Analysis of Employee Training Needs Assessment on Organizational Performance: A Case of Cooperative Bank of Kenya Ltd, Nairobi City County

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Abstract
This study sought to analyze the effect of employee training on organizational performance using a case of Co-operative bank of Kenya Ltd. The study specifically intended to focus on training needs assessment and how it influences performance of the bank. The study was informed by leadership theory. The study adopted a descriptive research design. The study sampled 200 employees working at the head office selected using convenience technique. Primary data was collected using a questionnaire. The data collected was analyzed by descriptive and inferential statistics and summarized in tables and charts. Generally, performance of Co-operative bank of Kenya, Nairobi was found to be highly determined by training needs assessment (β=0.357 p-value= 0.000). Training needs assessment had an influence on performance. This study concludes that training needs assessment positively and significantly influences performance of Cooperative Bank of Kenya Ltd. The study recommends Co-operative Bank Ltd to focus on conducting regular assessment of the training needs of employees level of knowledge, skills and knowledge gaps in order to identify the training requirement with an aim of improving organizational performance.

Keywords: Employee training, Performance, Training needs assessment, Leadership

1.0. Introduction
Organizations have found it mandatory to train their employees in order to adapt to globalization, technological advancements, and changes in the political and economic environment, and thus boost their output (Nassazi, 2013). Any organization's ability to train its employees to be creative, innovative, and inventive will undoubtedly boost productivity and increase competitive advantage in today's competitive society. Training is a component of human resource operations that assists employees in improving their talents, skills, and competence, allowing them to function more effectively. To be successful, a company must invest in training. It is one of the most widely used strategies in the organization for increasing employee engagement and performance. Employees are a business's most valuable asset and an essential part of obtaining a competitive advantage, and planning is essential to achieving that advantage (Falola, Osibanjo & Ojo1, 2014).

Global recognition of the significance of training has influenced the overseas rivalry and growth of the British, German, and Swedish economies, as well as the Southeast Asian Tiger economies. Workers are a priceless commodity and an essential component of any economy's or organization's competitive advantage, and preparation is a critical tool for realizing that advantage (Falola, Osibanjo & Ojo, 2014). Commercial banks in Kenya have enhanced their performance in the years following financial liberalization (CBK, 2014; Mutuku, Muathe & James, 2019). However, according to the Central Bank of Kenya (CBK) Annual Supervision Report (2015), the banking sector's profit growth declined in 2015, with a 5.03% decrease in pre-tax profits, the largest recorded drop since 1999. The performance of commercial banks has been questioned just after the CBK's placement of three banks under statutory management (Deloitte, 2016). New regulatory and legal prerequisites, such as the Organizations Act (2015), the Proceeds of Crime and Anti-Money Laundering Act (2009), and the Unclaimed Financial Assets Act (2011), among others, imposed new and stringent compliance requirements on commercial banks and financial institutions (KCB, 2015). Furthermore, the Banking (Amendment) Act, 2016, which limited interest rates to a maximum of 4.0% above the Central Bank Rate (CBR), led to a significant drop in lending rates (KNBS, 2016). The action resulted in a significant drop in bank performance.

Private sector credit growth slowed; January 2016 saw 16.8% increase, August 2016 saw 5.4% growth, and December 2016 saw 4.3% growth. Commercial banks responded to poor performance by taking actions aimed at reducing risks in the fast-paced business environment. Closing branches, cutting employees, moving shared functions for some multinational banks, and reducing demand for lines of credit from international development financial institutions to boost SMEs were just a few of the actions that some banks used (Irungu, 2017; Mutuku, 2019). At least nine banks, or 22.5% of the sector, announced their plans for reorganization. If no action was taken to stop the problem, it was anticipated that the trend would persist over time. The Central Bank of Kenya (CBK) decreased the risk rating as a result, and several banks now have adequate ratings rather than strong ratings like they had in prior years. Due to the general decline in asset quality, profitability levels, and liquidity positions of various banks, the institutions with a strong rating fell from 22 in 2014 to 11 in 2015. (CBK, 2014; Mutuku, Muathe & James, 2019).

The Covid-19 epidemic, competition, and Central Bank of Kenya standards are all having an impact on the Co-operative Bank of Kenya's objectives, and as a result, the market environment in which it operates is becoming increasingly distinctive (Namatovu & Larsen, 2021). Co-operative Bank needs to improve and ensure its management capabilities in order to lessen the impact of these shifts. The majority of the training provided by Co-operative Bank for its employees is internal, and the majority of staff members are aware of these programs. Due to inadequate funding, outmoded and poor delivery methods, and a lack of training needs...
evaluations, many initiatives have not been successful. As a result, the effectiveness of the Kenyan Co-operative Bank has been challenged (Too & Kwasira, 2017).

Onyango and Wanyoike (2014), Wanyama and Mutsoots (2010), Ngui (2015), Mumanthi (2014), and Adongo (2013), among others, did not concentrate their previous empirical investigations on the effects of training requirements assessment, preparation for training, and training delivery on organizational performance. The current study will make an effort to eliminate the remaining conceptual and contextual gaps. Organizational spending on training initiatives, however, is still incredibly low (Wanyama & Mutsoots, 2010; Mwangi, 2017). As a result, the goal of this study was to examine how employee training affected the Co-operative Bank's performance.

2.0 Literature Review
2.1 Theoretical Review
The leadership-based paradigm served as the study's foundation. Burns created the transformational leadership theory (1978). An approach to management known as transformational leadership concentrates on how managers may help their teams make significant advancements. Transformational leaders cause a paradigm shift in their followers by their aspirations and distinguishing personality features. The goal of transformational leadership is to assist others in "transforming" so that they can benefit the organization as a whole. Followers of a transformative leader respond by expressing feelings of confidence in, gratitude for, loyalty to, and respect for the leader as well as a desire to put in more effort than they had anticipated; Bernard (1985), a psychologist, spoke on the psychological mechanisms underlying transformational and transactional leadership after Burns' dissertation. Leadership, according to Goodson, McGee, and Cashman (1989), involves inspiring others to labor ardently toward a common goal. They propose a model of effective leadership that emphasizes the attention of the leader on the organization's mission and relational (people) actions. This hypothesis states that organizations with good leadership can significantly aid in identifying the staff training requirements. If the leadership does not assist them, organizations won't need to prepare. This theory supports the variable of employee training by stating that the forms of leadership in an organization determine the types of trainings delivered.

2.2 Empirical Literature Review
Another study on the influence of training on worker effectiveness was carried out in Lebanon by Halawi and Haydar (2018). The study was founded on first-hand information. According to the findings, employees profited from training programs because they were able to increase their inner happiness, receive helpful performance feedback, comprehend how to generate a high-quality production. Both primary and secondary data will be used in the current study, which will be carried out in Kenya.

In Nairobi, Kenya, Mumanthi (2014) examined the performance of the Kenyan police and concluded that organizations should assess their training requirements before determining their degree of performance. The study continues by stating that effective monitoring and assessment has an effect on Kenyan police performance. According to Kum, Cowden, and Karodia (2014), inadequate staff training at work reduces organizational effectiveness. He concludes that organizations that spend money on human resource management view training as a means of increasing overall productivity. Bhardwaj (2018) asserts that client staff preparedness is essential for addressing the problems that the banking sector deals with on a regular basis. The study was conducted in Tehran, Iran, and it used a random sample technique. Customer training is crucial for both companies and employees since it affects employee performance significantly and has applications in non-bank financial transactions. The assessment of the learners' current and desired abilities, experience, and attitudes is frequently the main emphasis of the evaluation of training needs. Individual and team performance are positively impacted by training experiences; as a result, positive behaviors, encouragement, and empowerment are gained by both people and teams as a result of training outcomes. These advancements lead to better work performance and the acquisition of new abilities (Nortilli & Wong, 2014).

Mahadevan and Yap (2019) investigated into the impact of training strategies on employee success in a Malaysian direct selling company. According to the study, effective planning has a favorable effect on employee success both on and off the job. Contrarily, this report focused on just one component of training while excluding others, such training needs assessment and training readiness, which would be covered in subsequent reports. Specific training, such as on-the-job training, gives employees a better chance of keeping their jobs than those who don't.

3.0 Research Methodology
The researcher used a variety of techniques. This is due to the researcher's focus on the subjective assessment of perceptions, views, and behaviors as well as the collection of quantitative data that underwent strict, methodical quantitative analysis (Pluye & Hong, 2014). Because it is suited for describing the impacts of staff training on organizational efficiency, this study used a descriptive survey research approach. At the Co-operative Bank's Nairobi headquarters, management workers served as the study's target demographic. The analysis would focused on top-level managers, middle-level managers, and lower-level managers at the Cooperative Bank of Kenya headquarters in Nairobi County, Kenya. 200 employees from the various departments of the Cooperative Bank of Kenya make up the target population. The divisions of the bank include those for research and development, human resources, marketing, customer service, accounting and finance, and information. The Cooperative Bank of Kenya was taken into consideration because it is a significant financial institution in Kenya and because the researcher could easily access it.
Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Strata</th>
<th>Target Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>35</td>
</tr>
<tr>
<td>Supervision</td>
<td>50</td>
</tr>
<tr>
<td>Operations</td>
<td>115</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>200</strong></td>
</tr>
</tbody>
</table>

Source: Cooperative Bank of Kenya (2021)

A census survey was used in the investigation. All of the target respondents are included in the final analysis of the census survey. When it is more affordable to reach all facets of the population, that is when it is recommended. Since 200 employees from the Cooperative Bank of Kenya's many divisions make up the target population, it is likely well-defined and small, necessitating a census study (Mugenda & Mugenda, 2013). A 5-point Likert scale was utilized in the questionnaire that was used to collect the study's primary data to gauge respondents' impressions of how staff training affected organizational performance. The questionnaire was broken up into three sections: organizational performance, employee training needs assessment, and demographic information about the respondents.

Due to the respondents' hectic schedules, the questionnaire had closed-ended questions and was administered using the drop-and-pick method. To gather secondary data, particularly on the performance of the bank, a secondary data review guide was employed. Secondary data, which included information on market share, profitability, and customer growth, was gathered from the annual statements for the previous five years.

To test the validity and reliability of the instruments, the researcher distributed five (5) questionnaires to the Equity Bank at Nairobi County headquarters of, which was not a part of the planned sample. A pilot study of 1 to 1.5 percent of the population is adequate, according to Hair et al (2019). The Cronbach's Alpha cutoff was 0.7, and variables having a value of 0.7 or higher were regarded to be reliable.

Software from SPSS version 24 was utilized in the study to analyze the data. However, in order to distill the data into useful information, descriptive statistics like percentages, graphs, bar charts, and frequency tables were used. The study regression analysis to establish the influence of training requirements assessment on organizational performance.

4.0 Research Findings and Discussion

4.1 Summary of Reliability Statistics

A pilot study was conducted on 5 respondents from equity bank headquarters in Nairobi County who were not included in the sample size of this study in order to determine the reliability of the research instrument using Cronbach Alpha measure of internal consistency. The results are depicted in table 2.

Table 2: Summary of Reliability Statistics

<table>
<thead>
<tr>
<th>Variables</th>
<th>N of Items</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training needs assessment</td>
<td>5</td>
<td>0.784</td>
</tr>
</tbody>
</table>


The Cronbach's Alpha criterion was 0.7, and variables with a value of 0.7 or higher were regarded as being internally consistent or dependable. As can be seen in Table 2, the variable has a Cronbach's Alpha, or, value more than 0.7, indicating the reliability of the scale used to create the questionnaire.

4.1 Descriptive Findings

The study used descriptive statistics of mean and standard deviation to capture the responses on training needs assessment. This section therefore presents the average response of the variable as standard deviation (SD) values represent the degree of variation from mean. The responses were rated strongly agree (SA = 5), agree (A = 4), neutral (N =3), disagree (D = 2) and strongly disagree (SD = 1).

4.4.1 Training Needs Assessment

The first objective of the study was to evaluate the influence of training needs assessment on performance of Cooperative Bank of Kenya Ltd, Nairobi County, Kenya. Firstly, respondents indicated the degree to which they agreed with how various factors prevented from achieving their training/professional needs. The results are presented in table 3.

Table 3: Descriptive Results on Factors Preventing Staff From Achieving their Training/Professional Needs

<table>
<thead>
<tr>
<th>Factor</th>
<th>1 (SD)</th>
<th>2 (D)</th>
<th>3(N)</th>
<th>4(A)</th>
<th>5(SA)</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>9.90%</td>
<td>5.90%</td>
<td>9.90%</td>
<td>57.90%</td>
<td>16.40%</td>
<td>3.65</td>
<td>1.13</td>
</tr>
<tr>
<td>Capacity of Workforce</td>
<td>3.90%</td>
<td>2.60%</td>
<td>10.50%</td>
<td>59.20%</td>
<td>23.70%</td>
<td>3.96</td>
<td>0.9</td>
</tr>
</tbody>
</table>
The results as depicted in table 3 indicate that majority of respondents (57.9%) agreed that cost prevented them from achieving their training/professional needs, 16.4% strongly agreed, 9.9% were neutral while 5.9% disagreed. The mean was 3.65 indicating that majority of respondents agreed that cost prevented them from achieving their training/professional needs. The second factor was capacity of workforce whereby 59.2% agreed that it prevented them from achieving their training/professional needs followed by 23.7% who strongly agreed while 3.9% strongly disagreed. The mean was 3.96 implying majority of respondents agreed that capacity of workforce prevented participants of the study from achieving their training/professional needs. Similarly, majority of respondents represented by 62.5% agreed that geography and location of venue prevented them from achieving their training/professional needs. This was confirmed by a mean of 3.89. Moreover, most respondents, 42.1%, agreed that lack of managerial support prevented them from achieving their training/professional needs whereas 27% strongly agreed. A mean of 3.68 also indicated that lack of managerial support prevented Co-operative employees involved in the study from achieving their training/professional needs.

Another factor that prevented respondents from achieving their training needs was length of training whereby the largest percentage, 43.4%, agreed followed by 34.9% who strongly agreed. On whether personal circumstances prevented respondents from achieving their training/professional needs, majority represented by 53.3% agree supported by 23% who strongly agreed. The last factor examined was unavailability of training whereby 46.7% agreed that it prevented them from achieving their training/professional needs. A mean of 4.03 implies that majority of respondents agreed that unavailability of training prevented them from achieving their training/professional needs. Overall, as depicted in Figure 6 below, unavailability of training (mean=4.03) was ranked as having the largest hindering effect on Bank Cooperative Bank staff’s quest to achieve their training needs followed by low capacity of workforce (mean=3.96), length of training (mean=3.9), geography and location of venue (mean=3.89), personal circumstances (mean=3.81), and lack of managerial support (mean=3.68) with cost (mean=3.65) having the least effect.

Figure 5: Rank of Factors Preventing Staff From Achieving their Training Needs

Source: Research Data (2021)

Secondly, respondents indicated the degree to which they agreed with various statements regarding the influence of training needs assessment on organizational performance as shown in table 4.

Table 4: Descriptive Results on influence of Training Needs Assessment on performance

<table>
<thead>
<tr>
<th>Training Needs Assessment Element</th>
<th>1 (SD)</th>
<th>2 (D)</th>
<th>3 (N)</th>
<th>4 (A)</th>
<th>5 (SA)</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The firm conduct regular assessment on the level of knowledge of the employees</td>
<td>12.5%</td>
<td>13.8%</td>
<td>9.9%</td>
<td>35.5%</td>
<td>28.3%</td>
<td>3.53</td>
<td>1.36</td>
</tr>
<tr>
<td>The skills possessed by all employees are documented by the human resource department</td>
<td>7.2%</td>
<td>13.2%</td>
<td>9.9%</td>
<td>40.8%</td>
<td>28.9%</td>
<td>3.71</td>
<td>1.22</td>
</tr>
<tr>
<td>The bank conduct needs assessment to identify skills and knowledge gaps</td>
<td>12.5%</td>
<td>11.2%</td>
<td>11.2%</td>
<td>33.6%</td>
<td>31.6%</td>
<td>3.61</td>
<td>1.36</td>
</tr>
</tbody>
</table>
Our employees are happy with our trainings needs and capacity assessments. 9.2% rated 15.1% 9.2% 40.1% 26.3% 3.59 1.28
Trainings needs identification have enhanced our performance. 7.2% 11.8% 10.5% 36.8% 33.6% 3.78 1.24

**Aggregate Mean score** 3.644 1.292

**Source: Research Data (2021).**

Table 4 above shows that largest proportion of respondents, 35.5%, agreed that the firm conduct regular assessment on the level of knowledge of the employees. On this statement, 28.3% strongly agreed, 9.9% were neutral, 13.8% disagreed while 12.5% strongly disagreed respectively. A mean of 3.53 implies that most respondents agreed that the firm conduct regular assessment on the level of knowledge of the employees. Regarding the statement that the skills possessed by all employees are documented by the human resource department, 40.8% agreed, 28.9% strongly agreed while 13.2% disagreed. A mean of 3.71 also implies that most respondents agreed with the above statement. On whether the bank conduct needs assessment to identify skills and knowledge gaps, 33.6% agreed supported by 31.6% who strongly agreed. A mean of 3.61 confirms that most of the participants of the study agreed that the bank conducts needs assessment to identify skills and knowledge gaps.

Another statement sought to find out whether employees are happy with the trainings needs and capacity assessments of the bank whereby the largest percentage, 40.1% agreed, 26.3% strongly agreed, 15.1% disagreed while 9.2% strongly disagreed. On whether trainings needs identification has enhanced bank performance, 36.8% agreed followed by 33.6% who strongly agreed while only 7.2% strongly disagreed. A mean of 3.78 implies most respondents agreed that training needs identification has enhanced bank performance. The findings in this section agree with the study results of Laban, Thuo and Mutegi (2017).

### 4.2 Inferential Analysis

#### 4.2.1 Regression Analysis

To find out how employee training affects performance of Cooperative Bank of Kenya Ltd., a multiple regression model was used. The first part of the results reveals model summary findings as presented in table 10.

**Table 10: Model Summary**

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>.680</td>
<td>.462</td>
<td>.459</td>
<td>0.0724</td>
</tr>
</tbody>
</table>

Predictors: (Constant), Training Delivery, Training Planning, Training Needs Assessment

**Source: Research Data (2021).**

Fig 10. Explains the extent to which the factor studied influenced performance. The coefficient of determination (Adjusted R-squared) is 0.459. This means training needs assessment account for up to 45.9% of the variation in performance of Cooperative Bank of Kenya Ltd. The remaining 54.1% is accounted for by other factors not studied in this model.

**Table 11: Regression Coefficients**

<table>
<thead>
<tr>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.256</td>
</tr>
<tr>
<td>Training needs assessment</td>
<td>0.357</td>
</tr>
</tbody>
</table>

**Source: Research Data (2021).**

The regression coefficient results show that training needs assessment positively and significantly affects performance of Cooperative Bank of Kenya Ltd. This is confirmed by beta value of 0.357 and significance (p-value) of 0.000 which is less than 0.005. This implies that keeping all other factors constant, improvement in training needs assessment would result to significant positive change performance of Cooperative Bank of Kenya Ltd. The findings in this section agree with the study results of Laban, Thuo and Mutegi (2017).

### 5.0 Conclusions and Recommendations

#### 5.1 Conclusions

Several conclusions can be drawn from the major findings of this study. Based on multiple regression results, training needs assessment greatly influence the performance of Co-operative Bank Ltd. This study therefore concludes that training needs assessment positively and significantly influences organizational performance of Cooperative Bank of Kenya Ltd. An improvement in training needs assessment factors such as conducting regular assessment on the level of knowledge of the employees, skills possessed by all employees, conducting needs assessment to identify skills and knowledge gaps and training needs therefore results in significant increase in organizational performance of Cooperative Bank of Kenya Ltd. Moreover, other factors ont in this study such as unavailability of training, low capacity of workforce, length of training, geography and location of venue, personal circumstances and lack of managerial support are prevent staff from achieving their training/ professional needs.

#### 5.2 Recommendations for Practice
The study suggests that Co-operative Bank Ltd concentrate on identifying training needs for employees by regularly evaluating their level of knowledge, documenting the skills that each employee possesses, conducting needs assessments to identify skills and knowledge gaps, and identifying training needs with the goal of enhancing organizational performance.

5.3 Suggestions for Further Research in this Field of Study
The research only covered Co-operative Bank Ltd, Nairobi. A comparative study can be also done in the future on effects of training needs assessment on organizational performance in other sectors other than commercial banking as well as in the public sector.

References