

St. Mary's University
School of Graduate Studies
College of Business Administration
Department of General Management



The Effect of Employee Training on Organizational Performance:
A case study of East African Agri-business PLC

**A Thesis submitted to Saint Mary's University, School of Graduate Studies in
Partial Fulfillment of the Requirement for the Degree of Masters in Business
Administration (General Management Concentration)**

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February, 2018

Declaration

I, Tewodros Firesibehat, declare that this study is my original work and has not been presented for a degree program in any other universities, and that all the sources of materials used for the Study have been dully acknowledged.

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**The Effect of Training on Organizational Performance: The
Case of East African Agri-Business**

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Acknowledgments

First and foremost I would like to thank God for lighting my way with his words of wisdom.

I would very much like to express my heartfelt appreciation to my advisor Dr. Dereje Teklemariam for his unwavering support and guidance throughout this thesis both on and off working hours. I would also like to extend my appreciation to all instructors at St. Mary's University for sharing their knowledge and experience with us for the past two years.

I would also like to extend my appreciation to all the staffs and management of East African Agri-Business Plc who assisted me in conducting my research either by providing me with all relevant information or by being part of the research as a respondent.

Finally, with no regard to the order, I would like to thank my Family, my close friends, and also my classmates who took part in this research paper one way or another. Thank you all.

Tewodros Firesibehat

Dec 2017

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Acronyms

T &D : Training & Development

TNA : Training Need Assessment

PE : Actual Practices & Expectation

CDP : Current & Desired job Performance

EDCS : Existing & Desired Competencies & Skills

NC : Needed Capacity

EAAB: East African Agri-Business

Abstract

Human resource is the most valuable assets of any organization. With the machines, materials and even the money, nothing gets done without man-power. A human being is dynamic in nature, staff training & development is a necessity to keep them in track with the current competitive situation. Employee performance is the important factor which increases the performance of overall organization. A good training and development system ensure employees in every organization to understand what business the company is in what condition and keeps updated on the skills they need to possess to perform their day to day job so it brings confidence and improves performance.

The objective of this study is to investigate the effect of training & development on organizational performance of EAAB. The concern is how training & development would help increase the technical capacity of employees. The paper provides a review of current training & development effects & offers suggestions for future investigation. An extensive review of literature interns of research findings from studies that have been done to measure & understand the impacts on employee's productivity. Data were collected from 168 employees chosen through random sampling technique. Questionnaire was designed using structured & open ended questions to collect primary data from employees of EAAB. Personal interview were held with HRM & Executive Manager of the organization. The result indicated that most of the employees have the view that training was effective tools for both personal & organizational performance. Since, the training program designed in EAAB is not based on the requirement of the job, most of the employees were motivated but not satisfied to do their job. The finding also reveals that training activities are not measured & monitored during & after training & it was recommended that monitoring & measurement activities should be taken during & after training. The training should be also based on the requirements of the job. The study concluded that for a better effectiveness & performance, possible changes should be made in the future. This will have a benefit both for employees & the organization.

Key words: Training, Development, Employees & Performance

Chapter One

Introduction

1.1. Background of the Study

Everything in the world changes and it becomes evident that nothing last forever. The world is changing everyday bringing both opportunities and threats to human beings in general, and to organizations in particular. The challenges ahead, more than ever before, require organizations, industries and societies to change, and to keep changing, in order to survive (Ongori and Nzozzo, 2011). Change may be planned, proactive and about creating the future. Similarly, the business world is continuously changing; organizations will need to provide their employees with training throughout their careers. If they choose not to provide continuous training they will find it difficult to stay ahead of the competition. Training will keep employees motivated. New skills and knowledge can help to reduce boredom. It also demonstrates to the employee that they are valuable enough for the employer to invest in them and their development. Training can be used to create positive attitudes through clarifying the behaviors and attitudes that are expected from the employee. It is cost effective, as it is cheaper to train existing employees compared to recruiting new employee with the skills you need (Othman, 2009). Training can save the organization money if the training helps the employee to become more efficient.

Performance refers to the accomplishment of something or mere working effectiveness. In an organization performance is realized at the levels of organization, process and individuals and the interrelationships among these will define the vantage points of the organization. In contributing to the overall goal of the organization, training and development processes are implemented as this benefits not just the organization but also the individuals making up that organization.

It is expected that industrial development need to offer plenty of employment opportunities to the poor from the perspective of poverty reduction (Sonobe et al, 2006:2). At the same time this implies that industrial development and expansion is positively correlated with well-equipped productive workforce. Despite the fact that many other factors play a key role in the success of a business organization, it is extremely dependent on its human resources filled with effective, financially solvent and competitive employees (Shelton, 2001:1). Without manpower no business can operate in any way. Human resource is the key and valuable resource for the success of organization in order to

successes in lucrative business that determines its ultimate goal. The nominal availability and/or the collection or mob of people cannot suffice to guarantee for the success of the organization. At the same time, what matters is the technical quality and fitness of employees in every production process.

This requires series improvement of employee performance including training, support, effective communication and motivation. This is an important precondition to be overseeing for an organization to be able to competitive in the technologically advancing global markets. In due course the survival of an organization implies the prosecutions of sustainable competitive advantages within the framework high performance, competitiveness and advancement of the knowledge and skills level of employees.

East African Agri-Business PLC, a member of the east African holdings, has its well designed strategic plans to be a major investor in agro business in Ethiopia, both in agricultural products & process industries. The company established during 1995 with an initial investment of 87million birr in a total land area of 870 hectares. Currently, the company has managed to plant about 600 hectares of tea & 200 hectares with fire wood plantation. As the Agricultural sector is growing fast, the demand for agricultural product is increasing rapidly as well. Therefore, agricultural sectors (like East African Agri-Business plc.) require effective and efficient performance to produce competent and consistent quality products. To achieve these main objectives, employees are the most important part of the organization that plays vital roles. Unless employees are capable enough to the job they are assigned to work, the output of the organization will be affected either directly or indirectly. Thus, the main purpose of this study is to assess whether employee training and development has effect on productivity and employee performance in East African Agri-Business plc.

1.2. Statement of the Problem

Nowadays, in this globalized world the agricultural sector becomes profitable, competitive and plays an important role in economic advancement and development of the country. In our country Ethiopia also the agricultural sector becomes competitive and a key for economic growth and development. East African Agri-Business is one of the leading agricultural sector. Lack of necessary skills, competencies and qualities to perform agricultural transactions would result into poor performance that creates customer dissatisfaction. They must have the necessary skills and competencies required to do their jobs through training. Training and development is the tonic employees need to enhance their performance and potentials that will in turn enhance organization effectiveness.

Currently many organizations in Ethiopia and indeed the agricultural sector engaged in staff training. However, for a certain condition staff training effect on employee's performance appears little or negative. Hence, the main reason that the researcher wanted to conduct this research was to investigate the effect of training and development on organizational performance in East African Agri-Business. Understanding the effect of training on employees job performance primarily helps to create competent and well performed work force. It will also enable the organization to design effective training system which is fit with the overall vision and mission. so far it also helps to minimize unnecessary costs which can be incurred as a result of less important training and development. The study, therefore, focused how providing training for employees of East African Agri-Business would improve their performance. 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 (Partlow, 1996; tihanyi et al., 2000;Boudreau et al., 2004). It seems that training plays a very vital role in the employee as well as organizational performance in general. Effective training should be systematic and continuous i.e. training must be viewed as along term process, not just an infrequent and/or haphazard event (Tannenbaum et.al 1992; Wexley et al.,1991). Hence, the aim of this study was to identify the effects of training and development on organizational performance.

1.3. Research questions

Realizing the greater importance of employee development and training in achieving organizational goals through enhancing productivity, this research addressed to answer the following research questions.

- Does employee training and development affect the level of productivity in East African Agri-Business?
- What are the methods used by the management of the organization to measure the effects of employee training on the level of productivity?
- Do managers and employees of an organization fully understand the effects of employee training on productivity?

1.4. Objectives of the Study

1.4.1. General Objective

The general objective of this study is to assess the effects of employee training and development on productivity in East African Agri-Business.

1.4.2. Specific Objectives

The specific objectives of this study are:

1. To identify the effect of employee's training and development on organizational performance of East African Agri-Business.
2. To identify how the management measure the achievements gained from employee training and development on productivity, in accordance with the organizational goal.
3. Examine the level of understanding of the management and employees about the effect of employee training and development on performance.
4. To identify the major factors that affects the effectiveness of employee development and training in the organization.

1.5. Significance of the Study

This study tried to give us some insight into the effect of employee development in the engagement to pursue their intention in these very competitive markets in the globalized world. The outcomes of the research further serve as an input for business organizations to develop and/or re-examine their human resource management strategy with particular relevance to employee development as a key to success factor for productivity.

The findings of the study in the agricultural business sector under the study to look them in detail and identify gaps with possible remedies to strengthen the performance of their employees. It can also serve as an input for those who want to do further research in the area.

1.6. Scope & Limitation of the Study

This study mainly focuses on employees training component of the human resource development in selected agricultural sector. It is limited to the data/information obtained from the agricultural business sector which is East African Agri-Business and may not represent all agricultural businesses. Time, resource, lack of access of the right data and up – to – date literature in the study area are the most constraints in the study that limits the scope to the above mentioned business. The study presents an analysis of training & development on organizational effectiveness.

It tries to see the concept of training & development, the linkage between training & human resource development. It also assesses the effects of employee training & development on productivity & employee motivation in the context of East African Agri-Business plc.

1.7. Organization of the Study

The research paper is organized in five chapters, whereas the first chapter contains; background of the study and introduces the research question, elaborates the objectives, indicates its scope and limitations. The second chapter reviews relevant literatures related of employee training and development. The third chapter presents the methods employed in the study. It discusses sources of data, methods of data gatherings, techniques of data analyzing and presenting. The fourth chapter presents the major findings of the study by comparing the theoretical literatures with practical and actual data gathered from the target population. Finally the fifth chapter summarizes and concludes the report and suggests the recommended course of actions.

Chapter Two

Review of Related Literature

2.1. Conceptual and Theoretical Review

For quite some time, activities related to training and development were the main functions of Human Resources divisions. Few people these days would argue against the importance of training as a major influence on the success of an organization. Employees are a crucial, but expensive resource. According to Rosemary Harrison (2005), in the field of human resource management training and development is the field which is concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including human resource development, and learning and development.

Trainings today have become an integral part of any company's operations. The need of the hour has rightly forced all enterprises to make this happen so that an adequate supply of personnel becomes available for survival, progress and growth. Since competition is increasing and technology accelerating, there is shortage of adequately educated and trained manpower. In some industry sectors, there is even a shortage of manpower. Not even unskilled workers with the potential of becoming productive employees are available (Mondy, Noe and Premeaux: 2002) in today's market.

Training is a learning process whereby people acquire skills or knowledge to aid in the achievement of goals. Because learning processes are tied to a variety of organizational purposes, training can be viewed either narrowly or broadly. Training is designed to provide learners with the knowledge and skills needed for their present jobs (Mathis and Jackson: 1994). Showing a worker how to operate, a supervisor how to schedule daily production are examples of training according to Mondy, et al (2002). Different authors have defined the term training using their own words. According to UK Manpower Service Commission (1981) Glossary of Training Terms, defines training as: "...a planned process to modify attitude, knowledge or skill behavior through learning experience to achieve effective performance in an activity or a range of activities.

Gomez- Mejia, et al (2001) also defined training as it typically focuses on providing employees with specific skills or helping those correct deficiencies in their performance. Generally, although training seeks to help employees do their present job, the benefits of training may extend throughout a person's entire career in helping individuals develop for future responsibilities.

2.1.1 Training objectives/needs

According to Ngu (2002) training objectives can be derived from the current manpower situation. He reiterated that the existing manpower situation determines the training objectives both at the organizational and national level. Ngu corroborated that to be able to identify training needs, therefore will entail a comprehensive manpower survey which is usually an aspect of manpower planning. He added that a comprehensive manpower survey will expose the types of skills and personnel that need to be developed or trained.

2.1.2 The importance of manpower training and development

George maintains that the importance of training is to help the employee acquire and maintain the necessary skills, capabilities and personal capacities to contribute more adequately to the attainment of organizational objectives. In summary of the afore submission one may infer to say that the importance of training is to increase the present and future employees effectiveness, prepare them for advancement, retain them for greater versatility or for changes in organizational programmes. Tan, Hall and Boyce as cited in Kulkarni observed that companies are making huge investment on training programmes to prepare them for future needs. Stavrou et al.

2.1.3 Training and Human Resource Development

Human resource management regards **training and development** as a function concerned with organizational activity aimed at bettering the job performance of individuals and groups in organizational settings. Training and development can be described as "an educational process which involves the sharpening of skills, concepts, changing of attitude and gaining more knowledge to enhance the performance of employees". The field has gone by several names, including "Human Resource Development", "Human Capital Development" and "Learning and Development". Human resource management is the utilization of individuals to achieve organizational objectives. Basically, managers get things done through the efforts of others; this requires an effective human resource Training and development encompasses three main activities: training, education, and development.

- **Training:** This activity is both focused upon, and evaluated against, the job that an individual currently holds.
- **Education:** This activity focuses upon the jobs that an individual may potentially hold in the future, and is evaluated against those jobs.
- **Development:** This activity focuses upon the activities that the organization employing the individual, or that the individual is part of, may partake in the future, and is almost impossible to evaluate.

HRD is a major HRM function that consists not only of training and development but also individual career planning and development activities and performance appraisal, an activity that emphasized training and development. Training is designed to provide learners with the knowledge and skills needed for their present job (Mondy, et al 2002). The concept of knowledge management and management of human resources, especially the functions of employee training within the learning organization, are engaged with the basic resource of modern business, i.e. with knowledge and its utilization. The human resource or personnel department is responsible to undertake the functions of Upgrading skills and knowledge of employees and this is done through training, educating and developing skills and knowledge.

2.1.4 Benefits of Training

Training is one of the most important potential motivators which can lead to many possible benefits for both individuals and the organization. Many assert that training of employees in an organization is one of the main functions of human resource management. According to Arthur and Bennett (2003), for instance, “training is one of the most pervasive methods for enhancing the productivity of individuals and communicating organizational goals to new personnel.” This it to say, human resource capital is the engine of productivity, higher competitiveness and economic growth. The quality of skilled manpower determines the levels of efficiency, effectiveness and success of an organization towards its mission.

It is generally agreed that sustainable economic growth and effective performance will be achieved through optimizing the skillful contribution of employees towards the achievement of the mission, goals and objectives of business organizations. Danziger and Dunkle (2005), in their empirical survey of American workers to identify suitable methods of training in the workplace, confirmed that “virtually all

modern organizations accept that a well-trained workforce is a critical success factor.” Accordingly, in a changing world, as rapid technological advancement affects the productivity and competitiveness of an organization, the purpose of training improves and enhances knowledge, attitude, behavior and skill of the workforce. There are a number of benefits training can offer to an organization and also to target employees, such as those identified by Cole (2002). These are:

- *Increase morale:* employees who receive training have increased confidence and motivation;
- *Decrease cost of production:* training eliminates risks because trained personnel are able to make better and economic use of material and equipment thereby reducing and avoiding waste;
- *Decrease employee turnover:* training brings a sense of security at the workplace which reduces labor turnover and absenteeism is avoided;
- *Decrease resistance to change:* training helps to manage change by increasing the understanding and involvement of employees in the change process and also provides the skills and abilities needed to adjust to new situations;
- Provide recognition, enhanced responsibility and the possibility of increased pay and promotion;
- Give a feeling of personal satisfaction and achievement, and broaden opportunities for career progression; and
- Help to improve the availability and quality of staff.

Moreover, according to the ILO report no.5, 2008, training is a vital component of improved productivity where productivity is a function of the relationship between outputs and inputs measured in terms of, among others, the following.

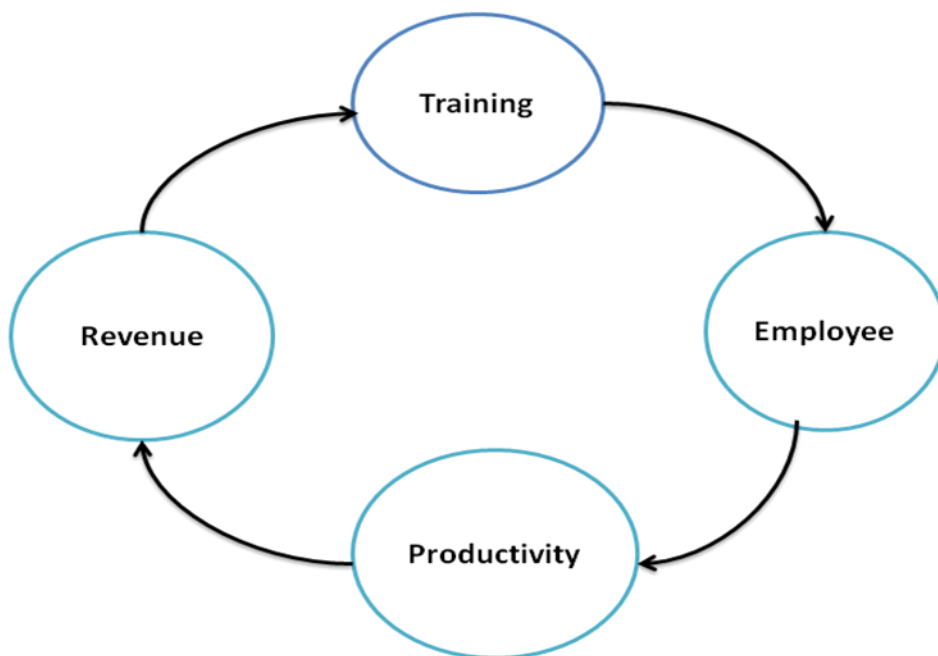
- *Labor productivity:* productivity of individuals including employment rate, stability of employment, job satisfaction, and employability across jobs or industries through new skills learned on or off the job influences the level and growth of productivity.

- *Skill development*: other investment in human capital are among the factors for productivity growth and other sets of factors and policies necessary for productivity growth are insufficient for productivity growth without incorporating skill development as an integral part of broader development policies. Since skills are critical in the structural adjustment of economies workers and enterprises must be able to learn new technical, entrepreneurial, and social skills.

2.2 Linkage between Employee Training and Productivity

Obliviously, the ultimate aim of an organization is to earn revenue and maximize profit and there are inescapable links between employee training and level of productivity. Increased productivity and competitive advantage remains ambitious without exerting maximum effort in getting skilled and empowered human capital. According to Singh and Mohanty (2012) there are cyclical relationships (as shown in figure below) among training, employee, productivity and revenue. In An attempt to increase productivity, the correlative duty of an organization is to strengthen the human capital through training without which objectives fail to be achieved.

Figure 2.1 Training-Productivity Relationship Cycle



Source: Singh and Mohanty (2012)

The detail of the above relationship cycle provides that training and productivity is directly connected with employee performance. Employee performance depends on an organizations commitment to invest to providing comprehensive training in problem solving, decision making, teamwork and interpersonal relations. Furthermore, Hammed and Waheed (2011) reinforce the positive correlation between employee development and employee performance for organizational effectiveness to become competitive in their model presented below (with some self-modification).

Accordingly, skills, attitude, knowledge, innovation and creativity are fundamentals of employee training that correlate with the increase performance or otherwise in organizational productivity. When a need arises for an individual employee to attend training, the need would lead to employee development, and employee development would lead to increased employee performance (Singh and Mohanty, 2012).

2.2.1 Employee Training on Organizational Performance

The management of people at work is one of the primary keys to organizational success. In an organization, employees must receive training to perform their jobs and to grow in their knowledge, skills, and abilities. Training provides employees with opportunities to learn new skills. The organization thus develops its internal talent for the future. Training has both current and future implications for the success of organizations. Employers also are aware that the training or retraining of individuals for the jobs of the future may determine the success of many

firms around the world. Many types of trainings exist, including job-skill training, supervisory training, management development, and employee development to name a few (Mejia, et al, 2001).

Changing pattern in many occupations and industries requires better educated and trained workers. But the educational performance of those recently entering the workforce generally is deficient when compared with that of many other developed countries. Technology shifts and computerization also require continual training and updating of employees in many organizations (Ibid). Employers should evaluate results by measuring the effect of training on the achievement of organizational objectives. The results are productivity, turnover, quality, time, sales and costs.

Generally, the performance and success of an organization therefore lies on the people who form and work within the organization (Ibid).

Principles of Training

According to Nair and Nair (2004), the followings are some of the principles of trainings which are of universal application.

1. Training plan: Training must be well planned, predesigned and ably executed. Effective implementation depends to a great extent on planning.
2. Organizational Objectives: T & D program must meet objectives of the organization.
3. Equity and Fairness: All employees must enjoy equal opportunity to drive benefit out of such training and must have equal chance to undergo such trainings.
4. Appropriateness: Training must be appropriate to suit the needs of organization as well as individuals.
5. Application Specific: Training content is balanced between theory and practice. It must be “application specific”.
6. Upgrading information: T & D program should be continuously reviewed at periodic intervals in order to make them up-to-date in terms of knowledge and skill.
7. Top Management support: Top management support is essential to make T & D effective.
8. Centralization: For economy of effort, uniformity and efficiency, a centralized training department is found more common and useful.
9. Motivation: T & D must have motivational aspect like increment, promotion, pay, certificate, etc.

Training Process

Definition: The **Training Process** comprises of a series of steps that needs to be followed systematically to have an efficient training programme. The Training is a systematic activity performed to modify the skills, attitudes and the behavior of an employee to perform a particular job.

1. **Needs assessment:** The first step in the training process is to assess the need for training the employees. The need for training could be identified through a diagnosis of present and future challenges and through a gap between the employee's actual performance and the standard performance.

The needs assessment can be studied from two perspectives: Individual and group. The individual training is designed to enhance the individual's efficiency when not performing adequately. And whereas the group training is intended to inculcate the new changes in the employees due to a change in the organization's strategy.

2. **Deriving Instructional Objectives:** Once the needs are identified, the objectives for which the training is to be conducted are established. The objectives could be based on the gaps seen in the training programmes conducted earlier and the skill sets developed by the employees.
3. **Designing Training Programme:** The next step is to design the training programme in line with the set objectives. Every training programme encompasses certain issues such as: Who are the trainees? Who are the trainers? What methods are to be used for the training?
4. **Implementation of the Training Programme:** Once the designing of the training programme is completed, the next step is to put it into the action. The foremost decision that needs to be made is where the training will be conducted either in-house or outside the organization. Once it is decided, the time for the training is set along with the trainer who will be conducting the training session. Also, the trainees are monitored continuously throughout the training programme to see if it's effective and is able to retain the employee's interest.
5. **Evaluation of the Training Programme:** After the training is done, the employees are asked to give their feedback on the training session and whether they felt useful or not. Through feedback, an organization can determine the weak spots if any, and can rectify it in the next session. The evaluation of the training programme is a must because companies invest huge amounts in these sessions and must know it's effectiveness in terms of money. Thus, every firm follows the series of steps to design an effective training programme that serves the

purpose for which it was intended. In an effort to conduct employee training, needs assessment shall be the first step the human resource management department of an organization has to carry out. Training needs assessment is a “process of collecting information about an expressed or implied organizational need that could be met by conducting training” (Barbazette, 2006 inCekada 2011). As discussed so far, training policies function to systematically analyze training gaps in the realm of an organization’s effectiveness in productivity and efficient utilization of resources. Available literature on this point portray that to be effective, being critical activity, training decisions need to be based on a consistent flow of reliable information about the quality of performance and productivity, which entail assessing training needs to identify gaps between the needs and current skills in various parts of an organization (Mendel and Hamsley, 2007; Miller et al, 2002).

The training needs assessment phase requires setting of objectives to justify expenditure and return on outcome. In this phase i.e. ahead of any actual training intervention, the who, what, when, where, why and how of training must be determined by the management thereby analyzing information gathered

pertinent to goals and objectives of an organization, jobs and related tasks that need to be learned, competencies and skills that are needed to perform the job including individuals who are to be trained (Miller et al, 2002). Apparently needs assessment involves the identification of a gap between the existing capacity and the needed capacity during the course of operations of a business organization. If, for example, the difference between the current employee capacities is less than the required, the training manager is in urgency to critically analyze the cost benefit ratio and assess the specific training fields required to be filled to ensure the needed performance with the desired competencies and skills. Hence, it can be inferred from the aforementioned literature that training needs assessment (TNA) is a function of the actual practices and expectations of an organization (PE), the current and desired job performance (CDP) and existing and desired competencies and skills (EDCS) as well as the needed capacity (NC).

Once again, Miller et al (2002) and Arthur and Bennett (2003) identified the following three levels of needs assessment.

- (1) Organizational Analysis: Looks at the effectiveness of the organization and finds out which organizational goals can be attained through employee training, where it is needed and under what conditions it will be conducted. It requires the management to gather

information from all relevant sources such as from the profile of the organization, strategic plans, reports, audits, and the like. Organizational analysis should identify the impact of internal (strength, weakness, opportunities and challenges) as well as external (political, legal, economic, and technological) environments.

- (2) **Task Analysis:** Looks into what must the trainees learn in order to perform the job effectively including what the training will cover. Task analysis provides data about a job and the knowledge, skills, attitudes and abilities needed to achieve optimum performance. Sources of data collection at this level include job description, analysis of knowledge, skill, attitude and abilities, performance standards, job observations, job performance, job inventory questionnaire, review literature about the job, asking questions about the job and analysis of operating problems.
- (3) **Individual/Person Analysis:** Analyzes how well the individual employee is doing and determines which employees need training and the kind of training needed and/or for what. Sources of information for needs assessment at the individual level include performance evaluation, performance problems, observation, work samples, interviews, questionnaires, attitude surveys and up-to-date checklists or training progress charts.

After these analyses have been done, it is easier for the training objectives to be established and also to know what the learners must be able to do after the training program. An objective is a specific outcome that the training or the development program is intended to. One of the things to consider in designing a training program is what the program is to accomplish. In other words a training program cannot be designed until what that program is to accomplish is known. It is imperative for organizations to realize that in designing a training program it is equally important to consider what the trainees should know or be able to do after the training is complete. Training objectives should however be attainable and measurable.

Trainings in an organization can be divided into two broad types. They are on-the-job trainings and off-the-job trainings. On-the-job trainings are given to employees while they are conducting their regular work and at the same place. In this way they do not lose time while they are training or learning. After a plan is developed for what should be taught, employees should be informed about the details. A timetable should be established with periodic evaluations to inform employees

about their progress. Off-the-job training techniques include lectures, special study, audio visual conferences or discussions, case studies, role playing, simulation, programmed instructions, and laboratory trainings. Most of these techniques are very costly.

The method by which training is delivered often varies based on the needs of the company, the trainee, and on the task being performed. The method should suit the audience, the content, the business environment, and the learning objective. Ideally, the method chosen will motivate employees to learn, help employees prepare themselves for learning, enable the trainees to apply and practice what they've been taught, help trainees retain and transfer what they have learned, and integrate performance with other skills and knowledge.

Common group training methods include:

- **Lecture and course – Based Training**

This type of training is conducted in classroom environment or on line. The classroom version provides the trainee with an easy way to interact and exchange ideas with others in the class at scheduled times. Online training is often more flexible and allows the trainee to work when and where he wants to. Lecture and course based training, whether in a classroom or on line, is often used to teach an employee new skills or update his current knowledge with new information (<http://www.ehow.com>)

- **Demonstration**

Demonstration is very effective for basic skills training. The trainer shows trainees how to do something. The trainer may provide an opportunity for trainees to perform the task being demonstrated.

- **Seminar**

Seminars often combine several group methods: lectures, discussions, conferences and demonstrations.

- **Simulations**

Simulation training used a duplicate work operation that is set up independently of the worksite. In this setting, trainees can learn under realistic conditions but away from the pressures of the production schedule. Having a receptionist practice on a switchboard in a simulated setting before taking over as a telephone receptionist allows the person to learn the job more easily and without stress. Consequently, there may be fewer mistakes in handling actual incoming calls. Airlines use simulators to train pilots and cabin attendants, astronauts train in mock-up space capsules, and nuclear power plant operators use model operations control rooms and consoles.

One caution about simulated training is that it must be realistic. The equipment should be similar to the type the trainee actually will use so transfer of learning can be made easily. Behavioral simulations and computer-generated virtual reality hold promise for training simulators in the future.

- **Induction training**

Induction training is important as it enables a new recruit to become productive as quickly as possible. It can avoid costly mistakes by recruits not knowing the procedures or techniques of their new jobs. The length of induction training will vary from job to job and will depend on the complexity of the job, the size of the business and the level or position of the job within the business (Riley, 2012)

2.3 Evaluation of Training and Methods of Evaluation

Implementation of employee trainings has to be result oriented, which should directly be linked to productivity and organizational effectiveness. Available literature shows that there are many reasons for conducting evaluations of trainings during and upon delivery to employees. The management axiom on the need for evaluation says ‘nothing will improve until it is measured’ in which training programs have to be assessed on the basis of the program itself, of the behavior external to the training environment and its desired effect (Ongori and Nzonzo, 2011). According to Humus and Moores (2008) evaluation of trainings is important to the transfer of learning into the workplace so

that its success or otherwise can be established to demonstrate the contribution of trainings towards organizational success. Worthy to mention, Hemus and Moores (2008) further figured out four stages of employee training evaluation as presented here below.

Stage 1 – Reaction: What did the participant think about the development activity? Evaluation of information on the attitudes and opinions of participants to the learning they have undertaken typically via evaluation forms or comment sheets provides useful information to allow or assist with modifying the curriculum/training program.

Stage 2 – Learning attained: Did the participant learn what was intended? Were the learning objectives met? Evaluation here looks at the extent to which learning objectives have been achieved. Evaluation of learning can be carried out during the activity using interactive sessions, tests and practical application and after the activity by training results, observing the learner's new knowledge and skills in context.

Stage 3 – Performance: Did the learning transfer to the job? How has the development activity improved individual performance, for example specialist knowledge or professional approach? This stage of evaluation examines the impact of a learning experience on individual/team performance at work. The need to have agreed clear learning objectives Prior to the learning experience is the key to this level of evaluation so that when evaluation takes place there are measures to use.

Stage 4 – Organizational Impact: How has this development activity affected the organization, faculty, central department or unit in terms of improved performance – for example, better results, enhanced quality or standards, financial stability, fewer complaints, increased morale and professional image? Evaluation at this stage assesses the impact of learning on organizational effectiveness, and whether or not it is cost effective.

2.4. Empirical review

Earned, Reed and Van Renan (2010) used a new panel of British industries and variety of estimation techniques to investigate and interrogate “The Impact of Training on Productivity” and revealed that work related training is associated with significantly higher productivity. Thus, a 1% point increase in training is associated in value added per hour of about 0.6%.

Studies by Konings and Vanormelingen (2012) empirically investigated the impact of firm provided training on productivity, by using a firm level data set of more than 170,000 firms active in Belgium and revealed that training boosts marginal productivity of an employee. Thus, productivity premium for a trained employee is on average around 23%.

Studies by AbdulGhafoor, Furqan, and Muhammed (2010) confirmed that job training, training design and delivery style have significant effect on organizational performance. Thus, it means that training increases the overall organizational productivity.

Literature findings by Kulkarni also confirmed that training and development programmes improve employee’s performance at work place, it updates employee’s knowledge and enhances their personal skills and as well helps in avoiding managerial obsolescence.

Studies by TET Fund revealed that to realize Nigeria’s national vision of becoming one of the top 20 economies in the world by 2020AD, Nigeria must produce world class manpower, possible only through world class tertiary institutions equipped not only with the requisite physical infrastructure and structural facilities but, above all, world class lecturers to impart current and in-depth knowledge, conduct research, publish the outcomes and produce personnel that is nationally competent and globally competitive. Thus, this is only achievable through manpower training and development.

Likewise, Khan et al(2011) conduct a research study on similar issue, the effect of training & development on organizational performance. The focus of the study was to understand effect of training & development on organizational performance. The back bone of this study is the secondary data comprised of comprehensive literature review. Four hypotheses are developed to see impact of all the independent variables on the overall organizational performance. People learn from their practical Experience much better as compared to bookish knowledge & it is better for the organizations to give their employees training. Here we can point out that organizational performance emanates from employee performance & employee performance emanates from effective training. i.e. training affect employee performance as a result organizational performance affected. So that

training directly affect both employee performance & organizational performance in general.

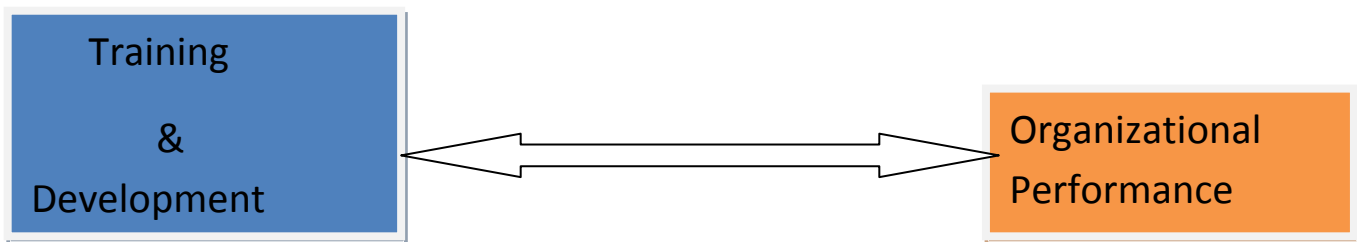
Sultana et al (2012) on his study on training practices of telecommunication sector in Pakistan were examined to determine the impact on employee performance. Based on a combination of literature review & questionnaire survey. the paper explores that for any organization to succeed in achieving the objectives of its training program, the design & implementation must be planned & systematic, tailored towards enhancing performance & productivity. It has been observed that most organizations meet their needs for training in an adhoc & haphazard way while others set about identifying their training needs, in a rational manner & finally access 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 & most importantly it plays a key role to enhance employee performance.

Generally, a number of researchers also conduct a study regarding training & development effect on employees & organizational performance as a whole which are not fully discussed here. their empirical findings almost show that training variables positively correlated with employees as well as organizational. In general speaking every organization has some expectations from employees with respect to their performance. Efficiency & effectiveness are some of the ingredients of performance & when they perform up to set standard & meet organizational expectations they are believed to be good performers. This means effective administration & presentation of employees tasks which reflect the quality desired by the organization can also be termed as performer. In the development of organizations, training plays a vital role, improving performance as well as increasing productivity, & eventually putting organizations in the best position to face competition & stay at the top. i. e there is a significant difference between organizations that train their employees & organizations that do not. So that there exists apposite association between training & development & employee performance. (Sultan et al 2012)

2.5. Conceptual Framework

Training and development ultimately upgrade not only the productivity of employees but also of the organization. It has rightly been said, employee development is the key to organizational sustainable development. Organizations must have employees who are able to quickly adapt to an ever-changing world market. Companies need to invest in on-going employee training and development in order to both keep employees and be successful. Training enhances employees' initiative and quality of work, thereby assisting them to be more committed to achieving the organizational goals and objectives and in turn enhancing employees' effectiveness within the organization.

Figure 2.2 Conceptual Framework of the Study



Source: Hashim (2012)

The management of people at work is one of the primary keys to organizational success. In an organization, employees must receive training to perform their jobs and to grow in their knowledge, skills, and abilities. Training provides employees with opportunities to learn new skills. The organization thus develops its internal talent for the future. Training is a systematic process to enhance employee's skill, knowledge and competency, necessary to perform effectively on job. Overall, training impacts organizational competitiveness, revenue and performance. Unfortunately, the majority of governmental, private organization and international organizations are not recognizing the importance of training to increase their employee's productivity and when the economy slows or when profits decline, many organizations first seek cuts in their training budgets. This will leads to high job turnover then increase the cost to hire new employees which low down the organizational profitability.

Chapter Three

Research Methodology

3.1. Research Design and Method

The study has the purpose of assessing the effect of employee training on organizational performance in the context of East African Agri-Business Plc. Hence, the study employee a descriptive research design with the objective of describing, effects of employee training and organizational performance. In order to get the first hand information, and to get a depth contextual analysis of the subject in the selected organization, case study methods are applied.

3.2. Data sources

Data for the research was collected from both primary and secondary data sources. The primary data sources are obtained from senior staff, Middle level staff and employees of the company. In line with this, secondary data such as, profile and regulation of the company and various documents of the respective sector is referred.

3.3. Data collection methods and tools

The data for this study is gathered using both primary and secondary data collection techniques. The primary data was collected using questionnaires formulated by means of open and close-ended questions for each target groups of senior staff, middle staff and lower staff members, and structured interview used as well from selected top level managers developed by the researcher. The questionnaires & interview functions that help to get the fact of the situation in the company & to assist & reach concrete solutions. The secondary data is obtained by referring various publications of the respective organizations such as articles, journals and relevant online sources.

3.4. Sampling Techniques

To make the study effective, the research employed probability sampling technique: random sampling was used to select employees through formulating sampling frame by listing employees name alphabetically and then drawing samples of all successive third intervals until the total number sample is reached.

All permanent staff that have stayed at least one year and who can relatively better to tell their experience on training was included in the study which allow adequate representation of the various

views expressed and the study excludes those who are temporary workers because most of them may have less experience in the company. The study takes samples from senior staff, middle staff, and lower staffs of all permanent employees of the company.

3.5. Sample size determination

East African Agri-Business PLC has a total of 500 staff members of which 300 are permanent Labor staffs. All permanent staff that have stayed at least one year and who can relatively better to tell their experience on training are included in the study which allow adequate representation of the various views expressed and the study exclude those who are temporary workers because most of them may have less experience in the company. The study take samples from senior staff, middle staff, and lower staffs of all permanent employees of the company. For the sake of relabeled and representative information the study take a sample size of 56% from the total population size of 300.

The researcher determines the required sample size by deriving a formula from Kothari,(2004).Kothari stated that in case of finite population, the sample size determination formula is as follows:

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

Where: N=size of population

n=size of sample

e=acceptable error

p=sample proportion=1-p

z=the value of the standard variation at a given confidence level

the size of the total sample from population is 300,where p is 0.5 because at this p value n will be the maximum and the sample will yield at least the desired precision, the z value at 95% confidence level is 1.96

$$\begin{aligned} n &= \frac{1.96^2(0.5)(0.5)(300)}{0.05^2(300-1) + 1.96^2(0.5)(0.5)} \\ &= \underline{168} \\ &= 168/300 = 0.56/56\% \end{aligned}$$

The detail sample size is shown in the table below;

Table 3.1: Total population and sample size

No.	Targets	Total population	Sample size	Remark
1	Senior staff(More than 5 yrs)	25	14	$(25/300 \times 168) = 14$
2	Middle staff(1-5 yrs exp)	75	42	$(75/300 \times 168) = 42$
3	Lower staff(Up to 1 yr exp)	200	112	$(200/300 \times 168) = 112$
	Total	300	168	

3.6. Data Collection Procedure

The study uses both open & close ended questionnaires for senior staffs, middle staffs & lower staffs. The respondents to this questionnaires were free to answer the questions according to their own conscience without been compelled to satisfy the researcher. Information from these questionnaires constituted the primary data for the research. Additionally interviews were conducted with the selected executive members and heads of departments. The interviews were conducted for Executive Managers & Human Resource Managers based on their experience to balance the response of employees & middle staffs because; it is an important source of gathering data for case studies.

3.7. Method of Data Analysis

The data gathered in the manner described above is analysed through statistical measures such as averages and percentages. Furthermore, the analyzed data is presented in descriptive statements (narrations), descriptive statistics, graphs and charts.

3.8. ETHICAL CONSIDERATIONS In conducting this study, the researcher tries to consider all ethical values which include the following.

1. Researcher needs aware of having the responsibility to secure the actual permission & interests of all those involved in the study
2. Not to misuse any of the information obtained towards the participants

3. Protect the rights of people in the study
4. Protect their privacy and sensitivity, and
5. Assuring all participants that their view will always remain confidential.

Chapter Four

Data Presentation and Analysis

4.1. Respondents' Characteristics

4.1.1. Respondents' Age and Gender

As presented in table 4.1, 45 respondents fall under the age category of 18-25 representing 27% of the total respondents which implies that they are young to do a lot for the organization. 59 respondents were between 26 and 35 years of age representing 35 % of the respondents. The third group of the respondents was between the age of 36 and 45 representing 28% and they were 47 in number. 17 respondents aged greater than 46 representing 10% which indicates that they are in a position to retire in the near future.

Table 4.1: Distribution of Age and Gender

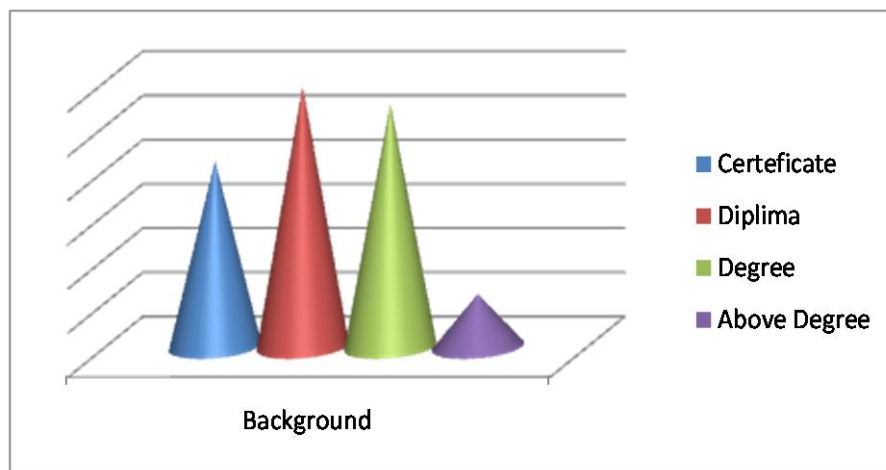
No	Item	Age	Senior staff		Middle staff		Lower staff		Total	
			No.	%	No.	%	No.	%	No.	%
1	Age of Respondents	18 – 25	0	0%	5	13%	39	35%	45	27%
		26 – 35	3	20%	14	33%	43	38%	59	35%
		36 – 45	8	60%	14	33%	26	23%	47	28%
		>46	3	20%	9	20%	6	5%	17	10%
	Total		14	100%	42	100%	112	100%	168	100%
2	Gender	Male	8	60%	28	67%	87	78%	123	73%
		Female	6	40%	14	33%	25	23%	45	27%
	Total		14	100%	42	100%	112	100%	168	100%

Source: Respondents Questionnaire (2017)

In regards to gender of respondents, the table 4.1 indicates that 123 of the respondents among the target population were male representing 73%, while 45 respondents were female representing 27%.

4.1.2. Educational level and work experience of respondents

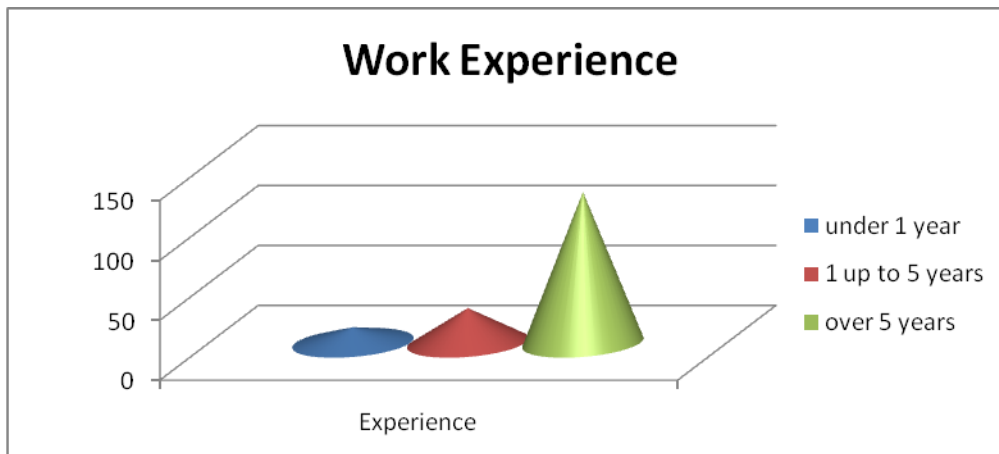
Educational background and years of experience of respondents is shown in Graphs 4.1 and 4.2. The educational status of the respondents under study showed that a higher percentage of respondents had diploma level of education which accounted for 59 of the respondents' i.e. 35.42 of the respondents were certificate whereas 55 of the respondents were first degree holders. Moreover, 12 or 7% of the respondents were second degree holders. This suggests that people of different educational qualifications are present in the organization indicating that different levels of training may also be required to improve their quality.



Source: Respondents Questionnaire, 2017

Figure 4.1: Respondents educational back ground

Figure 4.2 shows the number of years' service of the sample respondents of East African Agri_Business/EAAB/.As the result shows 126 or 75% of the respondents have been in the office for more than 5 years; whereas, 17% of the respondents which is 29 in number have an experience of 1-5 years in the company; and the remaining 13 respondents which counts 8% of the total sample worked in the company for 1 year and below. To this end, almost little to half of the respondents have been working for more than five years in the company which indicates that they have long period of experience which contributes to both the quality and quantity of the information they provide.



Source: Respondents Questionnaire, 2017

Figure 4. 2: Respondents work experience

4.2. EMPLOYEE TRAINING

Training is a significant tool for employee development. The quality of employees and their development through training and education are major factors in determining long-term profitability of a small business. If you hire and keep good employees, it is good policy to invest in the development of their skills so they can increase their productivity. Under this section the responses of both the employee and management group regarding their participation in any training given by their company is analyzed.

4.2.1. Participation of Training

Employee development in general and employee training in particular are very important for employees, which indicate the care an organization provides in order to develop its employees' skill and knowledge (Elena P. 200 in Hamid and Wahid, 2011). Hamid et al (2011) reinforce the idea that when organizations are investing in employee development they are contributing towards the employee development activities, which in turn motivates the employees to work hard, utilize their full skills and efforts to achieve the goals of organizations.

Regarding the availability of training in the company the respondents were asked their participation in trainings given in the company. Accordingly, the majority or 82 which is 73% of the lower staff

respondents reveal that they have been participated in trainings that were both directly and indirectly related to their jobs. Whereas, all senior staffs and 28 middle staffs which is 67% of respondents have taken training and also they have seen some sort of training given to employees under their supervision in one way or another. However, according to the interview done with the Human Resource Manager, induction training have been provided for all newly hired employees despite the fact that the employees' response was contradictory. This indicates that the company gives adequate importance regarding training and development in updating the skills and knowledge of most employees, which make employees more effective and productive.

Table 4.2 Employee participation in training

Question	Responses	Respondents						Total	
		Senior staff		Middle staff		Lower staff			
		No	%	No	%	No	%	No	%
Have you received any training since you have joined the organization?	Yes	14	100%	28	67%	82	73%	124	74%
	No	0	0%	14	33%	30	27%	44	26%
	Total	14	100%	42	100%	112	100%	168	100%

Source: Respondents (2017)

4.3 Employee Training Methods in EAAB

The method by which training is delivered often varies based on the needs of the company, the trainee, and on the task being performed. The method should suit the audience, the content, the business environment, and the learning objective. Ideally, the method chosen motivate employees to learn, help employees prepare themselves for learning, enable the trainees to apply and practice what

they've been taught, help trainees retain and transfer what they have learned, and integrate performance with other skills and knowledge.

Table 4.3 Training Method

Question	Responses	Respondents						Total	
		Senior staff		Middle staff		Lower staff			
		No	%	No	%	No	%	No	%
Training Methods used at EAAB	Seminar	5	40%	5	13%	14	13%	24	14%
	On-the-job training	3	20%	18	40%	73	65%	94	56%
	Discussions	0	0%	5	13%	11	10%	16	10%
	Lectures & Course based	3	20%	9	20%	0	0%	12	7%
	Simulations	0	0%	0	0%	0	0%	0	0%
	Demonstration	3	20%	5	13%	14	13%	22	13%
	Total	14	100%	42	100%	112	100%	168	100%

Source: Respondents (2017)

As table 4.3 shows, 56% of all group respondents reveal that EAAB uses to great extent on the job training as the most commonly used type of employee development. Nine respondents which are 14% of the total respondents have taken and seen Seminar training method in the company. Whereas, 16 which is 10% & 22 which is 13% of all respondent have reveal that Discussions and Demonstration trainings are used by the company respectively. Finally, Four and none of all respondents have suggested Lectures and Simulations trainings are used by EAAB respectively.

Moreover, an interview with the Human Resource Manager indicates that beside other training methods, most of the time EAAB conduct on- the-job training for existing staff and induction training for newly hired staff. Different studies show that trainings must be systematic and aimed at producing changes in behavior on the job and this does not mean that everyone should plan training activities using exactly the same method. On-the-job trainings are given to employees while they are

conducting their regular work and at the same place. In this way they do not lose time while they are training or learning. This indicates that the most popular training and development method used by EAAB is on the job training. Since, on the job training imparts the training provided at the work place, trainees learn the job and practically doing it at the same time. It implies learning and doing it at the same time.

4.3.1 Appropriateness of Training Method

It was described that implementation of training programs have been made in order to enhance employees performance on productivity, which was analyzed so far. But what the researcher going to analyze here is whether the training method applied by EAAB was appropriate or not, as perceived by Senior, Middle and Lower staff.

Table 4.4 Appropriateness of Training Method

Question	Responses	Respondents						Total	
		Senior staff		Middle staff		Lower staff		No	%
		No	%	No	%	No	%		
Do you believe training giving method of the organization is appropriate to easily understand the subject matter?	Certainly yes	14	100%	42	100%	104	90%	160	95%
	Some how	0	0%	0	0%	8	10%	8	5%
	Not at all	0	0%	0	0%	0	0%	0	0%
	Total	14	1	42	1	112	1	168	1

Source: Respondents (2017)

As table 4.4 shows, nearly all respondents of each group which is 160 or 95% of respondents agreed with the appropriateness of the training method applied by EAAB.

4.4 Duration and Accessibility of Training

HR department of a given organization should analyzes how well the individual employee is doing and determines which employees need training and the kind of training needed, the frequency and/or duration of training needed. Sources of information for needs assessment at the individual level include performance evaluation, performance problems, and observation on work places.

Table 4.5 Training Duration/Sessions

No	Item	Age	Senior staff		Middle staff		Lower staff		Total	
			No.	%	No.	%	No.	%	No.	%
1	Training sessions attended per year	Only once	3	20%	20	47%	98	88%	121	72%
		Two to four times	8	60%	22	53%	14	13%	44	26%
		Several times	3	20%	0	0%	0	0%	3	2%
	Total		14	100%	42	100%	112	100%	168	100%
2	Training duration	Less than 1 month	3	20%	17	40%	93	83%	113	67%
		1-3 month	8	60%	20	47%	19	17%	47	28%
		4-12 month	3	20%	5	13%	0	0%	8	5%
		More than a year	0	0%	0	0%	0	0%	0	0%
	Total		14	100%	42	100%	112	100%	168	100%

Source: Respondents (2017)

When comparison was made on the total number of training sessions attended, it was found that Accordingly, table 4.5, shows that 121 or 72% of respondents have attended one training sessions once per year. However, 44 or 26% respondents have attended more than one or two to four sessions per year. In terms of the duration in training or adequacy of training period, about 67% of the respondents had been in a training program of less than a month. Whereas, 47 or 28% of respondents replied they attended training that takes 1 to 3 months. 8 and none of the respondents had been in training for 4-12 months and more than a year respectively. This implies that mostly EAAB provides short-term

trainings to its employees and the trainings given to employees per year are very few and less frequently conducted.

4.5. Types of Training Given in EAAB

In an organization, employees must receive training to perform their jobs and to grow in their knowledge, skills, and abilities. Training provides employees with opportunities to learn new skills. The organization thus develops its internal talent for the future. Training has future implications for the success of organizations. Employers also are aware that the training or retraining of individuals for the jobs of the future may determine the success of many firms around the world.

Table 4.6 Types of Training

Questions	Types of Training	No.	Percent
Types of trainings taken	Computer skill	13	8%
	Operational (production related training)	113	67%
	Accounting	8	5%
	Machine operation	84	50%
	Induction	29	17%
	Conducting performance appraisal	0	0%
	Team building	22	13%
	Managerial skill/ leadership	8	5%
	Operational safety program	72	43%
	If other	0	0%

Source: Respondents (2017)

There are various ways to use employee training. In the case of EAAB, 113 employees have been taken operational trainings and ten respondents have taken new employee orientation training. 84 employees have taken machine operation training. 22 and 13 respondents have received team building and computer skills trainings respectively. Finally, none of the respondent has taken training on conducting performance appraisal. This indicates that Most of the time, EAAB focuses on production based trainings while no or less training was provided for supportive staffs. On the other hand other trainings different from production were not provided on assessing individual gaps.

4.6 Effect of Training on Employees overall Performance

Training is one of the most important potential motivators which can lead to many possible benefits for both individuals and the organization. Many assert that training of employees in an organization is one of the main functions of human resource management. According to Arthur and Bennett (2003), for instance, “training is one of the most pervasive methods for enhancing the productivity of individuals and communicating organizational goals to new personnel.” This it to say, human resource capital is the engine of productivity, higher competitiveness and economic growth.

For the same reason part III of the questionnaire intended to find out the effects of training on EAAB employees. Accordingly, the researcher listed the common outcomes of training to assess which of the following results were gained by employees at their respective positions. Outcomes of training and responses of employees are discussed below:

Questions	Rating									
	Very high		High		Moderate		Low		Very Low	
	N _o	%	N _o	%	N _o	%	N _o	%	N _o	%
Do you think the training program designed is based on the requirements of the job?	76	45%	50	30%	34	20%	8	5%	0	0%
Is the type of training you have taken is applicable for the job after the training?	101	60%	34	20%	22	13%	13	8%	0	0%
Do you really understand the objective of the training?	37	22%	30	18%	84	50%	17	10%	0	0%
Does the training increase your motivation of doing the job?	106	63%	25	15%	25	15%	13	8%	0	0%
Does the training improve your skills, knowledge, attitude change, new capability and productivity?	114	68%	34	20%	8	5%	13	8%	0	0%
Does the training lead you to be satisfied with your job?	42	25%	22	13%	64	38%	25	15%	17	10%
Do you think the method of training used by the organization is effective?	42	25%	34	20%	22	13%	54	32%	17	10%
Do you think that the training program was monitored and evaluated by concerned bodies	17	10%	17	10%	5	3%	131	78%	0	0%
Do you have enough training that enables you to do your job as required?	25	15%	30	18%	25	15%	50	30%	37	22%
Are you satisfied with the overall aspect of the training programs in the organization?	62	37%	13	8%	22	13%	62	37%	8	5%

Source: Respondents (2017)

Table 4.7 Effect of Training

4.6.1 Training & Job Requirement

As indicates in the above table, 45% of the respondents feel that the training is highly planned based on the requirements of the job. The rest of the respondents feel moderate, low and very low. This indicates that most of the time the training program designed in EAAB is not based on job

requirements as the majority of the respondents have replied and needs assessment is not conducted by the human resource management department.

4.6.2 Awareness of the Training Objective

The respondents were also asked if they were always clear about the objectives of each training program they took. As many as 84 out of respondents said moderate, and 17 respondents replied low and to the question. This implies that most of the trainees don't know the objectives for each training program they participate in.

4.6.3 Effectiveness of Employees & Training

Training methods used by the Company have been found to be ineffective by the majority of respondents (55%), whereas 45% of the respondents have found them to be effective. The Human Resource Manager was also asked to identify effectiveness of the training methods used. He indicated that induction and on the job trainings are being provided to employees by EAAB and that both are being considered effective. Also, new employees tend to the ones mainly engaged in induction training. Hence, it implies that most employees lack confidence to say the organization has good training methods to increase productivity.

4.6.4 Effect of Training on Improving Skills, Knowledge, Attitude Change & Capability

As table 4.7 clearly illustrates that as many as respondents agreed and link their knowledge, skill and attitude, and generally their productivity with training whereas, 13 of the respondents did not agree. From this we can understand that the training delivered for employees in the stated organization helped to receive the necessary knowledge and skills but not sufficient.

4.6.5 Applicability of the Type of Training for the Job

The study also sought to find out whether the type of the trainings provided by is applicable for the job and 80% of the respondent responses were highly Agree and agree. This implies that the type of training that they have taken is relevant to the job.

4.6.6 Effect of Training on Motivation

According to Cole (2002), employees who receive training have increased confidence and motivation. As the above table clearly indicates, majority of respondents feel motivated by the training activities of the company which implies due to the training provided to employee in EAAB, most of the employees are motivated with the training provided by the company and they are willing to do their job.

4.6.7 Training vs. Employees' Job Satisfaction

Respondents were also asked to rate their job satisfaction in the training conditions that the organization provided. Therefore, as indicated in the above table, majority of the respondents were not satisfied of the training that the organization provides in order to increase the organization's productivity. The interview with the HRM did indicate that training as human resource development has an effect in employee satisfaction and increased commitment. So it is noted that in order to create conducive environment, the organization still needs improvement in its trainings.

4.6.8 Training & Job requirement

To this end, 13 of the respondents believed they had enough training that has enabled them to do their job and 34, and 8 of the respondents replied moderately agree and disagree on the issue. This reply shows that the company is not giving much emphasis on the jobs that require training.

4.6.9 Training Monitoring and Evaluations

The other point was whether the training program was monitored and evaluated during or at the end of the program, 78% of respondent responded that the trainings did not evaluate. In addition to this, an interview with the HRM indicates that training programs were not being evaluated. This indicates that EAAB does not give emphasis on evaluations.

4.6.10 Employee Satisfaction with the Overall Aspect of the Training Programs

To this end, about 75 or below the average number of respondents who were satisfied with the overall aspect of the training programs in the organization showing that the origination should give due emphasis on the satisfaction of the trainees.

4.7 Benefits of Employee Training in EAAB

Training is one of the most pervasive methods for enhancing the productivity of individuals and communicating organizational goals to new personnel. It is the most potential motivators which can lead to many possible benefits for both individuals and the organization. However, many organizations engage in training for different purposes and it was necessary to find out what major purpose underlies training in EAAB.

The concern therefore is how EAAB carries through its training and what impact the training has had on its employees in terms of increased productivity. This general purpose of training can be strengthened by the responses gathered.

Table 4.8 Benefits of Training

Responses on Training Benefits	Very High		High		Moderate		Low		Very Low	
	No.	%	No.	%	No.	%	No.	%	No.	%
Increased productivity	69	41.18	49	29.41	44	26.41	0	0	0	0
Enhanced quality of product/service	40	23.53	59	35.29	69	41.17	0	0	0	0
Improves skills, knowledge, attitude change, new capability	59	35.29	69	41.18	40	23.53	0	0	0	0
Reduces accidents	89	52.94	40	23.53	20	11.76	0	0	20	11.76
Less supervision necessary	20	11.76	99	58.82	20	11.76	0	0	30	17.65
Reduction in turnover	0	0	99	58.82	40	23.53	0	0	30	17.65
Improved work motivation	40	23.53	99	58.82	30	17.65	0	0	0	0
Increased job satisfaction	69	41.18	69	41.18	20	11.76	0	0	10	5.88
Increased work efficiency	30	17.65	89	52.94	49	29.41	0	0	0	0
Improved profitability	40	23.53	89	52.94	40	23.53	0	0	0	0

Source: Respondents (2017)

The above table reveals, as majority of the respondents replied, the training given to employees at EAAB increases productivity, enhances quality of product and helps to improve the skills, knowledge, Attitude, change, new capability and competencies. In addition to this, the HR manager also feels that employee training has a significant role to play on productivity and strengthen the level of continuous investment. The HR Manager indicates that training has been an important variable in increasing the organization’s performance. The employees who get training are productive and produce effectively

and efficiently. And this has been found to contribute a lot on the overall performance of the organization.

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 & most importantly it plays a key role to enhance employee performance.

Efficiency & effectiveness are some of the ingredients of performance & when they perform up to set standard & meet organizational expectations they are believed to be good performers. This means effective administration & presentation of employees tasks which reflect the quality desired by the organization can also be termed as performer. In the development of organizations, training plays a vital role, improving organizational performance as well as increasing productivity, & eventually putting organizations in the best position to face competition & stay at the top. i. e there is a significant difference between organizations that train their employees & organizations that do not. So there exists apposite association between training & development & organizational performance.

Chapter 5

Summary of Findings, Conclusions and Recommendations

5.1 Summary of Findings

After analyzing and interpreting the data, certain findings have come up to show the effect of employee training on productivity at EAAB. These are summarized as follows.

- According to the interview made with higher management bodies, EAAB provides induction training for all new employees though there are respondents who have not taken any training so far. And it was also revealed that the provision of ongoing trainings is not as expected.
- Some of the respondents are highly satisfied with the training program provided by the company.
- Lower staff employees felt that the organization is not following an effective training method that allows it to increase productivity.
- Majority of the respondents are of the opinion that the company is committed in promoting a training program but some individuals responded that they have never participated in trainings.
- Most of the time, EAAB provides short-term on the job and one time trainings for its employees. The trainings designed in EAAB are not based on the requirements of the job being performed and the majority of the respondents replied that the types of trainings they have taken so far are not relevant for the job.
- Most of the respondents replied that training programs were not being evaluated during or at the end of the trainings.
- The majority of the respondents believe that training and development has increased the knowledge and skills of employees although it is still not considered as being sufficient.
- Most of the respondents feel that training budget allocated by the organization was not enough.

- Moreover, training provided to employees in EAAB motivated most employees but did not satisfy them in order to do their job well.

5.2 Conclusion

In this paper, the researcher has attempted to critically evaluate the training practices of EAAB assessing its effect on organizational productivity. Subsequently, the primary data obtained through interviews and questionnaires distributed to senior staffs, middle staffs and lower staff members of the company were employed. Accordingly, the human resource manager was contacted and information was gathered through interviews. Hence, the following conclusions are inferred from the study.

- According to the EAAB policies that the researcher reviewed, both in-house and overseas training programs are given to employees. The in-house trainings, including workshops, seminars and short-term trainings are organized by the organization senior staff. External trainings, including local and overseas trainings are given to selected staff to update their skills and knowledge.
- The findings revealed that there exists inadequacy of training and unequal access for training among employees leading to employee dissatisfaction.
- According to the HR manager, in addition to compensation and working environment, training has been found to be a factor that affects employee's performance and productivity.
- For EAAB to become more productive, the HRM department needs a better strategic training program for its employees. The study also revealed that employees could become more effective, efficient & productive as they get more trainings. The provision of training for new employees was found to be good for them as they embark on their new job. The provision of training for pre-existing employees is revealed to be mutually important to enhance their skill and knowledge.
- It can be concluded from questioners distributed and observations made that for a better and higher effectiveness, possible changes, including putting in place a more effective training program by EAAB is needed as to the respondents and the literatures reviewed it will have a positive impact both on EAAB employee and the organization itself.

- Evaluations, particularly post training evaluations, have not been given much consideration by EAAB although it is a means to assess the cost / benefit of trainings in the HRD program of the company.
- Most of the respondents replied the budget allocated for the training is not enough and the HRM also indicated no analysis has been made so far indicating the adequacy of investment on effective employee training.
- Finally, the study has shown with training, employees are more able to perform their work very effectively and efficiently indicating the possibility that the company could achieve the target with low cost, high quality and high level of customer satisfaction.

5.3 Recommendations

Based on the above conclusion drawn, the following recommendations are forwarded to the management of the company, to improve the current problems that have been encountered in relation with the Human Resources Development Programs.

- The Human Resource department of the Company should provide a comprehensive range of training programs to all staff aimed specifically to meet their needs and to develop their knowledge and skills in core areas, in order to achieve the EAAB's objectives. Providing trainings for only new employees is one of the shortcomings as ongoing training for current employees can also help them to rapidly adjust to changing job requirements.
- Training must be systematic and aimed at producing changes in behavior on the job and this does not mean that everyone should plan training activities using exactly the same method. For trainings to be effective, various methods must be used depending on the needs identified.
- The Human Resource Management Department Head of the company should assess the training need of subordinates for it may increase training effectiveness by the enhancement of good interpersonal relationship.

- Identification of employees for training and development programs should be free from bias.
- Before conducting any training the company should do need assessment. In addition to this, it is recommended that management should look at various training methods and determine which ones are appropriate.
- As training was found to be one of the major factors for performance and productivity the company should allocate more funds. By investing on training, organizations can improve employee productivity which ultimately increases productivity and effectiveness.
- All training programs should be evaluated systematically and training policy should thus be regularly reviewed to ensure that it is in line with the organization's overall objectives. And also it will help the organization gain information on how to improve future trainings.
- The human resource department should give emphasize on the training programs to satisfy all staff to meet their needs and to develop their knowledge and skills in core areas, in order to achieve the organization's objective.
- The introduction of a new and/ or innovative training program to EAAB will surely help reach greater heights in the years to come. With the provision of proper and relevant trainings, an employee could become multi-skilled. Thus, training endeavors to impart knowledge, skill and attitude necessary to perform job related tasks. Training and development programs should vary according to the ability and attitude of individual employees. For some jobs, a different type of employee training is needed as the job varies everyone may not have the same kind of training need.

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Appendices

Appendix 1 – Questionnaire to be completed by lower staffs

Dear Respondent,

My name is Tewodros Firesibehat. I am doing research for the fulfillment of the requirement of Master's degree in business administration. Your kind responses to the following questions are highly appreciated as they are important data sources for my research work. You are not expected to write your name so that your identity is always kept anonymous. This questionnaire has been designed to solicit information for purely academic purposes. Thank you.

PART 1: Personal Information

1. Age _____
2. Gender: Male Female
3. Educational Background;
 - A. Certificate
 - B. Diploma
 - C. First Degree
 - D. Second Degree

PART 2: Please tick in the box and/or fill on the space provided for the following questions.

1. How long have you been working with this organization?
 - A. Less than 1 year
 - B. 1- 5years
 - C. 5 years
 - D. Above 5 years
2. How does the training help u?
 - A. It helps to maintain good relation between employer & employee.
 - B. Helps to focus on organizational goal.
 - C. Helps to increase productivity.
3. Do you accept the new technological thought in your training program?(if any)
Yes No
4. In what methods do you take the training? More than one answer is possible.

- A. Seminar
 - B. On-the-job training
 - C. Discussion
 - D. Lectures& Course- based
5. Do you believe training giving method of the organization is appropriate to easily understand the subject matter?
- A. Certainly yes
 - B. Some how
 - C. Not at all
6. What types of training you have taken? *More than one answer is possible.*
- A. Computer skill B. Operational C. Financial D. Machine operation
 - E. Induction F. conducting performance appraisal G. Team building H. Managerial skill/ leadership I. Operational safety program
 - J. If other please specify _____

PART 3: Please tick in the space provided for the following questions. In accordance to: 1 = very high, 2 = high, 3 = moderate, 4= low, 5 = very low

No.	Questions	Responses				
		1	2	3	4	5
1	Do you think the training program designed is based on the requirements of the job? Or employee inability/ability for the job?					
2	Is the type of training you have taken is applicable for the job after the training?					
3	Do you really understand the objective of the training?					
4	Does the training increase your motivation of doing the job?					
5	Does the training improve your skills, knowledge, attitude change, new capability and productivity?					
6	Does the training lead you to be satisfied with your job?					
7	Do you think the method of training used by the organization is effective?					
8	Do you think that the training program was monitored and evaluated by concerned bodies during and at the end of the program?					
9	Do you have enough training that enables you to do your job as required?					
10	Are you satisfied with the overall aspect of the training programs in the organization?					

Appendice 2– Questionnaire to be completed by Middle staffs & Senior staffs

Dear Respondent,

My name is Tewodros Firesibehat. I am doing research for the fulfillment of the requirement of Master's degree in business administration. Your kind responses to the following questions are highly appreciated as they are important data sources for my research work. You are not expected to write your name so that your identity is always kept anonymous. This questionnaire has been designed to solicit information for purely academic purposes. Thank you.

PART 1: Personal Information

1. Age _____
2. Gender: Male Female
3. Educational Background;
 - A. High School Certificate
 - B. Diploma
 - C. First Degree
 - D. Second Degree

PART 2: Please tick in the box and/or fill the space provided for the following questions.

1. What is your work position in the organization?

2. How long have you been working with this organization?
 - A. Less than 1 years
 - B. 1-5 years
 - C. 5 years
 - D. Above 5 years
3. Have you received any training since you have joined the organization?
Yes No
4. If your answer is “yes” for question number 3 or 4, in what methods do your organization mostly give training? More than one answer is possible.
 - A. Seminar
 - B. On-the-job training
 - C. Discussion

D. Lectures& Course- based

5. Do you believe training giving method of the organization is appropriate to easily understand the subject matter?

A. Certainly yes

B. Some how

C. Not at all

6. Do you believe that employee development through training can enhance organizational productivity and employee motivation?

A. Certainly yes

B. Some how

C. Not at all

7. What is your reason for your answer of question number ?6

8. Do you think that the training given to employees brought the anticipated result?

A. Certainly yes

B. Some how

C. Not at all

PART 3: Please rate appropriately for which training in your organization is resulting. In accordance to: 1= Very high; 2= high; 3= Moderate; 4= low;5= Very low

No.	Out comes	Rates				
		1	2	3	4	5
1	Increase productivity					
2	Enhance quality and quantity of product/service					
3	Improves skills, knowledge, attitudinal change and new capability					
4	Enhance the use of tools and machine, operational safety					
5	Reduces accidents					
6	Reduces lateness, absenteeism					
7	Eliminates obsolesce in skills					
8	Reduction of work errors					
9	Decrease supervision frequency					
10	Reduction in turnover					
11	Enhance employee motivation					
12	Improve employee self-confidence					
13	Decrease material wastage					
14	Increase job satisfaction					
15	Improve team work					
16	Improve work efficiency					
17	Increase profitability					

Appendice 3– Questionnaire to be completed by Executive management and Human Resource Management

Dear Respondent,

My name Is Tewodros Firesibehat. I am doing research for the fulfillment of the requirement of Master's degree in business administration. Your kind responses to the following questions are highly appreciated as they are important data sources for my research work. You are not expected to write your name so that your identity is always kept anonymous. This questionnaire has been designed to solicit information for purely academic purposes. Thank you.

1. What is the past trend of your organization, regarding employee training and its result?

2. Does your organization have a strategic plan of employee development through training? If so, please describe the plan shortly.

3. Does your organization give training for new and existing employees? If so, what is the method?

4. How do you select employees for a given specific training?

5. Have you been affected by labour turnover? If so what do you think of the problem?

6. Does employee training affect productivity and strengthen the level of continuous investment?How?_____

7. Does employee training as human resource development have an effect in employee satisfaction and increased commitment?

8. How do you measure the achievements gained from employee training and development on productivity? _____

9. What are the benefits in which your company will achieve from employee development through training?

10. What are the factors that affect the effectiveness of employee development and training?

11. What type of problems do you encountered during employee training programs?

12. Does your organization have a regular time for employee training programs? And in what base do you plan the program?

13. What is the link between employee development through training and organizational effectiveness?
14. To what extent does your organization invest in effective employee training program in accordance to their ultimate objective?

15. In your trend what was the relationship between organizational effectiveness and employee development through training?

