Contingency Human Resource Management and Performance of Listed Commercial Banks in Kenya

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Abstract

Effective management of Human resources that includes Contingency HRM is a major determinant of success in businesses. Little information is available on the impact of Contingency HRM on performance of listed commercial banks in Kenya. The main objective of this study was to assess the effects of Contingency HRM on performance of listed commercial banks in Kenya. The research addressed four specific objectives, namely: to assess the influence of continuous gap analysis on performance of the listed banks, to establish to what extent head hunting of personnel influences performance of the listed banks, to examine the influence staff training on performance of the listed banks and lastly to assess the influence of staff rewards on performance of the banks. This study adopted a survey design that incorporated quantitative methods to help establish the relationship between Contingency HRM and performance of listed commercial banks. The population was the senior and middle level managers based at the head offices in Nairobi County. The researcher adopted stratified random sampling where the managerial staff was stratified into top, middle and low-level managers and the banks was grouped differently. Purposive sampling was then used to select the senior level managers while simple random sampling was used to select the middle level managers so as to represent their entire population. Data for the study was collected from a sample of the senior level and middle level managers of the listed banks at the head offices through questionnaires and financial statements. The questionnaires contained specific close ended questions to gather the required information. The financial statements of the banks were compared with the previous year to establish the dependent variables of profitability, market share and the number of bank branches. The research analysis included descriptive

statistics i.e. mean, standard deviation, frequencies and percentages. Correlation analysis and factor analysis was also used to analyze the data. The descriptive statistics indicated that most of the commercial banks has contingency human resources management which influence their performance. Spearman's correlations revealed a positive correlation between the independent variable (continuous gap analysis, staff training, staff rewards and head-hunting) and the dependent variable (performance of commercial banks in Kenya). Finally, the study concluded that staff rewards, staff training, continuous gap analysis and head-hunting affects performance of commercial banks in Kenya.

Keywords: *Continuous gap analysis, head hunting of personnel, staff training, staff rewards, performance, banks, Kenya*

1.1 Background of the Study

Effective management of human resource within an organization remains an important determinant of an organization's performance (Snell & Youndt, 1995; Lu, Chen, Huang & Chien, 2015). Human Resource Management (HRM) has evolved from an entity that initially focused on staff hiring and personnel management, to one that makes strategic decisions critical to an organization's survival and performance (Lepak, Bartol & Erhardt, 2005). One such area is the adoption of contingency human resource management in the workplace, a management approach that is flexible and responsive to different situations, tasks and people, rather than adopting a single management style that may be inefficient in the long term (Syeduzzaman, Dutta, Hassan & Sarma, 2018; Omollo & Oloko, 2015).

The expectation is that effective contingency human resource management (CHRM), ultimately optimizes company performance by providing alternative management options that depend on the context (Chavez, Feng, Wong & Fynes, 2020). Contingent or best fit HRM model challenges the best practices as it focuses on more tailored configurations of HR practices and takes into account HR practices suitable for a given type of business under specific circumstances (Becker & Huselid, 2006). CHRM requires organizations to customize their work practices to their particular strategic and environmental contingencies (Huselid, 1995; Youndt, Snell, Dean and Lepak, 1996). Contingency scholars maintain that the beliefs around the relation between strategy and performance are only relevant under high external suitable situations (Bamberger and Meshoulam, 2000). In general, a "best fit" approach yields better results than a "best practices" method (Boxall and Purcell, 2003). The contingency approach argues that management needs to identify the organization's strategy and match it with the organization's structure and processes in order to meet future environmental conditions (Miles, Snow, Meyer & Coleman, 1978). Becker and Huselid (2006) compared strategic and traditional HRM research and observed that SHRM focused on organizational performance rather than individual performance and emphasized the function of HR management systems is to provide solutions to business problems.

Several studies have found a positive influence of CHRM on organizational performance. In the USA, Contingency HR is widely supported and some studies show that HR systems can substantially influence performance when aligned with appropriate strategies, thereby supporting a contingency view of HR (Youndt, Snell, Dean and Lepak 1996). Additionally, Huselid (1995) in a study examining the impact of HRM practices on turnover, productivity, and corporate financial performance in the US, highlighted the need for firms to customize their work practices to their particular strategic and environmental contingencies, such us use of formal selection tests to achieve improved performance. In the USA, Contingency head hunting is well established and

it accounts for almost half of the total recruitment market and the practice leads to value addition due to awareness of the market demands, creative decisions are made which produces appropriate results (Jenn 2005)

In the UK, a study tested the three main approaches (the universalistic, contingency and configurational) in manufacturing and service sector companies and found that effectiveness of HR policies and practices depends majorly on the strategy being pursued. For example, those pursuing high road strategies (progressive HR practice) may lead to increased commitment and motivation, leading to improved performance while low-road strategies such as cost cutting may impact negatively on performance, Gill &Meyer (2007. In Europe, a study done by Gooderham & Ringdal (2008) on the effect of bundles of strategic HRM practices on performance found no support that the effects of the HRM-bundles would be contingent on an interaction with a range of external and internal factors. This means that more research is required to produce stronger conclusions.

In France, Bayad, Arcand and Liouville (2002) conducted a study on the effect of strategic HRM on organization performance which established the significance of the contingency approach. Emphasizing that firms needed to match the HRM practices with their business strategy so as to get good performance. In South Africa, Cohen, & Olsen (2015) compared universalistic, complementarity and contingency perspectives on the connection between knowledge management (KM) and performance in the hospitality business and found that the universalistic perspective was less preferred, complementarity perspective was supported since codification and human capital KM capabilities interacted and influenced customer service outcomes. The contingency perspective was also supported since the relation between KM capabilities and performance were found to be dependent on the business strategy of the firm.

In Kenya, Ngui (2015) also investigated the effect of HRM strategies on the performance of commercial bank and found that training and development, recruitment and selection, relations, reward and compensation strategies had a weighty positive impact on performance of the banks. Kihara, (2016) also investigated the influence of strategic contingency factors on performance of large manufacturing firms in Kenya by studying organizational structure, information technology, dynamic capabilities and leadership characteristics as the variables with legal and regulatory environment as the moderating variable and found organization structure, information technology, dynamic capabilities and leadership characteristics, have a positive and significant influence on performance of large manufacturing firms in Kenya.

Key attributes of the CHRM framework include headhunting of personnel, continuous gap analysis, staff training and rewards. Gap analysis is a process of identifying present capacity gaps and the existing differences amongst a firm's existing situation and the expected situation. This enables the organization to alter its current situation to suit the desired situation and also contributes to the formulation of the organization's implementation plan such HR planning hence improving organizational effectiveness (Kim and Ji 2020). Contingency headhunting of personnel, unlike retainer headhunting, involves seeking a suitable candidate for the job who is then made a job offer by the client company, before the headhunting company earns a placement fee from the company. Retainer headhunter receives the placement fee whether or not a suitable candidate is identified, presented, and hired (Coverdill and Finlay (2017). Konecki (1999) noted that firms use head hunting as a strategy to recruit highly skilled staff with specialized job that is important for success of organization. However, the authors warn of the dangers of contingency headhunting,

whereby the headhunter may try by all means to sell candidates rapidly so as to be paid, thereby affecting the value of their work and reducing their effectiveness in future.

Staff training is the teaching of specific knowledge and skills required on the employee's present job. The advantage of staff training is that skills are developed, information is provided and attributes are nurtured in order to help individuals perform better in an organization (Kirkpatrick, 1993; Davis & Davis 1998). Lastly, Reward is largely regarded as the total amount of monetary and non-monetary compensation provided to an employee in return for service done at work, with an aim of enhancing recruitment and retention of employees, stimulate interest and attitude towards the attainment of individual and expert goals hence enhancements in efficiency and effectiveness. Anku, J.S, Amewugah, B.K. Glover, M.K (2018). Reward Management has become a vital objective for organizations that want to remain viable on the market today, since the staff becomes motivated hence bringing remarkable performance to the organization (Robescu & Iancu 2019). This study will concentrate on rewards that lead to motivation of staff.

The performance of organizations has been interpreted differently by different scholars. Rolstadas (1998) argued that the performance of an organization is a composite bond concerning seven performance aims that an organization must achieve i.e. effectiveness, efficiency, quality, productivity, quality of work, innovation and profitability. (Kaplan and Norton 2005) came up with a group of measures of performance that provides senior executives a quick but comprehensive angle of the business. This includes financial measures, customer perspective, internal processes, and the organization's innovation and learning perspective. The authors place strategy and vision, not control, at the center since the measures are designed to pull people toward the overall vision. According to Almartooshi, Singh and Farouk (2016), workers performance and leadership competencies are the key factors that contribute to organizational performance; therefore, organizations need flexible techniques to deal with change and ensure employee satisfaction. The future success of a business depends on how the organization performs, implying its ability to effectively implement strategies to achieve organizational objectives (Randeree & Al Youha, 2009).

1.2 Statement of the Problem

Over the years, commercial banks in Africa have been characterized by poor performance, evidenced by their declining profitability and collapse for a few (Mulwa, 2018; Syeduzzaman, Dutta, Hassan & Sarma, 2018). In Kenya, the number of commercial banks has decreased by 3.3% (from 1541 to 1490 branches) between the years 2016 and 2019 (CBK, 2019). As stated above, several studies have shown a positive connection between performance and HRM strategies (both in general and contingency HRM specifically) (Huselid 1995, Youndt, Snell, Dean and Lepak 1996, Cohen & Olsen 2015 and Ngui, 2015). Contingency HRM (CHRM) has also been observed to be more established in developed countries such as USA, than in developing countries. The developed countries from the above studies have embraced contingency HRM and it worked well unlike developing countries. The motivation behind this topic is to examine why contingency HRM is working well outside Kenya while in Kenya there is a gap.

1.3 Research Objectives

i. To assess the influence of continuous gap analysis on performance of the listed banks.
ii. To establish to what extent head hunting of personnel influences performance of the listed banks.
iii. To examine the influence staff training on performance of the listed banks.
iv. To assess the influence of staff rewards on performance of the banks.

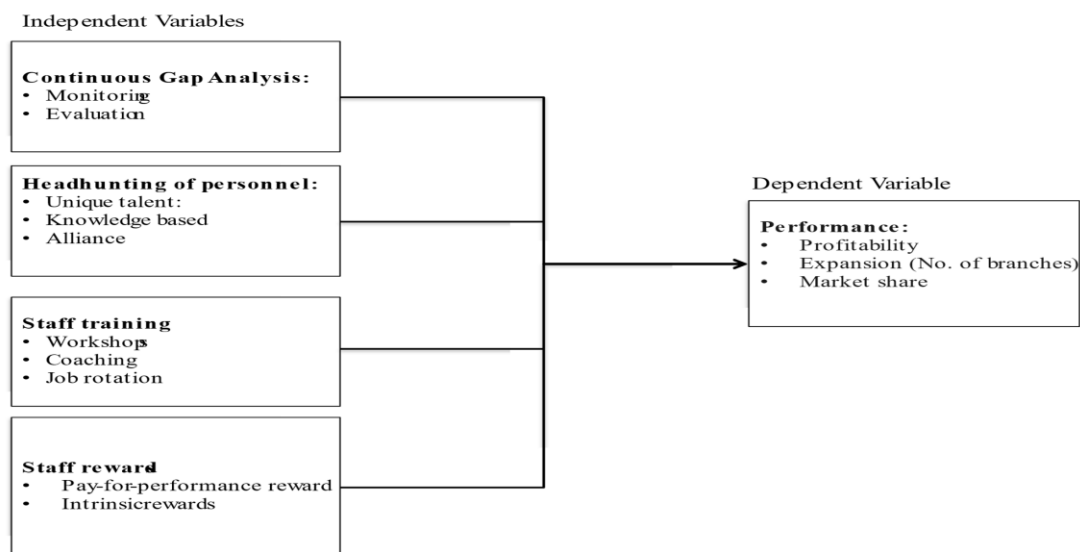### 1.4 Conceptual framework

Figure 1: The conceptual diagram showing different CHRM practices and performance variables.

2.1 Literature Review

Hoque (1999) studied the relationship between Human resource management and performance of UK hotel industry where he assessed the effectiveness of HR in the setting of the competing business strategies (cost reduction or quality enhancement). Survey design was used to collect data on the HR outcomes and performance variables such as labor productivity, quality of service and financial performance which HR effectiveness was assessed .The study used ordered profit analysis and linear regression analysis and found that effectiveness of HRM is dependent on the fit with business strategy and found a positive relationship between the collective HRM variable and effectiveness exists only within the quality enhancer while those hotels that empasize cost control,showed no relationship between HRM and quality of service, productivity and financial performance and that a high HRM approch mixed with a quality enhancer leads to superior HR outcomes. The author concluded that the relationship between HRM and performance exists only among hotels emphasizing the importance of quality enhancement and that HRM may be unsuccessful where cost control is perceived to be crucial to business strategy and provided support for contingency HRM with the author proposing that organizations that use both the quality enhancement strategy and practice contingency HRM will perform better than others. This study focused on the hotel industry while the current study will focus on the banking industry.

Headhunting involves hunting for key personnel, typically experienced and well-paid employees whose type is unlikely to be found through more conventional recruitment methods (Macdonald 1986). As aforementioned, headhunting is routinely conducted in the developed world, for example in the USA, where contingency head hunting is well established and accounts for almost half of the total recruitment market and that the practice leads to value addition due to awareness of market demands which produces significant results (Jenn 2005).A study done by Coverdill and Finlay (2017) in USA found that headhunters lessen the problems of information asymmetry and poor selection by acting as a coach to the candidates leading to more fit hence remarkable performance. Coverdill and Finlay (1999) compared benefits from headhunting over routine HR and highlighted that headhunter specialize in narrow segments of the labor market, producing candidates quickly, and they protect hiring companies from external challenges such as "raids" of its clients and employees from competitors, that may threaten their own business interests.

In Germany, Schoene (2012) and (Maurer 2001) noted that the scarcity of skilled workers in the German labor market has encouraged use professional headhunters by several employers to recruit the senior executives although, the authors noted that headhunters may engage in unfair practices such as poaching employees hence there is need to ensure that headhunters observe the legal guidelines set to prevent claims for damages. Eckelt (2017) noted that headhunters consider themselves as advisors and partners to the HR department rather than their servants which enables an open discussion with each other in regards to the sought candidates. The author further noted that good headhunters do not rely on incoming applications but develop their own recruiting strategy and that search jobs are very demanding, but can be individually tailored to the specific situation and position. The author finally noted that in addition to the professional and technical competencies of candidates, attention should be put on their cultural fit which head hunters seek to make happen and that the right candidate, who is in the right place at the right time, can have a positive and rich impact for the entire company. Maurer (2001) stated that headhunting reinforces competition among companies and may lead to firms giving higher wages and other benefits to the employees in an attempt to retain them but may weaken companies that are especially dependent upon specific, specialized and uniquely skilled employees in case they leave the company such loss of revenue and facing restraining measures on how to act.

Within Africa, headhunting of personnel has been shown to improve staff retention. For example, in Nigeria, Tafamel and Akrawah (2019) showed that headhunting recruitment strategy and selection practice in the banking sector had a significant positive effect on employee retention strategy. In Kenya, Mesesi (2013) examined the recruitment and selection practices in public universities and found that internet, transfers, referrals and head hunting were used less often as opposed to hiring internally hence universities needed to change their recruitment process and selection policies to enable staff to perform better. Mbugua (2015), Ngui (2015), and Nyaema & Wambua (2019) also found a positive effect between strategic HRM and employee retention in commercial banks in Kenya. Kamoche, Debrah, Horwitz and Muuka (2004) showed that headhunting in Kenya was mostly used for high-ranking positions in the organization, and that shortage of top managers and highly skilled senior-level professionals has led to more reliance on headhunting firms like Manpower Services, Price Waterhouse Coopers, and Deloitte and Touche. Overall, contingency headhunting in Africa has been scantily used by many firms as some still prefer the traditional recruitment methods.

Balm (1996) noted that benchmarking and gap analysis have gained importance lately as they help in prioritizing resource allocation to maximize a firm's productivity and competitive advantage.

Davis , Misra and Auken (2002) used the gap analysis to compare the importance of key skills and knowledge areas to their current employment and the perception of their own academic preparation in this areas and found that the marketing alumni in the USA were underprepared in skills and overprepared in knowledge .They noted that with the growing complexity and intellectual demands of business and growing importance of technology and globalization, the right balance between knowledge and skill becomes more vital. The authors further noted that Gap analysis had the potential of producing more actionable results, offered deeper insights than students satisfaction surveys, a basis for comparison or improvement is created and provides a quantitative basis for analysis hence scientific in approach. He however noted that the analysis may be subjected to sampling problems e.g., inadequate sample size and non-response bias and that the results may be dependent on time.

Staff training has been shown to improve organizational performance. For instance, In Australia, Richardson (2011) noted the importance for students to be given the opportunity to have sustained and meaningful contact with the trainers in order to optimize student engagement, enable the trainer to better understand the experience of learners and their educational need hence respond to them. Horwath and Morrison (1999) noted that training had been linked to performance management hence more attention put on learning outcomes, competencies and universally recognized qualification which put the trainers under much pressure to demonstrate their effectiveness making training shift from part of a process of learning to a product. The author also noted that social care training is delivered in a climate of continuous change in the firm hence the trainer felt that before they satisfy one training need, the need changes and they have to respond differently to the new identified need. Lastly, he noted that training may be of little benefit if other factors such as staffing levels, resources within the unit and supervision and management of staff are not addressed and trainers have a difficult task of convincing others in the firm that training cannot be done in a vacuum.

In Kenya, Kairu and Rugami (2017) found that staff training positively affects the performance of Kenya Revenue Authority through improved knowledge and productivity, and increased morale which characterizes high performing firms. Sila (2014) investigated three variables of training (attitude, job satisfaction and service delivery) and found the variables had a positive impact on performance. Training helped to develop positive attitudes at work place, increased efficiency and effectiveness in service delivery and improved job satisfaction of the employees. Njuguna (2016) assessed staff training and development practices in the state corporation in Kenya and found that training eliminated current or anticipated performance discrepancies and that it should be designed to assist employees in acquiring better skills, knowledge and better attitudes towards their work. Although the focus of staff training is to acquire new skills, including the ability to be able to match with technological changes, the author contends that training can be expensive and hence should be planned.

Reward management is one of the key HR strategies used by organizations across several competitive sectors to retain staff and boost the overall performance. Hancock, Müller, Wang & Hachen (2019) examined the factors influencing school principals' motivation to become principals in the U.S.A. and Germany and showed that USA principals are more motivated by tangible incentives such as salary increases, career opportunities, leadership roles, and job status, and more autonomy in management as they transition compared to their German equals. The authors noted that incase more tangible incentives were offered, especially to German principals, school systems could experience increased motivation to the transitioning teachers.

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In Oman, Kolluru, M. (2021) Investigated the association between rewards and employee performance and revealed that extrinsic rewards i.e., Basic pay, Merit pay, Performance bonus, Annual bonus Profit-sharing, Education sponsor) and extrinsic rewards such as Challenging tasks, Career advancement, Verbal appreciation, Recognition, Work freedom and Extra day-off have a positive impact on employee performance. The study suggested that the bank management needed to plan their respective reward management system by aligning it with the organizational vision since effective reward management leads to high employee performance and ensures a competitive advantage in the banking sector.

In Tanzania, Buberwa (2015) studied academic staff motivation in public universities and noted that salary, allowances, recognition, career advancement and working conditions are essential in motivating academic staff. Lack of motivation i.e., lack of recognition after good performance, lack of training and delayed promotions is some of the major challenges affecting job performance. The author made recommendations for the institutions to expand its revenue base to be able to improve staff welfare and teaching infrastructure.

Similarly, Kikoito, (2014) examined the impact of reward systems on performance of commercial banks in Mwanza city, Tanzania i.e., the employees' opinion of reward system used by banks, assess the effect of extrinsic rewards (remuneration, bonus, salary and promotion) in organization performance and assess the effect of intrinsic rewards (praise and recognition) on organization performance. The study found that the three commercial banks in Mwanza city offered both extrinsic (salary, bonus and promotion) and intrinsic (praise, recognition and genuine appreciation) rewards to their employees although the staff were not satisfied with the current reward packages and that the intrinsic (non-financial) rewards were not satisfactory to employees and did not reflect cost of living in Mwanza city. The study further indicated the intrinsic (non-financial) rewards were not pleasing to employees. The author recommended that the bank management should develop innovative bonus plan to recognize the effort of the non-managerial staff so as to motivate them, encourage team work hence better performance

Omollo, & Oloko (2015) assessed the effect of motivation on staff performance at the Kenya Commercial Bank in Migori County by analyzing the monetary rewards, team building, job enrichment and training. Findings show that monetary rewards were the most effective, although the motivation was short-term. The authors proposed that the reward schemes should only be based on employee performance and not a reserve for all employees irrespective of performance. In the study, job enrichment (high remuneration, job security and enhancement) were true indicators of performance; trainings led to promotions; while team building was useful in building stronger relationships in the work place though very expensive. Njanja, Maina, Kibet and Njagi (2013), studied the Effect of Reward on Employee Performance, specifically Cash bonuses. The study revealed that cash bonus has no effect on employee performance since those who received cash bonuses and those who did not all agree that the cash bonus affects their performance the same. The study recommended that organization should focus on changing the intrinsic nature and content of job in order to increase employee motivation as employees will get more autonomy more challenging job assignments and responsibilities

3.1 Research Methodology

The study adopted a survey design that incorporated quantitative methods. The survey assisted the researcher to examine the attitudes and opinions of representatives of the banking sector (the population) with regard to the CHRM practices. Quantitative methods were also be used to

measure responses from the Likert scale and the numerical data such as financial reports of the banks, i.e., profit and loss accounts, market share and number of branches that represents performance, to help establish relationship with independent variables. The target population constituted 11 commercial banks listed in the Nairobi Securities Exchange (NSE). These banks were I&M Holdings, KCB Group Plc, Equity Group, Stanbic Bank, ABSA, NCBA Group Plc, DTBK, Co-operative Bank, Standard chart, HF Group Plc and National bank. The targeted banks are located in Nairobi, Kenya. The banks were classified as big or small depending on the ROA. The study was censors since all the 11 listed commercial banks were included. The respondents were selected from a target population of senior and middle-level management. This group is responsible for the formulation of business strategies and ensuring that HRM (including potentially CHRM) is practiced in the banks. Low level managers were exempted from the staff sample since they do not play a key role as far as devising strategies is concerned. Purposive sampling was used to select the top-level managers where all the targeted managers were selected since they possess enough knowledge and experience to explain key concepts of Contingency HRM hence provide more insight on this topic. Simple random sampling was used to select the middle level managers where a 30% of the targeted population was selected. These managers although play a key role in the formulation of strategies, a 30% representation was enough to represent the whole population This sampling method is easy to understand and use at the same time it provides an accurate representation of the population. A sample size of 101 was arrived at after sampling. The instruments used in the study included questionnaires and financial statements.

4.0 Research Findings, Discussions and Interpretations

4.1 Questionnaire return rate

The sample size of this study was 101.Therefore, 101 questionnaires were distributed among the target population. From the distributed questionaires, 98 was returned which represented a 97% response rate. (Mugenda 1999) highlighted that a response rate of 50% is adequate for analysis and reporting while a 70% response rate is an excellent one. Hence, the response rate was a good representation. This response rate also demonstrated the willingness of the respondents to participate in the study.

4.2 Perceptions of respondents on contingency human resource management and performance of listed banks.

In order to assess the perceptions of the respondents towards contingency human resource management and performance of listed commercial banks in Kenya, the research objectives (continuous gap analysis, head-hunting of personnel, staff training and staff rewards) were used. The respondents were requested to rate each item using a five Likert scale ranging from strongly disagree to strongly agree where 1 represented Strongly disagree, 2 Disagree,3 Neutral, 4 Agree and 5 Strongly Agree. Further, the researcher used descriptive statistics especially measures of central tendency mean and standard deviation to interpret the results.

4.2.1 Continuous gap analysis and performance

The first objective of the study sought to establish the influence of continuous gap analysis on performance of the listed banks. Balm (1996) highlighted that gap analysis help organizations to prioritize their resource allocation to maximize a firm's productivity and competitive advantage. Therefore, continuous gap analysis is an important factor to the performance of banks. Table 1 presented the findings.

Table 1: Continuous gap analysis

Continuous Gap Analysis Aspect	N	Mean	Std. Deviation
Bank identifies capacity inadequacy in employee skills	98	4.07	.790
The bank gets actionable results	98	4.20	.717
The bank prioritizes allocation of resources	98	4.26	.647
Employee's skill matches their job	98	4.15	.829
Bank experiences technology changes	98	4.14	.732
ICT Infrastructure influence performance	98	4.16	.796
Performance Mechanisms are in place	98	4.31	.664
Bank have business related competencies	98	3.92	.949
Customers have easy access of service	98	4.17	.825
The bank understands customers changing needs	98	4.24	.593
The bank has trainings for employees	98	3.99	.793
The bank networks with training institutions to train staff	98	3.87	.927
The bank is internationally recognized	98	4.12	.763
The bank staff participates in decision making	98	3.78	.856
The staff are free to undertake task	98	3.87	.833
The bank promotes employees	98	4.05	.751
The bank has adopted a teamwork approach	98	4.23	.715
The bank welcomes new Ideas	98	4.19	.684
Valid N (listwise)	98		

(Source: Research data, 2021)

Results as shown in Table 1 indicate that most of the banks have mechanisms in place for comparison and improvement in performance, prioritization of resources and understand customer needs which was represented by a mean of 4.31, 4.26 and 4.24 respectively. According to Davis, Misra and Auken (2002), they contend that gap analysis is used for comparing importance of key skills and knowledge areas to employment. They further highlighted that with the growing demands of business, there should be balance between knowledge and skills. They also made an interesting observation that gap analysis produces more actionable results, and also acts as a basis for comparison or improvement in performance. Their findings tally with this study results as the respondents agreed that they had mechanisms for comparison and improvement which had a higher mean of 4.31 and they get actionable results which also had a higher mean of 4.20. Similarly, Ananth, Ramesh and Prabaharan (2010) determined customer perceptions of service quality in the private sector using gap analysis and concluded that understanding customer changing needs encourages customer loyalty and attraction of new customers which could results into more sales and hence increased performance. From the findings, the respondents indicated that the banks

understand customer changing need and aspirations (M=4.24) which tally the findings of Ananth, Ramesh and Prabaharan (2010).

Moreover, other aspects of contionus gap analysis were also reported as shown in Table 4.7 such as the banks have adopted team work approaches, they welcome new as well as identifying capacity inadequacy which had a mean of 4.23, 4.19 and 4.07 respectively. We can therefore conclude that banks have continuous gap analysis strategies which helps them identify capacity gaps within their organizations and work towards overcoming them to help them remain competitive in their business.

4.2.2 Head hunting personnel and performance

(Macdonald 1986) described headhunting as the process of hunting for key personnel, typically experienced and well-paid employees whose type is unlikely to be found through more conventional recruitment methods. According to (Jenn 2005), headhunting is important as it leads to value addition due to awareness of market demands which produces better performance. Therefore, objective two sought to find out if headhunting had an influence on performance and the results were summarized in Table 2

Table 2: Headhunting of personnel and performance

Head-hunting aspect	N	Mean	Std. Deviation
The bank recruits' employees through advertising.	98	4.39	.603
The bank takes a shorter time to recruit hhighly skilled staff	98	3.24	.949
Coaching of new employees	98	4.31	.752
Loss of employees to competing banks	98	3.99	1.060
Bank employees are highly experienced	98	3.37	1.003
The recruitment process ensures aattraction of qualified candidates	98	3.20	.642
The bank retains high quality staff	98	4.26	.678
The bank gets employees from a certain labor market	98	3.76	.964
The bank transacts in international market	98	4.06	.871
The bank hires those with desired knowledge	98	4.21	.561
The bank spends a lot of money for recruitment	98	3.08	.899
The bank uses professional institutions to hire staff	98	3.13	1.181
The bank considers recruiters as advisors	98	3.28	1.013
The bank relies on incoming applications to recruit employees	98	3.70	.955
Employees fit with the organization culture	98	3.19	.769
Employees are highly paid	98	3.53	1.142
The bank loses revenue due to sstaff turnover	98	3.99	.947
Valid N (listwise)	98		

(Source: Research data, 2021)

From the above findings, majority of the respondents indicated that the bank recruits' employees through advertising with a mean of 4.39. This could be attributed to the fact that most organizations advertise for vacant positions using social media platforms which is the most widely used platform for job advertisements or though friends. Moreover, the findings revealed that the participants strongly disagreed with coaching of new employees and retainment of high-quality staff followed

closely with means of 4.31 and 4.26. These findings contradict those of (Tafamel and Akrawah 2019) who examined the effect of headhunting recruitment strategy on employee retention and performance in the Nigerian banking industry using a multivariate regression technique to analyze the data. The study found that headhunting recruitment strategy have a significant positive effect on employee retention. Even though Eckelt (2017), noted that good head-hunters do not rely on incoming applications, this study contradicts with Eckelt 2017 as the study revealed that banks rely on incoming application to recruit employees which had a mean of 3.70. On the contrary, Mbugua (2015), Ngui (2015), and Nyaema & Wambua (2019) also found a positive effect between headhunting and employee retention. However, the authors noted that headhunting is scantly used because it is costly thus have been adopted by very few firms within Kenya. This explains some aspects of the head hunting such as the respondents disagreed that the bank uses professional institutions to hire employees. which most respondents disagreed. Therefore, we can conclude that headhunting was perceived to have a low effect on performance.

4.2.3 Staff training and performance

Staff training is important as it ensures that the employees have the required skills and knowledge to perform their task which leads to increased performance. As such the study sought to determine whether training of staff had an influence on performance of listed banks. Table 3 summarized the results.

Table 3: Staff training and performance.

Staff training aspect	N	Mean	Std. Deviation
The bank ensures employees have the required skills	98	4.44	.576
Coach new and non performing employees	98	4.20	.824
Training focuses on problem solving	98	4.14	.718
The bank identifies training needs of employees	98	4.31	.633
More emphasis is put on learning outcomes	98	4.21	.677
Continuous change affects training	98	4.14	.931
Training changes ccomplex work environment	98	4.42	.573
Training goals are aligned to bank goals	98	4.40	.685
Staff are aware of benefits of training	98	4.49	.542
HRM leads to increase in growth	98	4.43	.674
The bank encourages innovation	98	3.92	.904
The bank practices internal training	98	4.19	.684
The staff has high morale towards work	98	3.66	.919
The staff are satisfied with their work	98	3.68	.880
There is elimination performance discrepancies	98	3.82	.751
The bank matches with technological changes	98	4.03	.805
We have a training budget	98	4.30	.721
Compensation focuses on skill development	98	3.73	1.031
Valid N (listwise)	98		

(Source: Research data, 2021)

The findings revealed that most of the bank staff are aware of benefits of training, which had a higher mean of 4.49. Additionally, the bank ensures employees have the required skills and HRM leads to increase in growth had means of 4.44 and 4.43 sequentially. This indicate that the three aspect of staff training had the most influence on bank performance. These findings corroborate with Horwath and Morrison (1999) who stated that training has been linked to performance. The author particularly stressed that when employees are aware of training benefits, they will be motivated to attend the training. The author further noted that organizations should ensure employees have the desired knowledge and skills as these transforms to performance of the organization. Additionally, the respondents indicated that training goals are aligned to bank goals with a mean of 4.40. This tally with studies done by (Xiao 2010) who examined the importance of staff training and found that it leads to better performance. The author further highlighted that training aligned to the organizational goals enhances achievement of attaining the overall goal of the organizations.

The findings also indicated other aspects of training that had an influence of performance such as coaching of new and non performing employees (M=4.20). This is equally important as it will enable the new employees be at par with the organizational goals and work towards attaining them hence resulting into better performance. The results further indicated that banks conduct internal training(M=4.19), encourages innovation among its staff (M=3.92) and elimination of performance discrepancies with a mean of 3.82.The later confirms with Njuguna (2016) who assessed staff training and development practices in the state corporation in Kenya and found that training eliminated current or anticipated performance discrepancies and that it should be designed to assist employees in acquiring better skills, knowledge and better attitudes towards their work.It is evident from the findings that the listed banks have staff training strategies to improve on their performance. We can therefore conclude that the listed banks have staff training strategies to improve their performance.

4.2.4 Staff rewards and performance of banks

Reward management is one of the key HR strategies used by organizations across several competitive sectors to retain staff and boost the overall performance. The final objective sought to assess the effect of staff rewards on performance of banks. The findings are shown in 4

Table 4: Staff Rewards

Staff reward aspect	N	Mean	Std. Deviation
Employee retainment strategies	98	4.33	.685
Bank offers enticements	98	4.22	.651
The bank cares about staff welfare	98	4.21	.722
The bank recognizes good performance	98	4.45	.577
The rewards are based on bank performance	98	4.19	.698
The bank offers rewards based on individual performance	98	4.15	.791
The bank offers better terms of service	98	3.89	.811
Employees are promoted based on competencies and contribution	98	3.97	.989
Staff turnover is Low	98	3.64	1.008
Employees are confident on job security	98	3.26	1.152
Cost of motivation of staff is high	98	3.73	.969
Some rewards lead to deterioration	98	3.78	1.051
Valid N (listwise)	98		

(Source: Research data, 2021)

In view of the results presented in table 4 above, the study established that banks have reward strategies such as recognize good performance, employee retainment strategies, giving incentives, to their employees and caring about the staff welfare which had higher means of 4.45, 4.33, 4.22 and 4.21 respectively. A similar result was established by Hachen (2019) who established factors influencing motivation of employees for better performance and found that incentives such as increased salaries due to good performance and retaining high performing employees encouraged employees to work hard thus increasing their performance. This was also supported by, Kolluru, M. (2021) who investigated the association between rewards and employee performance and revealed that extrinsic rewards such as performance bonus, caring of your staff welfare through extra day off and retaining your best employees though incentives and salary increments have a positive impact on employee performance. Moreover, Omollo, & Oloko (2015) assessed the effect of motivation on staff performance at the Kenya Commercial Bank in Migori County by analysing the monetary rewards, job promotion and and training. Findings show that monetary rewards were the most effective, although the motivation was short-term. Additionally, the findings also revealed that employees are promoted based on their competencies and contribution and that banks have better terms of service for their employees with a mean of 3.97 and 3.89 respectively. Lastly, the findings also confirm with that of Muuo (2013) who examined the extent to which employees' rewards influence organizational performance. Even though most of the employees indicated that rewards influence performance, the participants also indicated that they are not confident on their job security. The study found that reward system is key in an organization as it influences organizational performance. It can therefore be concluded from the study that banks reward their

staffs for good performance. We can also conclude that the respondents were in agreement that staff rewards enhance performance.

4.2.5 Performance

The study further sought to establish if the general performance of the banks had improved after implementation of various contingency human resource management. One of the ways to measure performance is through profits. Even though the variables discussed indicated that they affect performance, the findings revealed there was a slight decrease in profitability in the listed banks. This was due to an increase in expenses compared to income. i.e. the income increased slightly from 348,041 million to 354,936 million indicating a 1.98 % increase compared to the expenses which increased from 206,161 million to 258,904 million indicating a 25.6 % increase. The expenses included Provision for loan losses and staff costs. This could also be attributed to the fact that the Covid-19 pandemic affected major sectors in the economy and Kenyan populace were not borrowing loans or even repaying their loans on time due to the tough economic times which people are yet to recover from. This was supported by the financial reports of the banks between the years 2019 and the financial year 2020 which indicated that the performance of 2019 was better than 2020 CBK, 2020. (Appendix 1 and 4). There was also an increase in market share in the number of deposits from 93.96 % to 94.58% and the number of loan accounts from 96.25 % to 97.29 % while a decrease in market share from 78.33 % to 77.98 in total deposits, and from 78.46 % to 77.96 % in the total net assets. This was due to a lower increase in the net assets, total deposits compared to the previous year (Appendix 2 and 3). The number of branches for the listed banks increased from 940 branches to 1000 branches which is a 6.38 % increase. This was also fueled by the adoption of alternative delivery channels such as mobile phone banking and internet banking. (Appendix 6)

4.3 Inferential Analysis

Inferential analysis was also utilized to determine if there is a relationship between an intervention and an outcome and the strength of the relationship between the variables under study.

4.3.1 Normality Test

Before conducting the inferential analysis, a normality test was undertaken to determine if the data is normally distributed or not. The assumption of normality is that if the data is significant, value less than 0.05, then the data is not from a normal distribution. Moreover, if the p-value is larger than 0.05, then the data is from a normal distribution. If assumption is violated that is the data is not normally, distributed, the researcher should change method of analysis from person's correlations to Spearman's rho. In this connection, a normality was undertaken and the results indicated that the p-value was not from a normal distribution therefore the researcher went ahead with Spearman's correlation.

Table 5: **Tests of Normality**

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Continuous gap analysis	.173	98	.000	.931	98	.000
Head-hunting of personnel	.188	98	.000	.916	98	.000
Staff training	.173	98	.000	.943	98	.000
Staff rewards	.438	98	.000	.553	98	.000

a. Lilliefors Significance Correction

4.3.2 Correlation Analysis

To find the relationship between independent and dependent variable, correlation analysis using Spearman' rho was applied. A correlation is a number between -1 and +1 which is used to measure the degree of relationship between two variables. The results were analysed based on correlation analysis rule as follows: a positive number indicates that the association between the two variables changes together (an increase in variable a will also cause an increase in variable b) while a negative correlation indicates that as one variable increase, the other variable decreases. A value between + 0.50 and + 1 is a strong correlation while a value closer to +1 is a perfect correlation. The results of correlation were summarized in Table 6

Table 6: Correlations Coefficient

			Continuous gap analysis	Head-hunting of personnel	Staff training	Staff rewards	Performance
Spearman's rho	Continuous gap analysis	Correlation Coefficient	1.000	.695[**]	.754[**]	.713[**]	.553[**]
		Sig. (2-tailed)	.	.000	.000	.000	.000
		N	98	98	98	98	98
	Head-hunting of personnel	Correlation Coefficient	.695[**]	1.000	.771[**]	.708[**]	.417[**]
		Sig. (2-tailed)	.000	.	.000	.000	.000
		N	98	98	98	98	98
	Staff training	Correlation Coefficient	.754[**]	.771[**]	1.000	.709[**]	.621[**]
		Sig. (2-tailed)	.000	.000	.	.000	.000
		N	98	98	98	98	98
	Staff reward	Correlation Coefficient	.713[**]	.708[**]	.709[**]	1.000	.697[**]
		Sig. (2-tailed)	.000	.000	.000	.	.000
		N	98	98	98	98	98
	Performance	Correlation Coefficient	.553[**]	.417[**]	.621[**]	.697[**]	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.
		N	98	98	98	98	98

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

The correlation results between continuous gap analysis and performance indicates that there is a strong positive relationship with a coefficient of 0.553. This indicates that an increase in continuous gap analysis will lead to a positive increase in performance. In addition, the correlation results between head-hunting of personnel and performance indicated a moderate result where the correlation coefficient was at 0.417. This could be attributed to the fact that Head-hunting is expensive and haven't been fully adopted in all African countries. These findings were also supported by Kamoche, Debrah, Horwitz and Muuka (2004) who noted that headhunting in Kenya is used by international firms such as Price Waterhouse Coopers, Deloitte and Touche and that headhunting is scantly used as most organization prefer traditional recruitment methods which are way cheaper. Moreover, the results indicated there was a strong positive association between staff

training and performance with a coefficient value of 0.621. This confirms with Sila (2014) who investigated staff training on performance and found that there was a positive relationship between staff training and performance. Lastly, the study also indicated a strong positive relationship between staff rewards and performance with a coefficient value of 0.697. This, therefore implies that there is a positive relationship between the independent variable (continuous gap analysis, head-hunting of personnel, staff training and staff reward) and the dependent variable performance of listed commercial banks. Further the findings also indicated that staff reward contributed most to performance followed staff training, then continuous gap analysis while head-hunting of personnel, while had the least effect on performance.

4.3.3 Factor Analysis

Factor analysis was utilized in this study to reduce data into small number of variables that explain most of the variance observed. Factor analysis identifies underlying factors that explain the pattern of correlations within a set of observed variables. Data was subjected to factor analysis using principal component factoring and varimax rotation. Kaiser-Meyer-Olkin (KMO) index, a measure of sampling adequacy, was used to determine whether factor analysis should be appropriate to produce different and reliable factors. The resulting value closer to one will show that there is a strong correlation between variables hence they can be used to generate factors or constructs variable. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.782 indicating that factor analysis was appropriate. The results were indicated in the table 7 below. K.M.O larger than 0.05 means data is scalable and can be submitted to factor analysis and that there is enough variance in data. The p-value should be small than 0.05 indicating that there is significance among the factors. In regards to this, the p-value was 0.000 which indicated that the variables were significant

Table 7: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.782
Bartlett's Test of Sphericity	Approx. Chi-Square	643.152
	df	190
	Sig.	.000

(Source: Research data, 2021)

Using an eigen value cut off of 1.0 there were four factors that explained cumulative variance of 53.699% as indicated in Table 8 below. Icon values less than 1 indicates the components explained less variance and therefore should not be retained.

Table 8: Total Variance Explained

	Initial Eigenvalues			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.747	26.767	26.767	2.416	17.256	17.256
2	1.459	10.423	37.190	2.190	15.640	32.896
3	1.188	8.488	45.678	1.730	12.360	45.256
4	1.123	8.021	53.699	1.182	8.443	53.699
5	.966	6.898	60.598			
6	.933	6.668	67.266			
7	.913	6.518	73.784			
8	.698	4.983	78.766			
9	.659	4.710	83.476			
10	.615	4.394	87.870			
11	.568	4.056	91.926			
12	.412	2.945	94.871			
13	.379	2.704	97.575			
14	.339	2.425	100.000			

Extraction Method: Principal Component Analysis.

Table 9: Rotated Component Matrix[a]

	Component			
	1	2	3	4
Changing needs	.813			
Performance Mechanism	.732			
Resource Allocation	.596			
Teamwork	.529			
Attraction of qualified candidates		.800		
Required skills		.732		
Knowledge		.631		
Increase in growth			.800	
			.705	
Needs of employees			.831	
Benefits of training				
Recognition of good performance				.679
Job security				.800
Better terms of service				.512
Tangible Enticements				.571

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

In these results, a varimax rotation was performed on the data. Using the rotated factor loadings, with a varimax rotation and a significant factor criterion of 0.4 recommended by Kothari 2004.Therefore the factor score below 0.4 were removed from the output. The four factors were therefore interpreted as Factor 1 Continuous gap analysis, Factor 2 Head-hunting of personnel, Factor 3 Staff training and Factor 4 Staff Rewards. The four factors were then saved and used for regression analysis.

4.3.4 Regression Analysis

A multiple regression analysis was utilized to determine how contionus gap analysis, head hunting, staff training and staff rewards influenced performance of listed commercial banks. The scores that were computed by factor analysis were saved as regression variables on SPSS. The regression was performed at 95% confidence level with a margin error of 5%.

The regression equation was as follows:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \alpha$

Where: Y is the dependent variable (performance of listed commercial banks)

β_0 is the regression coefficient/constant/Y-intercept

β_1, β_2 β_3, β_4 and β_5 are the slopes of the regression equation

X_1 is Continuous gap analysis

X_2 is Head hunting

X_3 is Staff training

X_4 is Staff Rewards

α is an error term normally distributed about a mean of 0 and for purpose of computation the α is assumed to be 0.

The result output was shown in Table10 and 11 below.

Table 10: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.592[a]	.527	.303	.663

a. Predictors: (Constant), continuous gap analysis, head hunting, staff training and staff rewards.
b. Dependent Variable: performance of commercial banks

Findings in Table 10 indicate that the correlation coefficient (R value) for the model was 0.592. R value is used to show the strength and direction of the relationship between the variables. In this case the R value of .592 indicates a positive relationship between variables. The Coefficient of determination (R^2) was found to be 0.527(52.7%). This implies that the four variables studied which were; continuous gap analysis, head hunting, staff training and staff rewards account for 52.7% of the variability in performance of listed commercial banks.

Table 11 shows the regression coefficients model.

Table 11 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.737	.709		5.268	.000
	Continuous analysis gap	.166	.185	.211	5.949	.000
	Head hunting	.133	.211	.141	3.631	.000
	Staff training	.191	.237	.288	6.775	.000
	Staff Rewards	.218	.191	.311	6.845	.000

a. Dependent Variable: Performance

The findings indicated that taking all the four factors (continuous gap analysis, head hunting, staff training and staff rewards) constant at zero, performance of listed commercial banks realized would be 3. 737. Further the results indicated that a unit increase in continuous gap analysis would lead to 0.166 increase in performance of commercial banks. Moreover, a unit increase in head hunting would lead to 0.133 increase in performance of commercial banks. Further a unit increase in staff training would lead to 0.191 increase in performance of commercial banks while lastly a unit increase in staff rewards would lead to 0.218 increase in performance of commercial banks. The estimated value shows that staff rewards had more effect on performance of commercial banks.

5.1 Conclusion of findings

Considering the key findings discussed above, the study concluded that continuous gap analysis, head hunting of personnel, staff training and staff reward have an influence on performance of commercial banks in Kenya. Specifically, the study disclosed that staff rewards had the most significant effect on performance of banks. This could be attributed by the fact that rewards always act as a motivation tool for performance as explained in the Expectancy theory which states employees' motivations is usually an outcome of reward. Further, the study concluded that head hunting ensures employers picks the best and qualified employees for the job. When the staff are qualified, they will be in a position to execute their work efficiently thus performing well in their work which also leads to performance. Also, the study concluded that training of staff enhances their skills and knowledge helping them to stay competitive in the job market and hence leading to increased performance. Finally, the study concluded that continuous gap analysis ensures that the banks are up to date with the gaps they might have and work towards filling the gaps leading to performance.

6.1 Recommendations of the findings

Based on the findings and conclusions made, the study makes the following recommendations
1. Head hunting of personnel had the least effect on performance as it is costly and adopted by few highly ranked head-hunting firms. However, to have highly skilled personnel, banks should adopt this strategy in their recruitment to increase performance.
2. The study also recommends that besides having staff trainings, commercial banks should organize capacity building seminars for their employees on areas such as gap analysis and head-hunting of personnel.

3. The study further recommends that commercial banks should enhance continuous gap analysis to monitor any capacity gaps and work on them to avoid bad performance.
4. Finally the researcher recommends that further studies should be conducted to identify other variables under contingency human resources management that affect performance of commercial bank.

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Appendix 1: List of commercial banks and their profits between 2019 and 2020

Bank	2019 Profit (Million)	2020 profit (Million)
KCB	33,183	23,586
Equity	25,372	14,207
Cooperative	20,326	16,961
Standard Chartered	12,896	7,018
I& M	12,876	10,289
Absa	11,487	8,300
N.C.B. A	9,284	6,955
D.T. B	9,279	3,942
Stanbic	8,234	6,237
HFC	(138)	(1776)
National Bank	(959)	313

(Source CBK, 2019 & 2020)

Appendix 2: List of commercial banks and their net assets and total deposits between 2019 and 2020

Bank	2019 Total net assets (Million)	Market share %	2020 Total net assets (Million)	Market share %	Total deposits 2019	Market share %	Total deposits 2020	Market share %
KCB	674,302	17.87	758,345	17.99	536,830	18.87	591,067	18.39
Equity	507,525	13.45	667,650	15.84	381,138	13.4	502423	15.63
Co-op	449,616	11.92	496,823	11.79	330,113	11.6	370,085	11.51
Stanchart	302,296	8.01	325,873	7.73	236,461	8.31	256,951	7.99
I& M	254,252	6.74	283,569	6.73	195,841	6.88	219,167	6.82
Absa	374,109	9.91	377,936	8.97	242,375	8.52	257,706	8.02
N.C.B. A	464,891	12.31	491,614	11.67	360,305	12.67	394,813	12.28
D.T. B	287,251	7.61	312,189	7.41	221,038	7.77	235,048	7.31
Stanbic	292,705	7.76	318,986	7.57	205,516	7.22	233,493	7.26
HFC	54,532	1.44	54,478	1.29	38,004	1.34	41,196	1.28
National	112,029	2.97	126,842	3.00	97,079	3.41	112,672	3.50
Total	3,773,508	100	4,214,305	100	2,844,700	100	3,214,621	100
OUT OF	4,809,410		5,405,746		3,631,850		4,122,509	
Overall Market share %		78.46		77.96		78.33		77.98

(Source CBK, 2019 & 2020)

Appendix 3: List of commercial banks and their number of number of deposit accounts and loan accounts

Bank	No. of deposit accounts (Million) 2019	Market share %	No. of deposit accounts (Million) 2020	Market share %	Number of loan accounts (M)2019	Market share %	Number of loan accounts (M)2020	Market share %
KCB	8.27	14.11	8.96	13.56	2.121	26.296	1.87	16.83
Equity	11.28	19.24	10.73	16.23	0.719	8.194	0.70	6.30
Co-op	3.54	6.04	3.62	5.48	0.754	9.348	0.80	7.20
Stanchart	0.23	0.39	0.24	0.36	0.050	0.620	0.05	0.45
I& M	0.16	0.27	0.18	0.27	0.015	0.186	0.02	0.18
Absa	1.75	2.99	1.83	2.77	0.332	4.116	0.25	2.25
N.C.B. A	31.71	54.09	38.73	58.6	3.951	48.983	7.30	65.71
D.T. B	0.51	0.87	0.53	0.80	0.013	0.161	0.01	0.09
Stanbic	0.20	0.34	0.21	0.32	0.046	0.570	0.05	0.45
HFC	0.27	0.46	0.28	0.42	0.017	0.211	0.01	0.09
National	0.70	1.19	0.78	1.18	0.048	0.595	0.05	0.45
Total	58.62	100	66.09	100	8.066	100	11.11	100
OUT OF	62.39		69.88		8.38		11.42	
Overall M.S %	93.96		94.58		96.25		97.29	

Appendix 4: List of commercial banks and their operating income and expenses

	OPERATING INCOME (M)		%	OPERATING EXPENSES (M)		%
BANKS	2020	2019		2020	2019	
EQUITY	62,252	66,773	6.8	38,666	33550	15.2
KCB	68880	75,412	8.67	54673	50040	9.2
COOP	53800	48500	11.1	36839	28174	30.8
STANBIC	22750	24078	5.52	15732	11182	40.7
ABSA	33586	33145	1.33	23297	20269	14.9
STANCHAT	26059	28103	7.27	17759	16616	6.9
NCBA	41234	26233	57.2	34279	16943	102.3
I&M	18528	18542	0.08	14586	9263	57.5
DTB	16151	15964	1.17	9914	7730	28.3
NATIONAL	9722	8220	8%	9409	9179	2.5
HFC	1974	3071	35.7	3750	3209	16.9
Total	354,936	348,041	1.98%	258,904	206,161	25.5%

Appendix 5. Gross loan and advances and non-performing loans

Bank	2019(M)Gross loans and advances to customers	2020(M)Gross loans and advances to customers		2019 Non performing loans	2020 Non performing loans	
KCB	468258	544,837	16.35%	34786	66810	92.06%
Equity	290564	355630	22.39%	26185	42825	63.55%
Cooperative	281516	307324	9.17%	31156	51781	66.20%
Stanchart	144483	152711	5.69%	20058	22337	11.36%
I& M	152807	160665	5.14%	18799	20178	7.34%
Absa	205304	229677	11.87%	13519	17099	26.48%
N.C.B. A	244395	259698	6.26%	30516	35995	17.95%
D.T. B	155307	165948	6.85%	12892	19474	51.05%
Stanbic	163859	176597	7.77%	19345	25038	29.43%
HFC	41836	45822	9.53%	12316	10799	(12.32%)
National	60677	74774	23.23%	26438	25175	(4.78%)
Total	2,209,006	2,473,653	11.98%	246,010	337,511	37.19%

Appendix 6: List of the number of branches for the listed banks

Bank	Number of branches 2019	Number of branches 2020
KCB	203	203
Equity	171	190
Coop	152	156
Stanchart	33	26
I & M	40	40
Absa	107	107
NCBA	37	82
DTB	70	70
Stanbic	26	26
National	78	78
HFC	23	22
Total	940	1000

Source CBK 2019 &2020