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Employee Training and Performance of Agency Banking Units of Selected Commercial Banks in Nairobi City County, Kenya

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Abstract

Despite the progress made in implementation of Agency Banking both the Commercial Banks and the Agents have not realized the expected results. The study aimed at establishing the relationship between training needs assessment, on- the- job training, off-the-job training and training evaluation and the performance of agency banking Kenya. The study was guided by the Human Capital Theory, Resource Based Theory, and Experiential learning theory, Reinforcement theory and Balanced Scorecard. The study adopted a descriptive research design. The study targeted a population of 882 comprising Agency Banking Managers, Agency Banking Supervisors and Bank Agents ans selected a sample of 268 respondents. Primary data was obtained using self-administered open and closed ended questionnaires and an interview guide. Secondary data was obtained from the banks record on profitability, market share and number of transactions. Data was analyzed for descriptive and inferential statistics using Statistical Package for Social Sciences (SPSS Version 25.0). The information was presented in form of tables and graphs. The study found out that training needs assessment influences performance of agency banking in Kenya to a great extent. The study also found that transfer were used in the banks and it provided experience in other areas. The study concluded that Training Needs Assessment had the most influence on the performance of agency banking in Kenya, followed by on-the Job Training, then by Training Evaluation and the least was off-the Job Training. The study recommends that the commercial banks should assess their agents' needs for training and development more often and conduct them as need arises. Further, the study recommends that the commercial banks should give equal opportunity and chance to every employee to participate in the training programmes.

Key words

Performance of Agency Banking, Training Needs Assessment, On-The-Job Training, Off-The-Job Training, Training Evaluation, Profitability And Market Share

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1. Introduction

Organizations today face a lot of competition all over the globe as more continuing change turbulence and pressures are imposed on them. Globally, firms are facing employees' globalization and the business itself. Successful organizations today must have managers who able to motivate and inspire their employees. Training as an investigational method of getting the patterns of character refers to the systematic behavior modification. This is attained by learning and experiencing what is gotten via a deliberate process which adjusts skill, behavior to attain efficient range of activities success. Organization success seldom depends upon a single factor, but on complex interactions between several factors from within and outside the firm. The internal business environment determines how the firm manages performance through configuration and deployment of resources. Therefore, organizations need to establish the conditions and forces that affect performance in the market (Ogaga and Owino, 2017). Traditionally performance of an organization was viewed function of organizations exterior factors however but lately there existed a shift in design where researcher argued that the success of a firm is influenced by the firms' aspects (Ombaka *et al.*, 2015).

Globally, developed countries, firms put more efforts in a bid of surviving dynamic turbulent market; a lot of consideration should be human capital so as to be economical and financially solvent. Though, there exists aspects which influence the performance of the firms; firms need to have employees productive (effective and efficient). Additionally, differentiation in firms based on the human capital as a result of intangibility of the features like knowledge, skills and workforce motivation progressively views it as priceless so as to remain maintainable in the market. Hence, the firms need staff with adjustment competence to rapid vibrant business environment. As per Debrah and Ofori (2014), there is a key role played by training on firms' efficiency as well as its staff experiences. Training implies performance workplace health and safety at and staff advancement. Every firm which is recruiting people is required to develop their staff through training. A lot of firms are aware of the obligation and have put a lot of effort as well as other resources on training.

The organizations success is though reliant on its educated, competent and experienced staff. Hence, so as to preserve sustainability, firms need view training of employee continuously as priceless. At all levels of employee, training is very crucial as a result of the fact that there is an erosion of skills over time and hence they have to be renewed. Though the utilization of administration records, charts of replacement, tours organized by company for newly employed graduates, programmes for job rotation and endless formal courses series have characterized development and training as a powered process. It's worth noting that firms are beginning to be aware that it's inadequate to rely on probability and selecting naturally and trial and error therefore, the training and development proliferation in firms (Braun *et al.*, 2016).

The main asset of any firm is its employees and the role played by them in the success of the firm can't be undervalued. Consequently, arming the employees by efficiently training them is essential for job performance maximization. There is also a need for positioning them in a state of being able to solve the difficulties they face in competitive business climate today. Despite wide research being carried on Human Research Management field, the same can't on training of staff particularly as it is related to unindustrialized nations. Training has been vital in maximization of the organizations' productivity. It doesn't only improve the resourcefulness of the staff but as well providing them with a chance to effectively explore their work jobs and competently perform more. Therefore, this improves the employees as well as firms performance. Various studies imply positive influence of training on productivity of the employees. Training as a process is among the most universal ways of enhancing individuals' productivity and communication of goals for the firm to the staff (Udaondo *et al.*, 2018).

Regionally, staff on making decisions, employees on decision making, collaboration, solving challenges as well as interactive relations have beneficial effect on the growth level of the firm and on performance of the employees''. Training is an organized way for modification of attitudes, knowledge or skill behavior via experience of learning to attain efficient success in an activity or activities range. Generally, development and training results into enhancement of staff productivity and that firm need to thus spend on training and development. Inadequate development and training, Hence, findings inadequate skills for using the knowledge existing in a person, that leads to efficient services, self-satisfaction inadequacy, satisfaction of the clients as well as ensuing lower performance. An employee with a lot of training comprehends the scope, prospects and their jobs depth as well as ability to add building blocks to their professionalism as they progress through their work (Avgerou and Walsham, 2017).

Training falls under HRD functions which have been argued to be an important function of human resource management. Training and development are used interchangeably. Training is for specific job purpose while development not only covers the specific activities that improve job performance but those that bring about the growth of personality. Training is an organization's process of systematically planning training either an external consultant hired by the firm or by an internal expert within the organization with a focus to developing the employees' knowledge, their skills and attitude as well as their expertise that is critically essential for them to be successful and effective at their current job and organization. Training is a short-term process, utilizing a systematic and organized procedure by which non-managerial personnel learn technical knowledge and skill for a definite purpose. Development on the other hand is a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge for general purpose (Bailey *et al.*, 2018).

According to Sockalingam *et al.* (2015), employee training in the banking industry is important in making sure that the employees are motivated to work, though making sure that they got the relevant and essential skills for doing excellent work. Provision of training as well as development by the firm makes sure that the staffs is advancing in right skills for their firm and not just gaining book knowledge which may or may not be useful to them or the firm. It's crucial to understand that the staff desire to be valued by the firm they work for and also desire to make sure that the skills they have are competitive in their industry.

Performance is the fulfilment of specific duties or assignment measured against predetermined requirements of accuracy, completeness and cost or the accomplishment of precise tasks measured towards predetermined or diagnosed standard of accuracy, completeness and price. Performance is often defined simply in output terms- the achievement of quantified objectives. At the point when organization comprehends the diversity advantages, work put compel turns into a crucial source and when well supervised, might similarly inspire the prosperity of the organizations. Performance is assessed by a few firms through stewardship evaluation of the best management or how efficient the firm utilizes the assets in creating a benefit. As a result of the fact that the period deliberated is naturally short, these processes may be rendered as markers current situation of the firm. Others performance measures in overarching cost view of a firms stock (Kassa and Shega, 2018).

Agency banking has continued to take root globally. Many countries are adopting agency banking as the main tool toward financial inclusion. According to Central Bank (2013) Brazil boosts of more than 400,000 bank agents. This makes Brazil one of the countries with the largest agent banking network in the world. According to Central bank of Brazil (2014) 74.4% customers pay bills through agent. The main activities agents are authorized to carry out include bill payments, cash withdrawal, cash deposits, receiving of loan applications, government benefits payment and account opening. Bank agents are spread across all the municipalities.

It is in 2010 that Agency banking started in Kenya after the amendment of Financial Act (2009). Kenyan Banking framework as at 31st December 2017 comprised 43 banking institutions and thirteen micro finance banks (MFBs) with the Central Bank (CBK) as the regulatory authority (Banking Survey, 2018). According to CBK annual Report (2017) the number of Bank agents continues to grow. By 2017, 61,290 and 2,191 bank agents were contracted by 18 commercial banks and 5 microfinance banks (MFBs) respectively which recorded a rise from 53,833 and 2,068 agents as per December 2016 report. This variation indicated a 14% (increased by 7,457 agents) and 6% (increased by 123 agents) increase in commercial banks' as well as microfinance banks' contracted agents respectively. More than 89% of the approved agents of commercial banks are based on 3 banks with the biggest physical branch presence that is; Equity Bank having 28,663 agents, KCB having 14,466 and Co-op Bank with 10,902. In 2017, the banking transactions value carried out through agents amplified by 46.4% as compared to 2016; from Ksh.734.2 billion (USD 7.1 billion) in 2016 to Ksh.1 trillion (USD 10.5 billion) in December 2017. The big increased was linked to transactions associated with bills payment, funds transfer, deposits and withdrawals of money. The transactions growth in in its value implies the confidence and tolerability of the agency banking model by keyans (CBK Annual Report, 2017).

Kenyan banking industry is regulated by the Companies Act, the Banking Act, CBK Act and the various provident guidelines issued by the CBK. The liberalization of the banking industry was in 1995 and exchange controls lifted. The CBK, which is under the Finance Ministers' docket, is accountable for formulation as well as execution of monetary policies and foster the financial system's liquidity, solvency and proper functioning. The CBK is entitled to publishing the information on commercial banks as well as non-banking financial institutions in Kenya, rate of interest and other guidelines (Central Bank of Kenya, 2016).

There are a lot of changes that have been witnessed by banking sector in Kenya among them being e-banking. Today, banks clients are able to access efficient, fast and convenient services of bank. A lot of banks in Kenya have invested a lot of money in IT in a bid to render quality and acceptable services. Technological investments have taken greater bank's resources share despite the fact that quick IT development is making the banking services cheaper and more effective. Presently, besides staff costs, technology is typically the greatest budget item in the bank, and the debauched developing one. Another challenge related to this financial innovation is plastic card fraud. Banks are required to manage costs and risks linked to e-banking (Kamande, 2018).

As a result of majority of banks offering similar products and services, they repeatedly explore for a competitive edge which will draw new clients and assist them in retaining older clients. Hence, financial institutions need to come up with innovation programs and enterprises for maintaining the superior levels of customer service as it remains profitable (Central Bank of Kenya, 2017). Recently, the Kenyan Banking sector has continuously grown in assets, deposits, profitability and products offering. The growth has been mainly underpinned by; an industry wide expansion strategy for branch network both in Kenya and in the East African community region as well as large number of services automation and a move towards complex customer needs emphasis rather than traditional 'off-the-shelf' banking products. Equity, Co-operative, KCB, family bank and chase bank have employed thousands of agents for mobilizing deposits as well as easing pressure on banking halls, a CBK promoted model for enhancing the financial inclusion. Chase agency banking service (Chase Popote) is a system of banking where Chase bank appoints agents to offer services like cash withdrawals and deposits on its behalf, outside its banking halls (Mosota, 2015).

1.1. Statement of the Problem

Increasing services demand as well as quality services expectations have positioned firms and their managers under a lot of pressure, portraying change as an unceasing life episode of companies. Firms need to address the change demands while simultaneously realizing that technology and knowledge development renders obsolete a lot of traditional skills of the staff while at the same time advancing the needs for new ones. Hinkin and Tracey (2012) notes that regardless of investing greatly on staff training, firms regularly fail to sufficiently appraise their training programmes value or success. No evidence was found to suggest that specific forms of training or training content or type were necessarily more conducive to good performance (Montero *et al.*, 2018).

Despite the progress made in implementation of employee training programmes in Agency Banking both the Commercial Banks and the Agents have not realized the expected results. While training and education of qualified staff takes years of development; Kenyan Banking sector is losing a lot of money on training without experiencing equitable performance. Most agency banking units take training as an expensive and unnecessary process due to the fact that despite investing in training, there is no commensurate effect on the performance of the employees (CBK, 2017). Some banks feel that after spending so much on their employees on training, they might be poached by other institutions. As a result of this, there is poor transactions as the agents keep on calling banks and are not able to do their business effectively and hence increasing the amount of time necessary to complete their tasks making performance of the banks ineffective and inefficient lowering their profitability (Fukuyama, 2017). Commercial banks have recorded a 12.6% reduction in number of transactions through agency banking for the year 2016/2017 (Kenya bankers Association report, 2017).

The reviewed studies in relation to performance of agency banking units included Mbugua (2017) who assessed the relationship between agency banking and the performance of commercial banks. The study found that banking cost of agency banking influence the performance of commercial banks. Argamo (2014) established the effect of agency banking on the financial performance of commercial banks in Kenya in 2014. The study found out that banking using agency banking excels in service quality and service delivery. Agency banking has low infrastructural cost and hence reduction in cost. Nthiga (2016) determined the relationship between training of employees and the commitment to the organization in the Ministry of Energy and Petroleum in Kenya. The researcher found that training has a direct impact on organizational commitment. It was also found that training does serve a key role in enhancing employee's loyalty, sense of belonging, relationship with colleagues, performance and personal development of employees. The relationship between employee training and the performance of agency banking units in

Kenya is not documented. Therefore, this study sought to establish the relationship between employee training and the performance of agency banking in Kenya.

1.2. Objectives of the Study

The paper aimed at establishing the relationship between employee training and the performance of agency banking in Nairobi City County, Kenya. Specifically the paper focuses:

i. To examine the relationship between training needs assessment and the performance of agency banking in Kenya.

ii. To establish the relationship between on- the- job training and the performance of agency banking in Kenya.

iii. To assess the relationship of off-the-job training and the performance of agency banking in Kenya.

iv. To examine the relationship between training evaluation and the performance of agency banking Kenya.

2. Literature Review

The underpinning theories for this study were human capital theory, resource based theory, experiential learning Theory and Reinforcement theory.

2.1. Human Capital Theory

This theory was developed by Becker and Gerhart in 2006. It is a prevailing viewpoint on training at workplace. Training is in this theory viewed as investment as it improves the projected performance at a cost. The crucial distinctive attribute of the human capital investment contrary to capital investment issues rights of the property. Firm equipment may be sold however employees can't. As the employees desire to use their own human capital, staff and companies needs to be consensus of the labor market exchange. This indicates that the way the sharing of the training costs and returns is between the staff and the companies. Human capital theory was later advanced in 1970s for describing the life-cycle earnings pattern. This literature analyses the individuals' decisions on human capital investment in an environment with a lot of competition. It may be argued that in human capital theory there is an artificial difference amongst education and training. Employees choose the investment as prices function. However the prices, there is entry of demand side which bring no link amongst the staff and the company.

As a result, correct replies needs to be invoked by effective instruction. He was serious of traditional methods of teaching since they often produce learning errors and since they fail to effectively strengthen behaviour. Negative strengthening was to be avoided in this theory (e.g. criticism, punishment). Positive strengthening is sound theoretically and this needs to be administered as per particular programs to make sure that training is effective. For example, as new replies are moulded, strengthening needs withdrawal. Mechanical curriculum presentation the appeared to be a perfect means of training because perfect shaping and reinforcement schedule could be founded on program of training (Becker and Gerhart, 2006). This theory therefore, guided the researcher providing an understanding on the training evaluation.

2.2. Resource Based Theory

This theory was advanced by Penrose in 1959. He noted that resources possessed, organized and utilized by the firm are of great significance than the firms' structure. The theory is inward focusing by maximizing the resources of the firm as the single requirement for high performance of the firm (Kimiti *et al*., 2018). This theory develops two crucial hypotheses, the one for heterogeneity of resources and the other one for immobility of resources. Where resources are heterogeneous it leads the companies to be exclusive regarding the owned and controlled resources (Barney, 1991). On the other hand, immobility of resources accepts that among firms, resources are relatively stable such that heterogeneity could be lasting (Selznick, 1957). As per RBV, if a company has to attain competition edge, it needs to get and regulate the resources which are valuable, rare, inimitable and non-substitutable(VRIN) and competences and additionally have the firm in place where it is able to engage and use them (Barney,2001.)The contribution of this theory to this study is in supporting the availability and utilization of training resources on the Agency Banking unit performance based on effective training needs assessment.

2.3. Experiential Learning Theory

The theory was postulated by Kolb (1984) who suggested that learning is the process whereby knowledge is created through the transformation of experience. Learning consists of four stages that include; concrete experience, reflective observation, abstract conceptualization and active experimentation. Kolb (1984) identified four learning styles, assimilators; who learn better when presented with sound logical theories to consider, converges; who learn better when provided with practical applications of concepts and theories, accommodators; who learn better when provided with hands-on experiences, diverges; who learn better when allowed to observe and collect a wide range of information.

Bank agents include adults who are varied in ages and experiences. They are knowledgeable in a lot of things since they have another main business that they undertake apart from the agency business. This theory is relevant to the study in that it helps in guiding the appropriate training method for the agent users in order to improve the performance of agent banking business. The theory anchors both on the job and off- the- job training.

2.4. Conceptual Framework

The schematic diagram below illustrates the association between the study variables and the indicator of the variables. An independent variable is a variable that a researcher manipulates in order to determine its effects on another. The independent variables comprise training needs assessment, on the job training methods, off the job training methods and the training evaluation while the dependent variable is the performance of agency banking. Performance of agency banking can be determined by various aspects. These aspects would consist of the market share, customer satisfaction, number of transactions, amount of commission earned and number of disputed transactions.

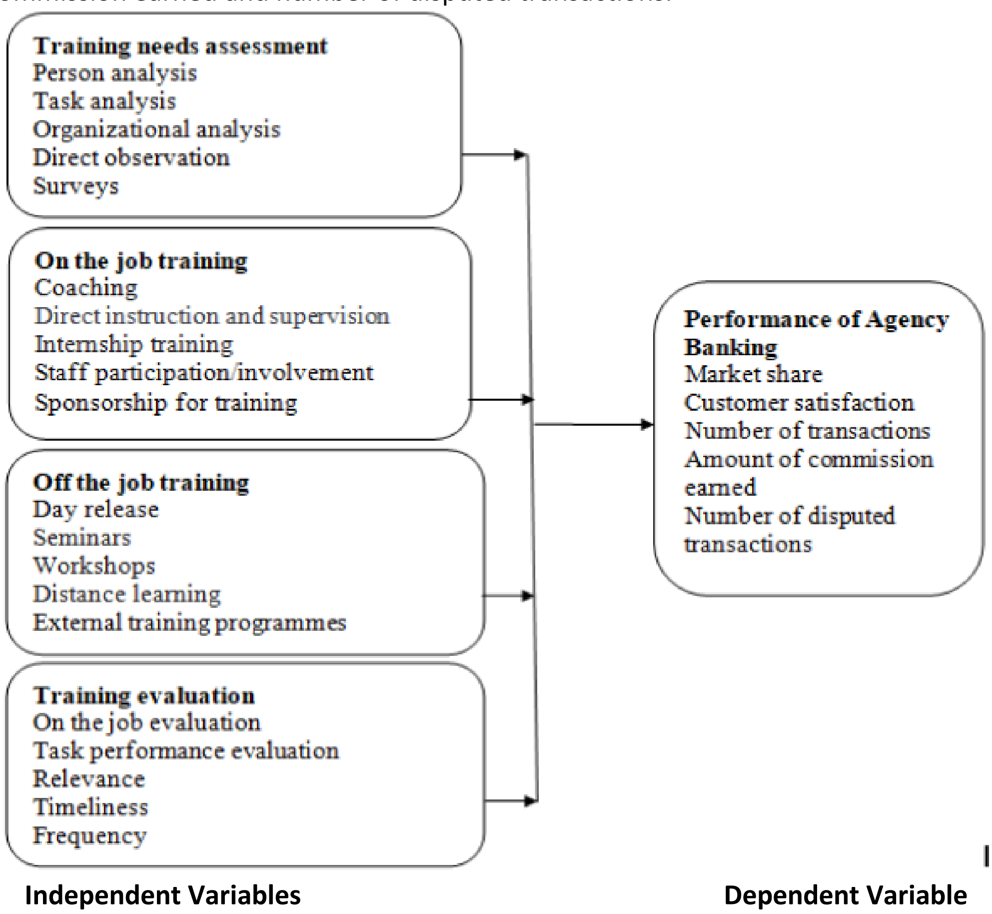

Figure 1. Conceptual framework

3. Methodology of Research

3.1. Research Design

Descriptive research design was adopted in this study. The descriptive research purpose was determining and reporting events as they are and was appropriate for this study since the study aims at collecting widespread data via descriptions that are significant in identification of the variables.

3.2. Target Population

According to Robson and McCartan (2016), target population is the members of a real or hypothetical set of people, events or objects the researcher wishes to generalize the results of the research. The study targeted a population of 882 comprising Agency Banking Managers, Agency Banking Supervisors and Bank Agents of the 18 commercial banks that have agency banking.

3.3. Sample Size and Sampling Technique

Sampling is a thoughtful selection of items or population elements from which deduction about the whole population is made. The sample size is a part of the population which is taken as representative of the whole population. The study used stratified random sampling to select a sample of 268 respondents who received the questionnaires.

3.4. Data collection Instrument

Self-administered questionnaires and interview guides were used for collection of primary data. The questionnaire contains both closed and open ended questions. The use of open-ended questions were for encouraging the respondents to give information of great depth since there are no restrictions and the closed ended questions allows the participants to reply within stated limited choices.

3.5. Data Collection Procedure

University introduction letter was obtained by the researcher from the university for presenting to the participants so as to participate in the study and give the required data. The questionnaires were administered using the drop and pick later method in order to allow the respondents have enough time for responding adequately to the questions. Training of the research assistants was done on skills of interviewing including rapport development, for convincing participants to give information which is relevant as well as clarifications seeking whenever necessary. Appointment with Agency Banking Managers, Agency Banking Supervisors and Bank Agents were booked by research assistants 2 days prior to questionnaires administration. The questionnaires were administered by the research assistants to the participants. This assisted the researcher in establishing rapport, explaining the study aim as well as the items meaning which aren't clear as noted by Sekaran and Bougie (2016).

3.6. Data Analysis and Presentation

SPSS Version 25.0 was used for data analysis. Every questionnaires received was referenced and coding for the questionnaire items was done for easy entry of the data. After cleaning of the data which included entry error checking, estimation of every quantitative data was done by use of descriptive statistics such as frequencies, percentages, mean score and standard deviation and presentation of the findings was in form of graphs and tables. The study used descriptive statistics since it enabled the researcher describe meaningfully the scores or measurements distribution by use of a few indices. Conceptual content analysis was used in the analysis of the qualitative data from the open-ended questions. As per Saunders *et al.* (2016) recommendations on the qualitative data analysis, collected data was prearranged, sorted out, coded and analysed thematically searching for meaning, interpreting and drawing concepts based deductions. Regression analysis was done for inferential statistics. Multiple regressions were used by the study for analysing the collected data. The regression model was as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \qquad (1)$$

Where:

Y = Agency Performance
β_0 = Constant Term; β_1, β_2, β_3 and β_4, = Beta coefficients
X_1= Training needs assessment; X_2 = On- the- job training; X_3= Off-the-job training
X_4= Training evaluation; ε = Error term

4. Findings

4.1. Response Rate

This study targeted 268 respondents comprising of Agency Banking Managers, Agency Banking Supervisors and Bank Agents from the 18 commercial banks that have agency banking. A total of 234 questionnaires were returned duly filled. This was represented by 87.3%. Awino (2011) posits that a response rate of above 65 percent is acceptable for such studies. High response rates yield results that can be better inferred to a population.

Table 1. Response Rate

Response Rate	Frequency	Percent
Response	234	87.3
Non-Response	34	12.7
Total	**268**	**100.0**

4.2. Reliability Analysis

Reliability is a measure of the degree to which instruments yield consistent results or data after repeated trials. The Cronbach's alphas from the extracted factors are shown in Table 4.2, along with their labels and number of items.

Table 2. Reliability Analysis

	Reliability Cronbach's Alpha	No. of Items
Training Needs Assessment	0.741	8
On- the- Job Training	0.802	8
Off- the- Job Training	0.776	6
Training Evaluation	0.726	5

All alphas were above 0.70, relatively a high reliability in each construct. The factors are all reflective because their indicators are highly correlated and are largely interchangeable. As shown in the table, Training Needs Assessment had 0.741, On- the- Job Training had 0.802, Off- the- Job Training had 0.776 and Training Evaluation had 0.726.

4.3. Multiple Regression

A multiple regression analysis was conducted to investigate the joint causal relationship between the independent variables and dependent variable (performance of agency banking in Kenya). This is represented by the overall model $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.906	0.821	0.818	1.001

a. Predictors: (Constant), Training Evaluation, Training Needs Assessment, Off the job Training, On The Job Training

The coefficient of determination R square and correlation coefficient (r) shows the degree of association between the independent variables (Training Evaluation, Training Needs Assessment, Off the job Training, On The Job Training) and performance of agency banking in Kenya. The results of the multiple regression indicate R^2= 0.821 and R= 0.906 as shown in Table 4.15. This is an indication that there is a strong relationship between independent variables and the dependent variable (performance of agency banking in Kenya). From the model summary Table 4.15 adjusted R^2 was 0.818; this indicates that employee training practices explain 65.2% of variations in performance of agency banking in Kenya.

Table 4. ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1066.041	4	266.510	262.589	0.000
Residual	232.42	229	1.015		
Total	1298.461	233			

a. Dependent Variable: Performance of Agency Banking

b. Predictors: (Constant), Training Evaluation, Training Needs Assessment, Off The Job Training, On The Job Training

The overall model significance was presented in table 4.16. An F statistic of 262.589 indicated that the overall model was significant as it was larger than the critical F value of 3.88 with at the P=0.05 level of significance. The findings imply that training practices were statistically significant in explaining Performance of Agency Banking in Kenya.

Table 5. Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.792	1.655		2.291	0.023
Training Needs Assessment	0.849	0.336	0.513	2.527	0.012
On-the Job Training	0.796	0.359	0.437	2.217	0.028
Off-the JobTraining	0.627	0.245	0.382	2.559	0.011
Training Evaluation	0.701	0.323	0.378	2.170	0.031

a. Dependent Variable: Performance of Agency Banking

After the analysis the model arrived at was as follows;

$Y = 3.792 + 0.849X1 + 0.796X2 + 0.627X3 + 0.701X_4 + e$

Performance of Agency Banking = 3.792+ 0.849Training Needs Assessment + 0.796On-the Job Trainings + 0.627Off-the Job Training + 0.701 Training Evaluation

Regression results in table 4.17 indicated that if all factors were held at zero, Performance of Agency Banking in Kenya was 3.792. The results reveal that the relationship between Training Needs Assessment and Performance of Agency Banking in Kenya was positive and significant as the p-value= 0.012 which was less than 0.05. Also, all other independent variables at zero, a unit increase in the Training Needs Assessment would lead to 0.849 increases in Performance of Agency Banking in Kenya. This is in accordance with Braun *et al.* (2016) who note that an efficient program of training is required to be modified according to a particular sport demands. Hence, it's crucial for conduction of needs analysis so as to get information on the unique sport attributes.

Results further indicate that on-the Job Training had a positive and significant relationship with Performance of Agency Banking since the p value= 0.028<0.05. This implies that an increase in On-the Job Training by 1 unit leads to an increase in Performance of Agency Banking by 0.796 units. This conforms to Twyford *et al.* (2016) who posit that On-the-job training is an efficient way since the trainees apply the training in real situation instead of being taught in a class where the learner has a higher probability of forgetting. The findings further indicated that the relationship between Performance of Agency Banking and Off-the Job Training was also positive and significant since the p-value=0.011<0.05. This implies that an increase in Off-the Job Training by 1 unit leads to an increase in Performance of Agency Banking by 0.627 units. This concurs with Marshall, Davis, Dibrell and Ammeter (2018) who states that part-time entrepreneurship delivers a chance for individuals to get skills as well as knowledge conducive for coming up with innovative staff behaviors.

The results further indicated that the relationship between Performance of Agency Banking and Training Evaluation was positive and significant p value= 0.031<0.05. This implies that an increase in Training Evaluation by 1 unit leads to an increase in Performance of Agency Banking by 0.701 units. In relation to these findings, Steele *et al.* (2016) state that since training is expensive it's crucial to understand the returns it yields if it's carried out. The study therefore reveals that all the variables were significant at 95% confidence level as their p-value was less than 0.05. The study also deduces that Training Needs

Assessment had the most influence on the performance of agency banking in Kenya, followed by On-the Job Training, then by Training Evaluation and the least was Off-the Job Training.

5. Conclusions

The study concluded that training needs assessment influences the performance of agency banking in Kenya. Organization analysis was found to be the most influential aspect of training needs assessment. Organization analysis involves reviewing the development, work environment, personnel, and operation of a business or another type of association. It further focuses on the structure and design of the organization and how the organization's systems, capacity and functionality influence outputs. Undertaking an organizational analysis is helpful in assessing an organization's current well-being and capacity, and deciding on a course of action to improve the organization's long-term sustainability. The study concludes that the commercial banks ensure that information about the firm is sorted in order to make it easier to draw connections. Through theoretical models, the commercial banks present situation is more adequately addressed, and the trajectory of the organization can be more fully determined.

The study also concluded that on- the- job training influences the performance of agency banking in Kenya. Through transfers in the commercial banks, employees are provided experience in other areas. This helps them develop a career path and motivates the employee since it is a sign that the organization cares about and will provide opportunities for the employee's development. The study further concludes that transfers in the commercial banks overcomes boredom and dissatisfaction and provides an experience in a different environment hence encourages employees to adapt and learn to manage change.

The study further concluded that off-the-job training influenced performance of agency banking in Kenya. The study concluded that adoption of employee’s seminars in a great way improve communication skills, helps in gaining expert knowledge, networking with others and renewing motivation and confidence. Also, a large number of people are trained simultaneously at a time and is economical thereby cancelling the notion that training is expensive. Through this, high productivity is maintained. The study concluded that training evaluation influenced the performance of agency banking in Kenya. Analyzing the training event by using appropriate evaluation tools can improve the outcome of future trainings to a considerable extent. This is because there is identification of new and different perspectives on the training and also insight on the weaknesses of the training are established and improved.

6. Recommendations

The study recommends that the commercial banks should assess their agents’ need for training and development more often and conduct them as need arises. It is also recommended that the banks should train its agents as soon as they finish evaluating them as a remedy to help their banking units perform better. It is recommended that the commercial banks should take into account both individual and operational needs when carrying out organizational assessment. The commercial banks should take into consideration that every agency’s needs need to be developed hence involve the agents in the training programs that will help them sharpen their skills. It is recommended that the commercial banks should formulate quality and effective training programs that will improve the agency’s productivity and performance. In addition, the commercial banks should organize for conferences, seminars and team building activities that will help to improve employee performance as well as achieve the bank’s objectives.

On employee motivation, the study recommends that more training to be conducted for the commercial banks leaders on the importance of recognizing and embracing staff suggestions. In addition, sufficient trainings to be conducted also for the leaders on how to focus on strengths rather than weaknesses of the employees. The management and the leaders in the commercial banks should be trained on how to address the weaknesses of the agents as well as establishing ways that will give room for agents to improve on their weaknesses.

Commercial banks should ensure that there is adequate budget for training and development activities, utilizing the allocated resources in efficient manner should be maintained for organizational success. They should also check if the employee is having the necessary tools needed for task completion and if enough time is given for task completion, or if the working environment is conducive for task completion.

The study recommends that further research be carried out on the same topic focusing on other sectors such as the manufacturing and retail sectors in order to get the perspective of other companies. Secondly, further study be carried out on other factors that enhances performance of agency banking in Kenya other than employee training addressed in this study. The impact of employee training on quality of services and client satisfaction should be studied. The study was done based in Nairobi City County, however there is need to replicate it in other counties.

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