

## Service Level Agreement and Training Provisions for Outsourced Staff in Nigerian Commercial Banks

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**Abstract:** *This study investigated the extent to which training provisions for outsourced staff are contained in the Service Level Agreement (SLA) of Nigerian commercial banks. Commercial banks in Nigeria's financial sub-sector are not exempted from training their workforce, notwithstanding the constraints and challenges posed by outsourcing practices. Effective outsourcing depends on strong collaboration and communication between the client (service user) and the service provider, particularly in the area of training, and the SLA serves as the formal contract that defines the scope, quality, and expectations of the services to be provided. A concurrent mixed-methods design (quantitative and qualitative) was adopted. The population comprised all outsourced security personnel and bank tellers in five selected Nigerian commercial banks operating in southwestern Nigeria, namely First Bank of Nigeria Plc, Union Bank Plc, Access Bank, Guaranty Trust Bank, and First City Monument Bank. A total of 1,150 outsourced staff responded to the quantitative instrument, complemented by key informant and in-depth interviews. Findings showed that the SLA was perceived to include detailed provisions for training of outsourced bank tellers and security personnel (72% agreement,  $M = 2.96$ ,  $SD = 1.71$ ); that responsibility for training was clearly defined (73%,  $M = 2.99$ ,  $SD = 1.97$ ); that training was thoroughly addressed in the SLA (72%,  $M = 2.93$ ,  $SD = 1.70$ ); that the SLA contained mandatory training requirements (74%,  $M = 3.01$ ,  $SD = 1.95$ ); that it contained adequate training-related clauses (71%,  $M = 2.93$ ,  $SD = 1.74$ ); and that it provided for the maintenance of quality service (73%,  $M = 2.99$ ,  $SD = 1.93$ ), yielding an overall weighted mean of 2.97. Respondents further agreed that the SLA covered initial onboarding training (74%,  $M = 4.01$ ,  $SD = 1.92$ ), role-specific or technical training (71%,  $M = 3.98$ ,  $SD = 1.71$ ), ongoing or refresher training (73%,  $M = 4.01$ ,  $SD = 1.90$ ), and compliance and regulatory training (74%,  $M = 4.02$ ,  $SD = 1.91$ ). The study concluded that the SLA is perceived to be comprehensive and effective in addressing the training needs of outsourced bank tellers and security personnel, and recommended that commercial banks place greater emphasis on initial, specialised, and risk-management training clauses within their SLAs with outsourcing firms.*

**Keywords:** service level agreement, training provisions, outsourcing, Nigerian commercial banks

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## **INTRODUCTION**

Inadequate training is one of the factors that prevent employees from giving their best at work, thereby lowering productivity within an organisation. Training is generally understood as the efficient and continuous process through which organisations deploy their human resources to increase production and performance (Kester, 2023). In a rapidly changing world of work, keeping pace with new industrial trends demands a unique set of skills that only sustained training can provide (Kester, 2023). Employees can improve productivity and streamline processes only when they receive proper and sufficient training and development (Blakely-Gray, 2017). Training has been described as a deliberately designed sequence of actions through which employees acquire and develop specialised knowledge and abilities, which they subsequently apply to enhance their performance at work (Igudia, 2022).

Commercial banks in Nigeria's financial sub-sector are not exempted from the obligation to train their workforce, notwithstanding the constraints and challenges posed by outsourcing practices. A growing proportion of front-line bank staff, particularly tellers and security personnel, are today engaged through outsourcing arrangements rather than direct employment, raising questions about who bears responsibility for their training and how that responsibility is formalised. The Service Level Agreement (SLA), as the formal contract between a bank and its outsourcing service provider, is the principal instrument through which such responsibility is, in principle, defined. This study, therefore, investigated the extent to which training provisions for outsourced staff are contained in the Service Level Agreement of Nigerian commercial banks.

## **LITERATURE REVIEW**

### **Training in Organisations**

The critical importance of skill-building in any organisation cannot be overemphasised. Employers generally agree that training is the surest path to refining the skills, knowledge, and attitudes of employees and achieving organisational goals and objectives, while simultaneously fostering development. Training increases the efficiency of employees, reduces the need for close supervision, minimises the wastage of resources, and helps the organisation to function more effectively, including the improvement of labour-management relations. It also enhances employees' morale, confidence, and motivation, and helps the organisation remain competitive.

### **Training Practices in the Nigerian Banking Industry**

Public and private organisations across all sectors of the economy have increasingly directed capital resources toward employee training to ensure that workers acquire the functional skills, attitudes, and knowledge required for their roles. Every organisation, it has been argued, should

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be prepared to commit at least two percent of its annual payroll to training and retraining (Kester, 2011).

In the Nigerian banking industry, commonly employed training approaches include seminars, workshops, e-learning, remote learning, evening classes, coaching, mentoring, team building, job rotation, simulation, and case studies, delivered by both internal and external instructors (Armstrong, 2003). On-the-job training is particularly favoured because it exposes bank staff to real-world situations; one-on-one coaching or shadowing, in which the learner observes an experienced colleague's every action, often produces quicker results. Because banking is a service industry, greater emphasis is placed on on-the-job training: new employees typically receive induction training on the general operations of the bank before being assigned to a specific department or branch-level section. Although off-the-job training is more expensive, participants have indicated a preference for it because it allows fuller absorption of the material covered (Beardwell, 2004). More casual methods, particularly e-learning, were also favoured. Overall, induction, e-learning, coaching, mentorship, seminars, workshops, and classroom instruction constitute the principal training methods used in Nigerian banks.

### **The Concept of Outsourcing**

Outsourcing has attracted growing scholarly and managerial attention over the past decade, as organisations weigh the relative merits of performing tasks internally against contracting them out to third parties. **Tannor, Alhassan, and Ahiadu (2022)** defined outsourcing as the allocation of risk and responsibility for performing a function or service to another entity, while Sanusi (2020) described it as a strategic choice involving the contracting out, for a fee, of non-strategic activities or business processes considered essential to the production of goods or provision of services, undertaken to improve competitive advantage. Essien and Bassey (2020) similarly characterised outsourcing as the assignment of tasks that a firm would otherwise perform itself to an external vendor, allowing the firm to concentrate on its core competencies. Other scholars define outsourcing along comparable lines: as the transfer of an internal activity, for which in-house capability already exists, to an outside vendor (Sanusi & Akinola, 2019); as a make-or-buy decision combined with a transfer (Wedchayanon, 2018); and as a subset of production undertaken on behalf of an outside party, such as a subcontractor (Chikwe & Augustus-Daddie, 2017). Agburu, Anza, and Iyortsuun (2017) cautioned that characterising outsourcing solely in terms of the activities purchased understates its strategic significance, since outsourcing is more than a simple buying decision; relatedly, Adeniji (2021) described it as the act of engaging an outside party to perform tasks or supply services that could otherwise be completed internally.

Recent banking sector reforms have intensified competition and market uncertainty in Nigeria, compelling banks to innovate continuously in order to survive and remain competitive. This has made outsourcing pervasive across virtually all banking functions, including recruitment, tax filing, and many other activities. Commercial banks, which contribute substantially to Nigeria's GDP and employ a large workforce, now rely heavily on contracted labour; it has been estimated

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that about two-thirds of workers in some Nigerian commercial banks are contract staff (Essien, & Bassey 2020).

### **Outsourcing, Training, and Service Level Agreements**

Service providers that outsource bank tellers and security personnel typically train their staff through a combination of onboarding programmes, formal training courses, and ongoing mentorship, with the specific approach varying according to the function, the complexity of the work, and the experience level of the staff being deployed. According to Bansal (2014), outsourcing the training function enables organisations to access advanced knowledge, modern training technologies, and professional facilitators that may not be readily available in-house, an advantage that is particularly relevant in banking, where continuous training is required to keep pace with technological change, regulatory developments, and evolving customer expectations.

A critical element in the relationship between banks and service providers is the SLA, which serves as the formal contract defining the scope, quality, and expectations of the services to be provided. Beaumont (2006) emphasised that SLAs are essential in outsourcing arrangements because they establish clear performance metrics, accountability mechanisms, and communication channels between client and vendor; in respect of training, SLAs typically specify the frequency, content requirements, delivery methods, and evaluation criteria, thereby ensuring alignment between the training provided and organisational and regulatory standards. Ferreira (2023) similarly noted that effective human resource outsourcing depends on strong collaboration and communication between client and provider, particularly in training and performance management, with the client retaining responsibility for defining expectations, monitoring outcomes, and ensuring that outsourced staff meet organisational standards. Where training is properly specified, the process typically involves the service provider and client jointly defining training needs and objectives, the development of a training plan covering methods, content, resources, and evaluation, the delivery of training through classroom instruction, online learning, on-the-job training, and mentorship, the evaluation of training effectiveness, the provision of ongoing support, and the maintenance of accurate training records.

### **Theoretical Framework**

This study is anchored on Human Capital Theory, which posits that investment in employee training enhances productivity and organisational performance. Within an outsourcing arrangement, the inclusion of comprehensive training provisions in the SLA suggests that banks continue to prioritise human capital development even when the staff concerned are not directly employed. Rather than undertaking the investment directly, however, the bank transfers the responsibility for training to an external vendor through contractual obligation. This reflects a strategic approach to human capital management in which organisations seek to secure a skilled workforce while limiting the direct costs and long-term commitments ordinarily associated with employee development.

## METHODOLOGY

A concurrent mixed-methods design (quantitative and qualitative) was adopted for the study. The design was considered appropriate because the study examined the relationship between the variables of interest without manipulating any of them, drawing on both quantitative and qualitative data collected at the same stage of the research.

The population of the study comprised all outsourced security personnel and bank tellers in five selected Nigerian commercial banks operating in southwestern Nigeria: First Bank of Nigeria Plc, Union Bank Plc, Access Bank, Guaranty Trust Bank, and First City Monument Bank. A total of 1,150 outsourced staff responded to the structured questionnaire on the SLA's training provisions. This was complemented by key informant interviews (KII) and in-depth interviews (IDI) with a branch manager of a participating bank, a human resources officer of an outsourcing firm, and a senior officer of a security outsourcing firm.

## RESULTS

### SLA Provisions for Training of Outsourced Staff

Table 1 presents respondents' views on the extent to which the SLA contains provisions for training outsourced bank tellers and security personnel.

**Table 1**

*Extent to Which the SLA Contains Provisions for Training of Outsourced Tellers and Security Personnel in Southwestern Nigeria*

S/N	Statement	SA	A	D	SD	M	SD
1	The SLA includes detailed provisions for training of outsourced bank tellers and security personnel.	450 (39%)	380 (33%)	150 (13%)	170 (15%)	2.96	1.71
2	The responsibility for who provides, monitors, and funds training is clearly defined in the SLA.	480 (42%)	360 (31%)	130 (11%)	180 (16%)	2.99	1.97

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S/N	Statement	SA	A	D	SD	M	SD
3	Training of outsourced staff is thoroughly addressed in the SLA.	420 (37%)	400 (35%)	140 (12%)	190 (16%)	2.93	1.70
4	The SLA includes mandatory training requirements for outsourced staff.	500 (44%)	340 (30%)	110 (9%)	200 (17%)	3.01	1.95
5	There are adequate training-related clauses included in the SLA.	460 (40%)	360 (31%)	130 (11%)	200 (18%)	2.93	1.74
6	The SLA contains adequate training provision for maintaining quality service.	490 (43%)	350 (30%)	120 (10%)	190 (17%)	2.99	1.93

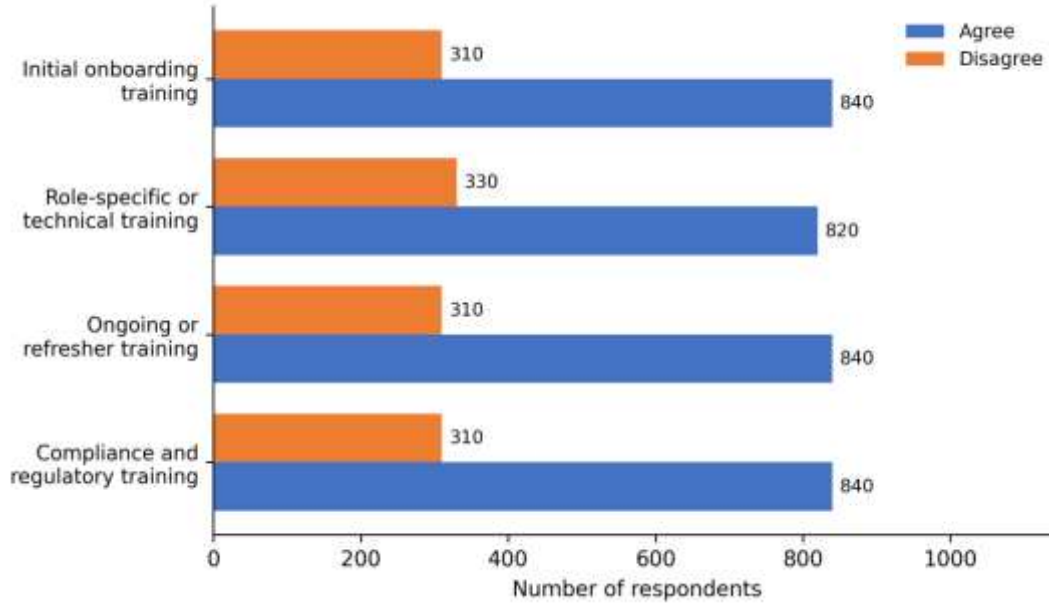
Note.  $N = 1,150$ . SA = Strongly Agree; A = Agree; D = Disagree; SD = Strongly Disagree; M = Mean; SD = Standard Deviation. Weighted mean = 2.97.

As shown in Table 1, the SLA was perceived to include detailed provisions for training of outsourced bank tellers and security personnel, with 72% of respondents in agreement ( $M = 2.96$ ,  $SD = 1.71$ ). Responsibility for training was perceived to be clearly defined in the SLA, with 73% agreement ( $M = 2.99$ ,  $SD = 1.97$ ), and training of outsourced staff was perceived to be thoroughly addressed, with 72% agreement ( $M = 2.93$ ,  $SD = 1.70$ ). The SLA was also perceived to include mandatory training requirements, with 74% agreement ( $M = 3.01$ ,  $SD = 1.95$ ). In addition, respondents agreed that the SLA contained adequate training-related clauses (71% agreement,  $M = 2.93$ ,  $SD = 1.74$ ) and provisions for maintaining quality service (73% agreement,  $M = 2.99$ ,  $SD = 1.93$ ), producing an overall weighted mean of 2.97.

### ***Types of Training Provided for Outsourced Staff***

Figure 1 presents respondents' perceptions of the specific types of training contained in the SLA.

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**Figure 1:** Types of Training Provided for Outsourced Staff as Contained in the SLA

Note.  $N = 1,150$ . Bars show the number of respondents who agreed or disagreed that the SLA contains each type of training. Corresponding means (SD) were: initial onboarding training,  $M = 4.01 (1.92)$ ; role-specific or technical training,  $M = 3.98 (1.71)$ ; ongoing or refresher training,  $M = 4.01 (1.90)$ ; compliance and regulatory training,  $M = 4.02 (1.91)$ .

As shown in Figure 1, respondents agreed that the SLA provided for initial onboarding training (74%,  $M = 4.01$ ,  $SD = 1.92$ ), role-specific or technical training (71%,  $M = 3.98$ ,  $SD = 1.71$ ), ongoing or refresher training (73%,  $M = 4.01$ ,  $SD = 1.90$ ), and compliance and regulatory training (74%,  $M = 4.02$ ,  $SD = 1.91$ ). These results indicate a generally positive perception of the comprehensiveness of the SLA's training provisions, spanning initial induction, role-specific skill-building, continuous learning, and regulatory compliance.

**Qualitative Findings**

Findings from the key informant and in-depth interviews corroborated the quantitative results. A branch manager at Union Bank explained:

*"At Union Bank, we have specific requirements for our outsourced bank tellers and security personnel. For security personnel, we require SSCE to HND qualifications, while tellers need HND to Master's degree. They must be at least 27 years old. We provide periodic training, both online and physical, continuously from weekly to annually, and it's implemented by our supervisors. The training content is based on our*

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*operating manuals and industry best practices, with a focus on customer service, standard operating procedures, and communication. We're responsible for their training, and their roles are clearly defined in their job descriptions. Our SLA with the service provider is reviewed and renewed yearly, and can be terminated in case of fraud or non-adherence to policy."* (Branch Manager, Union Bank, KII, 2025)

A human resources officer at a leading outsourcing firm similarly noted:

*"As Workforce Group, we partner with banks like GT Bank, Access Bank, and Union Bank, adhering to specific requirements. Educational qualifications for outsourced tellers vary: these banks require HND or BSc with upper credit. Age requirements also differ: Access Bank prefers 26 and below, GT Bank prefers 30 and below, while Union Bank requires 27 and above. We provide continuous training, both virtually and physically, with joint implementation and evaluation through regular tests. Training covers key areas like money counting, customer relations, IT, fraud detection, and compliance. Our SLA with the banks is confidential, reviewed annually, and can be terminated if no longer beneficial to the bank, with changes communicated by the bank."* (Human Resources Manager, Workforce Group, KII, 2025)

A senior officer of a security outsourcing firm added:

*"Our SLA with the bank is confidential, outlining requirements such as a minimum SSCE qualification and an age range of 18-60 years. We're responsible for training security personnel before deployment, with the bank paying us and us paying the personnel. Cougar plans and implements training for Access Bank. The SLA renews annually and can be terminated if agreements aren't met or terms aren't adhered to."* (Senior Military Officer, Cougar Security, KII, 2025)

Across the three accounts, the SLA was reported to specify the minimum educational qualifications required of outsourced staff (typically SSCE to HND for security personnel, and HND to Master's degree for tellers), as well as the frequency and type of training to be organised, confirming that the SLA adequately and clearly addresses the training of outsourced staff.

## **DISCUSSION**

The overwhelmingly positive perception of the SLA's training provisions suggests that, on the whole, the agreement is comprehensive and well-structured. The detailed provisions for training outsourced bank tellers and security personnel point to a thorough approach to equipping staff with the skills required for high-quality service delivery in the banking industry. The clear definition of training responsibilities within the SLA is similarly significant: by explicitly assigning accountability for training, the agreement helps to avoid confusion and to ensure that training is prioritised, promoting a structured approach to achieving the desired outcomes. The further finding

Publication of the European Centre for Research Training and Development-UK that training is thoroughly addressed, and that mandatory requirements are specified, underscores the SLA's emphasis on consistency in service delivery and on equipping outsourced staff to meet industry demands. The presence of adequate training-related clauses, and of provisions for maintaining quality service, reinforces this picture of a robust document that promotes a culture of excellence among outsourced staff.

The breakdown of training types in Figure 1 extends this picture. The inclusion of initial onboarding training suggests that outsourced staff receive a thorough introduction to their roles, which is critical in setting the tone for their tenure. Role-specific or technical training indicates a targeted approach that equips staff with the expertise needed for their particular function, while the inclusion of ongoing or refresher training signals that the SLA prioritises continuous learning rather than a one-off induction. Finally, the presence of compliance and regulatory training reflects the stringent regulatory environment within which Nigerian banks operate.

These findings are consistent with prior research on outsourcing and training in the Nigerian banking sector. Adudu, et al (2020) found that contractual, comprehensive, and selective outsourcing strategies all had a significant positive effect on the performance of deposit money banks in Nigeria, concluding that outsourcing has become a valuable strategy for organisations operating in highly competitive industries such as banking. Sanusi (2020) similarly identified technical convenience and efficiency, increased productivity, focus on core activities, improved service delivery, and responsiveness to changing customer needs as the primary rationales for outsourcing in the Nigerian banking industry, alongside benefits such as increased flexibility and growth. Awalurahman et al. (2023) found that the implementation of SLAs is primarily aimed at enhancing customer satisfaction and improving the quality of services, a finding that aligns with the present results.

The link between training provisions and staff performance is also well established. Lee and Ken (2018) found that training and development programmes have a significant positive impact on employee performance in the banking industry, while Khan, Ahmed, and Islam (2019) emphasised the importance of SLAs, including training and development provisions, in ensuring outsourcing success. Adeleke, Adebayo, and Ogundele (2020) likewise found training and development to be essential to improving employee performance and productivity in the Nigerian banking industry, while Ojo and Adeyemi (2017) identified training and development as a key challenge in outsourcing arrangements, underscoring the need for effective SLAs to address it. Taken together, these studies underscore the critical role that training provisions within SLAs play in supporting high-quality service delivery, and suggest that the inclusion of such provisions is a key factor in outsourcing success.

The findings also align with Human Capital Theory, which holds that investment in employee training enhances productivity and organisational performance. The presence of comprehensive training provisions within the SLA indicates that banks continue to prioritise human capital development even within outsourced arrangements, albeit by transferring the responsibility for

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that investment to external vendors through contractual obligation. This reflects a strategic approach to human capital management in which banks seek to secure a skilled workforce while limiting the direct costs and long-term commitments ordinarily associated with employee development.

## CONCLUSION AND RECOMMENDATIONS

The findings indicate that the SLA is perceived to be comprehensive and effective in addressing the training needs of outsourced bank tellers and security personnel. The SLA clearly defines training responsibilities, including mandatory requirements, and contains adequate training-related clauses for maintaining quality service, spanning initial onboarding, role-specific technical training, ongoing refresher training, and compliance and regulatory training. Overall, the perceptions recorded suggest that the SLA is a valuable tool for ensuring that outsourced staff are well trained and equipped to deliver quality service, with the potential to enhance their skills, performance, and adherence to industry standards.

Based on these findings, it is recommended that commercial banks place greater emphasis on initial training, specialised training, and risk-management training within their SLAs with outsourcing companies, so as to equip deployed outsourced staff with the skills and knowledge required to excel in their roles. Banks should also continue to invest in employee development initiatives more broadly, as doing so is likely to yield long-term benefits, including improved competitiveness and reduced staff turnover.

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