# EMPLOYEE TRAINING AND DEVELOPMENT IN THE MICROFINANCE INDUSTRY

A Case of Some Selected Microfinance Companies in the Kumasi Metropolis

BY

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A Thesis submitted to the Department of Managerial Sciences,

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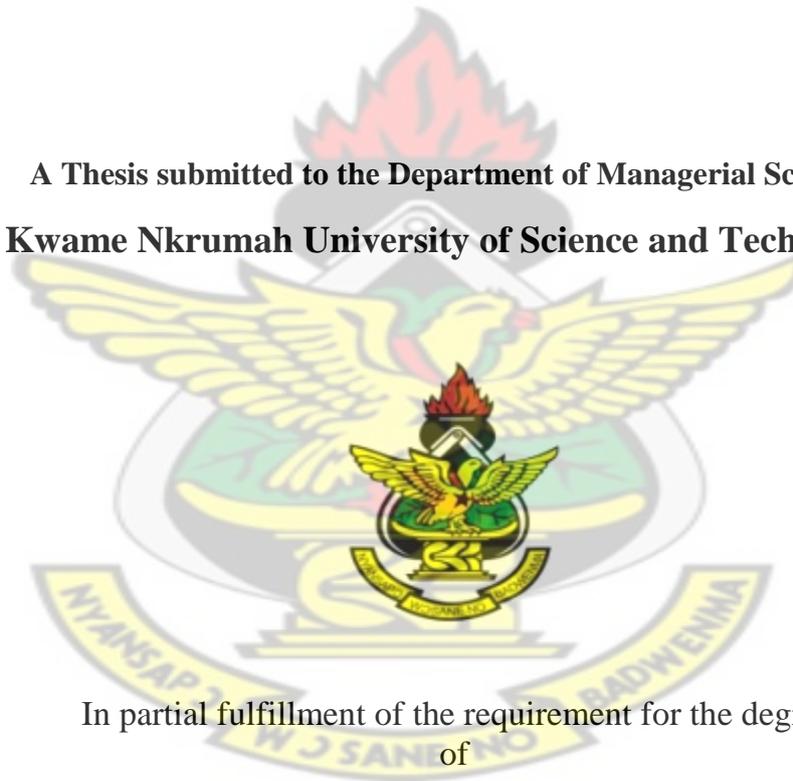
In partial fulfillment of the requirement for the degree
of

MASTER OF BUSINESS ADMINISTRATION

(Human Resource Option)

AUGUST, 2013

DECLARATION

I hereby declare that this submission is my own work in fulfillment of an award of MBA and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgment has been made in the text.

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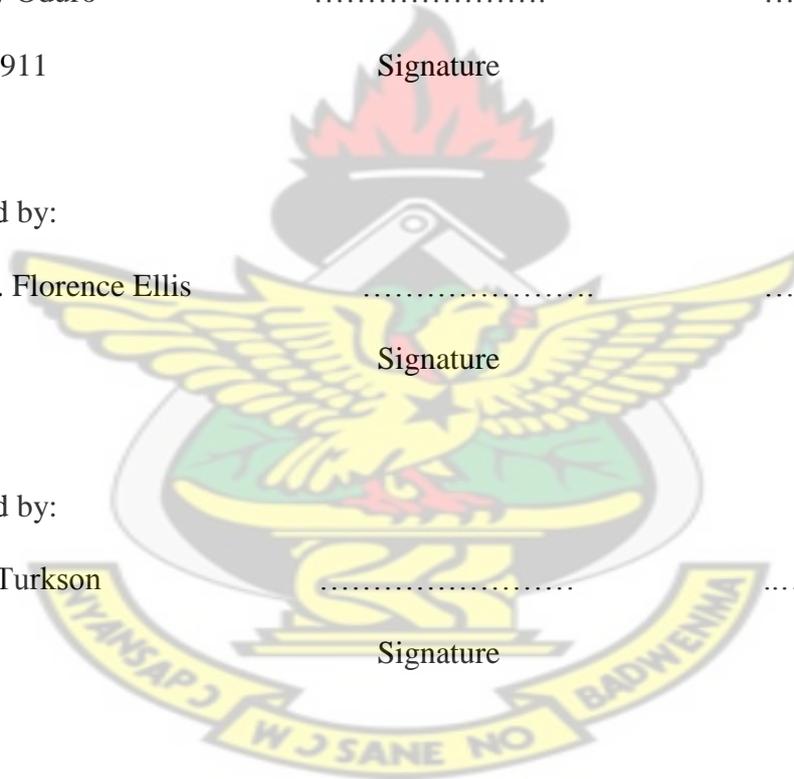
DEDICATION

I dedicate this work to Almighty God for his mercies and protection, my sweet mother

Madam Mary Effuah for her love, care and guidance, MUM I Love You.

ACKNOWLEDGEMENTS

ABSTRACT

Many micro finance institutions employ the services of fresh graduates and people with little or no knowledge in Finance. This does not help in securing competitive advantage since today's competitive market needs professional competence. This poses a lot of threats to the survival of most micro finance institutions and has driven most of them out of the market. However, others have been able to groom their employees to become professionals and experts in the financial market. Training and development encourages and assists both professionals and personal growth. This helps employees to achieve personal goals, which in turn increases the individual's contribution to the company, leading to heightened job satisfaction; it is against this backdrop that the study seeks to address the issue of training and development in the micro finance sector. The study intended to identify the current training needs and programme of the micro finance institutions, determine how training programmes are implemented, and determine the influences of training on individual and organizational performance. The researcher adopted a survey, and using questionnaires, data was collected, collated and analysed. The researcher found out that the microfinance institutions were doing well with the issue of training since their employees are well versed with practices and skills required for their performance. The organizations employ the on-the-job training method. They also organize training and development programmes which are geared towards capacity building. However, some of the employees indicated that they are not satisfied with the training programme. It was also identified that training has positive impact on the individual and organizational performance. It was recommended that there should be a structure set up for periodic monitoring of employees performance over time to ascertain the impact of training programme on individual and organizational performance.

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CHAPTER ONE

1.1 Introduction

Liberalisation, inflation and interest rates have shown how interlinked the global issues can influence local policies. In Ghana for example, liberalisation, continued high inflation and interest rates (particularly on Treasury Bills) has limited the incentive for commercial financial institutions such as (Commercial Banks) to reach out to smaller, poorer clients. On the other hand, liberalization of financial policies during the late 1980s has enabled Micro Finance Institutions to develop with relatively little interference, although without a clearly articulated national strategy. Currently, the micro finance sector forms about (7%) of the financial market with its aim of providing micro credit to small and medium scale businesses. Although Ghana's approach has allowed easy entry of quiet a number of microfinance institutions, the approach has also permitted the influx of institutions with weak management and internal controls. Ghana's experience demonstrates the difficulty of striking the right balance between encouraging entry and innovation on the one hand and establishing adequate supervision capacity on the other hand. The poor and weak management and internal control of these institutions has made it necessary to examine the quality of services they provide.

The degree of service quality is dependent on quality and caliber of employees/staff. Due to MFI low capital base compared to commercial banks, micro finance tends to recruit employees with general knowledge. This strategy adopted almost by all the institutions under the study is to cut down on operating cost and at the same time increase profit. Most of such firm embarked on rigorous training and development courses to equip their employees with the necessary skills and knowledge.

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Training is of growing importance to companies seeking to outwit their competitors. There is a debate among scholars as to the effects that training has on both employees and the firm objectives. One school of thought argues that training leads to increase turnover whiles another school of thought argues that training is a tool that can lead to higher levels of employee retention (Colalli & Montei, 1996; Becker, 1993).

Irrespective of where one falls within this debate most professionals agree that employee training is complex human resource practice that can significantly impact on a company's success. Again some organisations in the past viewed training and development as costly, time consuming and not worth the effort. Nowadays, the modern workplace recognizes the importance of investing in training and development and appreciates its valuable benefits. Training industry as a whole has shown significant growth through the years. Statistics indicate that investment in training is continuing to grow as more and more companies realize its importance. In 1995 $7.7billion was spent on wages and salaries of in house company trainers and $2.8 billion was spent on tuition reimbursement (Frazis, Gittleman, Horrigan and Joyce 1998). The American society for training and development found that in 2004, the average annual training expenditure per employee was $955 which is an increase of $135 per employee from previous year. (ASTD 2004)

The number of formal learning hours per employee rose from 26 hours in 2003 to 32 in 2004 (American Society for Training and Development, 2005). As investment in various training programme continue to rise, it becomes even more imperative for employers to understand the impact that training has on their organization. Training is a learning process that involves planned learning activities designed to equip employees with knowledge, skills and abilities and also to change attitudes and behaviour in the workplace. Similarly, development is also a learning process which

tends to differ slightly due to a greater focus on exploration and broadening of horizons through professional projects, developmental programs and career progression. Training and development together aim to strengthen the workforce and enhance performance and in turn aid accomplishment of organizational objectives. Training and development ensures the availability of knowledgeable, multi skilled workforce which is the most important competitive resource to the organisation. Being skilled and educated makes the workforce more effective, efficient and productive. It optimizes the utilization of human resources and therefore helps to increase productivity (Coetzee 2007). As an organisation becomes more efficient and productive it will also become more profitable as a result. Productivity and profitability are essential for an organisation to grow and achieve its long its long term goals. In line with the importance of employee training and development in the achievement of organizational goals, this study attempts to understand through empirical investigation, employee training and development in the micro-finance sector in Ghana

1.2. Statement of the Problem

Many micro finance institutions employ the services of fresh graduates and people with little or no knowledge in Finance. Competitively, this does not help in securing competitive advantage since today's competitive market needs professional competence. This poses a lot of threats to the survival of most micro Finance institutions and has driven most of them out of market. Those who have not been driven out of market too are struggling to survive. However, others have being able to groom their employees to become professional and experts in the financial market. Some have upgraded to savings and loans (i.e. a step further). The frequent collapse

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of these institutions is not healthy for the growth of the economy in general since these micro finance institutions provides loans and other financial assistant for medium and small scale businesses. Most of these micro finance institutions are not aware that training and development plays an essential role in the modern workplace's ability to cope with change, new technology, regulations, and increased competition which are common obstacles in the micro finance sector.

Training and development encourages and assists both professionals and personal growth. This helps employees to achieve personal goals, which in turn increases the individual's contribution to the company, leading to heightened job satisfaction. Improvements in staff morale and levels of motivation can be enjoyed. The end result is the firms increased ability to retain and develop its low skilled workforce to become effective and highly skilled employees. Externally, training and development helps to create a positive corporate image of the institution, it is against this backdrop that the study seeks to assess the problem of training and development in organizations.

1.3 Research Objectives

The main aim of this study is to determine the impact of training and development on employees in the micro finance sector.

1.3.1 Specific objectives

1. To identify the current training needs and programs of micro finance institutions in Ghana.

2. To determine how training programs are implemented in the selected micro finance institutions in Ghana.

3. To determine training influence on individual performance.

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4. To evaluate the impact of training on organizational performance in micro finance institutions in Ghana.

1.4 Research Questions

The research questions for this study will be as follows:

1. What are the current training and development needs of the micro finance institutions in Ghana?

2. How are training programmes implemented in the Micro Finance Institutions in Ghana?

3. How does training influence individual performance in the micro finance institution?

4. What is the impact of training and development on organizational performance in the Micro-Finance Institutions in Ghana?

1.5 Research Methodology

The research was based on primary and secondary sources of data. The secondary sources were obtained from journals, periodicals, articles, Internet, and company records. Primary source of data was also obtained through interviews and individually administered questionnaires. The methods and areas that were used in acquiring the primary data include the research design, population, sample and sampling techniques, data collection and analysis. For this task to be achieved, a qualitative method was used. Questionnaires were administered to selected employees of both higher and lower rank within the organisations, Top management in the selected institutions was also served with questionnaires to solicit their opinions on the study. The contents of the questionnaires were based on the objectives outlined above. The

population for the study consisted of employees of the organizations under study in the selected institution. A combination of sampling techniques was used for this research. Purposive sampling and random sampling techniques were used to get the sample for the study. The questionnaire was analyzed using Statistical Package for Social Science (SPSS) software version 16). Descriptive analysis was used for the open ended questions administered.

1.6 Scope of the study

Even though training and development is a wide concept and it is practiced by almost all organizations, the study will limit itself to two microfinance institutions in the Ashanti Region, specifically micro finance institutions in the Kumasi metropolis. It will therefore focused on the management, staff of the various departments (marketing, credit, accounts, and customer service) and field cashiers (mobile bankers) of some selected microfinance companies in Kumasi. The study will also focus on the ability of the selected institutions to use training programs to help employees upgrade their skills from general to professional knowledge in order to effectively manage various units in the firm.

1.7 Significance of the Study

As stated in the background of the study, micro finance institution in their quest to minimize cost and increase profit employ the services of employees with general knowledge, however to operate in the financial sectors successfully, there is the need for the services of professional staff to make and implement strategies in other to gain competitive advantage. The study will therefore equip managers and decision makers in the micro finance and financial sector in general with the knowledge of using

training to develop and equip their staff with professional competence. The study will also add up to existing literature and will serve as a springboard for further research.

1.8 Limitations of the study

The limitations of the study were resource constraints in terms of finance, time, and logistics as well as difficulty in accessing information from management of the various institutions. However the researcher managed to retrieve substantial information from the employees who availed themselves to be surveyed.

1.9 Organization of the study

The research is divided into five chapters. The first chapter, which is the introduction to the study, the problem definition and significance, scope of the study, method adopted in the study, and the limitations, and the organization of the study. Chapter two presents a review of the relevant, literature on various terms and definitions used in association with training and development, universal view of training and organizational performance, relevance of training to employee in modern work place. This provides a conceptual framework on training and development in organizations. Chapter three looked at the profile of the study area, and the methodology used. In chapter four, collected data were analyzed, and their cost and benefit, implications and effects, were discussed. Chapter five focused on summary of findings, recommendations and conclusions of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The aim of this chapter is to provide view of the relevant articles and journals on training and development. The chapter will endeavor to highlight training concepts, ideologies and philosophies. The review also attempts to ascertain the benefits of training and developments in organization. The chapter concluded with the development of a conceptual framework for the training and development conflict processes in organisations. This framework is applied to the study.

2.2 Training and development as an organizational phenomena

Virtually all organizations stand to embrace the concept of staff training and development due to the complexities and the changing nature of the business environment to empower employees and facilitate the development of their full potential to enhance organizational performance.

Training effectiveness depends on the kind of atmosphere and culture that is prevalent back at home (Mehta, 1970 as cited in Vijayabanu and Amudha, 2012). Training programs needs to focus on corporate planning, organizational development and personnel management (Srinivasan, 1977 as cited in Vijayabanu and Amudha, 2012).Constant changes occur in the internal and external environment of business units. It is important for the organization to restructure and reinforce the human assets to adapt itself to these environmental changes. Business does not have unanimous methodologies for evaluation and it depends on suitability (Morkvenas, 2008). It is of paramount importance to any organization to constantly upgrade and equip its

employees with new technology and skills in order to adjust quickly to the fast changing business environment. For the development of human asset, 'training' becomes the base. Training is a tool to attain individual, organizational needs related to the jobs undertaken and is also intended to improve the work culture of the group involved in a group task. An ideal training programme can be expected to change the attitude, skill and develop forward vision of the participants towards the task. Training plays a vital role in the development of organizations and improving their performances as well as increasing productivity, and eventually putting companies in the best position to face competition and stay at the top. (Gordon 1992) defined training as a type of activity which is planned, systematic and results in enhanced level of skills, knowledge and competencies that are necessary to perform work effectively. Therefore there exists a positive association between training and employee performance.

2.3 The concept of training and development

There is a distinct lack of agreement among experts on any particular definition of the concept of training and development. Dictionaries are no exceptions. Two of them are presented here. According to the Longman Dictionary of contemporary English updated edition (2001) training is the "process of teaching or being taught the skills for a particular job or activity". The same dictionary defines development as "the process of increasing business, trade, and industrial activity ". The terms training and development are often used interchangeably, but it is important to highlight the difference between them because both terms are often confused (Sinha, 1998). Another school of thought has been expressed on employees training as "the process of providing employees with specific skills or helping them correct deficiencies in

their performance as having shared leadership responsibility, accountability, as well as dedication" (Stacy, 2001). This occurs when members are fully committed to the aspirations of the company. This commitment derives from an involvement in defining how their objectives will be achieved, and having the power to make decisions rather than being dependent on the agreement of external management. In contrast, development can be seen as an effort to provide employees with the abilities the organization will need in the future.

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. Harrison and Jackson (2010) observed that, the name was endlessly debated by the Chartered Institute of Personnel and Development (CIPD) during its review of professional standards in 1999/2000. "Employee Development" was seen as too evocative of the master-slave relationship between employer and employee for those who refer to their employees as "partners" or "associates" to be comfortable with. Development is the process whereby, over time, the individual employee becomes more complex and differentiated through the interaction of internal and external factors (Julie and Tim 2010). Watson, 1999; Harrison, 2009 recommend that in order to design, implement and evaluate effective development intervention, a cyclical process or system of formal planning ought to be followed. The planning cycle comprises of the following: ensure the consideration of the needs of individual and organization; establish appropriate aims and objectives; ensure optimum methods of design and delivery; carry out effective evaluation of the development intervention. According to Obisi (1996) the concepts, of training and development are used interchangeably. However, one can be differentiated from the

other. Training is for specific job purpose while development goes beyond specifics development since it covers not only those activities which improve job performance, but also those which bring about growth of personality (Obisi, 2011). In training, you are using one stone to kill one bird while in development you use one stone to kill two birds (Mamoria, 1995 as cited in Obisi, 2011). Anthony Landale (1999) makes a clear distinction between training and development,; development is a process designed to develop skills necessary for future work activity and usually organized for employees in management positions while training refers to a process designed to maintain and improve current job performance. Training organized for staffs and officers of both higher and lower rank to increase their knowledge and skills for the successful accomplishment of a specific. Training focus on immediate performance improvement whereas development focus on future performance improvement.

2.4 Training concepts, ideologies, and philosophies

Organizations that are dedicated to generating profits for its owners (shareholders), providing quality service to its customers and other stakeholders invest in the training of its employees (Evans and Lindsay, 1999). "The more highly motivated a trainee, the more quickly and systematically a new skill or knowledge is acquired. That is why training should be related to money, job promotion, and recognition among other, i.e. something which the trainee desires" (Flipped, 1976). There are four prerequisites for learning as provided by Leslie (1990): Motivation comes first. Cue is the second requirement. The learner can recognize related indicators (cue) and associate them with desired responses with the help of training. Response comes third. Training should be immediately followed by positive reinforcement so that the learner can feel the response. Last is the feedback; it is the information which learner receives and

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indicates in the quality of his response. This response must be given as quickly as possible to make a sure successful learning (Leslie, 1990).While much is known about employees training and development in the developed world, studies of issues associated with training in less-developed countries are rarely found. Job characteristics and firm background were found to play key roles in determining training provision. Workers who received off-the-job training were less likely to receive on-the-job training, while those who received on-the-job training were neither more nor less likely to have received off-the-job training. However, a complementary relationship was found between receiving informal training and receiving on-the-job or off-the-job training. Earnings differentials were not found to correlate with different types of training. Unlike in developed countries, training in China was usually intended to remedy skills deficiencies, rather than enhance productivity (Ying Chu Ng, 2004). There is a link between training and learning. Learning is a process within the people which results in the capacity for changed performance that can be related to experience rather than maturation (Julie B and Tim C., 2010). Learning contributes to training and development. Lifelong learning means continuous adaptation which leads to increased knowledge and improved skills which enlarges the individual's capacity to adapt to environment and environmental changes. There cannot be training without learning of some kind (Julie Band Tim C, 2010).

2.4.1 Main activities in training and development

Training and development (T&D) encompasses three main activities: training, education, and development. Garavan, Costine and Hearty (1995) of the Irish Institute of Training and Development, noted that these terms are often considered to be

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synonymous. However, to practitioners, they encompass three separate, although interrelated, activities.

- **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.

The main character of independent working groups were also intent on improving the quality of working life of employees by providing a wider range of tasks to work on job enrichment and a social environment in which to carry them out. The emphasis is quite clear, different performance is the unvarying aim. Higher performance is expected due to increase flexibility and communications within organizations, increase ownership of the task and commitment to goals.

Training may think of organizations as well as individuals being capable of 'learning to learn'; based on the belief that "endless learning opportunities exist at the workplace". The Chartered Institute of Personnel Development (CIPD) UK promotes a concept of paradigm shift from 'Training to Learning'. Under this new model, the line manager is charged with additional responsibility for development of subordinates. This calls for a climate at workplace where the people search for the knowledge every moment; through routine exchange of information, peer group learning, coaching, mentoring, on the job training, reading functional manuals, consulting professional magazines/ websites and other resources. This is a notion of environmental scanning giving opportunities for intentional as well as accidental

learning. This model is a 'progressive movement from the delivery of content to the development of learning capabilities as a people development strategy'. Any organization that facilitates the learning of its members, constantly transforms itself and its context. The learning model is bound to have implications on future profitability, delivery of services, and role of people management and development, especially in the microfinance sector. A study on graduate engineering trainees in the Public Sector Organizations also found that the trainees perceived both the method and contents of the training as demotivating and dissatisfying (Agarwal, 1982). Training for personnel managers should be directed towards attitudes and beliefs underlying managerial philosophy and their inter-relatedness (Seth, 1984).

2.4.2 Types of training

Training an employee to get along well with authority and with people who entertain diverse point of view is one of the best guarantees of long-term success. The following are the types of employees training;

a. **On the job training-** On the job training methods are those which are given to the employees within the everyday working of a concern. It is a simple and cost-effective training method. The non-proficient as well as semi- proficient employees can be well trained by using such training method. The employees are trained in actual working scenario. The motto of such training is "learning by doing." Instances of such on-job training methods are job-rotation, coaching, temporary promotions, etc. According to Armstrong (1995), on-the-job training is the only way to develop and practice the specific managerial, team leading, technical, selling, manual, and administrative skills needed by the organization and it has the advantages of actuality and immediacy as the

individual works, learns and develops expertise at the same time. However, disadvantages of on-the-job training according to Armstrong (1995) are that the effectiveness of the learning is strongly influenced by the quality of the guidance and coaching provided on the job. Many managers and team leaders are unskilled at training and disinclined to carry it out or to encourage it. Furthermore, relying on fellow employees in "sit by me" training has obvious disadvantages as instruction may be inadequate and the training may perpetuate bad habits. Again, the learner may be distracted by the same environment and find it difficult to acquire basic skills quickly.

b. **Off the job training-** Off the job training methods are those in which training is provided away from the actual working condition. It is generally used in case of new employees. Instances of off the job training methods are workshops, seminars, conferences, etc. Such method is costly and is effective if and only if large number of employees have to be trained within a short time period. Off the job training is also called as vestibule training i.e., the employees are trained in a separate area (may be a hall, entrance, reception area etc. known as a vestibule) where the actual working conditions are duplicated. According to Ejiogu (1996), off the job training would include vestibule training, role playing, case study, discussion and simulation. However, Armstrong (1995) included group exercises, team building, distance learning, outdoor and workshops as part of off-the-job training.

2.4.3 Issues to consider during training and development

Obisi (2011) cited certain vital issues that are relevant for consideration during training and development from Armstrong (1995). They are as follows:

- Organization training and development philosophy. Philosophy is the staring pint to wisdom (Obisi, 2011). Philosophy is defined as a guiding principle or sets of guiding principles. Basically an organization needs to possess a guiding principle to determine the reason and the goal for embarking upon training and development. An organization without such is bound to fail because it is operating aimlessly.

- Strategic focus in Training. Obisi (2011) noted that training activities within an organization should not be a once and for all activity but a continuous one. It is held that training should be an ongoing process because the organization continuously undergoes changes. Training therefore should be organized for new, old, transferred and promoted employees (Obisi, 2011).

- Relevance of training. Relevance of the training is also an important issue to be taken into consideration. It is similar to the issue of training and development philosophy. A training program which has no clearly defined relevance should not be encouraged since it is a waste of organizational resources. Obisi (2011) noted that training program should be designed to solve problems and to fill gaps in employee performance. They should make things happen and bring about changes that would enhance organization's effectiveness. Armstrong (1995) also agrees that training programs which are relevant must satisfy the identified and appropriate needs.

- Training process. As every process is identified, a process is the step by step method in order to achieve a set or defined target. Planned training process as proposed by Kenney and Reid (1995) are provided as follows:

  o Identify and define training needs

  o Define the learning required in terms of what skills and knowledge have to be learnt and what attitudes need to be changed.

  o Define the objectives of the training

  o Plan training programs to meet the needs and objectives by using right combination for training techniques and locations.

  o Decide who provides the training

  o Evaluate training.

  o Amend and extend training as necessary.

- Identifying Training Needs and Training Needs analysis

- Identifying Training Objectives

- Evaluation of Training

2.4.4 The issue of Performance

Performance can be described as the achievement of specified task measured against predetermined or identified standards of measure (quality), completeness, cost or speed. In an employment contract, performance is deemed to be the accomplishment of a commitment in such a manner that releases the performer from all liabilities laid down under the contract. Efficiency, effectiveness all are the ingredients of performance apart from competitiveness and productivity and training is a way of increasing individual's performance and organizational performance (Cooke, 2000). Kenney et al. (1992) stated that employee's performance is measured against the

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performance standards set by the organization. Good performance means how well employees performed on the assigned tasks. In every organization there are some standards for employees with respect to their performance. And when they perform up to the set standards and meet organizational expectations they are believed to be good performers. Functioning and presentation of employees is also termed as employee performance. This means that effective administration and presentation of employee's tasks which reflect the quality desired by the organization can also be termed as performance.

2.4.5 Competency

Competency is defined as the sum total of observable knowledge, skills and behavior that lead to superior performance (Zacarias and Togonon, 2007). The authors submitted that because superior performance is produced by the proper and relevant application of skills, the competency system focuses on observable and demonstrated behavior: competencies are expressed in visible behaviors displayed on the job, and thus can be measured and assessed. Zacarias and Togonon (2007) classified competencies into three categories:

Technical—the set of technical/functional skills and knowledge required for the performance of a job. These are typically acquired through education, specialized training and/or relevant job experience. The depth of expertise required in each functional area will depend on the core processes of the organization. Generally, competencies associated with the core business processes will require high levels of expertise. Financial analysis and credit evaluation are examples of technical competencies.

Organizational—the set of supervisory/managerial, administrative and people skills required for effective performance. These are more difficult to develop, as they require some innate ability to make analyses and handle people. This Directory lists seven organizational competencies, including integrated perspective, management of information, and customer focus and problem solving.

Personal - the set of values and habits that represent an organization's foundation of performance and quality. These competencies are required of all positions and reflect the culture of the organization. Accountability, integrity and teamwork are examples of personal competencies.

The competency framework differs from a typical skills assessment, which focuses primarily on technical skills. The premise is that technical skills by themselves do not guarantee sustained superior performance. The combination of technical, organizational and personal competencies is what ensures successful performance of any given job.

2.5 The Training and Development process

Assessing which competencies employees currently have relative to the competencies required for their jobs enables an institution to take a more focused approach to training and development. Given that organizations are currently under pressure to improve efficiency through the competency approach is a valuable method of getting more impact out of training resources. Fig. 2.1 shows the training and development plan derived from Zacarias and Togonon (2007).

Development Plan
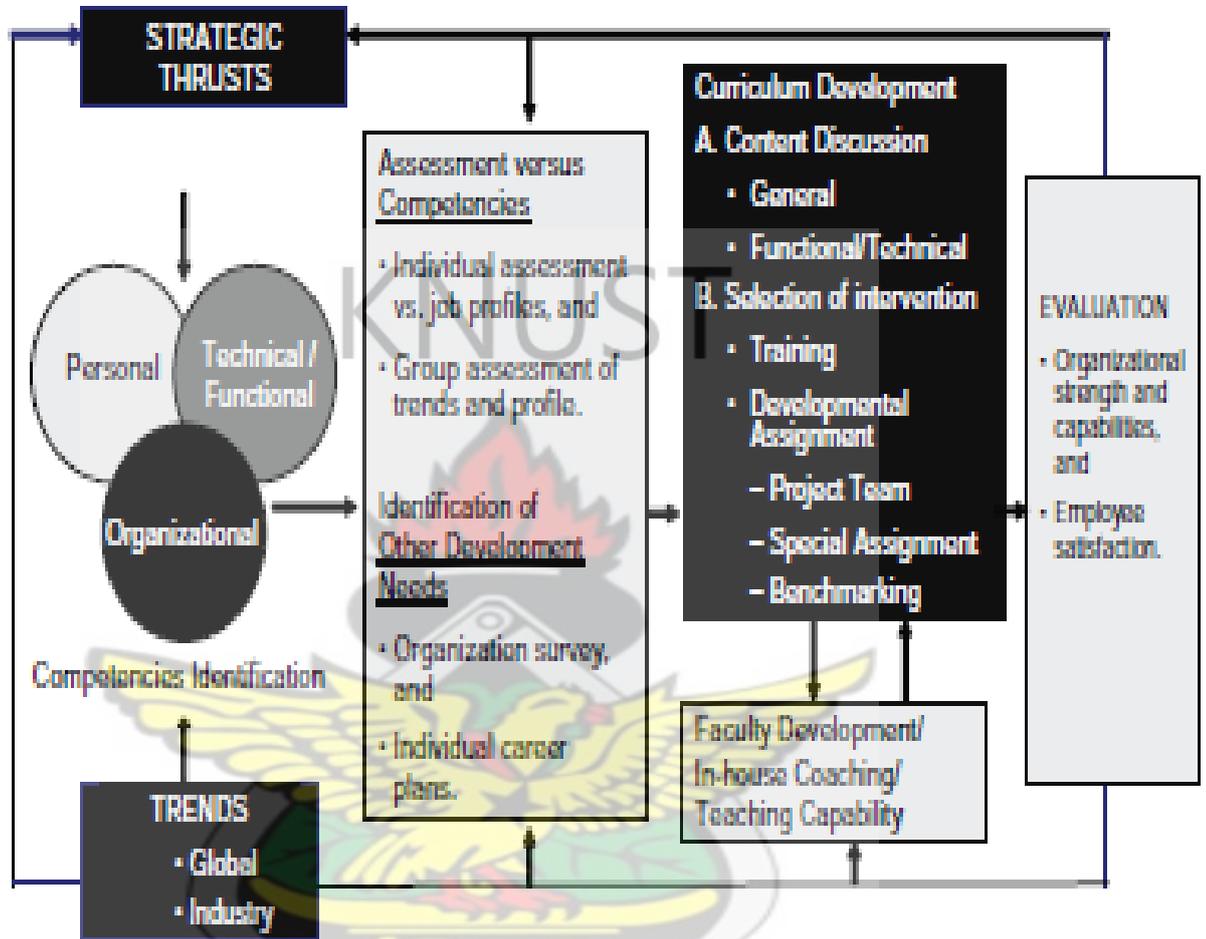
Figure: 2.1. Training and development plan

Source: Zacarias and Togonon (2007)

Zacarias and Togonon (2007) indicated that training and development begins with an accurate assessment of employee capability against requirements of the current job and/ or the future roles. The gap analysis is usually undertaken by both the employee and the manager or supervisor. Clear job profiles with competency definitions facilitate gap analysis by fostering both transparency and a process of employee development. Because expectations are clear and understood by both parties,

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assessment can be based on actual observations. When the process also clearly identifies the direction towards which an employee can and should progress, the assessment process becomes developmental. The analysis of competency trends within teams or departments, or across jobs or functions, will inform the design of appropriate interventions including training curricula and other developmental assistance.

Armstrong (1995) submitted a diagram depicting the training process. The training process does not provide discrete steps that should be followed in a rigid order but it requires a great degree of interaction and recycling. For training systems to be effective there should be a set of processes designed to transform the organizational inputs into outputs which would meet organizational needs. 'Training should not be viewed as simply as putting employees through 'some' training. i.e. as a normal routine'(Thacker, 2007). Training should be considered as a set of integrated processes in which organizational and employee needs are analyzed and responded to in a rational, logical and strategic manner.
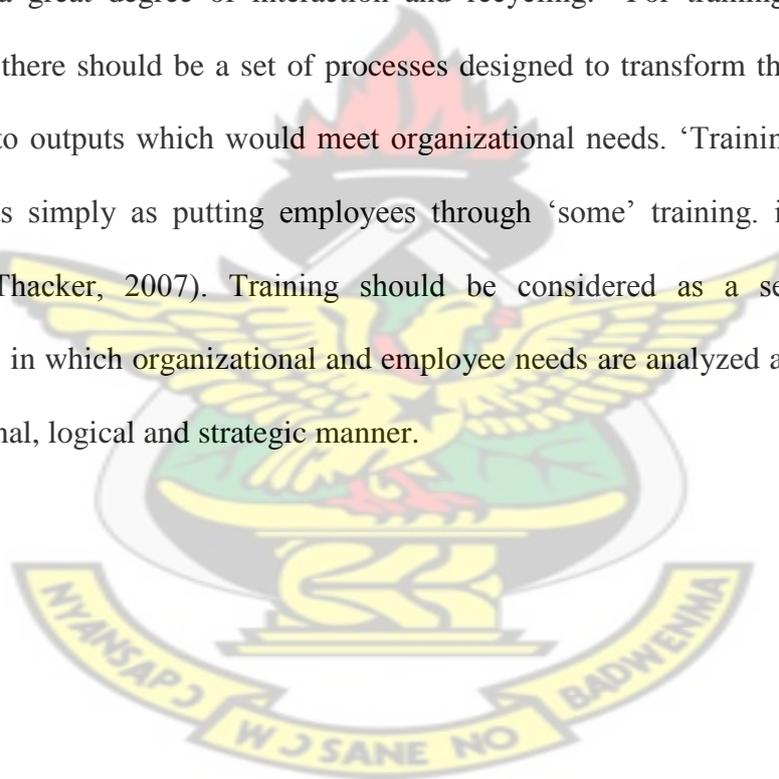
Figure 2.2 outlines the training process as presented by Armstrong (1995) as cited in Obisi (2011).
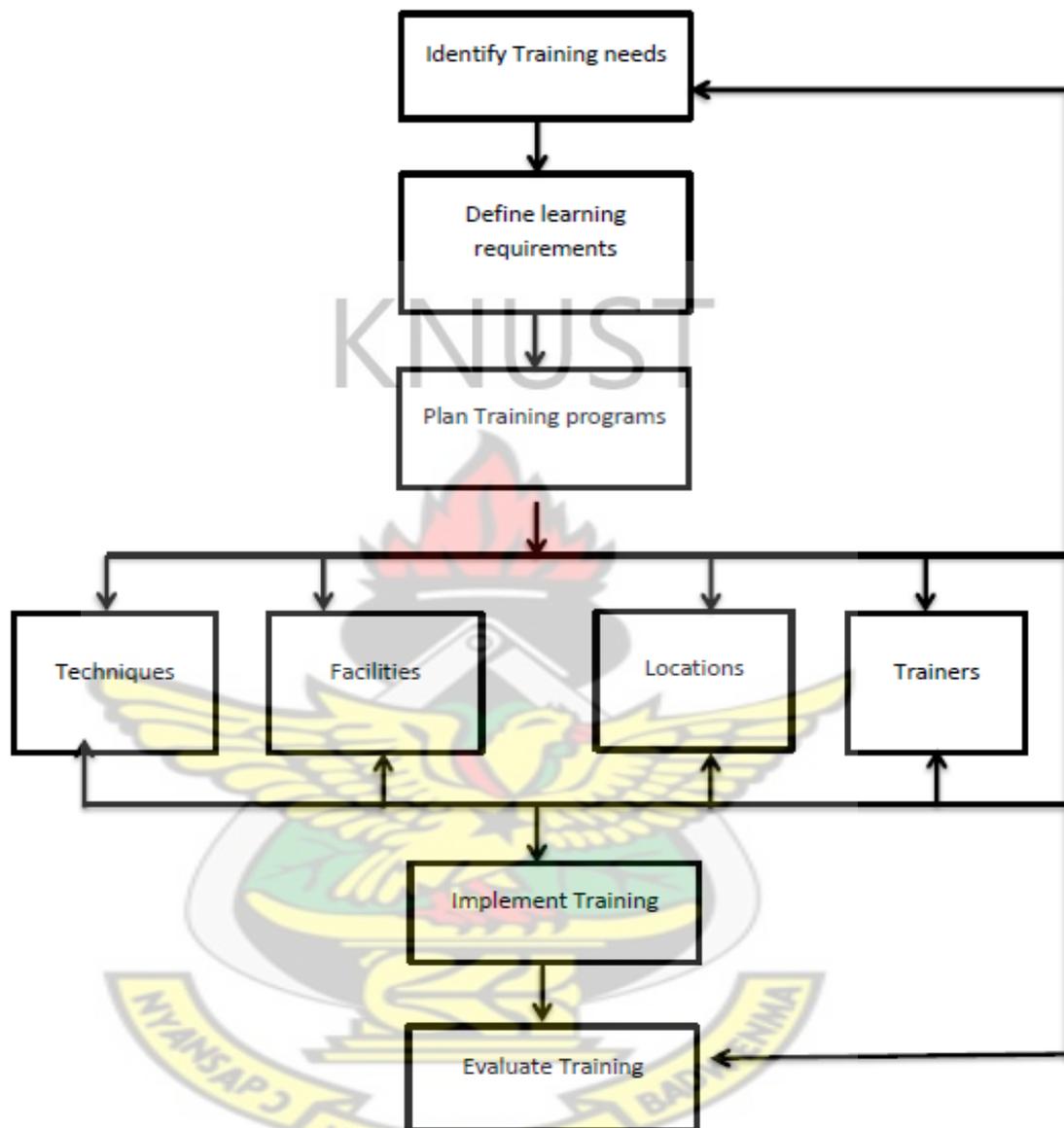
Figure 2.2: The training process

Source: Michael Armstrong (1995) as cited in Obisi (2011).

Garry Dessler (2004) outlined five steps involve in Training and Development. The first step is need analysis also known as Training Needs Analysis. Identify the specific job performance skills needed, assess the prospective trainees' skills, and develop specific and measurable knowledge and performance objectives based on any deficiencies that has been detected. This also helps to attached priorities to the

training needs that have been identified. In the second step, instructional design, you decide on, compile and produce the training program content, including work books, exercise, and activities. The third step is validation or development phase, where the bugs are worked out of training program by presenting it to a small representative audience. The fourth step is to implement the program, by actually training the targeted employee group. The fifth is an evaluation step; in which management assess the program's successes or failures.

2.5.1 Training effectiveness

The success of training depends to a large extent on the 'presentation'. The 'presentation' means the actual training techniques. The learning ability of individuals differs with person to person. The ability to learn and learning depends on various techniques like material presentation during training, study environment and motivation during training. The learning during training will have a negative result, when the material presented becomes more difficult or not related to the training. Fatigue or boredom during the program also will affect the performance. The need for behavioral inputs is also vital in any training program organized for supervisors (Ghosh, 1984). Evaluating management training and development usually deals with pre-training evaluation. Evaluation of training context, input evaluation, post-training evaluation, transfer of learning and job improvement. It is suggested for job evaluation as a follow- up after six months to one year (Seth 1985). Two models have been suggested to evaluate training effectiveness. First is the expectation achievement model consisting of matching post- training achievement with pre- training expectation of the boss, peers, the sub-ordinates and trainee himself. The second is the experimental control group model where a group of employees who have gone

through training is compared in terms of their performance with those who have not (Sikka, 1985).

2.5.2 Why Training fails

Although organizations establish training to enhance the effectiveness of the personnel, it can fail. Burak, Elmer and Smith Robert (1977) as cited in Obisi (2011) give the following as reasons:

- When the he benefits of training are not clear to the top management

- When the top management hardly rewards supervisors for carrying out effective training.

- When the top management rarely plans and budgets systematically for training.

- When the middle management, without proper incentives from top management, does not account for training in production organization

- When training external to the employing unit sometimes teaches techniques on method contrary to practice to the participants scheduling.

- When trainers provide limited counseling and consulting services to the rest of the organization.

It can be identified from these reasons that training fail mostly because of failed attempts and decisions from the realm of the senior (top managements).

2.6 Benefits of training and development in organisations

Training generates benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior. Therefore it can be identified

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that training and development enables workers and empowers them with added skills, knowledge and behaviors to meet up with new challenges that arise in our ever changing and unpredictable world system. Also Appiah (2010) agrees that training generates benefits for the employee as well as the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior. It is obvious that training plays an important role in the development of organization, improving performance as well as increasing productivity, and eventually putting companies in the best position to face competition and stay on top. This means that, there is a significant difference between the organizations that train their employees and that organization that do not (Appiah, 2010). The success of any organization is determined by the commitment of its workforce, their caliber and aptitude towards the task. The total and sincere involvement of human asset is the only resource, which is capable of value addition. For other business assets there may be depreciation over the years of use, whereas the human asset appreciates over the years of experience. It is an asset with the gathered knowledge, experience and skill that helps to tackle the problems and paves the way for innovation. Unless people are developed and kept satisfied there will be an adverse result. Even though the organization addresses its development constantly, the employee's initiative for self-development is the base. Every person in an organi-zation is an independent entity having his own ideas and sense of values. Each one in the organization has own ego, urge for survival and a desire for development. In fulfilling the objectives of the organization, he is also pursuing his individual objectives. It would not be wrong to state that basically people come to work to achieve their own self-needs and objectives and in this process ultimately, the organization benefits.

If an organization effectively develops its human resources it automatically enhances the performance and productivity. Before analyzing the impact of training on self, it is necessary to bring out the important aspects of 'self-needs'. Actually the individual needs and the organization needs are not independent, but interdependent. "The relationship between organizational and individual goals can be identified by exploring what individuals want from the organization and what the organization wants from the individuals". But human behavior is a complex phenomenon and is affected by many factors. In the course of redesigning and reinforcing the workforce, the management with appropriate training should make the people understand the present objectives and channelize the ability for the future. With this view the constantly changing environment, the skills acquired in the academic institutions no longer provides a guarantee for future advancement for middle-aged employees. Technical obsolescence is one reason for deteriorating job performance. Individuals must look beyond the advancement into the future; each individual must recognize and develop the applicability of the skills and techniques in appropriate problem, situation or condition. They must also expect change and accept it as a challenge, the organization must develop suitable training to meet future eventualities and also favorable opportunities should be created. Individuals differ substantially in the abilities as far as the work environment is concerned. It becomes necessary to shape the ability for changing job environment through training and development. To do the required job, intellectual ability, inherent intelligence and psychomotor ability that includes physical abilities to perform the works are to be coordinated. Matching of abilities of employees with job requires effective training and development

2.6.1 Training and organizational needs

Assessment of the employee's knowledge potential for education, technical experience, position level, decision acceptance degree and responsibility, self-sufficiency at work, work culture, technology used at work, work difficulty level, motivation and worker's influence on reaching organization objectives is essential.

The training and education can affect the organizational performance in two ways. The first is means of increase in knowledge and skills, which improves customer satisfaction. The second is the staff retention, which is underpinned by staff satisfaction. Each organization has an internal environment but also exists in an external environment. The internal environment is in terms of task, structure, technology, social and economic variables, while the external environment is in terms of the larger social, political, economic and cultural factors. To function effectively, organization has to achieve equilibrium with the environmental factors. In an organization, a change in environment is inevitable. The organization that does not change or keep pace with the changing environment suffers and tends to be defunct. Changes occur in almost all organizations due to: technological innovations, competition, updating of management techniques and industrial innovations. The organization faces many challenges due to aforementioned changes; all these make the organization to be a learning organization. It has become an accepted fact that beside money, material and machines, the success of any organization depends on the quality of human resources. The training programs are to promote organization needs and achieve organizational goals in a process. The goals of the organization are both qualitative and quantitative. Both these aspects have been concentrated on employees and supervisors level and the result of performance change due to training has been evaluated. The qualitative organization need attained by executives due to training

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results in effective planning and development. They do not participate in direct quantitative task. Organizational development programs have pre-determined objectives to sharpen the capabilities in various functions. The participants are able to improve their performance and achieve the organizational goals with respect to cost effectiveness cost reduction and quality appreciation.

2.7 Conclusion

The preceding discussions focused on issues relating to training and development (training needs assessment, implementation strategy) as well as the influence of training and development on individual employee and organizational performance. It brought to bear the importance of training and development to both the employees and organisations. It can be established that organizations should make training and development of employees' paramount, give frequent training, conduct periodic evaluation and take into account both individual training need and organizational need this will derive the best out of their employees thereby increasing organisational performance. It is therefore envisaged that the above literature forms the basis of the research tool that will be used in collecting data for the work.

2.8 Conceptual Framework

Training and development and its influence on organizational performance
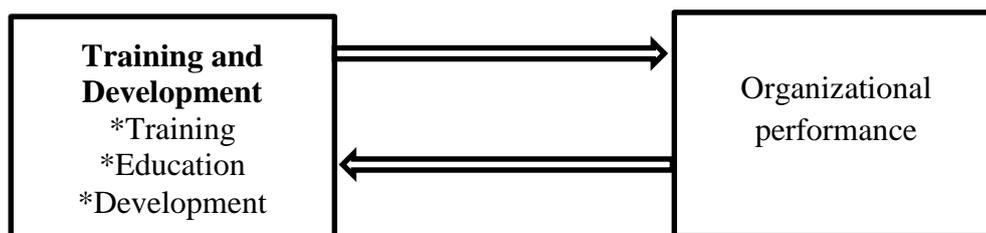
Source: Researcher's construct (2013)

The conceptual framework framework shows that there is an interrelationship between training and development practices and improvement in organisational performance.

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CHAPTER THREE

METHODOLOGY AND ORGANIZATIONAL PROFILE

3.1 Introduction

This chapter presents the research methodology of the study. It describes and justifies the methods and processes that were used in data collection, which is aimed at answering the research questions. The chapter also focuses on the research design adopted, sampling techniques, the key study variables and units of analysis. The rest are the sources of data and methods of data collection as well as methods of data analysis. The chapter finally ends with a brief profile of the case.

3.2 Research Design

The study employed a descriptive survey design. Descriptive research design is a scientific method which involves observing and describing the behaviour of a subject without influencing it in any way (Neumann, 2000). In the view of Key (1997) descriptive design is used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. The design is used to observe natural behaviours without affecting them in anyway. In a descriptive sample survey, the objective is to obtain estimates of basic descriptive characteristics (such as means or proportions) for the whole population or particular subpopulations of interest. The methods involved range from the survey which describes the status quo, the correlation study which investigates the relationship between variables, to developmental studies which seek to determine changes over time (Sarantakos, 2006). Thus, a descriptive study is undertaken in order to ascertain and be able to

describe the characteristics of the variables of interest in a situation. This is done through the use of strategies and procedures to describe clarify and interpret existing variables that constitute a phenomenon. A major demerit of the descriptive survey is the difficulty of ensuring that the questions to be answered in descriptive survey are clear and not misleading. This is so because survey reports can vary significantly because of the exact wording of questions. Setert & Hofnung(1997). Neumann (2000) also claims that the method may produce unreliable results because questions asked may eat into private matters that people may not be willing to talk about. Even then, the descriptive survey will be found to be most appropriate for this study. This is mainly due to the fact that the design is considered to be relatively easy to conduct because data are fairly easy to obtain and interpret by the use of simple descriptive statistics (Blaike 2000; Sarantakos, 2006). The present study will adopt the descriptive design because it will be relatively easy to apply and also had the advantage of producing a variety of responses from a wide range of respondents in the selected study population on employee training and development in the microfinance sector; identifying the state of training and development in the microfinance institutions as well as the influence on individual performance.

3.2.1 Research Approach

There are basically two research philosophies within which social research are located. The interpretivist paradigm is grounded in the qualitative approach to research; the positivist paradigm is placed within the quantitative approach to research.

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3.2.1.1 Qualitative Research

The qualitative research, according to Ritchie and Lewis (2003) is a term used as an overarching category, covering a wide range of approaches and methods found within different research disciplines. On their part, Strauss and Corbin (1998) believe the concept is any type of research that produces findings not arrived at by statistical procedures or other means of quantification. The central theme of qualitative research is the way in which the phenomenon under study clearly understands and interprets social reality (Bryman, 1988). One of the central pattern of qualitative research is the manner in which the entity or phenomenon being studied understand and interpret their social reality (Bryman, 1988).

3.2.1.2 Quantitative Research

Bryman (2004) describes quantitative research strategy as a research strategy that places emphasis on measurement and the collection and analysis of data. He further postulates that there are four preoccupations of quantitative research: measurement, causality, generalisation and replication.

3.2.1.3 Mixed Methods

The 'mixed method' approach to research is founded on combining qualitative and quantitative research. This approach is based on the concept of triangulation and its value in validating data or analysis is gradually becoming popular within social science research (Bryman, 1998, 2004; Fielding &Schreier, 2001; Kelle, 2001; Mason, 2002a). Combining these approaches enabled researchers to obtain a more suitable and consistent results compared to what would have being achieved by using a single method. Creswell (2003) as well as Bergman (2008) believe that the

complementary importance of 'mixed method' approach makes it suitable for social research.

In view of the complementary importance of using 'quantitative method', the current study adopted the 'quantitative method'. The quantitative method was used for the employees of high and low rank.

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3.3 Population

The target population of a study constitutes the group of persons, objects or institutions that defines the objects of the investigation (Patton, 2002). For the purpose of this study the population of the study consisted of the employees of Noble Dream and MoneyLink microfinance institution in the Ashanti Region. This includes employees with varied years of service within the microfinance institutions. However, the Human Resource manager and other top ranking staff will form part of the study population.

3.4 Sampling Size and sampling technique

The sampling was based on the simple random sampling procedure. Information was solicited from respondents who were willing to furnish the researcher with the needed information within the limited period of time. Simple random sampling was used to administer questionnaires to eighty employees of the selected microfinance institutions. Purposive sampling technique was used to administer questionnaires to top management of the organization to solicit their ideas or opinions about the topic under study.

3.5. Data Collection Procedure

Primary data was collected through a field survey from both managers and employees of selected Micro Finance Institution. Questionnaires were the main research instrument that was employed in collecting the primary data. The questionnaires were used to elicit information from employees of the selected MFIs. The use of questionnaires allowed the researcher to collect large amount of data in a relatively short time. The availability of a number of respondents in one place made possible an economy of time and provided a high proportion of usable responses (Kaln& Best, 2006).The questionnaires were developed mainly on closed-ended questions, depending on the group of respondents though some questions were open-ended. The questionnaires were particularly employed in the sense of capturing all the objectives of the study. The questionnaire was administered on a face-to-face basis. Data was solely collected from people of high rank and the other staff of low ranks. The purpose was to ascertain whether the effect of training and development is the same for employees of both higher and lower rank.

3.5 Data Analysis

Data collected from the questionnaires was edited, coded, and keyed into the Statistical Product for Service Package (SPSS version 17) for processing. The data was then presented in the form of tables and graphs for easy interpretation. Descriptive analysis conducted involved the use of tabular analysis (percentages and frequencies), mean and charts. The questionnaires were basically designed using the 'Likert Scaling type'. The processing of the collated data was done with the aid of the Statistical Programme for Social Sciences (SPSS 16) and Microsoft Excel. The data

collected were collated, synthesized and analyzed using quantitative analytical techniques to draw valid conclusions and inferences.

3.6 Profile of the study Area

3.6.0 Introduction

The Ashanti Region of Ghana is selected as the study area for the research. The region is the second largest region in Ghana after Greater Accra. In terms of population, it is the most populous region in Ghana with its capital city (Kumasi) being the second largest city in Ghana. During the 2010 Population Census, Ashanti Region recorded a figure of 4,725,064, out of which 2,288,325 are males with the remaining 2,436,721 being females (Ghana Statistical Service, 2010). The Region was chosen because of the rapid upspring or increased number of microfinance institutions and convenience to the researcher.

3.6.1 Profile and History of Noble Dream Financial Services.

Noble Dream Financial Services is a non-banking financial institution licensed by the Bank of Ghana in the year 2009. It started with a branch at Agona in the Ashanti region. The company has subsequently grown into a major force to reckon with as at now. Currently Noble Deream can boast of having fourteen branches nationwide.

We aim at providing customers with fast and efficient short-term loans and real returns on investments. The company is focuse on meeting the needs of indigenious traders, business organizations as well as people not catered for by the traditional banks. Our customers are our most prized assets thus providing them nothing but the best quality and prompt services.

Noble Dream microfinance limited started operation on the 11th of November, 2009.

Noble Dream has and continues to offer excellent customer service and a wide range of banking products.

From this humble beginning, Noble Dream grew from strength to strength with massive increases in the number of customers who were mainly petty traders and service providers wanting to deposit their monies and access soft loans to expand their businesses.

Though, our financial institution promote consumer loans, we focus on responsible banking by building a savings culture and long-term partnerships with our customers, hence the door-to-door banking was instituted by the company to make it easier for customers to have access to banking services and products.

Our team of dedicated staff works hand-in-hand with our valued customers to bring holistic change to individuals, families and communities. We are committed to seeing lives transformed through the delivery of high-quality financial and **developmental services** that are specifically tailored to meet the needs of the entrepreneurial poor. We are also committed to developing our staff to meet new challenges in a competitive market. In this light, Noble dream has a comprehensive all-year round training programme for staff at all levels.

These are designed to assist our staff to develop the necessary skills and attributes to deliver the best service to our customers, we also boast of competent staffs that are committed to realizing our corporate vision.

MISSION

Part of the **overall mission** of the Noble Dream is to set standards in the financial sectors in which we operate. We want to make a difference not only in terms of the target groups we serve and the quality of the financial services we provide, but also with regard to business ethics.

VISION

As a profit oriented entity Noble Dream seeks to be one of the best credit institutions in financial services in the country.

To dream big and help customers grow their business.

OBJECTIVE

The objective of the bank is to;

To provide working capital for the needy in the area where under normal condition are not having means to access credit facilities from banks.

To provide platform for shareholders to generate revenue through the provision of suitable credit facilities to further the organization's mission.

Source: Reseachers Field Data

3.6.2: Profile of Moneylink Microfinance

Moneylink microfinance Limited was set up and commenced business on September 23rd 2008 as a limited liability company. The first branch was at Sepe Buokrom-Kumasi with only five employees.

The branch operation network increased to four in 2011 and six more added in 2012. Moneylink can now boost of fourteen branches nationwide. It main objective is to accept deposit from public and provide credits facilities to small and medium enterprises.

Moneylink has a solid and experienced management team who steer the day to day affairs of the company, who also believe in constant training of staff to equip them with the necessary skills. Again it has strong internal control system which has been the main secret of success of the organization.

VISION

To become the most dependable financial institution offering job creation, business expansion and investment opportunities to our valued customers to facilitate the realization of their dreams.

Source : Researchers Field Data

3.6.3 Micro-Finance in Ghana

In 2000, the poverty focus of the new regime led to initiation of the subsidized credit programs for poor. Such programs created distortions in the microfinance market and had the effect of stifling the growth of this sector. Due to opposition from the Microfinance Institution, GHAMFIN, and donor agencies such as World Bank and GTZ, the government now consciously avoids distorting the market. Presently, the Rural Financial Services Project (RFSP), which has an estimated outlay of US $ 22.96 million and spans from 2001 to 2006, is being implemented by the BOG (Mbeba and Jacob R, 20007). The project aims at providing a coherent framework for rural

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economic transformation and growth. It aims to broaden and deepen financial intermediation in the rural areas through effective linkages between the formal rural and micro-financial institutions and informal entities operating in the rural areas. The project has following objectives:

- Capacity Building of the Informal Financial Sector. This component aims to strengthen operational linkages between informal and semi-formal micro-finance institutions and the formal network of rural and community banks to enable them to expand services to a large number of rural clients.

- Capacity Building of Rural and Community Banks through restructuring weak rural banks and strengthening their operational effectiveness; strengthening their internal control systems including provision of new information technologies, logistics and training of key staff; and, developing an overall development plan for all categories of staff including Board of Directors.

- Establishment of the ARB Apex Bank for the rural banking system to harness economies of scale needed by the rural banks to become competitive.

- Strengthening the institutional and policy framework for improved oversight of the rural finance sector. To achieve this, key logistics (including training) will be provided by the program to BOG to better equip it for effective supervision of the Apex Bank and the rural banks. The Ministry of Finance is also being supported to ensure continuity in the on-going rural microfinance initiatives. (Bank of Ghana Report, 2004)

As part of the ongoing financial sector reforms, Ghana is developing a National Strategic Framework to remove impediments to improving delivery of financial services to the micro and small enterprises. The framework aims at fostering a fully integrated financial sector supported by a reliable regulatory system and that offers a broad range of financial products and services to the micro and small enterprises, especially those in the informal sectors, on a sustainable basis. The objective is to establish a decentralized and sustainable micro-finance system, prudentially regulated with close linkages with the formal financial sector, and an effective outreach to the poor. The government has recently constituted the National Microfinance Centre (NAMFIC), to facilitate administration of government and donor credit funds, and to coordinate the efforts of microfinance practitioners and stakeholders. Through this, on one hand, state wants to avoid market distortions due to subsidy and, on the other, wants to increase the availability of funds to this sector. Government is strengthening Ghana Association of microfinance Institution to provide financial and managerial capacity building services to micro finance networks and service providers (Andah and Steel, 2004). Although NAMFIC is yet to become operational, such measures indicate that government's commitment to the development of this sector will continue. Table 2.3 shows the institutions that provide Micro finance services within Ghana.

Table 2.3: Annual Report of Financial Institutions in Ghana

Organization Type	Number	Total clients served	No. of depositors	Total deposit base mill. $	Ave deposit per client	No. of borrowers	Total loan portfolio million $	Ave balance per client
Commercial Banks	17	n/a	n/a	1,300	n/a	n/a	900	n/a
Rural Banks	117	1,200,000	1,200,000	126	105[a]	150000	47	313[a]
Savings and Loan[1]	10	240,000	200000	n/a	n/a	40000	10	250
Credit Unions	253	144,898	144,898	31	214	n/a	21	n/a
NGOs	50	56,000				56000	4	70
Susu Collectors & Clubs	4032	1,200,000	1,200,000	11	9	n/a	n/a	n/a

Source: (Bank of Ghana; Ghamfin; GCSCA; annual reports of the S&L companies calculated from Andah& Steel, 2004; including the present loan portfolio of Sinapi Aba Trust) as cited in Jha, Negi, and Warriar (n.d)

Ghana Microfinance Institutions Network evolved from a research program sponsored by the World Bank designed to strengthen micro-finance institutions and to contribute to a mechanism for supporting sustainable grass root institutions that provide financial services to the poor. Ghamfin's main objective is to support and facilitate processes that help in addressing the constraints faced by its members. These constraints have been identified by various studies of the Ghanaian microfinance sector, and include lack of access to on-lending funds, poor MFI staff skills, inappropriate financial technologies and inadequate operational strategies, poor MIS, absence of performance standards, codes of conduct, conflict resolution mechanisms and so on. These constraints affect Ghana, since the microfinance sector in this country is still young. Hence, the capacity-building of Ghanaian MFIs presents a major task, high on Ghamfin's agenda.

Ghamfin's specific objectives are accordingly:

- To establish performance indicators for the self-regulation of MFIs in Ghana ;

- To develop an information bureau on the microfinance industry in Ghana;

- To organize seminars and workshops to share best practices among members;

- To provide access to continuous training for MFIs;

- To enhance financial integration between the formal, semiformal and informal sectors; and,

- To collaborate with the Government, donors and other regional networks to overcome common problems facing MFIs and to seek funds for research and development.(GHAMFIN 2004)

GHAMFIN is establishing performance indicators and putting in place reporting structures for the members in line with CGAPand MIX standards. GHAMFIN organizes seminars, workshops and conferences aimed at sharing experiences and evolving best practices in the industry. It works very closely with the Government, donors, regional networks, and service providers. GHAMFIN is likely to emerge as a self-regulatory organization with reporting and disclosure requirements for its members ranging from Susu collectors to the rural banks. In the brief span, GHAMFIN has emerged a key facilitator in the Ghanaian microfinance sector.

3.7 Conclusion

This chapter was basically about the methodology used in the study and also brief description of the study area. This is evident in the next chapter as the methodology was followed strictly in the collection and analysis of data.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction

This study intends to assess employee training and development in the microfinance sector. In all, eighty (80) questionnaires were administered to sampled staff. These formed the sample for the study. The basis for the sample selection and methodology has already been discussed in the chapter three.

The data collected were analyzed with the use of descriptive statistical techniques such as bar graphs, and tables.

4. 2 Demographic Characteristics

Source: Researcher's field survey (2013)

Figure 4.1 Gender of respondents

Figure 4.1 presents the demographic characteristics of the respondents that form the sample population for this study. Results indicate that there are more female to male within the selected microfinance organizations. From the results, 43(67%) are female and 21(33%) are male.
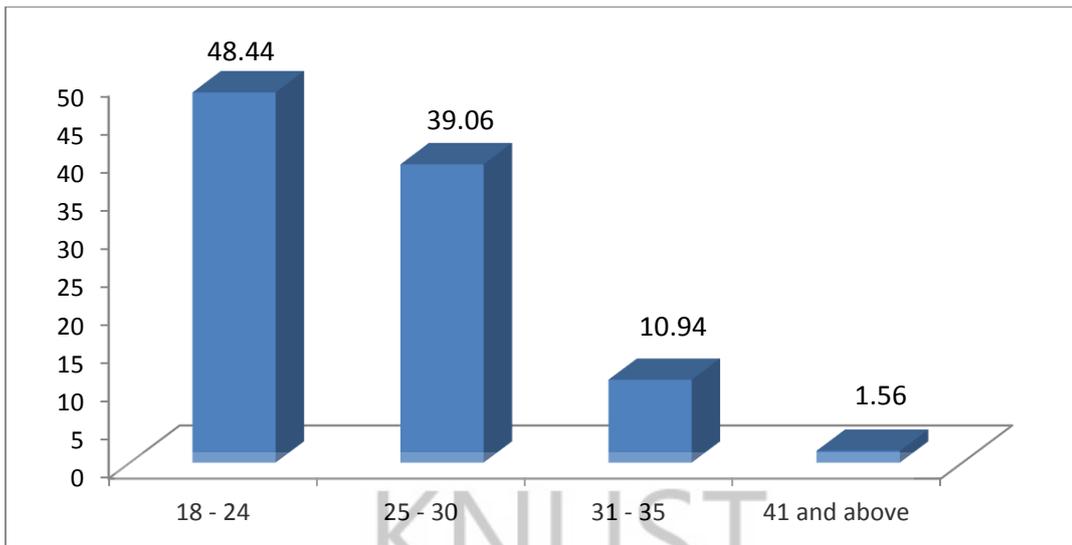
Source: Researcher's field survey (2013)

Figure 4.2 Age of respondents

Figure 4.2 illustrates the age distribution of the sample respondents. 31(48.44%) indicated that they are between the ages of 18 and 24 years. 25(39.06%) indicated that they are between the ages of 25 and 30 years, 7(10.94%) also indicated that they are between the ages of 31 and 35 years, and only 1(1.6%) indicated the age category as 41 years and above.
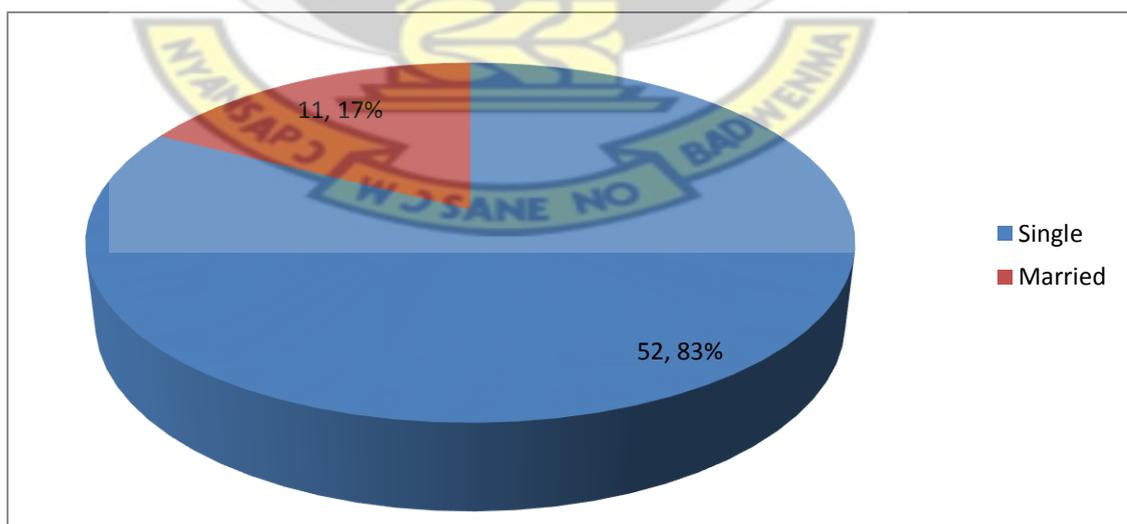
Source: Researcher's field survey (2013)

Figure 4.3 Marital Status

Figure 4.3 shows the distribution of the sample respondents based on their marital status. The results reveal that 52(83%) of the respondents are single and 11(17%) are married. This indicates that majority of the employees within the selected microfinance organization are single.
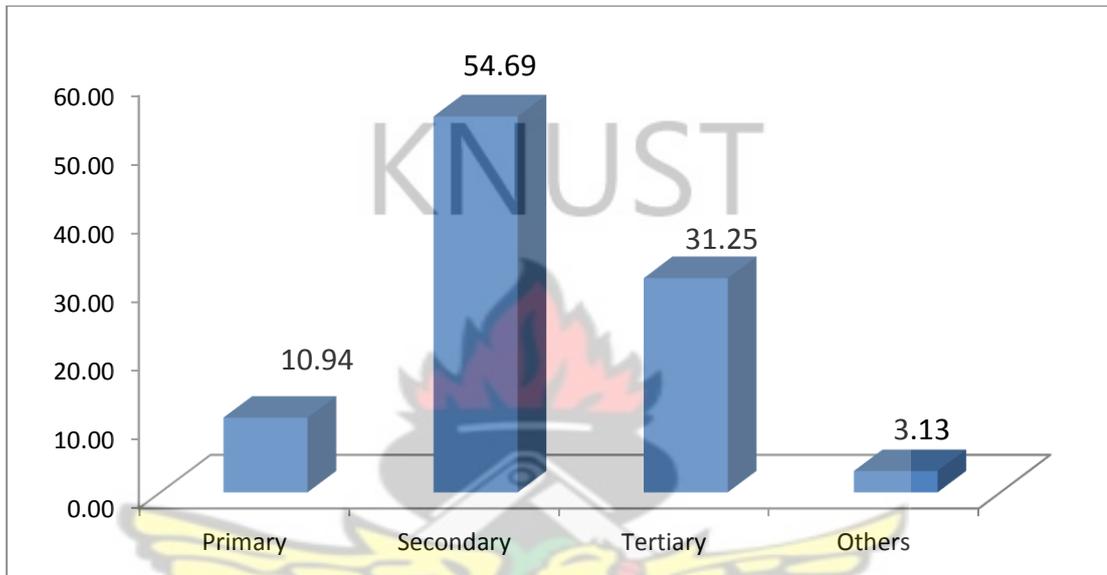
Source: Researcher's field survey (2013)

Figure 4.4 Educational background

Figure 4.4 shows the distribution of respondents based on their educational background. Majority of the respondents, 35 (54.69%) of the respondents have secondary school education as their highest educational background. 20(31.25%) indicated tertiary education as their highest educational background, 7(10.94%) indicated primary school education as their highest educational background (security personnel's and drivers). Whiles 2(3.13%) indicated others, specifically as; polytechnic and Masters as their highest educational level.
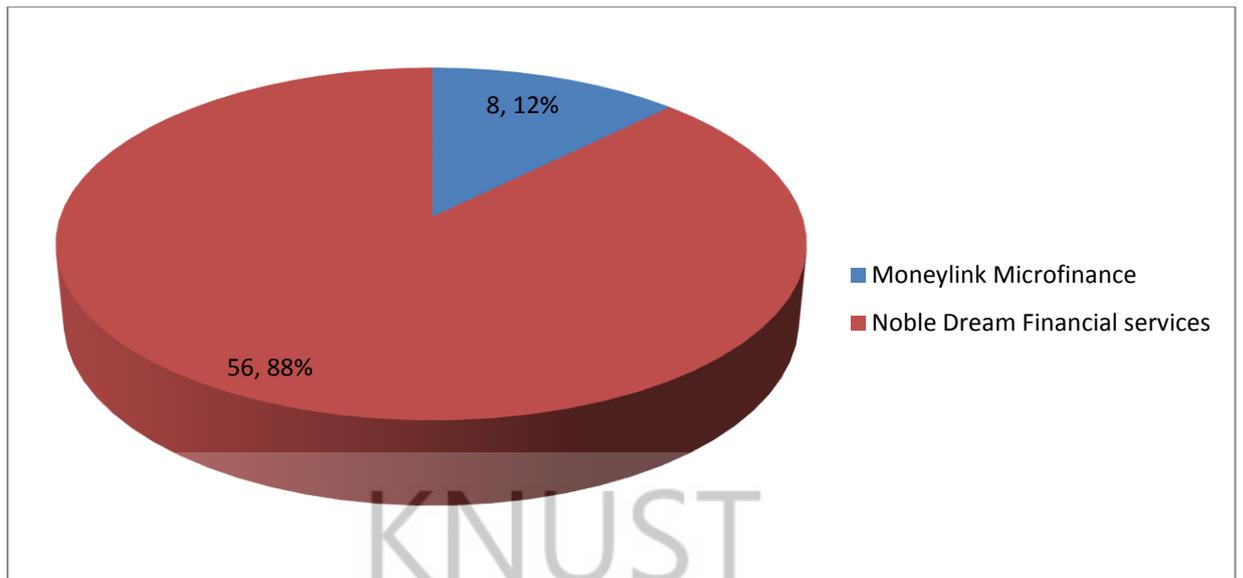
Source: Researcher's field survey (2013)

Figure 4.5 Name of the organization

Figure 4.5 shows the distribution of respondents based on their organization. Results

as seen above reveals that 56(88%) of the respondents are from Noble Dream

Financial services, and 8(12%) are from MoneyLink Microfinance.
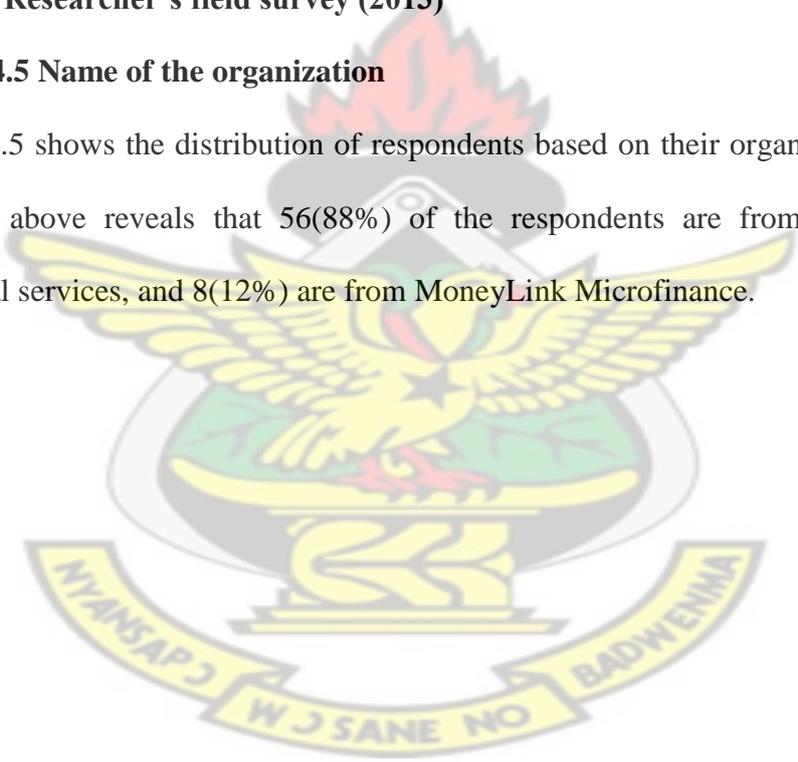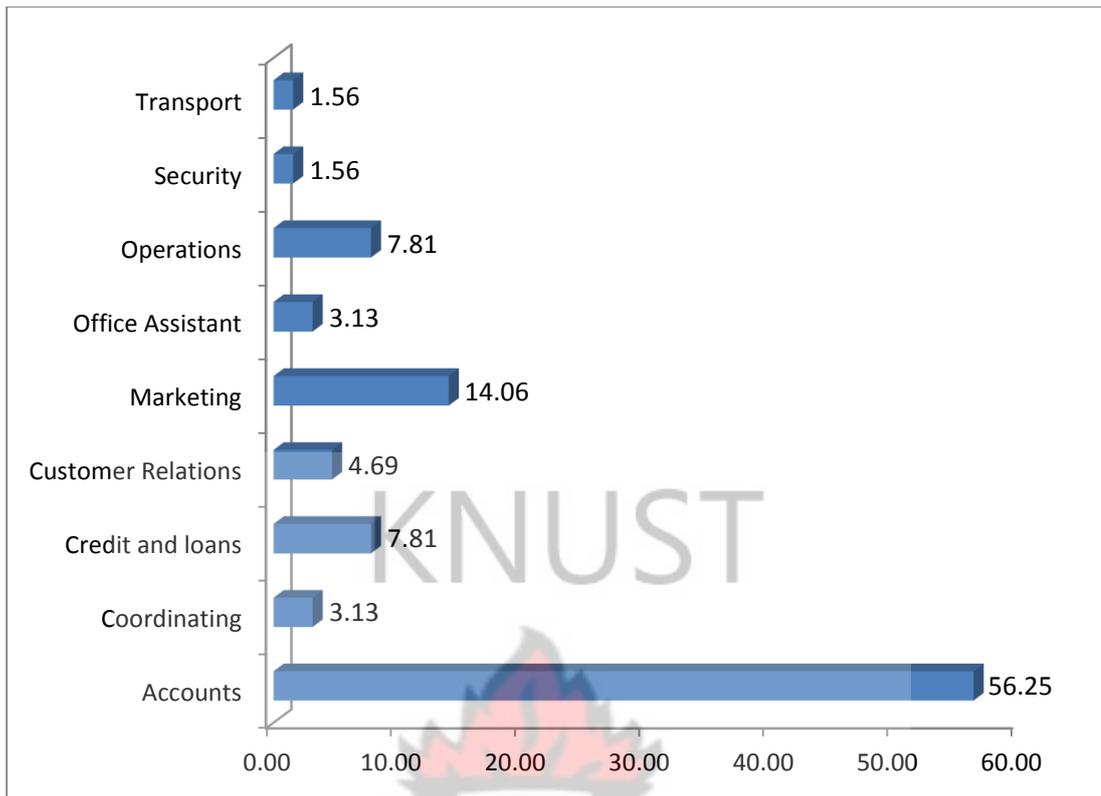
Source: Researcher's field survey (2013)

Figure 4.6 Department of respondent in the Organization

Figure 4.6 shows the distribution of the respondents based on the organization that they belong within the organizations. 36(56.25%) are from the Accounts department (which includes field cashiers), 9(14.06%) are from the Marketing department, 5(7.81%) are from the Operations department, another 5(7.81%) are from the Credit / Loans department within the organizations. 3 (4.69%) are from the Customer relations department. 2(3.13%) are from the coordinating department, 2(3.13%) also indicated that they are office assistants. 1(1.56%) indicated the security department and another 1 indicated transport department. From the survey, it is evident that majority of the sampled respondents are from the accounts department (field cashiers inclusive), the next majority are from the marketing.

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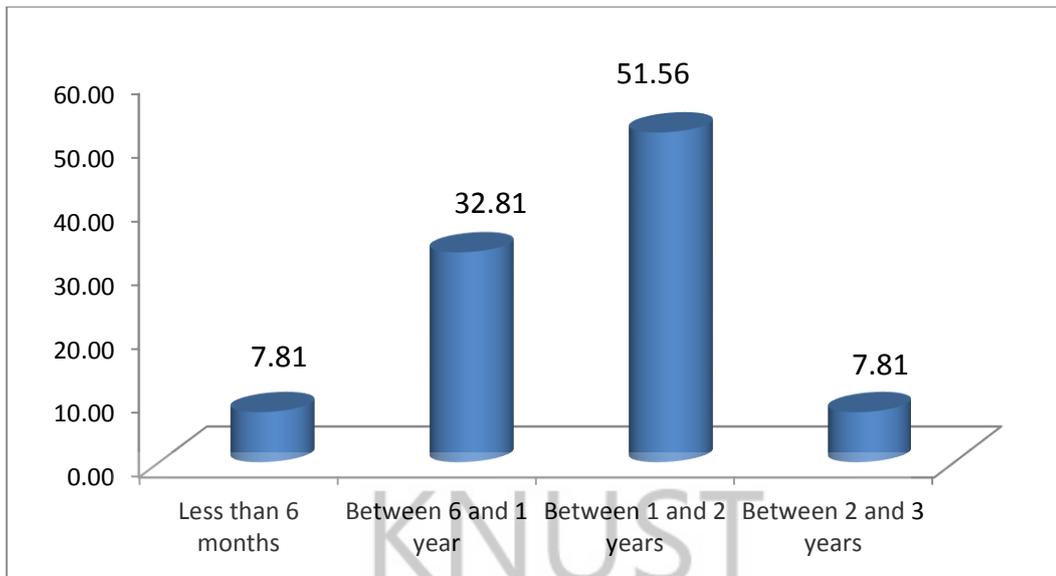
Source: Researcher's field survey (2013)

Figure 4.7 Length of years Employed

Figure 4.7 shows the distribution of the respondents and how long they have worked with the organizations. Majority of the respondents, 33(51.56%) indicated that they have worked with the microfinance organizations for between 1 and 2 years. 21 (32.81%) also indicated that they have been in the organization for between 6 and 1 year. 5 (7.81%) indicated that they have been employed in the organization for between 2 and 3 years and another 5 (7.81%) indicated that they have been employed in the organization for less than 6 months.

4.3 Training Needs

Table 4.1: Training needs of employees

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I have in-depth knowledge into the company's products and services	60	1.00	5.00	4.3167	1.12734
I know what to do in the organization (roles and tasks)	62	1.00	5.00	4.3871	.87506
I know how to operate the equipment and accessories give me accurately	62	1.00	5.00	4.3548	.72647
I know how to handle the clients well	62	1.00	5.00	4.4839	.74089
I am conversant with the organization's ethics, culture and codes of conduct	60	3.00	5.00	4.3500	.63313
The Microfinance sector is growing and therefore employees need to be trained to fit into the sector	61	1.00	5.00	4.7213	.77741

Source: Researcher's field survey (2013)

Table 4.1 shows the average responses gathered from respondents so as to determine their training needs. The total respondents was captured, the minimum value of response that can be selected by respondents was also captured in the table, as well as the maximum value. The mean for the responses was also captured together with the standard deviation. These results were generated based on the design of the questions. Questions within this section were designed using likert scale with ranges from 1 to 5, where 1 signifies Strongly Disagree and 5 signifies Strongly Agree.

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Based on the questions, respondents who answered the questions indicated that they agree to the issues. 60 of the respondents agree that they have in-depth knowledge into the company's products and services. 62 of the same respondents within the sample population indicated that they know what to do in the organization: that is, they know their roles and tasks. They further indicated that they know how to operate the equipment and accessories given them accurately. 62 of the respondents indicated that they know how to handle the clients well; this is represented by the mean value of 4.4839. 60 of the respondents also indicated that they are conversant with the organisation's ethics, culture and codes of conduct. 61 of the respondents also agree to the statement that the microfinance sector is growing and therefore employees need to be trained to fit into the sector. In summary, although most of the respondents or employees are conversant with their roles and know what they are about in the organisation, they still noted that the Microfinance sector, within which they operate, is changing and so training needs assessment and programs should be performed to enable them fit into the sector.
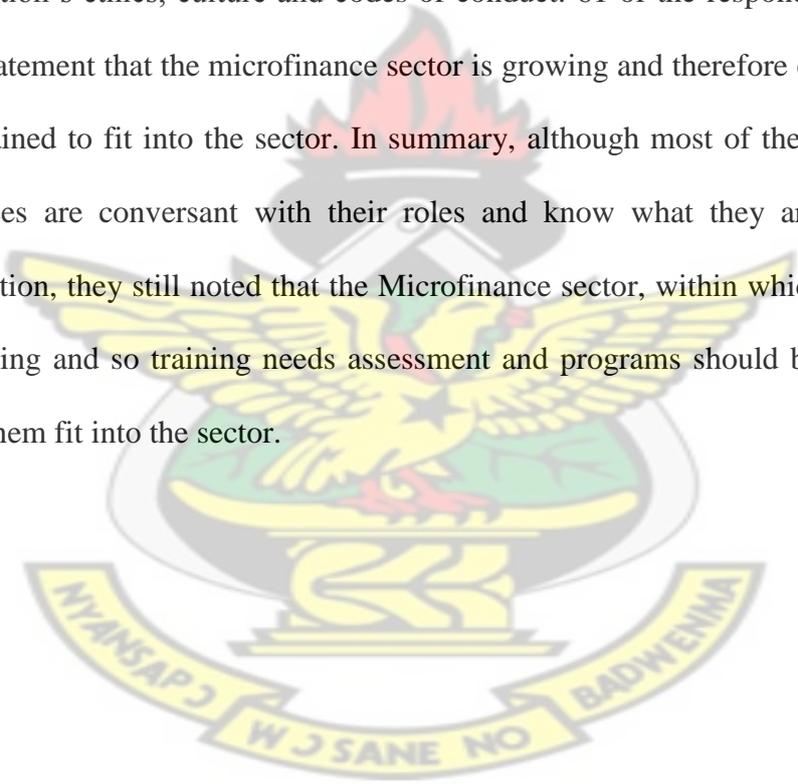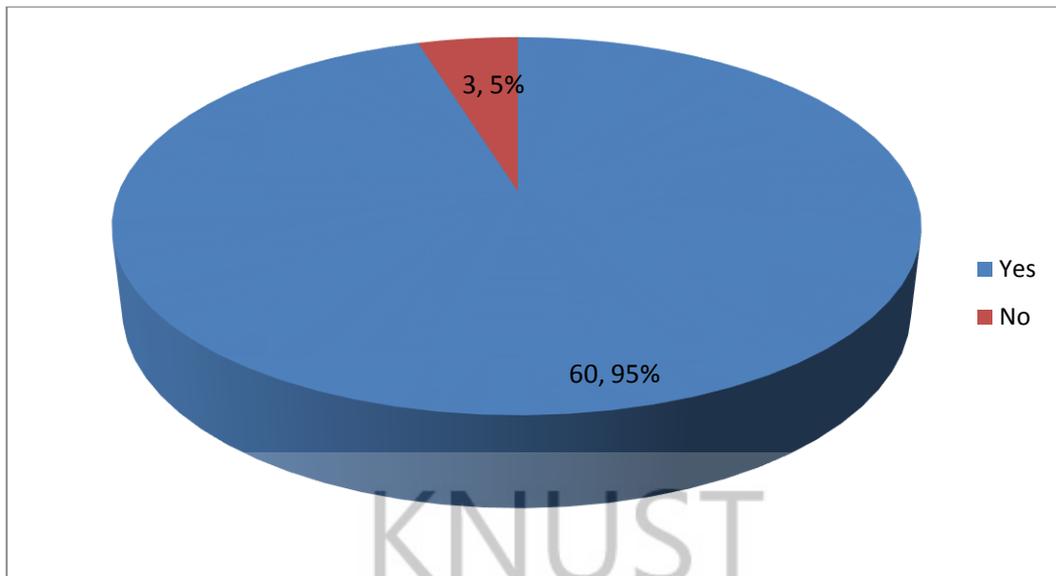
Source: Researcher's field survey (2013)

Figure 4.8. The company has been able to organize training in the form of workshops and seminar

Further probing into whether the company has been able to organize training in the form of workshops and seminar for employees. 60 (95%) of the respondents indicated, 'Yes' that the organizations have been able to organize training for employees. This is presented in Figure 4.8 above. However, 3(5%) others indicated that the organization has not been able to organize training in the form of workshops and seminar. This confirms the assertion of Evans and Lindsay (1999) who stated that organizations that are dedicated to generating profits for its owners and providing better service to its customers invest in training its employees.

Table 4.2 Organization identifies training needs of the employees

		Name of organization	
Does your organisation identify the training needs for the employees?		**MoneyLink Microfinance**	**Noble Dream Financial services**
	Yes	4	52
	No	4	-
		8	52

Source: Researcher's field survey (2013)

Table 4.2 shows the responses based on the organization category on whether the organisation identifies the training needs for the employees. 52 of the respondents in Noble Dream financial services indicated that their organization identifies their training needs. Also, 4 respondents from MoneyLink Microfinance indicated that the organization identifies their training needs, but another 4 indicated that the organization does not identify their training needs.
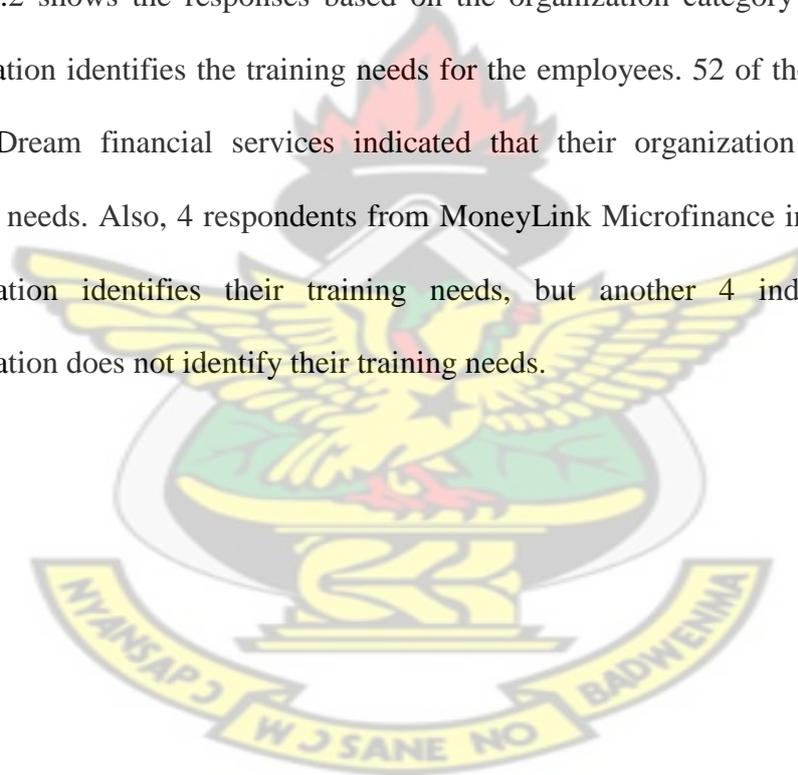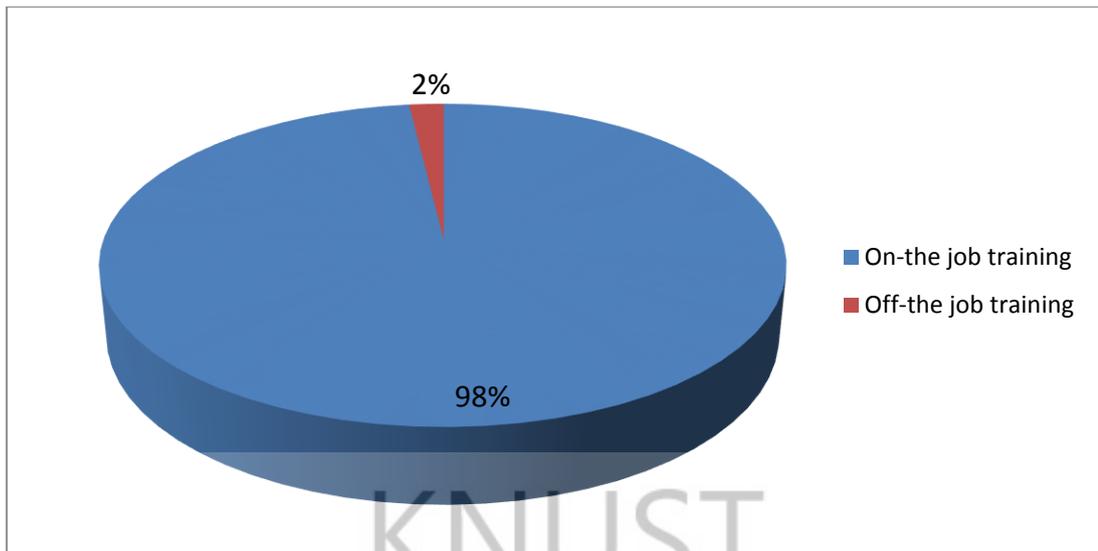
Source: Researcher's field survey (2013)

Figure 4.9 Type of training

Figure 4.9 shows the distribution based on the type of training they receive. 98% of the respondents indicated that they receive on-the-job training and 2% indicated that they receive off-the-job training. Generally, it is identified that within the organizations on-the-job training is highly practiced. Armstrong (1995) proposed that on-the-job training is the only way to develop and practice the specific managerial, team leading, technical, selling, manual, and administrative skills needed by the organization and it has the advantages of actuality and immediacy as the individual works, learns and develops expertise at the same time. It can be seen from the results that on-the-job training is mostly practiced.

Table 4.3 How long it takes to conduct training and development program (duration)

	Frequency	Percent	Valid Percent
One Week	46	59.4	61.3
One Month	12	18.8	19.4
Two Month	3	4.7	4.8
Three Month	1	14.1	14.5
Missing System	2	3.1	
Total	64	100.0	

Source: Researcher's field survey (2013)

Table 4.3 shows the distribution of responses on how long it takes to conduct training and development program in the organizations. Majority of the respondents, 46 (71.9%) indicated that it takes one week to conduct training and development program. 12 (19.4%) indicated that it takes one month to conduct training and development program. 1 (1.5%) indicated that it takes three months to conduct training and development programme. Finally, 3(4.8%) indicated that it takes two months to conduct training and development programme.

Table 4.4Number of training programs that has been made in the past one year

	Frequency	Percent	Valid Percent
One	32	50.0	59.3
Two	9	14.1	16.7
Three	13	20.3	24.1
Missing System	10	15.6	
Total	64	100.0	

Source: Researcher's field survey (2013)

Table 4.4 shows the responses on the number of training programs that has been organized in the past one year. 32 (50.0%) indicated one training program as the number of training programs held the past one year. 13 (20.3%) also indicated that the organization have held three training programs the past one year. 9 (14.1%) also indicated that the organization have held two training programs the past one year. However, 10 other respondents did not submit their responses on this question hence captured as missing system. The researcher went to find out if any training program slated for the coming year. 52 (86.7%) indicated that there will be training programs in the coming year. Whiles 8(13.3%) indicated that there will be no training program in the coming year. This suggests more and frequent training programs should be rolled out for employee.
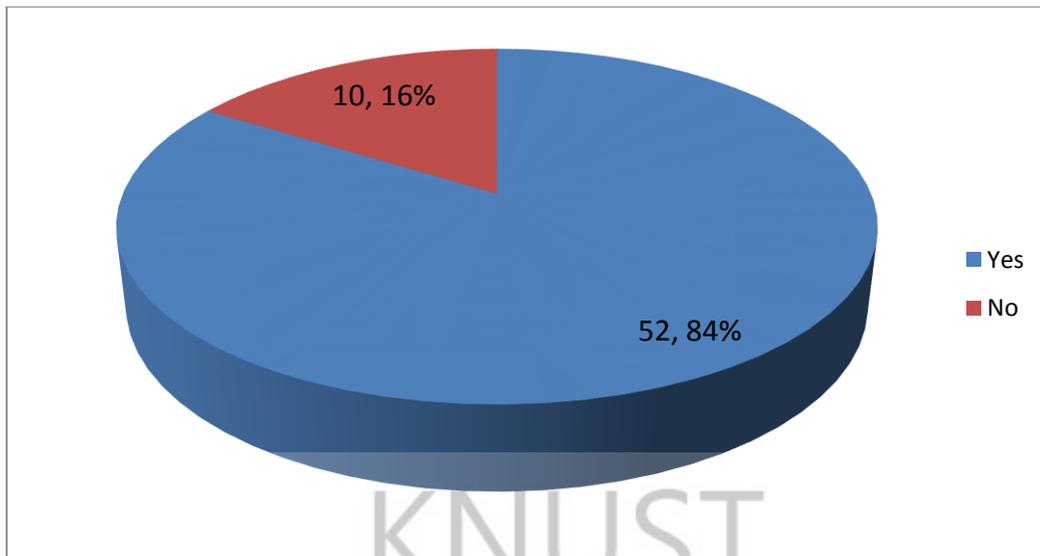
Source: Researcher's field survey (2013)

Figure 4.10 The practice have a consistent, timely and fair method for evaluating individual performance

Figure 4.10 shows responses on whether the practice has a consistent, timely and fair method for evaluating individual performance. Majority of the respondents, 52 (84%) indicated that the practice have a consistent, timely and fair method for evaluating individual performance. Whiles 10 (16%) indicated that the practice does not have consistent, timely and fair method for evaluating individual performance.

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Table 4.5 Satisfied with organizational training and development programme

		Name of the organisation		Total
		Money Link Microfinance	Noble Dream Financial Service	
Satisfied with the organisational training and development programme	Yes	5	45	50
	No	3	8	11
Total		8	53	61

Source: Researcher's field survey (2013)

Table 4.5 shows the distribution of respondent based on their opinions as to satisfaction with the training and development programme of their organizations. 45 respondents from Noble Dream Financial services indicated that they are satisfied with the training and development programme of their organization and 8 from Noble Dream Financial Service also responded 'No', which is to say, that they are not satisfied with the organizational training and development programme. 5 respondent form Money Link Microfinance indicated that they are satisfied with the organisational training and development programme of their organisation while 3 respondent from this same organisation indicated, that they are not satisfied with the organisational training and development programme which is "No". Although most of the sampled employees of the selected microfinance organizations indicated that they are satisfied with the training and development programme of the organization, a considerable number of them registered their dissatisfaction. This goes to agree with the submission of Agarwal (1982) which was however conducted in Public sector organizations.

4.4 Training influence on individual performance

Rating: 1 = Strongly Disagree, 2= Disagree, 3 = Neutral, 4= Agree and 5 =Strongly Agree

Table 4.6 Training influence on individual performance

	1	2	3	4	5
23. By training I know what is expected of me at work	2(3.1%)	-	2(3.1%)	21(32.8%)	**39(60.9%)**
24. By training I know that the work I do has appropriate task variety	2(3.1%)	2(3.1%)	6(9.5%)	**28(44.4%)**	25(39.1%)
25. I have undergone training that enables me to perform job that matches my skills.	1(1.6%)	2(3.2%)	3(4.8)	**32(51.6%)**	24(38.7%)
26. Training has enable me to feel comfortable working with my team members	1(1.6%)	1(1.6%)	5(7.9%)	21(33.3%)	**35(55.6%)**
27. A variety of training and development programs are offered to improve my skills	2(3.2%)	1(1.6%)	4(6.2%)	22(35.5%)	**33(53.2%)**
28. Training and Development together aim to strengthen the workforce and enhance performance	1(1.6%)	1(1.6%)	2(3.1%)	24(38.1%)	**(55.6%)**

Source: Researcher's field survey (2013)

Table 4.6 shows the distribution of respondents based on their opinion as determining training influence on individual performance of their organization. **39 (60.9%)**indicated that they strongly agree of the statement that by training they know what is expected of them at work, **28(44.4%)** indicated that they agree of the

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statement that by training they know that they work they do has appropriate task variety, **32 (51.6%)** also indicated that they have undergone training that enables them to perform job that matches their skills, **35(55.6%)** indicated that they strongly agree of the statement that training has enable them to feel comfortable working with their team members**, 33(53.2%)**also indicated that they strongly agree of the statement that a variety of training and development programs are offered to improve their skills and **55.6%** also indicated that they strongly agree of the statement that training and development together aim to strengthen the workforce. Kenney et al., (1992) stated that employee's performance is measured against the performance standards set by the organization. Good performance means how well employees performed on the assigned tasks. It can be deduced from the responses that the employees are performing well as a result of training they receive. This research also supports the proposition in Benedicta and Appiah (2010) who agree that training generates benefits for the employee as well as the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior.
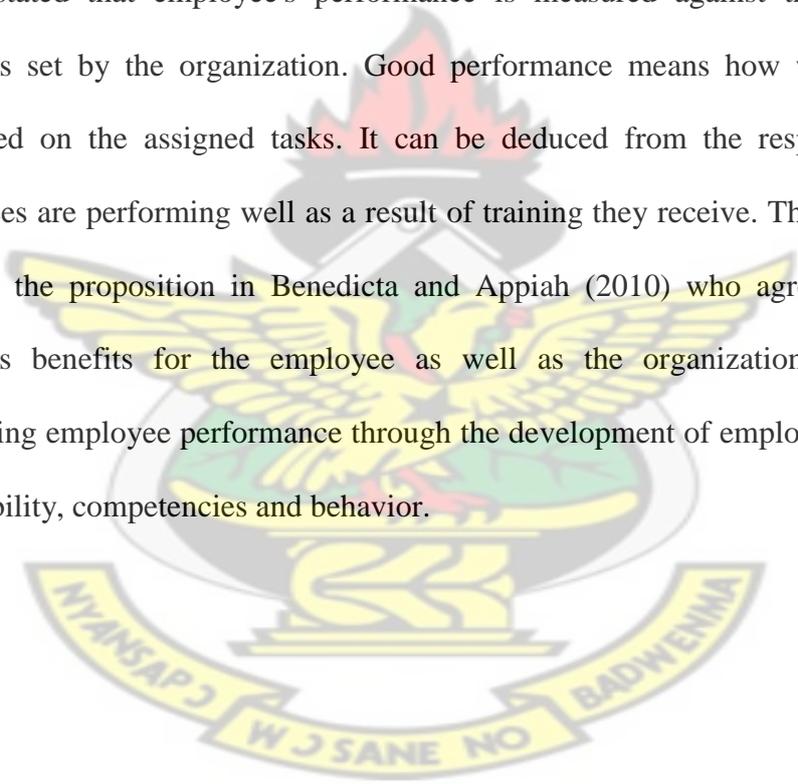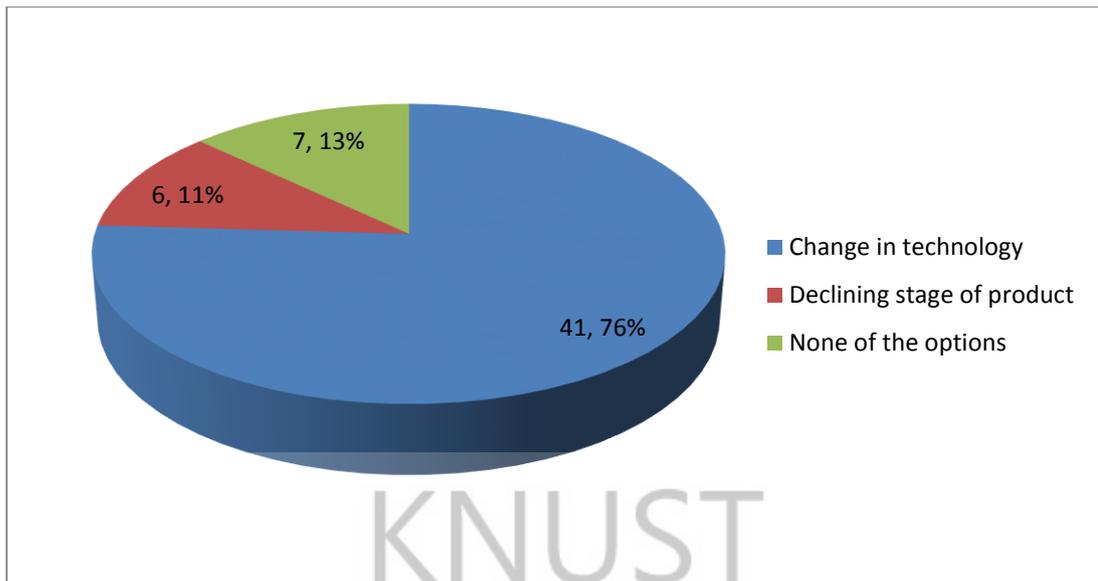
Source: Researcher's field survey (2013)

Figure 4.11: When the organization should train employees

Table 4.12 shows the distribution of respondents based on their opinion as to when the organization should train employees. 41(76%) indicated that employees should be trained when there is a change in technology, 6(11%) also indicated that employees in the organization should be trained in the declining stage of product and 7(11%) also indicated that none of the options is expected. Two management members who were interviewed also indicated that training should be organized at both introductory and decline stage of a product.

a. How training improves performance and increase productivity

The following are the opinion of respondents on how to improve performance and increase productivity:"By helping the employee to know well into the product and exploring it", "By training we are taken through variety of changes in our product with regards to change in the interest and modes of payment especially loans which eventually leads to increase in output". Others are, "Employees will be more informed

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about the company's product and also help to avoid waste when employees are trained", "It broadens the employees' minds towards work and also gives them knowledge of how the work is done", "It helps to acquire new skills and how to treat our customers well". In addition, some respondents indicated; "The training helps us to gain the ethics in mobilizing enough money into the organization", "Training helps employees to know what they are supposed to do during a change and competitive environment in relation to their job specifications". Training enables us convince and persuade customers and also gain tr trust.

4.5 Suggestions

The researcher also solicited the suggestions or opinions of the respondents on how best training can be evaluated within the organization. Their suggestions are as follows:

"After training, the organization has to see to it that the workers are abreast with their work", "Based on performance and customers compliments", "Giving profit targets and the end result will be used for evaluation and by examining the personnel in the form of an interview,". Others are, "Efficiency towards organization's target and goals and aptitude measurements", "Employee - output index and Comparative analysis of employees output", "Frequent monitoring", "It should be evaluated base on a person's zeal towards the work", "Measure performance by ascertaining her market share and profit six months after training and then comparing these to the previous six months for the purpose of evaluation", "Test should be conducted". In addition, "There must be consistent supervisions by the managers and the executives to the employees so that they can assess their performance". "They should ensure that every staff provides weekly report"

A respondent indicated that evaluation should be performed six months after training and this is supported by Seth (1985).

4.6 Summary

This chapter focused on Training in selected microfinance institutions in the Ashanti Region (Kumasi).The focus was on training needs assessment, type of training they receive, its frequency and impact on organizational performance. The results obtained formed the basis for the summary, recommendation and conclusion of the entire work which is outlined in the next chapter.
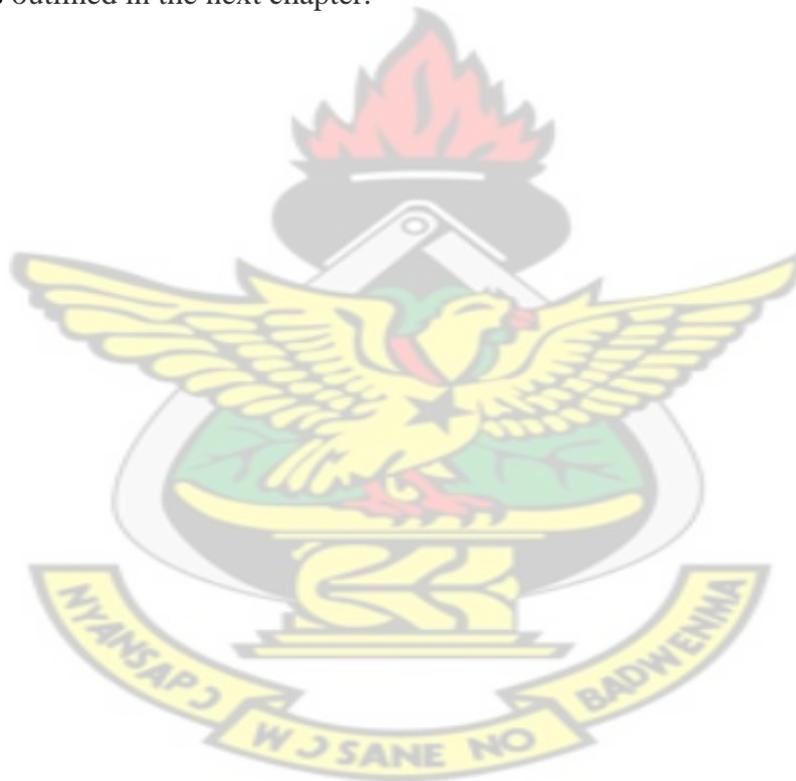
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The objective of this final chapter is to give an overview of the research findings, draw relevant conclusions from the analysis and make some recommendations relevant to the study. The findings provide the basis for the study to make certain and inform stakeholders related with the issue under study on training and development of employees in the microfinance sector.

5.2 Summary of findings

The study intended to identify the current training needs and programs of the selected microfinance institution. To determine how training programs are implemented in the selected micro finance institutions. Again to assess or determine training influence on individual performance and evaluate the impact of training on organizational performance in the selected micro finance institutions. Finally make appropriate recommendations on policies which will ensure effective implementation of training and development programs for employees. The study gathered relevant data from staff from two fast growing microfinance companies in the Ashanti Region so as to get diverse views on their perceptions as pertains to issues of training and development.

The various categories of employee that formed the sample population are categorized under; Management & staff, field cashiers (mobile bankers) and security and drivers. Based on the data gathered through the use of questionnaires the summary of the findings are presented below as per the objectives of the research.

5.2.1 Current training needs and programs

Though training needs assessment was conducted, it was evident that, it addresses training needs at the job level. This implies management decide the type of training which is needed to perform particular roles and then rolling out such programs/ training to all employees with that job. This approach though has its own merits of ensuring that all employees have the basic skills and knowledge to perform the job, it however has its own disadvantage of people attending training programs they do not need.

5.2.2 How training is implemented

The two main types of training (off-the job and on-the job) were both used but the most preferable choice was on - the job training. This strategy is commonly practiced due its advantages job specific oriented, pertinent and employees tend to quickly assimilate because of the practical nature of such training (on-the job). It was evident to support the above fact that staff meetings, discussions and job rotation are normally used with few instances of seminars and workshops.

5.2.3 Training influence on individual and organizational performance.

Training generates benefits for the employee as well as the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior. Per responses of the majority of the respondent through training they have been able to acquire the necessary skills and the know how to perform their jobs effectively which has lead in the reduction in waste and inefficiencies. These intend increase profitability as cost is reduced.

Again it was evident that through training employees morale and confident has been boosted. This has a positive impact on the organization by offering and delivering prompt and quality service to clients, which increase customer satisfaction.

5.3. Recommendations

Based on the findings of the study, the following are therefore the researcher's recommendations.

5.3.1. There should be two way training need assessment

Training needs assessment should be conducted frequently to identify gaps in terms of technical knowhow. Needs analysis should not be based on only organisational objectives but also individual employee's career development goals so as to make training interesting to them.

5.3. 2. Frequent and different training programs

There is the need to frequently train the staff of the company to upgrade them with new skills and knowledge. Also frequent training of staff will make them to be abreast with modern technology and quickly adapt to changes in the financial market. Using different training methods help reduce boredom with a particular training program. It makes training interesting and boosts employees' morale to learn something new in different environment and settings. On the job should be mix with off the job(seminars workshops e- learning etc).

5.3.3. Timely and effective evaluation of training

Training is organized for employees equip them with knowledge and skills for better and efficient performance which intends leads to improved organizational performance. There is therefore the need to effectively evaluate in a timely manner if the objectives were achieved. This can be six months after training or the appropriate length of time as per management objectives and the type of training. Both quantitative means (level of sales number of customers etc) and qualitative (efficiency level, reduction in waste customer satisfaction and others) can be used to evaluate training.

5.4 Conclusion

Improved employees performance means there is reductions in error, minimization of waste, increased sales (turnover) effective and efficient service delivery which leads to organizational wide improved performance.

Kenney et al., (1992) stated that employee's performance is measured against the performance standards set by the organization. Good performance means how well employees performed on the assigned tasks. Another school of thought has been expressed on employees training as "the process of providing employees with specific skills or helping them correct deficiencies in their performance as having shared leadership responsibility, accountability, as well as dedication" (Stacy, 2001). The study supports the statement made by Beattie (2002) that people are our only source of differentiation and sustainable competitive advantage-essential to that is training. Evans and Lindsay (1999) confirms this that, organizations that are dedicated to generating profits for its owners , providing quality service to its customers and beneficiaries invest in the training of its employees.

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The microfinance institution is a fast growing industry in the 21st century. Due to its importance in the financial sector and the rapid growth characterized with it there is the need to pay attention to caliber of people they employ, the kind of training they receive, how these people are able to adapt and adjust to the rapid growth in the industry.

This research was conducted to review the current programs and training needs, how they are implemented and it effect on individual and organizational performance. Results from the study shows that most of these organizations are focusing on training their employees for better performance and increased profits. It is obvious that training plays an important role in the development of organizations, improving performance as well as increasing productivity, and eventually putting companies in the best position to face competition and stay at the top. This means that, there is a significant difference between organisations that train their employees and organizations that do not (Benedicta and Appiah, 2010). From the study, though the selected companies are investing in the training of their employees, a lot more can be done to improve performance of employees and the organizations (microfinance institution) as whole through frequent and critical assessment of actual individual employee training needs, aligning organizational objectives with training programs and effective implementation and timely evaluation of training programs to ascertain impact of training programs.

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QUESTIONNAIRE

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF BUSINESS

This questionnaire seeks to collect data for the study; EMPLOYEE TRAINING AND DEVELOPMENT IN THE MICRO-FINANCE SECTOR, (A CASE STUDY OF SOME SELECTED MICROFINANCE COMPANIES IN THE ASHANTI REGION)This research is purely for academic purposes and as such **privacy** and **confidentiality of all information** shall be observed. I would therefore be grateful if you could kindly answer the following questions.

THANK YOU

a. BACKGROUND INFORMATION

1. Gender: Male [ ]   Female [ ]

2. Age   18 – 24[   ]   25-30[ ]   31-35[ ]   36-40[   ]   41 and above [   ]

3. Marital status.   Single [ ]   Married [   ]   Divorced [   ]   Separated [   ]

Widowed [   ].

4. Educational Background. Never been to school [ ]   Primary [ ]   Secondary [ ]

Tertiary[   ]   Others……….……………

5. Name of the

organization…………………………………………………………………

6.

Department…………………………………………………………………

…

7. The number of years you have been employed?

………………………………..

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b. IDENTIFYING TRAINING NEEDS

Please rate on a scale of 1-5 to indicate your option, 1 = Strongly Disagree,

2= Disagree,   3 = Neutral,   4= Agree and   5 =Strongly

Agree

	1	2	3	4	5
8. I have in-depth knowledge into the company's products and services					
9. I know what to do in the organization (roles and tasks)					
10. I know how to operate the equipment and accessories given me accurately.					
11. I know how to handle the clients well					
12. I am conversant with the organization's ethics, culture and codes of conduct					
13. The Microfinance sector is growing and therefore employees need to be trained to fit into the sector.					

14. Has your company been able to organize a training program in the form of workshop or Seminar for employees?   1. Yes [ ]   2. No [ ]

15. Does your organization identify the training needs for the employees? 1. Yes [ ]

2. No [ ]

16. What types of training have been organized in your organization? 1. On-the-job training [ ] 2. Off-the-job training [ ]. Others, please

specify…………………………………………………

17. On an average, how long does it take to conduct the training and development

programme?

a. One Week   [   ]

b. One Month   [   ]

c. Two Month   [   ]

d. Three Month [   ]

18. How much training programs has been made in the past one year?

    a. One   [ ]

    b. Two   [ ]

    c. Three [ ]

19. Do you have any training programs in the coming financial year? 1. Yes [ ]   2.

No [ ]

20. Does the practice have a consistent, timely and fair method for evaluating

individual performance?   1. Yes [ ]   2. No [ ]

21. Does your company use a specific training process? 1. Yes [ ]   2. No [ ]

22. Are you satisfied with organizational training and development programme?

1. Yes [ ]   2. No [ ]
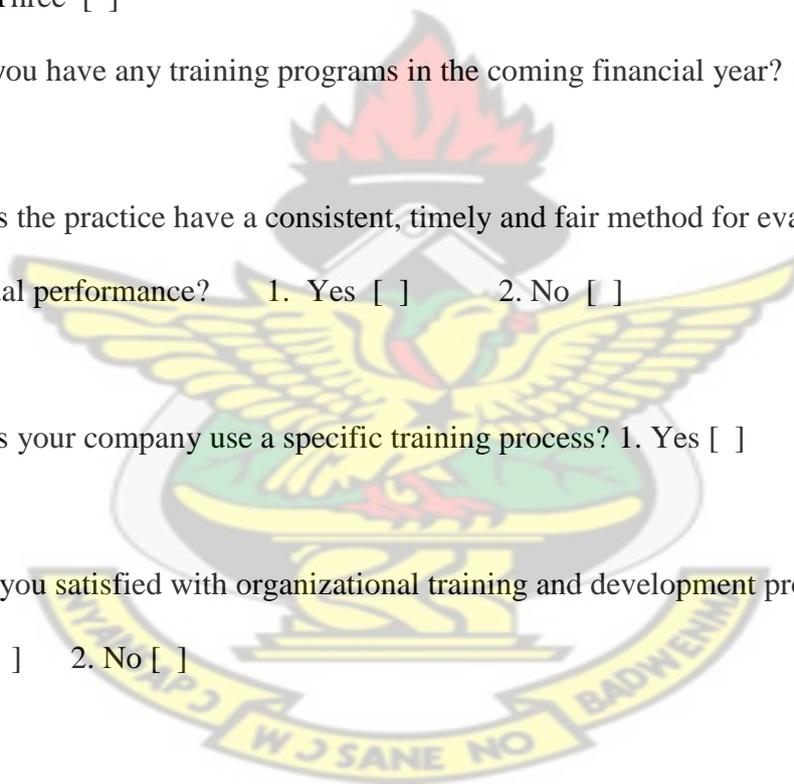
c. DETERMING TRAINING INFLUENCE ON INDIVIDUAL PERFORMANCE

Rate on a scale of 1-5 to indicate your option, 1 = Strongly Disagree,   2= Disagree,   3 = Neutral,   4= Agree and   5 =Strongly Agree

	1	2	3	4	5
23. By training I know what is expected of me at work					
24. By training I know that the work I do has appropriate task variety					
25. I have undergone training that enables me to perform job that matches my skills.					
26. Training has enable me to feel comfortable working with my team members					
27. A variety of training and development programs are offered to improve my skills					
28. Training and Development together aim to strengthen the workforce and enhance performance					

29. When should the organization train its employees?

 a) Change in technology   [ ]

 b) Declining stage of product   [   ]

 c) None of the options   [   ]

 Please specify others,………………………………………………………………………

30. How does training improve performance and increase productivity?

…………………………………………………………………………………………

…………………………………………………………………………………………

31. Please suggest ways by which the organization should measure and evaluate

performance after training the personnel?

…………………………………………………………………………………………

…………………………………………………………………………………………