

# **Effect of the Structure of Guidance and Counselling Programme on the Performance of Commercial Banks in Kenya**

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## **Abstract**

The discipline of guidance and counseling is a very important field in effective firm performance. However, most of the organizations tend to leave it to natural adjustments through peers, friends and close relatives. This may prove unproductive in the long run leading to high staff turnover without a proper remedy. A spiral over effect results to a tarnished image hence the justification of staff turnovers without getting to the real cause of this. At present the existing research on guidance and counseling is concentrated on developed countries and the policies and frameworks are developed from these countries that could be suitable only to developed countries. However, none of these studies identifies the effects of guidance and counseling on the performance of commercial banks in Kenya and therefore the need to carry out the research. The study specifically sought to determine if the structure of guidance and counseling affected the performance of commercial banks in Kenya. The focus group was employees in commercial banks in Kenya. To achieve the objectives, the research study used descriptive research design with a total of 314 employees forming the sample size out of a target of 343 from a population of 3232 employees. The study employed a structured questionnaire to collect data. The study was carried out in Nairobi since most of the commercial banks' headquarters are located there. The data collected was analyzed using Statistical Package for Social Sciences (SPSS) and MS Excel Platforms. Presentation of data used descriptive statistics (frequencies and percentages) and inferential statistics (Pearson correlation analysis and linear regression). Reliability and validity was tested using Cronbach's alpha and all the variables met the threshold for subsequent analysis. Both tests of significance using regression analysis and correlation analysis indicated a positive significant relationship between the dependent variable and the independent variable. These results led to a rejection of the null hypothesis that the structure of guidance and counseling programmes does not affect the performance of commercial banks in Kenya. This enabled a conclusion to be made that the way the guiding and counseling programme is structured within any banking institution, affects its performance. From the results and findings, it was recommended that the structure of guidance and counseling programme in any of the banking institutions should be well planned and constituted and that its implementation should be taken seriously because it affects to some extent the performance of Kenya's commercial banks.

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**Keywords:** Counseling, Employee Counseling, Guidance, Performance, Guidance and Counseling.

## Introduction

Myrick (2003) has emphasized that social structures and social or personal values continue to change and become more diverse. Emerging social groups are challenging established groups, asking for equality. People are on the move too, from rural to urban areas and vice versa, and from one region of the country to another in search of economic, social, and psychological security. All of these changes are creating complex challenges for employees as they anticipate the future. A rapidly changing world of work and labour force, violence in homes, organizations, and communities, divorce, teenage suicide; substance abuse, and sexual experimentation are few examples of the complex challenges employees face today. They are not abstract aberrations rather they are all and will continue to have substantial impact on the personal or social, career, and academic development of employees (Gysbers and Henderson, 2006).

Counselling literature by many scholars (Aluede, 2006; Hui, 2000) indicate that organizations with more fully implemented comprehensive guidance and counseling programmes had employees who reported (a) feeling safer attending their organizations; (b) having better relationship with their leaders; (c) earned higher grades; (d) believing that their career was more relevant and important to their futures; (e) being more satisfied with the quality of life (QOL) and career available to them in their organizations; and (f) having fewer problems related to the physical and interpersonal milieu in their organizations.

Human development is a journey from birth to death in which the personality unfolds, changes and changes again. Developmental guidance and counseling assumes that human nature moves an individual sequentially and positively towards self-enhancement. It recognizes the fact that there is a force within each of us that makes us believe that we are special and there is nobody like us. It assumes that our individual potentials are valuable assets to society and the future of humanity (Myrick, 2003). The developmental approach considers the nature of human development, including the general stages and tasks that most individuals experience as they mature from childhood to adulthood (Aluede, 2006).

Gichinga(1999), sees Developmental Counselling and Guidance as a Comprehensive Approach which provides an early direction for establishing developmental guidance programmes. He articulated the following as basic philosophical principles for programme development: (a) developmental guidance should be an integral part of the overall career process and consistent with the organization's mission and philosophy; (b) developmental guidance is for all employees; (c) leaders must be a part of the programme delivery system; (d) programmes function best when planned as a continuous set of services that help the employees accomplish tasks that lead to effective cognitive and affective development; (e) programmes include direct counseling, appraisal, and group guidance services, as well, as the indirect service of consultation; and (f) programmes focus on and encourage employees' assets.

Organization plays an important role in offering experiences to strengthen employees' self-efficacy beliefs and in cultivating a learning environment filled with positive interpersonal relationships. Developmental guidance is delivered through a curriculum that is organized and planned, sequential but flexible, and involves all employees and organization personnel (Myrick, 2003). Through the curriculum, employees are provided with life skills for their personal-social, moral, cultural, spiritual development, and for exploring their feelings and beliefs. Later works by Myrick (2003) and others (Gysbers & Henderson, 2006; Wittmer, 2000) continue to support these principles with additional emphasis on the need for an organized, planned, and sequential guidance curriculum. Gysbers and Henderson also moved the profession forward from thinking of counselling as a set of developmental services to a broader emphasis on comprehensive developmental programmes. Guidance and Counseling programmes are used in order to improve employees performance, relationships, quality of life, career development, employee appraisal management and by ensuring that everything runs well. Guidance and Counselling program prepares employees and addresses the various changes they will face in their working life.

Commercial Banks in Kenya have faced performance challenges since the year 2008. Their profit margin increased specifically by 12% in the year 2009/2010, but in the same period 2010/2011 their profit margin increased by 8% leading to a decrease of 4% (*Central Bank of Kenya Report 2011*). Preliminary information obtained from Barclays, Kenya Commercial Bank and Cooperative Bank indicate that there are several challenges facing the Commercial Banks in Kenya. Cases of employees being on sick-offs for periods ranging from two – three days to three months are on the increase, drug and substance abuse amongst employees are on the increase. Lateness cases involving employees checking in late by one hour and others disappearing from their places of work during office hours for 30 minutes to two hours are also on the increase. Disciplinary cases involving employees planning and executing frauds are on the increase, absenteeism cases from staff who are away for one day but call in offering different reasons as to why they did not report to work are on the increase, new HIV & AIDS infections rates have risen among employees, and cases of poor productivity and high labour turnover are on the increase. One possible solution of dealing with this work challenge is guidance and counseling. Guidance and Counseling is an essential tool for effective interpersonal relationship for self understanding as well as equitable adjustment to one's environment. In support of this, Odeburumi (2002) sees it as encompassing the full range of personalized assistance given to the individual seeking to expand his self understanding and his understanding of others. The Guidance and Counseling profession is one that is unique and of immense importance to mankind (Egbochuku, 2008). Guidance and counseling helps to build confidence and to empower individuals as well as making staff aware of their new career possibilities including leisure, learning and work opportunity and promotes the balance of life and work.

Supervisors and managers may not be used in formal counseling sessions for the purpose of handling grievances, dealing with discipline matters, improving performance, disseminating information about benefits, policies and procedures, and helping employees in career development. All these will be checked and remedied through guidance and counseling (Grosh, 1987).

Although most Kenyan banks have established Counseling units within their establishments, they are not fully fledged to handle the many cases within and they, therefore, refer these cases to external counselors. The Banks practicing guidance and counseling are Barclays Bank of Kenya Limited, Kenya Commercial Bank Limited, Cooperative Bank of Kenya Limited and National Bank of Kenya among others. Attempts to undertake definitive studies, or provide conclusive evidence of the outcomes of guidance and counseling programs is on going and it is expected to provide the way forward in this field (Hughes, 2002).

At present, the existing research on guidance and counseling is concentrated on developed countries and the policies and frameworks that are developed from these countries could be suitable only to developed countries. However, none of these studies identifies the effects of guidance and counseling on the performance of commercial banks in Kenya. It is against this background that this research is being undertaken. Therefore, the study sought to determine how the structure of guidance and counseling programme affect the performance of commercial banks in Kenya and the hypothesis was;

*Ho: The structure of guidance and counseling programmes does not affect the performance of commercial banks in Kenya and the study sought to answer the question; does the structure to guidance and counseling programmes affect the performance of commercial banks in Kenya?*

## **Research Methodology**

### **A. Measurement**

The research sought to establish if the structure of guidance and counseling programme in the banking institutions affected the performance of commercial banks in Kenya. Based on literature review, one self-administrated questionnaire was developed. The questionnaire was designed to collect views from the respondent on how they regard the structure of guidance and counseling programme and also performance of their respective banks. Thus the following things were observed:

- The respondent's personal profiles related to name of the bank, gender, level of education, length of service and designation.
- The respondent's view on the several indicators that described best the structure of guidance and counseling. The indicators considered were:
  - Awareness , flow of communication, information flow, quick decision making , the working procedure , accessibility of information and employee empowerment
  - The respondent opinion, on what needs to be done in order to improve the current guidance and counseling programme in their respective banks.
- Indicators for the performance of banks were: The Return on Capital Employed (ROCE), The Earnings per Share Growth Rate (EPSGR), the bank's sales, corporate image, trend of customers in the bank, the bank's set targets and bank's profits.

The responses which required views on the variables were measured using Likert-type scale, where 1=strongly agree and 5=strongly disagree, while the question which needed opinion from the respondent on how to improve the programme was open ended.

### **Data Collection**

The study targeted a sample of 343 employees from a sample of 15 commercial banks in Kenya which had 3232 employees out of a population of 45 banks with 8295 employees (Kenya Bank Ranking survey conducted in 2010 (Appendix II). To arrive at a representative sample the study utilized the Modified Fisher Model since the population was less than 10,000. Given that the study population was heterogeneous, stratified random sampling technique was used. Mugenda (2008) observes that stratification provides equal or better precision than a simple random sample of the same size. The stratified random sampling was done in twofold; that is the commercial banks were grouped into stratus, and further stratification done on the position levels of the employees within the respective bank. Lastly, a proportionate sample in each commercial bank was then selected in line with the number of staff in each of the banks respectively.

A total of 400 questionnaires were issued out to the sampled banks. Out of the 400 questionnaires issued, 314 were responded to thus registering a response rate of 91.5% of the required sample. According to Mugenda and Mugenda (1999), a response rate of 70% is excellent for analysis and reporting, hence the established response rate of this study was generally good for analysis. 20 questionnaires were discarded for incompleteness and 294 were used in the subsequent analysis.

### **Data Analysis**

The collected data was coded, captured, cleaned and finally analyzed using statistical package for social sciences (SPSS) and MS Excel platforms. Reliability was tested using Cronbach's alpha and all the variables met the threshold for subsequent analysis. The value of the Cronbach's Alpha Test was > 0.6 for both variables hence showed that the questionnaire used in this study was reliable (Gliem & Gliem, 2003). The study responses were analyzed and reported using descriptive statistics and inferential statistic. The open ended question was tested for reliability and recorded in the database. Both the independent and dependent variables were tested for normality and data was finally transformed in order to carry out further inferential analysis. Linear regression analysis and correlation analysis were used to determine the relative importance of the independent variable: - the structure of guidance and counseling in influencing performance of commercial banks.

**Table 1: Reliability and Validity measurement results**

Variable	Number of items	Cronbachs alpha
Structure of G&C Programme	7	0.866
Banks performance	9	0.884

### **Research Findings and Discussions**

Overall description of the study is presented as case processing summary with respect to the response of the respondents on the indicators of the guidance and counseling structure and performance of banks respectively. The relationship between the sampled banks and the gender, education status, designation and the length of service of the respondents was evaluated by chi-square test to homogeneity. The results indicated that there was a statistically significant relationship between the bank and education level, gender, as well as the length of service of the respondent. On the other hand, the relationship between the designation of the respondents and the bank's of the respondents appeared non significant.

Factor analysis is a form of exploratory multivariate analysis used to detect relationships among variables and also to reduce a vast number of indicators of a construct to a meaningful, interpretable and manageable set of factors (Sekaran, 2007). According to David (2012), indicators should have higher factor loadings on their own constructs than other constructs and that loadings be higher than 0.49. This concurs with Child (2006) who alluded that the factor loadings to be considered for further statistical analysis should have a factor loading of 0.5 and above. Thus, the factor analysis procedure performed on the indicators pertaining to the dependent variable:- performance of commercial bank, and the independent variable;- structure of guidance and counseling revealed a definite relationship evidenced by the presence of only one component with an Eigen values greater than 1 (one) and the parameters tested respectively. For the dependent variable, the least factor loadings of its indicators had a statistic value of 0.552 while, those loadings for the structure of guidance and counseling had the least factor loading of 0.582. As a result, all indicators attained the required threshold and hence were used for the subsequent analysis (Table 2&3).

**Table 2: Component matrix of performance of banks**

<b>Component Matrix<sup>a</sup></b>	<b>Component</b>
	1
The Return on Capital Employed (ROCE) is impressive.	.813
The Return on Equity (ROE) is good.	.812
The Earnings Per Share Growth Rate (EPSGR) is on the increase.	.795
The bank's sales have been increasing from time to time.	.757
The bank has experienced improved corporate image.	.755
The number of customers in the bank is on the increasing trend.	.753
The bank achieves its set targets.	.683
There is improved income in terms of profits.	.559
Employee turnover rate in the bank is low.	.552
<i>Extraction Method: Principal Component Analysis. a. 1 components extracted.</i>	

In addition, the generated correlation matrix for both the independent and dependant variables had determinants >.000001 hence ruling out the issue of multicollinearity. Further, the Kaiser Meyer Olkin measure of sampling Adequacy for both the dependant and

independent variables had values of 0.906 and 0.869 respectively and the Bartlett’s tests were highly significant ( $p < 0.001$ ) and therefore factor analysis was appropriate for these data.

**Table 3: Component matrix of guidance and counseling programme structure**

Component Matrix <sup>a</sup>	Component
	1
The current G&C Programme enables easy flow of communication	.813
The current G&C Programme has enabled employees to access information easily	.811
The current G&C Programme enhances employee empowerment	.810
The current G&C Programme has made the working procedure in the organization easy	.795
The current G&C Programme in the organization enhances quick decision making	.794
Information flow in the organization is both downward and upward	.591
Awareness of the existing of G&C Programme	.582
<i>Extraction Method: Principal Component Analysis. a. 1 components extracted.</i>	

**Descriptive statistics for the dependent variable**

The achievement of organizational goals is dependent on its performance. Accordingly, the objective of this area of study was to establish the performance of the banking institutions (dependant variable) through the assessment of indicators that described and defined the performance variable. These indicators/ sub variables were framed in the form of specific statements that aimed at helping respondents make reliable conclusions on the performance of their banks. In all the nine sub variables of the dependant variable, the respondents were requested to indicate using the likert scale 1-5, on what they felt was the position on the posed statements of the performance of their organizations and results were listed in table 4.

In the first indicator, respondents were asked to rate the statement whether there was an improved income in terms of profits in their respective banks. 16.4% of the respondents strongly agreed, while majority of them 52.7% agreed. Athanasoglou (2006) concurred and argued that profitability was a function of internal factors that are mainly influenced by a bank’s management decisions and policy objectives such as the level of liquidity, provisioning policy, capital adequacy, expense management and bank size, and the external factors related to industrial structural factors such as ownership, market concentration and stock market development.

Secondly, the respondents were also required to rate the statement on whether ‘the number of customers in the bank was on the increasing trend’; majority of them at 43.9% agreed. The findings agree with research done by Hartline et al (2000) who opine that the value creation process transforms the outputs of the strategy development process into programs that both extract and deliver value. Profit and growth are stimulated by loyal customers; such loyalty is a

direct result of satisfied customers. Satisfaction of customers is influenced by the value or quality of services provided to customers. Value is created by employees who are satisfied, loyal and productive. Employee satisfaction is largely due to high quality support services and policies that enable employees to deliver value to the customers.

**Table 4: Summary of the responses of the Performance of Banks variable**

	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
There is improved income in terms of profits.	48	16.4	154	52.7	74	25.3	10	3.4	6	2.1	292	100
The number of customers in the bank is on the increasing trend.	35	11.9	129	43.9	114	38.8	12	4.1	4	1.4	294	100
The bank achieves its set targets.	29	9.9	127	43.3	109	37.2	24	8.2	4	1.4	293	100
Employee turnover rate in the bank is low.	24	8.2	99	33.7	125	42.5	35	11.9	11	3.7	294	100
The bank's sales have been increasing from time to time.	35	11.9	133	45.2	108	36.7	12	4.1	6	2	294	100
The bank has experienced improved corporate image.	44	15	126	42.9	100	34	19	6.5	5	1.7	294	100
The Return on Equity (ROE) is good.	32	10.9	109	37.1	121	41.2	25	8.5	7	2.4	294	100
The Return on Capital Employed (ROCE) is impressive.	26	8.8	113	38.4	112	38.1	36	12.2	7	2.4	294	100
The Earnings Per Share Growth Rate (EPSGR) is on the increase.	33	11.2	102	34.7	119	40.5	24	8.2	16	5.4	294	100

*Note; F = frequency/count*

On whether the bank achieves its set targets sub-variable: the feedback from respondents was as follows; 9.9% strongly agreed, 43.3% agreed, 37.2% were neutral, 8.2% disagreed, while 1.4% strongly disagreed; the findings are in agreement with those of Poole (1970), Gordon (1979), Butter (1983), Fair (2005), Staundiger (2001), Maturu (2006) and Atkeson (2007) who all found a combination instrument better than either the interest rate instrument. The study also sought to know the rating of the statement 'Employee turnover rate in the bank is low': The majority of the respondents (42.5%) were neutral, that contradicts with the findings of Gregory (2010), who found out that Employee satisfaction is essential to the success of any business hence a high rate of employee contentedness is directly related to a lower turnover rate.

The other indicator was on if the 'Bank's sales had been increasing from time to time: most of the respondents 45.2% agreed that the bank's sales had increased. The study further sought to establish whether the bank had experienced improved corporate image. According to Kotler, 1994 examining corporate image from the employees' perspective is important. The study found out that majority 45.2% agreed. These findings concurs with Cooper(2008), who established that employees are essential to an organization's performance as their perceptions of corporate image are related to their work attitudes and behaviours, and that an organization's image can affect the organization performance.



On the sub variable of whether the Return on Equity (ROE) is good; majority of the respondents (41.2%) were not sure whether or not the Return on Equity is good and another 37.1% generally agreed that the ROE is good. Subsequently, the study sought to know how the respondents rated the statement 'Return on Capital (ROC) employed is impressive'; the majority of the respondent (38.4%) agreed while, 38.1% were never sure whether the ROC was impressive. On the Earnings per Share Growth Rate (EPSGR) is on the increase sub-variable: 11.2% strongly agreed, 34.7% agreed, 40.5% were neutral, 8.2 disagreed while 5.4% strongly disagreed.

### **Descriptive statistics for the independent variable**

The Structure of Guidance and Counselling is a critical component to the realization of an organization's goals. This is because it enables organizations to have ease of flow of communication among all cadres of staff, and empowers employees who are able to make decisions needed to perform various duties within organizations. In this study, the Structure of Guidance and Counselling was used as an independent variable. The objective of this section was to establish the structure of guidance and counseling programme in the banking institutions. This was done by looking at several indicators which described best the structure of guidance and counseling. Respondents were provided with statements with likert scale ranging from 1-5 (strongly agree to strongly disagree) and were required to provide objective opinions that best described their responses. The results of these findings were presented in Table 5.

**Table 5: Summary of the responses of the structure of Guidance and Counseling Independent variable**

Statements	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Subtotal	
	F	%	F	%	F	%	F	%	F	%	F	%
Awareness of the existing of G&C Programme	35	11.9	148	50.3	54	18.4	47	16	10	3.4	294	100
The current G&C Programme enables easy flow of communication	27	9.2	108	36.7	94	32	54	18.4	11	3.7	294	100
Information flow in the organization is both downward and upward	29	9.9	134	45.7	81	27.6	41	14	8	2.7	293	100
The current G&C Programme enhances employee empowerment	27	9.2	98	33.4	94	32.1	56	19.1	18	6.1	293	100
The current G&C Programme in the organization enhances quick decision making	20	6.8	105	35.8	90	30.7	62	21.2	16	5.5	293	100
The current G&C Programme has made the working procedure in the organization easy	22	7.5	128	43.5	85	28.9	47	16	12	4.1	294	100
The current G&C Programme has enabled employees to access information easily	21	7.1	110	37.4	87	29.6	55	18.7	21	7.1	294	100

*Note F = frequency/count*

In the first indicator of the structure of Guidance and Counseling, the study sought to know whether the employees were aware of the existence of guidance and counseling programme. The results showed majority 50.3% agreed. The results are a clear indication that commercial banks have ensured that their employees appreciate the guidance and counselling program. This is a good pointer in itself since employees' wellbeing would be taken care of at every stage of their working life, meaning that they would continue producing at maximum levels. The findings of this study agree with studies conducted by Benkhoff (2003) who found out that structure of guidance and counselling should cut across all the hierarchical order of organizations and should be owned by all. Similar studies on the structure of guidance and counselling were also conducted by Garbarino (1999), Brown(2000) and Maister (1997) who equally found out that for an organization to achieve its objectives, the concerns of employee wellness must be taken care of and dealt with empathically and conclusively arising from employees' awareness and appreciation of the structured G & C program.

The study further sought to establish the flow of communication adopted by the commercial banks. Respondents were requested to rate the statement 'the current guidance and counselling programme enables easy flow of communication'. Table 5 shows that majority 36.7% of the respondents agreed that the guidance and counselling program enabled easy flow of communication. In overall, the results indicate that commercial banks' structure of guidance and counselling program in place enables easy flow of communication in the commercial banks of Kenya. This result was inline with Mulube(2009) who stated that managers must learn to communicate better with lower level employees and that connection to the company gives staff a better feeling of belonging and worth. Gregory(2010) also recommends that supervisors should set an example by promoting friendly relationships with the staff so that the work environment is healthier. They need to learn to listen to the employees when they have a concern or a question about the work that they are doing or the direction that the company is taking. It is imperative that managers show respect for all employees, their opinions, and their work.

On the sub-variable of the information flow in the organization being both downward and upward in respect to the structure of guidance and counselling; the majority at 45.7% agreed and therefore concurring with studies by Das (2000). Das concluded that for organizations to work seamlessly and effortlessly, all employees irrespective of status differential must work together as one to be able to realize the organizational objectives. Further, Gregory (2010) found out that, managers need to convey a good understanding of the mission and goals that the company is trying to attain so that the staff recognizes what the organization is working toward. Clarification and sharing of information both from the supervisors and vice versa of the expectations associated with different positions, assists employees in comprehending their direct relationship with the company and how their work affects that of others. Thus the findings indicated that in most banking institutions, the information flow is generally good.

Further, the study sought to know whether the current G&C Programme enhances employee empowerment, 9.2% strongly agreed while 33.4% agreed (Table 5). This best explains the assertion by Ivancevich et al., (2008) that an empowered organization is one where employees

are given the authority and responsibility for serving the customer speedily and efficiently. The organization is centered on the customer and is easy to do business with.

The current G&C Programme in the organization enhances quick decision making sub-variabl; 6.8% strongly agreed while majority 35.8 agreed. This agrees with Nelson and Pasternack (2005) that the decisions are made more quickly and employees often believe in procedural fairness. Next, the study also wanted to establish if the current G&C Programme had made the working procedure in the organization easy, the findings were; 7.5% strongly agreed, 43.5% agreed while 28.9%, 16% and 4.1% being neutral, disagreeing and strongly disagreeing respectively.

Next, was the indicator on whether the current guidance and counseling programme enabled employees to access information easily; 7.1% of the respondents strongly agreed, 37.4% agreed, 29.6% were neutral, 18.7% and 7.1 disagreed and strongly disagreed respectively. The technological developments, new modes of social communications have created new social structures of knowledge transmission across boundaries of human societies (Hakken, 2003; Mansell and Wehn, 1996).

On what was needed to be done to improve the G&C programme in the respondents respective banks, 195 out of the 294 respondents reacted to the question ; 37.9% who were the majority felt that the banking institutions needed to concentrate on creating awareness of the services offered by the guidance and counseling team. 20.5% of the respondents also felt that banks should create an open and easily accessible guidance and counseling unit while, 8.7% suggested that in order for the unit to be successful in discharging its mandate counselors needed to be trained to be qualified to handle the programme(Table 6).

**Table 6: Respondent’s opinion on improving G&C programme**

The respondent opinion	Count	%
create awareness of services offered	74	37.9
create an open and easily accessible unit	40	20.5
Train counselors’ to be qualified and experienced	17	8.7
engage external counselors more often	13	6.7
allocate the unit enough resources	14	7.2
keep clients information confident	9	4.6
should be used as a correctional tool and not to be used against	6	3.1
information should flow both downwards and upward	9	4.6
always seek views from staff on the implementation of the programme	5	2.6
encourage staff to use the programme	4	2.1
don't know	2	1
create retreats to discuss matters of G&C	2	1
Subtotal	195	100

Correlation analysis and linear regression analysis were carried out to check for the relationship and effect of the Structure of Guidance and Counseling programme on the banks’ performance and subsequently test the study’s null hypothesis  $H_0$ ;

*Hypothesis H<sub>0</sub>: The structure of guidance and counseling programmes does not affect the Performance of Commercial banks in Kenya*

**Table 7: Correlation of the Structure of Guidance and Counseling programme and the banks' performance**

		Guidance & Counselling Structure	Performance
<b>Guidance &amp; Counselling Structure</b>	Pearson Correlation	1	.306**
	Sig. (2-tailed)		.000
<b>Performance</b>	N	294	294
	Pearson Correlation	.306**	1
	Sig. (2-tailed)	.000	
	N	294	294

**\*\* . Correlation is significant at the 0.01 level (2-tailed).**

From table 7, it was evident that the relationship between the structure of guidance and counseling programme and the performance of commercial banks in Kenya was positive (0.306) with an associated  $p < 0.001$ .

**Table 8: Regression coefficient between guidance and counseling structure and the bank's performance**

Model		Coefficients <sup>a</sup>		Standardized Coefficients Beta	t	Sig.
		Unstandardized Coefficients				
		B	Std. Error			
1	(Constant)	9.795	.879		11.141	.000
	GUIDANCE STRUCTURE	.407	.074	.306	5.498	.000

a. Dependent Variable: PERFORMANCE

Table 8 shows the resulting coefficients of the linear regression of the indicator and predictor variables and that, both the regression coefficient of the independent variable and its constant were significant. Thus, the relationship between the structure of guidance and counseling programme and the performance of commercial banks in Kenya was positive (0.407) and based on the t-value (11.141) and p-value (0.000), can be concluded that this relationship was statistically significant. Thus, the structure of guidance and counseling had a positive

significance effect of 0.407 on the performance of banks (i.e the performance of a bank is predicted to increase by 0.407 when the structure variable goes up by one)( Dobson,2002). Hence, there was a statistically significant positive linear relationship between the structure of guidance and counseling programme and the performance of commercial banks in Kenya.

Thus, using the general simple linear regression model with a single explanatory variable; we have the equation;

$$Performance = 9.785 + 0.407structure$$

**Table 9: Analysis of Variance of between guidance and counseling structure and the bank’s performance**

		ANOVA <sup>b</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	931.280	1	931.280	30.229	.000 <sup>a</sup>
	Residual	8995.884	292	30.808		
	Total	9927.164	293			

a. Predictors: (Constant), GUIDANCE & COUNSELLING STRUCTURE  
b. Dependent Variable: PERFORMANCE

Similarly, the ANOVA table 9 gave an F statistic which was statistically significant, thus rejecting the null hypothesis H<sub>0</sub>. The R-squared of the regression is the fraction of the variation in the dependent variable that is accounted for (predicted by) the independent variable (Dobinson,2002). The results on table 10 showed that the structure of guidance and counseling explains 9.4% of variation in the bank’s performance.

**Table 10: Goodness of fit of guidance and counseling structure**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.306 <sup>a</sup>	.094	.091	5.55048

a. Predictors: (Constant), GUIDANCE & COUNSELLING STRUCTURE

Consequently these results: - the correlation results and the regression results indicated a statistically significant positive relationship between structure of guidance and counseling programme and the banks performance. These results lead to a rejection of the hypothesis H<sub>01</sub> and a conclusion made that the way the guiding and counseling programme is structured affects the performance of the bank institutions.

**Conclusions and recommendations**

The purpose of the study was to establish the effects of guidance and counseling on the performance of commercial banks in Kenya. The study specifically sought to determine if the structure of guidance and counseling affected the performance of commercial banks in Kenya.

From the foregoing it is amply evident that the way the guiding and counseling programme was structured influenced the performance of the commercial banks. From the findings, the Pearson correlation coefficient (.306) with an associated  $p < 0.001$  of the predictor and indicator variables indicates that a positive significant relationship exist. In addition, the regression coefficient established between the structure and performance of banks (0.407), with an associated  $p < 0.05$ , the ANOVA result with the significant F-ratio and the goodness of fit which indicated a variability of 9.4% were also pointers of a positive relationship between the independent and the dependent variable. All these results enabled the conclusion and rejection of the null hypothesis.

In addition, from the respondent's suggestions on the improvement of the guidance and counseling unit, the study established that the banking institutions needed to concentrate on creating awareness of the services offered by the guidance and counseling team. The banking institutions should also create an open and easily accessible guidance and counseling unit and that counselor needed to be well trained to be able to discharge their mandate professionally.

Thus, in order for banks to perform well, employee's satisfaction is essential to the success of any business. Satisfaction of customers is influenced by the value or quality of services provided to customers. Value is created by employees who are satisfied, loyal and productive. Employee satisfaction is largely due to high quality support services and policies that enable employees to deliver value to the customers.

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**Appendix I Chi-square test**

	<b>Bank vs Gender</b>	Male	Female	Total
Valid	Kenya Commercial Bank	14.40%	10.60%	25.00%(78)
	Equity Bank	22.40%	17.00%	39.40%(124)
	Citibank	1.60%	1.60%	3.20%(10)
	Diamond Trust	1.30%	2.60%	3.80%(12)
	Bank Prime Bank	1.90%	1.00%	2.90%(9)
	Bank of Africa	2.60%	2.90%	5.40%(17)
	Bank of India	1.90%	1.90%	3.80%(12)
	Development Bank of Kenya	0.60%	0.60%	1.30%(4)
	Consolidated	1.00%	1.60%	2.60%(8)
	Gulf African Bank	0.60%	0.60%	1.30%(4)
	Habib Bank of AG Zurich	0.60%	1.60%	2.20%(7)
	First Community	0.30%	1.00%	1.30%(4)
	Bank Credit Bank	0.60%	1.60%	2.20%(7)
	Middle East Bank Kenya	1.00%	1.30%	2.20%(7)
	Dubai Bank Kenya	0.60%	2.60%	3.20%(10)
	<b>Total</b>	<b>51.60%</b>	<b>48.40%</b>	<b>100%(294)</b>
Chi-square test statistic (109.6,p<0.5)				

<b>Bank vs Designation</b>	Manager	Teller	Customer care	Support service	Total
Kenya Commercial Bank	4.20%	5.80%	4.50%	10.60%	25.00%
Equity Bank	4.50%	11.50%	11.50%	12.20%	39.70%
Citibank Diamond	0.30%	1.00%	0.60%	1.00%	2.90%
Trust Bank	0.30%	2.20%	1.00%	0.30%	3.80%
Prime Bank	0.30%	1.60%	0.60%	0.30%	2.90%
Bank of Africa	0.60%	2.20%	1.30%	1.30%	5.40%
Bank of India	0.30%	1.90%	1.00%	0.60%	3.80%
Development Bank of Kenya	0.30%	0.00%	0.30%	0.60%	1.30%
Consolidated	0.60%	0.60%	1.00%	0.30%	2.60%
Bank Gulf African Bank	0.00%	0.30%	0.00%	1.00%	1.30%
Habib Bank of AG Zurich	0.00%	1.00%	0.60%	0.60%	2.20%
First Community Bank	0.00%	0.60%	0.30%	0.30%	1.30%
Credit Bank	0.30%	0.60%	0.00%	1.30%	2.20%
Middle East Bank Kenya	0.00%	1.00%	0.60%	0.60%	2.20%
Dubai Bank Kenya	0.60%	0.60%	1.30%	0.60%	3.20%
<b>Total</b>	<b>12.5%</b>	<b>31.1%</b>	<b>24.7%</b>	<b>31.7%</b>	<b>100.0%</b>
Chi-square test statistic (38.24,p>0.5)					

<b>Bank vs Education</b>	Certificate	Diploma	Undergraduate	Masters	PhD	Total
Kenya Commercial Bank	2.30%	5.50%	14.30%	3.30%	0.00%	25.40%
Equity Bank	3.30%	14.00%	15.60%	6.20%	0.00%	39.10%
Citibank	0.00%	1.00%	1.30%	1.00%	0.00%	3.30%
Diamond Trust Bank	0.00%	0.00%	3.30%	0.30%	0.30%	3.90%
Prime Bank	0.00%	1.00%	1.60%	0.30%	0.00%	2.90%
Bank of Africa	0.00%	0.00%	3.60%	2.00%	0.00%	5.50%
Bank of India	0.00%	2.00%	1.30%	0.70%	0.00%	3.90%
Development Bank of Kenya	0.30%	0.70%	0.30%	0.00%	0.00%	1.30%
Consolidated Bank	0.30%	0.30%	1.00%	1.00%	0.00%	2.60%
Gulf African Bank	1.00%	0.00%	0.00%	0.00%	0.00%	1.00%
Habib Bank of AG Zurich	0.00%	1.30%	0.70%	0.30%	0.00%	2.30%
First Community Bank	0.00%	0.00%	0.70%	0.70%	0.00%	1.30%
Credit Bank	0.00%	0.30%	0.70%	1.30%	0.00%	2.30%
Middle East Bank Kenya	0.70%	1.00%	0.70%	0.00%	0.00%	2.30%
Dubai Bank Kenya	0.30%	0.30%	1.60%	0.70%	0.00%	2.90%
<b>Total</b>	<b>8.1%</b>	<b>27.4%</b>	<b>46.6%</b>	<b>17.6%</b>	<b>0.3%</b>	<b>100%</b>
Chi-square test statistic (114,p<0.5)						

<b>Bank vs Length of service</b>	1-5 Years	6-10 Years	11-15 Years	16-20 Years	Over 21 Years	Total
Kenya Commercial Bank	12.00%	6.50%	3.20%	1.90%	1.30%	25.00%
Equity Bank	12.70%	9.10%	8.10%	5.20%	3.90%	39.00%
Citibank	0.00%	0.30%	2.30%	0.00%	0.60%	3.20%
Diamond Trust Bank	0.00%	0.30%	2.90%	0.60%	0.00%	3.90%
Prime Bank	0.30%	0.60%	1.90%	0.00%	0.00%	2.90%
Bank of Africa	0.00%	4.20%	1.00%	0.00%	0.30%	5.50%
Bank of India	0.60%	2.60%	0.00%	0.60%	0.00%	3.90%
Development Bank of Kenya	0.60%	0.60%	0.00%	0.00%	0.00%	1.30%
Consolidated Bank	1.60%	0.60%	0.30%	0.00%	0.00%	2.60%
Gulf African Bank	1.30%	0.00%	0.00%	0.00%	0.00%	1.30%
Habib Bank of AG Zurich	1.30%	1.00%	0.00%	0.00%	0.00%	2.30%
First Community Bank	0.00%	1.00%	0.30%	0.00%	0.00%	1.30%
Credit Bank	1.30%	0.30%	0.30%	0.30%	0.00%	2.30%
Middle East Bank Kenya	1.60%	0.60%	0.00%	0.00%	0.00%	2.30%
Dubai Bank Kenya	0.60%	1.00%	1.60%	0.00%	0.00%	3.20%
<b>Total</b>	<b>34.1%</b>	<b>28.9%</b>	<b>22.1%</b>	<b>8.8%</b>	<b>6.2%</b>	<b>100%</b>
Chi-square test statistic (114,p<0.5)						

**APPENDIX II: KENYA BANK RANKINGS 2010 - Registered banks as at 31<sup>st</sup> December 2010**

<b>No.</b>	<b>Top</b>		<b>Low</b>
1	KCB	31	Habib AG Zurich
2	Barclays	32	Guardian
3	Cooperative	33	K-Rep

4	Standard Chartered	34	First Community Bank
5	Equity	35	Victoria
6	CFC Stanbic	36	Habib Bank
7	Commercial Bank of Africa	37	Transnational
8	Investment & Mortgages	38	Oriental
9	Citibank	39	Credit
10	National Bank of Kenya	40	Paramount
11	Diamond Trust	41	Faulu Kenya
12	NIC	42	Middle East
13	Prime Bank	43	UBA
14	Baroda	44	Dubai Bank
15	Housing Finance	45	Jamii Bora
	<b>Middle</b>		
16	Ecobank		
17	Bank of Africa		
18	Chase		
19	Family Bank		
20	India		
21	Imperial		
22	Kenya Women Finance Trust		
23	Fina Bank		
24	Development Bank of Kenya		
25	Consolidated		
26	Equatorial		
27	ABC		
28	Giro		
29	Gulf African		
30	Fidelity		
***Source: banking website on banking, technology, and investments			

<b>APPENDIX III:KENYA COMMERCIAL BANKS AND STAFF STRENGTH</b>	
<b>Name of Bank</b>	<b>Total Number of Employees</b>
Kenya Commercial Bank	813
National Bank of Kenya	511
ABC Bank (Kenya)	223
Bank of Africa	197
Bank of Baroda	201
Bank of India	97
Barclays Bank of Kenya	703
Chase Bank (Kenya)	81
Citibank	67
Commercial Bank of Africa	102
Consolidated Bank of Kenya	111
Cooperative Bank of Kenya	913

Housing Finance	60
Credit Bank	80
Development Bank of Kenya	76
Diamond Trust Bank	73
Dubai Bank Kenya	40
Ecobank	59
Equatorial Commercial Bank	59
Equity Bank	1,364
Family Bank	487
Fidelity Commercial Bank Limited	41
Fina Bank	37
First Community Bank	29
Giro Commercial Bank	27
Guardian Bank	33
Gulf African Bank	21
Habib Bank	54
Habib Bank AG Zurich	73
I & M Bank	93
Imperial Bank Kenya	102
Kenya Women Finance Trust	77
Jamii Bora Bank	45
K-Rep Bank	250
Middle East Bank Kenya	67
NIC Bank	96
Housing Finance	60
Oriental Commercial Bank	83
Paramount Universal Bank	49
Prime Bank (Kenya)	64
CFC Stanbic Bank	167
Standard Chartered Bank	210
Trans National Bank Kenya	112
United Bank for Africa	31
Victoria Commercial Bank	39
TOTAL	8,295
Source: (HR departments of the respective financial institutions, 2010).	