

INFORMATION TECHNOLOGY AND PERFORMANCE OF AGENCY BANKING IN COMMERCIAL BANKS IN KENYA

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Abstract

Information Technology is the ability of a company to integrate information sharing mechanisms among the departments, employees and customers smoothly with little or no barriers and through use of the modern technology. The main aim of this paper is to establish the influence of information technology on the performance of agency banking among commercial banks in Kenya. The study also assesses the moderating effect of firm characteristics on the relationship between information technology and performance of agency banking. The study was informed by the Technology Acceptance Theory. A descriptive survey research design was adopted. The target population was the commercial banks with agency banking in Kenya. A total of 303 respondents was drawn from branch managers were surveyed. A structured questionnaire was used and the obtained data analysed using descriptive and inferential statistics. The findings revealed that information technology had a significant influence in agency banking performance in commercial banks in Kenya. Those banks that ensured appropriate ICT skills, availability of ICT infrastructure and upholding training on ICT recorded more deposits through agency banking. Firm characteristics was found to have a moderating effect on the relationship between information technology and the performance of agency banking in commercial banks. The study concluded that information technology was essential in steering the performance of agency banking.

Keywords: Strategic Drivers, Information Technology, Agency Banking, Firm Characteristics, Commercial Banks, Firm Performance