**THE IMPACT OF HUMAN RESOURCE TRAINING AND DEVELOPMENT IN CREATING COMPETITIVE ADVANTAGE IN THE TANZANIAN BANKING SECTOR: THE CASE OF EXIM BANK TANZANIA LIMITED**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF HUMAN RESOURCE MANAGEMENT (MHRM)**

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## CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by The Open University of Tanzania a dissertation titled; “The Impact of Human Resource Training and Development in Creating Competitive Advantage in the Tanzanian Banking Sector: The Case of Exim Bank Tanzania Limited” in partial fulfilment of the requirements for the award of the Master of Human Resources Management.

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Dr. Salvio Macha

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Date

## DECLARATION

I, Subilaga Mwandiga, do hereby declare that this dissertation is my own original work except where it has been duly acknowledged and that it has not been submitted for a similar degree or award to any other university or institution of higher learning other than The Open University of Tanzania.

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## DEDICATION

This dissertation is dedicated to my family whom their love and perseverance inspired me to pursue this course.

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## ABSTRACT

Human resources training and development has been identified by various scholars to be crucial to an organization. Training activities that focus on creating competitive advantage are important for a bank or any organization operating in a dynamic and competitive business environment. This study explored the impact of human resources training and development on creating competitive advantage in the banking sector in Tanzania. The case bank for the study was Exim Bank Tanzania Limited. Data were collected using questionnaire survey and interviews to the selected employees and key persons in the human resource directorate. The data analyzed using Microsoft Exel-2007 intergrated package on a personal computer and the SPSS software. The study found that human resources training and development greatly affects the bank’s ability to create competitive advantage and hence has direct effect on performance as well. Furthermore, the study revealed that human resources training and developing activities that consider employees’ needs, knowledge and skills gaps are expected to produce higher impact results on the bank’s competitive advantage. These activities play a key role in the bank’s products and services design, employee commitment and creating tacit knowledge that is only for the particular bank. The effect of human resources training and development was also discovered to result into increase in sales, profitability, customer loyalty, effective problem solving and non-financial and financial organizational performance. The study recommends that banks and all other organizations need to develop strategies for and around the adoption of human resource training and development practices for creating competitive advantage for their own survival.

Keywords: *Training, Development, Human Resource & Competitive.*

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## LIST OF ABBREVIATIONS

ATMs Automated Teller Machines

BoT Bank of Tanzania

CRDB Cooperative and Rural Development Bank

ICTs Information and Communication Technologies

NBC National Bank of Commerce

NBFIs Non-Bank Financial Institutions

SPSS Statistical Package for Social Sciences

TBC Tanzania Bank of Commerce

THB Tanzania Housing Bank

TIB Tanzania Investment Bank

TRDB Tanzania Rural Development Bank

TZS Tanzanian Shillings

# CHAPTER ONE

# INTRODUCTION

## 1.1 Background of the Study

The increasing pressures from the rapid changes that are occurring in the business environment have led to a variety of responses among organizations. According to Daud (2006), globalization of production and markets, the rate of technological innovation and fluctuation in consumer demand are among the factors that have increased the dynamism of the competitive environment to which organizations must respond. In order to survive and obtain advantages in this environment, it is necessary for the companies to be able to innovate and assimilate new knowledge in order to guarantee the sustainability of competitive advantage. It has been suggested that for organization to compete successfully, it is important to hire sufficiently educated and skilled employees and provide them with lifelong learning and development (Cross and Israelit, 2000; Nadler and Wiggs, 1986; and Chalofsky and Reinhart, 1988).

Cole (2002) reveals that training enables most organizations meet their goals and objectives. He further argues that in so doing employees are able to learn new work concepts, refresh their skills, improve their work attitude and boost productivity (Cole 2002). For banks including Exim Bank Tanzania Ltd need a well trained and dynamic workforce to survive in the ever competitive banking industry in Tanzania. One resource recently recognized as providing a source of competitive advantage is the human resources of the organization and it is widely accepted that people in organizations are an important source of competitive advantage for firms (Pfeiffer, 1994), training and development enables human resources to learn new ideas, become efficient in production and communicate well with the team and groups in the organizations, the higher degree of training increases human resources satisfaction and competitive advantage to the organizations (Choo and Bowley, 2007).

Most organizations strive to compete in the global economy, differentiation on the basis of the skills, knowledge, and motivation of their workforce takes on increasing importance. A recent industry report by the American Society for Training and Development (ASTD) observed that U.S. organizations alone have spent a lot of money on human resources training and development, where most of the training programs are assessed in terms of their financial benefits to the organization (Swanson, 2001; and Paradise, 2007). While Malaysian government has supporting human resources training and development in order to increases the competitive advantage to their manufacturing organization, the government has introduced and implemented the Human Resources Development Act (1992), and range of support mechanisms, incentives and initiatives to assist the manufacturing sector, the Malaysian government believes that investment in human resources is the key to the success of the country economic growth.

In the past decade, the banking sector in Tanzania has been reportedly growing so fast and new banks are entering the sector at a high rate. With a total number of 40 fully fledged commercial banks, 3 development financial institutions, 11 community market. Almost all banks in Tanzania, including Exim Bank Tanzania Limited, are trying to devise strategies that manage and reduce the impact of the sector’s fierce competition on their performance and ultimate survival. One key competitive strategy is hastening the productivity of the banks’ strategic assets, and human resources are critical in this case.

Developing a sustainably productive human resource is an indispensable element in service organizations like banks whenever it is imperative to create a competitive edge over other organizations. Human resources are an important part of an organisation’s intangible assets, which basically comprise all aspects of competencies of an entity’s people. For banks like Exim Bank Tanzania Limited, these competencies include various professional banking skills, education, and practical experience in banking, potential and capacity which are critical in developing human resource competitive edge.

Richard (2001) observes that human resource development is the means for creating competitive advantage as people are one of the most important assets in organizations. Developing human resources with a focus on enhancing management and workforce skills can be an important competitive strategy. However, human resource development in banks just like in most organisations is one of the key challenges facing the management in formulating competitive strategies. It is argued that the cost effective way to create sustainable competitive advantage is an organization’s ability to develop a unique team (Brown, 2007). This can have an impact in the performance of the organization. For Exim Bank Tanzania Limited, human resource training and development has been treated as a key strategy to management competition in the banking sector in Tanzania. The bank has established Exim Bank Academy, which has the main role of training and developing the staff in order to support the bank’s operations.

In regard to the above discussion, this study investigated the impact of human resources training and development on creating competitive advantage in the banking industry in Tanzania using Exim Bank Tanzania Limited as a case organization.

## 1.2 Statement of the Research Problem

Despite the increasing effects on training of organizational employees by organizations, but still there limited literature on the impact of human resource training and development in creating competitive advantage, especially in banking sector (Debrah and Ofori, 2006). It is further worth noting that while much is known about the economics of training in the developed world, studies of issues associated with the impact of human resources training and development especially in banking sector in less-developed countries are rarely found (Harvey 2002 and Kamoche 2002).

This study will contribute in minimizing this gap in the literature and thereby establish the basis to understanding aspects of the impact of human resources training and development in creating competitive advantage in the banking sector in Tanzania, as researcher intended to conduct this study by find out, involvement of human resources in training and development programs, benefit of training and development to organization performance and how human resources conduct and social activities can affect organization in creating its competitive advantage. Bearing in mind that human resources are the vital assets of the firm, employees prove to be a good source of gaining competitive advantage and training is the only way of developing organizational intellectual property through building employees competencies (Houger 2006; and Nassazi, 2013).

With many banks in Tanzania reportedly performing poorly, the impact of the competition can easily be observed. Kimei (1998) reports that bank failures has been experienced in more than 40 countries in Africa, including Ghana, Burkina Faso, Cameroon, South Africa, Kenya, Congo, Burundi, Tanzania and Uganda. Poor performance of banks is linked to lack of competitiveness of the individual bank. The stiff competition in the banking sector in Tanzania has meant that only those banks with competitive advantage will survive and achieve their desired performance. Identification and development of the strategic resources is believed to be vital in this regard. For banks, human resources are one of the critical assets for achieving competitive advantage. Actually, suggests that organizations such as banks should integrate various human resource management functions and establish the link between these functions and their business plans. All human resource functions should be aligned with the organizational strategic objectives.

In a study by Dele et al (2015), it was discovered that there is a significant relationship between human resource management practices, one of which was training and development, and performance of commercial banks. Thus, in a competitive banking sector human resource management practices including training and development can be vital in creating competitive advantage for achieving strategic performance. Although Newenham-Kahindi (2009) noted that the banking sector in Tanzania has created more jobs in the recent years, turning these human resources into strategic tools for attaining competitive advantage is critical for banks.

Thus, for effective human resource training and development as a strategy for creating competitive advantage, it is important for banks and other organizations to identify people competencies concurrently with their business needs and design recruitment and human resource training and development practices to secure and enhance those competencies and support these initiatives with performance evaluations that focus establishing linkage between employee performance and attainment of strategic goals. Adopting this strategy is believed to be the key for banks to create competitive advantage.

In Tanzania, one of such banks that have successfully adopted this strategy is the Exim Bank Tanzania Limited. Determining whether maintaining a well-skilled workforce has been a key strategy for surviving the stiff competition in the banking sector in Tanzania, is vital to understanding if human resource training and development helped Exim Bank Tanzania Limited to create competitive advantage. This study explored the impact of human resource training and development in creating competitive advantage in the banking sector in Tanzania. The case study approach was used for this research with Exim Bank Tanzania Limited.

## 1.3 Research Objectives

## 1.3.1 General Research Objectives

The general objective of this research is to investigate the impact of human resource training and development on competitive advantage in the banking sector in Tanzania.

## 1.3.2 Specific Research Objectives

More specifically, the study will be conducted with the view of achieving the following objectives:

1. To determine whether human resource training and development programs contribute to the bank’s ability to create competitive advantage;
2. To explore how the bank’s employees’ conduct affects its competitive advantage;
3. To examine the effect of the bank’s management and employee social activities on competitive advantage.

## 1.4 Research Questions

The preceding objectives arouse the researcher’s interest through the following questions to answer the objectives.

## 1.4.1 General Research Question

What is the contribution of the human resource training and development programs in creating competitive advantage in the banking sector?

## 1.4.2 Specific Research Questions

1. What is the effect of human resource training and development programs on the bank’s ability to create competitive advantage?
2. Does the banks’ employees conduct affect its create competitive advantage?
3. What is the effect of the bank’s management and employee social activities on creating competitive advantage?

## 1.5 Relevance of the Research

The findings of this study will help banks to know how they can create competitive advantage and raise their competitiveness by adopting human resource training and development strategies that focus on recruiting and developing competent employees and management team. Furthermore, the findings enhance the understanding of banks and other financial services stakeholders to view human resource as critical and strategic resources for survival in the competitive banking sector in Tanzania. The bank management can take actions on this basis to improve their competitive advantage by adopting human resource training and development strategy in addition to financial, operational and marketing strategies.

## 1.6 Organization of the Study

This dissertation has five chapters, which include this introduction chapter. The next chapter (Chapter Two) provides a review of the literature exploring the impact of human resources training and development on creating competitive advantage in the banking sector. Chapter Three focuses on the methodology which includes the various methods of data collection, data sources, variables measurements and data analysis techniques and tools. Chapter four presents and analyses the data as well as the results. Chapter Five carries out an in-depth discussion of the findings, and provides conclusion, recommendations, and areas recommended for further research studies.

**CHAPTER TWO**

# LITERATURE REVIEW

## 2.1 Overview

Studies have indicated that an organization’s pool of human resources and the behaviour of its employees can develop into a sustained competitive advantage. Developing the human resources and engaging in human resource management practices that contribute to enhancing the skills level, motivation and commitment of the employees is a vital approach towards developing competitive uniqueness and attaining organizational goals.

Banks and other organizations can adopt the human resource training and development initiatives and approaches such as designing work assignments that contribute to professional skills development of the employees, providing them formal professional training opportunities, and designing compensation strategies that will result into creating a pool of knowledgeable and practically experienced human resource. For banks in Tanzania, who have experienced high employee turnover and many workers have moved from one bank to another and given the dynamically competitive banking sector, it is imperative for them to development and enhance their human resource management practices that promote continuing skill development in their workforce. In this study, I explore the adoption of human resource training and development strategy in creating competitive advantage in the banking sector in Tanzania. This review focuses its discussion on this aspect.

## 2.1.1 The History of the Banking Sector in Tanzania

To understand the competitiveness of the banking sector in Tanzania, it is imperative to review the history of the banking sector. According to the Bank of Tanzania (2011), the evolution of banking sector in Tanzania can be broken down into three main phases. These are (i) colonial era and the period before Arusha Declaration of 1967, (ii) post Arusha Declaration and the period prior to 1991, and (iii) the period after 1991. The development of the banking sector started way back in the early 1900s. During that period, commercial banks were the dominant financial institutions in the then Tanganyika. During the German rule there were two commercial banks established in Tanganyika, namely the Deutsche Ostafrikanische Bank, which was established in 1905 and the Handelsbank fur Ostafrika in 1919. These banks were mainly for serving colonial rulers and a few businesses.

After World War I in 1918, the British took over the control of the country from the Germans. Three commercial banks were established in order to replace the German banks. These banks were the National and Grindlays Bank, the Standard Bank and the Barclays Bank D.C.O. In the early 1950s, other banks from India opened branches in Tanganyika. These were Bank of India and the Bank of Baroda, which opened branches in Dar es Salaam, Moshi and Mwanza. Other banks that established their presence in Tanganyika included an Anglo-French institution known as the Ottoman Bank, which operated in Dar es Salaam, Kigoma and Moshi.

Also, during the 1950s, specialized Non-Bank Financial Institutions (NBFIs) started to evolve. By the time of independence in 1961, the country’s banking industry was comprised of Standard Bank of South Africa, National and Grindlays Bank, Barclays Bank DCO and Ottoman Bank. Others were Bank of India, Bank of Baroda, Commercial Bank of Africa, and the National Bank of Pakistan. NBFIs which were present on the day of independence included the Post Office Savings Bank, Land Bank, Local Development Loan Fund, African Productivity Loan Fund and a few housing and loan associations catering mainly for Asians and white settlers.

After independence, the government established new financial institutions to complement those existing at that time. The Tanzania Bank of Commerce (TBC) was established in 1965 and the Government of Zanzibar established the People’s Bank of Zanzibar in 1966 to act as a government banker as well as provide financing to state-owned companies in Zanzibar. There were also other specialized financial institutions involved in financial intermediation. These were formed by assistance from the Government and external donors to assist sectors considered important for the development of the country. These are institutions like Agriculture Credit Agency, which was established in 1962, and later converted to National Development and Cooperative Bank in 1964.

In 1967, following the Arusha Declaration, all private commercial banks were nationalized and their assets and liabilities were merged resulting into the establishment of one big commercial bank, namely the National Bank of Commerce (NBC), which was wholly owned by the Government. The period after the Arusha Declaration was marked by rapid development of non-bank and development financial institutions. This was due to the increased role of public sector in development and the need to mobilize long-term funds to finance various productive sectors in the country. Tanzania Investment Bank (TIB) was established in 1970 to provide development finance to the country’s productive sectors especially large-scale industry.

Another non-bank financial institution was Tanzania Rural Development Bank (TRDB), which was established in 1972 to provide financing to the rural sector. The bank was later restructured and changed its name to Cooperative and Rural Development Bank (CRDB). In the same year, Tanzania Housing Bank (THB) was established to specialize in the financing of rural and urban residential, office and commercial buildings. Other non-bank financial institutions, which were formed, are the National Insurance Corporation, Pension Funds and the Postal Office Savings Bank.

As of the 31st December 2010, the banking sector was made up of 42 banking institutions. The total number of bank branches and agencies nation-wide was 475 most of which were concentrated in the commercial city of Dar es Salaam. Those in Dar es Salaam were 156, which accounted for 33 percent of all branches and agencies nationwide. Arusha and Mwanza had 34 branches each that accounted for 7 per cent of all branches and agencies nationwide.

According to BoT (2011), the liberalization of the banking sector in Tanzania has brought about the following advantages:

1. A significant improvement in the asset quality of banks which has led to increased profitability;
2. Increased competition in the sector, which has led to better banking services;
3. Both Liberalization of the sector and increased competition have led to better use of Information and Communication Technology (ICT) among banks and hence better service to customers. The use of ICT has helped banks to offer better services and new products to its customers like the introduction of Automated Teller Machine (ATMs);
4. Corporate governance in the banking sector has improved significantly;
5. Increased deepening of financial services due to effective and expanded branch networking and establishment of community banks; and
6. Increased lending to private sector.

## 2.2 Review of the Key Elements of the Study

### 2.2.1 Human Resource

Human resource is the people or workforce within an organisation who are performing the given tasks or doing work processes in order to achieve organisational goals and objectives. According to Mathur (1999), human resources are the accumulated stock of skills and talents, and it manifests itself in the educated and skilled workforce in the region.

### 2.2.2 Training and Development

In simplistic terms training can be defined as an activity that changes people’s behaviour. Training is the act of increasing the skills of an employee for doing a particular job. Goldstein (1993) defines training as a systematic acquisition of skills, rules, concepts or attitudes that results in improved performance in an environment. According to Armstrong (1995), “training is a systematic development of knowledge, skills and attitudes required by an individual to perform adequately a given task or job.” Chiaburu and Tekleab (2005) have defined training “as the planned intervention that is designed to enhance the determinants of individual job performance” Training is the area where organizational, industrial, and individual development can match, and where human resource and organization growth get blended together (Sundarajan, 2007). It refers to a planned effort by a company to facilitate employees’ learning of job-related competencies; these competencies include knowledge, skills, or behaviours that are critical for successful job performance (Noe, 2009). The goal of training is to enable employees to master the knowledge, skills and behaviours emphasized in training programmes and to apply them to their day-to-day activities. Training serves to improve the performance of employees, which, in turn, provides a competitive edge to the organization (Schraeder, 2009).

Human resource development is a broad ongoing multi-faceted set of activities (training activities among them) aimed at bringing someone or an organization up to another threshold of performance, often to perform some job or a new role in the future (McNamara, 2008).

### 2.2.3 Training and Development Approaches

According to Niazi (2011) have explained several training and development approaches such as, reactive approach; the traditional approaches to training can be generally termed as reactionary, driven by tactical delivery of technical skills in bricks and mortar, classrooms trainings and where training is seen as an event oriented activity. Proactive approach; in the learning organization this approach aligns all learning activities with the corporate business strategy, and its focus is on developing competencies. And active learning approach; in this approach, trainees play a leading role in learning by exploring issues and situational problems under the guidance of their facilitator. The trainees learn by asking thought provoking questions, searching for answers, and interpreting various observations made during the process.

### 2.2.4 Types of Training

There two type of training, first there is on the job training which comprise, job instructions, apprenticeship and coaching, and job rotation, committee assignment, internship training and training through step by step (Kulkarni, 2013). However according to Armstrong (1995), on-the-job training is the only way to develop and practice the specific managerial, team leading, technical, selling, manual, and administrative skills needed by the organization and it has the advantages of actuality and immediacy as the individual works, learns and develops expertise at the same time, while Hanif and Ameeq (2013) define on the job training is actually done when an employee gets the training while performing his or her assigned task .

The second is off the job training is a type of training when employees of the organization are been called for training session to learn a task (Hanif and Ameeq*,* 2013). Off the Job training comprise, programmed instructions, class room lectures, simulation exercises, business games, case study method, audio- visual method, experiential exercises, vestibule training, computer modelling, behavioural modelling and conference method (Kulkarni, 2013), while Ejiogu (2000) define off-the-job training would include lecture, vestibule training, role playing, case study, discussion and simulation.

### 2.2.5 Competitive Advantage

Thompson (2001) defines competitive advantage as “the ability of an organization to add more value for its customers than its rivals and thus attain a position of relative advantage, the challenge is to sustain any advantage once achieved.” Competitive advantage implies that the organization is able to satisfy customers’ needs better than other competitors, thus it will be achieved when a real value added to the customers.

Another definition provided by Kleiman (2000), “competitive advantage is a status achieved by a company when gaining a superior market place position relative to its competition.” Competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. These attributes can include access to natural resources, such as high grade ores or inexpensive power, or access to highly trained and skilled personnel human resources. New technologies such as robotics and information technology can provide competitive advantage, whether as a part of the product itself, as an advantage to the making of the product, or as a competitive aid in the business process.

### 2.2.6 Human Resource as a Competitive Advantage for Banks

Many banks have ignored human capital when developing their strategies for achieving their strategic goals. As the banks experience high staff turnover and stiff competition, the need to train and develop human resources has gained importance and most banks including Exim Bank Tanzania Limited have recognized how critical human resources are in creating and gaining competitive advantage. To make a positive impact on the organization, many authors have recommended the need to prioritize human resources as key ingredients in the strategy formulation of the organization. For instance, Scarpello (1994) and Peck (1994) argue that turning human resources into a competitive advantage means that employees and indeed all workforces should be an important factor in both formulation and implementation of competitive strategies for the organization.

Stone (1998) noted that whenever an organisation formulates it strategy, it requires identification, analysis and balancing of its internal strength and weaknesses and external threats and opportunities. The critical internal strength for service organizations like banks is the availability of professionally skilled people who form the human capital of the bank. Greer (1995) argued that human capital influences formulation of strategies, and therefore it is important for organizations including banks to develop their strategies based on their human resource capabilities so as to gain competitive advantage over others.

In his work, Porter (1980) emphasized that organizations can differentiate themselves from others adopting human resource development to have human capital as a vital element of competitive advantage. He argues that human resources can augment the organisation’s competitive advantage through cost leadership and differentiation. For an organization to gain competitive advantage, Porter (1980) suggests that it should focus on innovation, quality enhancement and cost reduction in the human capital to gain competitive advantage. Terpstra and Rozell (1993) have identified the impact of human resource development in competitive markets where they discovered that organizations engaging in human resource development practices had higher levels of annual profits, growth and overall performance than those with little initiative on human resource practices.

In their study, Richard and Johnson (2001) found that strategic effectiveness can reduce employee turnover and result into increased organizational performance. They also recommended that the effectiveness of the human resource management practices affected both productivity and return on equity. Memon et al (2009) observed that human resource development systems can contribute to sustained competitive advantage through facilitating the development of competencies that are specific to needs of the organization. It has been observed farther that sustainable performance of most successful organizations has been as a result of their unique human resource capabilities that have helped them to create competitive advantage.

According to Davoudi and Fartash (2012), any human resource development strategy has to achieve the identified strategic goals to help the organization create and sustain competitive advantage. These include investing in people through the introduction and encouragement of learning processes designed to increase capability and align skills to organizational needs, identifying the knowledge required to meet its goals and satisfy its customers and takes steps to acquire and develop its intellectual capital, encouraging people to engage whole heartedly in the work they do for the organization, gain the commitment of people to the organization’s mission and values, and defining the employee conduct and behaviours that are required for organizational success and farther than that encourage, value and reward these employee behaviours. For the organization to achieve these strategic human resource goals, it is imperative to understand the link between the human resource development initiatives and the overall organizational strategy.

### 2.2.7 Training and Development in Creating Competitive Advantage

Training and development offer competitive advantage to a firm by removing performance deficiencies; making employee stay long, minimizing accidents, scraps and damage and meeting future employee needs (Aswathappa, 2005). Echard and Berge (2008) stated that effective training techniques will produce significant business results especially in customer service, product development, and capability in obtaining new skill set. This linkage of training to business strategy has given many businesses the needed competitive edge in today’s global market, also effective training and development improves the culture of quality in business, workforce, and ultimately the final product. The main goal of training and development is to provide, obtain and improve the necessary skills in order to help organizations achieve their goals and create competitive advantage by adding value to their key resources (Stavrou *et al.,* 2004).

### 2.2.8 The Banking Business

Banking is the business of providing financial services to consumers and businesses, the basic services a bank provides are checking accounts, which can be used like money to make payments and purchase goods and services; savings accounts and time deposits that can be used to save money for future use; loans that consumers and businesses can use to purchase goods and services; and basic cash management services such as check cashing and foreign currency exchange (Microsoft, 2008).

## 2.3 Theoretical Analysis Related to the Study

According to Lepakd and Snell (1999), the human capital theory argues that firms should protect core competencies through investing in training and development. Well concerted efforts towards aligning the training and development programs with the firm’s strategic impulse are bound to add to the competitiveness of the firm over its competitors. Rainbird (1995) argues that competitive advantage is secured when organisations have skills and capabilities that are unique, difficult to replicate and imitate by competitors. In the Tanzanian banking sector where there are so many banks and the competition is stiff, creating competitive advantage is a vital strategy to sustain and win the competition.

Peteraf (1993) clarifies that, comprehensive training and development programmes helps in deliberating on knowledge, skills and attitudes necessary to achieve organisational goals and also create competitive advantage. And Aswathappa (2005) adds that training and development offers competitive advantage to a firm by removing performance deficiencies, making employee stay long, minimizing accidents, scraps and damage and meeting future employee needs. As Grindly (1991) put it, the skills base is one of the firm’s main assets as it is hard for competitors to imitate. This calls for an attitude to encourage learning and reward efforts, which add to the firm’s knowledge. Skills go out of date and need constant replenishment.

In the long term, what are the most important may not be the particular skills but the ability to keep learning new skills. For service organisation like banks to gain a competitive advantage, intellectual capital is an important factor. This is supported by Martochio and Baldwin (1997), who asserted that the role of training and development has broadened from its traditional focus on teaching skills and knowledge to linking training to business needs and to using human resource training and development to create shared knowledge.

Resource-based theory has its roots in the organisational economics literature where theories of profit and competition are associated with the focus on the internal resources of the firm as the major determinant of competitive advantage (Ricador, 1817; Schupter, 1934; and Penrose, 1959). According to Barney (1991), a firm’s resources include all assets, capabilities, organisational processes, firm attribute, information, knowledge etc… controlled by a firm that enables the firm to conceive of and implement strategies that improve its efficiency and effectiveness.” Also identifies resources into three categories; physical resources, which consists of firms plant and equipment technology and geographical location; human resources, which include experience, judgement and intelligence of the individual managers and workers in the firm; and organisational capital resources, which consists of firms structure, planning, controlling and coordinating systems and the informal relations groups within the firm and between the firm and other firms and other firms in its environment.

In the resource-based view of the firm, these resources are the source of competitive advantage. Barney (1991) describes as occurring “when a firm is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors.” In order for the organisation to have a sustainable competitive advantage it must ceases the competitors’ efforts to duplicate the advantage. Therefore four criteria must be attributable to the resource in order for it to provide a sustained competitive advantage. These are: 1) The resource must add positive value to the firm, 2) The resource must be unique or rare among current and potential competitors, 3) The resource must be imperfectly imitable, and 4) The resource cannot be substituted with another resource by competing firms (Barney, 1991).

In order for the human capital resource to have those entire attribute necessary for sustaining competitive advantage Human resource training and development programme is an avoidable thing. Training allows an organization to have required skills which allows an organisation to have required skills which gives room for variance in individual’s contributions in the attainment of organisation goals and objectives. High quality human resources are rare so the organisation must have a special strategy to mould them by the way of training and development and knowledge sharing within the organisation by the way of experience (couching and mentoring). Strategy also should be clear on how the organisation is going to retain these high quality human resources.

Competitive advantage lies mainly in the organisation’s ability to tap its special skills or core competences and be ready to respond to the changing organisational environment in which include customers’ needs, technological innovations and competitors move. Human resource training and development cannot be define as a single factor in order to attain competitive advantage of an organisation, its need to have the management team which have an ability to consolidate technologies and production or service skills into competencies which empower individual organisation to adapt quickly to changing opportunities.

## 2.4 Empirical Analysis of Relevant Studies

In a study on the impact of the human resources training on performances of banks, Kabir et al (2013) underscores the growing importance of training and development practices in the present scenario of business world, which is characterized by a growing competitiveness, market globalization and technological advances in organization. The survival of an organization including banks implies the prosecution of sustainable competitive advantages. And this shows the need for adoption of the human resource training and developing by banks in Tanzania in order to create a competitive advantage over others.

Khan et al (2011) investigated the impact of training and development on organizational performance in Islamabad. Their study focused on training and development, training design, on the job training, and delivery style. The results of this study shows that, training and development, on the job training, training design and delivery style have significant effect on organizational performance and all these positively affect the organizational Performance. On the research methodology, the study employed the sample size of 100 employees from different organization in Islamabad. The researchers also employed hypothesis methods in order to test the level of significance in the training and development in relation to organizational performance.

In a study by Al-Ghazawi (2012), it was found that training and development, staffing, incentives, and retention policy were the relevant activities representing human resource investment that aims at improving organizational performance. While in another study, Ojo (2011) discovered that corporate performance is largely determined by strategic human resource management practice. Consequently, his results show a positive relationship between strategic human resource practices and corporate performance of organization.

In their study on the impact of human resource management practices on corporate performance in Jordanian commercial banks, Rawashdeh and Al-Adwan (2012), discovered a positive and statistically significant association of recruitment and selection, compensation and rewards, with corporate performance, whereas, training and development showed a negative association with corporate performance. They confirmed findings of previous studies on human resource management practices and corporate performance except for training and development, which reported negative. However, this means that, the banks’ management did not invest enough money on human resources through training and development programs, because they have applied cost reduction strategy in order to avoid threats posed by the 2007 global financial crisis.

In their empirical review on the study about investing in human resource development, Gidado et al (2014) discuss that banking is a knowledge-based service industry that has always required specialized training but increasingly demands a more sophisticated skill mix. It was emphasized that, the expertise required by the banking industry can be divided into academic training, and on-the-job skills. The findings of this study are in line with McNaughton (1997)’s argument that “substantial training is needed to support institutional development, and that scarce skills are huge impediment to banking development.”

It can be implied from this that a consensus on the importance and relevance of human resource development in individual and organizational development is adequate illustration of the critical role that training and development plays in achievement of competitive advantage and solving a variety of problems challenging corporate organizations in the present times of globalization. Given that banking is a typical service business, commercial banks in Tanzania seem to have no option but rather than creating their competitive advantage around human resource development especially through training and development; hence this proposed study on the impact of training and development on creating competitive advantage in the banking sector in Tanzania with Exim Bank Tanzania Limited as the case organization.

## 2.5 Research Gap Identified

The adverse competition in the banking sector in Tanzania calls for banks to develop strategies that would enhance their competitive edge over other banks in order to sustain their operations in the foreseeable future. Hussein (2011) observes that banking sector in Tanzania has become the most competitive sector in managing labour market conditions. The banking sector attracts both local and foreign owned companies that bring out and implement the different human resources management practices nurtured and employed by various organizations originated from different countries so as to develop competitive advantage.

Creating and sustaining competitive advantages is critical for banks and indeed all other financial institutions’ survival and successful performance in the banking sector in Tanzania. It has been argued that human capital is the key source of sustainable advantage because of causal ambiguity and systematic information making them inimitable (Coff, 1994). Despite the fact that banks can adopt different strategies for surviving the competition, most often banks forget their most critical resource in their service delivery system: the employees, who form the human capital. According to Wright et al (1994), human resources of an organization meet Barney’s criteria for being a source of sustainable competitive advantage and therefore can contribute in creating an organization’s competitiveness.

Although many organizations including banks recognize the critical importance of their employees, only few are utilizing them in strategic terms in order to create competitive advantage over other organizations or banks. Hence, staff turnover in these banks is high leading to loss of opportunity to create competitive advantage through human resource development practices. However, one bank in the banking sector in Tanzania is not foregoing the opportunity to utilize human resource development as strategy for gaining competitive advantage. Exim Bank Tanzania Limited has adopted this strategy and went further by establishing the Exim Bank Academy in order to implement this strategy.

Previous studies have been done on this matter in different areas mine differs in terms of research area, samples and timeframe.

## 2.6 Conceptual Framework of the Study

The conceptual framework of this research is based on the argument that, training and development of human resources activities which is independent variables and is comprise; product designing, systems thinking, project management, product knowledge, product management, information technology and systems analysis and design, it will create intermediate variables which comprise job security, organization profitability, create customers loyalty, provider of good services, motivation of employee and employee satisfaction, where later on will create the competitive advantage to the organization , as you see the relationship of the variables in the Figure 2.1.

#### 

**Independent Variables Intervening Variables Dependent Variable**

Human Resource Training and Development

* Increases Selling
* Creative problem solving and decision making
* Team building
* Increases performance
* On the job training
* Off the job training
* Reactive approach
* Proactive approach

Competitive Advantage in the Banking sector

* Job security
* Organization profitability
* Create customers loyalty
* Provider of good services
* Motivation of employee
* Employee satisfaction

**Figure 2.1: Conceptual Framework**

**Source:** Developed by the Researcher (2015)

## 2.7 Description of the Conceptual Framework

The above conceptual framework shows relationships between the independent variable which is the Human Resource Training and Development, which involves on and off the job training and reactive and proactive approach of training. This variable will create intermediate variables which are job security, organization profitability, create customers loyalty, provider of good services, motivation of employee and employee satisfaction, increases selling, creative problem solving and decision making, team building and increases performance. In the end, this will create the competitive advantage to the organization, as you see the relationship of the variables in Figure 2.1.

# CHAPTER THREE

# METHODOLOGY

## 3.1 Overview

This study followed a predetermined research methodology in conducting the various activities to ensure successful completion. When working out the methodology, I considered the research design, sample size and sampling techniques, data collection and data analysis. These are discussed in the following sections.

## 3.2 Research Approach

This study describes the impact of human resource training and development in creating competitive advantage in the banking sector in Tanzania. The instruments used to achieve the objectives of this study include research questionnaires and interviews, as both qualitative and quantitative information were required. When conducting research, one designs the approach suitable for successful undertaking of the study. Choice of a research design is critical for successful conduct of a study.

Malhotra (1999), states that good research design ensures that research is conducted effectively and efficiently. The nature of the research question determines whether the study is classified as an exploratory, descriptive or causal type of study (Brannick and Roche, 1997). This research study falls into the category of descriptive research as it was formal and structured. Descriptive research is used to describe something. One has to choose research methods, which can justify achievement of the research objectives set for the study. Ghauri and Grønhaug (2005) describe research methods as the systematic, focused and orderly collection of data with the predetermined purpose to solve or answer a research problem or research questions.

In research, qualitative methods focus on the how and why, and are most often derived from expressions and words. Saunders *et al.* (2003) explain that data collected using qualitative methods are analysed through the usage of conceptualization, often made simultaneously with the data collection process. Many researchers view the qualitative research approach as more flexible and intrusive in terms of data collection unlike the quantitative research approach normally seen as a rigid scientific methodology and analysis approach, mostly used in empirical analysis. In this research, we aim at using the logical conceptions to explore the impact of human resource training and development on creating competitive advantage in the banking sector in Tanzania. And since we chose to focus on specific units of enquiry, the Exim Bank Tanzania Limited as case organization, a case study design was used. Unlike some other forms of research, case studies are particularly suitable for single-handed researchers (Johnson, 1994).

## 3.2.1 Area of the Research

The study involved the management and staff of the Exim Bank Tanzania Ltd, one of the thriving banks in Tanzania that has adopted human resource training and development as a strategy to enhance its competitiveness by establishing the Exim Bank Academy. The research was conducted in the city of Dar es Salaam, where Exim Bank Tanzania Ltd is headquartered and has many branches.

## 3.2.2 Survey Population

The study was conducted in Dar es Salaam Region within Ilala Municipal council. The researcher made sure all 306 staff and members of the management of Exim Bank Tanzania Limited are well represented. Members of staff working in the Exim Bank Academy were judgementally included in the sample.

## 3.3 Sampling Design and Procedures

The first step taken was to define the population of interest to this research (Borg, 1963). And at the outset of the study, I decided on the sampling frame from which to draw the sample of respondents who are important to the study on the impact of human resource training and development in creating competitive advantage in the banking sector in Tanzania. Ghauri and Grønhaug (2005) describe a sample frame as a listing of units from which a researcher draws the actual sample. The sample for this study comprised 80 members of the management team and staff of the Exim Bank Tanzania Limited.

A random sampling was done to select the participants in the study and this involved clustering the identified people into strata and then picking one representative from each stratum. The selection of the sample size was crucial as it determined whether the results can be generalised to the total population of the Exim Bank Tanzania Limited. I endeavoured to have a representative sample. The sample size was constrained by both time and financial issues to 80 respondents, but 70 respondents actively participated in the study and therefore the study findings are based on this sample size.

## 3.4 Variables and Measurement Procedures

Primary and secondary data were used. Primary data were collected in the field from the respondents, while secondary data were collected from published and unpublished sources, which reported the impact of human resource training and development in creating competitive advantage. The variables such as, increases selling, creative problem solving and decision making, team building, job security, organization profitability and increases performance management, was used to collect the data and information, where face-to-face and telephone interviews and questionnaire which comprised open ended and closed ended questions were used as procedure for data collection.

## 3.5 Methods of Data Collection

## 3.5.1 Primary Data Collection Techniques

In the study, I used survey questionnaires and semi-structured interviews to collect the relevant data. These techniques are discussed below.

**Survey Questionnaire:** A questionnaire was developed to collect data on from the sample representing the management and staff of Exim Bank Tanzania Limited. The questionnaire was developed after an in-depth literature review and therefore incorporated aspects from the reviewed literature. The use of questionnaires as data collection instruments in research studies like this one ensures that no bias reporting is experienced as the participant fills in the questionnaire in absence of the data collector and therefore they were very free to answer the questions; questionnaires ensure anonymity of the respondents as findings are not linked to specific respondents; and the questionnaire format was standardized for all respondents.

To ensure high response rate, the researcher administered the questionnaires by delivering to selected respondents of the study. The researcher made herself available to respondents when needed to clarify issues in the questionnaires when necessary. Each participant was asked to complete the questionnaire fully and return it to the researcher.

**Semi-structured Interviews:** To complement information obtained through questionnaires, semi-structured interviews were held with some of the banking sector stakeholders whose input was deemed very important to supplement the data to be collected through other techniques and sources. The researcher used the semi-structured interviews knowing that is useful to gain opinion from informants. Among the many advantages of using semi-structured interviews, Burns (2000) argues that the informant is able to use their own perspective and the language natural to them rather than that of the researcher. Other strengths of this type of interview are that all respondents are asked the same questions in the same order and interviewees are provided with the opportunity for personalization (Cohen et al, 2000). This allows for some degree of comparability in answers.

During the conduct of the semi-structured interview the researcher used the following procedure:

1. Read the questions as they were written so that each respondent answered the exact same question.
2. Probed inadequate responses non-directly by returning to the question and asking the interviewee to elaborate on his/her answer
3. Record the answers without discretion. Everything the respondent says was recorded using a tape recorder.
4. Avoid personal comment on any answer given by the respondent (Floyd et al. 1990).

To ensure high response rate and easy access to the respondents, the researcher conducted the interviews at the convenience of the interviewee. These were generally conducted on weekends and after working hours. As with the questionnaire, the interviewee was advised that answers are confidential and that he/she can proof read the transcription prior to use if he/she wishes.

## 3.5.2 Secondary Data and Data Collection Techniques

The study also required secondary data, which is data that was collected, processed and analysed for some other purpose other than the research at hand, which Saunders et al (2003) describe as the main difference between primary and secondary data. One of the reasons behind choosing secondary data is that it saves a lot of time and minimizes costs, which allows the researcher to be able to broaden the research topic than otherwise possible. As I secondary data was required to support the primary data of the study, identified secondary data supplemented the primary data. However, the secondary data used in the dissertation were treated to suit the presentation in a way that supports the purpose of this study.

## 3.6 Data Processing and Analysis

The data collected from the field were edited, classified to detect errors and omissions, and then were coded and fed into computer software to get the findings, where through MS-Excel software and Statistical Package for Social Sciences (SPSS) were used. The research findings were descriptively organized and presented by using frequency tables and simple percentage method.

## 3.7 Data Quality Issues

Research quality is general described by the validity and reliability of the research methodology and data. Patton (2001) states that, the validity and reliability are two factors that any researcher should be concerned about while designing a study, analyzing results and judging the quality of the study.

### 3.7.1 Data Validity

Validity refers to the extent to which a measure reflects the concept it intends to measure. If the measures used actual measure what they claim to, and if there are no logical errors when drawing conclusion from the data, the study is said to be valid (Trochim, 2005).To measure validity the researcher used interviews and questionnaire to collect data, the collected data and recorded notes from the interviews were captured on a computer in a specified format.

**3.7.2 Data Reliability**

Reliability means dependability or consistency (Neumann, 2006). It indicates the likelihood that a given measurement technique will repeatedly yield the same description of phenomenon. The role of reliability is to minimize errors and biases in a study (Yin, 2003). To measure reliability in the study, the researcher mapped out detailed procedure for sample selection, selection of the study instruments (mainly questionnaire), designing the questionnaire, and administration of questionnaire. To have representative sample of the employees the researcher made an initial visit to their department and obtain information on how they work. Through informal contact, the researcher managed to selected some of the Exim Bank employees and give some indication of the issues that the study sought to investigate. This helped to design realistic interview questions.

A draft questionnaire will be administered to Exim Bank employees to test the relevance of the questions and will be revised before the final administration. To ensure candid response, each respondent will be assured of the anonymity of his/her answers. Similarly, to have a better understanding of the issues being addressed, the questionnaire was distributed a couple of weeks before the interviews. Further explanation will be provided in the course of the interview.

However, despite these attempts of maintaining a high reliability in the proposed study, personal biases on the part of the respondents in answering the questions and on the part of the researches in recording the answers cannot be ruled out. Hence the researcher cannot be exact on the influence of attitudes and values on the respondents and herself in the study.

# CHAPTER FOUR

# DATA ANALYSIS AND PRESENTATION OF RESULTS

## 4.1 Overview

In this Chapter, I present the data collected during the study and analyse the data thereof starting with the general information of the respondents giving a profile of the participants in the study. The chapter presents the results of the study based on the data collected from the respondents through structured questionnaires and interviews as well as secondary data obtained through various reports and publications relating to the study.

## 4.2 Respondent’s Profile

The study involved participants from both the employees and members of the management team of the Exim Bank Tanzania Ltd. These comprised a total number of 80 participants but only 70 actively participated in the study. The data presented herein below are therefore based on the 70 respondents. Both genders were represented and the participants’ educational level was bachelor degree as a minimum and maximum of a masters’ degree.

## 4.3 Data on Human Resource Training and Development in Exim Bank

Human resources are one of the key resources for service organizations like banks. For Exim Bank Tanzania Limited to create its competitive advantage, human resources training and development was postulated to be a vital strategy for the bank to stand out from the rest in the banking sector in Tanzania. During the study, participants were asked if Exim Bank Tanzania Limited views human resources as a competitive asset and therefore training and development of the human resources is important for the bank to create competitive advantage. Table 4.1 reports the responses.

### Table 4.1: Exim Bank Views Human Resources as a Competitive Asset

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 23 | 32.9 | 32.9 | 32.9 |
| Agree | 28 | 40.0 | 40.0 | 72.9 |
| Don't Know | 13 | 18.6 | 18.6 | 91.4 |
| Disagree | 6 | 8.6 | 8.6 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

In Table 4.1 above, we see that 72.9% of the respondents indicated that Exim Bank views its human resources, which include the workers and members of the management are a competitive asset for the bank. Hence, the bank’s focus on training and development programmes to equip its workers for creating competitive advantage. Actually, it was further discovered that Exim Bank is the only bank in Tanzania which has a dedicated academy for staff development, the Exim Bank Academy in Arusha, and a special directorate has been established to oversee the design and delivery of training and development programmes that equip staff with skills relevant for the bank’s competitiveness.

In designing and offering training and development programmes for staff, the bank is expected to understand the type of training and development initiatives that need to be undertaken with the focus on creating competitive advantage through human resources. In the study, we asked respondents if training and development needs analysis is done by the bank to identify the skills that staff need. Table 4.2 indicates that 62.9% of the respondents reported that Exim Bank carries out training needs assessment before engaging staff on any programme.

### Table 4.2: Exim Bank Conducts Training Needs Analysis for Staff

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 12 | 17.1 | 17.1 | 17.1 |
|  | Agree | 32 | 45.7 | 45.7 | 62.9 |
|  | Don't Know | 8 | 11.4 | 11.4 | 74.3 |
|  | Disagree | 11 | 15.7 | 15.7 | 90.0 |
|  | Strongly Disagree | 7 | 10.0 | 10.0 | 100.0 |
|  | Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

The study went further to with the 25.7% who disagree about Exim Bank’s approach to needs analysis in order to understand any challenges to the findings of the study. It was discovered that this group of staff did not understand the programme’s orientation also aimed at identifying training needs of the bank’s staff to improve the design and content of the training and development programme. Training and development needs analysis is particularly important for the bank to identify areas in the skills requirements in order to deliver training that adds to reduction of the skills gap. An interview with the Head of the Exim Bank Academy revealed that the analysis of training and development requirements aims at identifying the practical skills that staff requires to effectively and efficiently carrying out their work in the bank. And training and development activities are then designed to impart the skills that eventually improve staff’s competitiveness.

We further considered the approach used by Exim Bank in carrying out the training and development needs analysis. The study wanted to find out if the needs analysis is based on team or individual staff training requirements. Table 4.3 shows the results.

### Table 4.3: Exim Bank Assess Individual Training and Development Needs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 15 | 21.4 | 21.4 | 21.4 |
| Agree | 31 | 44.3 | 44.3 | 65.7 |
| Don't Know | 9 | 12.9 | 12.9 | 78.6 |
| Disagree | 7 | 10.0 | 10.0 | 88.6 |
| Strongly Disagree | 8 | 11.4 | 11.4 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

Through the participants, we found that 65.7% said Exim Bank assesses individual training and development needs when planning, designing and delivering programmes for improving staff’s skills set. According to the bank, this approach helps to consider the staff’s individual development needs and the activities are focused on helping the staff to acquire the skills that he/she needs to be part of an effective team for delivering the bank’s competitive services.

As part of evaluating the effectiveness of the training and development activities of the bank, staff evaluations are done annually. Each employee is expected to show that training and development that he/she participated in has had an impact on improving skills and work rate. In the study, we asked participants if the employee development plans are addressed in annual performance appraisals, and the results are reported in Table 4.4, which shows the results on this aspect.

From Table 4.4, we see that 90% of the respondents argue that Exim Bank incorporates employee developments when conducting performance appraisals. And staff are aware of the bank’s expectations regarding the impact of the training and developments have on the performance of each employee.

### Table 4.4: Exim Bank’s Performance Appraisals Addresses Employee Development Plans

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 28 | 40.0 | 40.0 | 40.0 |
| Agree | 35 | 50.0 | 50.0 | 90.0 |
| Don't Know | 2 | 2.9 | 2.9 | 92.9 |
| Disagree | 4 | 5.7 | 5.7 | 98.6 |
| Strongly Disagree | 1 | 1.4 | 1.4 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

Training and development strategy needs to be consistent and sustainable for it to produce desired results. The results are often seen after a long time and therefore to continuously attain the impact of training and development on the bank’s competitive advantage, Exim Bank is required to annually set a budget for these activities. In the study, we asked participants if Exim Bank’s training and development needs are reflected in the corporate budget to enhance innovativeness and creativity within the bank, and the results are shown in Table 4.5.

### Table 4.5: Exim Bank’s Budget Includes Training and Development Needs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 19 | 27.1 | 27.1 | 27.1 |
| Agree | 28 | 40.0 | 40.0 | 67.1 |
| Don't Know | 9 | 12.9 | 12.9 | 80.0 |
| Disagree | 7 | 10.0 | 10.0 | 90.0 |
| Strongly Disagree | 7 | 10.0 | 10.0 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

As we can see in Table 4.5, 67.1% of the respondents reported that Exim Bank’s annual budgets reflect training and development needs, which aims at enhancing the staff’s innovativeness and creativity and hence creates the bank’s competitive advantage. A review of the bank’s annual budgets indicated that Exim Bank has always set aside funds for training and development in each financial year. During the study, I further investigated if Exim Bank considers employee job skills, knowledge and ability when planning, designing, and delivering training and development activities. Participants showed to be fairly informed of this aspect, and the results are shown in Table 4.6.

### 

### Table 4.6: Exim Bank’s Training and Employees’ Requirements

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 14 | 20.0 | 20.0 | 20.0 |
| Agree | 27 | 38.6 | 38.6 | 58.6 |
| Don't Know | 12 | 17.1 | 17.1 | 75.7 |
| Disagree | 12 | 17.1 | 17.1 | 92.9 |
| Strongly Disagree | 5 | 7.1 | 7.1 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source**: Compiled from field data, July 2015

Table 4.6 shows that 58.6% of the respondents argued that job skills, knowledge and ability of the employees are key inputs in the planning, designing and delivery of Exim Bank’s training and development activities. Training is tailored to the skills and knowledge that the bank finds relevant to improve the employees’ ability to creatively carry out their duties and responsibilities and contribute to the bank’s competitive advantage and performance.

In addition to considering employees job skills, knowledge and ability in the bank’s training and development activities, participants were also asked if the Exim Bank utilizes its managers and employees abilities in creating competitive advantage. Responses on this item are in Table 4.7.

### Table 4.7: Exim Bank utilizes Managers’ and Employees’ Abilities

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 17 | 24.3 | 24.3 | 24.3 |
| Agree | 34 | 48.6 | 48.6 | 72.9 |
| Don't Know | 7 | 10.0 | 10.0 | 82.9 |
| Disagree | 11 | 15.7 | 15.7 | 98.6 |
| Strongly Disagree | 1 | 1.4 | 1.4 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

From Table 4.7, it is shown that Exim Bank gives opportunities for managers and employees to use their individual abilities in contributing to the bank’s innovativeness and creativity. This helps the bank to enhance its competitiveness ability. A total of 72.9% of the respondents reported that Exim Bank allows its staff to show their individual abilities and talents in relation to their duties and responsibilities and hence create a unique workforce that adds to the bank’s knowledge and skills base. This further contributes to creating the Exim Bank’s competitive advantage over other financial institutions in Tanzania.

The study also postulated that the actual training and development activities can only be carried out effectively if human resource policies are there to guide the training and development strategy. Participants were thus asked if personnel policies in the bank facilitate employee training and development. The results are reported in Table 4.8.

### Table 4.8: Exim Bank’s Personnel Policies Facilitate Training and Development

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 29 | 41.4 | 41.4 | 41.4 |
|  | Agree | 26 | 37.1 | 37.1 | 78.6 |
|  | Don't Know | 4 | 5.7 | 5.7 | 84.3 |
|  | Disagree | 11 | 15.7 | 15.7 | 100.0 |
|  | Total | 70 | 100.0 | 100.0 |  |

**Source**: Compiled from field data, July 2015

Table 4.8 shows that 78.6% of the respondents agree that Exim Bank has personnel policies, which are used in relation to training and development activities of the bank. It was further discovered that the bank have human resources management manual which contains policies governing the planning and decision-making involving all staff. And some of the key decisions involve sponsorship for training outside the bank’s academy. In Table 4.9, it is shown that 85.1% of the respondents argued that Exim Bank sponsors its managers and employees for training outside the bank’s internal staff development activities.

### Table 4.9: Exim Bank’s Sponsorship for Employees’ Training Programmes

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 33 | 47.1 | 47.1 | 47.1 |
| Agree | 27 | 38.6 | 38.6 | 85.7 |
| Don't Know | 6 | 8.6 | 8.6 | 94.3 |
| Disagree | 2 | 2.9 | 2.9 | 97.1 |
| Strongly Disagree | 2 | 2.9 | 2.9 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source**: Compiled from field data, July 2015

In the study, I further investigated if employees that show to lack competence in some work activities are helped to acquired competence rather left unattended or even fired. The idea here is that staff training and development should aim to improve employees’ skills, knowledge and ability that they require for their jobs as identified through the training needs analysis. As shown in Table 4.10 below, it is indicated 62.9% of the respondents said that Exim Bank offers on the job support to employees who lack competence in some activities of the bank.

### Table 4.10: Exim Bank Supports Employees in Competence Enhancement

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 14 | 20.0 | 20.0 | 20.0 |
| Agree | 30 | 42.9 | 42.9 | 62.9 |
| Don't Know | 10 | 14.3 | 14.3 | 77.1 |
| Disagree | 13 | 18.6 | 18.6 | 95.7 |
| Strongly Disagree | 3 | 4.3 | 4.3 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

On the overall aspect of the training and development in relation to creating the bank’s competitive advantage, I asked the participants if at all Exim Bank’s human resource training and development activities contribute effectively. The results are reported in Table 4.11.

### Table 4.11: Training and Development Results into Competitive Advantage

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 22 | 31.4 | 31.4 | 31.4 |
| Agree | 32 | 45.7 | 45.7 | 77.1 |
| Don't Know | 11 | 15.7 | 15.7 | 92.9 |
| Disagree | 2 | 2.9 | 2.9 | 95.7 |
| Strongly Disagree | 3 | 4.3 | 4.3 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

Almost 77.1% of the respondents argued that human resource training and development have resulted into creating competitive advantage of the Exim Bank. An interview with the bank’s Head of Training and Development indicated that staff training and development is one of the vital human resources management practices that plays a critical role in creating competitive advantage and thence directly determine the bank’s performance.

## 4.4 Results on Employees’ Conduct and Competitive Advantage in Exim Bank

Human resources carry a range of technical and soft skills that form the organization’s skills base. While as training and development focus on providing the skills and knowledge to employees and enhance their ability to competitively do their jobs, the organization’s culture can be used to mould the workforce’s conduct while on the job. Service organizations like banks view human resources as key ingredients in designing and service delivery system. In the study, it was postulated that banks heavily depend on the conduct of the staff in creating their competitive advantage. In this regard, data were collected on a range of issues in this matter. First, I asked participants of Exim Bank’s employees if are encouraged to experiment with and try out new methods and creative ideas in the course of carrying out their jobs as a way of enhancing innovativeness and hence create the bank’s competitive advantage. Table 4.12 shows the results.

### Table 4.12: Exim Bank Encourages Employees’ Creativity and Innovativeness

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 20 | 28.6 | 28.6 | 28.6 |
|  | Agree | 26 | 37.1 | 37.1 | 65.7 |
|  | Don't Know | 13 | 18.6 | 18.6 | 84.3 |
|  | Disagree | 10 | 14.3 | 14.3 | 98.6 |
|  | Strongly Disagree | 1 | 1.4 | 1.4 | 100.0 |
|  | Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

Table 4.12 shows that 65.7% of the respondents expressed their views that Exim Bank has created an environment that allows and encourages its employees to experiment with and try out new ideas and methods while doing their jobs in the bank. I further checked on the employees’ conduct as to whether they adopt a teamwork approach that enhances their conduct and contribution to the bank’s creativity and innovativeness. In Table 2.13, the results show that 64.3% believe that Exim Bank encourages its staff to work as a team.

### Table 4.13: Teamwork is the Core of Exim Bank’s Work Approach

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 17 | 24.3 | 24.3 | 24.3 |
| Agree | 28 | 40.0 | 40.0 | 64.3 |
| Don't Know | 20 | 28.6 | 28.6 | 92.9 |
| Disagree | 4 | 5.7 | 5.7 | 98.6 |
| Strongly Disagree | 1 | 1.4 | 1.4 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source**: Compiled from field data, July 2015

In relation to the results reported in Table 4.13 above, I discovered that this is the core of Exim Bank’s training and development programmes as it is believed that it improves the bank’s system thinking and competitive advantage. The study also investigated the recruitment approach used by Exim Bank in relation to planning, design and delivery of training and development activities for its staff. I asked participants the recruitment procedure at Exim Bank and how the recruited workforce is managed. In Table 4.14 below we see that 71.4% of the respondents argued that the bank’s recruitment system ensures that employees with professional conduct are hired to take up various jobs.

### Table 4.14: Exim Bank Recruits and Retains Employees with Professional Conduct

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 21 | 30.0 | 30.0 | 30.0 |
| Agree | 29 | 41.4 | 41.4 | 71.4 |
| Don't Know | 16 | 22.9 | 22.9 | 94.3 |
| Disagree | 4 | 5.7 | 5.7 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

Furthermore, the study revealed that Exim Bank has strategies, procedures, and motivational initiatives that are undertaken to retain talented and creative employees whose conduct and work output contribute to the bank’s focus on creating competitive advantage to remain one of the banks to reckon with in the banking sector in Tanzania.

Staff behaviour is believed to be critical to an organization’s competitive advantage and the customers and the general public see the organization’s image through its people. For a bank like Exim Bank it is imperative to have a well-behaved workforce, and this can be reinforced through human resource training and development activities. During the study, I asked participants if Exim Bank conducts behaviour-based evaluations and assessments and if this practice is incorporated in the bank’s human resource training and development (see the results in Table 4.15).

### Table 4.15: Exim Bank Conducts Behaviour Based Evaluations and Assessments

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 17 | 24.3 | 24.3 | 24.3 |
|  | Agree | 26 | 37.1 | 37.1 | 61.4 |
|  | Don't Know | 11 | 15.7 | 15.7 | 77.1 |
|  | Disagree | 15 | 21.4 | 21.4 | 98.6 |
|  | Strongly Disagree | 1 | 1.4 | 1.4 | 100.0 |
|  | Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

As shown in Table 4.15, 61.4% of the respondents said that Exim Bank sees behaviour-based evaluations and assessments as critical to creating competitive advantage and that the bank incorporates this into its human resource training and development activities.

In the study, I explored if Exim Bank’s investment in training and developing provides positive returns to the bank. It is expected that every cent spent on the bank’s activities should result in increase in the bank’s financial position. However, the investment in training and development activities was linked with examining if it contributes to creating competitive advantage of Exim Bank. I asked participants if the return on investment on training and development is measured against the bank’s resulting competitive advantage, and the results are presented in Table 4.16.

### 

### Table 4.16: Exim Bank’s Training and Development Investment Return

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 18 | 25.7 | 25.7 | 25.7 |
|  | Agree | 30 | 42.9 | 42.9 | 68.6 |
|  | Don't Know | 15 | 21.4 | 21.4 | 90.0 |
|  | Disagree | 7 | 10.0 | 10.0 | 100.0 |
|  | Total | 70 | 100.0 | 100.0 |  |

**Source**: Compiled from field data, July 2015

Out of the total respondents, 68.6% reported that Exim Bank always measures its investment in training and development activities against the return with regard to the resulting increase or decrease in the bank’s competitive advantage.Every training and development activity is designed and delivery with expectation that it will improve the bank’s competitive advantage.

## 4.5 Data on Exim Bank’s Management and Employees’ Social Activities

Based on the preliminary review of the Exim Bank as a case organization, I discovered that the bank’s training and development activities especially those designed for employee groups have been a medium for encouraging the social activities to bond employees and transfer knowledge, skills and ability to create competitive advantage. During the study, I found that the social activities bond the employees together and enhances a sense of belonging and hence the staff commitment to the bank.

Training and development activities have been seen to play a critical role in this aspect. The study reviewed various social and personal employee issues that are at the centre of the bank’s focus on the employees that contribute to creating competitive advantage. I asked the participants in this study as to whether Exim Bank considers employee welfare in planning, designing and delivery training and development activities. Table 4.17 reports the results based on the respondents’ responses.

### Table 4.17: Exim Bank Caters for Employee Welfare to Enhance Competitive Advantage

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 24 | 34.3 | 34.3 | 34.3 |
|  | Agree | 24 | 34.3 | 34.3 | 68.6 |
|  | Don't Know | 9 | 12.9 | 12.9 | 81.4 |
|  | Disagree | 13 | 18.6 | 18.6 | 100.0 |
|  | Total | 70 | 100.0 | 100.0 |  |

**Source**: Compiled from field data, July 2015

The results in Table 4.17 show that 68.6% of the respondents reported that Exim Bank considers employee welfare in its training and development activities to facilitate creating competitive advantage. Furthermore, I discovered that the bank ensures employee welfare to allow employees to use their mental energy for work purposes and help the bank overcome competition in the banking sector in Tanzania and in all countries where the bank is operating including Djibouti and the Comoros.

The bank management’s commitment on human resource training and development was suggested as an important factor in ensuring that employees are equipped with the necessary skills, knowledge and abilities for creating competitive advantage. In the study, I asked participants if Exim Bank’s top management is willing to invest a considerable part of their time and other resources to ensure the development of employees for creating competitive advantage (see the results in Table 4.18 below).

### 

### Table 4.18: Exim Bank’s Management Commitment to Create Competitive Advantage

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 23 | 32.9 | 33.3 | 33.3 |
|  | Agree | 43 | 61.4 | 62.3 | 95.7 |
|  | Uncertain | 1 | 1.4 | 1.4 | 97.1 |
|  | Disagree | 2 | 2.9 | 2.9 | 100.0 |
|  | Total | 69 | 98.6 | 100.0 |  |
| Missing | System | 1 | 1.4 |  |  |
| Total | | 70 | 100.0 |  |  |

**Source:** Compiled from field data, July 2015

As the results show in Table 4.18, a majority of the respondents (95.7%) sees the Exim Bank’s management to be committed to use their time and the bank’s resources to provide training and development to all staff in order to create competitive advantage of the bank. Of course, this has been shown through the continued operation of the Exim Bank Academy, which oversees the training and development activities of the bank. Furthermore, employees also have an option to access training resources and opportunities outside the bank under the full sponsorship arrangements. Even senior staff of the bank guides their junior fellow staff and prepare them for future responsibilities and roles they are likely to take up as supported by 51.4% of the respondents (see the results in Table 4.19).

### Table 4.19: Exim Bank’s Senior Staff guides Junior Staff in Creating Competitive Advantage

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 16 | 22.9 | 22.9 | 22.9 |
| Agree | 20 | 28.6 | 28.6 | 51.4 |
| Uncertain | 12 | 17.1 | 17.1 | 68.6 |
| Disagree | 13 | 18.6 | 18.6 | 87.1 |
| Strongly Disagree | 9 | 12.9 | 12.9 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

In the study, I also investigated if the bank’s human resource management policies have been designed to support and encourage staff to contribute to creating competitive advantage at Exim Bank. Participants were asked if the bank’s corporate human resource management policies inculcate and hence create competitive advantage. The results are shown in Table 4.20.

### Table 4.20 Exim Bank’s HRM Policies Encourages Creating Competitive Advantage

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 14 | 20.0 | 20.0 | 20.0 |
| Agree | 34 | 48.6 | 48.6 | 68.6 |
| Uncertain | 7 | 10.0 | 10.0 | 78.6 |
| Disagree | 5 | 7.1 | 7.1 | 85.7 |
| Strongly Disagree | 10 | 14.3 | 14.3 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

Through the interview with the Director of Human Resource Management, it was revealed that Exim Bank engages in corporate human resources management practices that incorporates social activities to enhance bonding employees together with a common goal and which inculcate creativity and hence create competitive advantage for the bank.

The organization’s staff must want to take part in the training and development activities if the desired outcome of such activities is to produce an impact on creating competitive advantage. In the study, I asked participants on this aspect and the results in Table 4.21 below show that 71.4% of the respondents see the Exim Bank’s training and development programmes motivate its staff to feel part of the bank and this contributes to creating competitive advantage.

### Table 4.21 Staff’s Motivation in Training and Development and Creating Competitive Advantage

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 25 | 35.7 | 35.7 | 35.7 |
|  | Agree | 25 | 35.7 | 35.7 | 71.4 |
|  | Uncertain | 3 | 4.3 | 4.3 | 75.7 |
|  | Disagree | 6 | 8.6 | 8.6 | 84.3 |
|  | Strongly Disagree | 11 | 15.7 | 15.7 | 100.0 |
|  | Total | 70 | 100.0 | 100.0 |  |

**Source:** Compile from field data, July 2015

Furthermore, it was discovered through interviews that designing and delivering training and development activities that motivates employees helps the management of the organization to choose programmes that attracts employee participation and help create competitive advantage of the organization.

## 4.6 Data on Overall Impact of Human Resource Training and Development

Almost in all types of organizations, human resources are considered the most important factor in creating and sustaining competitive advantage. This requires organizations including banks to enhance competencies embraced by the human resources through recruiting people with the required education, experience, skills and ability and most importantly maintaining these elements through training and development activities in order to create competitive advantage.

In the study, I explored the overall contribution of human resource training and development to performance of the organization as a result of creating the competitive advantage. The argument in this view is that it is less important to focus on creating competitive advantage the outcome is not related to an improved performance of the organization. In this regard, I first explored the contribution of human resource training and development to improving system analysis and design in relation to creating the bank’s ability to create competitive advantage. The results on this aspect are reported in Table 4.22.

### Table 4.22: Training and Development’s Role in Banking System Analysis and Design

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 29 | 41.4 | 41.4 | 41.4 |
| Agree | 34 | 48.6 | 48.6 | 90.0 |
| Uncertain | 3 | 4.3 | 4.3 | 94.3 |
| Disagree | 3 | 4.3 | 4.3 | 98.6 |
| Strongly Disagree | 1 | 1.4 | 1.4 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

As shown in Table 4.22, 90% of the respondents were of the view that human resource training and development improves system analysis and design in Exim Bank’s banking operations that enhance quality service delivery to customers, which in turn improves the bank’s ability to create competitive advantage. I also examined the role of human resource training and development in relation to the staff’s ability to adoption of information technologies used by the bank in order to create competitive advantage. And the results show that 75.7% of the respondents agreed that Exim Bank’s training and development activities have helped them to easily adopt new technologies for delivery of banking services of the bank.

### Table 4.23: Training and Development Helps Staff to Adopt New Banking Technologies

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 10 | 14.3 | 14.3 | 14.3 |
|  | Agree | 43 | 61.4 | 61.4 | 75.7 |
|  | Disagree | 16 | 22.9 | 22.9 | 98.6 |
|  | Strongly Disagree | 1 | 1.4 | 1.4 | 100.0 |
|  | Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

Further to the results shown in Table 4.23, it was also emphasized that the training and development activities in Exim Bank have improved staff’s creativity as well due to acquire knowledge and skills relevant for them to play an important part in creating the bank’s competitive advantage. Human resources in Exim Bank are actually treated as an important asset for the bank just like it is the case in any other service oriented organization.

The study also found that an important part of the training and development activities in Exim Bank is the focus on the knowledge that employees need to have on the products and services provided by the bank. Despite a nearly dismal 52.9% (see Table 4.24) of the respondents agreeing to the observation that Exim Bank emphasizes its training on product knowledge and management, interviews on the same factor indicated that on the job training focus on introducing employees to the bank’s product and service lines.

### Table 4.24: Exim Bank’s Training and Development Emphasizes Product Knowledge by Staff

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 24 | 34.3 | 34.3 | 34.3 |
| Agree | 13 | 18.6 | 18.6 | 52.9 |
| Uncertain | 30 | 42.9 | 42.9 | 95.7 |
| Disagree | 3 | 4.3 | 4.3 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source**: Compiled from field data, July 2015

Employees’ product knowledge and overall aspects of understanding the management of the bank’s products and services is perceived to be critical to creating competitive advantage. Service delivery in banks can only be effective and efficient if employees and all staff are aware of the bank’s products and services and are able to use this knowledge in serving customers and suggesting improvement where necessary to keep up with competition in the banking sector.

After examining the human resource training and development activities of the bank and the resulting impact on creating competitive advantage on Exim Bank, participants in the study were asked to evaluate the competence of the human resource in the bank compared to other banks in the banking sector in Tanzania. Table 4.25 below shows that 57.1% of the respondents noted that Exim Bank has the most creative workforce in the banking sector making it the most innovative bank in Tanzania.

### Table 4.25: Exim Bank has the Most Creative Workforce in the Banking Sector

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 19 | 27.1 | 27.1 | 27.1 |
| Agree | 21 | 30.0 | 30.0 | 57.1 |
| Uncertain | 26 | 37.1 | 37.1 | 94.3 |
| Disagree | 4 | 5.7 | 5.7 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

Actually, Exim Bank dubs itself the most innovative bank in Tanzania with its slogan emphasizing the same. According to Exim Bank, it is the 1stbank to introduce Credit and Debit MasterCard in Tanzania, the 1st bank to introduce Mobile ATM in the Country, the 1stlocal Bank to establish a banking subsidiary overseas; the 1st bank to introduce exclusive financing scheme for Women; the 1st bank to issue VISA Platinum Card in the country and the only private Bank with highest number of off-site ATMs in the Country.[[1]](#footnote-2)

The study’s investigation on the overall impact of the human resource training and development showed that generally people are the only means of gaining competitive advantage over other organizations or banks. An interview with a key member of Exim Bank’s human resource directorate revealed the bank’s human resource philosophy, which centres on the fact that other banks can have other factors of competitive advantage such as financial resources (financial reserves), physical resources, and modern technology, it is not easy for other banks to acquire, emulate or transfer exactly the same workforce that Exim Bank has. With this understanding, the bank believes that it is through training and development that it can have its own unique workforce that can effectively contribute to creating the competitive advantage it needs to survival in the ever turbulent banking sector in Tanzania. As such Exim Bank has enjoyed good performance on many performance aspects as shown in the results in Table 4.26 below as per the respondents’ views.

### Table 4.26: Impact of Training and Development on Exim Bank’s Competitive Performance

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Outcome Description** | **To a large extent** | | **To some extent** | | | **Average** | | **Little extent** | | **No contribution** | | **Total** | |
| **No.** | **%** | **No.** | **%** | **No.** | | **%** | **No.** | **%** | **No.** | **%** | **No.** | **%** |
| Increase in innovative and competitive product/service features | 58 | 82.8 | 9 | 13 | 3 | | 4.2 | - | - | - | - | 70 | 100 |
| Increase in selling | 56 | 80 | 8 | 11 | 6 | | 9 | - |  | - | - | 70 | 100 |
| Increase in bank’s profitability | 62 | 88.6 | 6 | 9 | 2 | | 2.4 | - | - | - | - | 70 | 100 |
| Creates customers loyalty | 64 | 91.4 | 4 | 5.6 | 2 | | 2.4 | - | - | - | - | 70 | 100 |
| Improved service delivery | 66 | 94.3 | 4 | 5.7 | - | | - | - | - | - | - | 70 | 100 |
| Creative problem solving and decision making | 67 | 95.7 | 3 | 4.3 | - | | - | - | - | - | - | 70 | 100 |
| Increases performance management | 65 | 92.8 | 4 | 5.6 | 1 | | 1.6 | - | - | - | - | 70 | 100 |

**Source:** Compiled from field data, July 2015

As shown in Table 4.26, over 80% of the respondents argued that human resources training and development greatly impacts Exim Bank’s competitive performance. Interviews conducted during the study, I noted that Exim Bank and other organizations that have training and development activities as part of their human resource management practices have reported that organizational performance increases as a result of human resource training and development because of the resulting knowledge, which is critical to creating competitive advantage, especially in the dynamic economic environment.

According to Exim Bank’s Annual Report for 2013, the bank made a higher after tax profit (net income) of TZS 15.1 Billion in 2013 compared to TZs 13.4 Billion for 2012, and its total assets in 2013 were TZS 1.144 Trillion up from 2012 in which the bank had total assets of TZS 966.55 Billion. This indicates the increase in the bank’s profitability and growth. Memon et al (2009) emphasized that human resources play a critical role in creating competitive advantage and its importance is greater than ever because it is the organization’s crucial wealth, success and competitive advantage. And it should be noted that training and development provides a means to maintaining and sustaining the human resources of the organizations including banks like Exim Bank.

I finally looked at how Exim Bank fares with other banks in Tanzania in terms of its human resource management practices that focus on equipping its staff with skills, knowledge and abilities that are relevant to creating competitive advantage in the banking sector. Participants of the study were asked to rate Exim Bank on this aspect and the results are shown in Table 4.27.

### Table 4.27: Exim Bank’s Performance on Training and Development

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly Agree | 16 | 22.9 | 22.9 | 22.9 |
| Agree | 23 | 32.9 | 32.9 | 55.7 |
| Uncertain | 23 | 32.9 | 32.9 | 88.6 |
| Disagree | 8 | 11.4 | 11.4 | 100.0 |
| Total | 70 | 100.0 | 100.0 |  |

**Source:** Compiled from field data, July 2015

As shown in Table 4.27, 55.7% of the respondents of this study rate Exim Bank as outperforming other commercial banks in Tanzania with regard to various aspects human resource management practices. This means that Exim Bank has a unique blend of human resources, which is well trained and developed through bank’s unique human resources management programs and practices and this helps the bank create competitive advantage. Terpstra and Rozell (1993) reported that organizations with human resources practices and performance have higher levels of annual profits, growth and overall performance than those less sound practices. A review of Exim Bank’s annual profits for the past years indicates steadily high growth rates of 12% and above, and the bank’s has almost less than 2% staff turnover and hence the bank’s human resources training and developed by the bank itself have had an impact on its performance.

According to Exim Bank, during the last couple of years the bank has been bestowed with a lot of recognitions.[[2]](#footnote-3) The Bank has won an award from National Board of Accountant and Auditors (NBAA) for Best Presented Financials statement in the banking Sector Category- 2009 and emerged the overall winner. In 2013, EximBank was short listed among top five retail Banks in Africa in the prestigious African Bankers Awards held in Marrakesh, Morocco. The Bank has been Awarded Best Practice Environmental Award 2013 by the Ilala Municipal Council as the best Financial Institution in the environmental practice. Exim Bank states that its outstanding performance in the past years was due to dedicated staff and loyal customers as stated here below:

*“The Bank’s success in the last 15 years stems from its passion to offer unmatched banking services backed by dedicated staff and loyal customers which was vindicated by being ranked 1st in Customer Care in Tanzania 2012 by KPMG.”*

This shows that Exim Bank understands the contribution of its human resources towards achieving both non-financial and financial performance as well as overall performance of the bank. As stated earlier, the bank’s commitment to training and development of its human resources has been shown by establishment of the Exim Bank Academy on top of the Directorate of Human Resources. We can thus see how the human resources training and development has impacted the bank’s creation of competitive advantage.

## 4.7 Discussion of Findings

## 4.7.1 Overview

With a hindsight understanding that human resources are vital assets to organizations, this research focused on studying the impact of human resources training and development on creating competitive advantage in the banking sector in Tanzania with the case of Exim Bank Tanzania Limited. The study aimed at achieving three specific objectives, namely: to evaluate the impact of the human resource training and development programs in relation to the bank’s ability to create competitive advantage; to explore how the bank’s employees’ conduct is related to its ability to create competitive advantage; and to examine the effect of the bank’s management and employee social activities on creating competitive advantage. The previous chapter has presented the data of the study and this chapter discusses the findings based on the data collected through questionnaires, interviews and documentary review.

## 4.7.2 Human Resource Training and Development and Bank’s Competitive Advantage

As stated in Chapter One, the first objective of this study was to evaluate the impact of the human resource training and development programs in relation to the bank’s ability to create competitive advantage. Exim Bank has shown to understand what is involved in training and development and the rationale for planning and carrying out these activities. As Arthur et al., (2003) explain, training endeavours to impart knowledge, skills and attitudes necessary to perform job-related tasks. And on the same track, Kraiger (2003) observes that training is characterized as an instructor-led, content-based intervention leading to desired changes in behaviour, and in this case, training and development activities are expected to improve Exim Bank’s human resources knowledge, skills and attitudes to create competitive advantage of the bank.

The results as reported in Chapter Four indicate that Exim Bank values the contribution of its human resources to creation of competitive advantage. The results further show that the bank tailors its training and development activities to the need for the creating competitive advantage. Training needs analysis is carried out to determine the areas on which the training and development activities to focus in order to enhance the staff’s competence, creativity and innovativeness to effectively carry out their jobs.

The results have also shown that Exim Bank has a full-fledged directorate handling human resources matters and on top of that the bank has its own academy that is responsible for training and development activities. The Exim Bank Academy and Directorate of Human Resources work together in identifying training and developmental needs and carrying out the training activities. Planning and designing training, implementing it and finally evaluating it is the key strategic responsibility of the management to enhance the bank’s chances of creating competitive advantage.

In connection to this, Brown (2007) asserted that an organization’s strategic impulse to train and develop a unique workforce is the easiest and less costly approach in creating sustainable competitive advantage. Without great people, Exim Bank cannot be a great bank hence it has to consistently strive to provide an environment where talented people can develop, flourish and make a difference. The study has discovered that Exim Bank makes this possible through its comprehensive orientation sessions, individual development plans, coaching, department spotlight, talent management and career development programmes.

The study results emphasize the need for training and development to be regarded as the strategic activity of the banks operating in a competitive business environment. For banks, the purpose of training and development should be to improve the present and future well-being of the bank to create competitive advantage. The study revealed the need for training and development of human resources to focus on opportunities afforded by the environment, the strength and weakness of the banks, analysis of current skill levels available within and external to the banks and how to treat the human resources as one of the banks’ valuable assets.

Thus, banks can plan, design and deliver training in order to increase the capability and ability of the workforce and thus improve the overall change in the bank and thereby develop and empower the employees to come up with new ideas which helps in promoting the bank to a higher level. When cross checked with the training and development programs at Exim Bank Tanzania Limited they conduct regular development programs to their employees to make them expose to the current economic status and improving the skills of the employees to face the challenge.

The training of Exim Bank staff mainly concentrate on some special criteria’s like to concentrate on the performance improvement, communication, computer and general technology development skills, customer service, diversity, ethics, human relations, quality improvement and safety. For the bank service delivery in a competitive banking sector, the customer service skills for employees are vital since the main element of the bank business is the customer. Thus, it is imperative for the bank to be more oriented on the customers have to respect them their needs and queries. It is very important for the bank to keep good and well trained employees for it to increase service quality and create a trusted and positive image in the minds of the customers.

Exim Bank provides local expertise that their customers can rely on. The bank provides employees with the best possible support and learning opportunities. This is why the bank developed the Exim Bank Academy. The academy, which delivers internal training and development activities to the bank’s employees, offers all employees access to learning which is relevant to their role, and part of the bank’s business as a whole. And employees can tailor the training and development to suit their needs, and thereby taking control of their own development.

Exim Bank’s management understands the need to acknowledge the employees’ individual objectives in the improvement of skills of its workforce. By training the employees regarding new technological inventions in the banking sector and changes in the banking and financial markets, the bank to adapt with the changes and dynamics in the banking business environment, continue to create innovate bank products and services and hence expand its business. If the employees are offered training and development opportunities and thereby develop their skills and knowledge, they can easily achieve the tasks assigned to them and will be beneficial to the bank’s initiatives on creating competitive advantage. Exim Bank conducts frequent training and development programmes to the staffs to make them more market oriented and to let them know about the latest changes in technology and products innovativeness in the banking sector in Tanzania.

## 4.7.3 Employees’ Conduct and Bank’s Competitive Advantage

The study investigated the effect of training and development on the employees’ conduct in relation to creating the competitive advantage of the bank. The objective on this aspect was to explore how the bank’s employees’ conduct is related to its ability to create competitive advantage. The study explored Exim Bank’s focus of the training and development activities on encouraging creativity and innovativeness in employees, adoption of the teamwork approach, and its recruitment and retention strategies which are based on the employee’s professional conduct while working in the bank. The study also explored Exim Bank’s conduct of behavioural based evaluations and assessments as well as the return on investment that the bank gets from its human resource training and development in relation to creating competitive advantage.

Exim Bank offers a world of opportunities to its management staff and employees and the freedom to test their creative thinking by allowing them to come up and develop ideas that would improve delivery of the bank’s services. As the results indicate, 65.7% of the respondents supported the fact that Exim Bank encourages its employees to be creative and innovative. And the bank’s training and development activities are designed to impart skills for enhancing creativity and innovativeness in the design and delivery of its bank products and services.

The study revealed that Exim Bank’s human resource training and development activities involves imparting knowledge to employees, enhancing their work skills, and moulding their professional behaviour with the aim of improving employees’ ability to meet the challenges of a variety of new or existing jobs in the bank, including how to manage the client and customer demands of those jobs. The bank’s human resource training and development activities often focus on preparing employees for management responsibility. Most branch and departmental managers of the bank are recruited internally after undergoing extensive training and development that suits the bank’s banking services and product innovation as well service delivery.

During interviews in the study, I also discovered that the Exim Bank’s adoption of the teamwork approach on provision of certain banking services is based on the technique involving setting up teams to work on the design and delivery processes of particular bank services and products. And the bank offers a training and development programme to help employees learn the ins and outs of effective teamwork to support the service delivery processes or successful sale of its products. Exim Bank’s decisions and plans for human resource straining and development consider a range of factors including whether the bank should emphasize on enabling employees to perform their current jobs, preparing them for future jobs, or both. And also whether the employees should be trained specifically for delivering a particular bank service or impart them with skills that are relevant to carrying out various other jobs and duties for many other bank services and activities. An organization may offer programs to a few employees in whom the organization wants to invest, or it may have a philosophy of investing in the training of all its workers.

Although the bank may choose to offer training and development opportunities to a few employees in whom it wants to invest, Exim Bank has a philosophy of investing in the training and development of all its workers. The study discovered that the bank’s philosophy on investment in its employees is based on the idea that higher investment returns on training and development can be achieved if all employees are offered opportunities to acquire knowledge, skills, and abilities as wells to develop professional behaviour that is acceptable in the bank’s service delivery.

Exim bank offers opportunities at every career stage, from entry level and undergraduates to experienced professionals and senior executives including the top management officials of the bank. These opportunities span the bank’s major continental businesses in Africa from commercial banking to personal banking products and include customer-facing roles and vital operational and support functions such as finance and investment, human resources, technology, and marketing of the bank’s services. Whether employee chooses to work in local market in Tanzania or explore continental opportunities with Exim bank’s existing branches in Comoro Islands and Djibouti, they can be sure of an interesting and varied career within the bank.

## 4.7.4 Bank’s Social Activities and Competitive Advantage

In the study, it was postulated that creating competitive advantage goes together with an embracing organizational culture, which bolds the management and all employees together. An organization’s culture offers an opportunity to define its creativeness and hence make culture as its important element of the competitive advantage. An interview with the Director of Human Resources revealed that Exim Bank‘s culture, which is incorporated in the internal training and development activities, makes the bank stronger and become competitive in the dynamic banking sector in Tanzania.

The fact that well trained and developed human resources become creative, innovative, dependable, and open and connected in everything they do together is the key to the success of the bank. These values which are the results of the training and development activities of the bank describe how they interact with each other, customers, regulators and the wider community. Given the nature of the banking, these social values also the human resources to stand firmly for what is right, acting with courageous integrity, even when faced with pressure to act differently. These values can be seen in the way that they develop and promote talent based on merit, and in the shared Exim Bank’s culture of diversity and inclusion.

Creating a diverse workforce is very important to the bank. It makes it a more rounded banking organization, and helps all human resources to understand the bank’s customers better. So the bank keeps an open mind in the course of enhancing its culture through training and development in order to create competitive advantage over other banks in the banking sector in Tanzania and all other markets where the bank operates. Buck *et al.* (2003) noted that industry, culture and economic conditions have been identified as key determinants of human resources management strategies and practices including training and development. The bank embraces non-conformity and creates balanced teams based on competitive social-cultural norms that govern the management and employees in the course of undertaking their duties and responsibilities. And the bank respects people of all backgrounds in the processing of delivering its bank services, and this is observed through the trained and developed employees.

In the study, I discovered that at every stage of career, Exim Bank’s management team members and employees have the social and professional support they need to succeed in their jobs and to progress in their careers while with the bank. The bank offers a mix of formal and informal development activities, and employees are be able to develop personally through involvement in their sustainability and social corporate responsibility programs involving volunteering work.

Exim Bank recognizes that as social beings, performance of its employees can be affected by various reasons, such as personal and physical issues. The bank understands that rejuvenating its employees by giving them training and development programmes on all aspects of their professional and social life can increase their efficiency. Frequent training programmes are conducted for the employees to make their work interesting or easy to them. Exim Bank has frequent development programmes to improve the performance of the employees rather than terminating them on their beginning stage due to poor performance. The bank provides social support to each and every employee and social events such as the annual end of the year corporate parties bring together all employees and management team. This is on top of the bank’s initiatives to develop the skills of its employees to deliver a better service to clients and customers.

Exim Bankdoes not only understand its responsibility for training and developing human resources to make employees good performers and create competitive advantage, but also to make them meet the demands of the banking business environment in the banking sector in Tanzania. The banking environment around employees will demand so much from the operation they are working with. Exim Bank views training and development of its human resources as inevitable to meet all the challenges employees are facing and equip them toface the demands. Exim Bank trains employees in such away they follow all the ethical rules of the society and deliver service as the society demands. The bank perceives this as crucial social element that its employees should embrace in their work and the training and development activities are focused on this as well.

## 4.7.5 Performance Outcomes of Training and Development and Bank’s Competitiveness

As stated in the previous chapter, the study explored the impact of human resource training and development to performance of the organization as a result of creating the competitive advantage, specifically for Exim Bank which is one of the leading banks in the banking sector in Tanzania. The postulation here is that human resource training and development must be focused and linked to creating competitive advantage with the outcome of an improved performance of the organization. The findings of study reported in Chapter Four above indicate that training and development activities in Exim Bank have resulted into an increase in the bank’s innovative and competitive products and service features, selling, bank’s profitability, and customer loyalty with Exim Bank boasting as one of the banks that have high customer retention rates in the banking sector in Tanzania.

Furthermore, Table 4.26 indicates that human resource training and development in Exim Bank contributed to creating customer loyalty, improved service delivery, creative problem solving and decision making ability in employees and the management team as well as increase in performance management. In relation to this, Youndt and Snell (2004) suggests that human resources management practices such as training and recruiting should be used to acquire and improve human resources that lead to organizational performance. Interview discussions also revealed that through training and development programmes, Exim Bank has improved employee skills, knowledge, attitudes, and behaviours. Additionally, the results show that training and development activities in the bank have enhanced staff performance, job satisfaction, productivity and profitability.

As the results of this study show, banks operating in a competitive environment especially in the dynamic banking sector in Tanzania become more beneficial if their employees are efficient. And the results indicate that banks’ initiatives on training them and developing their skills can result into bigger goals including creating competitive advantage. It was also revealed that human resource training and development gives confidence to the employees and makes them more committed to working in the bank; hence, it can result in the improved performance of the bank. Thus, by developing a healthy competence among the employees, banks can create competitive advantage over competitors, gain more benefits, and can achieve good performance.

## 4.7.6 Discussion of the Findings

The study revealed that Human Resource training and development has a greater impact in the Bank’s ability to create competitive advantage. Corporate performance is largely determined by strategic human resource management practice and there is a positive relationship between strategic human resource practices and corporate performance as discovered by Ojo (20110) on his study. One of the key components of strategic human resource management is the human resource training and development.

Exim Bank has put deliberate effort in investing in its employees through training and development, this findings concur with Ojo’s results because through strategic human resource management it’s where the Exim Bank Tanzania is aligning its general objective with the human resource activities. Human resource training and development is one among those activities. Employee are trained for the special present and future purposes with the aim of improving employees’ and Bank’s present and future performance. With trained employees’ Exim Bank has managed to go well with the now and then developing or changing technology.

In this study training and development of human resource serves as an independent variable to determine the extent of the impact on Bank’s ability to create competitive advantage. In order for the human resource training and development to have the effect in the Bank’s desire to create competitive advantage it should have the impact first on the individual and group performance within the organization. So it’s must be strategically programmed. Most of the training programs fail to generate the desired results because they focus on issues, which do not have the strategic importance (Helms, 1996; Tennant et al, 2004). From the study Exim Bank first assess the training needs according to the employees’ performance and Banks now and future objectives. So the training programme is according to the organisational and employees’ needs for better performance.

In their study about investing in human resource development, Gidabo et al (2014) discuss that banking is a knowledge – based service industry that has always required specialized training. Exim Bank Tanzania has taken this seriously it does not only implementing its human resource training and development program but they have their own Exim College which provide special training to its employees’. Even though they have their own college but it’s not the only place where employees’ are trained, employees are going wherever the Bank believes they can get the required knowledge and skills.

Through this study it is evidenced that the human resources of the organization are the decisive source of competitive advantage. Exim Bank human resource training and development programmes are not strategically or merely meant to attain a competitive advantage over other Banks. But through the aim of improving knowledge , skills and attitudes of its employees’ for better performance its where comes out the Bank to have a unique kind of talented employees who are easier to cope with the new technological inventions in the banking sector and financial market.

With that unique kind of talented employees the Bank provide better service to its customers, with better service the Exim Bank satisfy its customers. Team work also is so grounded in the Exim Bank Tanzania, this also has necessitated by several training, couching and mentoring which employee’s gets. Team work has helped the Bank to build a strong organizational culture where by everyone feels the sense of belonging in the Bank. With the strong organizational culture and team work the Bank is flexible; it can sustain its effectiveness despite the loss of key personnel or in making short – term adjustment with the existing employees.

So with those qualities of having a unique talented employee who provides better service to the customers and having strong organisational culture Exim Bank stands up as a productive Bank. Human element in the organization is the source of all of those qualities/ element hence by giving them training as Exim Bank does, its gives it a better chance in gaining competitive advantage over other Banks. All improvement the organization wish to make is possible only through investing in the people first.

# CHAPTER FIVE

# CONCLUSION AND RECOMMENDATIONS

## 5.1 Conclusion

This study was aimed at exploring the impact of human resource training and development in creating competitive advantage in Tanzanian banking sector. The methodology used in data analysis was quantitative analysis using Micro soft Exel and the SPSS software. After analyzing the data, the following conclusion was drawn: Human resource training and development program is a continuous practice in the Exim Bank Tanzania and staff are able to learn and update their knowledge and skills whenever need arises. Well -trained, skilled and knowledgeable employees plays a critical role on the bank’s survival in a competitive banking environment. With this understanding Exim Bank has a full specialized team of managing training and development activities as well as established a special unit, Exim Bank Academy.

Additionally, the bank considers training and development as strategic and therefore it receives required support and resources are budgeted for the training and development programme. Human resources are the valuable and unique assets of banks operating in the banking sector in Tanzania for them to gain competitive advantage in today’s dynamic and challenging environments. The study has shown that banks which can select and retain qualified employees with the needed skills and keep on training and developing the employees can be successful today. This can be in the form of increased sales, profitability, product designs and service delivery effectiveness and efficiency, customer loyalty, and overall improvement in the bank’s financial, operational and business performance.

The findings of the study indicate that designing the human resources training and development programmes and practices in a strategic way and according to the needs of employees can help the banks to attract and retain these workforces and create competitive advantage. Strategic human resource straining and development practices can increase employees’ participation in decision making process and can support employees’ innovative ideas and encourage them to be active in innovation process of the bank.

The study has emphasized the role of training and development in maintaining an innovative workforce. As a result, human resources training and development activities have been linked with innovation and creating competitive advantage as well as performance evaluation and employees’ career management. The banks’ human resources training and development practices and activities are vital in human resources enhancement and offers unlimited benefits to the banks and other stakeholders including clients and customers as well as achieving desired performance.

## 5.2 Recommendations

Human resources training and development activities that focus on creating competitive advantage are important for a bank or organization operating in a dynamic and competitive business environment. Banks and all other organizations need to develop strategies for and around the adoption of human resource training and development for creating competitive advantage for their own survival. Based on the findings of this study, the researcher recommends that human resource managers and directors in banks should not ignore human resources training and development when formulating and executing programmes that target creating competitive advantage. Thus, the training and development programme should be aligned with creating competitive advantage of the banks and the resulting performance.

Banks and indeed all other types of organizations should understand the effect of human resources training and development on creating competitive advantage, and hence it is recommended that they should treat human resources as important assets and therefore consider accurately measuring them as both tangible and intangible assets and use this as an important input when making strategic human resource decisions that enhance employees/staff performance. The aim should be on enhancing both non-financial and financial performance of the bank.

Furthermore, I recommend that bank managers and employees should work together to set performance goals and expectations for and from training and development activities, and evaluate progress towards the employee’s professional career development goals with a focus on not only what needs to be done but also how it should be done to create competitive advantage and achieve other benefits thereof. Both managers and employees should engage in regular coaching, recognition and feedback to give them the opportunity to improve and excel as well as achieve the desired results for training and development practices.

## 5.3 Future Research Areas

This study shows that there is a link between creating competitive advantage and human resources training and development activities in the banking sector. However, further research is recommended to explore more on this area. Recommended research possibilities to further this work can be centred on the following areas:

1. Human resources training and development is concerned with imparting and enhancing knowledge, skills and abilities in employees and can be carried out across all levels in the bank or organization to create competitive advantage and enhance the bank’s performance. Although we know that human resources training and development contributes to creating competitive advantage in the banking sector, there is need for research on how it can affect banks’ or organizational performance.
2. A study can also be undertaken to investigate the specific area of training and development that has more effect on creating competitive advantage in the banking sector.
3. A study on whether bank’s performance can be utilized in measuring the effectiveness of human resources training and development in the banking sector would be an important in evaluating the training and development activities of the bank.
4. Furthermore, it is recommended for a study on identifying the indicators that best explain the effective use of training and development in creating competitive advantage in the banking sector should be undertaken.

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**APPENDICES**

**Appendix 1: Research Questionnaires**

THE OPEN UNIVERSITY OF TANZANIA

Faculty of Business Management

QUESTIONNAIRE FOR RESEARCH ON:

**The Impact of Human Resource Training and Development in Creating Competitive Advantage in the Tanzanian Banking Sector: The Case of Exim Bank Tanzania Limited**

P. O. Box 9721

DAR ES SALAAM

Mob: +255713283830

Email: subilagam@yahoo.com

Date:

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…………………………………………………

Dear Sir/Madam

The enclosed questionnaire is being distributed to members of the management team and staff of the Exim Bank Tanzania Limited to collect data for study on *“The Impact of Human Resource Training and Development in Creating Competitive Advantage in the Tanzanian Banking Sector”.* The study is an academic research to meet the requirements for the Master of Human Resources Management of The Open University of Tanzania. Completing this questionnaire will not take you longer for it is not complicated.

Your cooperation in this effort, including the prompt response by physical submission, email, fax or post through the enclosed envelope would be greatly appreciated. Individual responses will be treated as strictly private and confidential. You may contact me at the above phone numbers, email, fax or postal address if you would require any further clarification regarding this questionnaire.

Sincerely yours,

**MS. SUBILAGA MWANDIGA**

Researcher and Candidate for the Master of Human Resources Management

The Open University of Tanzania, Dar es Salaam

**RESEARCH QUESTIONNAIRE**

**Instruction**

1. Fill in the questionnaire by circling the most appropriate response to each item.
2. **Human Resource Training and Development Programs and the Bank’s Ability to Create Competitive Advantage**
3. Exim Bank Tanzania Limited understands the critical impact that human resources have on creating competitive advantage over other banks in Tanzania
   1. Strongly Agree
   2. Agree
   3. Uncertain
   4. Disagree
   5. Strongly Disagree
4. There is a process to assess employee training needs with a focus on creating competitive advantage.
   1. Strongly Agree
   2. Agree
   3. Uncertain
   4. Disagree
   5. Strongly Disagree
5. There is a process to assess individual employee development needs to have a workforce that has skills set uniquely different from other banks.
   1. Strongly Agree
   2. Agree
   3. Uncertain
   4. Disagree
   5. Strongly Disagree
6. Employee development plans are addressed in performance appraisals
   1. Strongly Agree
   2. Agree
   3. Uncertain
   4. Disagree
   5. Strongly Disagree
7. Training and development needs are reflected in the corporate budget to enhance innovativeness and creativity within the bank.
   1. Strongly Agree
   2. Agree
   3. Uncertain
   4. Disagree
   5. Strongly Disagree
8. Job skills, knowledge and ability are considered in training and development needs analysis.
   1. Strongly Agree
   2. Agree
   3. Uncertain
   4. Disagree
   5. Strongly Disagree
9. Exim Bank Tanzania Ltd provides adequate opportunities to make use of managers’ and employees’ abilities.
   1. Strongly Agree
   2. Agree
   3. Uncertain
   4. Disagree
   5. Strongly Disagree
10. The personnel policies in organization facilitate employee development.
    1. Strongly Agree
    2. Agree
    3. Uncertain
    4. Disagree
    5. Strongly Disagree
11. Employees are sponsored for training programmes regularly as per need
    1. Strongly Agree
    2. Agree
    3. Uncertain
    4. Disagree
    5. Strongly Disagree
12. People lacking competence in doing their jobs are helped to acquire competence rather than being left unattended.
13. Strongly Agree
14. Agree
15. Uncertain
16. Disagree
17. Strongly Disagree
18. Human resource training and development programmes result into the bank’s competitive and unique product and service design.
    1. Strongly Agree
    2. Agree
    3. Uncertain
    4. Disagree
    5. Strongly Disagree
19. **Employees’ Conduct and the Bank’s Ability to Create Competitive Advantage**
20. Employees are encouraged to experiment with and try out new methods and creative ideas.
21. Strongly Agree
22. Agree
23. Uncertain
24. Disagree
25. Strongly Disagree
26. Employees’ ability to work together as a team, which is the core of Exim Bank’s training and development programmes, improves the bank’s system thinking and competitive advantage.
    1. Strongly Agree
    2. Agree
    3. Uncertain
    4. Disagree
    5. Strongly Disagree
27. Exim Bank Tanzania Ltd recruits and retains outstanding employees with professional conduct.
    1. Strongly Agree
    2. Agree
    3. Uncertain
    4. Disagree
    5. Strongly Disagree
28. Behaviour-based evaluations and assessments are critical to creating competitive advantage and Exim Bank Tanzania Ltd’s HRM training and development incorporates this.
    1. Strongly Agree
    2. Agree
    3. Uncertain
    4. Disagree
    5. Strongly Disagree
29. Return on investment on training and development is measured against the bank’s resulting competitive advantage.
    1. Strongly Agree
    2. Agree
    3. Uncertain
    4. Disagree
    5. Strongly Disagree
30. **The Management and Employees’ Social Activities and the Bank’s Competitive Advantage**
31. The bank ensures employee welfare to such an extent that employees can serve a lot of their mental energy for work purposes.
32. Strongly Agree
33. Agree
34. Uncertain
35. Disagree
36. Strongly Disagree
37. The top management is willing to invest a considerable part of their time and other resources to ensure the development of employees for creating competitive advantage.
38. Strongly Agree
39. Agree
40. Uncertain
41. Disagree
42. Strongly Disagree
43. Senior staff guides their junior fellow staff and prepare them for future responsibilities and roles they are likely to take up.
44. Strongly Agree
45. Agree
46. Uncertain
47. Disagree
48. Strongly Disagree
49. Exim Bank Tanzania Limited’s corporate HRM practices incorporate social activities that inculcate creativity and hence create competitive advantage for the bank.
    1. Strongly Agree
    2. Agree
    3. Uncertain
    4. Disagree
    5. Strongly Disagree
50. The bank’s training and development programme motivates employees to feel part of the bank and improves competitive advantage.
    1. Strongly Agree
    2. Agree
    3. Uncertain
    4. Disagree
    5. Strongly Disagree
       1. **General Assessment of the Role of the Bank’s Human Resource Training and Development on Creating Competitive Advantage**
51. Human resource training and development improves system analysis and design which in turn improves the bank’s ability to create competitive advantage.
    1. Strongly Agree
    2. Agree
    3. Uncertain
    4. Disagree
    5. Strongly Disagree
52. The bank’s training and development programmes improves staff’s adoption and creativity in information technologies and hence create competitive advantage.
53. Strongly Agree
54. Agree
55. Uncertain
56. Disagree
57. Strongly Disagree
58. The bank’s training and development programme, which emphasizes on product knowledge and management, improves its ability to create competitive advantage.
59. Strongly Agree
60. Agree
61. Uncertain
62. Disagree
63. Strongly Disagree
64. Exim Bank Tanzania Ltd has the most creative workforce in the banking sector making it the most innovative bank in Tanzania.
    1. Strongly Agree
    2. Agree
    3. Uncertain
    4. Disagree
    5. Strongly Disagree
65. To what extent has the bank’s human resource training and development contributed to the outcomes in the table below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Outcome Description** | **To a large extent** | **To some extent** | **Average** | **Little extent** | **No contribution** |
| Increase in innovative and competitive product/service features |  |  |  |  |  |
| Increase inselling |  |  |  |  |  |
| Organization profitability |  |  |  |  |  |
| Creates customers loyalty |  |  |  |  |  |
| Improved service delivery |  |  |  |  |  |
| Creative problem solving and decision making |  |  |  |  |  |
| Increases performance management |  |  |  |  |  |

1. Exim Bank Tanzania Ltd outperforms other commercial banks on various aspects because of its human resources, which is trained and developed through its unique HRM programs and practices to achieve competitive advantage.
   1. Strongly Agree
   2. Agree
   3. Uncertain
   4. Disagree
   5. Strongly Disagree

The End!

1. http://www.eximbank-tz.com/More%20info/About%20us.php [↑](#footnote-ref-2)
2. http://www.eximbank-tz.com/More%20info/About%20us.php [↑](#footnote-ref-3)