

TRAINING NEEDS ASSESSMENT



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EXECUTIVE SUMMARY

Afghanistan Microfinance Association (AMA) conducted the first Training Needs Assessment (TNA) in 2012 with the objective to identify the key capacity building needs of the Afghanistan Microfinance sector at different management levels. The findings of the assessment was summarized in a report published in 2012. The publication proved to be very useful for sector practitioners, training providers and stakeholders. The publication was particularly much useful for the Afghanistan Institute of Banking and Finance (AIBF). Based on the findings and recommendations of the report, AIBF tailored its training calendar and started delivering trainings accordingly.

Having its operations only in Kabul, AIBF could not respond to the capacity building needs of the Development Finance Institutions (DFIs) in the provinces. It was also not cost effective for DFIs to send their employees to Kabul for AIBF trainings. This turned out finally to become a challenge for AIBF in reaching out to DFIs. To properly respond to this challenge, AIBF and AMA signed an MOU in July 2015 to jointly organize trainings for DFIs in the provinces.

To be able to respond to the capacity building needs of the DFIs in a more systematic manner and to identify the trainings needs, AMA in collaboration with AIBF conducted the second TNA in August-September 2015 to clearly identify the capacity building needs and demand of the sector and ways to address them effectively.

Almost all the responders of the assessment said that low level of staff capacity and technical skills in respective fields is a hindrance for growth and development of the development finance sector. Staff turnover, insecurity, political and economic instability of the country, weak judiciary system, weak government support, lack of proper credit

bureau, are among the other challenges that the development finance sector is currently facing.

83% of the CEOs, 100% of the COOs, and 78% of the HR and Training Managers responded that capacity building can address their institutions challenges to a considerable extent. Skilled and experienced human resources can tackle with the situations to overcome the challenges.

100% of the CEOs and 78% of the HR and Training Managers recommended that technical microfinance trainings are mostly needed for their staff.

100% of the CEOs and 89% of the HR and Training Managers responded that trainings are mostly needed for their operational staff followed by middle management.

83% of the CEOs recommended short term trainings (2-5 days) and 75% of the COOs preferred class room training methodology.

67% of the surveyed financial institutions have their own training departments. 83% of the HR and Training Managers responded that they need Training of Trainers (TOT) for their trainers, 67% of them responded that they need training material for their trainings and 33% of them responded that they need equipment for strengthening their training departments.

It is surprisingly revealed, as stated by HR and Training Managers, that more than 1,500 employees of the DFIs require trainings on different subjects which shows huge demand for trainings. The training sessions are preferred to be conducted mostly in English and Dari languages. Class room methodology and short term (2-5 days) duration for trainings is preferred by most of the HR and Training Managers.

ABOUT TNA AND METHODOLOGY

The information was received from CEOs, COOs, and HR & Training Managers of the institutions through three separate questionnaires, developed for this purpose.

Six CEOs, eight COOs, and nine HR and Training Managers from 11 AMA member institutions took part in the survey and shared their inputs through questionnaires.

The information received through questionnaires were thoroughly reviewed and further clarifications were received from the concerned institutions through face-to-face interviews.

The information was entered in a database developed for this purpose, analyzed and report was generated accordingly.

A team of four; Mr. Fahim Naimi the Research & Communication Manager and Ms. Zohra Saba the Public Information & Communication Officer from AMA, and Mr. Hassan Alemyar and Mr. Majibullah Maihan Dost the National Trainers from AIBF conducted the TNA. The team was led by Mr. Fahim Naimi.

The report was drafted by Mr. Naimi and reviewed and edited by Mr. Najibullah Samim the Executive Director of AMA and Mr. Sayed Abdul Ghafoor Sadat the Executive Director of AIBF.

CEOs PERSPECTIVE

The Chief Executive Officers (CEO) input for this assessment was key to know the overall challenges and capacity building needs of each Development Finance Institutions (DFI). Six CEOs provided their inputs for this assessment directly and the inputs of the rest of the CEOs were received through COOs or HR/Training Managers.

“83% of the CEOs stated that low level of staff capacity is a challenge for their institutions and capacity building can address some of their current challenges”. Staff turnover, lack of qualified human resources in the rural areas, lack of legal framework for microfinance in Afghanistan, political and economic instability of the country, sustainability of the institutions and negative perception of the community about microfinance are among the other challenges that the CEOs stated.

100% operations staff, 67% middle management, 50% junior management, and 17% senior management, are the responses received from CEOs stating the needs for trainings among staff levels.

100% of the CEOs stated that technical microfinance trainings are needed for their staff. Other trainings recommended by the CEOs in

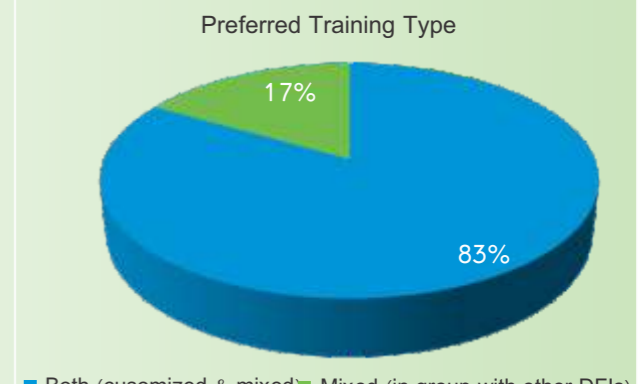
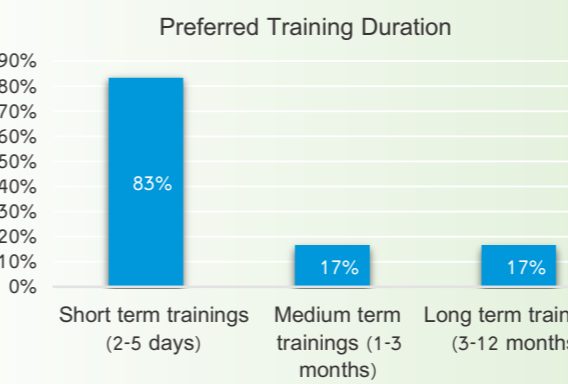
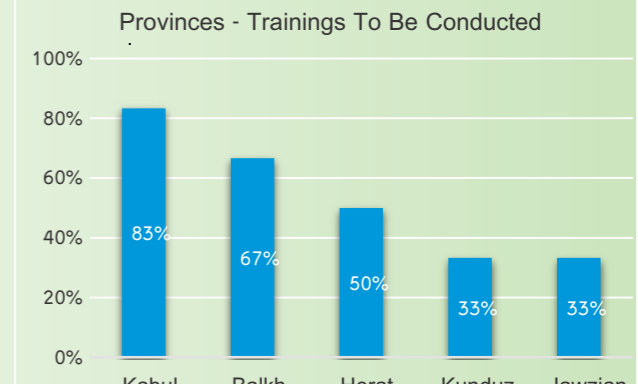
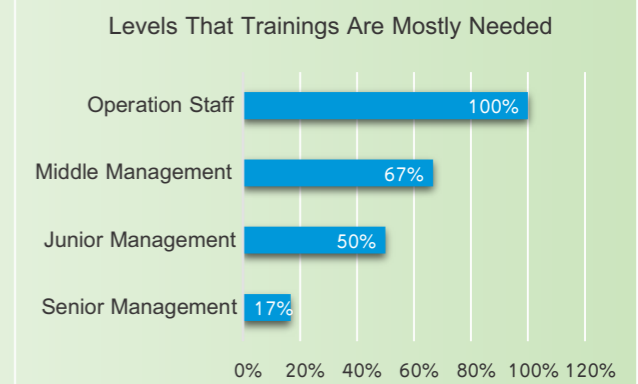
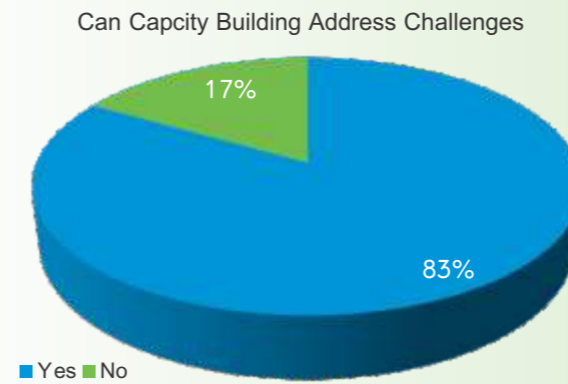
terms of priority are; Management, Accounting, Leadership, Communication, Finance, Marketing and Technical SME.

As per the CEOs’ recommendation for focusing trainings on top five provinces of Afghanistan, Kabul with 83% recommendation is on the top followed by Balkh (67%), Herat (50%), Kunduz (33%), and Jawzjan (33%) provinces.

83% of the CEOs stated that the trainings can be conducted for their staff separately as well as in group with other DFIs staff. Short term trainings (2-5 days) are preferred by most of the CEOs. One CEO also suggested medium term (1-3 months) and long term (3-12 months) trainings.

“Loan Portfolio Management, Islamic Microfinance, Communication, SME Lending, Risk Management, Delinquency Management, and Financial Accounting are the seven trainings that the CEOs recommended for their staff”.

In response to an open-ended question, one of the CEOs mentioned that the quality of trainers is very much important in the success of the trainings. They need to have practical operational experience along with good communication skills.



COOs PERSPECTIVE

The Chief Operation Officers (COO) input mostly reflect the challenges and capacity building needs of the operations staff. Eight COOs participated in this assessment and provided their inputs.

All the COOs stated that the role of operations staff is key in the success of an institution thus, considering the large number of operations staff, low level of capacity among them has always been a challenge for them. Insecurity, social knowledge, improper judiciary system, and fraud are among the other challenges stated by the COOs.

“All the COOs believe that capacity building can address some of their current challenges”.

All the COOs stated that capacity building inputs so far improved performances of their operations staff.

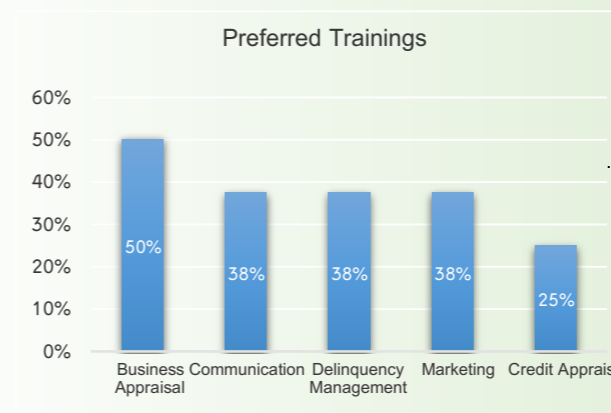
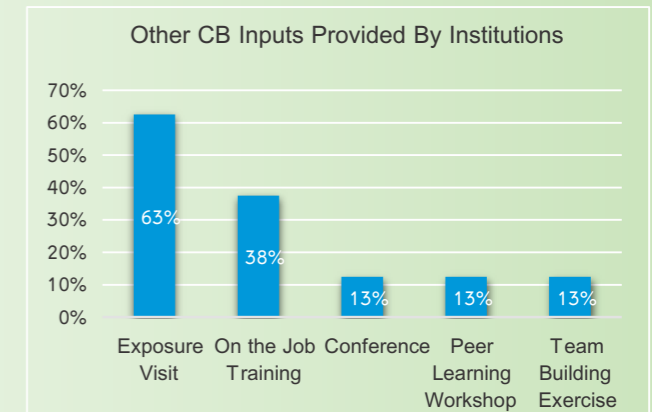
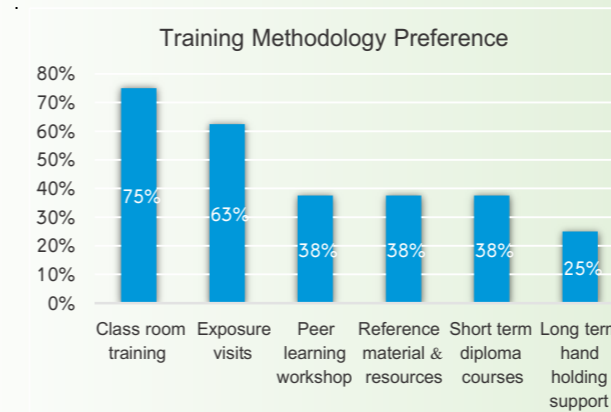
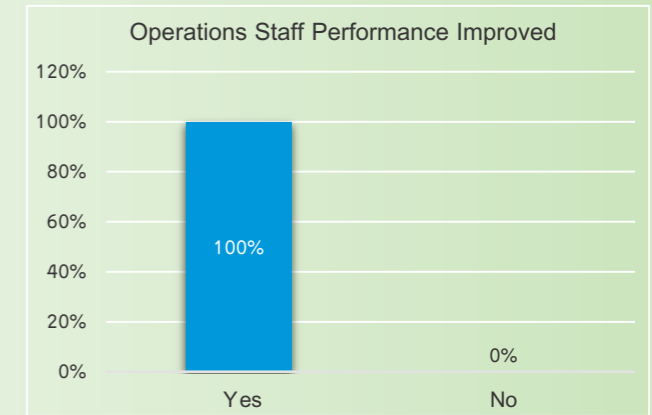
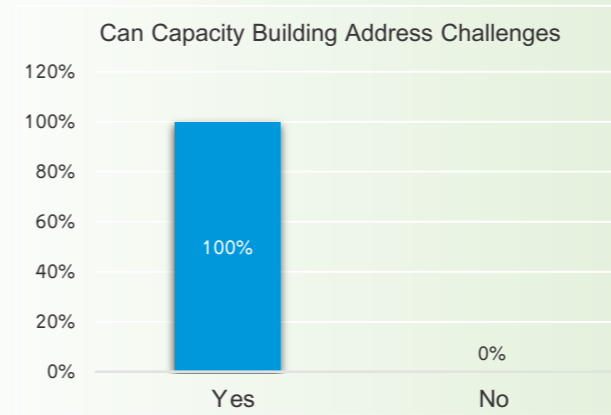
75% of the COOs preferred Class Room training

methodology followed by Exposure Visits, Peer Learning Workshops, Reference Material & Resources, Short-term Diploma Courses, and Long Term Handholding Support.

Exposure visits, on the job trainings, conferences, peer learning workshops and team building exercises are other capacity building inputs being provided by some of the DFIs, in addition to the trainings and workshops.

“Top five trainings that are recommended by the COOs are; Credit Appraisal, Business Appraisal, Communication, Delinquency Management, and Marketing”.

In response to an open-ended question, one of the COOs mentioned that the operations staff are always busy on achieving their targets so, all types of capacity building events are preferred to be conducted during the second week of the month.



HR & TRAINING MANAGERS PERSPECTIVE

Nine HR and Training Managers inputs were received and reflected in this assessment. Six of the HR and Training Managers stated that low level of staff capacity is a challenge for their organizations. Lack of qualified human resources, insecurity, staff turnover, weak government support, and instability of the country are the other challenges ahead of the institutions, according to the HR and Training Managers.

“78% of the HR and Training Managers stated that capacity building can address some of their challenges” and 89% of them recommended trainings for operations and middle management staff. 56% of them recommended trainings for junior management staff while only 11% of them recommended trainings for senior management staff.

HR and Training Managers stated that they are assessing the capacity building needs of their staff through performance appraisal, line manager assessment, and proper TNA methodologies. 78% of the HR and Training Managers said that they conduct these assessments on annual basis while 11% said on semi-annual and quarterly basis.

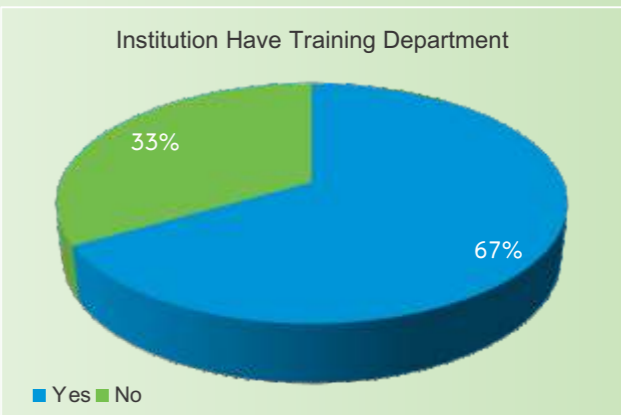
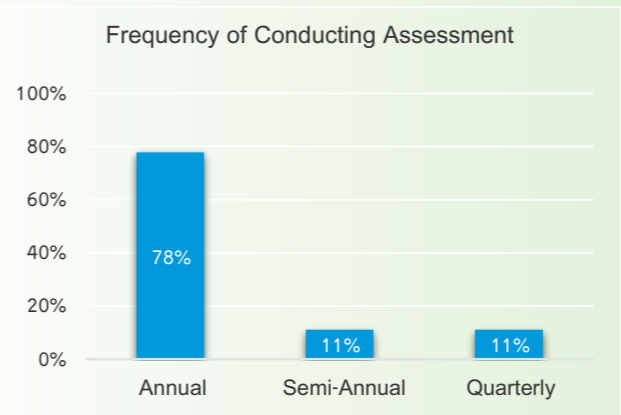
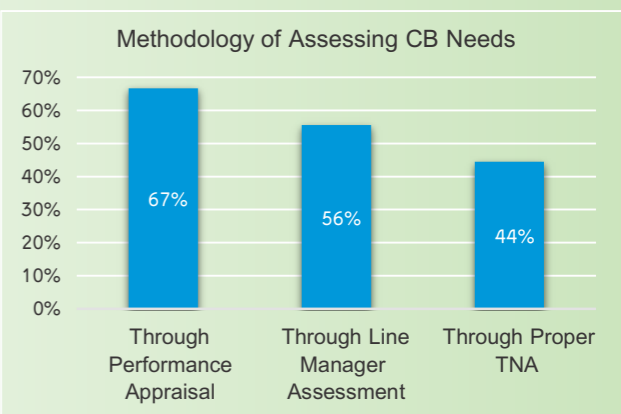
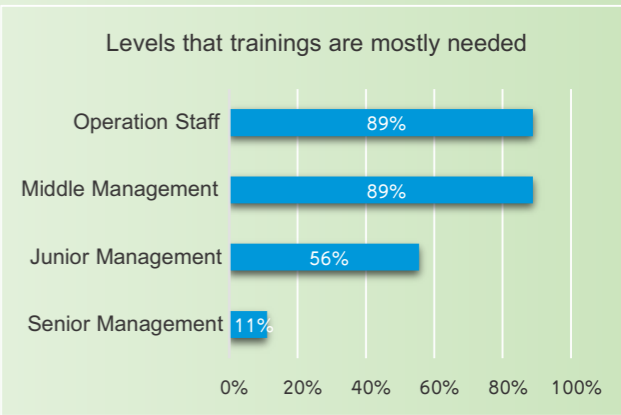
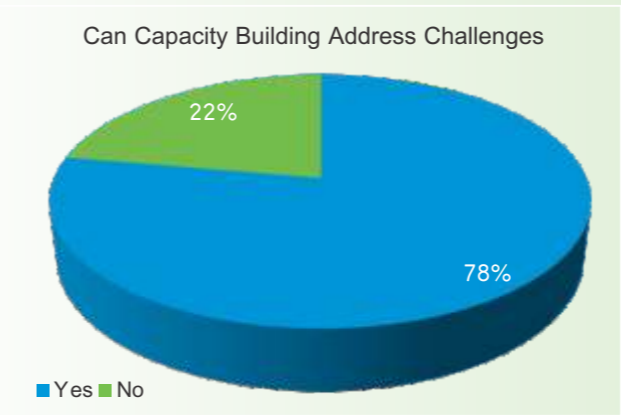
Technical Microfinance, Management, Accounting, Finance, Leadership, Communication, General Banking, and Internal Audit & Control are the functional areas identified by the HR and Training Managers that trainings are mostly needed for their employees.

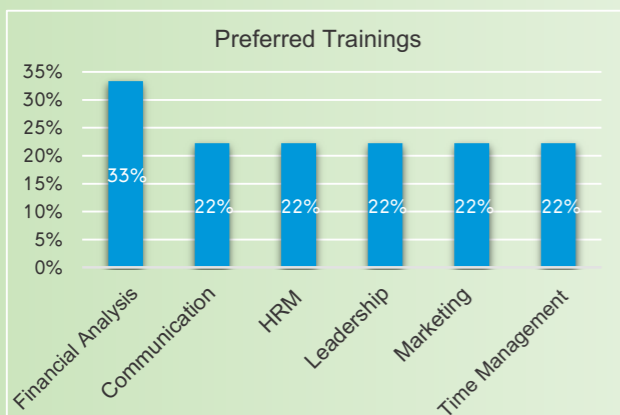
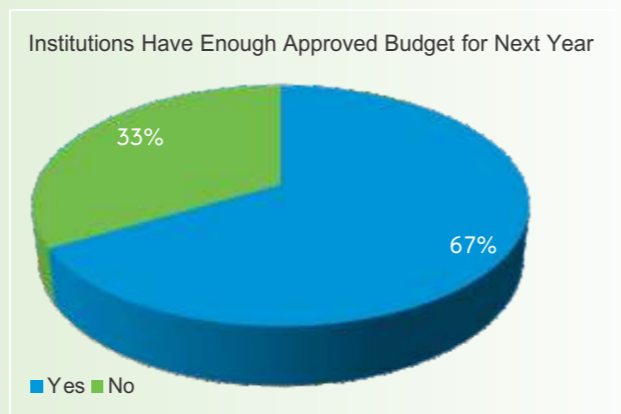
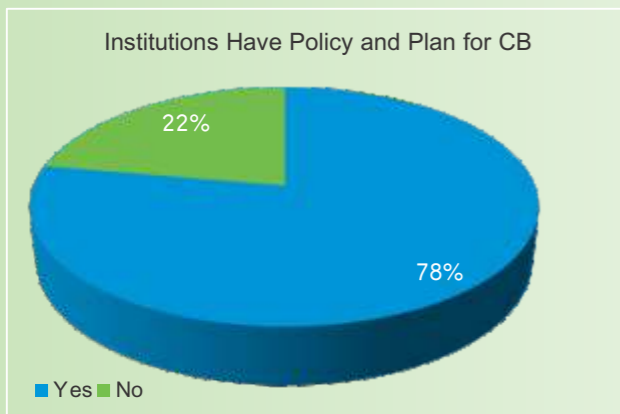
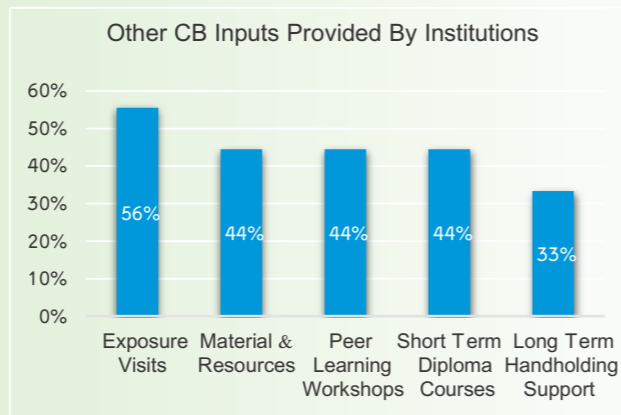
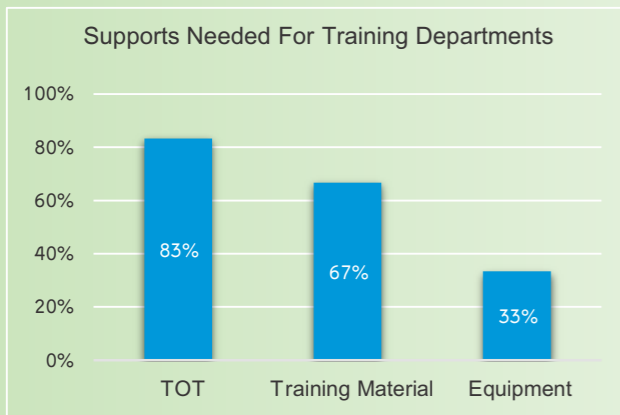
67% of the institutions have training departments, stated by the HR and Training Managers. 83% of the HR and Training Managers responded that they need Training of Trainers (TOT) for their trainers, 67% of them responded that they need training material for their trainings and 33% of them responded that they need equipment for strengthening their training departments.

78% of the HR and Training Managers stated that their institutions have policy and plan for capacity building and 67% stated that their institutions have enough approved budget for capacity building of employees for next year.

“Communication, Financial Analysis, Human Resources Management (HRM), Leadership, Marketing, and Time Management are the six trainings that the HR and Training Managers recommended. One HR and Training Manager also suggested Banking, Accounting, Saving Mobilization and Business Analysis skills”.

It is surprisingly revealed, as stated by HR and Training Managers, that more than 1,500 employees of the DFIs require trainings on different subjects. This shows huge demand for trainings.





LIST OF DFIS PARTICIPATED IN THE ASSESSMENT

AKF	Aga Khan Foundation
ARFC	Afghan Rural Finance Company
AWC	Afghanistan Women Council
FINCA	Foundation for International Community Assistance Afghanistan
FMFB	First Microfinance Bank Afghanistan
HIH	Hand in Hand Afghanistan
IIFC-G	Islamic Investment & Finance Cooperatives Group
MUTAHID	Mutahid Development Finance Institution
OXUS	OXUS Afghanistan
SFL	Shelter For Life
TOM	Tikkun Olam Microfinance

AMA

Afghanistan Microfinance Association (AMA) is the national network of Development Finance Institutions (DFIs) in Afghanistan, established in 2005.

Vision:

To promote financial inclusion through creation of an enabling environment for the development finance sector in Afghanistan.

Mission:

To build an inclusive, sustainable, and responsible development finance sector through policy advocacy, knowledge management, coordination & networking, and capacity building.

AIBF

Afghanistan Institute of Banking and Finance (AIBF) was established in 2010 to provide education, training, and research to Afghanistan's banking and financial sector.

Vision:

Afghanistan Institute of Banking and Finance operates at the frontier of knowledge in banking and finance. It provides Afghanistan's financial community with state-of-art education and training all organizational levels within financial institutions and specializations of professional practice. It also provides the intellectual resources to Afghanistan's finance sector to meet the needs of Afghanistan's evolving economy.

Mission:

Afghanistan Institute of Banking and Finance provides education, training, research, and thought leadership to Afghanistan's financial community consistent with global best practices.

