

**NABBANJA RITAH M (2013- MIO2-20072)**

**Staff Training and Employee Performance in Microfinance Institutions: A Case Study of Masaka Municipality.**

Like a crew sailing an ocean race, success and possibly survival depends on a good crew that understands the strategy and can adapt quickly to the unpredictable environment. The same way, Micro Finance Institutions (MFIs) need competent talents that are capable of giving them a competitive edge in the industry. This competence can basically be attained by the knowledge and skills from training. This study focused on staff training and employee performance and its major purpose was to analyse and examine the implication of staff training on employee performance. The researcher had to find out the effect of training needs assessment on employee performance; to examine the effect of training techniques on employee performance in MFIs; to assess the relationship between staff training and employee performance and to identify the value of training evaluation on employee performance. The study adopted a cross sectional survey design descriptively using both qualitative and quantitative approaches. The target population was 200 MFIs employees and a sample size of 132 respondents. Simple random and purposive sampling methods were used to obtain the respondents. Questionnaires and interviews were used to collect data from respondents and the data was analysed using descriptive statistics, multiple regression and Pearson correlation. Findings from the inferential statistics indicated that staff training has an effect on employee performance as most of the co-efficient were  $> 0.05$ . Multiple regressions showed that there is a big relationship between staff training and employee performance. The adjusted  $R^2 = .5063$  which is the co-efficient of determination implies that the independent variables (systematic training) where TNA has the highest beta.382 explain 50.6% variation in the dependent variable (employee performance). The other percentage (49.4%) is explained by other factors like motivation, working environment, management support and job enrichment which affect employee performance. This means that not all performance deficiencies can be solved by training. The study recommends that staff training and employee performance intervening variables be given attention when deciding on training as the solution to the performance gap. It also recommends that strategies to enhance the transfer of learning should be thought of for better performance.

**Key Words: Staff Training, Employee Performance, Microfinance Institutions. Masaka Municipality**