

**THE EFFECT OF TRAINING ON EMPLOYEE PERFORMANCE
IN PUBLIC SECTOR ORGANIZATIONS IN KENYA.THE CASE
OF NHIF MACHAKOS COUNTY**

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DECLARATION

I hereby declare that this project report is my original work and has not been submitted for examination in this University or elsewhere for an award of any other degree.

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I confirm that the work reported in this research project was carried out by the candidate under my supervision.

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SIGN: _____ DATE _____

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DEDICATION

This work is dedicated to my late father whose faith in me has never faltered; to my mother, my children Nawaal & Abdullahi and my wife Maryam Salah Hassan for her patience and understanding during the whole period I was collecting materials for this project report.

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I would like to express my gratitude to God for seeing me through this study. I would also like to express my gratitude to all those who gave their time and assistance towards the completion of this project report.

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TABLE OF CONTENTS

Contents	pages
Title page -----	i
Declaration -----	ii
Dedication -----	iii
Acknowledgement -----	iv
Table of content -----	v
List of figures-----	ix
List of tables -----	x
Abbreviations and Acronyms -----	xi
Abstract -----	xii

CHAPTER ONE INTRODUCTION

1.1 Background of the study -----	1
1.2 Statement of the problem -----	3
1.3 Purpose of study -----	4
1.4 Objectives of the study -----	4
1.5 Research questions -----	4
1.6 Significance of the study -----	5
1.7 Limitations of the study -----	5
1.8 Delimitations of the study-----	6
1.9 Assumptions of the study -----	6
1.10 Definition of significant terms -----	6
1.11 Summary -----	7

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction -----	8
2.1 Influence of training designs on employee performance -----	8
2.2 Impact of training policies on employee performance -----	12
2.3 Effect of evaluation of training programs on employee performance-----	16
2.4 Training challenges that affect employee performance -----	18
2.5 Training roles and its relationship with employee performance-----	21
2.5.1 Employee productivity -----	23
2.5.2 Effect of training on employees' salary -----	25
2.5.3 Impact of training on employees' job involvement -----	27
2.5.4 Relationship between training and employee performance -----	30
2.6 Conceptual frameworks -----	33

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction -----	35
3.2 Research design-----	35
3.3 Target population -----	36
3.4 Sampling size and sampling procedure -- -----	36
3.5 Source of data collection -----	37
3.6 Research instrument -----	37
3.6.1 Questionnaire-----	37
3.6.2 Interview schedule -----	38

3.7 Validity of the research instrument -----	38
3.8 Reliability of the research instrument -----	39
3.9 Methods of data analysis -----	39
3.10 Ethical considerations -----	40
3.11 Operation definition of variables -----	40

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction -----	42
4.2 Respondents Demographics -----	42
4.3 Effects of training and development on employee performance -----	44
4.4 Employee training -----	48
4.5 Training evaluation -----	53
4.6 Responses from management staff from NHIF Headquarters -----	57
4.6.1 Training and Development policy at NHIF -----	57
4.6.2 Objectives of training -----	59
4.6.3 Motivation through Training -----	61
4.7 Data interpretations -----	63
4.8 Discussions -----	64

CHAPTER FIVE

SUMMARY, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction -----	65
5.2 Summary of the findings -----	65

5.3 Discussions -----	68
5.4 Conclusions -----	71
5.5 Recommendations -----	72
5.6 Limitations of the study -----	74
5.7 Suggestion for further research -----	75
References -----	76
Appendix1. Transmittal letter -----	80
Appendix2. Questionnaire for employees -----	81
Appendix3. Interview schedule for NHIF management -----	88

LIST OF FIGURES

Figure 2.1- Conceptual framework -----34

LIST OF TABLES

Table 3.1 Target population -----	36
Table 3.2 Operational definitions of variables -----	41
Table 4.1 Ages of the respondents -----	42
Table 4.2 Gender of the respondents -----	43
Table 4.3 Marital status of the respondents -----	43
Table 4.4 Education background of the respondents -----	44
Table 4.5 Effects of training on employee performance -----	44
Table 4.6 Organization of training program-----	48
Table 4.7 Identification of Training Needs-----	49
Table 4.8 Periods of training program -----	49
Table 4.9 Number of training made in the past one year -----	50
Table 4.10 Probability of training in the coming financial year-----	50
Table 4.11 Top management feedback recognition-----	51
Table 4.12 Probability of training to run in future-----	51
Table 4.13 Employee development and expectations-----	52
Table 4.14 Executive director and employee development activities-----	52
Table 4.15 Employee trust with supervisors-----	53
Table 4.16 Employee awareness on training -----	53
Table 4.17 Method of employee performance evaluation -----	54
Table 4.18 Employee satisfaction with pay -----	54
Table 4.19 Frequency of attending training -----	55
Table 4.20 Training process used -----	55

Table 4.21 Technical know-how for the job -----	56
Table 4.22 Comfort ability of office condition -----	56
Table 4.23 Satisfactions with organizational training -----	57
Table 4.24 Knowledge of objectives of training -----	59
Table 4.25 Motivation through training -----	61

LIST OF ABBREVIATIONS AND ACRONYMS

HR: Human resource

HR T & D: Human resource training and development

HRD Human resources development

HRH Human resources for health

HRIS Human resource information system

HRM Human resources management

HRP Human resources planning

HTI Health Training Institute

MBA Masters of Business Administration

NHIF National Hospital Insurance Fund

NSHIF National Social Health Insurance Fund

SPSS Statistical Package for Social Sciences

TNA Training Needs Assessment

ABSTRACT

The motive behind the study was to investigate the effect of training on employee performance in public sector organizations in Kenya: The Case of NHIF Machakos County. Training is a planned process to modify attitudes, knowledge or skill behavior through learning experience to achieve effective performance in an activity or range of activities, as defined in the glossary of training terms. The emphasis is on planned process and effective performance. Training also refers to the methods used to guide new or present employees on the skills they need to perform their job. Training therefore entails a deliberately planned process that is carried in a systematic fashion and aimed at bringing about effective performance. The performance of any organization is dependent on the quality of its workforce. The general view is that training and development leads to improved employees performance and that organizations should therefore invest in training and development. The importance of training can only be appreciated with a clear understanding of its direct impact on employee performance. An improvement in employee performance also leads to an improvement in the organization's performance. It is in light of this that this study sought to assess what effect training has had on the employee performance at NHIF. The objectives of the study were as follows: To assess the roles of training and its relationship with employees' performance, to determine the effect of training design on employee performance, to evaluate whether the training programs have had impact on employee performance and lastly explore training challenges that affect employee performance. Data was derived through questionnaires distributed to selected employees of Machakos branch with a target population of 100 staffs and an interview schedule guide for the management of NHIF headquarters. Data analysis was done through descriptive statistics. Descriptive statistics included the use of percentages, means and standard deviation. The completed questionnaire and interview schedule forms the foundation of this research. The study found out that training had an impact on organizational productivity despite the challenges from the management which included: poor motivation, lack of trainings, lack of compensation policy, poor working conditions, inadequate financial resources to support training, resistance of the top level management to empower junior employee and lack of team spirit among workers. The study recommended that: NHIF should conduct Training Needs Assessment in all departments; management should provide training and workshop opportunities for staff in order to keep them updated and improve their knowledge and skills. Poorly performing staff should also be appraised and reasons for their dismal performance determined instead of condemning them. The institution's management should strive to support every department and all cadres of staff. Promotions should be based on level of competencies and job performance and not length of service as currently practised and among others.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Training can be defined as a “systematic process of acquiring knowledge, skills, abilities, and the right attitudes and behaviours to meet job requirements” (Gomez-Mejia, et. al., 2007). Training has been reckoned to help employees do their current jobs or help meet current performance requirements, by focusing on specific skills required for the current need. However, its benefits may extend throughout a person’s career and help develop that person for future responsibilities. Current educational systems do not necessarily impart specific knowledge for specific job positions in organizations. As a result of this the labour force comprises few people with the right skills, knowledge and competencies needed for positions in the job market. There is therefore the need for extensive external training for human resources to be able to improve and also contribute to the productivity of organizations.

This is in contrast with development, which is training that provides employees with competencies for anticipated future jobs and roles. The goal of training is for employees to master the knowledge, skill, and behaviours emphasized in training programs and to apply them to their day-to-day activities. Recently it has been acknowledged that to impart a competitive advantage, training has to involve more than just basic skill development. That is, to use training to gain a competitive advantage, companies should view training broadly as a way to create intellectual capital. Intellectual capital includes basic skills (skills needed to perform one’s job), advanced skills (such as how to use technology to share information with other employees) and understanding of the customer or manufacturing system, and self-motivated creativity. But some researchers estimated that soon up to 85 percent of jobs in Canada, the United States, and Europe

will require extensive use of knowledge. This requires employees to share knowledge and creatively use it to modify a product or serve the customer, as well as to understand the service or product development system. The impressive economic development patterns of these countries can thus be credited to the important role that its human resources have played.

Identification of training needs, if done properly provides the basis on which all other training activities can be considered. It is also a process that requires a careful thought and analysis, as training is a sensitive issue to people's lives whilst taking into account the reputation of the organization.

Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce (Stone R.2002). An employee is one of the most essential resource and an important asset in any organization. According to a recent industry report by the American Society for Training and Development (ASTD), U.S. organizations alone spend more than \$126 billion annually on employee training and development (Paradise 2007). There are various human resource functions that give an organization a competitive edge but most scholars argue that human resource functions becomes only operational when training has run through them all. This places training and development as an essential function in the survival of any organization. Employee performance depends on many factors like job satisfaction, knowledge and management but there is relationship between training and performance (Chris Amisano, 2010).Increasingly, high performing organizations today are recognizing the need to use best training and development practices to enhance their competitive advantage. Training and development are an essential element of every business if the value and potential of its people is to be harnessed and grown. The implementation of training and development programs are critical factors that most organizations need in order to enhance

employee performance. Therefore, for effective use of human resource the level of training and skills of an employee is very critical for any organization. Companies can reap the rewards of providing training to their employees because well-trained workers help increase productivity and profits. Investing in employee training is always geared towards enhancing worker retention rates, customer satisfaction and creativity for new product ideas. Effective training saves labor by reducing time spent on problem-solving and saves money in the long run by producing a better workforce.

Training is necessary to ensure an adequate supply of staff that is technically and socially competent and capable of career development geared towards helping organizations realize their vision. In the contemporary dynamic corporate world, employees are increasingly required to keep up to the upcoming changes. Training is important for employees' development as it enables them achieve self-fulfilling skills and abilities, reduce operational costs, limits organizational liabilities (Donald ,2009).Properly trained employees are highly motivated and have more sense of responsibility hence requiring less supervision which in-turn increases the organization's ability in attaining its mission. The study will principally focus on the effect of training and development on employee performance and productivity.

1.2 problem statement

Many public sector organizations engage in training of staff and have departments, units and sectors in charge of training and development. National hospital insurance fund is one such organization that has been practicing training since its beginning and particularly for the past five years.

However, for some years now it appears training in NHIF is haphazard, unplanned and unsystematic, and several of its employees such as accounts clerks, secretaries, drivers, support

staff and many other category of workers, have not qualified for any form of training nor is there any systematic process of staff development in place. Owing to the absence of in-service training and development in the National Health Insurance Fund, the employees are left with no option but to organize and finance their further studies. The purpose of this study was to assess the effect training had on the employees of the National Hospital Insurance Fund as pertains to their performance.

1.3 Purpose of the study

The purpose of this study was to establish the effect of training on the performance of employees at National hospital insurance fund.

1.4 Objectives of the study

The objectives of this study were to:-

- i. Determine the influence of training design on employee performance
- ii. Establish the impact of training policies on employee performance
- iii. Assess the effect of evaluation of training programs on employee performance
- iv. Explore training challenges that affect employee performance
- v. Establish training roles and its relationship with employee performance

1.5 Research questions

- i. What influence does training designs have on employee performance?
- ii. To what extent does training policies have effect on employee performance?
- iii. How are training programs evaluated at NHIF?
- iv. What training challenges that affect employee performance?
- v. What roles does training play on employee performance?

1.6 Significance of the study

The study will help firms understand the importance of training programs.

Secondly, it will also enable the organization structure their training programs to make them more effective in terms of helping to improve the efficiency of the workforce and lead to better performance.

Thirdly, it ensures the existence of a pool of skilled workforce who could be utilized for national development. Labour is a major input to the success of the organization. If labour is efficient it will help improve the performance of the organization.

Fourthly as organizations perform better, they are able to increase output and contribute more to the economy. With better organizational performance, firms compete to develop quality products which enable the economy to remain vibrant.

Lastly it will also help the management of the NHIF in encouraging employees who wish to pursue higher studies in order to aide them in their development.

1.7 Limitations of the study

The study only covered the effect of training on NHIF employees over the last five years (2008-2013) in Machakos County and some selected management staffs. The results of the study however can be inferred to other counties who have NHIF branches. In view of the limited time available for the study, only the Training process could be studied. The answers given by the respondents have to be taken as truly reflecting their perception.

1.8 Delimitations of the study

The study was carried out in Machakos County; it was targeting the NHIF employees in these county and some management staffs at the Headquarter in Nairobi. Hence the findings of this study cannot be generalized to other counties or other staff.

1.9 Basic Assumptions of the study

The study assumed that employees had acquired additional training after securing employment with the NHIF and that the respondents gave accurate information.

1.10 Definition of significant terms

Basic salary: refers to actual salary without addition of allowances

Development: refers to training to provide employees with competencies for anticipated future jobs and roles.

Employee performance: refers to the ability of an employee to perform a given task to the satisfaction of its employer.

Employee: refers to any person currently employed, or on leave of absence. The term does not include applicants for employment.

Fund: refers to the national hospital insurance fund

Job description: Sets out the purpose of a job, where it fits in the organizational structure, the context within which the job holder functions and the principal accountabilities of the job holder or the main task they have to carry out

Justification: Acceptable reason for doing something

Learning: occurs when one adds new and modifies existing behaviours patterns in a way that has some influence on future performance on attitudes.

Limitation: conduction on fact or circumstance that impose shortcomings towards achievement of desired results

Motivation: To stimulate the interest of a person to want to do something in a particular way.

National hospital insurance fund is the primary provider of health insurance in Kenya with a mandate to enable all Kenyans to access quality and affordable health services.

Objective: Achievement aimed at or wished for.

Performance refers to the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed.

Public sector organizations refer to those organizations that are responsible for the provision of basic government services to the public.

Training is the planned and systematic modification of behaviour through learning events activities and programs which results in the participants achieving the level of knowledge, skills, competencies and abilities to carry out their work effectively.

Training and development refers to the field which is concerned with organizational activity aimed at enhancing the performance of individuals and groups.

1.11 Summary

Training has positive effect on employee performance and productivity and therefore every organization should be in a position to have a well defined training manual that has to be followed to the latter for effective utilization of human resource capital. Investment in training can improve a company's financial standing. Poor performance often results when employees don't know exactly what they are supposed to do, how to do their job or why they need to work a certain way. Training can help solve these performance problems by explaining the details of their job.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter will present a comprehensive review of literature related to the study in a bid to position it in a pertinent theoretical framework. Thus it will discuss findings of related researches to this study. The literature review provides the reader with an explanation of the theoretical rationale of the problem being studied as well as what research has already been done and how the findings relate to the problem at hand. The main purpose of the literature review is to avoid unnecessary or intentional duplication of materials already covered. The literature will be reviewed from working papers, journals, books, reports, periodicals and internet sources.

This chapter will provide relevant information on the effect of training on employee performance in public sector organization. The chapter will be divided into four phases. The first phase will be to determine the influence of training design on employee performance; the second phase is to establish the effect of training policies on employee performance; third involves evaluation of training programs at NHIF; fourth involves training roles and its relationship with employee performance and lastly is to explore training challenges that affect employee performance.

2.1 Influence of training design on employee performance

In the development of organizations, training plays a vital role; improving performance as well as increasing productivity and eventually putting organizations in the best position to face competition and stay at the top. This means that there is a significant difference between the organizations that train their employees and organizations that do not (April, 2010). Training is a type of activity which is planned, systematic and results in enhanced level of skill, knowledge

and competency that are necessary to perform work effectively (Gordon, 1992). There exists a positive association between training and employee performance. 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 (April, 2010). Organizations that are dedicated to generating profits for its owners (shareholders), providing quality service to its customers and beneficiaries, 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 etc, i.e. something which the trainee desires (Flippo, 1976). There are four prerequisites for learning: 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 indicates in the quality of his response. This response must be given as quickly as possible to ensure successful learning is acquired (Leslie, 1990).

Performance can be defined as the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and 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 and effectiveness are ingredients of performance apart from competitiveness and productivity and training is a way of increasing individual's performance (Cooke, 2000). Kenney in 1992 noted that employee's performance is measured against the performance standards set by the

organization. In every organization there are some expectations from the 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 employees' tasks which reflect the quality desired by the organization can also be termed as performance. While much is known about the economics of training in the developed world, studies of issues associated with training in less-developed countries are rarely found. Intentionally, training and development are provided for the employees with best of the career opportunities in different industry and encourages their individual growth and achievement (Kruger, 2008). 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 positive relationship between training and employee 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 (Benedicta & Appiah, 2010). 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 at the top. This means that, there is a significant difference

between the organizations that train their employees and those organizations that do not (Benedicta & Appiah, 2010).

According to McKenna and Beech (2002:110) in their book “Human Resource Management-A Concise Analysis”, it is stated that “It is important that a sound basis is established for other associated elements of Human Resource Management practice such as performance management (appraisal), reward management (motivation) combined with training and development”. What this means is that training and development itself cannot help in total employee development without the complement of employee appraisal and motivation. One of the things to consider in designing a training program is what the program is to accomplish, that is the objectives. In other words a training program cannot be designed until what that program is to accomplish is known. It is imperative for organizations to realize that in designing a training program, it is equally important to consider what the trainees should know or be able to do after the training is complete. Training objectives should however be attainable and measurable. A training program is successful if the objectives are achieved

There is also the need for the organization and the employees to know the motive for which they undergo training. It can, therefore be concluded that training programs will not be more effective unless the purpose for which it was administered is known. Therefore in planning training, it should go through these stages; develop a training plan, designing a training lesson, selecting the trainer and prepare the trainee. (Zaccarelli, 1997) Most of the benefits derived from training are easily attained when training is planned. This means that the organization, trainers and trainees are prepared for the training well in advance. According to Kenney & Reid (1986) planned training is the deliberate intervention aimed at achieving the learning necessary for improved job performance. The training plan will serve as the guidelines for both the trainer and the trainee to

follow in order to successfully implement the program. It covers the individuals involved in the training, the person that will administer the program, the required resources and the content to be followed. Once the plan for the program has been outlined then the training lesson is designed.

The training lesson is developed to help the participants focus on the segments developed and also set out the time frame for each segment. After this, a competent trainer is hired to undertake the training. The trainer should be able to communicate and transfer knowledge effectively.

2.2 Impact of training policies on employee performance

Kenney et al (1992:3) makes a point that companies should have different policies for training depending on the class or level of employment or level of employees to be trained. They pointed out that training policies are necessary for the following reasons: To provide guidelines for those responsible for planning and implementing training, to ensure that a company's training resources are allocated to pre-determined requirements, to provide for equality of opportunity for training throughout the company; and, to inform employees of training and development opportunities. As much as these policies seem to be accurate, they are silent on the elements of budgetary provision and top management support for training. According to Michael Armstrong in his book: *A Handbook for Personnel Management Practice* (1996:55), training policies are expressions of the training philosophy of the organization. He also affirms the assertion of Kenny et al (1992), but even further stated that training policy shows the proportion of turnover that should be allocated to training. Training and development falls under HRD function which has been argued to be an important function of HRM (Weil & Woodall 2005). Nadler (1984:1.16) noted that all the human resource development activities are meant to either improve performance on the present job of the individual, train new skills for new job or new position in

the future and general growth for both individuals and organization so as to be able to meet organization's current and future objectives.

Training as one of the major functions within HRM, training has for long been recognized and thus attracted great research attention by academic writers (see e.g. Gordon 1992, Beardwell, Holden & Claydon 2004). This has yielded into a variety of definitions of training. For example, Gordon (1992, 235) defines training as the planned and systematic modification of behavior through learning events, activities and programs which result in the participants achieving the levels of knowledge, skills, competencies and abilities to carry out their work effectively.

One of a manager's most important jobs is to manage the employee development which includes his/her personal growth and career development Linda Maund (2001).

For any enterprise to function effectively, it must have money, materials, supplies, equipment, ideas about the services or products to offer those who might use its outputs and finally people, which is the human resource, to run the enterprise. The effective management of people at work is Human Resource Management, Armstrong (1996). Human Resource Management has emerged as a major function in most organizations and is the focus for a wide-ranging debate concerning the nature of the contemporary employment relationships. Managing human resources is one of the key elements in the coordination and management of work organizations. Several new technologies are used to ensure the creation and delivery of services and goods in modern economies. Whatever means are used, the role of individuals and groups as employees and the ability of management to effectively deploy such a resource is vital to the interest of both the employee and organization. Traditionally, Human Resource concerns itself with recruitment,

selection, placement, training, compensation and industrial relations among others, (Armstrong 1996). Beer et al (1984) define Human Resource Management as the involvement of all management decisions and actions that affect the nature of the relationship between the organization and its employees-the human resources. According to Beer et al (1984), general management make important decisions daily that affect this relationship and this leads to a map of Human Resource Management territory.

The global competition and swiftness of changes emphasize the importance of human capital within organizations, as well as the swiftness and ways of knowledge gaining of that capital. In the economy where uncertainty is the only certainty, knowledge is becoming a reliable source of sustained competitive advantage. Knowledge is becoming basic capital and the trigger of development. Previously built on foundations of possessing specific resources and low costs, present day competition is based on knowledge possessing and efficient knowledge management. Modern organizations therefore use their resources (money, time, energy, information, etc.) for permanent training and advancement of their employees. Organizations which are constantly creating new knowledge, extending it through the entire organization and implementing it quickly inside the new technologies, develop good products and excellent services. These activities determine the company as a learning organization with constant innovation being its sole business. These are organizations which realize that learning and new knowledge are becoming the key of success, and that education is crucial for abundance.

Most workers and managers experience their work environment as increasingly uncertain, with greater pressure to deliver high levels of performance using fewer resources and people (Macneil, 2001). Both workers and managers are expected to demonstrate more knowledge and a wider range of skills, along with self-motivation, initiative and innovation. Emphasis is placed on

teams that work collaboratively and share knowledge, which assumes that managers have relinquished the traditional “command and control” approach. At various times managers need to act as instructor, conflict mediator, mentor and coach. Flatter organizational structures rely more on relationships and informal networking. The study found that line managers (rather than HR) had primary responsibility for promotions, coaching, performance management, employee disciplinary action, termination decisions, career development, and recruitment and selection. At the same time, the study found that line managers did not feel comfortable with many of these responsibilities. This is not surprising. Antonioni (2000) says that most managers are appointed because of their prowess in technical functions, and they therefore tend to be uncomfortable with the training and development aspects of the managerial role.

Organizations often begin their involvement in training with executive coaching. In situations where the outcomes are positive, the organization may then decide there is value in extending training further down through the management ranks. In most cases, external trainers are engaged for these purposes, and the impact on both individuals and the organization can be profound. For example, a study by Manchester Consulting (McGovern et al, 2001) found that 77% of executives reported improved working relationships with their direct reports.

The incidence of training and programs is increasing. About 60% of the 25 largest public companies in Australia had training programs in 2001. The CCH Australia/Australian Graduate School of Management survey for 2001 found that 26% of all organizations had training schemes in place for workers, an increase from 19% in 1996. Infact Kinlaw (2000), an author of one of the more popular books on corporate training, describes training as a “distributed leadership

function”. He explains that training is a function that can be performed at various times by any member of a team, not just by the person in an appointed leadership role.

A number of factors are required for training programs to be effective. Firstly, there must be a degree of organizational readiness. The Kulik and Bainbridge study (2004) explored the shift of responsibility between HR managers and line managers for various people management functions, including training. It found that HR managers were more optimistic than line managers about the benefits of line manager involvement for the organization (in terms of higher employee satisfaction and organizational performance).

2.3 Evaluation of effect of training programs on employee performance

The evaluation scheme that many corporate training programs use is Kirkpatrick’s four level of evaluation; reaction, learning, behaviour and results (Kirkpatrick 1994). However surveys of the evaluations of corporate training programs show limited applications of the levels other than at the reaction level (Allegre & D Janak, 1989; American society for training and development, 1996 Brinkerhoff, 1989; Dixon, 1990; industry report, 1996; parker, 1986; plant and Ryan, 1994). Training participant’s reaction is the most commonly used criterion for determining the effectiveness of corporate training programs. Most corporate trainers evaluate the training programs by using a simple end-of-course reaction form often referred to as a “happy sheet” (Plant and Ryan), a “smile or whoopee sheet” (Robinson and Robinson 1989), an “end-of-event questionnaire” (Bramleey, 1996) or “reactionaire” (Newby, 1992).

Based on recent survey of corporate training programs using Kirkpatrick’s four-level evaluation (American society for training and development 1996), only 4.3% of the organizations surveyed measured results, 13.7% measured behavior change, 27.9% measured learning and 88.9%

reported using participants' reactions. These findings indicate that majority of the organizations evaluated the reactions and opinions of their training participants immediately upon completion of training programs. The main purpose of reaction evaluation is to enhance the quality of training programs, which in turn leads to improved performance. The ultimate objective is to make training programs more efficient and more effective for organizational performance empowerment.

Reaction evaluation is type of formative evaluation where the results are used for program modification and the redesigning of content, course materials and presentations (Anthiel & Casper, 1996; Robinson and Robinson 1989). Generally they collect information that is specific enough to help make revision and improvements in the training programs. Reaction evaluation provides programs designers with insights about the participants' degree of satisfaction with a program design and implement. This is crucial information. If participants are not satisfied with the training experience they may not use what they have learned and will probably advise others not to attend the training program. Reaction evaluation can also be summative in nature. In such cases the goal of reaction evaluation is to determine the value, effectiveness or efficiency of a training program (Smith & Bradenberg, 1991) to make decisions concerning program continuation, termination, expansion, modification or adoption (Worthen, 1990; Worthen and Sandler, 1987). Summative evaluation provides program decision makers and potential customers with judgments about a program worth or merit (Worthen, Sandler & Fitzpatrick, 1997). Any aspect of a training program can be evaluated i.e. the trainee, instructional strategies, training material and even training facilities.

In an attempt to look into the success of the training program, there is the need to also consider the costs and benefits of the training program. This will help the organization know whether

there has been effectiveness in terms of profits. Evaluation should take place before, during and after the training programs. This should be jointly done by the managers, the trainer and the trainees themselves (Kenney, 1992). Evaluation may be conducted through the use of questionnaires or conducting case studies among other methods that may be used. Training can be evaluated in so many ways. Evaluation differs from validation in that it attempts to measure the overall cost benefit of the training program and not just the achievement of its laid down objectives. Hamlin (1974) advocated that until control measures are taken to correct any deficiencies after the training, evaluation has not been completed and thereby ineffective. Evaluation is an integral feature of training, but it could be difficult because it is often hard to set measurable objectives. Training evaluation should result in: determining the effectiveness of the training program, deciding whether to change, stop or expand the program, how to improve the program for future delivery.

2.4 Training challenges that affect employee performance

A range of challenges are faced by organizations and HRD professionals in managing and implementing effective Training & Development, particularly in the climate of globalization, and the new technological revolution begins with the importance of human capital in HRD practice, their education and technical training, and also their communication and language skills. Human resources' learning and motivation are also described as important features of effective HRD practices. However, their deficiencies in supporting the effectiveness of Training & Development pose a challenge to the development, management and implementation of effective Human Resource Training & Development in organizations. Furthermore, the workforce's

changing demographics are also seen to have an impact on HRD practices, alongside the organization's Human Resource strategies and investments in HR Training & Development.

The central factor in HRD is the human resources or the human capital in an organisation. They are viewed as the driving force for the success of organizations because of their skills, competencies, knowledge and experience (Becker, 1975; Schmidt & Lines, 2002; Harrison & Kessels, 2004). Moreover, it has been suggested that for organizations to compete successfully in a global economy, it is important to hire sufficiently educated and skilled employees and provide them with lifelong learning (Nadler & Wiggs, 1986; Chalofsky & Reinhart, 1988; Nadler & Nadler, 1989; O'Connell, 1999; Streumer et al, 1999; Low, 1998; Harrison, 2000; Sadler-Smith et al, 2000). However, these are some of the problems faced by employers and organizations and seen as a hindrance to the effective management, training and development of human resources in a global economy (Roberts & McDonald, 1995; Fernald et al, 1999; Shim, 2001; Lloyd, 2002; Budhwar et al, 2002; Bates et al, 2002).

In the specific context of HRD professionals, the literature has indicated that there is a shortage of HRD professionals who are skilled and experienced systems thinkers (Bing et al, 2003), and who have the ability to manage the vast and specialized function of HRD across organizations (Eidgahy, 1995; Buyens et al, 2001; Garavan, et al, 2002). For instance, it was reported by Budhwar et al (2002) that the lack of HRD professionals in Oman is a major obstacle to the nation's HRD efforts. Kerr & McDougall (1999) argued that problems also arise due to a lack of experience and understanding of HR T&D on the part of managers. Indeed, some writers have claimed that HRD professionals do have an important role, as they possess expertise in learning

and in developing others to become experts (Wright et al, 1999; Eichinger & Ulrich, 1998; Chermack et al, 2003).

Other major concerns regarding changing workforce demographics or deficiencies related to human capital in HRD are said to include the increase of the ageing workforce – the so-called ‘baby boomers’ (Bova & Kroth, 2001; Chermack et al, 2003) - and also the exponential entrance of ‘elite expertise workers’ who are also known as ‘generation X’ and the ‘gold collar’ workforce (O’Hara-Devereaux & Johansen, 1994; Wedell, 1999; O’Connell, 1999; Holland et al, 2002). In retrospect, even developed countries such as the USA are facing problems related to the very high rate of ‘baby boomers’ entering the workforce (Bova & Kroth, 2001; Desimone, et al, 2002), and developing countries, including the Asia Pacific Region, are no exception to this trend. It has been argued that the ageing population in these countries has great implications for the future of human resources in organisations (Low, 1998; Debrah, 1998; Chermack et al, 2003). On the contrary, ‘elite expertise workers’ are viewed as technically expert, skilled and competent workers who possess the bargaining power to take control of their own career development and advancement (Chermack et al, 2003; Swanson & Holton III, 2001). As a matter of fact, not all such employees can be categorized as ‘elite expertise workers’.

It has been argued that these elite workers may only include HRD professionals, highly skilled technical IT employees and also engineers who have shifted their values, work ethics and lifestyle from the traditional life-long employment and job security to constant retraining and job-hopping. These workers are criticised for continuously being in search of new and challenging jobs and a competitive working environment (O’Hara-Devereaux & Johansen, 1994; Wedell, 1999; O’Connell, 1999; Bova & Kroth, 2001; Holland et al, 2002; Chermack et al,

2003). As a consequence of these problems, employers and organisations may be required to review their HR strategies, particularly the integration of their HRM and HRD efforts.

2.5 Training roles and its relationship with employee performance.

Derrick et al (2000:55) looked at the training environment and the structure of organizations, and emphasized on the effects of internal political and cultural factors on training and development. Sherman et al (1996:16) argues that many new employees can be equipped with most of the knowledge, skills and attitudes needed to start work, but others may require extensive training to ensure their effectiveness. Changing technology requires that employees possess the knowledge, skills and abilities needed to cope with new processes and production techniques.

According to Cole (2002) training can achieve: high morale - employees who receive training have increased confidence and motivation; lower cost of production – training eliminates risks because trained personnel are able to make better and economic use of material and equipment thereby reducing and avoiding waste; lower turnover – training brings a sense of security at the workplace which reduces labor turnover and absenteeism is avoided; change management- training helps to manage change by increasing the understanding and involvement of employees in the change process and also provides the skills and abilities needed to adjust to new situations; provide recognition, enhanced responsibility and the possibility of increased pay and promotion; give a feeling of personal satisfaction and achievement, and broaden opportunities for career progression; and help to improve the availability and quality of staff.

Firms can develop and enhance the quality of the current employees by providing comprehensive training and development. Research indicates that investments in training employees in problem-solving, decision-making, teamwork, and interpersonal relations result in beneficial firm level

outcomes (Russell, Terberg & Powers, 1985). Training also has a significant effect on employee performance. Firms can develop and enhance the quality of the current employees by providing comprehensive training and development. Indeed, research indicates that investments in training employees in problem-solving, teamwork and interpersonal relations result in beneficial firm level outcomes (Russell, 1985). Effective training programs are systematic and continuous. In other words, training must be viewed as a long term process, not just an infrequent and/or haphazard event (Tannenbaum & Yukl, 1992). Assessments of employee and organizational needs as well as business strategies should be conducted and then used in selecting training methods and participants (Goldstein, 1991). Training programs that are consistent with employee and organizational goals, needs and can fit with the business strategy will meet with greater success than those that are not (Wexley & Latham, 1991). Preferably, employees will be trained based on the results of assessments of their work.

Training is considered as the process of improving the existing skills, knowledge, exposure, and abilities in an individual. According to Saleem and Mehwish (2011) training is an organized increase from the know-how skills and sensations needed for staff members to execute efficiently in the offered process, as well as, to operate in underlining situation. Moreover, it also enhances the capabilities of panel of employees in very effective way by motivating them and transforming them into well organized and well-mannered workers that ultimately affects the performance of organization. Laing (2009) defines training as an indicator to enhance superior skills, knowledge, capabilities and outlook of the employees that results in effective performance of the workers. However, he adds one thing more that it (training) extends the production of the organization. Massod (2010) and Khanfar (2011) argued that training is an active means to enable individual to make use of his capability and his potential.

Training is therefore a key element for improved organizational performance; it increases the level of individual and organizational competences. It helps to reconcile the gap between what should happen and what is happening – between desired targets or standards and actual levels of work performance. Although many employers continue to have reservations about the cost and extent of tangible business returns from training, the development of skills has been identified as a key factor in sharpening competitiveness. Casio (1989:256) puts it this way “The economic and technological trends, the pace of innovation, change and development are growing faster year-by-year and as a result, provide clear signals that training and development are so relevant that both organizations and individual stakeholders must give a serious attention to.

2.5.1 Employee Productivity

Employee Productivity is the log of net sales over total employees - an economic measure of output per unit of input. Employee productivity measures may be examined collectively (across the whole economy) or viewed industry by industry. The Oxford dictionary defines ‘productivity’ as the state of producing rewards or results. ‘Productive’ means fruitful, lucrative and profitable. In this context, productivity is synonymous with output. In scientific literature, ‘productivity’ is defined as the relationship between output and input; between results or proceeds and sacrifices. If it involves the ratio between output and a specific part of the input, this is referred to as ‘partial productivity’: for example, labour productivity expressed as the amount of production for each labour unit, or the number of labour hours for each product unit. Companies today are forced to function in a world full of change and under various complications, and it is more important than ever to have the correct employees at the correct job with the right qualification and experience in order to survive the surrounding competition. The

successful and prosperous future of an organization is dependent on its skilled, knowledgeable and well experienced workforce.

That is why training is a fundamental and effectual instrument in successful accomplishment of the firm's goals and objectives. Training not only improves them resourcefully, but also gives them a chance to learn their job virtually and perform it more competently hence increasing firm's productivity.

Training has been an important variable in increasing organizational productivity. Most of researches including Colombo and Stanca (2008), Sepulveda (2005) and Konings & Vanormelingen, (2009), showed that training is a fundamental and effectual instrument in successful accomplishment of the firm's goals and objectives, resulting in higher productivity.

Training design refers to the degree to which the training has been designed and delivered in such a way that provides trainees the ability to transfer learning back to the job (Holton, 2000). Holton further argues that part of transfer design is the degree to which training instructions match job requirements. It is observed that investigation directed at building a contingency model of transfer-oriented training intervention design would provide information important for developing training environments more conducive to positive transfer in terms of productivity effectiveness. Identification of training needs, design and implementation of training programmes, transfer of training, and evaluation of program's benefits are critical activities to the success of the undertaking (Krishnaveni & Sripirabaa, 2008) in addition to studying general training variables such as types of training, selection of trainees, selection criteria, evaluation instruments etc. The success of training depends on the correct implementation of all steps of the process; previous analysis of training needs development and implementation of an adequate training plan and evaluation (Mirabet, 1997). To sum it up, it's imperative for us to conclude that

training together with other activities positively affects results and is associated with a productivity increase and a staff turnover decrease (Arthur, 1994). However, despite the significance of both the training needs analysis, which influences the development, application and evaluation of training and the plan development and implementation stage where the training characteristics are established and put into practice is also very important.(Frazis,2000).

2.5.2 Effect of Training on Salary of Employees

Francesconi, and Zoega (2002) identified conditions under which the salary compression associated with imperfectly competitive labor markets will increase the incentive for firms to finance general or transferable training. In this context, salary compression implies that post-training productivity is increasing in training intensity at a faster rate than salary. Hence, the gap between productivity and salary is increasing in training intensity and, by definition, a firm's profits over some range. But the amount of training provided in equilibrium will be sub-optimal from society's viewpoint. Diverse results have been found in different research works regarding the effect of training on salary. According to Human Capital Theory, on-the-Job Training has positive effect on salary increment because training has the potential to enhance labor productivity (Becker, 1962).

Organization's compensation system has foremost impact on transfer of training. When organization analyze the importance of training and reward their newly trained employees, then the workforce will be motivated towards passing on those skills. According to Expectancy Theory, Employee motivation increases when meaningful rewards are given to those employees who effectively transfer training (Vroom, 1964). Training is categorized into different types: for

example, on-the-job training which is known as specific training as well and off the job training, which is also, termed as informal training. On-the-job training works as a catalyst in the increment of salary (Hill, 2001). Off-the-Job Training does not have worthwhile effect on salary (Veum, 1995). The increase in income from on-the-job training is approximately 12% to 15 % whereas it is 2 % to 8% increase in case of off the job training (Mincer, 1996). In case of informal training, the increment in salary is about 2 % (Bowers and Swaim, 1994). In manufacturing sector there is 0.9% enhancement in earnings due to on-the-job training (Xiao, 2001). Salary tends to increase as a result of on the job training when the employee remains with the present employer. As noted by Booth in 1993 and Lynch in 1992 in situations where an employee changes their employer, the previous on-the-job training will have no positive change on earnings. There is an association between mentoring and coaching of employees with the enhancement of salary and earnings (Tergeist, 2003). Whereas the workforce who do not take training have minimal chances to avail increment in salary. Salary has been viewed as an important determinant factor for employee increased performance and has been shown to influence an employee's decision to leave or to stay in the organization (Kline & Hsieh, 2007). Performance based payments have an effective relationship with performance improvements. Every worker wants to earn more so they put extra effort to produce more units. Performance based payments stimulate and motivate workers to be more creative in generating more efforts. Due to performance based payments capable workers earn more than ordinary workers (Lazear, 1999). In case studies of different firms it was found that production increased, when system changed from monthly salary to daily wages. This means that increased wages have direct effect on employee performance (Lazear, 2000). In case of fruit pickers, the progress of workers increased significantly when pay system was shifted from incentive pay (Bandiera, 2005).

Managerial performance bonuses have the capability to enhance employee output. As far as posts of higher management are concerned, managers often emphasize on recruiting and retaining capable workers by moving from piece rate to salary. The core purpose of this activity is retaining efficient manpower by providing more incentives (Bandiera et al., 2007).

People who work on monthly pay system do not show noticeable enhancement in their production while the workforce who is employed on piece rate system usually shows enhanced output (Fernie & Metcalf, 1999). Practically there is no direct relationship between salary and performance because employees get their salary after a specific time period. Employees just try to achieve goals and have willingness to exert extra effort because they want to be considered in good books of management (Kleiner, 2005). Good Performance supposes to be a building block for career development. If an employee has good performance in his organization, then there are high chances that other competitive organization would get attracted towards that employee and offer him a handsome package in their organization. In the long run salaried employees can get some extra payments through delayed payments and extra benefits for example gratuity and pension. Performance can be enhanced by creating healthy competition among salaried employees. After this activity employees are motivated to prove their capability (Pendleton et al, 2009).

2.5.3 Impact of Training on Job Involvement of Employees

Job Involvement is a psychosomatic recognition or dedication towards occupation (Kanungo, 1982). There are different levels of every individual of being committed to the assigned tasks (Paullay 1994). In different studies scholars found out that actually job involvement is based upon internalization of norms and artifacts according to the importance of job assignments

(Lodahl & Kejner, 1965). The employees who are very committed to the job assignments suppose that job assignments are essential part of their lives. After their better output they feel satisfaction, this nature of job involvement deemed towards self-esteem (Lodahl and Kejner, 1965). Personnel become highly motivated for doing innovative tasks when they feel high involvement in their jobs (Kanungo, 1982). The construct of job involvement is rather similar to organizational commitment in that they are both concerned with an employee's identification with the work experience but these constructs differ in that job involvement is more closely linked with identification with one's immediate work activities while organizational commitment refers to a person's attachment to the organization. It is likely to be involved in a specific job but not committed to the organization or vice versa (Brown, 1996). Up to the extent the employees are involved in their jobs will affect the transfer of training to the workplace. Job involvement is the degree to which an individual identifies psychologically with the job and considers his/her perceived performance level important to self-worth (Blau and Boal, 1987). High job involvement is linked with fewer absences and lower turnover rate. Employees are more concerned about their jobs performance, and are constantly looking for ways to improve their effectiveness if they rank high on job involvement. One way to improve employee performance is to efficiently transfer the skills and knowledge acquired during training to the actual job (Blau, 1986). Employees ranking high on job involvement are more motivated to learn and transfer skills to the actual work setting (Noe and Schmitt, 1986)

Job involvement is supposed to be a very vital element which plays an important role for human resource as well as for the organization. If employees are whole heartedly involved in all the issues which are directly related to their job assignment, then they try to take initiatives to remove many problems (Lawler, 1986). Job involvement is very healthy for individuals as well

as for the organization but still it cannot be concluded that job involvement has unlimited impact on the performance. Managers observed that the staff members who have high involvement in job assignments produce more efficiently as compared to those employees who do not want to indulge themselves in the assigned tasks (Diefendorff 2002). Job involvement directly affects the performance. But some researchers emphasize on this perception that job involvement improves performance but to some extent only (Cron 1984; Dubinsky and Hartley, 1986), Brown and Leigh, 1996). Job performance can be defined as how employees perform their actions according to the requirement of the job (Borman & Motowidlo, 2001). Job involvement results in higher levels of in-role job performance by positively affecting employees' motivation and effort (Brown, 1996). Involvement in the official tasks directly or indirectly influences the employee performance. Effort is an intervening element between the relationship of job involvement and performance (Brown and Leigh 1996). There is a positive relationship between job involvement and performance (Lassak et al., 2001) A weak connection can exist between job involvement and employee performance due to some other variables. And job involvement is directly and indirectly affected by these variables and performance is automatically affected by the job involvement (Brown & Leigh, 1996). According to Mowday, Steers and Porter, (1982) job involvement is a relative strength which varies from person to person in the different firms. Job involvement enhances job commitment, which automatically enhances higher level of performance. Studies strongly argued on the relationship between job involvement and higher level of commitment and performance (Brown, 1996).

Employees who are committed to their job assignments have high level of job involvement and there is a very constructive relationship between job involvement and performance. Research studies show that there is not a compulsion that the workforce that is more committed to the job

is also expected to remain in the organization for the long time period. Such type of workforce is more successful and beneficial for the organization as compared to the workforce that is not genuinely committed to the organization and remains in the organization for life. Finally this description ends up on these words that job involvement enhances employee commitment and such type of employees put extra performance. In short, employee commitment works as a catalyst for the relationship of job involvement and performance (Konovsky & Cropanzano, 1991).

2.5.4 Relationship between training and employee performance

Employee performance is normally looked at in terms of outcomes. However, it can also be looked at in terms of behavior (Armstrong 2000). Kenney et al. (1992) stated that employee's performance is measured against the performance standards set by the organization. There are a number of measures that can be taken into consideration when measuring performance for example using of productivity, efficiency, effectiveness, quality and profitability measures (Ahuja 1992).as briefly explained hereafter. Profitability is the ability to earn profits consistently over a period of time. It is expressed as the ratio of gross profit to sales or return on capital employed (Wood & Stangster 2002). Efficiency and effectiveness-efficiency is the ability to produce the desired outcomes by using as minimal resources as possible while effectiveness is the ability of employees to meet the desired objectives or target (Stoner 1996). Productivity is expressed as a ratio of output to that of input (Stoner, Freeman and Gilbert Jr 1995). It is a measure of how the individual, organization and industry converts input resources into goods and services. The measure of how much output is produced per unit of resources employed (Lipsey 1989). Quality is the characteristic of products or services that bear an ability to satisfy the

stated or implied needs (Kotler & Armstrong 2002).It is increasingly achieving better products and services at a progressively more competitive price (Stoner 1996).

The information thus far reveals a seeming consensus in the belief that there is a positive relationship between training and employee performance. Thus training impacts positively on employee's performance by generating benefits to both the employees and the organization they work for through the development of skills, knowledge, abilities, competencies and behavior.

Training plays a significant role in the development of organizations, enhancing performance as well as increasing productivity, and ultimately putting companies in the best position to face competition and stay at the top. This means that, there is a significant relationship between organizations that train their employees and organizations that do not. According to Neo et al in his book *Human Resource Management: Gaining Competitive Advantage* in 2000, "he stated that only 16% of United States employees have ever received any form of training from their employers". From the researcher's point of view, there is a possibility that in about five or more years to come, the rapid development in technology can cause high unemployment rate because these forms of technology will replace the unskilled labor in the United States. There is therefore the need for United States to put strategies and policies in place to ensure that its human resource is trained in order to meet the standards of the growing technology.

In realization of this, General Electric, Texas Instruments and Federal Express have already made the initiative and now invest between 3% and 5% of their payroll in training.

Every organization that is committed to generating profits for its owners and providing quality service for its customers and beneficiaries invest in the training of its employees (Evans & Lindsay 1999). According to Robert Simpson Managing director of Legna Construction Limited, a construction company located in the central region of Ghana which contributes substantially to

the development of the country through its roads construction and employment of the country's human resource, training of the company's human resource contributed to the company gaining substantial increase in revenue from 2005 – 2009. He attributed this to the skills and knowledge the employees gained through the training that helped them be more efficient thus reduced cost on the job thereby gaining more revenue. Evans and Lindsay (1999) also stated that Motorola & Texas Instruments provide at least 40 hours of training to every employee quarterly and this has positively impacted on the employee performance.

Companies committed to investment in their human resource generate long term and sustainable profitability for the company. In a study in America on the impact of human capital investments such as employer-provided training and development, Black and Lynch (1996) citing Bartel (1989) stated that “returns on training and development investments increase productivity by 16-19%”. This further reinforces the role of training on employees. Based on the attributes that are developed the employees implement them on their tasks and thus the company is able to improve thus generate the profits for the firm. Also because the attributes are imparted and developed through the systematic and planned training program, it becomes a part of the employees thus they are able to implement them on every task thus the increased profit leading to sustainable profitability.

The review has revealed the importance and purpose of training in organizations and how it contributes to employee performance. The essence of training needs, how and why training needs should be assessed has also been explained. The bases for which employees should be chosen or selected for training, the types of training have been duly identified namely job training, orientation training and career development training.

2.6 Conceptual framework

Figure 2.1 which shows the conceptual framework gives a clear indication of the independent variables: training design, NHIF training policy, training evaluation and challenges faced by employees during training all impact on the performance of an employee and all are interrelated. The success of a training program requires critical analysis of the above factors in order to conclude that training has been successfully done and required skills and knowledge imparted to the recipient in pragmatic manner. The figure also indicates the intervening and moderating variables which have impact on the dependent variable.

The dependent variable is employee performance which is critical to any organization for it to achieve its goals and objectives.

Independent variable

Dependent variable

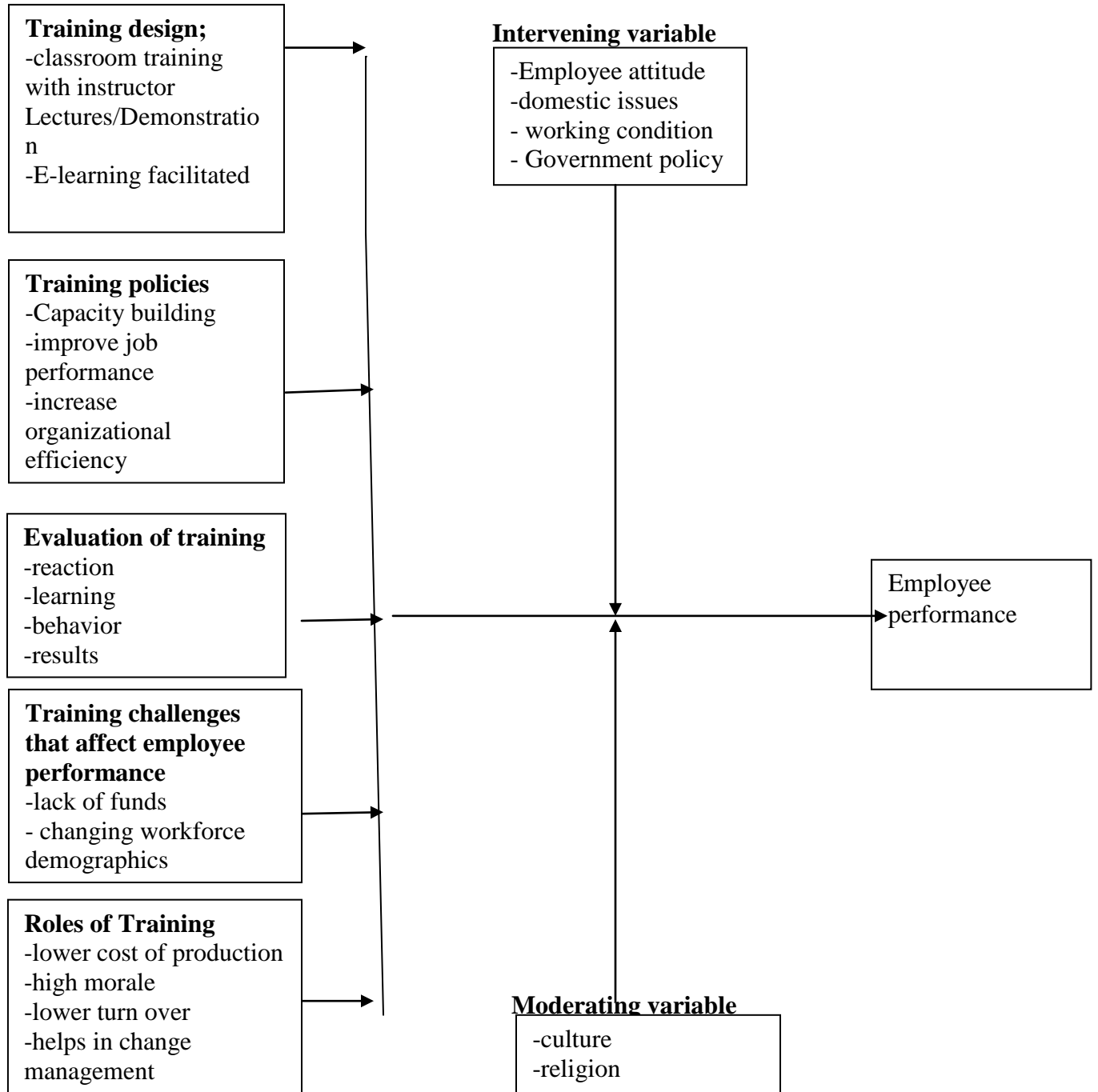


Figure 2.1 Conceptual Framework on Effect of Training on employee performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented the methodology to be employed for data gathering as well as the relevant statistical analytical tools that was employed for analyzing the survey results gathered during the study. The purpose of this section was to provide a description of the study area, research design, the study population, sample size and sampling techniques, data sources and instruments, data collection procedures and analysis.

3.2 Research Design

Research design is the plan for carrying out the research study (Kombo and Tromp, 2006). This study employed descriptive survey research design. A survey is a deliberate attempt by the researcher to collect data from members of population in order to determine the current status of that population with respect to one or more variables (Mugenda and Mugenda, 2003). The researcher employed descriptive survey research design in this study. Questionnaires were administered to thirty employees who were selected using the purposive sampling technique. The questionnaires were administered by the researcher to the respondents. The lists with the names of the employees were used to choose every 6th employee to participate in the study. Interview schedule questions were also used to gather information on the subject from 15 Management staffs at the organization's headquarters.

3.3 Target Population

The target populations were the employees of NHIF Machakos Branch which has a total 100 staffs and 50 management staffs at NHIF headquarters. The employees to be encompassed in the study include all the employees who are permanently employed.

Table 3.1.Target population

Category of respondents	Target population	Sample size	Percentage (%)
Staff at NHIF Machakos office	100	30	30
Managers at NHIF Headquarters	50	15	30
Total	150	45	60

Source: Human Resource NHIF Headquarter

3.4 Sample Size and sampling procedure

A sample size of 30 was used comprising of 5 employees from the administration level and the rest from other personnel of the organization. This represents 30% of the entire population of the area of study. This agrees with Kerlinger (1986) who noted that a sample size of at least 30% is a good representation of the entire population. For management, a sample size of 15 staff was chosen using the purposive sampling technique. Though the study should cover more employees, the sample size has been chosen because of time and constraints of resources.

45 employees were used for the study. 30 employees out of the total number of employees NHIF Machakos branch and 15 employees of management level at NHIF headquarters. These 30

respondents were picked by a representative from the organization whilst picking every 6th employee.

All the 30 employees were administered with the questionnaires using the purposive sampling selection method. Interview guide schedule was administered to 15 management level employees at NHIF headquarters.

3.5 Source of Data Collection

Data for this study was obtained from primary and secondary sources. The secondary data was gathered from the organization's review reports on Human Resource Management. Primary data was obtained from questionnaires given to the employees, Interview schedule with managers at NHIF headquarters. The questionnaire and scheduled interview provide information on how long the organization has been running training programmes if it had, its performance and the profit per unit of labor. Copies of the questionnaire and interviews were attached as Appendix 2 and Appendix 3.

3.6 Research Instruments

To gather data in relation to the study, the researcher used questionnaires, and interview schedules.

3.6.1 Questionnaire

A questionnaire is a research instrument that gathers data over a large sample (Kombo & Tromp, 2006). The questionnaires that were used in this research consist of structured and unstructured questions. A questionnaire with three sections was constructed for this study. The questionnaires were administered to 30 employees; these questionnaires were accompanied by a discussion. It was to directly seek an answer to the research questions. The first section of the Questionnaire

was to provide an answer to the age, gender, marital status of the respondents, educational background and number of years experience at the organization. The second section of the questionnaire was about work knowledge and working conditions. It is expected to provide information whether the employee has proper tools to perform his/her job and safe working conditions. The third section of questionnaire was to yield information on training programs available at the organization and benefits of the same to its employees.

3.6.2 Interview schedule

This is an oral administration of questions which involves a face-to-face interaction. Kothari (2008) observes that interview schedules are particularly suitable for intensive investigation. Some of the advantages of using interview are that the researcher obtained more information in greater depth. Further, personal information as well as supplementary information about the respondent's personal characteristics is easy to get through an interview. Interviews enable the researcher to get in depth information and required data through the use of probing questions.

The interview schedule is for the managers of human resource and the finance department who are required to avail vital information on the formulation of training policies and programs.

3.7 Validity of the research instrument.

Orodho (2009) define validity as the accuracy and meaningfulness of inferences which are based on the research results. Validity of the research instruments were done through expert judgment by the supervisors and the researcher to ensure there is no potential biasing effect of different items on the questionnaire. It also helped ascertain the feasibility of the study techniques and perfect the questionnaires concepts and wording.

3.8 Reliability of the research instrument

Reliability ensures that the consistency of research measurement or the degree to which the questionnaires as a measure of an instrument, measures the same way each time it is used under the same condition with the same subjects (Orodho, 2005). A measure is considered reliable if a research's finding on the same test given twice is similar. Data reliability ensures the precision with which data is collected. If the same results are gained time after time, no matter how many times you conduct a piece of research, this suggests that the data collected is reliable. The stability of questions was assessed in terms of test-retest reliability. The questionnaires were administered twice to the same group of respondents. The second administration was done after a two weeks lapse time to check whether the same results will be obtained. Spearman rank correlation was used to compute the correlation coefficient which was used to determine the extent to which the content of the questionnaire will be consistent in producing the same response every time the instrument will be administered.

3.9 Methods of Data Analysis

Both quantitative and qualitative data was collected. The qualitative data from secondary sources were analyzed using content analysis and logical analysis techniques. Quantitative data analysis was done using Microsoft Office Excel 2007 and SPSS. Frequency distribution and percentages were used for the quantitative data analysis. It was also used to determine the proportion of respondents choosing the various responses. This was done for each group of items relating to the research questions. The proportions present the diverse views of employees on the various sub-issues. Tables, charts and graphs were also used to ensure easy understanding of the analyses.

3.10 Ethical Considerations

The respondents were assured that the responses they give will be used with complete confidentiality and for the purpose of the research study only. The researcher also took individual responsibility for the conduct and consequences of the research by adhering to the time schedule agreed upon with the officers and management. The researcher was open and honest when dealing with respondents.

3.11 Operational definitions of variables

Indicators were denoted by the main variables under the study in order to render them measureable.

Table 3.2 Operational Definition of Variables

Objective	Independent variable	Indicators	measure	Scale of measurement	Tool of analysis
To determine the influence of training design and delivery methods on employee performance	Training design	Classroom training with instructor	Dimension of success	Ordinal	Descriptive
To explore training challenges that affect employee performance	Training challenges	Lack of funds, lack of objectives	Low employee output	Ordinal	Descriptive
Establish the impact of training policies on employee performance	Training policies	Training opportunities available to employees	Number of trainings conducted	Ordinal	Descriptive
Assess the effect of evaluation of training programs on employee performance	Training evaluation programs and methods	Reaction to tasks and responsibilities	Employee performance	Ordinal	Descriptive
Establish training roles and its relationship with employee performance.	Training roles	Employee motivation	High performance	Ordinal	Descriptive

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the analysis of the data collected from the respondents and interprets the research findings on the effect of training on employee performance in public sector organizations in Kenya. The case of NHIF Machakos County. The 30 completed questionnaires and 15 interview guide schedule questions were edited for accuracy, uniformity, consistency and completeness. Summaries of data findings together with their possible interpretations have been presented by use of mean, percentages, frequencies and tables.

4.2 Respondents Demographics

The respondents of the study were asked to indicate their age and the following were the findings as shown in Table 4.1

Table 4.1 Ages of the Respondents

Age (years)	Frequency	Percentage (%)
20-25 years	10	22
25-30 years	18	40
30 and above	17	38
Total	45	100

As indicated in Table 4.1, 40% of respondents were aged below 25-30 years. 38% of them were above 30 years. 22% of them were aged between 20-25 years.

Table 4.2 Gender of the Respondents

Gender of respondents	Frequency	Percentage (%)
Male	22	48
Female	23	51
Total	45	100

As indicated in Table 4.2, majority (51%) of the respondents interviewed were female while 48% of them were male respondents.

Table 4.3 Marital Status of the Respondents

Respondents' marital status	Frequency	Percentage (%)
Single	6	13
Married	38	84
Divorced	0	0
Total	45	100

As shown in Table 4.3, majority (84%) of the respondents were married while 13% of them were single. None of them indicated that was divorced

Table 4.4 Education background of the respondents

Level of education	Frequency	Percentage (%)
High school level	0	0
Certificate level	2	5
Diploma level	5	11
Higher national diploma	8	17
First degree	22	49
Masters degree level	8	18
Others	0	0
Total	45	100

As indicated in Table 4.4, majority (49%) of the respondents were degree holders. 18% of them were postgraduate holders and at the management level. 17% of them were holders of Higher National Diploma, 11 % of them were diploma holders, 5 % of them were certificate holders. None of them was a high school leaver.

4.3 Effects of Training on the Performance of Employees

Table 4.5 Effects of Training on Employee performance

Statement	No. of respondents	Strongly agree [5]	Agree [4]	Neutral [3]	Disagree [2]	Strongly disagree [1]	Mean Score	S.E
You know what is expected of You at work	30	2.4	2.4	17.1	26.8	51.2	4.22	.154
You have the materials and Equipment that you need to do your everyday	30	0.00	0.00	29.3	41.5	29.3	4.00	.121

work								
The work you do has appropriate task variety	30	22.2	2.2	39.0	2.4	34.1	4.00	.148
The organization clarifies how its culture is evident through employee behavior.	30	0.00	2.2	34.4	39.0	24.4	3.85	.129
You are given ample flexibility to perform your job.	30	0.00	2.1	34.2	39.0	24.4	3.85	.110
The organization rewards or recognizes such employee behavior	30	4.9	4.8	22.0	24.4	43.9	3.78	.162
You are performing a job that matches your skills.	30	4.9	4.7	22.0	24.4	43.9	3.78	.162
Your work interferes with your personal relationships & family responsibilities	30	4.9	4.9	22.0	24.4	43.9	3.78	.162
Rewards in your organization are immediate and appropriate	30	4.9	4.9	22.0	24.4	43.9	3.78	.162
You are offered economically feasible employee benefit programs tailored to individual needs.	30	4.9	4.9	22.0	24.3	43.9	3.78	.162
Your salary is fair, equitable and competitive.	30	0.00	22.3	0.00	22.0	56.1	3.63	.109
The organization provides you a safe work environment by accident prevention & safety programs.	30	0.00	22.0	22.1	56.1	0.00	3.63	.109
Your organization has created a professional, attractive work area that is functional and promotes productivity	30	0.00	22.3	22.3	56.3	0.00	3.43	.109

You feel comfortable working with your team members	30	4.9	4.9	22.0	24.3	43.9	3.56	.162
You have a supervisor who is respectful and one who inspires you	30	4.9	4.9	22.0	24.4	43.9	3.78	.162
You work in a trusting and ethical Environment	30	4.9	4.9	22.0	24.4	43.9	3.78	.162
You have the opportunity to grow and prosper with the organization.	30	24.3	4.9	22.0	43.9	4.9	3.78	.162
You feel attached with your company, team & other employees	30	0.00	22.3	0.00	22.0	56.1	3.63	.109
A variety of training & development programs are offered to improve skills	30	0.00	22.0	22.1	56.1	0.00	3.63	.109
You are a part of a supportive and productive team.	30	0.00	22.3	22.3	56.3	0.00	3.43	.109
Performance measurement is used as criteria for promotions.	30	4.6	22.2	12.4	0.00	61.0	2.41	.194
Performance is appropriately rewarded with raises, incentives, rewards and recognition.	30	4.5	22.2	12.1	0.00	61.1	2.23	.194
Performance measures are mutually agreed on & discussed by both the employee & supervisor.	30	0.00	0.00	0.00	18.1	82.0	2.22	.194
Performance is regularly tracked and measured.	30	4.8	22.1	0.00	12.3	61.4	2.17	.194
Performance goals are behavioral, result-oriented and achievable.	30	4.6	0.00	12.3	61.2	22.3	2.17	.194

As shown in Table 4.5, the respondents of the study were asked to indicate the extent to which training and development influenced their performance. Majority (51%) of the respondents indicated that they did not know what was expected of their job since there was no clear job description with a mean of 4.00. Some of the respondents (42%) indicated that they did not have the necessary materials and equipments they needed in their daily duties. 39% of the respondents indicated that the work they did had appropriated task variety with a mean of 4.00. Some respondents clearly indicated that the organization did not clarify how its culture was evident among employee behaviours with a mean of 4.00. 39% indicated that management did not give humble time to perform their duties with a mean of 3.85. 44% of the employee indicated that management did not reward hard working employee and their jobs did not match their skills with a mean of 3.78. This was due to poor attention of training and support from the management.

As shown in Table 4.5, the respondents of the study were asked to indicate the extent to which training and development influenced their performance at work. 44% of the respondents indicated that their work interfered with their personal relationship and family responsibilities, reward in the organization were not immediate and appropriate, employee benefits were not economically feasible salaries were not equitable and fair with a mean of 3.78. 56% of the respondents indicated that the organization did not provide them with a safe working environment that was free of accidents or occupational safety policies and there was no attractive work environment with professional outlook to enhance productivity with a mean of 3.43. 44% of them said that they did not feel comfortable with the team members since there was inequity in responsibilities and compensation with a mean of 3.56.

As shown in Table 4.5, majority (44%) of the respondents indicated that their supervisors were not respectful and did not inspire and also their work environment was unethical with a mean of 3.78. 44% of them indicated that they did not have an opportunity to grow and prosper within the organization with a mean of 3.78. 56% of the respondents said that they did not feel attached to the organization due to poor working conditions, poor pay and lack of recognition and mismatch of skills and lack of a variety of trainings with a mean of 3.63. 56% of the respondents felt that they were not part of the productive team due to lack of motivation, delegation and recognition from the top management with a mean of 3.43. 61% of the respondents indicated that performance measurement was not a key determinant of promotion with a mean of 2.41. 61% of them indicated that performance was not appropriately rewarded with a mean of 2.23. This was due to lack of clear compensation policies and guidelines in place. 82% of them indicated that performance was not mutually agreed between the employee and the supervisor due to fear and threats from the top management with a mean of 2.22. Autocratic styles of management demotivated the staff to participate in dialogue with their supervisors. 61% of the respondents indicated that their performance was not regularly tracked and measured by management and performance goals were not result oriented not achievable with a mean of 2.17.

4.4 Employee Training

Table 4.6 Organization of Training and Development Program

Organization of training and development	Frequency	Percentage (%)
Yes	25	83
No	05	23
Total	30	100

As indicated in Table 4.6, majority of the respondents (83%) indicated that management did not organize training and development programmes for the staff due to financial issues and time constraint while 27% of them indicated that management organized trainings to improve employee performance.

Table 4.7 Identification of Training Need

Identification of training needs	Frequency	Percentage (%)
Yes	8	27
No	12	73
Total	30	100

As indicated in Table 4.7, majority of the respondents (73%) indicated that the organization did not conduct training needs assessment of its staff due to poor evaluations conducted. 27% of them indicated that training needs were conducted by the organization.

Table 4.8: Period of Training and Development Programme

Period of training program	Frequency	Percentage (%)
One month	0	0
Two months	4	13
Three months	26	84
Total	30	100

As shown in Table 4.8 majority of the respondents (84%) said that management took a period of three months to offer employees some in-house training. 13% of them indicated that management took a period of two months to provide employees with trainings.

Table 4.9 Number of Trainings Made in the Past one year

No of training made in the past one year	Frequency	Percentage (%)
One	22	73
Two	7	22
Three	1	5
Total	30	100

As shown in Table 4.9, 73% of the respondents suggested that management provided trainings once in a year due to time constraint and resources. 22% said that management provided trainings twice a year and 5% of them indicated thrice a year.

Table 4.10 Probability of Training in the coming financial year

Probability of training in the coming financial year	Frequency	Percentage (%)
Yes	4	14
No	26	86
Total	30	100

As indicated in Table 4.10, majority of the respondents (86%) indicated that the probability of having training programmes in the coming financial year was minimal. 14% of them said that there was likelihood of having training program for the members of staff.

Table 4.11 Top Management Feedback Recognition

Top management feedback recognition	Frequency	Percentage (%)
Yes	9	29
No	21	71
Total	30	100

71% of the respondents indicated that top management did not recognize feedback from lower level employees. This was due to management gap between top management and lower level staff. 29% of them said that there was recognition of feedback from management.

Table 4.12 Probability of Training to run in future

Probability of training to be run in future	Frequency	Percentage (%)
Yes	8	27
No	22	73
Total		100

73% of the respondents indicated that there was no probability of having training in the future due to management resistance to incur costs.27% of them said management had intentions to provide training opportunities to existing staff.

Table 4.13 Employee Development and Expectation

Employee development and expectation	Frequency	Percentage (%)
Yes	12	40
No	18	60
Total	30	100

Majority (60%) of the respondents indicated that management did not recognize employee development and expectations in the system due to organizational objectives. 40% of them said that management recognized employee development and expectations.

Table 4.14 Executive Director and Development Activities

Executive director and development activities	Frequency	Percentage (%)
Yes	12	40
No	18	60
Total	30	100

60% of the respondents clearly indicated that the top leadership did not encourage development of individual employees but they were more concerned on their affairs of development. This was due to organizational goals that did not give employees time for personal development. 40% of them indicated that management supported individual development among employees.

Table 4.15 Employee Trust with Supervisors

Employee trust with supervisors	Frequency	Percentage (%)
Yes	12	40
No	18	60
Total	30	100

As shown in Table 4.15, majority (60%) of the respondents indicated that supervisors did not have any trust of their employees. This was due to the organizational culture that did not value employee input in strategic planning.

Table 4.16 Employee Awareness on Training

Employee awareness of training	Frequency	Percentage (%)
Yes	5	18
No	25	82
Total	30	100

82% of the respondents said that employees were not aware of the trainings that the management wanted to provide since there was no training needs assessment carried out periodically. 18% of the respondents indicated that management created enough awareness on trainings to existing staff.

4.5 Training Evaluation

Regarding training evaluation, the Training Manager of NHIF admitted that not much has been done in terms of training evaluation which is only limited to immediate assessment of trainers

and training program after completion. The respondents also indicated that they are not aware of how training is evaluated

Table 4.17 Method of Employee Evaluation

Method of employee evaluation	Frequency	Percentage (%)
Yes	2	07
No	28	93
Total	30	100

93% of the respondents interviewed indicated that there was no clear method of evaluating employees within the organization due to unclear appraisal policies. 7% of them indicated that there was a method of employee evaluation that was in place regardless the review.

Table 4.18 Employee Satisfaction with Pay

Employee satisfaction with pay	Frequency	Percentage (%)
Yes	3	12
No	27	88
Total	10	100

As shown in table 4.18, 88% of the respondents indicated that they were dissatisfied with their pay. The organization did not have a harmonized compensation policy to reward workers according to their merit. Compensation policies were outdated and were not applicable to

modern human relations practice. 12% of them indicated that they were satisfied with the pay due to their qualifications.

Table 4.19 Frequency of Attending Trainings

Frequency of attending training	Frequency	Percentage (%)
Yes	7	23
No	23	77
Total	30	100

Majority (77%) of the respondents said that their frequency of attending trainings was minimal due to lack of support from management. 23% of them indicated that the frequency of attending trainings was high to enhance their skills at work.

Table 4.20 Training Process Used

Training process used	Frequency	Percentage (%)
Yes	8	27
No	22	73
Total	30	100

Majority (73%) of the respondents indicated that there was no specific training process that was being used by the organization due to lack of management support to trainings. 27% of them indicated that there was a training process for employees.

Table 4.21 Technical know-How for the Job

Technical know-how for the job	Frequency	Percentage (%)
Yes	8	27
No	22	73
Total	30	100

73% of the respondents said that they did not have adequate technical know-how of their jobs due to poor orientation from top management. 27% of them indicated that they had technical know-how of their job.

Table 4.22 Comfort ability of Office Condition

Comfort ability of office condition	Frequency	Percentage (%)
Yes	2	08
No	28	92
Total	30	100

Majority (73%) of the respondents indicated that they were not comfortable with office conditions due to poor working environment and monotony of work. The office layout and arrangement did not motivate them to work effectively. Inadequate space and congestion of the office were aspects that demotivated them. 8% of them indicated that they were comfortable with office conditions.

Table 4.23 Satisfaction with Organizational Training and Development

Satisfaction with organizational training and development	Frequency	Percentage (%)
Yes	3	10
No	27	90
Total	30	100

Majority (90%) of the respondents indicated that there were not satisfied with the organizational training and development. The management was not doing enough to promote the practice within the system. Resistance to new changes was due to lack of training to existing staff. 10% of them indicated that they were satisfied with organizational training and development.

4.6 Responses from Management staff at NHIF Headquarter

The researcher further wanted more information from NHIF top management on the relationship between training and employee performance. The following were the findings according to the interview guide questions responded to by the respondents.

4.6.1 Training and Development Policy at NHIF

The second objective of the study relates to the training policy of NHIF. The objective sought to indicate that NHIF has a training policy which was fashioned to achieve the purpose of training and development and the policy provides a coherent structure for training and development activities that improves access to training meant to help attain organizational goals.

A critical examination of the training policy indicates that it contains all the essential elements of training and development. It outlined the objectives of the policy, spelt out the measures for training and development needs identification, methods of training implementation, types of training, and methods of training and development evaluation. The policy made provision for career development and links it to career progression in the organization. The policy has indeed provided a coherent structure for training that should help improve employee access to training in a very organized way that could help the NHIF derive the benefits of training.

However, according to the Training Manager the processes involved in training are not duly followed because of the costs associated with it. He stated that training at NHIF is not as planned and systematic as they would have wanted it to be. He indicated that budgetary provisions for training are always below expectation. He however was not ready to disclose the true figures for examination.

Out of the 15 respondents earmarked for the interviews, all were successfully interviewed. This gave a response rate of 100 %, of the target population. The researcher administered the interview schedule guide questions to the 15 respondents who were the top level managers based at the NHIF Headquarters in Nairobi.

The researcher intended to collect information concerning the effect of training & development on performance of employees. The following were the findings from the top level managers working at the NHIF Headquarters. Majority of the respondents interviewed had worked at NHIF for a period more than 10 years and above. The respondents were asked whether they had attended any formal training since they were recruited. Majority of them said that they had attended trainings but not consistent for the past five years.

4 .6.2 Objectives of Training

In training practice, it is also good to have trainees know the objectives for each training program they participate in. The respondents were asked if they were always clear about the objectives of each training program they participated in. The table below captures the responses from the 15 respondents who have ever participated in training:

Table 4.24 knowledge of Objectives of Training

Knowledge of objectives of training	Frequency	Percentage (%)
Yes	7	47
No	5	33
Sometimes	3	20
Total	15	100

Table 4.24 clearly shows that 47% of the respondents had prior knowledge of the objectives of the training while 33% responded that they never had knowledge of the objectives of the training. When the Training Manager was asked in the interview to indicate how training objectives were determined, he did say issues on the ground determine the objectives of the training but training has to be a planned process that takes care of issues on the ground.

The top level managers were asked whether NHIF employees have been attending training since (2008-2013). Majority of the managers interviewed said that trainings were minimal due to cost implications associated. Some of them indicated that there were in-house trainings that were tailored to individual employee needs. Majority of the managers interviewed clearly indicated that NHIF has taken quite a long period of time since they conducted trainings for internal capacity building.

The researcher asked the managers to indicate the purpose of training to internal employees. Majority of the managers indicated that trainings were carried out to improve employee skills and improve their performance despite the challenges of periodical trainings. Managers in charge of recruitment and employee development were asked whether there was a training policy in place. Majority of them said that there was a training policy despite the implementation challenges of finance. The policy was documented but it needed some review due to changes of events within the organization.

Most of the managers interviewed concerning the training policies and procedures were not conversant with the training policy due to lack of awareness to all employees of the organization. It was evident that most of the respondents were not aware of the training policies. After the researcher asked the managers to avail the documents on training policy, majority of them said that they did not have the materials ready but they will avail them later. The researcher asked the respondents to explain how the training practice was developed. Majority of them were unable to explain what the policy contained. The respondents were not in a position to recall the principles of training that were applied at the workplace.

The researcher wanted to establish the training process that was applied by NHIF and how the organizational needs were determined. Majority of the respondents clearly indicated that there was no clear training needs assessment that was in place and staffs were randomly selected from each department and training objectives were determined by the trainer who was the existing manager within the department. The training plan was developed based on employee gap analysis by the trainer.

The researcher wanted to establish types of trainings that were used within the organization. Most of them indicated that the most common trainings were lecture trainings that were used on

rare cases. Some of the managers said that the organization did not have a model of measurement on the effectiveness of training to individual employees. The researcher wanted to establish whether the implementation of the training policy was monitored to enhance performance. Majority of the respondents clearly indicated that there was no clear monitoring mechanism in place to enable them measure employees' productivity

4.6.3 Motivation through Training

Training is a planned and systematic effort by which Managements of organizations aim at altering behavior and encouraging employees in a direction that will achieve organizational goals. One of the key known benefits of training is the motivation it provides those who receive it. Indeed, according to Cole (2002), employees who receive training have increased confidence and motivation. That is, training can achieve high morale for an organization. Training is known to increase the availability and quality of staff. The study therefore sought the opinion of the respondents whether they feel motivated and satisfied with the training and how it is applied at NHIF. The table 4.25 below illustrates the responses:

Table 4.25 Motivation through training

Motivation through training	Frequency	Percentage (%)
Yes	10	67
No	5	33
Total	15	100

As shown in table 4.25 majority of the respondents 67% confirmed that training as a source of motivation while 5% said that they are not motivated by trainings.

The researcher wanted to establish whether training had an impact on staff motivation and performance. Majority of them indicated that it was difficult to determine productivity of employees since there was no clear training model. The researcher wanted to establish whether there was a relationship between training and employee performance and productivity. Majority of them indicated that it was difficult to determine training results since many factors contributed in employee performance.

The researcher wanted to establish whether managers kept employee profiles for strategic purposes. It was evident that majority of the managers did not have employee profiles/ employee inventory. It was also clear that managers did not have past records on employee trainings.

The researcher wanted to establish whether the management had career progression projections of their employees in place. Majority of the respondents indicated that there was no record concerning career progression of employee. This was due to employee recruitment based on the need of the organization. It was also evident that there were no training and development projections for each employee. The researcher wanted to know the extent to which management had encouraged employees to further their careers. It was evident that majority of the managers did not have data on employees sponsored to study for the past five years. The researcher wanted to establish how training needs assessment was carried out. Majority of the respondents indicated that most of the training need was carried by the immediate supervisor of the employee or departmental heads.

4.7 Data Interpretation

The study established that training influence employee performance. According to Armstrong (2000), employee performance is normally looked at in terms of outcomes. However, it can also be looked at in terms of behavior. There are a number of measures that can be taken into consideration when measuring performance for example using of productivity, efficiency, effectiveness, and quality and profitability measures (Ahuja 1992).

Profitability is the ability to earn profits consistently over a period of time. Efficiency is the ability to produce the desired outcomes by using as minimal resources as possible while effectiveness is the ability of employees to meet the desired objectives or target (Stoner 1996). Productivity is expressed as a ratio of output to that of input (Stoner, Freeman and Gilbert Jr 1995).

The study established that employees determine that output of the organization through their efforts. This is supported by Kotler & Armstrong (2002) who argue that; the individual, organization and industry converts input resources into goods and services. The measure of how much output is produced per unit of resources employed (Lipsey 1989). Quality is the characteristic of products or services that bear an ability to satisfy the stated or implied needs.

The study indicated that training and development played a significant role in productivity. According to WHO (2000), training plays a significant role in the development of organizations, enhancing performance as well as increasing productivity and ultimately putting companies in the best position to face competition and stay at the top. This means that, there is a significant relationship between organizations that train their employees and organizations that do not.

According to Neo et al in his book Human Resource Management: Gaining Competitive Advantage in 2000, “he stated that only 16% of United States employees have ever received any form of training from their employers”. From the researcher’s point of view, there is a possibility that in about five or more years to come, the rapid development in technology can cause high unemployment rate because these forms of technology will replace the unskilled labor in the United States. There is therefore the need for United States to put strategies and policies in place to ensure that its human resource is trained in order to meet the standards of the growing technology. In realization of this, General Electric, Texas Instruments and Federal Express have already made the initiative and now invest between 3% and 5% of their payroll in training.

Every organization that is committed to generating profits for its owners and providing quality service for its customers and beneficiaries invest in the training of its employees (Evans & Lindsay 1999). According to Robert Simpson Managing director of Legna Construction Limited a construction company located in the central region of Ghana which contributes substantially to the development of the country through its roads construction and employment of the country’s human resource, training of the company’s human resource contributed to the company gaining substantial increase in revenue from 2005 – 2009. He attributed this to the skills and knowledge the employees gained through the training that helped them be more efficient thus reduced cost on the job thereby gaining more revenue.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the major findings of the study. The study sought to find out the effects of Training on Employees performance. The Case of NHIF Machakos County, In addition, this chapter provides a direction for further studies and also gives some recommendations for policy making by the relevant authorities. The questionnaire and the interview guide were the data collection instruments in this study. The questionnaire comprised of open and closed questions while the interview guide comprised of open-ended questions and were strictly administered by the researcher. Both primary and secondary information was used to determine the results and findings of the study. Throughout this study, it has been considered important the personal expressions and views of the staff of NHIF regarding training and how it affects their job performance.

5.2 Summary of the Findings

On the demographic composition of the NHIF staff, the study revealed that 40% of respondents were aged below 25-30 years. 38% of them were above 30 years. 22% of them were aged between 20-25 years. Also the study revealed that majority (51%) of the respondents interviewed was female while 48% of them were male respondents. The study revealed that most of the respondents were degree holders who comprised 88% of the total staff at NHIF.

The study established that the respondents did not know what was expected of their job since there was no clear job description. It was established that respondents did not have the necessary materials and equipments they needed in their daily duties. The study identified that respondents

did not have appropriated task variety and the organization did not clarify how its culture was evident among employee behaviours.

It was also established that management did not give employees ample time to perform their duties and did not reward hard working employees. It was evident that employee jobs did not match their skills. The study identified that the work interfered with their employee personal relationship and family responsibilities, and also reward in the organization were not immediate and appropriate.

The study established that employee benefits were not economically feasible; salaries were not equitable and fair. It was also evident that organization did not provide them with a safe working environment that was free of accidents and there was no attractive work environment with professional outlook to enhance productivity. The study identified that employee supervisors were not respectful and did not inspire and also their work environment was unethical.

The study identified that employee did not feel attached to the organization due to poor working conditions, poor pay and lack of recognition and mismatch of skills and lack of a variety of trainings. The study identified that employee did not have an opportunity to grow and prosper within the organization. The study identified that employees felt that they were not part of the productive team due to lack of motivation, delegation and recognition from the top management. The study identified that performance was not appropriately rewarded due to lack of clear compensation policies and guidelines in place.

The study identified that employees performance was not mutually agreed between the employee and the supervisor due to fear and threats from the top management. The study identified that autocratic styles of management demotivated the staff to participate in dialogue with their

supervisors. The study established that employee performance was not regularly tracked and measured by management and performance goals were not result oriented

The study established that management did not organize training and development programmes for the staff due to financial issues and time constraint. The study established that the organization did not conduct training needs assessment of its staff due to poor evaluations conducted. The study established management took a period of three months to offer employees some in-house training. The study established management provided trainings once in a year due to time constraint and resources.

The study established the probability of having training programmes in the coming financial year was minimal. The study established that top management did not recognize feedback from lower level employees. This was due to management gap between top management and lower level staff. The study established that there was no probability of having training in the future due to management resistance to incur costs. The study established that management did not recognize employee development and expectations in the system due to organizational objectives.

The study established that the top leadership did not encourage development of individual employees but they were more concerned on their affairs of development. This was due to organizational goals that did not give employees time for personal development. The study established that supervisors did not have any trust of their employees. This was due to the organizational culture that did not value employee input in strategic planning.

The study established that employees were not aware of the trainings that the management wanted to provide since there was no training needs assessment carried out periodically. The study established that there was no clear method of evaluating employees within the organization due to unclear appraisal policies. The study established that employees were dissatisfied with

their pay. The organization did not have a harmonized compensation policy to reward workers according to their merit. Compensation policies were outdated and were not applicable to modern human relations practice. It was evident that employee frequency of attending trainings was minimal due to lack of support from management.

It was evident that there was no specific training process that was being used by the organization due to lack of management support to trainings. It was evident that employees did not have adequate technical know-how of their jobs due to poor orientation from top management. It was evident that employees were not comfortable with office conditions due to poor working environment and monotony of work. The office layout and arrangement did not motivate them to work effectively. Inadequate space and congestion of the office were aspects that demotivated them. It was evident that employees were not satisfied with the organizational training and development. The management was not doing enough to promote the practice within the system. Resistance to new changes was due to lack of training to existing staff.

5.3 DISCUSSIONS

It was evident that there was no specific training process that was being used by the organization due to lack of management support to trainings. It was evident that employees did not have adequate technical know-how of their jobs due to poor orientation from top management. It was evident that employees were not comfortable with office conditions due to poor working environment and monotony of work. The office layout and arrangement did not motivate them to work effectively. Inadequate space and congestion of the office were aspects that demotivated them. It was evident that employees were not satisfied with the organizational training and

development. The management was not doing enough to promote the practice within the system. Resistance to new changes was due to lack of training to existing staff.

The study established that NHIF did not provide continuous trainings to staff despite the benefits associated with performance. Evans and Lindsay (1999) also stated that, Motorola & Texas Instruments provide at least 40 hours of training to every employee quarterly and this has significantly impacted on the employee performance. Companies committed to investment in their human resource generate long term and sustainable profitability for the company.

In a study in America on the impact of human capital investments such as employer-provided training and development, Black and Lynch (1996) citing Bartel (1989) stated that “returns on training and development investments increase productivity by 16-19%”. This further reinforces the role of training on employees. Based on the attributes that are developed the employees implement them on their tasks and thus the company is able to improve thus generate the profits for the firm. Also because the attributes are imparted and developed through the systematic and planned training program, it becomes a part of the employees thus they are able to implement them on every task thus the increased profit leading to sustainable profitability.

The review has revealed the importance and purpose of training in organizations, and how it contributes to employee performance. The essence of training needs, how and why training needs should be assessed has also been explained. The bases for which employees should be chosen or selected for training, the types of training have been duly identified namely job training, orientation training and career development training.

Furthermore, orientation conducted by supervisor is also cost - effective in terms of time and the financial and material resources involved as compared to that conducted by an outsider. According to Graham & Bannet (1995), on-the-job training is preferred because it is less costly than off-the-job training. It uses normal equipment in normal surrounding. Learning will take place on the equipment which will actually be used when the trainee is proficient, there is no transfer of learning problems and the trainee is in the production environment from the beginning, he or she does not have to adjust to it afterwards.

On the benefits of training to an employee, the findings revealed that training leads to improved quality of work, increases self -confidence, greater job satisfaction, improved ability to take on new tasks, ease to cope with technological changes, change management and livelihood of promotion. According to WHO (2000), the performance and the benefits the system can deliver depend largely upon the knowledge, skills and motivation of those individuals responsible for delivering healthcare services.

According to Richard Chang (1994), once training sessions are over, the vehicle has come to a halt; the journey is not necessarily complete unless you can prove the value of training effort. Training evaluation effort is critical for determining the success of training program in meeting its stated objectives and what refinements in the training are needed to improve its quality. The key focus should be on the transfer learning or the extent to which trainees effectively apply the knowledge, skills and attitudes gained in the training context (Kessek and Lobel 1996). Training evaluation has two primary purposes according to Ford (2000); to improve the effectiveness of training and to demonstrate its results.

5.4 Conclusions

Having carefully analyzed the research findings, the following issues emerged;

That majority of workers at NHIF were degree holders.

NHIF management should develop proper compensation policy based on merit.

While majority of the staff have gone through induction/orientation course upon joining the organization, quite a number of them have not had another opportunity to go for further training, hence the resultant career stagnations.

The NHIF's policy on training tends to favour on-the-job and short duration training programmes as opposed to long - term and off-the-job trainings.

Training has a significant impact on employee's performance and benefits both the individual employees and the organization at large.

Lack of resources to support training programmes and management attitudes are barriers to effective training at NHIF.

Training in the NHIF is conducted in haphazard manner as various departments do not assess the training needs of their staff. .Most training opportunities are mostly individually solicited.

This gap often opens doors for nepotism in awarding training opportunities.

There is no direct correlation between training and other tangible benefits such as salaries and promotions, hence low motivation of the staff that has been trained and resultant exodus for greener pastures.

The study has also established that the NHIF does not evaluate the training programmes offered to its staff, hence the difficulty in ascertaining the impact of training on employee performance. However, the area of research remains open for further investigations by any interested future researcher.

5.5 Recommendations

Based on the findings of the research study, the researcher would wish to make the following recommendations aimed at improving staff training:-

NHIF should conduct Training Needs Assessment in all departments at least once a year in order to determine skills and knowledge gaps among its employees. This should be made possible by ensuring that all departmental supervisors are well trained on Training Needs Assessment procedures and evaluation of training programs. Identification of training needs should be done more professionally in conjunction with the line manager as well as the individuals involved together with the HR personnel. Everyone involved should agree exactly to what the trainees are lacking, for instance what skill is needed, and what attitudes need to be changed toward work performance. The needs identified should emanate from NHIF's strategic plan, which also cover departmental/sectional/teams and individual plans. NHIF should see learning, training and development as well as training's objectives, plan, implementation and evaluation as a continuous process for organizational development and survival.

The NHIF Management should provide training and workshop opportunities for staff in order to keep them updated and improve their knowledge and skills. Training needs should be considered on the basis of overall company objectives. The goals of the company should determine what training programs are to be organized for staff. Staff should be motivated to add value to themselves and to their lives.

Additionally, there should be recognition and positive reinforcement for good work performance. Poorly performing staff should also be appraised and reasons for their dismal performance determined instead of condemning them. The institution's management should strive to support every department and all cadres of staff in their pursuit to acquire more knowledge and skills

without discrimination. It should listen to the training problems of staff and take remedial measures accordingly rather than just ignoring them.

Motivation generally seeks to boost employees' morale to work hard and thus increase productivity. It is against this fact that the researcher wishes to recommend that in instituting proper training and development programs, NHIF should initiate a policy for motivation attached to training. Motivation include both extrinsic, such as more pay, allowance, fringe benefits, and intrinsic such as recognition, appreciation, acceptance by fellow workers, opportunities for promotion, career development and consultation for important matters.

Morale on the other hand increases productivity indirectly by reducing absenteeism, accidents, employee turnover and grievances. This means that the workforce can never develop in an organization where there is low morale and lack of motivation because motivation and morale leads to job satisfaction, which in turn leads to development. The Government should ensure that remuneration of staff is commensurate to their job tasks and levels of training. It should adopt a reward system which corresponds to the cost of living and the economic situation. This would help reduce the mass exodus of the health staff to other countries which offer more attractive pay packages. Promotions should be based on level of competencies and job performance and not length of service as currently practiced.

Organizational career planning involves matching an individual's career aspirations with the opportunities available in the organization. Career pathing is the sequencing of the specific jobs that are associated with these opportunities. For career management to be successful in NHIF, both the Authority and employees must assume equal share of the responsibility for it.

Employees must identify their aspirations and abilities, and through counseling recognize what training and development are required for a particular career information and training to its

employees. Development and succession planning will also play a great role. Career progressions projection plans and training and development projections should be made available to each employee. The various schemes of service for different cadres of staff should be reviewed to conform to the current job demands. These schemes should be harmonized in such a way that jobs that requires same level of competencies to perform start at the same job group. This will help improve work performance and boost employee morale.

NHIF could develop its employees through formal education which will give employees the opportunity to attend short courses offered by consultants or an executive MBA and university programs which normally involve lectures by experts, business games and simulations, adventure learning and meetings with customers. The Organization should increase training funding to enable as many staff as possible to benefit from training programmes.

There is need to review the Institutions training policy in order to ensure that training programs offered to staff are not just mere routine undertakings but add value to employee job satisfaction.

The policy should address motivational factors associated with training.

An interpersonal relationship is another way for employees to develop skills, increase knowledge about the organization and its clients by interacting with a more experienced member.

Interpersonal relationships can develop as part of a planned effort to bring together successful senior employees of the NHIF together with less experienced ones.

5.6 Limitations of the study

Getting accurate information from the respondents was one of the major challenges since some of the respondents were threatened that the information may be used against them by the researcher. The challenge was minimized by assuring the respondents of confidentiality of the

information they gave. The respondents of the study were usually very busy and therefore they required a lot of time in order to fill in the questionnaires. The challenge was overcome by giving the respondents the questionnaires at the right time. Most of the respondents were unwilling to give the information due to negative perception of the study. The challenge was minimized by giving incentives and clear information given about the study in order to get positive response and accurate information. The location in distance and terrain while trespassing the Kitui and Machakos Counties proved to be a bone of contention coupled with dusty grounds which posed a danger to personal health as far as common colds are concerned. Inadequate financial resources affected the results of the study. Accommodation and stationary costs delayed the exercise but early preparation and support from well-wishers and development partners made the study a reality.

5.7 Suggestion for Future Research

The research only covered NHIF staff, but did not include all NHIF branches countrywide. A similar research can be conducted in other branches so as to have an overall picture on effects of training on employee productivity in the public institutions in Kenya.

A comparative study can be done in the future to compare training and its effects on productivity in the public sector and that of the private sector.

A study can also be done focusing on other Government department's staff on how they handle staff training and its effects on productivity

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APPENDIX 1: TRANSMITTAL LETTER

UNIVERSITY OF NAIROBI

P.O.BOX 30197 – 001000

GARISSA – KENYA.

20th February, 2014.

THE RESPONDENTS

NHIF EMPLOYEES

DEAR SIR/MADAM,

RE: INFORMATION FOR MASTER PROJECT

I am a master's degree student at the University of Nairobi doing a research work *on the Effect of Training on Employees performance. The case of NHIF Machakos County*. I would request you to kindly spare some time to fill up the questionnaires. Any information given will be treated with confidentiality and used for the purpose of the research study only.

With kind regards

Yours Faithfully,

Ahmed M. Mohamud

L50/62742/2013

Appendix 2: QUESTIONNAIRE FOR EMPLOYEES

Dear Sir/Madam,

I am doing a research work *on the Effect of Training on Employees performance. The case of NHIF Machakos County*. This questionnaire has been designed to solicit information for purely academic purposes. I would request you to kindly spare some time to fill up this questionnaire.

NB. All information given would be treated with utmost confidentiality.

Thank you very much for your cooperation.

Section I

BASIC DEMOGRAPHIC DATA (PLEASE TICK WHERE APPROPRIATE)

Q1. Your age bracket

- 20-25
- 25-30
- Above 30

Q2. Sex of Respondent

- Male Female
- Others

Q3. Marital Status of Respondent

- Single Married
- Divorced others

Q4. No. of years of experience of Respondent

- Less than 3 years
- 3 to 5 years
- More than 5 years

Q5. Is this your first organization?

- Yes
- No

Q6. Education background of Respondent

- a) High school level ()
- b) Certificate level ()
- c) Diploma level ()
- d) Higher national diploma ()
- e) First degree ()
- f) Masters degree ()
- g) Others ()

SECTION II

NOTE: Please tick () the option you feel is most appropriate as per the following:

Rate on a scale of 1-5 to indicate your option,

- 1** Strongly disagree (SD)
- 2. Disagree (D)
- 3. Neutral (N)
- 4. Agree (A)
- 5.** Strongly agree (SA)

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	[5]	[4]	[3]	[2]	[1]
You know what is expected of You at work					
You have the materials and Equipment that you need to do your everyday work					
The work you do has appropriate task variety					
The organization clarifies how its culture is evident through employee behavior.					
You are given ample flexibility to perform your job.					
The organization rewards or recognizes such employee behavior					
You are performing a job that matches your skills.					
Your work interferes with your personal relationships & family responsibilities					
Rewards in your organization are immediate and appropriate					
You are offered economically feasible employee benefit programs tailored to individual needs.					
Your salary is fair, equitable and competitive.					

The organization provides you a safe work environment by accident prevention & safety programs.					
Your organization has created a professional, attractive work area that is functional and promotes productivity					
You feel comfortable working with your team members					
You have a supervisor who is respectful and one who inspires you					
You work in a trusting and ethical Environment					
You have the opportunity to grow and prosper with the organization.					
You feel attached with your company, team & other employees					
A variety of training & development programs are offered to improve skills					
You are a part of a supportive and productive team.					
Performance measurement is used as criteria for promotions.					
Performance is appropriately rewarded with raises, incentives, rewards and recognition.					
Performance measures are mutually agreed on & discussed by both the employee & supervisor.					

Performance is regularly tracked and measured.					
Performance goals are behavioral, result-oriented and achievable.					

Section III

Q1. Has your company organizes a training and development program?

Yes

No

Q2. Does your organisation identify the training needs for the employees?

Yes

No

Q3. On an average, how much time did it used to take for training and development program?

One Month

Two Month

Three Month

Q4. How much training programs has been made in the past one year?

One

Two

Three

Q5. Do you have any training programs in the coming financial year?

Yes

No

Q6. Does your top management take feed back?

Yes

No

Q7. What do you think the training programs will be run in future?

Yes

No

Q8. Do employee development programs raise unrealistic expectations about promotions?

Yes

No

Q9. Does the Executive Director engage development activities for him/herself?

Yes

No

Q10. Do you feel trust in your supervisors?

Yes

No

Q11. Are you aware of training programs in NHIF

Yes

No

Q12. Does the organization have a consistent, timely and fair method for evaluating individual performance?

Yes

No

Q13. Do you feel, you are being paid fairly?

Yes

No

Q14. Have you had any form of training since you joined NHIF?

Yes

No

If yes how long ago

a) 1-6 months ()

b) 7-12 months ()

c) 1-3 years ()

d) Over 4 years ()

e) Not applicable ()

Q15. Does your organization use a specific training process?

Yes

No

Q16. Do you require a high degree of technical knowledge for your job?

Yes

No

Q17. Are office conditions comfortable?

Yes

No

Q18. Are you satisfied with organizational training and development programmes?

Yes

No

APPENDIX3. SCHEDULED INTERVIEW QUESTIONS FOR THE MANAGEMENT OF NHIF HEADQUARTERS

This interview schedule guide has been designed to solicit information for purely academic purposes. This is to enable Ahmed Mohammed a final year student at The University of Nairobi, Pursuing a Masters degree in Project Planning and management complete his project report on the topic; *Effect of training on employee performance in public sector organizations in Kenya. The case of NHIF Machakos County.* Thank you for participating in this study.

NB. All information given will be treated with utmost confidentiality.

Date:

Section I

BASIC DEMOGRAPHIC DATA (PLEASE TICK WHERE APPROPRIATE)

Q1. Your age bracket

- 20-25
- 25-30
- Above 30

Q2. Sex of Respondent

- Male Female
- Others

Q3. Marital Status of Respondent

- Single Married
- Divorced others

Q4. No. of years of experience of Respondent

- Less than 3 years
- 3 to 5 years
- More than 5 years

Q5. Is this your first organization?

- Yes No

Q6. Education background of Respondent

- a) High school level ()
- b) Certificate level ()
- c) Diploma level ()
- d) Higher national diploma ()
- e) First degree ()
- f) Masters degree ()
- g) Others ()

SECTION II

Fill in the blank spaces and tick the appropriate check boxes.

1. How long have you been working for NHIF?

.....
.....

.....

2. Have you undergone any training for the past 5 years?

.....
.....
.....

3. Has NHIF been involved in training and development for employees over the past 5 years (2008 – 2013)?

.....
.....
.....

4. How long has NHIF been involved in training and development?

.....
.....
.....

5. What are the major purposes of training and what key internal and external influences impact on training?

.....
.....
.....

6. Does NHIF have a training policy in place? Is the policy documented?

.....
.....
.....

7. Briefly describe the training policy and procedures in NHIF.

.....
.....
.....

8. Are the rank and file of NHIF aware of the training policy?

.....
.....
.....

9. Would you please make available to me documents on training policy and all other documents related to training and development?

.....
.....
.....

10. How did training practice develop in NHIF?

.....
.....
.....

11. What principles of training apply at the workplace?

.....
.....
.....

12. The training process.

a) How are individual and organizational needs determined?

.....
.....

b) How are staffs selected for training?

.....
.....
.....

c) How are training objectives determined?

.....
.....
.....

d) How is the training plan developed?

.....
.....
.....

13. In presenting the training;

a) What are the kinds of training used?

.....
.....
.....

b) What methods of training are used and why?

.....
.....

c) How is training evaluated?

.....
.....
.....

14. Is the implementation of the training policy monitored to ensure that it is practiced as prescribed?

What is the monitoring mechanism used?

.....
.....
.....

15. in your assessment, has Training impacted on staff motivation and performance? Could you please specify in terms of contribution to;

a. Increased individual productivity

.....
.....
.....

b. Training in terms of numbers.

.....
.....
.....

16. Does training have an effect on employee performance and productivity? How do you measure training effect on employee performance and productivity?

.....
.....
.....

17. Do you keep personal profile of each employee?

.....
.....
.....

18. Do you have records on past training with dates on each worker?

.....
.....
.....

19. Do you have career progression projections for each employee?

.....
.....
.....

20. Do you have training and development projections for each employee?

.....
.....
.....

21. Please provide data on employees sponsored in the past 5 years in terms of;

- a) Number sponsored each year for the past 5 years
- b) Type of sponsorship offered
- c) Studies completed.

22. Are training needs regularly assessed at your organization?

- () Yes, by Human Resources
- () Yes, by outside consultants
- () Yes, by departmental heads
- () No