data collection instrument. Stratified random sampling method was used to select samples from the target population. In order to assess the existing training and development practice of the insurance company, the study emphasized on the four process of training. These are training needs assessment, design, delivery method and evaluation practices. And all of them were checked separately on the analysis. After the required data are collected descriptive research design (i.e. frequency, percentage and mean) were used to analyze the data using SPSS version 20. The results of this study revealed that each of the training processes did not conduct properly in the company. Moreover, since the overall training and development practice of the insurance company were not effectively conducted as they should be it affects on the performance improvement of the employees' as well as the insurance company.

Key words: Training, Development, Awash Insurance Company Share Company

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Training and development refer to obtaining or transferring knowledge, skills and abilities (KSA) process needed to carry out a specific activity or functions; so, the benefits of training and development both for organization and individual are strategic in nature and hence much wider. To meet the current and future challenges of organizations', training and development assume a wide range of learning actions, ranging from training of the individual for their present tasks and moreover, knowledge sharing to improve the organization horizon and customers service. Which focus on their career development and enrichment, thus expanding individual, group and organizational effectiveness (Niazi, 2011).

According to the dynamic developments of all work fields, the organization must develop their HR to strategic HR, because organizations cannot apply a strategic training plan unless they have a strategic human resource management system in place. In the strategic human resource management literature, strategic training is regarded as a vital way of raising employee efficiency (Richard et al., 2009). HRM is a way of connecting the human resource function with the strategic goals of the company in order to raise productivity (Bratton, 2003). Although financial return from training is difficult to determine, it can be measured in some instances. However, the evaluation of training is carried out not only in money terms, but also in terms of people, work, and power. A comprehensive assessment of training outcomes also involves assessing trainee reactions, its impact on the workplace, operating and financial outcomes, and its perceived usefulness in assisting people to carry out changes.

Business organizations are operating in a complex and changing environment and technology innovations greatly influence their growth, expansion and development. To cope up with this changing environment associated with technological advancement, business organizations need to train and develop their employees. In addition, the survival and efficiency of these organizations depend, to a large extent, on the professional qualifications of their human resource. Standard trainings to fill the identified gaps in service provision have to be provided to improve employees' performance.

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 (Kumpikaitė, 2008). Based on the general concept and principles it is unquestionable that training is a strong and tested tool which can combat the problems of employees' obsolescence and making them up-to-date. Moreover, developing managers/supervisors knowledge has an advantage for solving constructive problem and helps for the right decision. It is also a powerful device that can have a major impact on both employee's productivity and morale, if properly assessed and implemented.

In the modern world business environment, every organization needs to have well trained and experienced personnel to perform the activities that have to be done. If the current potential job occupant can meet this requirement, training is not important. But when this is not the case, it is necessary to raise the skill levels and increase the versatility and adaptability of employees. Inadequate job performance or a decline in productivity or changes resulting out of job redesigning or technological changes require some type of training and development efforts. As the job becomes complex, the importance of employee development also increases.

Based on this general concept, Awash Insurance Company Share Company which is one of the privately owned and established Insurance companies licensed and officially started the service of insurance in Ethiopia on October 1,1994 and commenced operations on January 2,1995 and it still remains to be one of the best service providers among other insurance companies. Over the last twenty one years of its operation, it has grown wide and made its presence felt by great many with the quality service it renders with all the company branches. Awash Insurance Company Share Company (AIC) has also strong capital base with 120 million ETB paid-up capitals and its subscribed capital of 300 million ETB (Company report, 2016). The Company has a vision of to be a leading and the best insurance service provider at global level. Hence, in line with this vision, Awash Insurance Company Share Company needs to update and upgrade the performance of its staff through giving intensive training and management development in order to remain as the best insurance service provider in the country and to achieve its long lasting vision.

1.2 Statement of the Problem

Organization effectiveness largely depends on the ability to acquire effective and efficient use of the existing work forces. This is because human resource (who form and work within the organization) is a strategic asset for the success of the organization. Those strategic assets (employees) in order to perform their duties and make meaningful contribution to the success of organizational goals and objectives they need to acquire the relevant skills and knowledge. And this can be achieved through appropriate training and development programs that can respond to the changing environment (Steen, Noe, Hollenbeck, Gerhart, & Wright, 2009).

One significant function of HRM to the effective use of human resources is training and development. Almost everyone recognizes the significance of training and development on the success and growth of organization. Training is therefore, necessary to enhance the knowledge, skills and attitude of employees. It will also make it easier for employees to acquire further knowledge based on the foundation gained from the training and further effect changes in other coworkers (Jagero, Komba, & Mlingi, 2012).

Basically training is a formal & systematic modification of behavior through learning which occurs as result of education, instruction, development and planned experience (Armstrong, 2000). According to Getahun (Getahun, 2012) due to practical implications of training, it is important to have training that is effective. In most cases, there are gap between employees knowledge, skill and abilities 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.

The importance of training is usually to reduce errors and to improve productivity and safety. So, properly planned and executed, training benefits both the employer and the employees (Marinescu & Toma, 2013). The Absence of well-established training policy, lack of adequate budget, inadequate need assessment, inappropriate training objective, outdated training and development method, lack of close supervision and follow up are some of the major problems related to training and development in most organization in developing countries (Zheng, Hyland, & Soosay, 2007). These problems later on lead these organizations to lack optimum man-task relationships, resistance of employees in taking future assignments, decrease in

productivity, and increase in operational error, absenteeism, decrease in employee morale and confidence.

In many organizations, large expenditures are spending on training and development. But whether those expenditures produce value or an economic impact for the organizations that make the expenditures has not been identified clearly. To provide some additional insights on the economic utility of three organization-wide training (Morrow et al, 1997) did a study and the study was conducted in a large pharmaceutical firm and focused on identifying the economic impact of managerial and sales/technical training efforts. The Chief Executive Officer of the organization had requested that the dollar value of training be identified and its value to the organization be confirmed. The study, focus on the effects of job skills training on employees' behavioral performance on the job. Using a variety of statistical analyses, the researchers found that sales/technical training had a greater effect than did managerial training.

In fact there are other research conducted on the role of training and development on work force productivity (Laplagne et al, 1999) and found training and development in the workplace are very likely experiencing strong labor productivity growth. There was other study conducted by (Malik, et al, 2011) as organizational effectiveness case study on Tele com. and banks and try to see the impact of employee's performance and organizational effectiveness. The first, research tries to see the economic value training in specific functions (sales/technical) of the organization and the other also fail to see exactly how the organization is effective by improving the employees' performance through training and development.

Thus, as far as the researcher observation, consistency, commitment, awareness of training and development are the focal points to be assessed so that to evaluate the company's effectiveness in achieving its strategic goals. This has a significant impact both on the performance of its employees and the operation of the company in general. Unless employees are given appropriate and continuous training, they will fail to cope up with changes that may take place in an organization. Training upgrades and updates the knowledge and skills of employees and brings behavioral change of employees towards improving their performance. As a result, this study assesses the overall training and development practices, its effect on employees' performance that in turn influences the efficiency of the company and tries to fill the gap by indicating the merit and demerit parts and forwarding the recommendations to align it with acceptable standards.

1.3 Research Questions

The study is designed to address the prevailing practice of Training and Development in Awash Insurance Share Company. The following questions were the core focus points.

- ❖ Does the company have clearly designed Training and Development policy?
- ❖ To what extent is the company committed in providing Training and Development opportunities to its employees?
- ❖ To what extent is the company fair in selecting trainees?
- ❖ Does the training and development program in the company organized based on need assessment results?
- ❖ How is the training and development program designed and implemented by the company?
- ❖ How is the training and development program evaluated by the company?

1.4 Objectives of the Study

1.4.1 General Objective

The main objective of this study is to assess training and development practice in Awash Insurance Company in general.

1.4.2 Specific Objective

- To investigate the existence of training and development policy in the company.
- To identify the level of emphasis given the opportunity to employees towards training and development program.
- To identify the level of trainees' satisfaction in selection criteria of the company.
- Explore the training and development need assessment practice of the company.
- Investigate the practice of designing and implementation of training and development programs.
- Examine the practice of evaluating training and development programs.

1.5 Significance of the Study

The result of this study was to serve as opportunity for future researches with wider scope and in-depth analysis of the related fields and provides information related to human resource training and development practices, its effectiveness and performance improvement on

employees of Awash Insurance Company. The importance of training and development has been expressed as widely accepted problem-solving device in every organization and its effectiveness and effects on employees' performance. It is also one of the most important tools in updating, upgrading and improving one's professional skills from different points of view and also it is a mechanism in which a given business company can be promoted and can be competitive. Therefore, in addition to benefiting employees, it can also increase the productivity of the company by identifying their weakness and demanding the recommendation of the research which can insure its growth and sustainability.

1.6 Scope and Limitation of the Study

The scope of this study is limited to the practice of training and development in Awash Insurance Company Share Company. Hence, it is intended to assess employee training and development practices. Besides, the study is made on representative samples taken from Head Quarter, 4 main branches, 3 branches from branch three categories, 5 branches from branch two categories and 2 branches from branch one categories out of 26 city Branches of the company. The Researcher selected the samples based on random sampling and availability of data which is more appropriate in doing this study, and also bound with the study has been limited to the head quarter and branches in Addis Ababa excluding those outlying branches which are located out of Addis Ababa due to time and remoteness of access to data. The sample respondents comprise only non-managerial staffs of Awash Insurance Company who are working on a permanent basis.

1.7 Organization of the Study

The study is organized into five chapters. Chapter one provides introduction which consists of background of the study discusses the research problem, research questions, and objectives of the study, significant of the study and scope and limitation. Chapter two reviews related to literature of the study consists of theoretical review, empirical review and conceptual framework. Chapter three presents research methodology adopted in the study. The fourth chapter focuses on the results and discussions of the study and finally in chapter five summary, conclusions and recommendations are drawn based on the results of the study.

CHAPTER TWO

REVIEW OF RELATED LITRATURE

2.1 Theoretical Literature Reviews

2.1.1 Definition of Terms

- **Company** - refers to Awash Insurance Company Share Company.
- **Training** – the learning skills and Knowledge for doing a particular job.
- **Development** - the growth of employees in all aspects.
- **Assessment** - in this study an assessment refers to the process of gathering and identifying information about practices of training and development in Awash Insurance Company Share Company.
- **Insurance**- A contract whereby a company called the insurer, undertakes against payment of one or more premium to pay to a person, called the beneficiary, a sum of money where a specified risk materializes

2.1.2 The Concept of Training/Development

Skill and knowledge can be obsolete in the same way as machines and technology (Vemic, 2007). There must be consistently kept up to date if the organization is to survive and develop. And new technologies exert a continual need for employee training in business firms and other organizations to be engaged in providing their employees with training and development opportunities. Nowadays, organizations are spending a significant amount of money for the purposes of employee training. Since, the most valuable asset of the organization in a 21st century is its workers knowledge and their productivity (Cribb, 2005). The effectiveness and success of an organization therefore lies on the people who work within the organization (Isiaka, 2011). Therefore, the employees in an organization to be able to perform their duties and make meaningful contributions to the success of the organizational goals need to acquire the relevant skills and knowledge. In appreciation of this fact, organizations conduct training and development programs for the different levels of their employee. Training and development offers competitive advantage to a firm by removing performance deficiencies; making employees stay long; minimized accidents, scraps and damage; and meeting future employee need (Hameed & Waheed, 2011).

According to Bernatek (2003), training and development help to ensure that organizational members have the knowledge and skills needed to perform jobs effectively, take on new responsibilities, and adapt to changing conditions. For Fitzgerald (1992), training focuses primarily on teaching employees how to perform their current jobs and helping them acquire the knowledge and skills they need to be effective performers, where as development focuses on building the knowledge and skills of organizational members so they are prepared to take on new responsibilities and challenges. Training tends to be practiced more frequently at lower levels of an organization; development tends to be used more frequently with professionals and managers (Jones and George, 2011). Both training and development can play a critical role in attracting and retaining workforce (Wilson, 1999). According to Wilson (1999) training can be an essential tool for maintaining and improving the productivity of employees there by upgrading their skills that are relevant to meet specific business, customer needs and ever changing industry standards while development opportunities motivate employees by providing them with skill and knowledge enrichment.

Training consists of planned programs undertaken to improve employee knowledge, skills, attitudes and social behavior so that the performance of the organization improves considerably. Unfortunately too much emphasis is often placed on the techniques and methods of training to be used is not enough rather first defining what the employee should learn in relation to desired job behaviors. Furthermore, very few organizations place much emphasis on assessing the need and outcomes of training activities Vemic (2007). Isiaka (2011) sees the word development in relation to the process of helping managerial employees who perform non routine jobs to improve their management, administrative and decision-making abilities and competence. It is needed for both present and future jobs. Now a day, the interest of investment in training and development has been increasing (Haslinda, & Mahyuddin, 2009). The mainstream training and human resource literature has neglected the issue of how companies assess the effectiveness of training and development investments and in particular employee training and development effectiveness other than simply conducting training. Because of this gap in the literature, the researcher attempted to present evidence from a detailed study designed to explore the current practices towards the progress of training and development in Awash Insurance Company Share Company.

2.1.3- Distinction between Training and Development

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

Table 1: Difference of Training and Development

Training	Development
* Training means learning skills and Knowledge for doing a particular job. It increases job skills. * The term training generally used to denote imparting specific skills among Operative employees. *Training is concerned with maintaining and improving current job performance. Thus, it has a short term perspective. *Training is job centered in nature. *The role of trainer or supervisor is very Important in training.	* Development means the growth of an Employee in all aspects. It shapes attitudes. * Development is associated with the Overall growth of management. * Management development seeks to develop competence and skills for future performance. Thus, it has a long term perspective. *Development is career oriented in nature. *Self development

Source: Armstrong (2006)

2.1.4 Why Training and Development is Needed?

Training becomes important if there are deficiencies that should be addressed through training, or if there are changes in the organization which have to be put in place by having well trained employees. Training is required if there is a change in technology, working conditions, products, inadequate performance, shortage of staff. Training has many advantages for the individual, department and organization because it is expected to provide a skilled pool of human resources, improvement of existing skills, an increase in knowledge and experience of employees, improve employees' motivation, job performance, customer service, and personal growth and opportunity for career development. The purpose of career development is to identify and develop the potential within staff, to build existing skill levels, and to prepare staff to take on greater responsibility during their career. Career development has to balance the needs and aspirations of the individual with the needs of the service, where these conflicts, the needs of the service should prevail (Itika, 2011).

2.1.4.1 Non-Management Employees Training

Only recruiting, selecting, orienting and then placing employees in jobs do not ensure success in the human resource management activities rather it is supporting by well training program (Xiao, 2010). In most cases, there may be gap between employee knowledge and skill and what the job demand. The gap must be filled through training programs to maintain the competency levels of their employee and increase their adaptability to changing organizational demands. If the organizations respond to change early, they will prosper and gain rewards in terms of security, profit or attainment of their goals (Bolgun, 2011). Training can bring tangible benefits to both the organization and employees. Hence, the major purposes of training are (Switzer,et al., 2005):

- It establishes a sound relationship between the worker and his/her job;
- It upgrades skills and prevents obsolescence;
- It develops healthy and constructive attitudes;
- It prepares employees for future assignments;
- It increases productivity;
- It minimizes operational errors;
- It brings down employee turnover and absenteeism.

Moreover, training can improve the relationship between the employees and their immediate supervisor. It also helps in understanding and implementing organizational policies.

2.1.4.2 Management Development

Development places emphasis on the growth of the individual it relates to acquiring a very broad range of skills through planned activities and experiences. Management of people, handling work relationships, and leadership are typical of broad ranges of soft skills that are developed success in all these areas requires maturity of judgment (Garavan, et al., 1999). According to Isiaka (2011), Management development is concerned with developing the skills of the manager over his or her career with the firm. Management development is a dynamic process, and ideas and practices are constantly being challenged. There is no fixed end point to development, because individuals can continually improve. The most common management development of the company contains (Monday, et al., 2009):

- o Planning
- o Leadership skills

- o Resource Management
- o Performance appraisal
- o Decision making and Problem solving
- o Communication and other soft skill training

Management development is designed to improve the overall effectiveness of managers in their present positions and to prepare them for greater responsibility when they are promoted (Garavan, et al., 1999). In other words management development can be defined as the process by which managers gain the experience, skills, and attitudes to become or remain successful leader in their enterprises. Among other things, making the organization a better environment to work is the responsibility of a manager. To effectively discharge this and other managerial responsibilities organizations must provide an opportunity for managers to improve their knowledge and skills through management development program. Effective management development program helps managers at all levels to learn to perform their jobs better. Moreover, among the many good reasons for conducting development program the following are the major ones (Hameed & Waheed, 2011):

- To stimulate a more creative and innovative approach to problem solving and decision making;
- To broaden the manager's vision and understanding in preparation for additional responsibility;
- To give the managers the opportunity to discuss ideas and problems with other people;
- To teach managers how to determine the consequences of various specific Managerial actions and behaviors (leadership, planning, controlling);
- To reduce or prevent managerial obsolescence. Obsolescence can occur unless Managers are kept up with the changing methods of doing their managerial jobs.

2.2 Methodological Literature Reviews

2.2.1 Steps in Training and Development Process

The way in which a firm plans, organizes, and structures its training and development affects the way employees' experience, which in turn influences the effectiveness of the training and development. Effective training and development requires the use of a systematic process (Mathis & Jackson, 2011).

There are different models that show the steps in the training process, though the contents are more or less the same. According to Kulkarni, (Kulkarni, 2013) the training process involves four stages, namely:

i. Assessment of training needs.

ii. Designing the training programs.

iii. Implementation of the training program.

iv. Evaluation of the training program

Figure 1: Steps of Training and Development Process

Source: Mathis & Jackson (2011)

Training should be conducted in a systematic order so as to derive expected benefits from it. Using such a process reduces the likelihood that unplanned, uncoordinated, and haphazard training efforts will occur (Mathis & Jackson, 2011).

2.2.2 Need Assessment of Training and Development Programs

Training needs are discrepancies between identifiable shortfalls in knowledge, skills and attitudes of the employee vis-à-vis what is required by the job, or the demands of organizational change (Itika, 2011). Training need is a gap between actual performance and desired performance or between current abilities and job requirements that can be closed by training (Mcconnell, 2003). Need assessment refers to the process used to determine if training is necessary (Noe, HollenBeck, Gerhart, & wright, 2008). Needs assessment occurs at two level-group and individual. An individual obviously needs training when his or her performance falls short of standards, that is,

when there is performance deficiency. Inadequacy in performance may be due to lack of skill or knowledge or any other problem. The problem of performance deficiency caused by absence of skills or knowledge can be remedied by training. Faulty selection, poor job design, improving quality of supervision, or discharge will solve the problem (Garg, 2009). Assessing organizational training needs is the diagnostic phase of a training plan. This assessment considers issues of employee and organizational performance to determine if training can help. Needs assessment measures the competencies of a company, a group, or an individual as they relate to what is required. It is necessary to find out what is happening and what should be happening before deciding if training will help, and if it will help, what kind is needed (Mathis & Jackson, 2011). Determining training needs typically involves generating answers to several questions (Decenzo & Robbins, 2010).

What are the key organistational goals / objectives?

What skills does the organisation need to have in the future?

What skills and competencies are required to meet the business objectives?

TRAINING NEEDS ANALYSIS

What courses are available to close training gaps?

How are we going to know we have successfully closed training gaps?

What are the current capabilities of employees?

Formulate company and indvidual training plans

Figure 2: Determining Training Needs

Source: Decenzo & Robbins (2010)

Who Initiates the Identification of Training Needs?

Training and Development should be designed, offered, and conducted for some purpose to meet some objective and to fulfill some identified need (McConnell, 2003). Mainly the sources are:

● **Managers –** By considering the department performance results, employees' performance review, future plans, and new equipment and systems, the managers are identifies for the training and development needs.

● **Employees –** Recognize the areas that have a deficiency and indicating possible training needs to improve their current performance or prepare for other jobs.

● **Staff departments -** Based on activities such as employee opinion surveys, external consultant evaluations, succession plan, budget reports, and exit interviews.

● **External consultants -** Indicates training and development requirements as part of other projects, such as organizational studies, performance assessments, and management assessments.

A. Training Needs Analysis (TNA)

The first step in training needs assessment is analyzing what training might be necessary (Mathis & Jackson, 2011). A training needs analysis is a systematic process by which training needs are investigated and consolidated to provide the basis for the training program (Itika, 2011) Needs assessment typically involves organizational analysis, Individual or person analysis and task analysis.
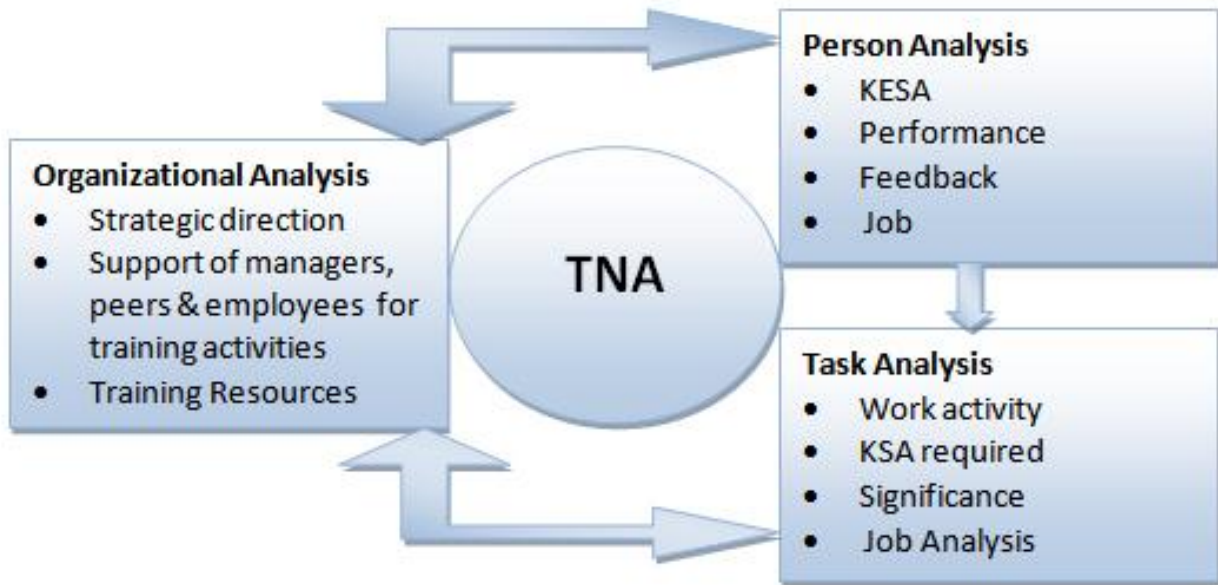
Figure 3: Analysis of Training & Development Needs

Source: Noe, HollenBeck, Gerhart, & wright (2008)

• **Organizational Analysis** – is a process for determining the business appropriateness of training. Organizational analysis considers the context in which training will occur. That is organizational analysis involves determining the business appropriateness of training, given the company's business strategy, its resources available for training, and support by managers and peers for training activities. (Noe, HollenBeck, Gerhart, & wright, 2008)

Training needs can be diagnosed by analyzing organizational outcomes and looking at future organizational needs. Organizational analysis comes from various operational measures of organizational performance. Departments or areas with high turnover, customer complaints, high grievance rates, high absenteeism, low performance, and other deficiencies can be pinpointed. Following identification of such problems, training objectives can be developed if training is a solution. During organizational analysis, focus groups of managers can be used to evaluate changes and performance that might require training. (Mathis & Jackson, 2011)

• **Task/ Job Analysis** – is the process of identifying the important tasks and knowledge, skill and behaviors that need to be emphasized in training for employees to complete their tasks. (Noe, HollenBeck, Gerhart, & wright, 2008). By comparing the requirements of jobs with the KSAs of employees, training needs can be identified.

• **Person analysis-** is a process for determining whether employees need training, and whether employees are ready for training. The competencies of current jobholders could also be assessed to determine their suitability for their jobs. (Noe, Hollenbeck, Gerhart, & wright, 2008). Person analysis involves:-

      i. Determining whether performance deficiencies result from a lack of knowledge,

       skills or ability (a training issue) or from a motivational or work design problem,

      ii. Identify, who needs training,

      iii Determining employees' readiness for training.

Carrying out a training needs analysis is a task for an experienced trainer, but it also requires a good understanding of what goes on in the job and what the management is thinking. (Itika, 2011)

      B. Training Objectives and Priorities

Once training requirements have been identified using needs analyses, training objectives and priorities can be established by a "gap analysis," which indicates the distance between where an organization is with its employee capabilities and where it needs to be (Mathis & Jackson, 2011) Training objectives and priorities are then determined to close the gap. Three types of training objectives can be set:

      • *Knowledge*: impart cognitive information and details to trainees,

      • *Skill*: Developing behavioral changes in how jobs and various task requirements are performed.

      • *Attitude*: Creating interest in and awareness of the importance of something,

Once it has been determined that training is necessary, training goals must be established. Management should explicitly state its desired results for each employee. It is not adequate to say we want change in employee knowledge, skills, attitudes, or behavior; we must clarify what is to change and by how much. These goals should be tangible, verifiable, timely, and measurable. They should be clear to both the supervisor and the employee (Decenzo & Robbins, 2010).

Because training seldom is an unlimited budget item and because organizations have multiple training needs, prioritization is necessary. Ideally, management looks at training needs in relation to strategic organizational plans and as part of the organizational change process. Then the training needs can be prioritized based on organizational objectives. Conducting the training

most needed to improve the performance of the organization will produce visible results more quickly (Mathis & Jackson, 2011).

2.2.3 Design of Training and Development Programs

Once training needs have been identified using the various analyses, and then training objectives and priorities must be established. All of the gathered data is used to compile a gap analysis, which identifies the distance between where an organization is with its employee capabilities and where it needs to be. Training design is the process of developing a plan of instruction for each training program to be offered to meet training objective (Goldstein & Ford, 2007)

Training design process refers to a systematic approach for developing training programs. Training design process should be systematic yet flexible enough to adapt to business needs (Noe, HollenBeck, Gerhart, & wright, 2008). Whether job-specific or broader in nature, training must be designed to address the specific objectives. Training objectives are set to close the gap. The success of training should be measured in terms of the objectives set. Useful objectives are measurable. This objective serves as a check on internalization, or whether the person really learned. Objectives for training can be set in any area by using one of the following four dimensions: such as Quantity, Quality, Timeliness, and Cost savings as a result of training (Sishan Solomon, 2014)

Effective training design considers the learner characteristics, instructional strategies, and how best to get the training from class to the job (training transfer) in order to produce learning (Mathis & Jackson, 2011)
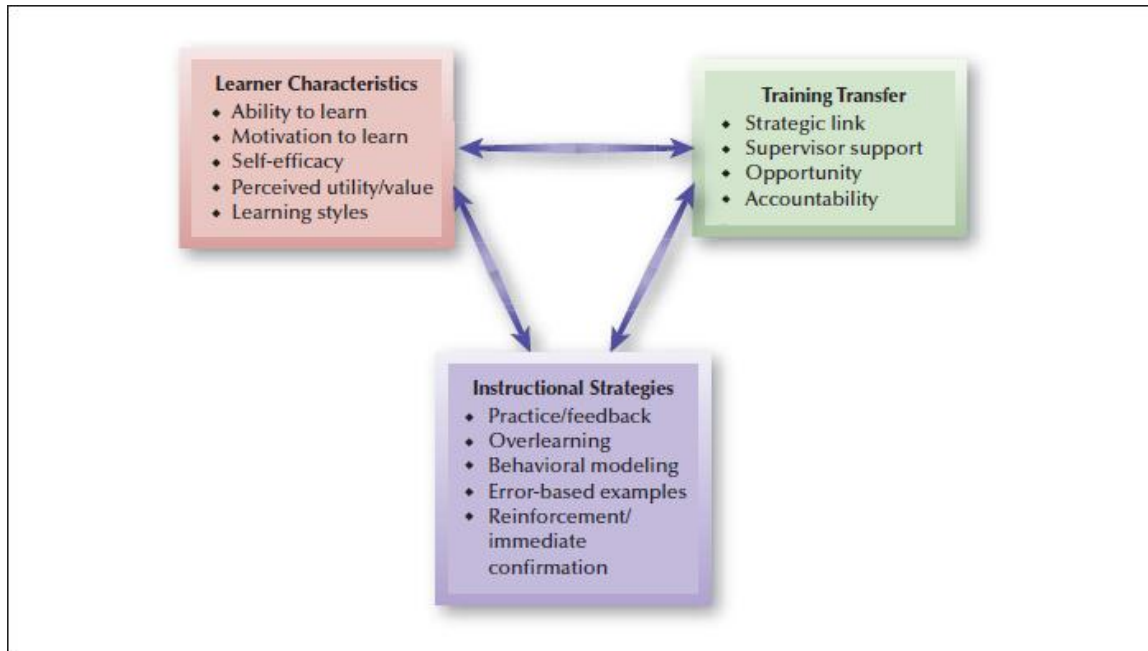
Figure 4: Training Design Elements

Source: Mathis & Jackson (2011)

Learner Characteristics

For training to be successful, learners must be ready and able to learn. Learner readiness means that individuals have the ability to learn, which many people certainly have. However, individuals also must have the motivation to learn, have self-efficacy, see value in learning, and have a learning style that fits the training (Mathis & Jackson, 2011).

Instructional Strategies

An important part of designing training is to select the right mix of strategies to fit the learners' characteristics. Practice/feedback, over-learning, behavioral modeling, error-based examples, and reinforcement/immediate confirmation are some of the prominent strategies available in designing the training experience (Mathis & Jackson, 2011).

Transfer of Training

Trainers should design training for the highest possible transfer from the class to the job. Transfer occurs when trainees actually use on the job what knowledge and information they learned in training. The amount of training that effectively gets transferred to the job is estimated to be relatively low, given all the time and money spent on training. Effective transfer

of training meets two conditions. First, the trainees can take the material learned in training and apply it to the job context in which they work. Second, employees maintain their use of the learned material over time. A number of things can increase the transfer of training. Offering trainees an overview of the training content and how it links to the strategy of the organization seems to help with both short-term and longer-term training transfer (Mathis & Jackson, 2011). Every training and development program must address certain vital issue 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?

Trainers should be selected on the basis of self-nomination, recommendations of supervisors or by the HR department audience.

It is very necessary for the organization to design training and development very carefully (Armstrong, 2000). The design of the training should be according to the needs of the employees. Those organizations which develop a good training design according to the need of the employees as well as to the organization always get good results. It seems that Training design plays a very vital role in the employee as well as organizational performance. Unsuccessful training design is nothing but the loss of time and money (Raja, Furqan, & Muhammed, 2011).

2.2.4 Delivery/Implementation of Training and Development Program

The most commonly used workplace training and development methods can take two major forms (Craig, 1987): On-the-job and off-the-job training.

A. On-the-Job Training

On-the-job training refers to the instructions which may be theoretical or practical depending on the job requirement, which takes place when an individual joins an organizations or a new assignment before a person begins a job or task (Maurya & Kaushik, 2013). It is the most commonly used and least expensive methods of training and development (Craig, 1987). However, on-the-job training becomes much effective when it is employed in a structured

manner (Salas, 2012). Structured on-the-job training assumes that new employees lack certain skills and the goal of on-the-job training program is to instill and these skills using several steps (Maurya & Kaushik, 2013). According to Bernatek 2003, the most commonly used on-the-job training take the following forms:

- Coaching
- Job rotation
- Apprenticeships
- Internships

B. Off-the-Job Training

Off-the-job training is a method in which workers are required to undergo training for a specific period away from the work place (Bernatek, 2003). The method is concerned with both knowledge and skills in doing certain jobs, and can be conducted in several forms (Craig, 1987). The following are the most commonly used:

- Special lectures and discussions
- Conference and seminar
- Case study
- Role playing
- Management games

However, the benefits and limitations of each method are discussed (Auryac & Kaushik 2013, Aguins & Kraiger 2009, Aragon-Sanchez et al. 2003) as follows:

Advantages of On-the-Job Training Method

- It is most cost effective,
- It is directly related to real job tasks,
- It helps to fill the gap between the present and the required skill levels,
- It enhances trainees motivation, and
- It is practical and free from artificial classroom situations.

Disadvantages of On-the-Job Training Method

- Quality of training depends on the ability of trainer,
- Bad habits might be passed on,
- It is mostly used for small number of trainees,

- Learning environment may not be conducive, and
- Potential disruptions to operation may occur.

Advantages of Off-the-Job Training Method

- Elimination of frustration and bustle of work create conducive environment to take in more information,
- Helps to acquire the latest information, current trends, skills and techniques,
- It is systematically organized and maintains reasonable standard,
- Large number of trainees can be trained at one time, and
- Trainers are usually experienced enough to train.

Disadvantages of Off-the-Job Training Method

- It is more expensive as compared to on-the-job training,
- It is not directly related to the job tasks, and
- It is more artificial in nature.

Organizations may apply different types of training and development programs to any number of employees to ensure the skills needed for various positions are instilled. According to Goldstein 1989, companies gear training and development programs towards both specific and general skills, including technical training, communications training, organizational development, career development, supervisory and management development. The goal of all these programs is for trainees to acquire new knowledge or skills.

Technical Training
Technical training seeks to impart technical knowledge and skills using common training methods for instruction of technical concepts, factual information, and procedures, as well as technical processes and principles.

Communications Training
Communications training concentrates on the improvement of interpersonal communication skills, including writing, oral presentation, listening, and reading.

Organizational Development (OD)
Organizational Development (OD) refers to the use of knowledge and techniques from the behavioral sciences to analyze existing organizational structure and implement changes in order to improve organizational effectiveness.

Career Development

Career development of employees covers the formal development of an employee's position within an organization by providing a long-term development strategy and training programs to implement this strategy and achieve individual goals.

Management and Supervisory Development

Management and supervisory development involves the training of managers and supervisors in basic leadership skills enabling them to function effectively in their positions. For managers this typically involves the development of the ability to focus on the effective management of their employee resources, while striving to understand and achieve the strategies and goals of the organization.

2.2.5 Evaluation of Training and Development Program

The evaluation phase is crucial. It focuses on measuring how well the training accomplished what its originators expected. Once a company implements a training program, it must evaluate the program's success, even if it has produced desired results for other companies and even if similar programs have produced desires for it (Garg, 2009). Objectives of Training Evaluation are:-

- To monitor the quality of training
- To provide feedback
- To appraise the overall effectiveness of the investment in training
- To assist the development of new methods of training
- To aid the individual evaluate his or her own learning experience

Evaluation is an attempt to obtain information (feedback) on the effects of training programs, and to assess the value of the training in the light of that information available. We answer the question: How far the training has achieved its purpose? This is not an easy task because it requires effort, resources, and skills to separate the effects of training on the job performance from other potential environmental factors (Itika, 2011)

It is best to consider how training is to be evaluated before it begins. The most well-known and used model for measuring the effectiveness of training programs was developed by Donald L. Kirkpatrick in the late 1998's. The table illustrates the Kirkpatrick's structure detail, and particularly the modern-day interpretation of the Kirkpatrick learning evaluation model, usage, implications, and examples of tools and methods with more detail and explanation.

Table 2: Kirkpatrick's Levels of Training Evaluation

Evaluation level and type	Evaluation description and characteristics	Examples of evaluation tools and methods	Relevance and practicability
1. Reaction	**Reaction evaluation** is **how the delegates felt**, and their **personal reactions to the training or learning experience**, - Did the trainees like and enjoy the training?	• Feedback forms based on subjective personal reaction to the training experience.	• Can be done immediately the training ends. • Very easy to obtain reaction feedback
2. Learning	**Learning evaluation** is the measurement of the **increase in knowledge or intellectual capability** from before to after the learning experience:	• Typically assessments or tests before and after the training.	• Relatively simple to set up, but more investment and thought required than reaction evaluation.
3. Behavior	**Behavior evaluation** is the extent to which the trainees **applied the learning** and **changed their behavior**, and this can be immediately and several months after the training, depending on the situation:	• Observation and interview over time are required to assess change, relevance of change, and sustainability of change.	• Measurement of behavior change is less easy to quantify and interpret than reaction and learning evaluation.
4. Results	**Results: evaluation** is the **effect on the business or environment** resulting from the improved performance of the trainee - it is the acid test.	• It is possible that many of these measures are already in place via normal management systems and reporting. • The challenge is to identify which and how relate to the trainee's input and influence.	• Individually, results evaluation is not particularly difficult; across an entire organization it becomes very much more challenging, not least because of the reliance on line-management.

Source: Donald L. Kirkpatrick (1998)

What measurable organizational benefits resulted from the training in terms such as productivity, efficiency and sales revenue?

The difficulty and cost of conducting an evaluation increases as you move up the levels. So, you will need to consider carefully what levels of evaluation you will conduct for which programs. You may decide to conduct Level 1 evaluations (Reaction) for all programs, Level 2 evaluations (Learning) for "hard-skills" programs only, Level 3 evaluations (Behavior) for strategic programs only and Level 4 evaluations (Results) for programs. Above all else, before starting an evaluation, be crystal clear about your purpose in conducting the evaluation (Decenzo & Robbins, 2010).
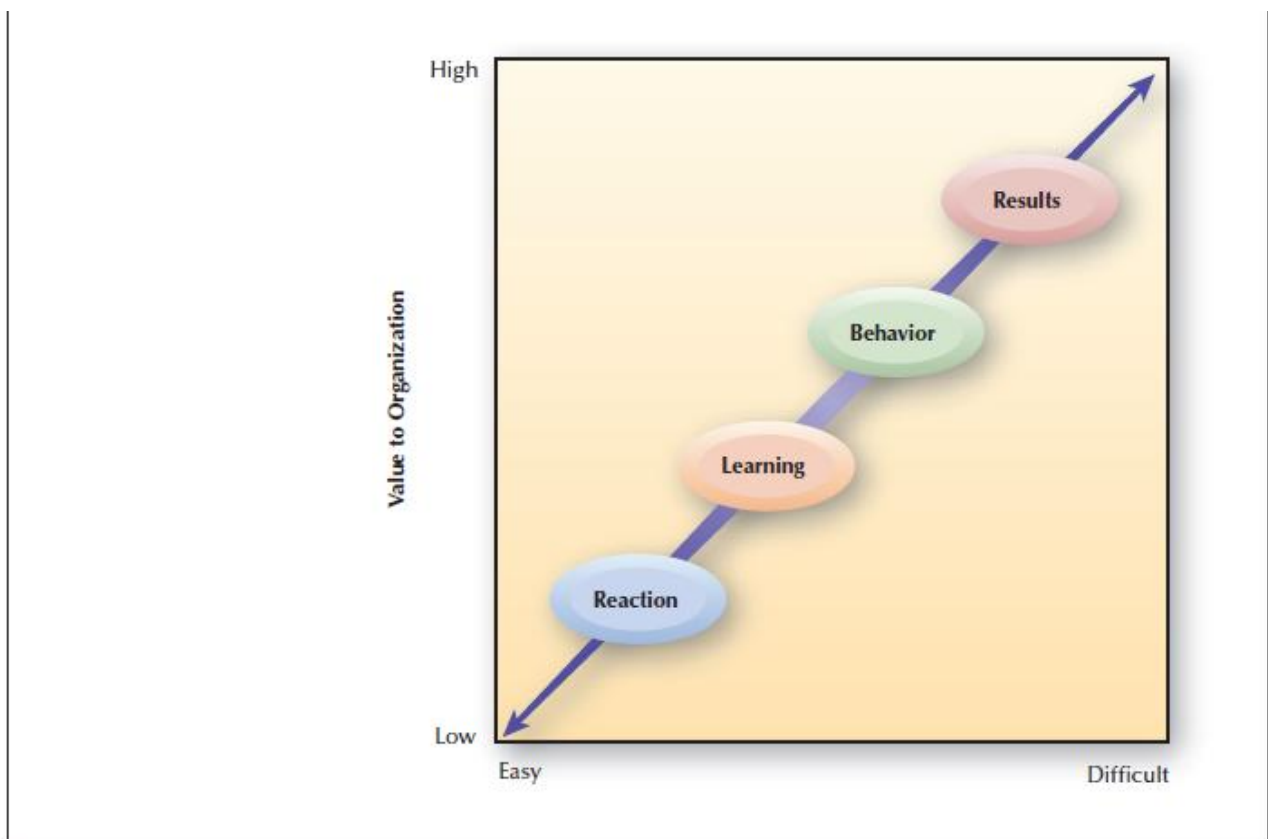
Figure 5: Kirkpatrick's Levels of Training Evaluation
Source: Mathis & Jackson (2011)

Katharine & Barbara, 2007 as cited in (Mathis & Jackson, 2011) stated that the evaluation of training becomes successively more difficult to do as it moves from measuring reaction to measuring learning to measuring behavior and then to measuring results. But the training that

affects behavior and results versus reaction and learning provides greater value in viewing training as a strategic performance contributor.

Training Evaluation Metrics Training is expensive, and it is an HR function that requires measurement and monitoring. Cost–benefit analysis and return-on-investment (ROI) analysis are commonly used to measure training results, as are various benchmarking approaches.

Cost-benefit analysis

Any training or development implemented in an organization effort must be cost effective. The benefits gained must outweigh the costs of the learning experience. It is not enough to merely assume that any training an organization offers is effective; we must develop substantive data to determine whether our training effort is achieving its goals. Did the training correct the deficiencies in skills, knowledge, or attitudes we assessed as needing attention? (Decenzo & Robbins, 2010) Training results can be examined through cost– benefit analysis, which is comparison of costs and benefits associated with training.

There are four stages in calculating training costs and benefits:

- ° *Determine training costs***:-** Consider direct costs such as design, trainer fees, materials, facilities, and other administration activities.
- ° *Identify potential savings results:-* Consider employee retention, better customer service, fewer work errors, quicker equipment production, and other productivity factors.
- ° *Compute potential savings***:-** Gather data on the performance results and assign dollar costs to each of them.
- ° *Conduct costs and savings benefits comparisons:-* Evaluate the costs per participant, the savings per participant, and how the costs and benefits relate to business performance numbers. Therefore, in principle no training should take place unless it is commercially justifiable (the benefits exceed the costs), and it complements the strategy of the organization.
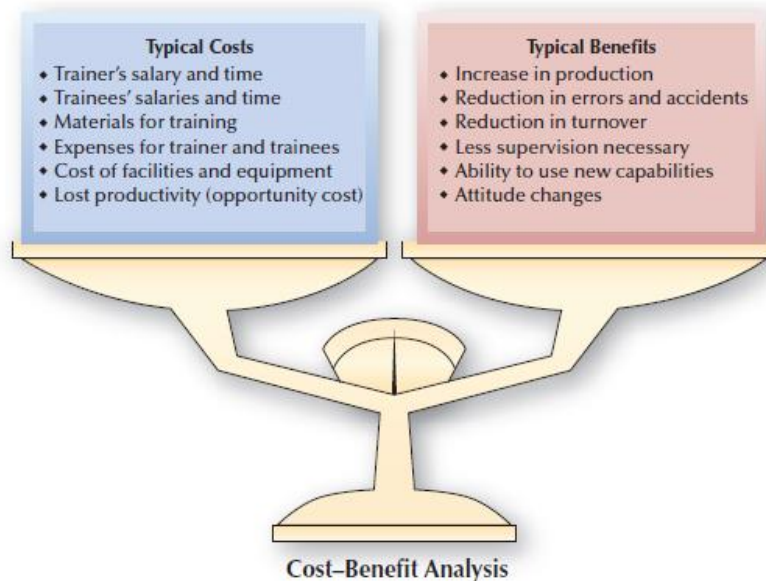
Figure 6: Possible Costs and Benefits in Training

Source: Mathis & Jackson (2011)

Return-on-Investment Analysis and Benchmarking

In organizations, training is often expected to produce Return on Investment (ROI). This is easier if some output can be measured such as an increase or decrease in costs, sales, production, employee turnover, or revenue. In these cases, HR can calculate a return on the investment by determining the benefit of the training and dividing it by the training expense (Decenzo& Robbins, 2010).

In addition to evaluating training internally, some organizations use benchmark measures to compare it with training done in other organizations. To do benchmarking, HR professionals gather data on training in their organization and compare them with data on training at other organizations in the same industry and in companies of a similar size (Mathis & Jackson, 2011).

2.2.6 On Time Training

Just-in-time training is training that is closely linked to the pressing and relevant needs of people by its association with immediate or imminent work activities. It is delivered as close as possible to the time when the activity is taking place. The training will be based on an identification of the latest requirements, priorities and plans of the participants, who will be briefed on the live situations in which their learning has to be applied. The training program will take account of any

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transfer issues and aim to ensure that what is taught is seen to be applicable in the current work situation (Armstrong, 2009). Even if the training is designed properly and delivered in a proper way, if it is not given on time it would be a waste of time. So organization should consider in delivering the training on time.

2.2.7 Factors to be Consider in Training and Development

The operation of a successful training and development program requires that due consideration given to a number of factors (Haslinda & Mahyuddin, 2009).

i. Planning the program;

ii. Organization of training program;

iii. Selection of the trainees and trainers;

iv. Adherence to rules or principles of training.

i. Planning the Program

Along with a good organization, a careful planning is the most important prerequisite of training. When such aspects as where, who, how, what, and when are preplanned in a training program, the result will be fewer mistakes and better trainees when the program gets under way (Noe, 2011).

ii. Organization of Training

A training program has a much better chance of being effective if it is well organized (Abdullah, 2009). To begin with; first, one person or unit in the organization should be made responsible for training. In a small company, a line executive will have to be given this responsibility. In larger organizations the HR manager or a training director should be assigned the task of planning, organizing, and evaluating the program. Second, a training program must be presented to the top level of the organization to be most effective. Unless the interest and prestige of the administrative levels are behind it, a training program will be accepted with reluctance by the lower levels.

iii. Selection of Trainees and Trainers

Another basic factor in training and development is selecting appropriate employees. In as much as, training costs, money, expenditures are warranted only for those from whom the greatest

returns will be received. The selection and training of trainers is also significant and it is an excellent opportunity for supervisors who become skilled in training methods (Abdullah, 2009*)*.

iv. Rules of Training

It is desirable here to note some rules that should be followed if a training program is to be effective. To begin with in planning a program, it is wise to determine how frequently instruction should be given, types of materials, and visual and audio devices upon the training process (Haslinda & Mahyuddin, 2009).

2.2.8 Consequences in the Absence of Training and Development

Failure to conduct employee training and development can contribute to (Neitzel, 2006):

- o Constraints on business development;
- o Higher labor turnover;
- o Increased overtime working;
- o Higher rates of pay, overtime premiums and supplements;
- o Higher recruitment costs, including advertising, time and incentives;
- o Greater pressure and stress on staffs;
- o Pressure on job-evaluation schemes, grading structures, payment system and career structure;
- o Higher training costs;
- o Additional retention costs in the form of flexible working time, job sharing, part time working, shift working.

2.3 Empirical Literature Reviews

A number of researches' that have been made by many researchers' were trying to assess and examine the effect of training on employee performance using proposing their own assumption. Each of the researches has their own distinctions and conducted with different context and in different country. However their findings are support the existing theories.

Existing literature presents evidence of an existence of obvious effects of training and development on employee performance. Some studies have proceeded by looking at performance in terms of employee performance in particular (Elnaga & Imran, 2013); (Sultana, Irum, Ahmed, &Mehmood, 2012); (Onyango & Wanyoike, 2014) while others have extended to a general outlook of organizational performance (Tharenou, Saks, & Moore, 2007). In one way or another, the two are

related in the sense that employee performance is a function of organizational performance since employee performance influences general organizational performance.

Sultan et al., (2012) conducted a study on impact of training and development on employee performance. In their study Training practices of Telecommunication Sector in Pakistan were examined to determine their impact on Employee performance. Based on a combination of literature review and questionnaire surveys, their paper explores that for any organization to succeed in achieving the objectives of its training program, the design and implementation must be planned and systematic, tailored towards enhancing performance and productivity. The researchers used 360 questionnaires that should be distributed among the employees of five telecom companies in Pakistan. The proposed hypothesis of the study states that there is positive effect of training on employee performance. From the analysis the researchers found that there is a strong positive effect of training on employee performance. The research observed that most organizations meet their needs for training in an ad hoc and haphazard way while others set about identifying their training needs, then design training activities in a rational manner and finally assess the results of training. The study concludes that if organizations invest in right type of employee training it can enhance employee performance as well as competencies and skills. In addition, training is seen as a useful means of coping with changes fostered by technological innovation; market competition, organizational structuring and most importantly it plays a key role to enhance employee performance (Sultana, Irum, Ahmed, & Mehmood, 2012).

Tharenou, Saks & Moore, 2007 conducted a review and critique of research on training and organizational level outcomes. Their paper aims to increase the understanding of the effects of training on organizational level outcomes by reviewing the results of previous studies that have investigated the relationship between training and human resource, performance, and financial outcomes.

The results of meta-analysis from 67 studies suggest that training is positively related to human resource outcomes and organizational performance but is only very weakly related to financial outcomes. The relationship between training and firm performance may be mediated by employee attitudes and human capital. Furthermore, the researchers said that training appears to be more strongly related to organizational outcomes when it is matched with key contextual factors such as organization capital intensity and business strategy, in support of the contingency perspective. The

paper concludes with a critique of previous studies and directions for future research. Particular emphasis is given to the need for future research to integrate individual-level (micro) and organizational-level (macro) training research, models, and theory (Tharenou, M.Saks, & Moore, 2007). In general, from different literatures and summary of some researchers' findings we can understand that there is a relationship between training and employees' performance.

2.4 Conceptual Framework

Training should be systematic in that it is specifically designed, planned and implemented to meet defined needs (Armstrong, 2009). There are different models that show the steps in the training and development process, though the contents are more or less the same. According to Kulkarmi, 2013 there are four steps: Assessment of training needs, designing of training programs, Implementation (Delivery) of training programs and Evaluation of training programs.

Identifying individual and company-wide training needs is a first step to increasing productivity and performance, creating sustainable value from human capital, and retaining talented employees (Gilley, Gilley, Quatro, & Dixon, 2009). Once training needs have been identified using the various analyses, training objectives and priorities must be established to design the training properly. (Sishan Solomon, 2014) Delivery style is a very important part of Training and Development. Employees are very conscious about the delivery style (Armstrong, 2000). If someone is not delivering the training in an impressive style and he/she is not capturing the attention of the audience it is means he/she is wasting the time. It is very necessary for a trainer to engage its audience during the training session. And even if the training is delivered in a proper manner if it is not delivered timely to the trainees' it will be a waste of resource. Training evaluation is a difficult and complex task but the most important activity in the training process because it is the final logical stage; and organizations should assess their training efforts systematically. The main objective of training evaluation is to prove that the training has actually taught what was intended and to improve the course contents for future use (Hamidun, 2009)

Every phase should be inter-related and in order to come up with an effective training program, close attention should be given right from the first step up to the last step of the process.
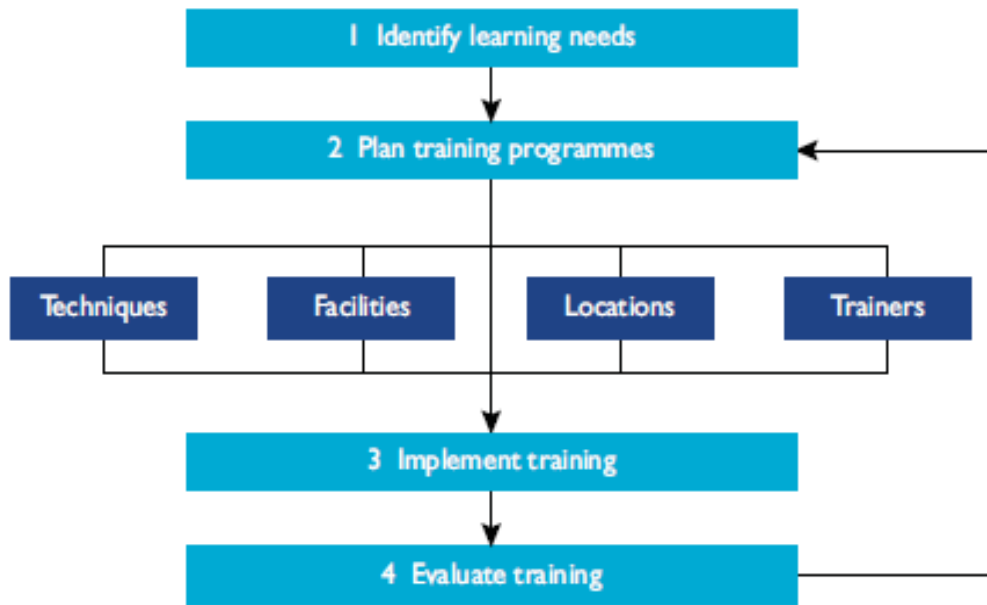
Figure 7: Conceptual Framework

Source: Armstrong (2009)

CHAPTER THREE
RESEARCH METHODOLOGY

This study adopts both quantitative and qualitative data (mixed method research) in order to study the assessment of training and development practical aspects of Awash Insurance Company Share Company. A mixed method approach is one in which the researcher collects, analyzes, and "mix" or "integrates" both quantitative and qualitative data in a single study to understand a research problem (Creswell, 2003). Hence, by applying the mixed method the researcher has ensured the strength of the findings towards being more objective and generalizable to the entire population.

3.1- Research Design

The primary aim of this study is to assess the employee training and development practice in Awash Insurance Company Share Company. To achieve this objective, descriptive type of research design with a mixed approach was employed. The descriptive type of research design helps to portray accurately the characteristics of a particular individual, situation or a group (Creswell, 2003). In this study the descriptive research design was employed 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, 2003). Therefore, by using a mixed approach it is able to capitalize the strength of quantitative and qualitative approach and remove any biases that exist in any single research method.

3.2- Source of Data and Collection Methods

The necessary data for this study were collected from both primary and secondary sources. The primary data was collected through questionnaires from non managers and structured interview from HR manager, Department of managers and senior training and development officers of AIC. The questionnaire designed for this study was distributed to the selected employee's of the company. The secondary data was collected from different books, company reports, and hand outs written on training and development, and Personal file. When necessary, relevant documents in related to training and development were downloaded from web sites.

3.3- Target Population

The population of the study consists of employees who were working in Awash Insurance Company Share Company Head Quarter and 25 branches in Addis Ababa.

Table 3. **Employees of Target Population by Branch Category**

S/N	Branch Name	Branch Category	Male	Female	Total
1	Head Quarter	-	105	71	176
2	Life and Health	Main Br.	5	8	13
3	Bole	Grand Main Br.	22	25	47
4	Addis Ababa	Main Br.	9	10	19
5	Finfinne	Main Br	8	6	14
6	Merkato	Three	2	5	7
7	GofaMazoria	Three	3	4	7
8	Nefas silk	Three	3	4	7
9	Teklehaimanot	Three	2	6	8
10	Kolfe	Three	3	6	9
11	Gotera	Three	2	4	6
12	Central Merkato	Two	2	4	6
13	22 Mazoria	Two	3	3	6
14	WolloSefer	Two	1	4	5
15	Lideta	Two	3	2	5
16	Kazanchis	Two	2	4	6
17	Gerji	Two	2	4	6
18	DilGebeya	Two	2	3	5
19	Piazza	Two	3	2	5
20	Sheger	Two	1	3	4
21	Kaliti	Two	3	2	5
22	Gulele	One	1	3	4
23	SebategnaAkababi	One	2	2	4
24	Sar Bet	One	2	4	6
25	Birbirsa	One	2	1	3
26	Megenagna	One	1	3	4
	Total	**-**	**194**	**193**	**387**

Source: Human Resource Department (AIC), 2016

3.4-   Sampling Design

Since the target population of the study is employees of Awash Insurance Company, the researcher applied stratified random sampling method to select samples from the target population. According to Kothari, 2004 stratified sampling results in more reliable and detailed information enables to get more representative samples. In Awash insurance company there are Head office, one grand main branch, three main branches, six branch three categories, ten branch two categories, and five branch one categories. Accordingly, the researcher uses the six categories as stratums which will be more appropriate to collect data. Simple random sampling technique employed once the six different strata's are identified. This is because all the branches in a given stratum are homogenous (have same level of educational backgrounds and level of job category) and this means all employees who are in different branches have an equal access and information about the training and development practice of the company. The researcher applied sampling technique which makes stratification economically and likely to give accurate results so that the interviews were Human resource manager, Department Managers and concerned persons (Training and development officers) who organize the implementation of training and development.

Table 4: No of Employees by Branch Category

S/N	Category	No of Branches	No of Employees
1	Head Quarter	1	176
2	Grand Main Branch	1	47
3	Main Branches	3	46
4	Branch Three	6	44
5	Branch Two	10	53
6	Branch One	5	21
Total		**26**	**387**

Source: Human Resource Department (AIC), 2016

In order to determine the sample size, the study used the formula below based on 95% of confidence interval and 5% of acceptance error.

$$n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2 \left(N - 1\right) + z^2 \cdot p \cdot q}$$

Where,

N = size of total population;

n = size of sample.

P = sample proportion, q = 1-p;

Z = the value of the standard variants at a given confidence level and to be worked out from table showing area under Normal Curve; At 95% confidence level the value of Z = 1.96

e=is acceptable error

Source: (Kothari, 2004)

$$n = \frac{1.96^2 \times (0.5) \times (0.5) \times 387}{0.05^2 \times (387-1) + 1.96^2 \times (0.5) \times (0.5)} = 193.0377$$

$$n \approx 193$$

Therefore, from the target population of 387, the sample size is 193 employees.

The total sample size will be allocated to the six stratums proportional to their population size by the following formula.

The strata sample is determined as $nx = \frac{Nx}{N} \times n$

Head Quarter $= \frac{176}{387} \times 193 = 88$

Grand Main Branch $= \frac{47}{387} \times 193 = 24$

Main Branches $= \frac{46}{387} \times 193 = 23$

Branch Three $= \frac{44}{387} \times 193 = 22$

Branch Two $= \dfrac{53}{387}$ x 193 = 26

Branch One $= \dfrac{21}{387}$ x 193 = 10

Thus, the study was taken a total of 193 sample size of which 88 employees from Head quarter, 24 employees from Grand main branch, 23 employees from Main branches, 22 employees from branch three, 26 employees from branch two and 10 employees are from branch one categories.

3.5- Methods of Data Analysis

In this study to analyze the collected data descriptive data analysis method were employed. Descriptive statistics helps to describe the general level of agreement of respondents. It reveals the conformity of respondents' attitude about the training and development practice in the company. The data collected through questionnaires were analyzed using SPSS. Data collected through interviews interpreted qualitatively. In addition, Frequency and percentage is used to present the data. Finally, the researcher used to validate the result by measuring different data sources of information and examining evidence from the source to determine the accuracy of the findings. Adequate steps were taken to ensure the validity of the questionnaire and for its validity, content validity is determined. The results presented through tables and charts which is appropriate to easily understand the analysis result.

3.6- Reliability and Validity Test

Cronbach's alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. It was first named after Lee Cronbach in 1951, as he had intended to continue with further coefficients. The measures can be viewed as an extension of the Kuder-Richardson Formula 20 (KR-20),which is an equivalent measure for dichotomous items (http://en.wikipedia.org/wiki/Cronbach's_alpha). Hence, according to Lombard (2010), Coefficients of 0.9 or greater are nearly always acceptable, 0.8 or greater is acceptable in most situations, and 0.7 may be appropriate in some exploratory studies for some indices. By tracing this literature the researcher will test the reliability of the items which are developed from respondents.

Table 5: Reliability and Validity Test

Items	Reliability Statistics	
	Cronbach's Alpha	N of Items
T & D Need Assessment	.736	8
T & D Design Measurement	.953	6
T & D Delivery/Implementation	.974	14
T & D Evaluation	.937	6
Total	**.962**	**34**

Source: Survey result (2016)

3.7- Ethical Considerations

In order to secure the consent to the study, the researcher clearly communicates the purpose and aim of the study. In addition, the researcher notifies the participants to participate in the research willingly. Moreover, the researcher notifies the participants not to disclose their names; and also assuring anonymity of data meaning the information from the respondents are confidential and not be used for any personal interest. All assistance, collaboration of others and sources from which information is drawn will be acknowledged. The following ethical considerations are the base of this study.

- Fairness,
- Openness of intent,
- Disclosure of methods,
- Respect or the integrity of the individuals,
- Informed willingness on the part of the subjects to participate voluntarily in the research.

CHAPTER FOUR

DATA ANALYSIS AND SUMMARY OF RESULTS

This chapter deals with analysis and summary of the results of the data on the Assessment of training and development practice in Awash Insurance Company Share Company. The data were gathered through questionnaires, interview and reviewed documents.

4.1.   Demographic Characteristics of the Sample Population

The statistical program used for the analysis and presentation of data in this study is the Statistical Package for the Social Sciences (SPSS) version 20. Descriptive analysis of the study is presented. One hundred ninety three (193) questionnaires were distributed to the respondents and out of 193 questionnaires, 173 of them were collected that accounts 89.63% of the response rate. Accordingly, the analysis of this study is based on the number of questionnaires collected.

4.1.1- Respondents Gender

The researcher sought to establish the respondents' gender and the research findings indicated that, 46.24% were female while 53.76 % were male.
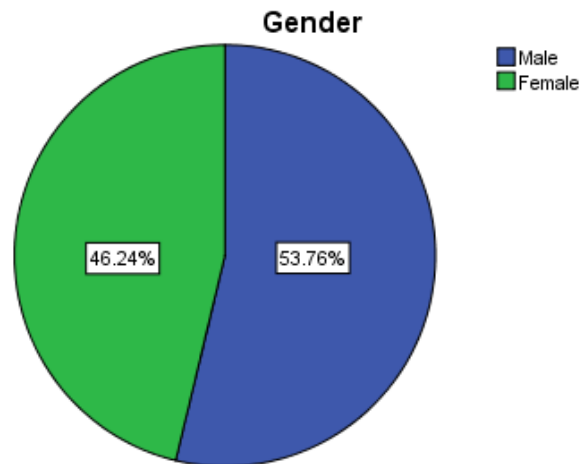
Figure 8: Gender

Source: Survey result (2016)

4.1.2- Respondents' Age Bracket

The respondents were requested to indicate their age bracket.

Table 6: Respondents Age Bracket

Age		Frequency	Percent	Valid Percent	Cumulative Percent
	18-30	84	48.6	48.6	48.6
	31-40	56	32.4	32.4	80.9
Valid	41-50	28	16.2	16.2	97.1
	Above 50	5	2.9	2.9	100.0
	Total	173	100.0	100.0	

Source: Survey result (2016)

The results in Table 6, indicates that 48.6% of the respondents were between 18-30 years, 32.4% of the respondents were between 31 and 40 years, 16.2% of the respondents were between 41 and 50 years while 2.9% of respondent were above 50 years of age. The results indicated that majority of the respondents were between eighteen and thirty years.

4.1.3- Respondents Education Levels

The respondents were requested to indicate their education level.

Table 7: Respondents' Education Levels

Education		Frequency	Percent	Valid Percent	Cumulative Percent
	Certificate	5	2.9	2.9	2.9
	Diploma	18	10.4	10.4	13.3
Valid	Degree	144	83.2	83.2	96.5
	Masters & Above	6	3.5	3.5	100.0
	Total	173	100.0	100.0	

Source: Survey result (2016)

The result in the above table 7 indicates that (2.9%) of respondents were certificate level, 10.4% of them were diploma holders. 83.2% of the respondents were degree holders while 3.5% of

them were Masters and above education levels. The result indicated that the majority of respondents which is 97.1% were diploma and above education levels.

4.1.4- Respondents Work Experiences

The respondents were requested to indicate their work experience.

Table 8: Respondents' Work Experiences

		Frequency	Percent	Valid Percent	Cumulative Percent
	Less than 5 years	39	22.5	22.5	22.5
	6-10 years	65	37.6	37.6	60.1
Valid	11-15 years	41	23.7	23.7	83.8
	16-20 years	22	12.7	12.7	96.5
	Above 20 years	6	3.5	3.5	100.0
	Total	173	100.0	100.0	
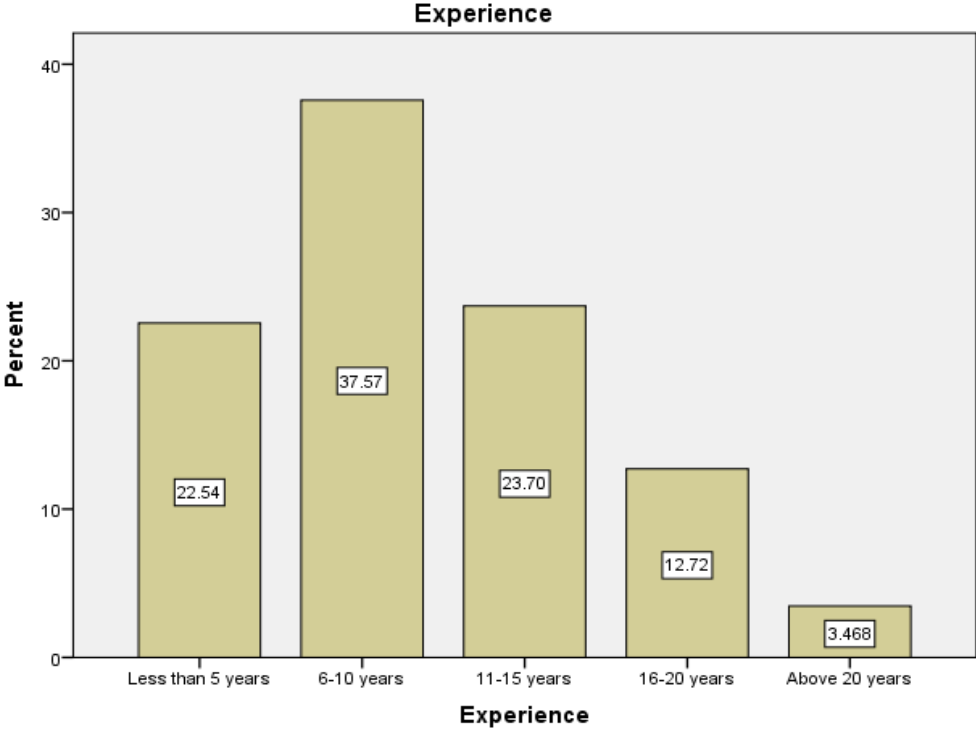
Source: Survey result (2016)

The above table 8 indicates that the 39 (22.5%) of the respondents have been working in Awash insurance company less than 5 years. Similarly 65 (37.6%), 41 (23.7%), 22 (12.7%) and 6 (3.5%) of them served the insurance for 6-10 years, 11-15 years, 16-20 years and above

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20 years respectively. The results indicated that majority of the respondents have worked in Awash Insurance Company for more than five years and thus they have awareness on practices regarding training and development.

4.1.5- Respondents Training Practice

The respondents were requested to indicate their training practices.

Table 9: Respondents Training Practice

Attend Training

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	16	9.2	9.2	9.2
	1-3 times	111	64.2	64.2	73.4
	4-6 times	42	24.3	24.3	97.7
	7-10 times	4	2.3	2.3	100.0
	Total	173	100.0	100.0	
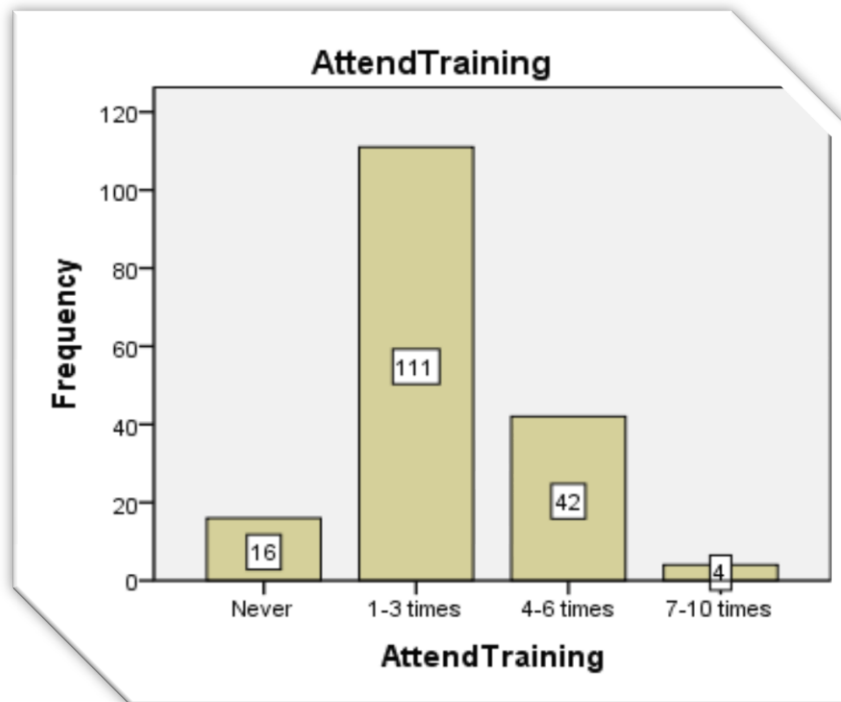
Source: Survey result (2016)

The results in Table 9, indicates that 16(9.2%) of the respondents have never taken training. 111(64.2%), 42(24.3%), and 4(2.3%) of the respondents have taken a training from 1 to 3

times, 4-6 times and 7-10 times respectively. The results indicated that majority of the respondents have a practice of trainings.

4.2- Research Findings

Based on the questionnaire and interview, the analyses are indicated below.

4.2.1 Training and Development Need Assessment

According to the data gathered from the interview conducted with the HR manger and training development officer of the company, need assessment is the base for the identification of training needs. To identify those needs they use a standardized questionnaire and in addition they ask the managers/supervisors to identify the areas of gaps in which training is needed based on strategic plan and objectives. As mentioned by the HR manger, a problem that they faced in this process is that, the company has not training and development policy resulting failure to practice need assessment properly. As he indicated that, the draft has been prepared and waiting higher official approval, so that the document has not yet approved, it could not able to communicate to the employee.

Table 10: Employees Response on T & D Needs Assessment

Items	Strongly disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean	Std. Dev
	F	%	F	%	F	%	F	%	F	%			
The company's training and development practice has been developed in accordance with HR policy.	3	1.7	34	19.7	85	49.1	45	26	6	3.5	173	3.1	.812
The company measures determining the appropriateness of training and development given the company's business strategy.	1	.6	27	15.6	82	47.4	45	26	18	10.4	173	3.3	.877
Training and development were organized based on need assessment result.	2	1.2	4	2.3	13	7.5	117	67.6	37	21.4	173	4.06	.696

Items	Strongly disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean	Std. Dev
	F	%	F	%	F	%	F	%	F	%			
The company analyzes the human resource data which indicate areas where training could improve performance regarding high turnover.	5	2.9	12	6.9	28	16.2	101	58.4	27	15.6	173	3.77	.898
The company anticipates and plan for training and development for changes in related to future employee pool.	5	2.9	27	15.6	40	23.1	75	43.4	26	15	173	3.52	1.021
The company's training and development program were conducted based on the tasks and skills in related to the employees' job.	2	1.2	6	3.5	26	15	106	61.3	33	19.1	173	3.94	.764
The company's training and development program were conducted based on lack of knowledge, skill or ability or motivational aspect of the employee.	2	1.2	4	2.3	16	9.2	119	68.8	32	18.5	173	4.01	.690
Employees were surveyed, Interviewed or tested to determine their training needs.	2	1.2	6	3.5	28	16.2	104	60.1	33	19.1	173	3.92	.770

Source: Survey result (2016)

Table 10 shows that employees' response regarding the needs assessment of training and development in their company. They are asked whether their company's training and development need analysis developed in accordance with HR policy and business strategy, the majority of the respondents remained neutral to the question with a mean of 3.1 and 3.3 respectively. The majority of the respondents were agreed and shows mean of 4.06 regarding training and development is based on the need assessment result. For the questions, regarding plan for changes to future employee pool, training program conducted based on related job,

training program based on lack of knowledge, skill or ability and employee training needs, the majority response shows that, their response for need assessment practice of the company with a mean value of 3.52, 3.94, 4.01 and 3.92 respectively.

Summary of Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.702	3.098	4.058	.960	1.310	.127	8
Valid N (list wise)	173						

All respondents were responding for the questions regarding training and development training need assessment practice. Even though the mean value for the training and development need assessment practice of the company is 3.702. As the majority of the respondents agreed for need assessment practice, it's difficult to conclude that the company practicing good enough as mean usually indicates the central tendency of all responses. So the number of respondents who disagreed and remained neutral shows that the company training and development need assessment practice did not developed with the policy and business strategy and not practiced effectively.

4.2.2 Training and development Design Measurements

The respondents were requested to indicate their training and development design measurements practice in AIC.

Table 11: Employees Response on T & D Design Measurements

Items	Strongly disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean	Std. Dev
	F	%	F	%	F	%	F	%	F	%			
The company sets objectives for Training and Development.	13	7.5	27	15.6	80	46.2	48	27.7	1	.6	169	2.98	.883
T &D objectives of the company define the performance that trainees should be able to exhibit after training.	1	.6	19	11	61	35.3	75	43.4	17	9.8	173	3.51	.840
Training and Development were set in consideration of the company's goal.	10	5.8	34	19.7	80	46.2	44	25.4	5	2.9	173	3.00	.896

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Items	Strongly disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean	Std. Dev
	F	%	F	%	F	%	F	%	F	%			
The Company training contents can fully satisfy the objectives set to fulfill the training gap.	6	3.5	13	7.5	35	20.2	111	64.2	8	4.6	173	3.59	.835
The company design training contents which are closed to the actual job to be performed by the employees.	4	2.3	15	8.7	17	9.8	128	74	9	5.2	173	3.71	.791
T &D program you have taken with clear objectives provide you greater job satisfaction.	7	4	58	33.5	65	37.6	42	24.3	1	.6	173	2.84	.861

Source: Survey result (2016)

In the above table 11, item no. 1 shows that the majority respondents i.e. 80 (46.2%) remain neutral that the company sets training and development objectives while designing, 48(27.7%) of the respondents agreed for this question and the remaining 13(7.5%), 27(15.6%) and 1(.6%) of respondents strongly disagree, disagree and strongly agree respectively for the same question. As item no.2 indicates the majority 75(43.4%) of the respondents agreed that their company define the performance of the trainee after training.

The other question that was asked to the respondents was training and development set referring the company goal. The majority response 80(46.2%) was remain neutral. The company should have to communicate the employee about the objectives of training and development. In related to item 4 question, Even if the majority 111 (64.2%) respondents were agreed for the design content of objectives set to fulfill training gap, some of the respondents 6(3.5%)strongly disagreed, 13(7.5%), 35(20.2%) remain neutral and 8(4.6%) strongly agreed. Regarding training with actual job to be performed, the majority 128(74%) response were strongly agreed to this idea. From this figure it's possible to say that even if the majorities employees agree on this idea, a substantial number of employees also don't have any idea on the raised issue. The majority 65(37.6%) remain neutral in related to satisfaction for the objectives designed by the company. Respondents of 58(33.5%) disagreed, 42(24.3%) agreed, 7(4%) strongly disagree and 1(.6%) strongly agreed for this question.

Based on interview, following the needs assessment stage, the company continues to be engaged in the design stage. According to the training and development officer, the company designed the training and development program based on the gap analysis and collected during the TNA assessment survey at the beginning of the year. The design stage involves identifying the type of training to be given, content of the training, the method of training delivery, venue and duration of the training, the trainer, and specific training materials to be used during the sessions by setting clear and measurable training objectives while designing. In addition, the company also tries to ensure that the trainings being given to employees have a direct relevance to current job of the trainees.

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum/ Minimum	Variance	No of Items
Item Means	3.298	2.858	3.751	.893	1.313	.149	6
Valid N (list wise)	169						

As the above summary item statistics shows, the total number of the respondents were 169 from the total sample size of 173. 4 respondents were not responding on item number 1 question indicated on table 11. And also the total mean scale for training and development design is 3.298. From this we can conclude that even if the mean of training design is neutral, we should not ignore the variables of training design measurements which were rated below 3 (i.e. 2.98, 2.84) in table 11. In those points the numbers of respondents who disagreed and who are indifferent are significant in number. And this shows that there is a gap in the training and development design practice in the company. And also the effect of training needs assessment is reflected in this process because trainings are designed based on the identified needs.

4.2.3 Training and Development Delivery Practice

Delivery method is the third process of training and development. Referring to interview, both the on-the job and off-the job training methods are applying to deliver the training. However, the company more practically involved on case study and lecture, there is lack on other training techniques. The other issue raised upon interview was, regarding the trainer selection method; the training officer assured that the company has no clear cut criterion to select suitable trainers. Mostly, as a rule of thumb, the company used word of mouth information from other similar

entity as a reference. Regarding trainee selection, Employees are selected mostly based on area of assignment, seniority, course correlation with their current engagement, opinion of working units, and level of performance and management discretion.

Table 12: Employees Response on Training and Development Delivery Practice

Items	Strongly disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean	Std. Dev
	F	%	F	%	F	%	F	%	F	%			
The company uses different training methods or techniques under on-the job training or off-the job training (job rotation, coaching, case study, orientation, role play.)	18	10.4	88	50.9	21	12.1	34	19.7	7	4	168	2.55	1.06
I am satisfied for the training method the company practiced.	5	2.9	73	42.2	24	13.9	52	30.1	14	8.1	168	2.98	1.097
I am satisfied with the company's trainee selection criteria.	17	9.8	56	32.4	22	12.7	71	41	7	4	173	2.97	1.138
The delivery method that the company used is convenient to get the necessary knowledge and skills.	14	8.1	31	17.9	17	9.8	103	59.5	8	4.6	173	3.35	1.082
The company give due emphasis to training need analysis (TNA) for its training practices to ensure training effectiveness.	5	2.9	40	23.1	17	9.8	102	59	9	5.2	173	3.4	.993
The training provided by the company helped me to perform my work quickly and efficiently.	6	3.5	33	19.1	25	14.5	104	60.1	5	2.9	173	3.4	.945
The training materials and teaching aids are complete and appropriate to the level of trainees.	9	5.2	20	11.6	21	12.1	112	64.7	11	6.4	173	3.55	.961
The training environment is conducive to conduct Training.	11	6.4	16	9.2	13	7.5	124	71.7	9	5.2	173	3.6	.957

Items	Strongly disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean	Std. Dev
	F	%	F	%	F	%	F	%	F	%			
Training schedule is compatible with job type.	7	4	11	6.4	22	12.7	122	70.5	11	6.4	173	3.69	.846
Training schedules are clearly announced for the trainees.	4	2.3	25	14.5	21	12.1	112	64.7	11	6.4	173	3.58	.896
I assume the material, hand-outs and/or activities useful to the training provided to me are adequate and helpful.	9	5.2	30	17.3	11	6.4	115	66.5	8	4.6	173	3.48	1.003
The trainers' have subject matter expertise, ability to communicate their knowledge clearly, interpersonal skills, ability to motivate others.	15	8.7	68	39.3	24	13.9	59	34.1	7	4	173	2.86	1.109
The trainer practiced effective time management.	8	4.6	13	7.5	16	9.2	127	73.4	9	5.2	173	3.67	.870
I am satisfied with the training condition including the material and facility of the training I can accomplish activities without waste.	3	1.7	13	7.5	27	15.6	119	68.8	11	6.4	173	3.71	.770

Source: Survey result (2016)

As the above table 12 shows from the items listed under delivery method dimensions, the item with the lowest mean (2.55) and 88(50.9%) respondents disagreed whether there is an opportunity of different methods or techniques were applied in the company. And the majority under item 2, 73(42.2%) disagreed on the method the company practiced. The second lowest mean (2.86) refers to the trainers' subject matter expertise, ability to communicate their knowledge clearly, interpersonal skills, and ability to motivate others. Even though some 59(34.1%) of the respondents agreed with the trainer, majority 68(39.3%) of the respondents disagreed and 24(13.9%) remains neutral. This indicates that if there is failure to assign proper trainer, the trainee couldn't grasp sufficient knowledge, skill and attitude so that gap happen. Based on the interview with HR manager, there is a problem in areas of insurance industry

obtaining expertise easily and most of them are involved on the day to day activities of their business. Moreover, unable to give such training program on time due in availability of expertise as the company desired. HR manager added that, the trainers are communicated in advance to properly deliver the trainings. Some employees mentioned that even though some of the trainers are knowledgeable, they were not able to demonstrate the training properly and this shows that there is a gap in the trainers. The third item on the above table indicated that, even if 71(41%) agreed on the trainee selection criteria practiced in Awash Insurance, the majority 56(32.4%) disagreed on the idea. It indicates that the trainee is selected randomly. This implies that there is lack of employee data management system and also referring to employee who attends training under demographic part is 16(9.2%) respondents. On the other side, in connection with training environment, training schedule, announcing training schedule, adequate training materials and handouts, and trainers effective time management, the majority 124(71.7%), 122(70.5%), 112(64.7%), 115(66.5%), and 127(73.4%) respondents were agreed for the items listed with mean value of 3.6, 3.69, 3.58, 3.48 and 3.67 respectively. Even if the majority were agreed, some respondents disagreed for the ideas indicated. It is possible to say that, the company is focus on the training aids which are essential for transferring knowledge without inconvenient. Meanwhile, need to measure action on job related topics transfer to the trainee, selection of trainees and trainers and also training methods or techniques.

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.336	2.548	3.696	1.149	1.451	.127	14
Valid N (list wise)	168						

As the above summary item statistics shows that the total numbers of the respondents were 168 from the total sample size of 173. 5 respondents were not responding on item number 1 and 2 questions indicated on table 12. And also the total mean scale for training and development delivery practice is 3.336.

4.2.4 Training and Development Evaluation Practice

The respondents were requested to indicate their training and development evaluation practices.

Table 13: Employees Response on T & D Evaluation Practice

Items	Strongly disagree		Disagree		Neutral		Agree		Strongly Agree		Total	Mean	Std. Dev
	F	%	F	%	F	%	F	%	F	%			
The Company evaluates training and development program.	23	13.3	63	36.4	20	11.6	60	34.7	7	4	173	2.8	1.171
The Company uses **methods** to evaluate training and development programs (Test, Interview, Questionnaire, performance appraisal report.	26	15	53	30.6	42	24.3	51	29.5	1	.6	173	2.7	1.068
The Company evaluates **Trainees' reactions**: Feeling and opinion of the trainees about the programs' material, facilities, methods, contents, trainers, durations and relevance of the program.	6	3.5	24	13.9	40	23.1	93	53.8	10	5.8	173	3.45	.924
The Company evaluates **Learning outcomes**: The skills, knowledge and attitudes acquired during the program.	21	12.1	29	16.8	37	21.4	82	47.4	4	2.3	173	3.11	1.102
The Company evaluates **Behavior change**: The change in on-the-job performance, which can be attached to the program.	7	4	49	28.3	32	18.5	80	46.2	5	2.9	173	3.16	1.002
The company evaluates **Results**: The effect in the organization's performance resulting from the change of behavior such as: cost saving, quality improvement, customer satisfaction	26	15	43	24.9	52	30.1	49	28.3	3	1.7	173	2.77	1.075

Source: Survey result (2016)

As the above table 13 indicates regarding company's training and development evaluation practice. Respondents for the question the company training evaluation practice, 63(36.4%) disagree and also 60(34.7%) agreed. As per the interview, the company training evaluation practice is during the training program. And the training evaluation conducted based on the feedback collected from the trainees about the methodology, and the overall approach of the training. Thus, this shows the company asks the trainees through questioners to evaluate the training and this type of evaluation method is only evaluates the reaction of the trainees' towards that specific training. But the training evaluation method should be more than that meaning it should evaluate the change on the performance that comes after the training program. And to do this testing the trainees' before and after the training and looking the performance result of the trainees' would be better since this shows the exact change on performance of the trainees' nevertheless the company only evaluates the reaction and they fail to evaluate the training properly. From the four training evaluation methods, company's evaluation method in result category is unsatisfactory. The mean score value for trainee reaction, Learning, Behavior and Result are 3.45, 3.11, 3.16 and 2.77 respectively.

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	2.996	2.699	3.445	.746	1.276	.084	6
Valid N (list wise)	173						

All respondents were responding for the questions regarding training and development training evaluation practice. And the above mean indicated that the respondents were not agreed with the effectiveness of training and development evaluation methods of the company. Failure on the trainee reaction, Learning outcome, Behavior change and on the Results, implies that makes it difficult to differentiate the change in performance of employees that was caused by the training and also the effectiveness of the training that were delivered to the employees. And also couldn't get sufficient information in connection with cost saving, quality improvement, customer satisfaction. This implies that the company is ineffective in implementation of the training and development evaluation method properly.

CHAPTER FIVE

SUMMARY, CONCULUSIONS AND RECOMMENDATIONS

5.1 Summary of Major Findings

The study has been conducted in Awash Insurance Company Share Company to assess training and development practices. The methodologies used to undertake the study were both primary and secondary data collection. Based on this the researcher has found out the major findings.

- The company doesn't have training and development policy in place so far. Since the document has not yet implemented, it couldn't communicate it to employees and apply accordingly.

- Training and development program do not have a tight link with the company's objective so that training and development programs create insignificant performance changes.

- In related to training and development objective setting practices, the insurance has set clear objectives but lack of communicating the objectives to concerned branch mangers before/or when to send an employee for a particular training and development.

- The respondents view to selection for trainee almost shows the selection of employees is random rather than based on employees' profile and trainees selection criteria even if employees deserve the gap to fill by the specific training program.

- Failure to assign expertise to trainee, unable to fill the gap in related to knowledge, skill and attitude so that couldn't apply training program on time.

- The company is not periodically analyzed management development need by taking in to consideration management as a need oriented effort.

- Mostly the company training method is on-the- job training method which is lecture and case studies. Absence in other training methods or techniques. Even if the department managers involved in the training practice, majority of the respondents are not satisfied on the job training method. Less emphasis is given for off-the-job training methods which have diversified knowledge for the employees.

- AIC has good practice of involving employees in training, majority of the respondents have participated in training. With regard to Training need assessment even if AIC tried to assess training needs, it still lacks to be systematic and involvement of all concerned parties, which is agreed by both management members and employees.

- Most of the time evaluations are implemented during training and development program conducted.

- The basic training and development steps (TNA, Design, Delivery and Evaluation) are not applied in an organized way.

5.2 Conclusions

This study was conducted in Awash Insurance Company Share Company with the general objective of assessing the training and development practice of the company. Questionnaire was the main source of data. These questionnaires are distributed for 193 employees of the insurance company. Among them, 173 questionnaires were collected and used to analyze the data. An interview was also conducted with the insurance company Human Resource Department manager, Department managers and senior training and development officers of the company. Based on the data presented and analyzed in chapter four of the study, the following particular findings were observed:

The analysis indicates that the company has not a training and development policy so that didn't implement the training and development processes properly. There are some respondents who took the training several times while some of them took the training only a couple of times and also some of them never attend training. This clearly demonstrates that there is a gap in allocation of employees for training program, as it is indicated in the interview this is due to poor documentation and knowledge management culture. Also according to the finding, majority of the respondent claimed that their company practice on training delivery method. As the data presented in chapter four, the company used a training method mostly on lecture and case study, less emphasis is given for other methods or techniques. Shortage on off- the- job training method among employees, create unable to grasp to relevant skill, knowledge and attitude. Based on the findings on interview, Lack of qualified trainers in the field of insurance did not satisfy the employees need as well as involve a problem to implement a business strategy and objectives.

The company has a training objectives and procedures, based on the data collected; no commitment is involved for the applicability of training process, so that the company couldn't effectively go through with training manual. In order to assess the existing training practice of the company, the study emphasized on the four process of training. Training process includes need assessment, design, delivery method and evaluation. And all of them were checked separately on the analysis.

Training and development needs assessment was the first variable to be discussed. The result regarding whether the company conduct a formal training needs assessment properly reveals

that majority of the respondents believed that the training needs assessment of the insurance company is not conducted properly. To identify the training needs of employees the company uses a questionnaire having list of training topics. In addition they use a direct observation of immediate supervisors to identify the areas of gaps in which training is needed. Based on the results of analysis, training needs assessment methods of the company did not identified the gaps properly. The interview made with the HR manager also indicated that even if their training process is started with the identification of training needs, the training need assessment practice of the insurance company did not identified the gaps and conducted properly and this is due to the lack of managers commitment to properly identify the performance gaps that should be filled with trainings.

Training and development design is the second stage of the training process. Summary of the result shows that even if there is a training design objective in place with the company did not implemented it properly. And this implied that the insurance company did not communicate the training objectives properly to their employees. And this showed that there is a gap in the training design method of the company. Moreover these gaps are produced due to the gaps that are created in the training needs assessment process of the organizations. The consequence of training needs assessment stage is reflected in this process because trainings are designed based on the identified needs in the needs assessment process.

The third process of training and development is the delivery (implementation) of training. The information gathered from the interview explained that the trainers are communicated in advance to properly deliver of the training. But some employees mentioned that even if some of the trainers are knowledgeable, they are not able to demonstrate the training properly and this shows that there is a gap in the trainers. From this we can conclude that the training delivery practice of the insurance company is not effective and satisfactory as it needs to be.

The last stage of training process is evaluation. According to the analysis majority of the respondents believed that there is no proper evaluation of training programs in their organizations. This assured that even if there is the practice of evaluating the training in the insurance company it is not conducted properly i.e. the effectiveness of training evaluation in the company is not satisfactory. Even though the company used a questionnaire to evaluate the reaction of trainees' after the training program, they are failed to use the other evaluation

methods. And this implies that not using the evaluation method properly makes it difficult to differentiate the change in performance of employees that was caused by the training and development. Less attention is concerned on Evaluation of learning outcomes, behavior change and result, unable to get relevant feedback for effective training and development practice.

5.3 Recommendations

- The company should have to implement training and development policy and apply accordingly for effective practice of training and development.

- The company should strengthen their data management system towards training management i.e. they should have an up to date records of those who attended training from those who haven't taken training so as to reduce the tendency of giving trainings repeatedly to the same employee. This is an impact for employee motivation that didn't get sufficient training and the company trainee selection criteria would be based on job profile of trainee and objective of the company.

- The company should give the training at the right time in order to bring the desired outcome. Even though the training is designed and delivered in a proper way, if it is not given on time it would be a waste of resource. So need to consider in delivering the trainings on time.

- Since the training and development need identification of the insurance company is practiced using questionnaire and direct observation of employees and managers, managers should be equipped with the proper skills on identifying training needs of employees as well as topics which is more appropriate to existing job. In addition, on top of developing their skills, managers should be leaning on the purpose of providing trainings to employees and why need identification takes the bigger portion of the training process. Moreover, identification of training needs using the performance appraisal report is applied insignificant and the absence of this practice makes it difficult to differentiate the actual performance gap of employees which will be filled by training. Hence, the company should improve their need assessment system and should be properly linked so that they can identify the exact performance deficiency caused by the absence of skills or knowledge that can be a solution by training.

- The analysis indicated that there is training and development design objectives in the company but it is not being implemented properly. Therefore, the company need to give due attention during the designing stage. They also need to ensure that they adhere to the design business strategy and objectives of the company during this stage. Furthermore

the company should communicate their training objective so that training can play a positive role in the company.

- The company should consider other more effective training techniques that could enhance the employees' degree of acceptance and also ensure about the selection of good trainers. Trainers should be qualified, with good communication skills, good understanding of the management philosophy, objective and importance of the training program. Even the most well designed training system is worthless unless the company's are committed to ensuring that it is conducted properly and consistently. To have a positive result from training program, organizational commitment should be tied closely with appropriate effective training methods and training delivery mechanism.

- The majority of the respondent's response under evaluation process shows, the company didn't apply to the maximum level of pre and post training evaluation practice in the company. Though the training evaluation system being used by the company is a good idea it only measures the immediate reaction of the trainees and lacks the ability to address post test performance improvement or behavioral change as well as measuring the result occurring due to the training. Hence, it is recommended that the company apply training impact analysis in order to assess the effectiveness of the training and development program by measuring the trainees' performance before and after training. Should also give due emphasis on the result of training in related to the overall performance resulting from cost saving, quality improvement and also customer satisfaction. Moreover, AIC didn't apply an integrated performance appraisal system, so that it is not in a position to know how the training benefits improving trainees and organizational performance.

- Finally in order to have a successful training and development practice in awash insurance company Share Company, it should have to conduct each and every process properly. The existence of training and development programs in place by itself doesn't assure the effectiveness, unless it is supported by systematic training and development process. Therefore, since each processes are interrelated they need to be conducted with due care. On time delivery and selection of proper trainee and trainer for the training program is a base for the performance of the trainee to the maximum level and also growth of company as to implement its business strategy to the desired level.

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Appendix A: Questionnaire

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

Research Questionnaire

To be Filled by Employees of Awash Insurance Co. S.C

This questionnaire is prepared by Aman Abdulsemed, who is MBA student at St. Mary's University. The purpose of this questionnaire is to collect data in order to study assessment of employees' training and development practices in Awash Insurance Co. S.C (AIC). Kindly cooperate in filling the questionnaire as your genuine, complete, and timely responses are crucial for the success of my study. Besides, I would like to assure that the data collected using this questionnaire is purely for academic requirement and your responses will be kept confidential. Hence, the researcher kindly requests you to respond each item carefully.

N.B. - No need of writing your name

- Please fill the answer by putting (√) mark and short answer on the space provided.

- Kindly give more attention and return the completed questionnaire as much as possible.

- If you need further explanation, you can contact me through my mobile no. 0911 69-05-71.

Section 1 – Demographic Information

1. Gender: Male ☐   Female ☐

2. In which age group are you?

        18-30 years ☐   31-40 years ☐
        41-50 years ☐   above 50 ☐

3. Educational level: Secondary School ☐   Certificate ☐

                    Diploma ☐   Degree ☐

                    Masters & Above ☐

4. How long have you worked in this company?

        Less than 5 years ☐   6 – 10 years ☐

        11 – 15 years ☐   16 – 20 years ☐

        Above 20 years ☐

5. How often do you attend training programs?

Never ☐   1-3 times ☐

4-6 times ☐   7-10 times ☐

Above 10 times ☐

Section – 2 Questionnaires on Training and Development

Instructions: Please tick (√) the number that you feel most appropriate, using the scale from 1 to 5 (Where 5 = Strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = Strongly disagree).

Ser. No	Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		5	4	3	2	1
	Methods of conducting Training and Development Need Assessment					
1	The company's training and development practice has been developed in accordance with HR policy.					
2	The company measures determining the appropriateness of training and development given the company's business strategy.					
3	Training and development were organized based on need assessment result.					
4	The company analyzes the human resource data which indicate areas where training could improve performance regarding high turnover.					
5	The company anticipates and plan for training and development for changes in related to future employee pool.					
6	The company's training and development program were conducted based on the tasks and skills in related to the employees' job.					
7	The company's training and development program were conducted based on lack of knowledge, skill or ability or motivational aspect of the employee.					
8	Employees were surveyed, Interviewed or tested to determine their training needs.					

	Training and Development Design Measurements					
1	The company sets objectives for training and development.					
2	Training and Development objectives of the company define the performance that trainees should be able to exhibit after training.					
3	Training and Development were set and in consideration of the company's goal.					
4	The Company training contents can fully satisfy the objectives set to fulfill the training gap.					
5	The company design training contents which are closed to the actual job to be performed by the employees.					
6	Training and Development program you have taken with clear objectives provide you greater job satisfaction.					
	Training and Development Delivery Practice					
1	The company uses different training methods or techniques under on-the job training or off-the job training (job rotation, coaching, case study, orientation, role play.)					
2	I am satisfied for the training method the company practiced.					
3	I am satisfied with the company's trainee selection criteria.					
4	The delivery method that the company used is convenient to get the necessary knowledge and skills.					
5	The company give due emphasis to training need analysis (TNA) for its training practices to ensure training effectiveness.					
6	The training provided by the company helped me to perform my work quickly and efficiently.					
7	The training materials and teaching aids are complete and appropriate to the level of trainees.					
8	The training environment is conducive to conduct training.					

9	Training schedule is compatible with job type.					
10	Training schedules are clearly announced for the trainees.					
11	I assume the material, hand-outs and/or activities useful to the training provided to me are adequate and helpful.					
12	The trainers' have subject matter expertise, ability to communicate their knowledge clearly, interpersonal skills, ability to motivate others					
13	The trainer practiced effective time management.					
14	I am satisfied with the training condition including the material and facility of the training I can accomplish activities without waste.					
	Training and Development Evaluation Practice					
1	The Company evaluate training and development program					
2	The Company uses **methods** to evaluate training and development programs(Test, Interview, Questionnaire, performance appraisal report)					
3	The Company evaluates **Trainees' reactions**: Feeling and opinion of the trainees about the programs' material, facilities, methods, contents, trainers, durations and relevance of the program					
4	The Company evaluates **Learning outcomes**: The skills, knowledge and attitudes acquired during the program.					
5	The Company evaluates **Behavior change**: The change in on-the-job performance, which can be attached to the program					
6	The company evaluates **Results**: The effect in the organization's performance resulting from the change of behavior such as: cost saving, quality improvement, customer satisfaction.					

Thank you for your cooperation!

Appendix B: INTERVIEW QUESTIONS

1. Does your company have a training and development policy in place? Is the policy documented and communicated to employees?

2. Does the company have training and development plan? If so, how is the training plan developed?

3. Does the organization allocate adequate resource and facilities used in training and development?

4. Does the organization set objectives for training and development before delivering training? If so, what is your base?

5. How does the company measure right trainers who have adequate technical Proficiency and skills for the right trainees?

6. The training process:
    a) Does your organization conduct training need assessment? If so, how?
    b) Who is responsible to identify training and development needs in your Company?
    c) How are employees selected for training?
    d) Does the company have clear selection criteria? Can you mention some?
    e) Does the company set training objectives after needs are identified? How are training Objectives determined?

7. In presenting the training, what methods of training are used and why?

8. Do you conduct training and development evaluation? When (during or after training and development)? How is training evaluated?