

EFFECT OF E-LEARNING PROGRAMMES ON STAFF PERFORMANCE IN COMMERCIAL BANKS IN KAKAMEGA COUNTY

Frankline Makonjio

Masters of Science (Human Resource Management), Masinde Muliro University of Science and Technology, Kenya

Dr. Peter Odera

Department of Educational Psychology, Masinde Muliro University of Science and Technology, Kenya

Tobias O. Warentho

Department of Business Management, Masinde Muliro University of Science and Technology, Kenya

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ABSTRACT

The purpose of this study was to investigate the effect of e-learning on staff performance in commercial banks in Kenya in the presence of organizational factors. In keeping with the advancement in technology, banks have in the recent past undergone major technological leaps in the provision of training services by adoption of modern training method of e-learning. The study was guided by the following objectives: To establish the effect of e-learning on staff performance in commercial banks in Kakamega county; To examine the effect of organizational factors on staff performance in commercial banks in Kakamega county; To determine the effect of organizational factors on the relationship between e-learning and staff performance in commercial banks in Kakamega county. The effect of organizational factors as a mediating factor in the relationship between e-learning and staff performance was also studied. The setting of this study was in Kakamega County where selected banks operating in the county were studied. Various journal articles, print media articles and books were reviewed in the literature review section to provide findings of previous work on the area of study. This study utilized a survey research design and it was carried out in commercial banks in Kakamega county. The banks selected were as follows; KCB, CO-OP, Equity and Barclays bank. The study population included bank managers, supervisors and clerks. Both probability and non-probability sampling were used to select respondents who gave the required information within the study location. There were 92 respondents; 8

managers, 17 supervisors and 67 clerks. A structured questionnaire, interview schedule and document analysis was relied upon for as data instrument. The pilot study was carried out in two KCB branches in Kakamega county which were Kakamega and Mumias branches where 10 employees were selected. The information was compressed from questionnaires to tabulate expected output, encoded and correlated using SPSS where Cronbach's Coefficient Alpha was computed at 0.05. The results showed that Cronbach's alpha coefficients ranged from 0.7409 to 0.8967 revealing a high degree of reliability. The validity of the research instruments were established through consultation with the researcher's supervisors. Data analysis was done by descriptive statistics that include frequencies, percentages and measures of central tendency. Charts and tables were used to represent the data. Application of statistical measure of association such as multiple linear regression and correlation analysis was also used. Statistical data was generated from Statistical Package for Social Scientists (SPSS) and Ms Excel for means and percentages. The study found out that all null hypotheses tested yielded negative relationship between variables. Therefore, there was a significant relationship between the variables. It means that e-learning programmes have effect on staff performance in commercial banks in Kenya. It also means organization factor on staff performance in commercial banks.

Key Words: *e-learning programmes, staff performance, commercial banks, Kakamega County*

INTRODUCTION

In today's competitive environment resulting from globalization and liberalization, organizations in particular banks survive with much difficulty unless they create the competitive advantage over their competitors (Terviovski and Samson, 1999). With the increasing competition, business survival pressure and the dynamic customer oriented environment, e-learning as a modern staff training method has been recognized as one of the important issues and has generated a substantial amount of interest among bank managers and researchers. E-learning has been regarded as one of the effective ways for banks to improve their staff performance (Radha, et.al 2007). Leading pioneer in e-learning, such as Slamon (2003) asserted that high staff performance can be gained by training through e-learning method, they also argued that training through e-learning holds the key to competitiveness in today's global market as e-learning is cost effective. Ivancevich (2007) contends that e-learning has widely been considered as an effective human resource management tool in providing banks with stability, employee growth and prosperity.

Bank managers who seek to add value to their work environment and increase their staff performance are embracing e-learning more and more (Gulati and Sengeetha, 2001). E-learning is the emerging technology, which promises to deliver assimilated classroom environment while offering flexibility in terms of time and location. It underscores the need to become more learner focused and to coordinate activities in real world terms, to ensure success in corporate training context. E-learning is a computer based technology that enables unlimited number of learners to quickly interact with organizations training programmes in order to achieve specific objectives (Stephenson, 2003).

Reynold, Carey and Mason (2002) look at e-learning as divided into three distinct categories "Web-based learning" which involves limited contact between the trainee and tutor, "supported online learning" which focuses on the learner, the tutor and other learners and "informal e-learning" which is normally executed through e-mail and target groups of learners interacting with the tutor. Whereas e-learning provides more accessible training opportunities it's low cost, flexibility and adaptability, impact and magnitude of success hinges on its ability to connect trainees to training online learning platforms (Beardwell and Claydon, 2007). According to Cross and Dublin (2002), e-learning services entails developing courses for the banks, availing the courses to staff for study through bank's ICTs platforms, monitoring the uptake of the e-learning courses, preparation of e-learning reports and general management of e-learning function. Banks have various courses on e-learning in the following broad areas Microsoft office suit, IT based courses, management courses, Regulatory courses, professional certifications, function specific courses and soft skill courses.

Globally e-learning has experienced dramatic growth. In the USA, for instance, e-learning was no longer peripheral or supplementary and that it has become an integral part of mainstream higher education (Harasim, 2000). In 2003, more than half of all banking institutions in the U.S.A offered at least one fully online or blended course. Slamon (2003) contends that potential

participants in e-learning are not just from the USA, they can be from many other countries, via the internet. Countries from Europe, Asia, South America, Australia and some countries in Africa participate in e-learning (Sambrook, 2003). There have been a few surveys which have sought to gauge the prevalence of e-learning in the UK. One of the earlier studies by the now defunct company Xebec McGraw Hill in 2001, presented data that 87 per cent of banks had an intranet, and 28 per cent of these banks use it to deliver training, in other words, 24 per cent of the total banks delivered training in this fashion (Beamish, Armistead, Watkinson & Armfield, 2002). This was projected to rise to 54 per cent of all banks with an intranet within three years.

As communication technologies and the internet continue to merge, banks in Africa continue to integrate them with their activities and corporate practices (Dagada & Sesemane, 2004). One of the key benefits of such integration includes increase in staff performance and curriculum development. Sambrook (2003) argues that because of the trend towards globalization of banking institutions, there is need for uniform and customized training. On a more comprehensive scale, is the need for employees continued training, which circumvents traditional college training and requires participants to be in a specific location in order to access and participate in learning (Brink, Munro & Osborne, 2002).

According to the Central Bank of Kenya, there are 45 licensed commercial banks operating in Kenya as at 31st December, 2011(see appendix 6). 32 Banks are locally owned with 3 of them being public with significant shareholding by the Government and state corporations. The remaining 13 are foreign owned. Faced with increased competition for qualified workers and need to provide incentives for the key talents, a growing number of Kenyan banks are giving employees opportunities for further training. The former C.E.O of KCB, Otieno Martin during the launch of e-learning in KCB said that, ‘the issues that banks in Kenya faces today are to have cost effective, highly accessible and efficient means of knowledge transfer. Knowledge transfer through e-learning seems to be the new orientation that is gaining more acceptance than the traditionally accepted definition of ‘education’. Classrooms today, transcend limitations of costs, time, space, race and language.’ The study will be based in Kakamega County which is one of 47 counties in Kenya located in the western part of Kenya. The research therefore will attempt to find out the effect of e-learning on staff performance in the above banks.

STATEMENT OF THE RESEARCH PROBLEM

The popularity of e-learning appears to be moving to higher levels everyday as organizations in the world work towards maximizing on the returns on every man-hour employed. This has translated into growing needs for shorter training programmes, reluctance by management to release employees for longer training periods and other non-work commitments that are competing for employees’ available time (Saks and Haccoun, 2007). Studies have been conducted in countries such as U.S.A, UK and India on the concept of e-learning. The study done by Radha, Gulati and Ganapathy (2007) showed that in 2006 about 66% of financial institutions in India embraced e-learning especially in banking technology, soft skills and

management courses. In Kenya, where the sheer volume of people, the expanse of regions and the diversity of languages exists, this new medium of learning holds immense promise. For instance, the banking industry, where timely adoption of technology plays a critical role in deciding the leader and the laggard. With an employee base from different streams of education and walks of life, it becomes imperative to enhance the awareness and transfer of knowledge in an easy and efficient manner. In traditional way of imparting education in this industry, the role of the staff training colleges and similar academic institutions has been vital and significant. However, while these have largely met banks requirements, the changing face of technology being used in banks operations necessitates the need to reflect these changes in human capital. Although many studies in the western world have agreed that there is a relationship between e-learning programmes and staff performance in banks (Cross and Dublin 2002; Macpherson, 2003; Attewell, 2002). Studies in Kenya on e-learning and organization have focused on effectiveness of e-learning in education sector (Kiprotich, 2006). Little if any has been researched on to establish the effect of e-learning on staff performance in commercial banks. This is the gap that the study intends to fill. Little if any has also been researched onto establish the relationship between organization factors like size of the bank, culture of the bank, management style and mode of ownership in the banking sector on staff performance in Kakamega county. This study therefore seeks to establish the effect of e-learning on staff performance in commercial banks in Kenya.

PURPOSE OF THE STUDY

The purpose of this study was to investigate the effect of e-learning on staff performance in commercial banks in Kakamega county.

OBJECTIVES OF THE STUDY

1. To establish the effect of e-learning on staff performance in commercial banks in Kakamega county.
2. To examine the effect of organizational factors on staff performance in commercial banks in Kakamega county.
3. To determine the effect of organizational factors on the relationship between e-learning and staff performance in commercial banks in Kakamega county.

HYPOTHESES OF THE STUDY

H₀1. E-learning does not affect performance of employees in commercial banks in Kakamega county.

H₀2. Organizational factors do not influence staff performance in commercial banks in Kakamega county.

H₀3. Organizational factors do not moderate the relationship between e-learning and staff performance in commercial banks in Kakamega County.

LITERATURE REVIEW

Overview of E-learning

E-learning is defined by Pollard and Hillage (2001) as the delivery and administration of learning opportunities and support via computer, networked and web-based technology to help individual's performance and development. Armstrong (2009) contends that e-learning enhances learning by extending and supplementing face-to-face learning rather than replacing it. It enables learning to take place when it is most needed and when it is most convenient. Learning can be provided in short segments or bites that focus on specific learning objectives.

Bates (2001) contends that e-learning programmes may cover common business application and processes, induction programmes, IT skills development. The computers and networked technologies that enable e-learning do not simply represent a change of the medium for implementing traditional teaching and learning activities. Instead, these technologies, integrated with innovative pedagogical methods such as inquiry –based learning (Olson and Loucks-Horsley, 2000) and authentic tasks (Herrington, Reeves, Oliver and Woo, 2004) provide instructors and their students with unprecedented opportunities to teach them in more powerful ways. E-learning has opened the way for educators to teach learners “beyond brick and mortar” campuses (McIsaac, 2002), including many people who would otherwise not have access to higher education.

According to Armstrong (2009) the main elements of e-learning are: Learning Management System (LMS), Learning Content Management System (LCMS) and Learning Portals. The LMS provides users with access to various learning processes and enables self-paced e-learning to take place. The LCMS provide an authority system for course or programme preparation, a collection of learning objects or modules and a means of sending a completed course to delivery system. Learning portals these are access points to learning information and services that enables learners to locate content.

The learning process comprises defining the system, encouraging access, advising and assisting individual learners, and encouraging and facilitating the creation of learning communities (Hase and Ellis, 2001). E-learning focuses on the learner. It provides a means of satisfying individual learning needs. But individual learning may be supplemented by participation in learning groups or communities of interest in which members both gain and share knowledge (Armstrong, 2006). E-learning programmes can be used for ‘bite-sized’ training, that is, training to develop a particular skill or areas of knowledge. Programmes or courses may consist of generic content purchased from suppliers, but most organizations prefer customized web-based modules developed either in house or outsourced to software firms that produce materials to a specific design (Stephenson, 2003).

However, in order for e-learning programmes to be effective the following principles have been mentioned; Learners must be stimulated by the learning process, the programme and content should be seen to be intrinsically relevant, the method of presentation should be interesting, use should be made of graphics, animations, audio, interactive, simulations, scenarios, case studies, projects and answer session and problem-solving activities where appropriate – the programme should not simply involve ‘page timing’. Learners must be encouraged to respond to stimuli and should be engaged in the learning goals, preferably working them out for themselves but with help where necessary. The programmes should be constructed in incremental steps and presented in “bite-sized chunks” or modules, each with clear objectives and outcomes. Learners must be able to measure their own progress but should be given feed-back as well. Learners should be able to plan their learning (self-paced learning). Learners should be encouraged to reflect on what they are learning by reference to their own experience (Bates, 2001; Armstrong, 2009).

Theories of Learning

Workplace learning refers to learning or training activities undertaken in the workplace, with the goal of enhancing individual and organizational performance (Rosenberg, 2006). Attention to workplace learning has greatly increased due to the significant role of professional skills and expertise in organization development. Theories specific to workplace e-learning can be categorized into adult learning, constructivist learning theory and cognitive theory (Merriams, 2001).

Adult Learning (Andragogy): Adult learning theories form the basis for the design of e-learning practices in work environments. Andragogy (learning strategies focused on adults) and self-directed learning are two fundamental parts of adult learning. The implication of adult learning theory in the workplace context is that learners would be motivated once learning objectives have been rationally set that would meet their needs (Knowles, Holton and Swanson, 1998).

Knowles (1978) is the theorist who brought the concept of adult learning to the fore. He has argued that adulthood has arrived when people behave in adult ways and believe themselves to be adults. Then they should be treated as adults. He taught that adult learning was special in a number of ways. For example: adult learners bring a great deal of experience to the learning environment Educators can use this as a resource; adults expect to have a high degree of influence on what they are to be educated for, and how they are to be educated; the active participation of learners should be encouraged in designing and implementing educational programs; adults need to be able to see applications for new learning; adult learners expect to have a high degree of influence on how learning will be evaluated and adults expect their responses to be acted upon when asked for feedback on the progress of the program (Burns, 1995). Therefore this theory is very important when designing e-learning programmes in banks.

Constructivist Learning Theory: As a philosophy of learning, constructivism can be traced to the eighteenth century and the work of the philosopher Giambattista Vico, who maintained that humans can understand only what they have themselves constructed.. Constructivism is an overarching theory that does not intend to demolish but to reconstruct past and present teaching and learning theories, its concern is shedding light on the learner as an important agent in the learning process, rather than in wresting the power from the teacher (Long, 2000).

Within the constructivist paradigm, the accent is on the learner rather than the teacher. It is the learner who interacts with his or her environment and thus gains an understanding of its features and characteristics. The learner constructs his own conceptualisations and finds his own solutions to problems, mastering autonomy and independence. According to constructivism, learning is the result of individual mental construction, whereby the learner learns by dint of matching new against given information and establishing meaningful connections, rather than by internalising mere factoids to be regurgitated later on. In constructivist thinking, learning is inescapably affected by the context and the beliefs and attitudes of the learner. Here, learners are given more latitude in becoming effective problem solvers, identifying and evaluating problems, as well as deciphering ways in which to transfer their learning to these problems (Rogers & Freiberg, 1994). When e-learning programmes are implemented in banks constructivist theory is very important because the learner constructs his/her own conceptualisations and find solutions to problems on programmes that he has been taught.

Cognitive Learning Theory: Cognitive learning involves gaining knowledge and understanding by absorbing information in form of principles, concepts and facts and then internalising it (Armstrong, 2009). Learners can be regarded as powerful information processing machines. The knowledge and understanding of learners can be enriched and internalized by presenting them with learning materials, for instance e-learning.

Components of E-learning

E-Learning comprises all forms of electronically supported learning and teaching. The information and communication systems, whether networked learning or not, serve as specific media to implement the learning process. Bank employees require teamwork knowledge, customer service skills, communication skills, risk management knowledge and modern banking technology training in order to effectively carry out organization mandate (Mishra, 2009; Materu, 2007; Kithinji and Waweru, 2000; Servege, 2005). This can be effectively done through e-learning. In this study, the components of e-learning are; E-learning programmes on teamwork, e-learning programmes on customer service skills, e-learning programmes in communication skills, e-learning programmes in risk management and e-learning programmes in modern banking technology. An exploration of the relationship between e-learning programmes and employee performance in 61 UK banks using objective and subjective performance data, some evidence was shown of an association between e-learning and staff performance and there was

convincing indication that the greater application of e- learning is likely to improve staff performance in banks (Nisar, 2002)

E-learning Programmes on Teamwork: While teamwork is considered to be one of the core elements of new organization, different forms can be distinguished, and not all with the same consequences (Dessler, 2005). From the point of view of the dynamics of organization, teamwork can be regarded as one of the many elements of organizational change (Armstrong, 2000). Teamwork is a very important training factor as it directly affects employee and the quality of their working life (Cole, 2002). It is perhaps for this reason that it is regarded as one of the most progressive instruments of current organizational practices. Research was conducted in banks in USA to test the hypothesis that e-learning on teamwork has an influence on staff performance. The research showed that there was a strong positive relationship between e-learning on teamwork and staff performance.

E-learning programmes on teamwork will create an environment that facilitates knowledge and information exchange and so-called knowledge sharing. Billsberry (2005) contends that teamwork could lead to more job autonomy, greater responsibility and higher job satisfaction. Employees may regard teamwork as any kind of co-operation within colleagues or have a clear idea of a team that works on a common goal, makes joint decisions on what actions to take and takes responsibility for the task.

E-Learning Programmes in Customer Service Skills: Most banks spend more time and energy to find new customers than they spend retaining the customers they have. The logic behind customer retention is that; it costs far less money to keep current customers happy than to spend much more money to recruit new customers. Loyal customers tell their friends about the business and will spend more money than new customers. Effective customers service training through e-learning must be reinforced and taught on a recurring basis (Sims, 2007).

Bank owners understand the relationship between customer service training of their company staff and the productivity of their workers. When there is an increase in staff performance the company earns more. This is the primary reason why organizations take time to dwell on e-learning sessions for their employees, to further productivity. Delivery of satisfactory service to customers can help curb strong competition in the banking industry today. Clients make great advertisers through word of mouth. Therefore, satisfying them becomes vital for any banking institution. When customers are entertained very well and their concerns are addressed properly, they will enjoy their bank and tell one, two or even a lot of their friends and colleagues. This surely creates a big impact on the banks earning (Evenson, 2010).

E-Learning Programmes in Communication Skills: One of the importance skills an employee at any organization need to possess is good communication. All bank employees need to understand the importance of good communication to the banks and themselves, how to communicate effectively and how to listen and understand. Armed with professional

communication skills employees will be able to communicate well with all co-workers and customers to best serve the bank (Bonomo, 2002).

Training via e-learning may be one of the most important expenditures a company can make. Communication a vital skill for every employee, must be effective enough for job performance whether only basic communication skills are needed for interaction between employee, co-workers and supervisors or more advanced skills are needed for presentations, public relations, board meeting and publication (Owen, 2006).

E-learning Programmes on Risk Management: Commercial banking in virtually all countries has been subjected to a great deal of regulation. This is because most national governments consider it important that individuals and companies have confidence in the banking systems (Hull, 2010). Among the issues addressed by regulation is the capital that banks must keep, the activities they are allowed to engage in, deposit insurance and the extent to which mergers and foreign ownership are allowed. Banks are forced to train their employees on how to deal with the regulations that are in place.

The nature of bank regulations during the twentieth century has influenced the structure of commercial banking in different countries. Many countries have guaranty programs that protect small depositors from losses arising from bank failures (Saunders and Cornett, 2008). This has the effect of maintaining confidence in the banking system and avoiding mass withdrawals of deposits when there is negative news or perhaps just a rumor about problems faced by a particular bank (Stulz, 2003). According to Hull (2009) banks have developed modules through e-learning on risk management to train their employees on different risks that affect banks. The risks include, credit risks, market risks and operational risks. The strategies to manage risks typically include transferring the risk to another party, avoiding the risks, reducing the negative effect of the risk.

E-learning Programmes in Modern banking Technology: With the current expansion of the global economy and the fast-changing evolution of technology and innovation, organizations are facing an on-going need for staff training (Swanson and Holton, 2001). The resource based approach contends that the organization can develop a sustained competitive advantage only if its activities create value in a unique way, in that competitors cannot easily be copied once they acquire the expertise and the necessary skills and knowledge in their workplace.

In recent years, the utilization of modern technology has been magnificently increased in service industries, particularly, the banking industry, which by using modern technology related products such as internet banking, electronic payments, security investments, m-banking, information exchange play an important role in performance of banks (Shroff, 2007). Financial organizations can deliver high quality service to client with less effort. Banks have put more efforts in modern technology such that even in the midst of fast changing technology, workers do not go out-of-touch with the modern technology thus increasing performance of work. An analysis of 17 banks

in South Africa surveyed which were sampled and obtained the views of about 79 employees, showed that there was a strong relationship existing between e-learning on modern banking technology and staff performance in banks (Dagada and Sesemane, 2004).

During the last decade a high percentage of financial organizations are frequently utilizing modern technology to facilitate provision of services and that the speed of adoption is expected to grow further as the technology expands. The introduction of modern technology has made the accumulation, access and manipulation of data that assists in the process of banking to be easy to enable faster decision making in banks (Heffernan, 2005). Banks have developed modules on modern technology to train employees through online platform.

Organizational Factors

Training through e-learning is aimed at equipping bank employees with skills and knowledge that will lead to effective staff performance. However, even with good e-learning programmes, staff performance may not be attained because of the influence of moderation by organizational factors. The organizational factors constitute the size, culture, management style and mode of ownership.

The Size of the Bank: The economic theory prescribes that increasing firm size allows for incremental advantages as the size of the firm enables to raise the barriers of entry to potential entrants as well as gaining leverage on the economies of scale to attain higher profitability (Wang and Yang, 2009). For example, in case of the banks, a new entrant has little choice but to incur substantial costs in gaining entry to the industry, in the form of developing new products, compliance to appropriate regulatory and statutory requirements and advertising extensively to let customers know what is in the market and training employees. The higher the barrier to entry, the lower will be the threat of potential competition, and the higher the profits that existing firms can earn without reducing entry (Crystal and Lipsey, 1997).

On one hand, larger firms have more difficulties in controlling all their activities which can lead to agency problems and consequently a decline in the performance, and on the other hand they can benefit from economies of scale and better knowledge about the market, increasing staff performance. Nisar (2002) points out that empirical studies show that small employers are less likely to provide training than larger ones and, by inference, he assumes that the same applies in the case of e-learning. An empirical assessments of various companies in India Wang & Yang (2009), established that organization size affects the adoption of e-learning programs in such a way that small employers are less likely to provide training than the large ones.

The Culture of the Bank: Organizational culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people in organization behave and things get done (Armstrong, 2009). It is the identity of a company, and because of that, in some ways it becomes an identity of those who work there as well. This is always important to remember, as culture becomes like a circular argument, the culture

sometimes affects the staff performance. The people end up affecting the culture as much as the culture is affecting them (Schein, 2008). According to Stewart (1996), because culture is so deeply rooted in an organizational history of success or failure, and because of its collective experience, any organization that needs to work to change it will be facing an uphill battle and huge investment in time, resources and work. In this situation, it is often best to find some professional outsiders to at least help out, people who haven't been exposed and sucked into the bad habits of dysfunctional organizational culture. Theoretical study of banks in South Africa done by Dagada & Sesemane (2004), established that organization culture influences the adoption of e-learning programs. Any bank in Kenya that needs to change positively needs to embrace a culture that is positive.

Management Style of the Bank: Management style is the approach managers use to deal with people. According to Wang and Yang (2009) the selection of an appropriate style for a knowledge management initiative for the company is recognized as a dilemma for most managers who have interest in the knowledge asset and its applications. Innovation is an important part of employee performance and a company's innovative capacity may depend upon its ability to take advantage of its knowledge assets (Purcell and Sission, 2003). It is therefore critical that there is compatibility between the firm's knowledge management approach and the style that executive managers adopt for managing their knowledge assets in order to achieve the required optimum performance in their organization.

Mode of Ownership: In this study, bank ownership is discussed in the context of it being either private or state owned. In this regard, studies that looked at privatization came under the spotlight in the 1980s when the Thatcher Government implemented privatization strategies in earnest in the U.K. Over the last 15 years, Governments around the world have implemented various privatization strategies as part of economic development and employee development through training. Privately owned banks may face different challenges from those that are state owned and those owned by stakeholders (Sims, 2007).

Mode of ownership of an organization significantly affects the management decisions and strategies adopted by the organization. For instance, it is commonly held that Government owned organizations are generally inefficient and ineffective compared to their privately owned peers. In the same vein, a foreign owned multinational organization is expected to reflect totally different management expertise compared to local organization since the former has access to better management expertise from its local global network (Purcell et al., 2003). Hence this study establishes whether privately, foreign and publicly owned banks affect the relationship between e-learning programmes and staff performance.

Staff Performance: Staff performance refers to the achievement of set objectives or targets by employees (Cole, 2002). However a more advanced perception indicates that staff performance is not only a matter of what people achieves but also how they achieve it (Dessler, 2003). High staff performance results from appropriate behavior especially discretionary behavior and the

effective use of the required knowledge, skills and competencies based on quality of the method used by management to train the staff (Purcell et.al 2003). Discretionary behaviour refers to the choices that employees make about how they carry out their work and the amount of effort, care, innovation and productive behaviour they display. Discretionary behaviour comes as a result of employees' job satisfaction. The knowledge and skills of workers through e-learning have become important as it faces an increasingly rapid change in technology, product and systems. Most organization invests in training because they believe that higher performance will result in the success of the organization (Alliger, Tannenbaum, Traver & Shotland 1997). Staff performance indicators include:

1. *Sales volume*: This refers to the quantity or number of products sold in normal operation of a company for specific period (Saleemi, 2008). The breakeven amount of sales for a business venture is the amount of sales at which your business earns neither a profit nor a loss (Kaplan & Atkinson, 2010). Annual sales that exceed this breakeven point generate profit for the business. Annual sales that fall short of the breakeven point result in a loss.
2. *Quality service and products*: Quality itself has been defined as fundamentally relational. 'Quality is the ongoing process of building and sustaining relationships by assessing, anticipating, and fulfilling stated and implied needs.' Even those quality definitions which are not expressly relational have an implicit relational character. The focus of continuous improvement is, likewise, the building and sustaining of relationships. Through training online employees are able to increase the quality of services that they provide to customers.
3. *Profit margin*: Profit margin is an accounting measure designed to gauge the financial health of a business firm or industry. In general, it is defined as the ratio of profit earned to total sales receipts (or costs) over some defined period. The profit margin is a measure of the amount of profit accruing to a firm from the sale of a product or service (Hull, 2010). It also provides an indication of efficiency in that it captures the amount of surplus generated per unit of the product or service sold. In order to generate a sizeable profit margin, a company must operate efficiently enough to recover not only the costs of the product or service sold, operating expenses, and the costs of debt, but also to provide compensation for its owners in exchange for their acceptance of risk (Pandey, 2005).
4. *Customer loyalty*: Customer loyalty is about attracting the right customer, getting them to buy, buy often, buy in higher quantities and bring you even more customers (Sims, 2007). Customer loyalty is build by; keeping in touch with customers using e-mail marketing, thank you cards and more, treating your customers well and rewarding them for choosing you over your competitors. Employees are trained through e-learning on how to attract and retain customers.

5. *Creativity and innovation:* Creativity can do more than just spark the next big idea for an organization. It's also a critical skill for finding unique solutions to problems and new ways to improve on old processes. Creativity is the process of bringing something new into being, creativity requires passion and commitment. It brings to our awareness what was previously hidden and points to new life (Swanson and Holton, 2001).

Innovation is the production or implementation of ideas. Innovation means making meaningful change to improve an organization's products, services, programs, processes, operations, and business model to create new value for the organization's stakeholders. Innovation is no longer strictly the purview of research and development departments; innovation is important for all aspects of organization operations and all work systems and work processes (Sims, 2007). Innovation should be integrated into daily work and should be supported by employees' performance improvement system.

RESEARCH METHODOLOGY

Research Design

This study adopted a survey research design. It was meant to establish the effect of e-learning on staff performance in commercial banks in Kenya. This investigation was therefore best carried out using the survey research design since it enables rapid data collection from sample population and had the ability to help people to understand the population (Oso and Onen, 2005). For the purpose of this study, the survey research design helped in ensuring relevant data is obtained from sampled population which can later be used to make generalizations on the target population. The survey design may suffer from non-co-operation of respondents, incorrect answers for information considered secret and personal by respondents or missing of information unknown to respondents. However, this research design will help the researcher to get the views, feelings, beliefs, and attitudes of the respondents easily. The research was descriptive in nature, as it involved description, analysis, and interpretation of circumstances at the study time. Sekaran (2004) confirmed that descriptive survey can be used in gathering data from a large number of samples at a particular time so as to describe the nature of the problem being investigated.

Location of the Study

The study was conducted in Kakamega county. Kakamega county is the largest county in the western region of Kenya. It is the second most populated county in the country (Majimbo Kenya.com, 2010). Kakamega County covers an area of 1,935 km² and has a population of 1,660,651. It is located in the Western region of Kenya. It borders Bungoma to the North, Trans Nzoia to the North East, Uasin Gishu and Nandi Counties to the East, Vihiga to the South, Siaya to the South West and Busia to the West. It has 12 constituencies namely; Lugari, Likuyani, Malava, Lurambi, Navakholo, Mumias, Mumias East, Matungu, Butere, Khwisero, Shinyalu, Ikolomani with Kakamega being the main town. Its main features include Kakamega Forest,

Caves and the 'Crying Stone' of Ilesi. The area is mainly tropical with a wide diurnal range and high rainfall amounts. The main Economic activities in Kakamega county include: Agriculture, mainly sugarcane farming and small scale mixed farming of maize, beans, millet, tea, dairy products, sunflower and soya beans. Transport business especially 'Boda Boda', motor cycle transport is also a major economic activity and various commercial businesses. There exist also small scale gold mining. It also serves as the main headquarters for sugar production in Kenya. This and the presence of a prestigious educational centre- Masinde Muliro University of Science and Technology have attracted a number of banks. Among the limitations, unemployment is the major issue. There are few factories that can offer employment to youth. There are 12 commercial banks in Kakamega County. These include Standard Chartered Bank, Kenya Commercial Bank (KCB), Barclays Bank, Cooperative Bank, Equity Bank, Family Bank, Diamond Trust Bank, Southern Credit Bank, Equatorial Commercial Bank, Post Bank, National Bank of Kenya and Baroda bank (Central Bank, 2011).

The Population of the Study

The target population was 210 staff of KCB, Co-operative, Equity and Barclays in Kakamega county. The study involved employees from top management/middle management, supervisors and the bank clerks, to provide a right representation in providing information about e-learning. The banks had fully embraced e-learning.

Sample and Sampling Techniques

The study used a sample size of 92 employees from accessible population. This represented 48% of the population, which was above suggested views of the sample being ten percent of the accessible population in descriptive studies (Gay, 1981). This was done using stratified sampling to ensure each category of employees was proportionally represented. The sample from each category was then chosen using simple random sampling where employees were chosen in such a way that each had an equal chance of being selected. Purposive sampling was also used to identify the various managers for interview since they were key informants and they had more information as opposed to employees (Mugenda and Mugenda, 1999). This technique was used to identify respondents with common characteristics to constitute the sample of the study.

Data Collection Instruments

Questionnaires were used to obtain data from the staff. Questionnaires were preferred since they were easy to administer, economical in terms of time and they also enabled the researcher to gather more information from a large number of respondents to answer them at their own free time and at a different speed (Mugenda, 1999). This method is also appropriate for the respondents given that they are literate, the information needed can be provided in writing and the population is large in relation to the available time (Oso and Onen, 2005). The researcher used a self-reporting questionnaire of four sections. The questionnaire was used to operationalise

e-learning programmes and staff performance. In section A of the questionnaire closed ended questions were used to elicit the background information. Section B, C and D with likert scale type of questions elicited various e-learning questions (Boudens and Abbott, 2005). A five point scale was used (SD-Strongly Disagree [1], D- Disagree [2] N/S- Not Sure [3] A-Agree [4] SA-Strongly Agree [5]). For the purpose of this study, scores eliciting strongly agree and agree responses are collectively rated positive or favourable while score eliciting strongly disagree and disagree responses are collectively rated negative or unfavourable and finally Not sure is rated neutral. The purpose of dichotomizing the scale was to reduce large volume of data into homogeneity in order to give meaningful interpretations and relationships (Kothari, 2004). The researcher used unstructured interview method to collect data from selected respondents like the branch managers, heads of sections and head of units. This method gave the researcher an opportunity to probe and enable respondents to give information in aspects that may not have been captured in the questionnaire. This method was appropriate for the study given that it gave the researcher control in the line of questioning as he seeks clarifications on issues and obtains historical information (Boudens and Abbott, 2005).

Data Collection Procedure

Prior to administering the questionnaire, the researcher, in adequate time, notified the respondents of his intention to conduct the study and the specific times he intended to do so. This was done by sending letters requesting to conduct research. The researcher personally delivered the questionnaires and this gave him the opportunity to explain the purpose of the study to the concerned respondents. The researcher also sought permission and interviewed the branch managers of the selected organizations. Finally the researcher informed the respondents that the information that they gave was to be treated with utmost confidentiality and that was to be used purely for academic purposes. This enhanced the respondent's confidence and also enhanced reliability of the data collected. The respondents were also instructed not to write their names anywhere in the questionnaires.

Data Analysis Techniques

Before analysis, data were processed to eliminate unusable data. Data was organized according to objectives, coded and stored electronically. Data analysis was done using both quantitative and qualitative methods. The data collected was edited and then analyzed using the SPSS computer program version 16.0. Quantitative data were elicited from close ended questions in the questionnaire, computed and presented in tables and figures. Qualitative data were obtained from the interviews. Such data were analysed using thematic approach (Gibson, 2006). The association among the key study variables were assessed using correlation which were tested both at 95% confidence level ($\alpha = 0.05$). Since the relationships involved more than two major variables over a given period of time. The researcher used multiple linear regression and correlation analysis techniques to compare differences between frequencies and respondents in the study. Pearson correlation was used to give the direction and magnitude of the relationships

between and among various study variables. Further partial correlation was used to test for the direction and effect of the moderating variables. The moderating variables were controlled separately and zero order results compared with controlled results to establish the direction of effect. From this inferential analysis, the researcher was able to draw conclusion concerning the relationship and differences found in the research results. From them he then made conclusion and recommendations.

RESEARCH RESULTS

This study is to investigate the effect of e-learning programmes on staff performance in commercial banks in Kakamega county. These commercial banks are KCB, Equity, Co-operative and Barclays. The purpose of the study was to determine the effect of e-learning programmes on staff performance in commercial banks in Kakamega county. Three specific objectives were formulated from this general one and were considered during the study.

The first objective of the study was to determine the effect of e-learning programmes on staff performance in commercial banks in Kakamega county. In determining the objective, the respondents were required to provide information on e-learning programmes components. The finding of the study indicated that the most important factor in the relationship between e-learning programmes and staff performance is Modern banking Technology, followed by Communication Skills then Teamwork knowledge, Customer Service skills and finally Risk management knowledge. The first e-learning program that affects staff performance is modern banking technology. During the last decade a high percentage of banks are frequently utilizing modern technology to facilitate provision of services. The introduction of modern technology has made the accumulation, access and manipulation of data that assist in the process of banking to be easy and faster. Results indicate that the most important factor in the relationship between e-learning and staff performance is Modern banking Technology, followed by Communication Skills then Teamwork knowledge, Customer Service skills and finally Risk management knowledge. The beta values for those variables 0.346, 0.274, 0.269, 0.265 and 0.243 respectively. The research results indicated that all independent variables have significant effect on staff performance but with a weak positive relationship. All independent variables positively affect staff performance. Therefore, H01 is rejected since none of the $\beta \neq 0$ and overall p- value is less than α . In addition results revealed that, the explanatory power of e-learning on the variability of staff performance is slightly higher at 67.7% (R square= 0.677).

Objective two of the study was to determine the effect of organization factors on staff performance in commercial banks in Kakamega county. In determining this objective the respondents were asked questions regarding culture, size, management style and mode of ownership. Table 4.7 indicates that the most important factor is Culture, followed by Size then management style and finally Mode of ownership. The beta values for those variables 0.335, 0.327, 0.315, and 0.289 respectively. The research results revealed that overall organization factors have significant effect on staff performance (p-value=0.000). Therefore all organizational

factors positively affect staff performance. Therefore H02 is rejected since none of the $\beta \neq 0$ and overall p- value is $< \alpha$. In addition results showed that the explanatory power of organization factors on the variability of staff performance is slightly higher at 63.8% (R square= 0.638).

Objective three of the study was to determine the effect of organization factors on relationship between e-learning programmes and staff performance in commercial banks in Kakamega county. Results indicated that the effect of organization factors collectively (partial correlation) compared to Pearson correlation was slightly positive for staff performance versus customer service skills and Risk Management Skills while Teamwork knowledge, communication skills and modern banking technology are slightly negative.

The findings showed that all hypothesis tested yielded negative relationship between variables. Therefore, there was a significant relationship between the variables. It means that e-learning programmes have effect on staff performance in commercial banks in Kakamega county. Also organization factors have an effect on staff performance in commercial banks.

CONCLUSIONS

1. The finding from the study confirmed that e-learning programmes indicators have contributed to enhanced staff performance as depicted by the opinion of the respondents. These results were obtained from descriptive statistics about the effect of e-learning programmes on staff performance.
2. The finding from the study confirmed the relationship between e-learning programmes and staff performance yielding positive regression coefficient and beta values indicating positive correlations between the variables. These results were obtained when e- learning programmes were regressed against overall staff performance factors.
3. Finding from the study also confirmed the relationship between organization factors and staff performance yielding positive regression coefficient and beta values indicating positive correlations between the variables. These results were obtained when organizational factors were regressed against overall Staff Performance factors.
4. The finding from the study confirmed that organization factors indicators have contributed to enhanced staff performance as depicted by the opinion of the respondents. These results were obtained from descriptive statistics about the effect of organization factors on staff performance.

RECOMMENDATIONS

1. There is need for banks to address barriers on e- learning programmes. Barriers do exist but so do best practices in e-learning. Apparently some of these commercial banks have learned a lot through their experiences with e-learning. One of the recommended approaches to addressing e-learning barriers is for organizations to share their best practices. Identifying barriers and solutions is not a one- time event but should be a

- continuous process for practitioners due to the constantly changing environments, employees, course offerings, and technologies.
2. There should be continued evaluation of e-learning programmes. Evaluation is not a one time event but an ongoing process. Individual, organizational, technological changes are in a state of flux that demands continuous tracking. Procedures for obtaining feedback and a process to incorporate that feedback into future program planning is a critical success factor for e-learning programmes.
 3. There should be shared vision of e-learning programmes in commercial banks in Kenya. The concept of collaborative partnerships recognizes that the successful use of ICTs in support of learning does not rest on a simple “build-it-and-they-will-come” approach. A vision forged through collaborative partnerships would bring clarity to our understanding of what e-learning can and should do.
 4. Bank owners should put more emphasis on training their staff through e-learning on risk management.
 5. Bank managers should also put more emphasis on effective management of the culture of the organization because culture always enhances staff performance.

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