

THE IMPORTANCE OF TRAINING AND MANPOWER DEVELOPMENT ON ORGANIZATIONAL
PERFORMANCE. A CASE STUDY OF UGANDA BANKING INDUSTRY

A Thesis Report

Presented to the School of
Postgraduate Studies and Research
Kampala International University
Kampala, Uganda

In Partial Fulfillment of the Requirements for the Degree
Master of Business Administration

By:

OLATUNDE YESUFU
MBA/19240/72/DF

AUGUST, 2010



DECLARATION A

"This dissertation is my original work and has not been presented for a Degree or any other academic award in any University or Institution of Learning".

Seer-

OLATUNDE YESUFU

Researcher (MBA Student)

MBA/19240/72/DF

12/10/2010

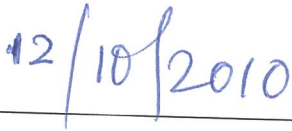
Date

DECLARATION B

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

A handwritten signature in blue ink, appearing to read "Kinyatta", is written over a horizontal line.

Dr. Stanley Kinyatta
(Supervisor)

A handwritten date "12/10/2010" in blue ink is written over a horizontal line.

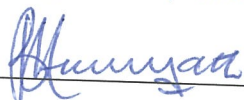
Date

APPROVAL SHEET

This dissertation entitled "The importance of training and manpower development on organizational performance" a case study of Uganda Banking Industry prepared and submitted by Olatunde Yesufu (MBA/19240/72/DF) in partial fulfillment of the requirements for the Masters degree of Business Administration (Human Resource Management)

Has been examined and approved by the panel on oral examination with a grade of PASSED

Dr. S. KINYATA



Name and Sig. of Chairman

Dr. S. Kinyatta



Name and Sig of Supervisor

Dr. Othello Irene Lumwa

Name and Sig. of Panelist

Dr. Nwae J. B. Nwae

Name and Sig. of Panelist

Name and Sig. of Panelist

Date of Comprehensive Examination: _____

Grade: _____

Name and Sig of Director, SPGSR

Name and Sig of DVC, SPGSR

DEDICATION

This work is dedicated first and foremost to God; who enabled me not only to start but to finish this programme well. And to my darling wife, Olabisi Yesufu, for her encouragement, and unflinching loving support.

ACKNOWLEDGEMENT.

I sincerely want to acknowledge and appreciate a number of people among others, without whom; this achievement may not have been possible. Once again I thank my wife and blessed children; prosper, favor and dominion for their loving support.

I appreciate Prof. Emmanuel Fagbamiye and Prof. Samuel Owolabi, who inspired and helped me to secure my admission into this school of post graduate studies.

I thank all of my loving classmates and lecturers, who helped me throughout my two years period in this university. And greetings to Deacon Bamidele Oseni, Pastor Tope Ologunoye and my son in the lord, Brian for their encouragement and support, to ensure I started and finished my thesis.

I also want to appreciate Mr. and Mrs. Fred Kasozi, especially Mrs. Catty Kasozi for her thoroughness, competence, typing skills and for producing an almost flawless work.

I cannot but mention my brother, friend, colleague in the ministry and classmate Pr. Balogun Joseph, who practically pushed me to enroll for this programme, I thank you and your lovely wife for your friendship.

Lastly, I thank God almighty, who provided the resources and enabled me to successfully balance my studies with my responsibilities as the pastor of the Redeemed Christian Church of God, victory centre, Namuwongo, Uganda.

TABLE OF CONTENTS

DECLARATION A	i
DECLARATION B	ii
APPROVAL	iii
DEDICATION	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	x
LIST OF FIGURES	xi
ABSTRACT	xii
ABSTRACT	xii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background to the study	1
1.2 Statement of the Problem	3
1.3 The purpose of the study	5
1.4 Research Objectives	5
1.5 Research Questions	6
1.6 Scope of the Study	6
1.7 Significance of the Study	7
1.8 Hypothesis	7

1.9 Conceptual frame work	8
1.10 Limitations of the study	10
CHAPTER TWO	11
LITERATURE REVIEW	11
2.0 Introduction	11
2.1 Organizations and Human Resource	11
2.2 What is Human Resource Management?	12
2.3 Organizational Performance	14
2.4 Managing Human Resources for Organizational Performance	17
2.5 Training and Manpower development	18
2.6 Training, Manpower Development and Organizational Performance	20
2.7 Why organizations are not completely for training and manpower development. ...	22
2.8 THE TRAINING PROCESS.....	24
CHAPTER THREE	28
METHODOLOGY.....	28
3.0 Introduction	28
3.1 Research design	28
3.2 Research population	29
3.3 Sampling procedure.....	29
3.4 Sample size.....	29
3.5 Research Instruments.....	29
3.5.1Interview	30

3.5.2 Questionnaire	30
3.6 Validity	30
3.7 Reliability	31
3.8 Data analysis.....	31
3.9 Editing	31
3.10 Ethical consideration	31
CHAPTER FOUR.....	32
PRESENTATION AND ANALYSIS OF DATA.....	32
4.1 Introduction	32
4.2 The Scatter diagram of the two variables	35
CHAPTER FIVE	40
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	40
5.0 Introduction	40
5.1 Findings Of Research Question One.....	40
5.2 Findings of Research question two.....	41
5.3 findings of research question three.....	42
5.4 Findings of research question four:.....	43
5.5. Conclusion	45
5.6. Recommendations	45
REFERENCES	47
APPENDIX I: TRANSMITTAL LETTER	50
APPENDIX II: RESEARCH INSTRUMENTS.....	51
A; QUESTIONNAIRE	51

B: INTERVIEW GUIDE FOR SENIOR MANAGEMENT EMPLOYEES IN THE UGANDA BANKING INDUSTRY	55
APPENDIX III: LIST OF BANKS IN UGANDA	56
APPENDIX IV : PROPOSED TIME FRAME.....	57
APPENDIX V: PROPOSED BUDGET	58
APPENDIX VI: CURRICULUM VITAE.....	59

LIST OF TABLES

Table 1: The respondent's scores in training and percentage output in performance ...	32
Table 2: Percentage scores in training and percentage output in performance	36
Table 3: Responses to each question on the research instrument.....	39

LIST OF FIGURES

Figure 1: An illustration of the Conceptual frame work	8
Figure 2: Systematic training model.....	25
Figure 3: The Scatter diagram of the two variables	35

ABSTRACT

This research sought to determine the relationship between training and manpower development on organizational performance. Every organization whether profit or non profit making is established to fulfill certain goals and objectives, which are later used as indicators to determine if members or that organization performed lowly or highly, vis a vis according to the extent to which its goals are attained.

Four generic human resources activities have been identified as factors that can affect organizational performance. These are recruitment and selection, compensation and benefits, performance appraisal, training and manpower development.

This research was undertaken because I observed there were few indigenous Uganda banks and the thriving ones are owned by foreign players who acquired seemingly non performing indigenous banks and are turning them around to thriving banks. Reasons adduced for these bank transformations were the inexperience of the local bankers, lack of professional training, lapses in staff performance, and increase in fraud rates e.t.c. So the purpose of the research was to investigate the importance of training and manpower development on organizational performance.

The research design used was quantitative, correlation design. It was used to determine the degree of relationship between organizational performance, training and manpower development. And Uganda banking industry was used as the case study. A targeted population of 92 staff was purposively selected from ten of the 22 banks in Uganda. Out of which a sample population of 43 respondents were selected using the systematic sampling method whereby every 2nd element of the population was selected. A likert scale format questionnaire was prepared seeking answers to the research problems or variables of the topic; which were training, manpower development and organizational performance. The questions assessed both variables, with marks awarded to each question. The results of the scores are shown in tables and with a scatter diagram. Using the product moment correlation coefficient, the result was 0.97. We found among others that there is a positive correlation between employee training, manpower development and organizational performance. The implication of this finding is, that an increment in training and man power development leads to a corresponding increment in organizational performance and the reverse is also the case, a decrement in training and manpower development also leads to a decrease in organizational performance.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

The 1960's was memorable in the history of most African countries. It was a decade when many African countries became independent of colonial rule. Independence for these African states came accompanied with challenges of governance, inadequate infrastructures and manpower shortages among others.

For more than two decades after independence, Uganda went through its share of deep political turmoil. There were coup and counter coups which had devastating effects on the nation.

The regime of Idi Amin Dada for instance introduced an indigenization and nationalization policy which drove many foreign nationals especially Asians out of Uganda. The mass exodus of Asian and other nationals from Uganda was a move that was ruinous to the economy

According to Nicholas Kilimani, in his article titled "The impact of Uganda's trade liberalization policy on economic growth" published in the Uganda Programme for trade opportunities and policy (UPTOP) newsletter.

"By 1986, the economy laid in ruins, with deficient infrastructures, non existent financial markets and inadequate skilled human resources, with remaining operators discouraged by rampant inflation, rigid price regulation and a highly over valued currency

However, from 1986 when the National Resistance Movement government, headed by president Yoweri Museveni came into power. Uganda has pursued a comprehensive and ambitious reform agenda. Peace and stability has gradually returned to the country. Those foreigners, who were driven out were allowed to return and many recovered

their property". The Government of Uganda is succeeding in wooing foreign investors into the country.

In the last 15 years basic infrastructure such as schools, roads, water and electricity have been provided.

Government has also privatized many public sector enterprises and encouraged private sector development in banking, communications, education, electricity, among others. These developments have impacted the economy positively; consequently, the need for skilled human resources has now been recognized as a key to accelerated development.

Emmanuel Tumusiime – Mutebile, the governor of bank of Uganda, wrote the foreword of the book; Uganda recovery- The role of farms, firms and the government; authored by Ritva and Paul (2001). He wrote;" Understanding what Uganda has achieved and the strengths and weaknesses of its economic reform Programme is especially important. Exploring the challenges that the country faces as it attempts to sustain its recovery by raising private investments levels and improving human resource capacities is also important"

But, if human resources are to be effective and optimally productive, they require training and re-training. This is because; doing business today is radically different, from what it was 30 years ago. Rapidly changing technological, economic, social and political conditions increasingly demand that companies wake up and strategically alter how they operate.

Globalization and the rapid pace of the revolution in communications technology, has brought about dizzying changes, about how business is done worldwide.

It has increased rivalry and goaded firms to become more efficient, to search for ways of reducing costs, enhancing revenues and improving productivity and performance. Today, greater efficiency relative to rivals is not only desirable but necessary. However,

stimulating productivity and performance requires radically different internal systems for monitoring and rewarding human contributions.

In other words, the people who make up an organization, gives that organization its primary source of competitive advantage. Managing human resource is necessary in all organizations; from the smallest to the largest. Every company has jobs with sets of responsibilities; to get these jobs done, they hire people and reward them for the work they do. Organizations, such as investment banks have almost nothing of great value, except their intangible human assets. Attracting superior talents and stimulating such employees to perform at peak levels, is the challenge facing human resource managers. Therefore human resource management is of strategic importance to an organization. Training and man power development is one of the key components of the process.

1.2 Statement of the Problem

When you take a critical view of the banking industry, you will quickly discover, there are only a few indigenous Uganda banks, and the thriving ones are owned by foreign players. Of the 22 listed banks in Uganda, 18 of them are owned or have foreigners dominating the shares in them. (The list of banks in Uganda was gotten from Wikipedia, and it is in Appendix 3)

Some indigenous banks, that used to exist were swallowed up by the foreign players: Barclays Bank Limited acquired Nile Bank, Stanbic Bank bought the Grindlays Bank network and Uganda Commercial Bank, while Cairo Bank acquired Greenland Bank, Equity Bank purchased Uganda Microfinance Limited, Global Trust Bank acquired 100% interest in commercial microfinance limited, Bank PHB Group, took 80% shareholding in Orient Bank in April 2009.(The history and ownership of these banks are also displayed in Wikipedia)

These banks acquisitions were effected, because the indigenous banks were seemingly, not performing nor making sufficient profits for their owners. However, within a short

time, these new banks retaining majority of the former banks workforce, with only a few introduction of foreign top and middle level managers are apparently, not just surviving but thriving today. Many opinions have been adduced, for these quick turn-arounds in the fortune of these banks. Reasons have also been expressed, as to why the indigenous banks seemed not to have fared well.

Many points to the absence of knowledgeable and experienced Ugandan bankers, who have worked in global best practice, banking environment like the United Kingdom, United States of America and so on. This lack of banking skill repertoire, deprives young bankers from enjoying the benefits, of skill transfer from such probable mentors, with wealth of knowledge. However, many of these unexposed bankers, who have lacked the tutelage of accomplished role models, have risen through the ranks to senior and executive management staff positions.

Many unfortunately, have been found to lack the astute leadership skill, required, for their banks to succeed in today's highly competitive banking industry.

It is also not a secret that there is a dearth of professional chartered Accountants and Bankers in the industry. These shortages affect the industry, because majority of those working in the bank system are not professionally trained. In capable staff are placed in right departments, for instance lawyers, Arts related graduate's, are working as cashiers and in marketing departments, those with strong operations backgrounds and non-marketing experience, work as Managing Directors of Banks, how are such people expected to lay sound marketing strategies for the bank.

The errors made by bank staffs, have become common occurrences that clients are daily putting up with; such as wrong computation of bank interest on customer's account. There is also lack of expertise and knowledge of banking software; like Equinox, Finacle e.t.c. These knowledge gaps on the part of the staff have led to increase in fraud rates, lack of ethics and confidentiality among bankers in the country.

Bank staffs leak confidential information and even collude with outsiders to defraud their banks.

Since, the above mentioned employee problems greatly affect the optimum performance of many banks in the country, and is detrimental to their survival and growth, this study consequently sought to examine the Ugandan banking industry, to determine the importance of employee training, and manpower development in organizational performance.

1.3 The purpose of the study

Organizations including Banks exist for the primary reason of attaining their set out goals. Some of these organizations perform to the expectations of their stakeholders, while others fail to perform. All of these organizations concur that their human resources, play a major part to their success or failure. Therefore, the purpose of this study was to investigate the importance of training and manpower development on organizational performance.

1.4 Research Objectives

This study will endeavor to:

1. Explore other factors aside from training and manpower development that can affect organizational performance.
2. Determine if lack of training and manpower development is a significant reason for organizational non performance.
3. Evaluate the relationship between training, manpower development and organizational performance.

4. Highlight performance gaps in the Uganda Banking Industry and explore how training and manpower development can mitigate.

1.5 Research Questions

To achieve the above objectives, the following research questions were developed for the study:

1. Are there any other factors aside from training and manpower development that can affect organizational performance?
2. Is lack of training and manpower development a significant reason for organizational non performance?
3. Is there a relationship between employee training, manpower development and organizational performance?
4. Can training and manpower development mitigate the performance gaps highlighted in Uganda banking industry?

1.6 Scope of the Study

The study focused on the importance of training and manpower development on organizational performance; with Uganda banking industry as a case study. However, because of the enormous energy that was required to travel to all the districts in Uganda, the research was delimited to the capital city, Kampala, where the headquarters of the sampled banks are situated.

Apart from training and manpower development, there are three other independent variables; recruitment and selection, compensation and benefits and performance appraisals, that can influence organizational performance; the dependent variable. But

the scope of the study is limited to only one independent variable; training and manpower development.

1.7 Significance of the Study

Apart from the study, being in fulfillment of the requirement, for the Master's in Business Administration degree, which the researcher strives to attain. It will, contribute to the body of knowledge in Business Management. Also, the results of the findings will help, students of management understand the subject of training, manpower development and its effects on organizational performance.

Organizations and the banking industry in particular may be informed to utilize, the results in order to achieve optimum performance.

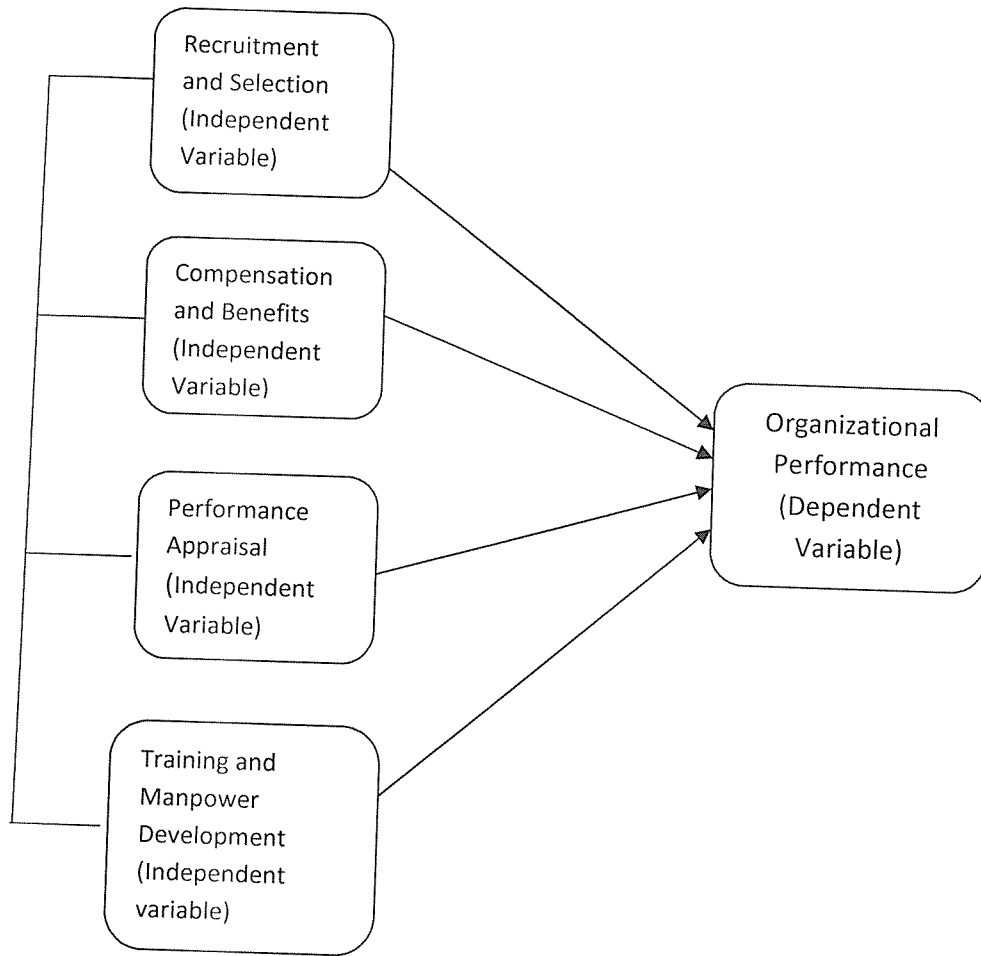
All stakeholders in Uganda banking industry; Uganda Institute of Bankers, the banks that responded to the questionnaires and fiscal policy makers like the Central bank of Uganda, are expected to use the findings of the research, to improve the productivity and performance of the banking industry.

1.8 Hypothesis

There is a relationship between training, manpower development and organizational performance. Training and manpower development affect organizational performance.

1.9 Conceptual frame work

Figure 1: An illustration of the Conceptual frame work



Source: Researcher made.

According to Allan (1993), Modern Human Resource Management practices involves four generic activities, which as depicted in the outer loop of Conceptual frame work diagram are recruitment and selection, training and manpower development, compensation and benefits and performance appraisal.

The diagram explains how the factors shown by the outer loop are interrelated. While, the smaller arrows show how each of the factors has an impact on organizational performance.

In as much as training and manpower development affects organizational performance, the other factors, must be put in their proper perspective also. For, it is the interplay of all these factors that ultimately lead to performance or non performance of organizations.

It is due to the broadness of the subject that the researcher, in order to examine one of the four dimensions that can affect organizational performance in detail, concentrated on investigating, the importance of training and manpower development on organizational performance.

The dependent variable is the variable of primary interest to the researcher. It is the variable that is influenced and which changes in relation to changes in another variable. In the instance of this research, the dependent variable is organizational performance. The researcher seeks to understand and describe organizational performance in order to explain its variability or to predict it.

On the other hand, independent variable also known as the predictor variable is the variable that influences or affects the dependent variable, either negatively or positively. This in the instance of this research is training and manpower development. Although, there are other independent variables as mentioned in the research that can also affect the dependent variable, but the researcher limited himself to training and manpower development.

So training and manpower development or the lack of training and manpower development can consecutively cause an organization to perform or fail to perform.

1.10 Limitations of the study

There are many limitations that I encountered while carrying out the research. Some of these were that:

- 1) Some respondents hesitated because they felt that their weaknesses and performance abilities will be exposed.
- 2) The Banks were cautious to allow me, administer the questionnaires, due to the fear of the level of confidentiality, of the information gathered from their staff. I managed to overcome this, through the official letter given by the university, to the Heads of Administration of the Banks, assuring them that the information gathered will be made confidential, and used for Research purposes only.
- 3) Self made research instruments can also be a limitation in that it cannot be perfectly reliable.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviewed the related concepts, theories, laws and literatures. I mentioned and discussed the works of other authors, in line with the importance of training and manpower development on organizational performance. Organizations and human resource, Human Resource Management and organizational performance was defined. The relationship between training, manpower development and organizational performance was evaluated.

2.1 Organizations and Human Resource

Steven and Mary (2003) say "organizations are groups of people, who work interdependently toward some purpose. Organizations are not buildings or other physical structures. Rather, they consist of people who interact with each other, to achieve a set of goals". From this definition of an organization, We can deduce three factors interfacing; Two are clear, while one is subtly hidden. We can see that organizations are made up of the two clear factors of people and set of goals. But the third hidden factor is process, or how people are managed to achieve the organization's goals.

Don, Susan and John (2002) stated that "Successful organizations see human resources as assets that need to be managed conscientiously and in tune with its needs". The

most competitive organizations are working now, to ensure they have available, tomorrow and a decade from now, employees who are eager and able to address competitive challenges. This effort, increasingly involves attracting superior talent and stimulating such employees who are eager and able to address competitive challenges. This effort increasingly involves attracting superior talent and stimulating such employees to perform at peak levels. Which is why Richard and Dorothy (2004) suggested that, since every organization exists to attain goals, there should be a need by managers of organizations, to develop a formal system, to maximize their human resources, by coordinating the efforts of its employees and directing them towards achieving organizational goals?

Ricky (1999) says "Managers, need to understand and appreciate the value of human resources, as perhaps the most important determinant of an organizations success". In the past, much attention and emphasis has been given to the work environment, production process, costs reduction and so on. While little attention was given to the human assets, who worked in the factories, who operated, the cutting edge technological machineries, and who implemented the innovative production process. Ricky (1999) rightly pointed out it is the human resource who ultimately, delivers the organizations competitive advantage. This is because most companies have access to the superb machines, but it is the unique combination of their human resources, production process or service delivery that makes the difference.

2.2 What is Human Resource Management?

Ronald and Ricky (2005) say "Human resource management is a matching process, integrating the organizations strategy and goals with the correct approach to managing the firms' human resources". In addition Richard and Dorothy (2004) say the term "refers to the design and application of formal systems, in an organization to ensure,

the effective and efficient use of human talent to accomplish organizational goals. This includes activities undertaken to attract, develop, and maintain an effective workforce.” From these definitions, we could see that, every organization must not only design a formal system, that will help it effectively and efficiently utilize, their human resources to achieve their goals, but must match their human resource management efforts with the firm’s business strategy.

Allan (1993) says, Modern Human Resource Management practices involve, four generic activities;

1. **Selection practices:** these are corporate activities that relate to the movement of people among positions, through both promotion and external hiring.
2. **Appraisal practices:** Feedback systems, that examines and measures the different kinds of corporate performance that people deliver.
3. **Reward Practices:** Systems through which employees are recognized and compensated for doing good work.
4. **Developmental practices:** Various activities, that are intended to improve the match, between employee’s skills and the demands of their jobs.

Conclusively, Susan and Randal (2000) states that, the approaches organizations take to managing, their human resources can translate into greater profitability, higher annual sales per employee, higher market value, and higher earnings per share growth.

It is important to note here, that well run organizations, strive for consistency across their systems and practices, as well as endeavor, to establish greater coherence and consistency among their selection, appraisal, development and reward systems.

2.3 Organizational Performance

Stephen and Mary (2003) say "but imagine an organization without goals, it would consist, of a mass of people wandering around aimlessly, without any sense of direction". Every organization definitely exists to achieve a purpose or set of goals. They are daily realizing, the importance of developing and implementing, sound strategies in their business environment, that will result in their growth, profit and survival. Organizations develop company strategies, which are the game plan, their management intends to use, to stake out a market position, conduct its operations, attract and please customers, compete successfully and achieve its objectives or goals.

They form strategic vision's and mission's guidelines, set objectives, by converting their vision into specific performance outcomes to be achieved. They craft a strategy to achieve the desired out comes, execute the chosen strategy efficiently and effectively, establishing measures to evaluate performance and initiate corrective adjustments where necessary. Armed with this clear, well conceived business path for the organization to follow, managers have a standard, to guide resource allocation and any other activity.

Organizational performance, defines the extent to which organizations have been able to perform or accomplish their set goals and objectives. It is determined according to an article, posted on the website on 27th May 2010 by the Kenya Institute of Management, "by rigorous internal and external assessment process. The organization's processes are assessed and combined with its business results". These goals and objectives may cover; how the leadership and management performed, what was their human resource focus, how did they rate in financial management, their

customer orientation, and marketing, their innovation and technology, productivity and quality, their corporate social responsibility and environmental focus.

Making deductions, from Quality Texas Foundation publication on organizational performance results category, the foundation opined that organizations should have processes and summative measures in place, that will allow all stake holders, to determine how well, the organization is doing in relation, to its workers, customers, shareholders and other stake holders needs, strategic goals and the performance of other organizations, in our case, other banks.

The assessment tools that can be used, to define banks expectations and measure progress includes; regarding organizational performance, employee productivity, customer satisfaction, meeting set targets, bringing in new accounts, effectively maintaining old ones, increasing profit margins and so on. These should be graphically displayed, where all can see, and be maintained in personal data notebooks or folders.

Some of the “bottom line” questions to be explored are;

- How effective has the banks products and services been in relation to satisfying customers?
- How effective has the banks efforts being at addressing customers and stakeholders needs, expectations and levels of satisfaction/dissatisfaction?
- How effective has the bank addressed the need for a positive, productive and caring work environment for all staff? How effective has the education and training of all staff been, as measured by improved service delivery and customer satisfaction?
- How effective has the leadership system been in monitoring, and communicating the bank’s vision, mission, expectations, core values/best practices and professionalism. How well has the leadership system built leadership capacity

partially true, then the answer to performance problems will be, "fix the systems in which our employees work".

Conclusively, Susan and Randal (2000) define organizational success by "how well they serve their stakeholders, which includes all who have claim on their resources, products and services". Fulfilling stakeholders' expectations surely are a good measure of companies' performance.

2.4 Managing Human Resources for Organizational Performance

Richard and Dorothy (2004) stated that "Research has found out that effective human resource management has a positive impact on organizational performance, including higher employee productivity and stronger financial performance". Ronald and Ricky (2005) did not only say that "human resources are critical for effective organizational functioning", but also that managers, now realize that the effectiveness of their human resource function, has a substantial impact on firm's bottom-line performance.

In other words, the authors were saying, companies with skilled personnel, increase company productivity and deliver quality products and services.

From the research's conceptual frame work diagram, we saw that training and manpower development was only one of the four, generally identified variables that can affect organizational performance. So there is surely a need for firms, who want to succeed to have definite, coherent and comprehensive, human resource principles and practices. This is because, decisions about managing human resources makes a difference: It affects the type of employees who work for organizations, their performance and satisfaction, their sense of fair treatment and ultimately, the efficiency and effectiveness of the organizations.

2.5 Training and Manpower development

Richard and Dorothy (2004) state that "training and development represents, a planned effort by an organization, to facilitate employee's learning of job related behaviors". The fact that it ought to be, a planned organizational effort is important, because many employees, generally report, that most of their development occurs on the job, not in company sponsored training program.

Lawrence and Carl (2002) say, "to ensure that both new and experienced employees, have the knowledge and skill to perform their jobs successfully, organizations invests in training and development activities. Training and development, involves learning situations, in which the employee acquires, additional knowledge or skills to increase job performance." It is so important, that organizations invest in their employees. In their arguments, for training and development activities in the airline industry, Stephen, Mary and Robin (2000) opines that "on the whole, planes do not cause airline accidents – people do". For about 74 percent to be exact of collisions, crashes and other mishaps, result from the errors made by the pilot, air traffic controller or through inadequate maintenance.

This can also be translated to say, it is not computers that cause fraud, neither is it the facilities in the bank, including the money, that mistreats customers, but it is the bank employees.

However before we go further, we must observe, as pointed out by Luis, David, Robert and David (1997) that, although training is often used in conjunction with development, the terms are not synonymous. Training focuses, on providing deficiencies in employees, with specific skills or helping them correct their performance. While development is an effort, to provide employees with the abilities, that the organization will need in the future".

Training and development, becomes a necessity for organizations, especially during labor shortages, when hiring qualified new people, becomes much difficult. So, at such times, when they consider the cost of upgrading a new hire, they choose to help current employees, develop the competencies needed, by providing training, which help employees, to overcome their limitations and increase their productive capacity. As well as, providing opportunities for development, which help employees, attain the competencies needed to advance their careers.

Allan C (1993) States that through training activities, firms prepare employees, to fulfill immediate job requirements, while through developmental programs, they equip employees to meet future challenges. It is essential to differentiate the two, because using a training approach to affect a long range issue is likely to be futile, and this is vice versa.

Richard and Dorothy (2004) states that "Training and development represent, a planned effort, by an organization to facilitate employees learning of job related behaviors".

The fact, that training and development ought, to be planned organizational effort is important, because as earlier related, many employees generally report, that most of their development occurs on the job, not in company sponsored training program.

Luiz (2002) affirms the above definition of training, as being a planned effort to provide employees, with specific skills to improve their performance, and that effective training also, improve morale and increase an organization's potential. Every organization that desires performance should note how training both provides skills and improves the morale of employees, leading to performance.

George and John (1991) say, organizations cannot expect to meet their labor force needs, simply by managing external recruitment, selection and separations. Most of the attention, must be devoted to employees, after they join the organization, providing them with experiences and training that will prepare them for the changing work roles of the future."

This view is supported by Gareth and Charles (2000) who stated that, "training is teaching organization members, how to perform their current jobs and helping them acquire the knowledge and skills they need, to be effective performers". Wherever people are working, they need to be trained, to undergo training sessions. Robert (1995) says that, no matter how carefully job applicants are screened, typically a gap remains between what employees do know and what they should know. Training is needed to fill this knowledge gap.

Armstrong (2006) definition's of training is very fitting to conclude. He sees training as, "involving the use of formal processes to impact knowledge and help people to acquire the skills, necessary for them to perform their jobs satisfactorily".

George and John's (1991) definition of employee development, is equally conclusive, they defined it as the human resource activities, designed to enhance, the value of employees, after they have joined the organization. It encompasses internal staffing; which involves moving people between jobs and work roles within the organization.

2.6 Training, Manpower Development and Organizational Performance

Although, a lot of writers like David (2002) opines that, "one must develop a mind set, that recognizes there are many solutions, to employee performance problems, other than training", and that there are situations, when training is not always the appropriate intervention, where an organization may need a job aid, an electronic performance

support system, more and better information, getting to the people doing the work or additional resources. But these, does not in any way down play the importance of, and role of training in organizational performance. Gloria (2010) states that, there are two ways training and education, can impact on organizational performance: The first is, that it leads to increased knowledge and skills, which then improves service delivery and client satisfaction. While the second, is the less obvious; employees need to experience, just how committed we are to them, training is viewed by them as a yard stick; this leads to staff satisfaction, which causes employees to develop a strong staff engagement attitude, consequently culminating in high level of staff retention, which in the end impacts positively on overall organizational performance. One of the factors that impact greatly on organizational performance, even in the banking industry is high turnover of bank employees.

Stephen and Mary (2003) asserted that academic research, suggest that job related training, improves organizational effectiveness. They cited the case of Canadian Tire, a leading Canadian retailer of automobile and home improvement products, who estimates that \$50 invested in customer service and related training programmes can yield, pay back of \$500 a year in increased profits.

George and John (1991) states in their book, that Motorola's head of training, in answer to the question; of whether all their great investments, in the training of their workers was paying off? Said, "we are running a rate of return of about 30 times the dollars invested". The authors said companies now regard training as no less a part of their strategic investments, than plants and equipments. It is seen as a vital component in building competitiveness. They also said, the need for training has become a priority, for technology cannot be dumped on top of organizations, whose employees are not ready for it. However, training must be linked to other human resource activities. Lastly, Courtland and John (2001) informs, that company managers are wondering, how they can train and motivate their employees to give top notch service.

2.7 Why organizations are not completely for training and manpower development.

Most successful companies recognize that, employees are indeed their most valued assets. This knowledge has fueled the rising emphasis, on hiring the right people, to help a company reach its goals and then overseeing their training and development, motivation, evaluating and compensation. They offer training and retraining because employee competence has a direct effect on productivity and profits. They gave the example of Walmart, where the senior vice president of human resources, Coleman Peterson believes that training is the most important part of human resources management. Which in other words means, the lack of training and man power development could be significant reason for organizational non performance?

The question one may be tempted to ask is; if indeed employee training and man power development affect organizational performance, why are organizations not completely for it?

Many organizations worry that employees, who develop new or improved skills, might leave them for higher paying jobs. Do you believe same? However, according to Courtland and John (2001), studies show the contrary is true. The more training given to employees, the more likely they will want to stay, because training gives them a sense, that they are going somewhere in their careers, even if they are not getting a promotion.

Luiz et al (1995) echoes the voice of many organizations, by stating that, "training can be quite expensive". But Armstrong (2006) says that, human resource management argument is that people are not to be seen as a cost, but as an asset to invest, thereby adding to their inherent value. He quoted Storey (1995), who stated that "HRM is an approach to labor management, which treats labor as a valued asset rather than a variable cost, and which consequently counsels investment in the labor resource, through training, development, and through measures designed to attract and retain a committed work force".

However, there are indications that when money is spent wisely, training is definitely worth the investment.

Many organizations actually have doubts as to whether training may work. According to George and John (1991) this is because, "despite sizeable budgets, good intentions and real needs, many training programs fail to achieve lasting results, due to vague training goals and poorly executed evaluations. It is true that many organizations spend millions or billions on training and never know if it works, but techniques exist to link training to results.

2.8 THE TRAINING PROCESS

Luiz et. al (1997) states that "effective training can raise performance, improve morale and increase an organization's potential". But in order to maximize the benefits of training, the designers and implementers, must monitor the training process. They must realize that a well designed training program, emanates from the strategic goals of the company.

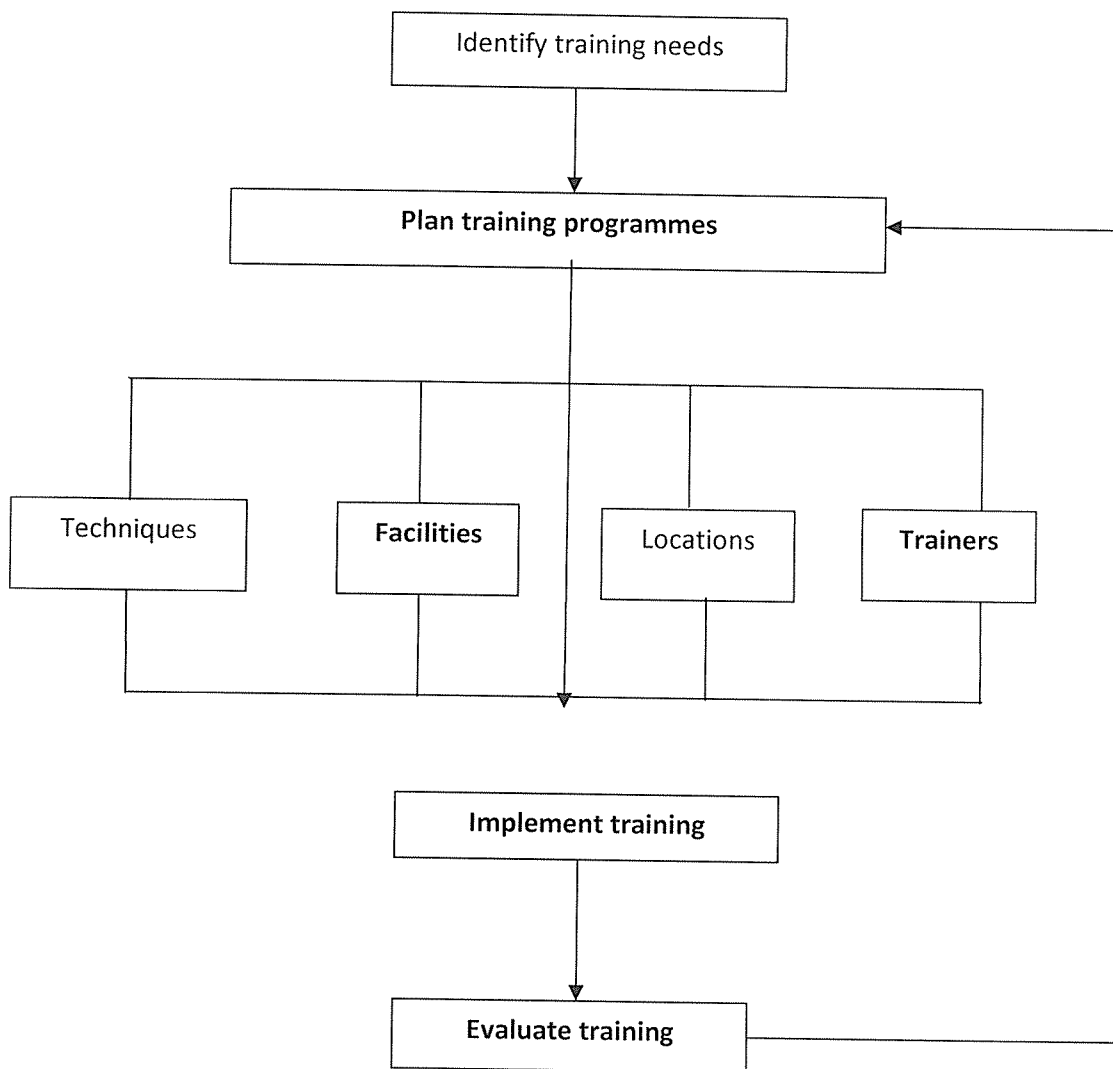
Many organizations, implements training programs that are ineffective, because of many factors; Some design and implement training programs, that has no link with organizational goals but for their faddish popularity", and not because the organization needs it. Other factors; could be poor, inappropriate or inadequate training, the organization culture towards learning and improvement, the morale and perspective of the training participants, can also affect the results of the training, the organization's adhoc approach to training and so on.

Armstrong (2006) argues that training should be systematic in that, it is specifically designed, planned and implemented to meet defined needs".

He also cited a systematic training design adapted from the United States of America training board in the 1960's. It consists of a four stage model.

1. Identify training needs.
2. Decide what sort of training is required to satisfy these needs.
3. Use experience and trained trainers to implement training.
4. Follow up and evaluate training to ensure that it is effective.

Figure 2: Systematic training model



As the organisation's needs are different, so also are the skills, problems they face at the business place, necessitating different training programmes, to address these types of skills.

George and John (1991) mentioned thirteen types of skills taught by the United States organisations. They are Management skills and development, Supervisory skills, Technical skills and knowledge, Communication skills, Basic Computer skills, New methods and products, customer relations and services, clerical and secretarial skills, personal growth, executive development, employee and labour relations, wellness, sales skills, customer education, and remedial basic education. Any organisation or bank that wants to achieve their goals should endeavour not to leave its employee to themselves, but to ensure that these skills are taught to its employees. Don et al (2002) added the career development factor. The authors said most people would not be satisfied to do the same job year after year; they want to grow and move into new and better jobs. The intent of development programs is to improve an employee's competencies in preparation for future jobs. So organisations should ensure people do not stagnate in a particular position and in doing the same routine.

Training methods

There are two major training methods that organisations use. Stephen et. al (2000) says most training takes place on the job, since this approach is simple to implement and is usually less expensive. However on the job training can disrupt the work place and result in an increase in errors while learning takes place. Also, some skills training is too complex to learn on the Job. In such cases, it should take place outside the work setting.

Popular on the job training methods include job rotation, apprenticeship, coaching and mentorship. While the common off the job training methods used are classroom lectures, film or video, and simulation exercises, vestibule training.

Banks should be able to properly undertake a needs assessment to identify the skill gaps, in the organisation, design and properly implement a programme, decide on the training method best applicable, and seek a capable trainer, if the organisation lacks the

specialists who can do this. They should evaluate the programme, from time to time, to ensure it is achieving the goals or set objectives.

In conclusion, Stephen et al (2000) summarized all the types of skills that employees need to be trained in, to ensure top notch performance, into three categories. Every organisation and bank employer should note them. They are technical skills which have to do with improving and upgrading an employee's ability to handle technical issues of the job. Next is the interpersonal skill, which is the ability of employees to interact effectively with his or her co-workers, ordinates and subordinates. Some employees have excellent interpersonal skills, but others require training to improve theirs. And lastly, problem solving; many employees discover that they have to solve problems in their jobs. If the problem solving skills of employees are deficient, management might want to improve these skills through training.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter described the research design and methods used in conducting the research. It also includes the population, sampling procedure, research problem, research instrument, how data was collected and analyzed.

3.1 Research design

This study used the quantitative correlation research design. I used the simple correlation method to determine the degree of relationship between organisational performance, training and manpower development. However, the study used Uganda Banking industry as a case study.

With regard to the research methods, structured interviews was conducted with ten senior management staff purposively selected from the 22 banks in Uganda; to identify their efforts or contributions to training and manpower development and inquire how this has helped improve their bank's overall employee performance.

Based on the interview findings, a questionnaire was developed and survey conducted among other things to evaluate the relationship between training, manpower development and organisational performance. This questionnaire was eventually administered to 43 staff, from ten of the 22 banks in Uganda, who were selected through systematic sampling. The survey technique was found to be the most appropriate because of resource and time constraints.

3.2 Research population

The targeted population for the study are 92 staff purposively selected from ten of the 22 banks in Uganda. But because I had limited time and resources, a sampled population of 46 respondents with similar traits was selected using the systematic sampling, whereby every 2nd element of the population was selected.

According to Amin (2005) the systematic sampling formula is one in which every Kth element of the sampling frame is selected. And to formalise the procedure:

He made: N be the population size
 n the sample size
 K the number of intervals (i.e every Kth element is to be selected)
 $N = nk$
 $92 = 46 \times 2$

3.3 Sampling procedure

I used purposive sampling based on my experience of knowledge of the respondents, who have the information I required; forty-six employees of ten of the 22 banks in Uganda, were actually systematically selected from the targeted population of 92 bank staff to respond to the questionnaires.

3.4 Sample size

As earlier explained, 46 questionnaires was administered, but only 43 questionnaires were returned, treated and analyzed as the sample size. This sample size was selected using systematic sampling.

3.5 Research Instruments

Research instruments are carefully designed tools for collecting data in accordance with the specifications of the research questions. It consists of set of questions, on the variables of interest to the researcher, which the subject will respond to. They are also

meant to translate traits into quantities. Examples of research instruments are interviews and questionnaires. These both were used in this research.

3.5.1 Interview

According to Martin (2005) an interview is an oral questionnaire where the investigator gathers data through direct verbal interaction with participants. I interviewed ten senior management staff, purposively selected from 10 of the 22 banks in Uganda. The same questions, were presented in the same manner and order, to each of the interviewee. Each question carried a fixed score scale, determined by me.

3.5.2 Questionnaire

This was a form, consisting of interrelated questions prepared by me, seeking answers to the research problems or variables of the research topic. It was a carefully designed, instrument or tool for collecting data about the research, to which the subject responds in writing.

In order, to economize time as well as receive specific responses, which are easy to analyse, I used close ended questions. Alternative or short responses to the questions were given by me in a strongly agree, agree, strongly disagree and disagree format. These questionnaires were administered to the sampled population.

3.6 Validity

This refers to the appropriateness of the instrument. A research instrument is said to be valid, if it actually measures what it is supposed to measure. Therefore I used content validity which ensures that the research instruments are designed in a way that it adequately measures the content of the topic

3.7 Reliability

This refers to the dependability of an instrument in measuring what it is supposed to measure. It is the degree to which the instrument consistently measures whatever it is measuring. So I used the rational equivalence form of internal consistency, which is an analysis of the individual test items in the questionnaires to ensure the reliability of the research.

3.8 Data analysis

After data collection, I used the percentage scores, on questions regarding training and those regarding performance, then I compared how the percentage performance on training affects the output of performance. The correlation between the two variables was established.

3.9 Editing

This process was carried out to ensure that the information given by the respondents was accurate and consistent. Editing was done by me in this respect. The answered questionnaires, that came from the field was scrutinized through cross checking for wrong entries and by standardising the information, while checking on the omissions and inconsistencies.

3.10 Ethical consideration

Many organisations are not willing to reveal their information, hence I needed to justify myself, when approaching the organisation's heads of corporate administration, in order for them to believe that the study, will be carried out purely for academic exercise. To achieve this, I collected an Introductory letter from the University, to inform the banks that I am a bonafide student of Kampala International University, pursuing a Master's of Business Administration Degree, in Human Resource Management, and that the Study was for the purposes of fulfilling the partial requirement in completing the Course.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction

This chapter is a presentation of responses as generated by the data collection instruments adopted by me. The results and findings of this study are presented according to the research hypothesis, which states that there was a relationship between training, manpower development and organizational performance. I designed and supplied questionnaires to forty six employees, from ten of the 22 banks in Uganda. Scores were assigned to each question; the highest score for each of the first five questions was five marks and the highest for each of the remaining questions was four marks. However, the first five questions assessed the independent variable; training and manpower development, while questions six to 20 assessed the dependent variable, which is organizational performance.

The respondents' total scores were taken and their percentages determined, and the results are shown below;

Table 1: The respondent's scores in training and percentage output in performance

No.	T*	P*
1	76	92
2	36	88
3	28	70
4	80	75
5	60	90
6	40	75
7	72	90

8	56	85
9	56	78
10	72	85
11	76	100
12	56	87
13	36	83
14	44	88
15	52	82
16	68	77
17	60	72
18	64	73
19	68	87
20	36	68
21	72	78
22	48	72
23	64	77
24	36	65
25	36	72
26	60	85
27	68	93
28	36	73
29	68	80
30	48	72
31	64	83
32	48	63
33	48	88
34	72	77
35	88	82

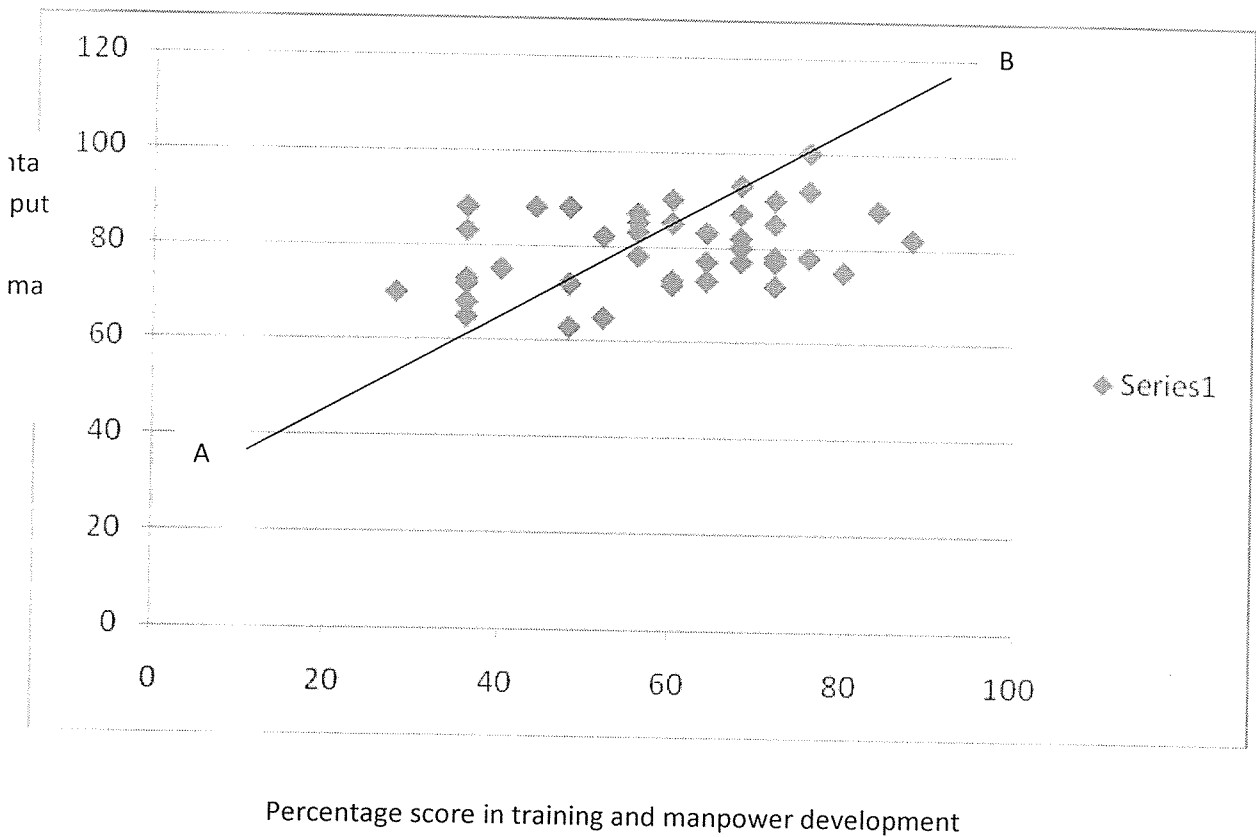
36	48	88
37	60	73
38	84	88
39	72	72
40	76	78
41	52	65
42	56	83
43	68	82

Column 1 represents the respondents who were selected by systematic sampling, while the 2nd and 3rd columns represents their percentage scores in the training, manpower development and their percentage out puts in performance consecutively.

I plotted the data shown by Table 1 on a scatter diagram, which is used to determine the relationship between two variables. Below are the results:

4.2 The Scatter diagram of the two variables

Figure 3: The Scatter diagram of the two variables



From the above it can be observed that the relationship between the respondents' percentage scores in training, manpower development and organizational performance is a positive correlation, with respect to the line AB. Which is a line of best fit that divides the points on the graph evenly as it joins at least four points on the graph.

The line AB gives us the linear relationship between the respondents' percentage scores in training, manpower development and percentage output in performance. Drawn in Table 2 were the steps, I took to obtain the equation of that line which in turn shall give us the linear relationship between training, manpower development and organizational performance.

Table 2: Percentage scores in training and percentage output in performance

No.	T*	P*	P t	t ²	p ²
1	76	92	6992	5776	8464
2	36	88	3768	1296	7744
3	28	70	1960	784	4900
4	80	75	6000	6400	5625
5	60	90	5400	3600	8100
6	40	75	3000	1600	5625
7	72	90	6480	5184	8100
8	56	85	4760	3136	7225
9	56	78	4368	3136	6084
10	72	85	6120	5184	7225
11	76	100	7600	5776	10000
12	56	87	4872	3136	7569
13	36	83	2988	1296	6889
14	44	88	3872	1936	7744
15	52	82	4264	2704	6724
16	68	77	5236	4624	5929
17	60	72	4320	3600	5184
18	64	73	4672	2096	5329
19	68	87	5916	4624	7569
20	36	68	2448	1296	4624
21	72	78	5616	5184	6084
22	48	72	3456	2304	5184
23	64	77	4928	4096	5929
24	36	65	2340	1296	4225
25	36	72	2592	1296	5184
26	60	85	5100	3600	7225

27	68	93	6324	4624	8649
28	36	73	2628	1296	5329
29	68	80	5440	4624	6400
30	48	72	3456	2304	5184
31	64	83	5312	4096	6889
32	48	63	3024	2304	3969
33	48	88	4224	2304	7744
34	72	77	5544	5184	5929
35	88	82	7216	7744	6724
36	48	88	4224	2304	7744
37	60	73	4380	3600	5329
38	84	88	7392	7056	7744
39	72	72	5184	5184	5184
40	76	78	5928	5776	6084
41	52	65	3380	2704	4225
42	56	83	4648	3136	6889
43	68	82	5578	4624	6724
TOTAL	Σt 2508	Σp 3434	Σpt 202,348	Σt² 155,824	Σp² 277,224

Obtaining the equation of the line

From the above table:

$$N = 43, \Sigma p = 3434, \Sigma t = 2508, \Sigma pt = 202348, \Sigma t^2 = 155824$$

$$\Sigma p^2 = 277224$$

Let the equation of the line AB be, $p = mt + c$

$$\text{From equation } c = \frac{(\Sigma P * \Sigma t^2) - (\Sigma t * \Sigma pt)}{(N * \Sigma t^2) - (\Sigma t)^2}$$

$$c = \frac{(3434 \times 155824) - (2508 \times 202348)}{(43 \times 155824) - (2508)^2}$$

$$c = \mathbf{67.283}$$

$$\text{And from equation } m = \frac{(N * \sum pt) - (\sum t * \sum p)}{(N * \sum t^2) - (\sum t)^2}$$

$$m = \frac{(43 \times 202348) - (2508 \times 3434)}{(43 \times 155824) - (2508)^2}$$

$$m = \mathbf{0.216}$$

Hence the equation of the line AB becomes

$$p = 0.216t + 67.283$$

(Equations were obtained from statistics 3rd edition by Murray and Larry 2000.)

The above equation with a positive gradient proves that there is a positive correlation between percentage output in performance and percentage scores in training.

It further implies that an increment in training will result to an increment in performance or a decrement in training consequently leads to a decrement in performance.

Correlation Coefficient

To know the degree to which the above two variables are relative we need to find the correlation coefficient.

I opted to use the product moment correlation coefficient as shown below:

$$\begin{aligned} \text{From} &= \frac{\sum pt}{\sqrt{(\sum p^2) * (\sum t^2)}} \\ &= \frac{202348}{\sqrt{277224 \times 155824}} \\ &= \mathbf{0.97} \end{aligned}$$

As from the above result the correlation coefficient is very high, hence supporting the hypothesis that the role played by training and manpower development does have a great effect on organizational performance.

Table 3: Responses to each question on the research instrument

No.	Poor	Fair	Good	V/Good	Excellent	Zero
1	0	2	32	6	1	2
2	0	1	33	8	0	1
3	0	2	19	10	1	11
4	8	3	18	13	1	0
5	4	4	12	16	4	3
	Strongly Agree	Agree	Disagree	Strongly Disagree	Zero	
6	29	14	0	0	0	
7	3	6	19	15	0	
8	1	1	21	20	0	
9	11	19	4	7	2	
10	25	16	0	2	0	
11	19	19	2	1	2	
12	25	18	0	0	0	
13	20	21	2	0	1	
14	16	22	0	1	0	
15	27	15	1	0	0	
16	14	22	5	0	2	
17	8	15	15	4	1	
18	24	17	2	0	0	
19	27	15				
20	15	27	1			

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The findings discovered, in the research will be related, with respect to the way, they address the research questions, stated by me in the topic; the importance of training and manpower development on organizational performance.

I, analyzed the responses of the 43 respondents, in order to categorize and ascertain how many of the respondents ticked, strongly agree, agree, disagree or strongly disagree, which results were shown in table three.

5.1 Findings of Research Question One

Are there any other factors aside from training and manpower development that can affect organizational performance?

It was discovered that 27 of the respondents strongly agreed, 15 agreed while one never responded to question 19 on the research instruments. When computed in percentages, I discovered that 98% of the respondents agreed, that there are other factors, aside from training and manpower development, that can affect an organization's performance.

These other factors that can impact organizational performance are recruitment and selection, compensation and benefits and performance appraisal. Organizations must strive, for consistency to ensure that these four generic activities, of human resource management, are adequately implemented. Organizations must take care to recruit and select employees that are competent to deliver on their set goals. They must ensure

that their employees are well compensated, so much so that they must feel there is equity and fairness in what they receive.

Performance appraisals are carried out periodically to assess, if employees are meeting targets and if there is any shortfall, to know what should be done. It is through appraisal reports that employees are promoted, re-deployed or sent for training. So, in the case of non performance, organizations should evaluate all of these activities, in order to identify the appropriate measures to introduce.

5.2 Findings of Research question two

Is lack of training and manpower development a significant reason for organizational non performance?

This question was the number 18 question on the research instrument. From table 3, you can see that 24 of the respondents ticked strongly agree, 17 of the respondents ticked agreed, while two respondents ticked disagree. The numbers of those who strongly agree and agree were summed up and the percentage was calculated. The researcher discovered that 95% of the respondents agreed that lack of training and manpower development is a significant reason for organizational non performance.

This result is indeed significant and confirms the opinions of the various authors, we mentioned in the literature review, who affirmed the importance of training and manpower development to organizational performance. In chapter two, article eight, I wondered; if indeed, training and manpower development is regarded, by many organizations and their managers as important to an organization's performance, why were many organizations not putting their pockets where their mouths are. We saw that no matter how well recruited and selected employees are, you definitely need to train workers from time to time, especially with the rate and speed of technological advancements.

There is also a need to balance your training methods. Too many companies rely on and implement only, on the job training (OTJ). While off the job training is neglected or despised because they feel the employee will be taken out of the job environment.

And they miss the purpose which is to train them; for they would soon return, more efficient and effective to the job.

5.3 findings of research question three

Is there a relationship between employee training, manpower development and organizational performance?

I focused a lot on this question. Step by step analysis on the findings was related in chapter four. However as a summary, I took the respondents scores, in their answers to the training questions, as well as, their scores in answers to the performance questions. Both the percentage scores of the dependent and independent variables were calculated. A scatter diagram was plotted to determine, the relationship between training, manpower development and organizational performance. I discovered, there was a positive correlation, this was confirmed by the results which was $p=0.216t+67.283$.

The correlation coefficient was also determined to know the degree to which the two variables are relative.

From the foregone it was proved and established that, there was a relationship between the variables such that an increment in training and manpower development also led to a corresponding increment in organizational performance. Or vice versa; a decrement in training and manpower development will also result in a decrease in performance. Consequently the importance of training and man power development to organizational performance cannot be over emphasized. Companies especially banks in Uganda must invest in employee training and manpower development, if they are going to benefit

anything from this globally highly competitive industry. Otherwise the foreign players will continue to dominate and control the industry. Whatever is invested in training definitely has greater dividends for the organization.

5.4 Findings of research question four: can training and manpower development mitigate the performance gaps in Uganda banking industry?

This question captures the purpose for the research in the first place.

It was the problems encountered by the clients of banks in Uganda; like wrong computation of interests, increase in fraud rates, lack of ethics and confidentiality amongst banks staff, lack of customer care, prolonged waiting at bank's queue, inability to compete with foreign players etc that caused me to undertake the study. I consequently devoted more questions in the research instrument, to assess if training and manpower development can mitigate the performance gaps in Uganda banking industry.

The opinions and conclusions of the respondents to questions 11 to 18 of the questionnaires revealed to a great deal how training and manpower development actually lead to organizational performance. The enlightening thing about their views was that it was overwhelming. Let us look at how they responded to the questions:

To question 11: Do you agree that your training and manpower development activities reduced wastage of time in customer service delivery? Eighty eight percent (88%) of the respondents both agreed or strongly agreed that training and manpower development does help.

To question 12: Do you agree training and manpower development leads to employee and customer satisfaction? One hundred percent (100%) of the respondents both agreed or strongly agreed with the question.

To question 13: Do you agree, your training and manpower development helped, to eliminate or reduce work errors or mistakes? Ninety five percent (95%) of the respondents agreed or strongly agreed it does eliminate or reduce work errors.

To question 14, twenty six (26) of the respondents agreed and sixteen (16) of the respondents strongly agreed, summing up to 98% percent of the respondents, who agreed and strongly agreed that training and development could lead to increased sales or marketing volumes.

To question 15: Do you agree that training and manpower development improves the quality and quantity of your work performance? Ninety eight percent (98%) again agreed or strongly agreed.

To question 16: Do you agree that training and manpower development leads to job proficiency and lowers equipment failure rates? Eighty four percent (84%) of the respondents agree and strongly agree to the question.

To question 17: Do you agree that training and manpower development can lead to low turn over, which could be a factor affecting organization performance? Fifty three percent(53%) agree and strongly agree, while forty four percent(44%) disagreed and strongly disagreed?

To question 18: Do you agree that you, the organization will perform better, if you have more training? Ninety five percent (95%) of the respondents agree or strongly agree to the question.

From the above deductions, I discovered that an overwhelming percentage of the respondents opined that training and manpower development does mitigate performance gaps in the Uganda banking industry. In the entire questions, except question 17, there was always above 80% positive response. Question 17 scored 53%

response, because of my error, the question I wanted to measure was, do you agree that lack of training and manpower development can lead to low turn over, which could be a factor affecting organizational performance?

5.5. Conclusion

It has been discovered from this research that there are other factors aside from training and manpower development that can affect organization performance. These factors are recruitment and selection, compensation and benefit, and performance appraisal. However, Ninety eight percent (98%) of the respondents agreed and strongly agreed to the 19th item on the research instruments. Which was; do you agree that there are other factors apart from lack of training and manpower development affecting organizational performance?

The research revealed also that ninety five percent (95%) of the respondents, agree and strongly agreed that lack of training and manpower development is a significant reason for organizational non performance. As to whether there is a relationship between employee training, man power development and organization performance. The research results, proved that there was a significant relationship between the variables. When one increases, the other also displays a corresponding action, and vice versa.

We found out that training and manpower development mitigate the performance gaps in Uganda banking industry. This was over whelmingly proven by the response of the respondents to the questions discussed.

5.6. Recommendations

Based on the findings of this research which affirmed, a positive correlation between the variables; training, manpower development and organizational performance, the following recommendations are made;

1. Banks in Uganda must step up their training and manpower development activities, if they are going to compete successfully with their global counterparts. There must be a budget allocation for Training. They must not only talk of the importance of training but must reserve some reasonable amount of money to be invested in training their staff. For, they will reap the benefits; in better performance and profits.
2. In order to deal with the fears of expensive training expenditures; training could be an in house undertaking. Or some staff could be selected to undergo train the trainer's courses, to promote skill transfer.
3. The central bank of Uganda, which is the controlling body of all the banks should educate and ensure that banks lay aside some of their profits to train and develop their staff. That although Banks can seek the qualified for entry in levels, however refresher courses should be compulsory for bank's staff.
4. This research, did not exhaust everything about training and manpower development. So, future research work could be under taken by interested researchers, on the following titles:
 - a). Employee competence has a direct effect on productivity and profits.
 - b). Organizations that invest adequately in training and manpower development perform better than Organizations that do not.
 - c). The importance of compensation and benefits on Organizational performance.
 - d). The importance of Recruitment and Selection on Organizational performance.

REFERENCES

- Allan R, (1993) *The Portable MBA in Management*. New York: John Wiley and sons Inc.
- Armstrong M. (2006) *A handbook of Human Resources Management Practice* London: Kogan page.
- Armstrong M. (1984) *Personnel and Training Data book*. London Kogan page.
- Courtland B & John T (2001)
- Courtland, L., & J. V. (2001) *Business in action-Step into the world of opportunity in the 21st century*. New Jersey: Prentice Hall, Upper Saddle River.
- Don, H, Susan J. and John S., (2002) *management: A Competence based approach*. Ohio: Thomson south western.
- Gareth, J., Jennifer G & Charles, H (2000) *Contemporary Management*. USA: McGraw Hill.
- George, M. & John, B. (1991) *Human Resources Management*. USA: Richard D. Irwin, Inc.
- Kreitner (1995) *Management*. Houghton Mifflin Company.
- Lawrence, G., & Carl, M. (2002) *The Future of Business* USA: south western publishing
- Luiz, G David B., Robert, C. & David, D (1995) *Management Human Resources* New Jersey: Prentice Hall Inc.

Luiz, G. (2002) *Management*. USA: McGraw Hill.

Murry R. Spiegel, Larry J. Stephens, (2000), *Statistics*, 3rd ed. New York
Tata McGraw Hill.

Richard, D. & Dorothy, M., (2004) *Understanding Management*. Ohio: Thomson-South
Western.

Ricky, G., (1999) *Management*. USA: Houghton Muffling Company.

Ritva, R., & Paul, C. (2001) Uganda Recovery-The role of Farms, Firms and the
Government. Kampala: Fountain Publishers P.O.BOX 488 Kampala.

Ronald, E. & Ricky, g. (2005) *Business Essentials*. New Jersey: Person Prentice Hall.

Stephen, M., Mary, G. *Organizational Behavior*. (Emerging realities for the work place)

Stephen, R., Mary C., & Robbins, S. (2000) *Management*. Canada: Prentice Hall

Susan, J & Randal s. (2000) *Managing Human Resources A partner's perspective*. USA:
South Western Publishing.

Journals

David R (2002) *Improving Employee Performance: Moving beyond traditional responses*. Retrieved on July 23rd 2010 from the World Wide Web: <http://www.ispi.Org/pdf/>

Suggested reading/Ripley Pdf

Gloria, B. (2010) Case Study: *Measuring the Effects Of Training on Organizational Performance, Employee engagement and staff retention*. Retrieved on (July 23rd 2010) from the organizational performance World Wide Web: [http:// www.](http://www.Conferenz)

[co. nz/ content/ white papers \(2010/Gloria budgen Paper. Pdf](http://www.co.nz/content/white_papers(2010/Gloria_budgen_Paper.Pdf)

Kenya Instititue of Management Retrieved on July 23rd 2010 from the World Wide Web: www.opi-africa.com

Quality Texaz Foundation, Retrieved on July 23rd 2010 from the World Wide Web: www.texas-quality.org.

Wikipedia, Retrieved on July 23rd from the world wide web:[http://en. Wikipedia.](http://en.Wikipedia.org/wiki/list_in_uganda)
[org/wiki/list_in_uganda](http://en.Wikipedia.org/wiki/list_in_uganda)

APPENDIX I: TRANSMITTAL LETTER



KAMPALA
INTERNATIONAL
UNIVERSITY

P.O.BOX 20000
KAMPALA- UGANDA.
TEL:-041-266813

OFFICE OF THE COORDINATOR, BUSINESS AND MANAGEMENT - SCHOOL OF POSTGRADUATE STUDIES AND RESEARCH

Dear Sir/Madam,

20th Sept, 2010

**RE: REQUEST FOR OLATUNDE YESUFU, REG. NO. MBA/19240/72/DU
TO CONDUCT RESEARCH IN YOUR INSTITUTION.**

The above mentioned is a bonafide student of Kampala International University pursuing a Masters of Business Administration (Human Resource Management Option).

He is currently conducting a field research the title of which is **"The Importance of Training and Manpower Development on Organizational Performance. A Case Study of Uganda Banking Industry"**. As part of his research work he has to collect relevant information through questionnaires, interviews and other relevant reading materials.

Your institution has been identified as a valuable source of information pertaining to his research project. The purpose of this letter is to request you to avail him with the pertinent information he may need.

Any information shared with him will be used for academic purposes only and we promise to share our findings with your institution. Rest assured the data you provide shall be kept with utmost confidentiality.

Any assistance rendered to him will be highly appreciated.

Yours truly,

Mr. Malinga Ramadhan
Coordinator

Business and Management-School of Postgraduate Studies and Research

APPENDIX II: RESEARCH INSTRUMENTS

A; QUESTIONNAIRE

Dear respondent, this questionnaire seeks to gather data on the importance of training and manpower development on organization performance, a case study of Uganda Banking industry. The purpose of this research is purely academic. However, the researcher hopes that the findings may be of great importance to your organization. Be free to provide information to this effect. The information you provide will be treated with utmost confidentiality.

Organization.....

Designation.....

Number of years spent in the organization.....

Number of years as a banker.....

Direction: please write your best response, which indicates the role of employee training and development on organization performance in the blanks provided. Kindly utilize the rating below: to answer question 6-20, by ticking the appropriate box.

Rating guide	Response category	Description
4	Strongly agree	You agree with no doubt at all
3	Agree	You agree with some doubt
2	Disagree	You disagree with some doubt
1	Strongly disagree	You disagree with no doubt at all

And please answer question 1-5 freely.

1. Educational qualification

1.1 possess the needed professional educational qualification required by the position
.....

2. Job Knowledge

2.1. Do you have understanding of your department and its functions?
.....
.....

3. What is your level of professional training?

.....
.....

4. Were you trained to do your job?

.....

5. What training programme have you under gone?

.....

6. Do you agree that organizations should examine the quality and quantity of your work out put?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

7. Do you agree that training and man power development is an employee and not organizational concern?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

8. Do you agree that training and man power development is a waste of time, effort and money?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

9. Do you disagree that the past training you attended improved your work performance?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

10. Do you agree, you are valued by an organization when they invest in your training, and make plans for your development?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

11. Do you agree that your training and manpower development activities reduced wastage of time in customer service delivery?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

12. Do you agree training and manpower development leads to employee and customer satisfaction?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

13. Do you agree, your training and manpower development helped to eliminate or reduce work errors or mistakes?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

14. Do you agree that your training and development could lead to increased sales or marketing volumes?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

15. Do you agree that training and development improve the quality and quantity of your work performance?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

16. Do you agree that training and manpower development leads to job proficiency and lower equipment failure rates?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

17. Do you agree that training and manpower development can lead to low turn over which could be a factor affecting organizational performance?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

18. Do you agree that lack of training and manpower development is a significant reason for organizational non-performance

Strongly Agree

Agree,

Strongly Disagree,

Disagree

19. Do you agree that there are other factors apart from lack of training and manpower development affecting organizational performance?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

20. Do you agree your performance after training is better than before training?

Strongly Agree

Agree,

Strongly Disagree,

Disagree

B: INTERVIEW GUIDE FOR SENIOR MANAGEMENT EMPLOYEES IN THE UGANDA BANKING INDUSTRY

1. Do you agree that effective training and manpower development have a positive effect on organizational performance?
2. Does your organization have training programs for its staff? And what are they?
3. What are your organizations training or work performance improvement strategies?
4. Informal and formal training programs are used to build employees, which program does your organization utilize?
5. Is the employee performance after training better than before training?
6. Is the amount of training given in your organization adequate to ensure top notch performance?
7. Do you agree that an organization's training expenditure is a rough index of their attitude to training?
8. Do you agree that an organization's fear, of losing their workers after training, should not surpass their concern for incompetent, non performing employees?
9. Do you agree that on the job training alone is not adequate for organizational performance?
10. Did training and man power development improve the quality and quantity of your workforce performance?

APPENDIX III: LIST OF BANKS IN UGANDA

This is a list of commercial banks in Uganda

1. ABC Capital Bank
2. Bank of Africa
3. Bank of Baroda
4. Barclays Bank
5. Cairo International Bank
6. Centenary Bank
7. Citibank
8. Crane Bank
9. DFCU Bank
10. Diamond Trust Bank
11. Ecobank
12. Equity Bank
13. Fina Bank
14. Global Trust Bank
15. Housing Finance Bank
16. Kenya Commercial Bank
17. National Bank of Commerce
18. Orient Bank
19. Stanbic Bank
20. Standard Chartered Bank
21. Tropical Bank
22. United Bank for Africa

APPENDIX IV : PROPOSED TIME FRAME

Task	Weekly	Activity
Idea/Topic generation	December week 1-2 (2009)	Feasibility study on option generated
Topic selection	January week 3-4 (2010)	Decision of problem to Work on. Approval of the topic by the university
Proposal	March- April week 5-12 (2010)	Documentation of the proposed work. Submission to the University
Data collection	May Week 12-16	Distribution of Questionnaire Physical observation Interview
Documentation	June week 16- 20 (2010)	Tabulation of data Evaluation Binding
Presentation	July week 20-25 (2010)	Project Report Approval by the University and the supervisor and Defending

APPENDIX V: PROPOSED BUDGET

BUDGET	
ITEMS	COST
Typing and Printing	40,000/=
Internet Surfing	20,000/=
Transport to the Company	15,000/=
Libraries Study	8,000/=
Binding	12,000/=
Stationeries	25,000/=
TOTAL	120,000/=

APPENDIX VI: CURRICULUM VITAE

SURNAME: YESUFU
MIDDLE NAME: ABUDU
LAST NAME: OLATUNDE
ADDRESS: P.O.BOX 23501, KAMPALA
TELEPHONE NO.: 071-2849756
MARITAL STATUS: MARRIED
DATE OF BIRTH: JUNE 27th, 1966
COUNTRY: NIGERIA
STATE: EDO STATE
PLACE OF BIRTH: LAGOS, NIGERIA

EDUCATION AND INSTITUTIONS ATTENDED WITH DATES

Primary Education

Shamsideen Primary School 1972-1979
Ojuelegba, Lagos State

Secondary Education

Birch Freeman High School 1979-1984
Akanbi Crescent, Lagos State

Tertiary Institutions

University of Benin 1987-1991
Benin-City, Edo State
Bachelor's Education History

The Redeemed Christian Church of God 1999
Bible College
Post Graduate diploma in Theology

Job Experiences

The Redeemed Christian Church of God

Position held – Uganda Country Coordinator

2008 – up-to-date

The Redeemed Christian Church of God

Position held -Branch Pastor

2000 – 2008

The Redeemed Christian Church of God

Position held – Church Administrator

1997 – 2000

Entrepreneur

1995 – 1997

Secondary School teacher

1993 – 1995

HOBBIES

Reading, watching movies and travelling to places of interest.

