TRAINING AND EMPOWERMENT PRACTICES AS A SOURCE OF COMPETITIVE ADVANTAGE IN SERVICE DELIVERY AND ORGANIZATIONAL PERFORMANCE OF SAVINGS AND CREDIT COOPERATIVES IN NAKURU COUNTY.

ROSE MOTARI

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA), SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

OCTOBER 2018

DECLARATION

I hereby declare that this research project is my original work and has not been presented to any University or Institution for any award.

………………………….   …………………………

Signature   Date

ROSE MOTARI

D61/71031/14

This project has been submitted for examination with my approval as the University Supervisor.

………………………….   ………………………………

Signature   Date

VICTOR MONAYO

LECTURER, DEPARTMENT OF BUSINESS

ADMINISTRATION SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI.

DEDICATION

I dedicate my project to my family, my parents and colleagues who have given the encouragement to finalize my studies.

ACKNOWLEDGEMENT

I wish to express my sincere gratitude to the lecturers and all academic and now academic staff school of business university of Nairobi; I appreciate your support and encouragement to make this project a reality. I particularly thank my supervisor Albert Victor Monayo for his proper guidance and dedication of his time to enable me complete my project. I sincerely thank my parents and entire family for their support financially, morally and socially to enable me complete my M.B.A (Master of Business Administration Degree). I also sincerely thank those who enabled me to achieve all these success without mentioning them individually.

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

Firms including savings and credit cooperatives (Sacco's) are facing, intense competition from globally established firms which offer similar functions and services. Most of these organizations have made enormous improvement (s) and has radically made drastic changes in their operations. To achieve success and performance; employee empowerment and training have become key cornerstone of success; the human element in the organization contributes significantly to the success of these organizations people skills, knowledge and behaviour need be factored in any organizations change structures and management. Employee empowerment is a strategy and philosophy which facilities effective employee contributions towards organizational goals, training programmes contribute towards skill improvement and knowledge development. The objective of the study was to establish the effect of employee empowerment and training as a source of sustainable competitive advantage of in service delivery and performance, a survey of Sacco's in Nakuru County, Kenya. The study took descriptive survey research and a census approach as the population of registered Sacco's were nineteen (19) in number. The response rate registered a 74%. The study findings indicated that most Sacco's had policies and programmes on empowerment and training, universally the results of research indicated that empowerment consisted of four dimensions, making, competence, self-determination and impact. The result indicated that empowerment and training greatly increased employee morale and skills as well as job autonomy in decision making. The study noted that employee commitment increased significantly and contributed to effective change management practices. The study noted that majority of Sacco's had similar training focus and programmes notable ones being, employee induction programs, orientation on the job, apprenticeship training internship and refresher courses and job rotation. On job training was quite popular for lower and middle level staff categories, while senior staff benefited from advanced training in diverse management functions and conference attendances. The study noted that performance parameters like increase of Sacco operations, increased customer base, increase on revenue and higher level of customer reputation was registered. The study had various limitations of time constraints data confidentiality also featured as a limitation factor. Suggestions for further research included the adaption of a case study approach to understand issues of empowerment at greater depth then a survey of various Sacco's. There was a significant correlation between the dimensions of empowerment and employee performance.

TABLE OF CONTENTS

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

CHAPTER ONE: INTRODUCTION

1.1 Background Information

Analysis of trends in the current business environment contains issues and terms such as globalization, empowerment, liberalization, competitiveness, democratization, new frontiers and corporate diplomacy; globalization and liberalization are extrinsic factors, being a result of international political groupings, economic tie-ups, and resultant business policies as also of national political policies and economic plans; empowerment democratization, and corporate diplomacy are intrinsic to an organization. Organizational operations reflect top managements value system, their understanding of the changing business environment, and its relevance to their operations; their attitudes and concern for people, their strategies for growth and diversification; their thrust on new product ranges or widening and improving existing ones. The changed focus helps delivering the best quality state of art products and services using cost effective methods and in meeting the continually changing needs of the customers. To remain ahead of competitors the international trends focus on tapping the best possible inputs, whether technology, materials, human resource, capital, and also forging alliances through collaborations, acquisitions and mergers, as well as business arrangements that generate synergy and strength. (Kumar 2003).

According to Kandapully (2007) strategies for competitive advantage for service industries are many, the notable some include service empowerment, service guarantees, service recovery, service relationship, alliances, and technology. These strategies are cohesive service system of strategies since they are highly complementary and needs a coordinated system of activities to enable organization(s) succeed. (Kindapully & Duddy 2001). In previous years many

organizations have not focused on the individual abilities of their staff members. The rigidity of many policies in organizations hinders the use of staff members' imagination and creativity. Thus, an organization is not able to reap the full potential of its employees (Kandpully, 2007). Various management theories support this study. These are the dynamic, capability theory, the resource-based view.

The Kenya Sacco Movement is a sector of the larger cooperative movement in Kenya. The sector has witnessed tremendous growth in both types of Sacco's categories, these are the financial (SACCO's) and non-financial cooperatives which include agricultural produce and other commodities, transport, housing, marketing, and investment cooperatives. The Kenyan Sacco sector dates back to 1908 and to date the registered Sacco's number are hundred and sixty four 164. Plus twelve others classified under schedule II restricted licenses for the period up to June 2016. Saccos continue to play a significant role and contributing to uplift the member's welfare, status and general economic progress and resources. As per the SACCO regulators reports Sacco societies Regulatory Authority (SASSRA) the sub sector has assets base worth 493 billion with savings up to 380 billion (Sassra, 2016).

1.1.1 Training Practices

Training involves the activities undertaken by new and present staff members to impart skills and knowledge needed for better job performance, training is a good hall mark of management, as good and high potential employees aren't a guarantee to success due to changing business environments (Disler, 2005). Training is multidimensional in benefits. It facilitates employee's growth in their career and job security, skills and knowledge acquired through training benefits an organization since it acts as an asset to the firm. Training has become a necessity in the current business world as a result of increased technology and productivity, quality demanding

customers, increased safety measures, stable human capital, and better management. according to Flippo (1989), training involves activities of imparting new skills and knowledge to staff members to help them carry out specific tasks, the end results of training is evidence in behavior change by the trained in order to undertake tasks effectively, training is also meant to contribute to a positive change in skills, attitudes, and knowledge of staff members, the aim of training is to improve work performance.

According to Chabra (1978), objectives of training are diverse ranging from increasing knowledge of employees, introducing new skills, reduction of accidents and industrial scrap; preparing organizational performance; to introduce change in individuals' attitudes to foster unity in the organization. Organizational stand to benefit from training sessions and practices notable benefits include, standardization of procedures, less supervision, higher productivity, quick learning, saves money, increased morale, future managers preparation, preparations of future managers, better management. Organizations utilize various methodologies to train their employees, popular ones being induction, refresher, job, internship, promotion, and apprenticeship training, (Chabra 1978).

1.1.2 Empowerment Philosophy Practices

Commitment and ownership of work environment by employees is fostered by non-bureaucratic and work oriented philosophy (Lashley 1996). Empowerment is evident when staff members are offered adequate training, information, and tools that are relevant to achieve objectives and ultimately be rewarded for good results (Mark 1995). Empowerment is vital in ensuring management progress by leaders who view power as an unlimited resource. Devolution of power from top management to lower levels increases productivity and performance (Rothman 1993).

According to Barou et al (2003), the phenomenon of empowerment is evident in many firms in the modern society, power and authority is being distributed from top to bottom management. Empowerment is a process of granting employees with power and autonomy to make decision with regards to specific tasks. Empowerment contributes to employees' satisfaction through control over specific tasks (Beteson 2000). In human resource development, empowerment of employees responsible of providing services is vital; especially in organizations handling a large number of clientele, in terms of queries and operational losses, employees self-motivated to solve problems handle day to day issues effectively (Bell & Zemke 1998).

The concept of employee participation references to the contribution by non-managerial staff in /making decisions affecting the organization. Pugh (1977) in his article in the "Times" discussed six varying definition of increased participation from improvements in machinery consultations by encouraging workers control and decision making. According to the British Institute of Management (1977) participation is the act of incorporating employees in management decision making processes with the assumption of communal interest between the staff members and the employer to attain the short and long term objectives of the organization benefiting all its stakeholders. The goal of empowerment is to improve the confidence of employees and their capability in problem solving and seizing opportunities as they surface in an organization, this translates to the organizations commitment to personalize services; creating long term relationships with customers, acquiring and maintaining employees with great potential and aspirations, strong communication skills, and self-motivated; serving the needs of customers which are neither predictable nor routine (Brown & Lawler 1992 -1995)

1.1.3 Organizational Performance

Organizational performance is the ability of an institution to achieve own targets such as maximization of production, quality service, large and unchallenged market share, good

financial returns, (Knootz & Odonnel 2003). According to Gibson and Cessac (2005) performance reflects the competency of an organization to transform the current resources within its disposal, in an efficient and effective manner in order to achieve organizational goals; performance can be measured using various variables such as growth, market share and profitability. Performance should be measured using non-financial and financial measures such as annual sales and profits, market share and investments (Yusuf & Saffu, 2005); Kumar (2003) concludes that continuous striving for excellence of performance entrails strengthening every link in the value chain that's every junction by itself and then knitting them together as a whole, various pointers to improve performance can be listed as below; internal reviews of functional efficiency based on key result areas, problems faced, financial performance, new knowledge, techniques, methods, which competitors are doing better, and top management desire and thrust to remain number one; all these requires a target based approach.

Organizations should identify key result areas so that it becomes easy to identify the performance in each target areas, performance effectiveness status should be evaluated, this calls for higher goal setting and targets. Key result areas can be in any of the following organizational areas' domestic sales, finance, market research and publicity, after sales service, personnel and administration, quality assurance among the rest. Harvits (2005) concludes that business strategies should facilitate the organizational growth and streamline internal operations and stimulate access to business opportunities and markets enhance business and key result areas efficiency, increase productivity and profitability, all these success, should be reflected in improving service delivery efficiency towards organizational customers.

1.1.4 Competitive Advantage Strategy

A strategy is designed to achieve a specific objective since it is a long term plan (Thompson et al 2007). The essence of a strategy is to enlarge the scope of the advantage (Quinn 2000). Dent and Barry (2004) explains that a strategy is designed for a long term action plan meant to attain a specific goal and give an organization direction. Competitive strategy of an organization consists of practical approaches a business develops to stand against competitive pressures and to improve its performance and position in the market. It involves strategies and action plans for successful competition and offer differentiated services (Thompson and Strickland 2003). Porter (1980) argues that competitive strategy chooses either defensive or offensive actions to improve their position against other competitors in the industry. To deliver better services in comparison to delivery services by competitors an organization has to perform different value chain supply systems and adopt strategies that are not easily replicated. Strategy success depends majorly on how an organization understands their environment challenges and demands, as well as opportunities, stakeholder expectations should also be taken care of and the firm's immediate and unique resources which will make the organization compete and make informed decisions diligently.

Capon (2008), suggests that competition focusses on either cutting organizational costs or improving customer value. Firms can customize and tailor make their services to customers (Thompson and Strickland 2005). Finally, competitive strategy is all about a business approaches that offer competence advantages to outlay the competition and employ defensive strategies so that their market position is not threatened.

1.1.5 Overview of the SACCO Cooperative subsector in Kenya

Cooperatives in Kenya date back to 1908 and have registered constant growth since then. The first cooperative society in Kenya was established in 1908. The first cooperative ordinance was enacted by the government in 1931 to govern the operations of cooperatives. In 1932-1964 a total of 1894 societies had been registered, these were predominantly marketing oriented and auxiliary focus notable cooperatives by then were Kenya Cooperative Creameries (KCC 1925), Kenya Planters Cooperative Union (KPCU 1923) and Kenya Farmers Association (KFA 1923). These organizations were originally registered as companies and became registered as cooperatives in 1931 when the first ordinance was promulgated. In 1970 the first post independent government cooperative development policy was contained in sessional paper No.8 of 1970 whose main objective was to unite cooperatives activities. In 1975 the cooperative policy was reviewed and the government supported and gave recognition to cooperatives as important in human, financial and material resources mobilization to develop the country. The structural adjustment programmes (SAPS) for a market economy sessional paper No. 1 of 1986 started its implementation during the 1980s. The session paper covered economic management for reviewed growth; it gave emphasis on the role of private sector in development. Through sessional paper No. 6 of 1997 on cooperatives in liberalized economic environment, the government reviewed its involvement in the management of cooperatives by providing a legislative framework under which cooperatives were to survive in a competitive environment.

The role of government on the affairs of cooperatives was restricted after the enactment of the cooperative societies act No. 12 of 1997. Consequently the government amended the cooperative societies act No. 12 of 1997 vide the cooperative societies (Amendment) Act No. 2 of 2004 and prepared new cooperative societies rules 2004; this led to the establishment of

specialized cooperative commercial and tribunal courts to handle cases related to cooperatives.

To enforce the standards of SACCO's with Faso, in 2008 the Sacco's society was enacted. This

gave rise to SACCO regulatory authority (SASRA), the body charged with the responsibility of

regulating deposit taking Sacco's.

1.1.6 Saccos in Nakuru County

Saccos in Nakuru County operate under various categories. Some are in Jua Kali sector the

business informal sector. These Sacco's take capital and savings of the various small and

Medium Enterprises (SMEs) in the county. Other Sacos serve the formal sector like schools and

Universities. Other Saccos undertake savings from farmers and individual persons; Finally there

are those Saccos who are under various government parastatals bodies seving the interests of

those employees.

The Sacco movement in Nakuru County has tremendously improved he welfare of its members

and the community at large.

1.2 Research Problem

Organizations become competitive through adoption of competitive strategies which provide

their customers with unique bundle of services or products whereby competitors find it difficult

to imitate (Johnson and Scholes 2002) competitive advantage from the firms strategy (Reed &

Fillipi 1990), such capabilities result from uniqueness in resources an organization possess, the

culture must also be compatible and fit well with the current business customs and practices.

Training is critical for an organization survival and growth; it involves the act of increasing

knowledge for performing particular tasks, basic purpose of training is to develop compencies

and efficiencies (Chabra 2005). It is mandatory to prepare systematic training programmes for

employees, expenditure on training should be viewed as an investment, and training also

contributes to management control. Empowerment practices are equally critical for firm's

service delivery and performance. Kandpully (2007) argues that empowerment of service employees is the best options firms can adopt to increase their quality of service provision and improve their performance. Superior services is not attributed to employees following systemized tasks. Rather, superior services are achieved by employees who are feel to express their ideas and opinions thus, have increased morale to undertake various operations. Management is thus, tasked with the role of developing systems and strategies that encourage trust participation by employees. Empowerment practices have two dimensions, the personal dimension and organizational dimension. The personal dimension imparting employees with knowledge and skills to help them carry out responsibilities in the name of an organization. (Zenke & Shaaf 1989)

Empowerment has wider implications beyond individual satisfaction. For employees, improved employee attitude leads to customer satisfaction and reduces turnover. It also encourages employees to undertake self-directed activities on behalf of the organization. Organizational empowerment refers to an appropriate environment through removing a barriers (polices, systems, structures) that prevent employees creative self-expression; the environment should be customer friendly and adopt a high degree of flexibility. Nakuru County Saccos play a critical role in resource Mobilization. These Saccos exist in various sectors of the economy ranging from simple business operators; small and medium enterprises (SMEs); Corporate organizations, Secondary, Primary school and Universities. The Saccos have registered tremendous progress and growth.

A number of previous studies have been undertaken in the SACCO's industry. Ngui 2010 undertook a survey of the financial performance indices used by savings and credit societies

(Sacco's) in Kenya; Kilonzi (2012) conducted a study of impact of societies regulatory authority on the financial performance of Sacco's in Kenya; Wanyoro (2011) focused in research on effectiveness of marketing communications methods used by Saccos, Waweru (2009) researched on strategic responses by Mwalimu Sacco to challenges of competition. Mathenge (2008) examined on responses on Afya Cooperative Society to non-performing loans; Mutinda (2010) studied on responses by SACCOs to environmental changes and strategic planning practices in Sacco's. Mwiti (2009) researched on the credit risk management and branding in FOSA operating SACCO's. Ireri (2009) researched on effect of working capital policies on profitability of Sacco's in Nairobi. From all the above indicated research and scholarly works undertaken none of the studies has focused on the training and empowerment practices of human resource(s) as a source of sustainable competitive advantage in service delivery and organizations performance; this study answers the research questions; what is the effect of training and empowerment of human resources as a source of sustainable competitive advantage in service delivery, and organizational performance?

1.3 Research Objective(s)

The study aims to achieve the following objective:

(i)   To establish the effect of training and empowerment practices on human resources as a source of sustainable competitive advantage in firms service delivery and performance

1.4 Value of the Study

The study will benefit industry members both deposit taking Sacco's and marketing Sacco's in understanding the role and importance of empowerment practices towards effective service delivery and firm's performance.

The study will immensely benefit the regulator of the Sacco's movement (SASRA) in understanding how it can best deliver its mandate to the public, the industry and improve its operational performance through training and empowerment practices.

The study will contribute a great deal to the academics in terms of drafting sessional papers and policy guidelines to be adopted by the government and relevant stakeholders.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section introduces the various theories relevant to the study. It also covers the following subsections, training need assessment and practices, employee empowerment practices, participation programmes, teamwork, delegation of authority, decision making employee performance, customer service strategy and design for competitive advantage.

2.2 Theoretical foundations

The following theories seem relevant for the study. The Mckinsey Ts Model approach theory, and the resource-based view.

2.2.1 The Mckinsey Seven and Model

The Mckinsey Ts Model is an outcome of Mckinsey and company in the mid of 1980's. The theory has seven levers hence the word seven. The levers referred here skills, structure, sythes, shared values, strategy, staff, and systems. This approach guides an organization in resource collection and strategy formulation via designed plans to meet objectives set for a specific period of time. Each variable connotes different approach as for management is concerned, style references to the organizational culture and underlying philosophies and mindset of top management; systems are routine processes and procedures followed in the organization; staff in the human resource component, skills references to capabilities of the staff. Systems structure, strategy are documented and kept in the form of plans, strategy statements, organizational charts. Slackland Lewis (2002) indicates that element of culture and values continue changing over time and are changed at work place by employees and management. Learning takes place through observation, interviewing.

2.2.2 Commitment Theory

Morris and Steers indicate that there is a positive relationship between levels of individual commitment and various organizational and individual characteristics. Other characteristics have close linkage with high level of commitment and trust in their management; job satisfaction empowerment, high degree of participation in decision making, high degree of decentralization and positive attitude towards the organization are among other issues. The core element in commitment theory is the willingness of individuals to exert high levels of effort on behalf of an organization and a sense of identification with organization objective so that individuals and organizations goals are closely assigned. Varma (2001) indicates that in any enterprise, the human resource enjoys supreme importance but the predominant reason for such importance was in the fact that human element can take and make decisions and these decisions breathe life into the all other resources employed by the enterprise. Mohrman (1979) indicates that the ability to address issues by identifying the issue and drawing serious attention is of importance since it shows commitment.

According to Mohrman handling a wide range of problems does not represent commitment rather the ability to attract a large following to deal with specific issues that are deemed important by an individual. Individual and organizational goals are closely related since there exists a relationship between individual willingness and commitment to undertake particular tasks (Moms & Steers 1980). In the word of Varma (2001) decision making permeates all aspects of planning. The need for planning arises from the fact that almost all enterprise operates in a constantly changing environment and uncertainties that creep in as a consequence. The primary purpose of planning is to offset future uncertainties and thus minimize the risks surrounding the operations of the enterprise.

2.2.3 The Resource-Based View (RBV)

The RBV school of thought initially developed by Wernerfelt is a version of assessing the firms strategy-based advantages based on tis specific district combination of assets, skills, capabilities and intangibles. The resource-based approach sees the organization as one with very superior resources, systems, structures, which are profitable due to their uniqueness relative to the competition and the markets Pearce and Michael (2006) asserts that a firms competitiveness lies mainly in the bundle of resources which it commands and the methods of managing the resources to achieve competitive advantage. Pearce and Robinson (2005) indicates that through strategic responses, the firm is able to position and reposition itself to ensure its continued existence and sustainable success, survival of the organization depends on how it develops and maintains its relations with the internal and external environment and its implementation of set strategies.

2.3 Training and Assessment and Practices

Training is a systematic approach to improve employees' skills and performance. Rapid changes in technology and globalization of business have encouraged the growth of training programmes in organization (Dubrin 2009) empowerment succeeds where employees are well trained and competent. Mullins (2002), Browen and Lawler (1995) cites the importance of training in which employees are familiarized with how their task fit into downstream and upstream activities. Dobbs (1993) argues that technical training, decision making skills, group processes, all are necessary if empowerment is to make impact on individual performance. According to Miner and Crane (1995) training needs exist because of a gap between current job performance and potential performance, and others reason that there is need to reduce the gap.

Training is a process that enables people to acquire knowledge, learn new skills, perform tasks better than before.

Kraiger et al (2004) notes that the kind of results that comes out of training seek define the need for organizational development and its relevant activities training reduces labour and turn over, reduces costs, absenteeism declines, accidents and related cases, reduce drastically, customer complaints becomes less and this increased their confident in the services of the firm and tend to be loyal and cohesive. Cole (2002) asserts that training and development of employees is an issue to be faced by every organization; the amount and quality of training undertaken is different in organizations, as dictated by various factors such as external environment change; technological, social and legislative changes; internal environment change (new processes, new markets; adaptability of existing work force, senior management's commitment to training, knowledge and skills who are in charge of training.

Shuler et at (2009) indicates that employee training is based on the belief that developing talents internally as good investment. Firms who embrace empowerment use training and development practices to improve the ability of the work force to implement their business strategy since improving competence of the work force is one way that creates competitive advantage. They further observe that the objective of empowering employees is to make greater use of their knowledge, skills, and abilities of the work force and this can only be achieved through training.

Cole (2002) outlines the training circle in organization the circle starts with identification of training needs, planning the training, carrying out the training, and evaluating the training. Susan et al (2000) outlines some approaches that firms can adopt to identify training needs of

employers. These are output measures or performance data; self assessment training needs and attitude surveys. Performance information like productivity, accident, customer complaints, as well as performance appraisal rating are quite useful as evidence of performance deficiencies. Beardwell (2004) argues that one of the most popular methods of training needs analysis is global review or training audit. These approaches are undertaken when organizations expect for reaching changes to be undertaken, it adapts use of questionnaires and in depth interviews. McGehee (1991) explains that the first step in training model; need assessment is conducted at three levels; organizational level, operational level analysis and person analysis. He concludes that not all organizations undertaken the three level approach, however, organizations with serious human performance problems would benefit from the analysis. McCall et al (1994) concludes that results on surveys acquired from customers, supervisors and employees can provide data on training.

2.4 Employee Empowerment Practices

Empowering employees enables employees to exercise their maximum talents in their organizational tasks, empowered employee is given more space to use his or her talents in decision making processes (Mullins 2002). Empowerment results in changes in employees' beliefs from felling powerless to having strong beliefs in their own personal effectiveness. Need for empowerment has risen due to worldwide competition where customers have more expectations from products and service providers and the demand for autonomy by employees thus, leading to training and education. Mark (1995) indicates that empowerment occurs when employees are adequately trained, provided will relevant information and best possible tools, fully involved in key decisions and fairly rewarded for results. Rothman (1993) indicates that the distribution of more power to lower departments of an organizations results in increased performance and production. Chabra (2005) identified the following as empowerment practices,

16

sharing information about goals, training, helping management learn to empower others, empowering working and systematic decision making, providing access to job related knowledge and skills, granting discretion to change work process and provision of resources needed to make improvements. It is expected that empowering should be sincere and relevant to tasks at hand.

2.4.1 Employee Participation

Participation is the practice of employees to get involved in organizations decision making processes. Management is encouraged to remove bureaucratic handles in the way of participative practices, and this should be undertaken with necessary training facilities. According to Alexander (1973) cites that participation in management is overworked concept in business and government and an under worked activity. Mhetras (1966) outlines that participation is making decisions after united consultation of all stakeholders. It is an issue of co-decision or co-determination in the spheres of managerial functions. Kesari (1996) indicates that participation of workers in management is as a result of distributing decision making power to staff members of different levels of an organization to influence management decisions. Staff members' participation contributes to attainment of objectives.

Giri (1972) outlines the objectives as increasing productivity, high understanding of work expectation of staff members by the management to increase production; allows self-expression by workers, thus increasing their morale; development of human personality, and future leaders within the industry, Giri (1996) concludes that association of labour with management in a real and practical ways at all levels breaks the barriers between labour and management and does away with the suspicion and mistrust and in replacing antagonism with cooperation. Empowering people means allowing them to participate freely in management affairs. This

17

approaches makes employees feel valuable; reduces industrial interest; reduces misunderstanding; improves communication; enhances higher productivity; increased commitment; and develop less resistance to change (Chabra 2005).

2.4.2 Team Work

Adair (1986) explains that a team is more than a group with a common aim. It is a group which the contributions of individuals are seen as complementary, collaboration working together, is the key note activity, Woodcock (1979) indicates various characteristics of good team work, it must have clear objectives and agreed goals, openneness and confrontation, support and thrust, appropriate leadership, regular review and sound procedures. Adair (1986) emphasizes on the importance of careful selection of team members whose membership have professional and technical competence, and ability to work as a team member.

The essence in forming and empowering teams is for the teams to share common element of people who possess mix of skills working together cooperatively and each member learning a broad range of skills and switching job assignments periodically; to be effective and productive teams should not be micro-management respect must be shown to the team (Cole 2002) Research indicates that forms using empowered teams concept show dynamic results occur with committed and creative teamwork; employees become more confident and highly motivated to the team process. Holden (1998) cites that one of the most important benefits of team based approaches is improved communication and coordination within the organization. Employees learn how other jobs are being done and how to coordinate effort to work together better. The trend today is to empower employees to be self-sufficient to the extents that they are able to work without supervision and to make decisions previously made by their supervisors.

2.4.3 Delegation of Authority

Cole (2002) defines delegation as a power sharing process in which a manger transfers part of his/her authority to another more, junior person. The amount of power which is shared will depend on such factors such as the urgency of the situation; the assessment by senior members on the readiness to share power; Varma (2001) shares the same view but outlines what delegation is not about, that's dumping unwanted routine, stick chores to subordinates, delegation is not synonym for empowerment and finally highlights that delegation should not be done under the following, the power to discipline; the responsibility for maintenance of discipline, overall control, risky tasks, duties regarding to which the superior has been sworn to secrecy.

Knootz et al (2010) argues that empowerment is decision making by employees and managers without consultation of supervisors. The decision making is possible as a result of devolved power from top management to lower levels of the organization. The senior management devices the strategy and functional teams implement the same. The manager need understand the strengths and weaknesses of his team members to make delegation effective. Varma (2001) indicates some of the steps toward effective delegation, attitudinal change in the superior; result orientation inputs of subordinates, preparation, the planning, the communication, the appreciation, and the audit phase. Benefits of delegation are organizational and individual oriented. Organizational benefits include better and smoother accomplishment of organizations tasks greater and more relaxed attention by superiors to long term issues. To subordinates benefit include skill variety, ask identity, task significant, feedback, and to the superiors delegating tasks include better stronger team, stimulation among members, development of personal loyalty and sense of belonging to the organization (Madhurendra 2002).

19

2.4.4 Decision Making

Madhurendra (2002) analyses decision making as an act of choosing between two or more alternatives in order to solve problems and carve out or take benefit of opportunities for the purpose of achieving desired results and objectives. Crosby et al (1977) explains that employees should be made accountable for their results, this makes them challenged to take responsibility. Empowerment is complete when employees are held accountable. Drucker (1966) laments that once the available alternatives have been evaluated as a decision maker one should select an option which has the highest estimated probability of success. It is this final step that a plan of action is adopted and the climax of decision taking takes place. Decision making is a process; it begins with analysis and situation, identification, clarification of objectives, generation of alternatives, brainstorming. Fournces (1998) concludes that employees assigned through ne decision making authority are closer to the work process and are usually knowledgeable enough to be able to make appropriate relevant decisions.

2.5 Employee Performance

Foot et al (2008) indicates that performance management refers to a process that contributes to effective management of individuals and teams in order to achieve higher performance. Performance is usually assessed against set goals or targets of individuals. Cascio (2003) argues that performance ensures that an individual employee or teams know what is expected of them and stay focused on their respective activities hence facilitating good performance. The attainment of actual output with regards to the objectives set results in high organizational performance. Richard et al (2009) suggests that the three aspects of organizational output of performance are; financial performance; the product market performance and shareholder returns. Bateman et al (1993) outlines what managers need to undertake to make performance possible and productive, these includes jobs training, necessary tools and infrastructure, to

undertake tasks, budget enough funds to enable processes be complete and cost effective; better performance comes as a result of continuous upgrading and improving the mechanisms available for the betterment of the organization. Proper safeguarding of factors encouraging ineffective performance should be well understood by management, this will enable them to guide employees to fulfillment of high performance levels.

Lusseir (2009) underscores the importance of employees understanding what is expected of them. Varma (2001) explains that many organizations use management by objectives (MBO) technique to establish individual performance. Performance shortcomings should be understood by management so that they can offer relevant remedies. Rue et al (2000) indicates that when ability affects performance training in relevant skills becomes paramount; when motivation lacks motivational techniques should be embraced, morale and productivity blends to gain as performance meets expectations.

2.6 Customer Service Strategy and Design Competitive Advantage

Bhattacharjee (2008) summarizes the concept of customer service as, those activities that support orders, provide information, advice, configure, handle and process orders, post and pre communication of orders, and after service. The primary objective of customer service is to increase customer satisfaction, operational efficiency, and customer loyalty. Parasuraman et al (1985) states that customers tend to evaluate the quality of service with their expectations when expectations are either met or not met through service delivery, thus customer satisfaction or dissatisfaction

Bertland (1989) indicates that a service provider tends to lose out if the expectation of the customer is raised without any improvement on perceived customer service and delivery. Our promise only elicits dissatisfaction as customers tend to base their evaluations on their

perceptions. Swartz et al (1989) explains that the customer service quality can be improved through closing of certain gaps popularly known as knowledge gaps, customer gaps, standard gaps, delivery gap and communication gap. These various gaps need to close down to achieve the expected level of service quality in organizations. Knowledge gap is the difference between customer expectations and the service firms perception of the customer expectations and needs; standard gaps indicates differences between the service provider perception of the expectations of customers and the actual customer expectations; the delivery gap outlines the distinction between service standards of an institution and the actual service provided by a firm; finally the communication gaps cover the distinction between service delivered and the promise of service communicated by a firm to the community through advertisements and promotions.

Thompson (1961) identified five determinants of competitiveness, access to markets, location relative to raw materials, transport costs, availability and cost of energy resources, and labour costs; Milward and Newman (1989) research found that traditionally primary factors influencing site selection by business, were access to labour, labour costs transport and railways. Recent studies have indicated that human capital characteristics, labour skills, education have increased substantially in importance. All these contribute to competitive of the organization. Bykova (2007) postulates that global competition has become intense hence changing key determinants of competitiveness, notable contributors to competitiveness include human assets, enterprises and degree of development of local networks; innovations and innovation systems, quality of administration and institutional structure (types).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents research methodology that was utilized in the study. It covers the introductory section, the research design, population data collection and data analysis.

3.2 Research Design

The study adopted a descriptive survey research. Descriptive research answers research questions who, what where and how of the problem (sanders, Lewis & Thorn hill 2009). This type of research enables the researcher to collect appropriate respondent opinions, analyze, and interpret them in relation to the problem under investigation so that appropriate decisions will be arrived upon. Descriptive and research design involves observing and describing behavior of a subject.

3.4 Data Collection

Primary data was the most preferred source of information, this data comprise of information directly obtained from respondents for the first time. This kind of data was collected using questionnaires which was distributed to respective firms under study. The questionnaires had both open ended questions which gives respondents chance to respond and air their own views. The respondents were the top level management cadre of ach organization comprising of general managers, FOSA managers, chairmen of respective committees which steer SACCO operations.

3.5. Population of Study.

Burns & Groove describe a population as all elements that meet the criteria for inclusion in a study. Population comprises of an entire groups of individuals, events, or object, having common observable characteristics. The target population for the study comprised of 19 registered SACCOs operating in Nakuru County since the population is small a census approach was undertaken.

3.6 Data Analysis

Raw data was coded, and analyzed, disruptive statistics was undertaken, through use of absolute and relative (percentage) frequencies, measurers of central tendency and dispersion (mean of central tendency and dispersion (Mean and standard deviation respectively) quantitative methods was presented in form of tables, graphs, and relevant explanations presented.

CHAPTER FOUR

DATA ANALYSIS RESULTS, INTERPRETATIONS AND DISCUSSION

4.1 Introduction

This chapter presented the findings and interpretations of results as well as discussion(s) in line with the objective(s) of the study which was to establish training and empowerment as a source of competitive advantage and organizational performance.

4.2 Reponses Rate

The response rate signifies the number of successfully returned questionnaires from the respondents. A total of nineteen (19) Sacco's were targeted for the study fifteen questionnaires (15) were successfully returned by the respondents. This constitutes of 79% response rate. This response rate is quite high and encouraging. According to Mugenda and Muganda (2003) a response rate of 60% is a quite sufficient representative of the target population. Thus high response rate realized was as a result of good and cordial relations the respondents accorded to this exercise. The accessibility to these Sacco's was also quite good. The respondents of this exercise were senior human resources managers in their respective Sacco.

Table 4.1 responses rate

Category	Frequency	Percentage
Response	15	79%
Non-response	04	21 %
Total	19	100 %

Source: Research Data (2018).

A high response rate indicates that a reasonable number of firms participated in the survey. It also give a deep and wide view of empowerment and training practices with this organizations.

4.3 Demographic Information

The demographic data refers to various details of the respondents including name, of respondents, job title, academic qualification, duration of services and terms of services.

4.3.1 Position in the organization

The study sought to find out the various respondents position in the organization. The essence of these approaches is to assess the relationship between the training and empowerment to particular job titles. From the analysis   is it's was evident that all those who responded occupy managerial positions in their respective firms. This means that the respondents had a thorough understanding of various empowerment and training practices programmes.

26

4.3.2 Duration of Service

The study sought to understand duration of service respondents had in their various organizations, the duration of continuous services gives a sense of experience the respondents has an own work, and understanding of training and empowerment strategies and programmes of their respective firms. The study findings indicated that, seven respondents had been in their managerial position for over ten years (10) five respondents had worked for between five to nine years (5-9) years. The rest of the three respondents had worked for less than five years.

Table 4.2 Duration of service

Length of period worked	Frequency	Percentage
01-5 years	3	20 %
5-9 years	5	33 %
Over 10 years	7	47 %
Total	15	100 %

Source: Research Data (2018)

Findings indicate that the majority of these respondents had worked for a quite long period in their respective Sacco's and had a better understanding of training and empowerment programmes and their subsequent implementation; 47% of the respondents had worked for over ten years, 33% of the respondents worked for between five and nine years, and 20% had been in their respective organizations for a period of less than five years. This conclusively suggests that a good

percentage of respondents had enough experience and their input to these researches is quite credible.

4.3.3 Terms of service

Terms of services refers to the contents of the employment contract in relation with the employee. It consists of terms and conditions pertaining to individual job position and mandate(s). The findings from the survey is illustrated the under figure 4.1 below

Figure 4.1 terms of service
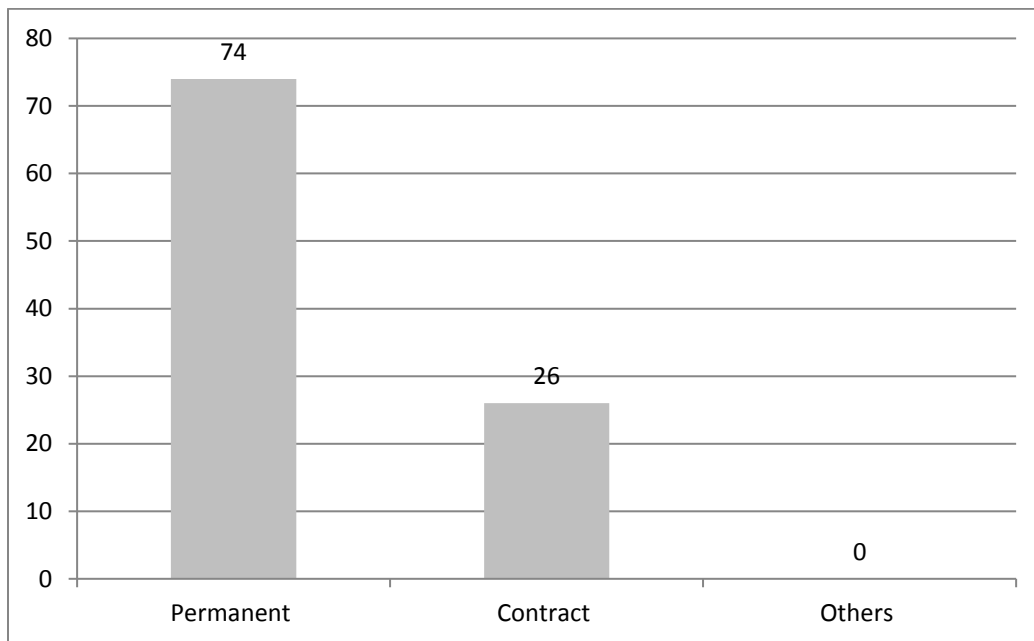
Source: Research Data (2018)

The study findings indicate that 74% of the respondent were permanent terms of employment ;26% were on the contract employment of service, renewable as per terms and conditions on the organizations .The findings indicate that these employment positions have high responsibilities and engagement as per work demand s. Employees on permanent basis are bound to be familiar with various

28

employment requirements and related procedures and process such as training and empowerment practices.

4.3.4 Academic Qualifications

The study sought investigates the various respondent level of education to ascertain their relative competency and knowledge as well as skills in human resource management, especially the implementation of policies and practices of training and empowerment Table 4.3. Below indicates

Table 4.3

Level of education	Frequency	Percentage
University level	6	40%
Post graduate	9	60 %
Total	15	100%

Source: Research Data (2018)

The survey findings indicate that 60% percent consisting of a total of nine (9) senior management staff of these firms (Sacco) had post graduate qualifications, where as 40% of these respondents equivalent of six (6) management staff have university level of education signifies a high calibre of management staff in these firms. This also indicates that the respondents are aware of and practice the necessary training as well offering relevant policy directions on matters touching on empowerment of employees.

4.3.5 Scope of Operations

The study analyzed the scope of each Sacco's operations whether were local, national, regional or global. Study findings indicated the majority these Sacco's had operations in Nakuru town and County located in different towns where they have offices. The presence and scope of operations is to find out the magnitude of these Sacco's operations in servings their various target markets(s). The wide operation centres requires adoption of various employee empowerment.

Practices to enable self-sustainability in decision making without further referrals to the centre of authority. This mode of empowerment practices will also lead to great employee morale and effectiveness.

Findings of the scope of operations are indicated on table 4.4 below

Table 4.4 Scope of operations

	Frequency	Percentage
Local (within Kenya)	19	100 %
Regional	0	0
Global	0	0
Total	19	100 %

Source: Research Data (2018)

Findings on table 4.4 Scope of operations clearly indicates that the Sacco's operate locally with a percentage of one in hindered percent (100%). Majority of these

Sacco's operate in Nakuru County and some within the neighbouring counties like Kericho, but all these operations are local.

4.3.6 Existence of policy on employee training and empowerment practices

The study sought to inquire whether the organization had a training and empowerment department; the results indicated that there were policy guidelines in place. Respondents indicated that the existence of policies serves as guidelines to decision making in the firm, the policy acts as a dynamic plan, and it's part of continuing decision structures. The analysis of study findings concluded that the Sacco's had a variety of empowerment activities in the job itself. Effective constant and encouragement from peer groups, supervisors, job control and task autonomy.

To some organization empowerment meant encouragement of employees ideas while management retains final authority for decisions, other dimensions include giving of freedom and power to make decisions and exercise initiative and ligations ;This aspect concurs with that of ford and fottler (1995).the study findings indicated that most Sacco's have enabled employees with autonomy of decisions making on particular issues, have encouraged input of their suggestion and opinions ,encouraged participative practices in decision making, Making decisions indigently, and being responsible for their decisions processes and strategy. It was also noted that most of these firms make use of periodic briefings ;use of suggestion programmes ,participative groups ,quality circles ,cross

functional teams, self-directed teams, and self-management as strategies to achieve effective empowering of their employees .

4.4 Training and Empowerment practices

The main objective of the study was to establish the training and empowerment of human sources as a source of competitive advantage is service delivery and organizational performance of Sacco's in Nakuru County.

4.4.1 Empowerment practices

Empowering employees encompasses of enabling employees four basic inputs to help them undertake their tasks more favourably, these include giving employees information on organizational performances; imparting of skills and knowledge to enable them contribute to organizational goals, enabling them with power to undertake substantial decisions, and finally rewarding based on their performance. Majority of today's organizations are implementing empowerment. Practices in varying degrees. The research findings below illustrates the results

Table 4 : Employee empowerment practices

Employee empowerment practices	Mean	Std	Interpretation
a) Vision and mission as well as goals are clearly indicated out by Sacco top management	2.75	.622	Neutral
b) Sacco goals well aligned with firm strategy	3.28	.520	Important
c) Effective communication networks available	3.4	.688	Important
d) High degree of trust encourages maintained	3.0	3.52	

	Mean	Std. Dev	Rating
e) Adequate resources available to implement strategies and plans	3.15	.490	Important
f) Senior members of staff acting as mentors	3.70	.522	Important
g) Sacco's training programmes consistent with tasks and responsibilities	3.63	.533	Important
h) Necessary as well critical information readily available to employees on time to facilitate decision making	3.26	1.185	Important
i) Sacco management enchaining positive attitude commitment and involvement amongst employees	3.15	.490	Important
j) Sacco's management has put in place structures and systems that support employee empowerment	3.14	.793	Important
k) There is extensive delegation individual responsibility and autonomy in decision making	3.73	.595	Important
l) Effective free will to undertake operations without further consultations enhance	3.28	.520	Important
m) Sacco management supports the inauguration of empowerment programmes	3.28	.522	Important

whenever indicated			
n) Sacco management philosophies inspire subordinates through visionary and effective leadership	2.75	.630	Neutral
o) Sacco management leadership relevant and all inclusive of employees thoughts and aspirations	2.85	.518	Neutral
p) Good level of motivational practices & monetary as well as non-monetary	3.15	.490	Important
q) Authority and responsibility levels well-articulated in the organizational	3.50	.622	Important
r) The Sacco has effective participation and decision making parameters	3.75	.595	Important

Source: Research Data (2018)

The results of research indicated the following as most preferred and practiced employee empowerment, practices among different Sacco's, mentorship programmes (M=3.70 Std .522) delegation of authority (M=3.73, Std .595) Freedom to undertake tasks (M=3.63 Std 0.533) degree of trust and commitment (M=3.0 Std .352), authority levels and outlines (M=3.50 Std .622) Empowerment support from top management (M=3.28 Std .522) Participative decision making (M=3.75 Std .595) the or other notable practices were practiced but recovered lower mean levels these included inspiration of colleagues (Mean 2.75 Std .630) vision and mission awareness (M=2.75 Std .622). Leadership

inclusivity (M=2.85 Std .518). The overall findings indicate that empowerment and training practices were well practiced in majority of the Sacco's.

4.4.2 Benefits of empowerment

Table 4.6

Benefits of empowerment	Mean	Std	
Empowerment services is a pillar of confidence in employees	3.83	0.621	Important
Empowerment creates belongingness in success	3.15	.502	
Empowerment builds trust and promotes effective communications with organizations	4.02	.716	Important
Empowerment facilitates the process of change in the organization	3.41	.576	Important
Empowerment leads to long term employee commitment in the organization	3.53	.490	Important
Empowerment increases firm effectiveness and employment well being	3.40	.575	Important
Empowerment practices enable employees to keep prompt decision in the organization	3.45	.718	Important
Employee empowerment fosters competitive climate	3.19	.533	Important

Empowerment promotes learning in the organization	3.65	.622	Important
Empowerment enables employees appreciate greater responsibility and decisions making in the organization	3.53	.490	
Empowerment leads to better training	3.64	.633	Important
Empowerment leads to heightened morale	3.15	0503	Important
Empowerment leads to increased creativity	3.15	0903	Important

Source : Research Data (2018)

The research findings on benefits of empowerment were quite consistent among majority of the Sacco's' the rating of various empowerment practices received almost similar weights highly rated were practices like increased organization communication (M=4.02 Std 0.710) contribution to employee commitment (M=3.53, Std .490), development of mentorship (M= 3.70, Std .522), effective decision making (M=3.45 Std .71) Promotion of excellent customer service (M= 3.65, Std .621), better training and skill development (M=3.64 Std .625) creativity development (M= 3.15 Std .503).

4.4.3 Employee Training

Training is an organized activity for increasing knowledge and skills of people for a definite purpose. It involves systematic procedures for transferring technical know-how to the employees to increase productivity. The study sought to

understand the nature and effects of employees training as table 4.7 Below indicates

Table 4.7 Employee training.

Employee training	Mean	Std	
Training enhances employee skills / knowledge	3.60	.575	Important
Training improves employees morale and job satisfaction	3.22	.456	Important
Training increases employee commitment			
Training employees fosters climate of trust and confidence among staff and employees	3.40	.575	Important
Training enables employees to participate effective in decision	3.55	.52	Important
Training promoters goodwill among members of the team	3.20	.456	Important

Source : Research Data (2018)

From the study the following results were noted, training enhances skills and knowledge (M=3.60, Std .575) this outcome was very encouraging among all the respondents. Respondents indicated that training instilled confidence, new skills, promotion, higher earnings, adaptability and increase of safety all these contributes to enhancement was that training enables employees to participate effectiveness in decision making (M=3.55 Std .521) third rates was that training fosters climate of trust and confidence among staff and employees (M= 3.40 Std

.575).Other subsequent ratings included promotion of goodwill (M=3.20 Std 0.456), moral and job satisfaction (M=3.22 Std .456).

4.5 Organizational performance

Performance is the accomplishment of results, guaranteeing the delivery of expected results for a firm (Kuhnen and Tymula 2012) organizational performance is associated with effectiveness efficiency and productivity. The study examined the various performance indicators for various Sacco as per table 4.8 below indicates

Table 4.8 Performance indicators

Performance indicator	Mean	Std	Interpretation
Increased revenue	4.03	0.255	Very great
Increased market share	4.02	0.196	Very great
More customer acquisition	3.77	0.676	Great extent
Increased productivity	4.22	0.196	Very great
Increased retention of customers	3.82	0.177	Great extent
High demand for Sacco service	3.57	1.501	Very great

Source: Research Data (2018)

The findings of the study indicate that increased Sacco, revenue (mean =4.03 Std 0.255 rated highest. This is realized through higher enrolment of members increased demand for Sacco products, and services, expansion of business. Increased market share (m= 4.02 Std 0.196) increased customer acquisition (M=

3.77 Std 0.676). Increased retention of customers (M= 3.82 Std 0.177), Higher demand for Sacco services (M= 3.57, std 1.0501).

4.6 DISCUSSION

Lawler (1992) indicates that empowerment practices have broad concept (s), and dimensions, from the management perspectives the practices is intended to increase employees autonomy of job tasks thereby enabling these employees to discharge their duties diligently and efficiently, empowerment practices also is best understood from the individual employee pro-active work orientation, thereby increasing performance and efficiency. Notable activities include use of teams, total quality management, guilty control circles, all these we meant to increased employee productivity and innovativeness. Ayupp and Chung (2010) outlines that empowerment should involve management practice that adopt an open communication and sharing of knowledge power and rewards throughout the organization.

Foster fisherman and keys (1995) Velthouse and Thomas (1985) couger and Kanungo (1988) viewed empowerment from individual perspectives, this involves the ability of individual to influence own behaviour or having self-empowerment. Studies by Raquet et al (2010) on empowerment practices and performance in Malaysia in different economy sectors education, technology and telecommunications and that Malaysia firms need focus significantly on certain fundamental perspectives on relinquishing the authoritarian melted of treating employees in the work place, and enable them power and authority to make own decision, train them to acquire innovative way to improve knowledge and skills.

The findings concur with Mary and Robbins (2002) that individual performance is gauged on the opportunities empowerment provides for employees to undertake their tasks. The outcome of empowerment leaving job satisfaction and better performance, motivation enhancement and high productivity. Mullins (2002) asserts that improved employee / employer relations signifies a conducive work environment and quality of work life, observation and need that human talent plays critical role in enhancing performance in any industry. Finding concur with Memons (2001) assentation that empowerment need to push decision making authority down the traditional hierarchy, the essence of empowerment should be about employees autonomy in their work and increased involvement and influence in decision making.

Performance is about achievement of results and goals as well as standard attainments(s) as per expectations of management, the output of results should be gauged at particular expectations (Rothman & Coertzer 2003). Ansforth (1989) concludes that empowerment need reflect the impact of individual influence an administrative and operating outcomes of work, it also encompasses the individuals belief that they have the ability to create real impact on organizational result(s). Performance results signifies the outcome human resource activities, Sneel and Dean (1992), the link between quantification of impact of human resource practices to as training, quality, circles, incentives will enhance the performance man organization. Johnson (2009) concludes that it's mandatory to undertake assessment of evaluation of performance periodically. Warf (2009) indicates that strategic human resource

planning practices are designed to diagnosis the firms strategic needs and planned talent development which is a pre-requisite in strategy implementation for firm's competitiveness and goal achievements.

Cole (2002) categorically indicates that training is organized around the right components consisting of defining of objectives, (tasks), planning, controlling, evaluating, motivating, organizing, briefing and setting an example. At management level training needs to be identified and agreed upon to enable them performance their task, at team label it should define the individual's ability to work flexibility with others and align individual and team skills as well as activities of the organization relative to business goals. Spritzers (1995) state that empowerment consists of four issues ,the meaning which signifies the value placed on individuals jobs based on standards and ideals (Thomas and velt house 1970).it also encompasses of individual fit between job roler and beliefs ,values ,and behaviours of individuals employees (Brief and Nord, 1990).

The second dimension as of competence, the ability of the individual to perform tasks or responsibilities assigned. (GIST (1987) outlines that competency deals with the ability or capability of individuals to undertake tasks or responsibilities assigned. Decl, Connel & Ryan (1989) argues that empowerment is self-determination, involving the individuals seize of having check expected in limitation and regulation of actions to achieve expected results, especially on decisions focusing on work

methods, pace and effort. Ashforth (1989) concludes that a degree of influence on

strategic, administrative or operating outcomes at work.

CHAPTER FIVE: SUMMARY,

CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summary of the findings, conclusions drawn from the research findings and subsequent recommendations in line with the main objective of the study.

5.2 Summary of Findings

The study outlines the nature of empowerment practices training methods and benefits. The findings also noted the effects of these strategies on organizational performance.

Employees' empowerment has been identified as one of the means through which organizations can enhance employees' skills and capabilities in order to achieve operational and organizational efficiency. Notable practices of empowerment identified included employee participation in various organizational events and programs through committee representations (Mean 3.98 SD 0.86) team work (M= 3.98 SD 0.87), utilized when it comes to assessing and appraising credit ratings and approvals of members. Such tasks were noted to be handled by teams within the Sacco employees comprised from finance information technology, human resource and the general manager's office (representative).

Delegation of authority was also highly rated (M=3.73 SD0.86), the Sacco structures of authority and administrative seemed to delegate most responsibilities to relevant

employees, tasks like, credit follow up, late loan payments, under payments of loans, new members recruitment, and current service delivery appraisals were some of the noted areas where delegation of authority was evident and successful . Another notable area of empowerment practices was registered in decision making parameters. The study findings also identified various benefits arising out of empowerment of employees, which encompassed of building pillar of confidence amongst staff, (creation of success and belongingness element in organization, promotion of effective communications and employee commitment in the organization.

Further benefits to Sacco employees were the extent of freedom accorded in decision making, facilitation of change processes in the Sacco. Study findings also indicated that most Sacco's had varied training programmes like induction or orientation training, job training, apprenticeship training, internship training, refresher training or retraining. In terms of methodologies different Sacco's adopted various methodologies of training for supervisory staff, management staff and for other employees. Depending on the category of employees in terms of rank and organizational resources, on job training was quite popular. Other methodology utilized, included coaching, understudy and position rotation. Management and some supervisory staff were trained off the job by use of conferences, sensitivity training sessions, special projects, lecture sessions and committee assignment(s). The study findings also registered concern for training occasional by changes of technology,

quality conscious customer, greater productivity, stable workforce, increased safety and better management.

On performance measures the study noted that the following factors exhibited performance related indicators for the Sacco's, these included increased revenue for the Sacco's increased market share, more customer acquisition, new market acquisition.

5.3 Conclusions

The findings of this research have brought to surface various ramifications. In response to employees training and empowerment practices amongst Sacco's in Nakuru county. The overall results indicate that majority of Sacco's have training and empowerment facilities for their employees, and have developed programmes related to training and empowerment. The findings further indicate that Sacco's have adopted various training and empowerment programme which mirror their goals and objectives towards organizational success to performance.

The study indicated the presence of comprehensive training policies on various Sacco's efficient training is critical to any firms success. The consistent delivery of quality service implies well trained service personal who strike to achieve customer satisfaction through effective service delivery and firm performance.

Management should align organizational objectives, towards training and empowerment practices, service industry is unique in its characteristics and management approaches.

Finally management need to identify training needs of its employees so that employees can gain requisite skills, attributes, knowledge and capabilities that will enable the Sacco to attain their respective goals. Training and empowerment need to focus on critical areas of firms operations, to increases productivity and firm(s) performance. Notable training methods utilized included on the jobs training; lecture melted; syndicate methods; group skills;

5.4 Limitations of the study

The conclusions derived from the findings of this study were worth to consider the following limitations. The time factor was a constraint in data collection from a wide group of Sacco's in Nakuru County, which signifies that the response rate may fail to give a comprehensive pictures of overall trainings and empowerment practices amongst different Sacco. The accessibility of primary data was also noted as a constraint as most respondents were not very open to give details of them.

Sacco's have diverse regulations and rules hence affecting necessary approvals to facilitate such surveys. The other limitation was of issues related to authenticity of the data received. It was not easy to ascertain that the right respondents filed the forms or they were delegated to other employees in the Sacco to administer, since the questionnaires were dropped and picked later. Another limitation was that the study was confined to the Sacco operations. The study was based on spritzers four dimensions of psychological empowerment (measuring competences, self-determination, and impact.) and didn't include other factors that can influence

46

employee perception of employment like, organizational information sharing structuring framework and control of workplace decisions.

5.5 Suggestions for further research

Reference to further research, the following suggestions were made; first since the study adopted a census approach, it could not be possible to get detailed information from all the target population (Saccos) or some may have participated lightly. A case study approach would enable deeper understanding of Sacco operations; the case study approach will increase qualitative data which cannot be captured under a survey. The other recommendation may suggest that empowerment studies be undertaken to measure productivity of individuals other than organizational performance.

Finally there need to research the influence of empowerment on other institution other than Sacco's and undertake a comparative view.

REFERENCES

Abdur R, Anatharaman R. N, Eze, Uchenna C & Murad W. (2010) Empowerment practices and performance in Malaysia. An Empirical study - international journal of Business and management Vol. 5 No.1 January 2010, 123-149)

Armstrong M. (2006) A handbook of human research management practice 10th Edition

Ayup, Kartinah & Chieng Chung. (Sbw (2010) Empowerment Hotel employees perspective journal of insutrial engineering and management Vol 3. 561-575

Alexander KC (1973) *workers participation on management in Thakur* C.P and Sethi KC (Ed) Industrial democracy, some less issues and experiences

Amisi O.D (2009) *Responses of SACCO's in Nairobi to changes in the external environment* (Unpublished MBA Project) University of Nairobi

Baron A. Robert and Jerald Greenberg (2005) *Behavior in organizations 8th edition* – Prentice Hall India Port.

Batesman S Thomas and Carl Zeithmal (1993) *Management function and strategy* 2nd edition library of congress

Bateson J.E.G (2000) "*Perceived control and service experience" in Swartz J and Lacobucci D (Eds) Handbook of services marketing and management sage*, Harvard Oaks California.

Beardwell I (2004) *Human resource management* 3rd edition

Bell C.R and Zenicken (1998) *Service management a performing art "paper presented* at the quality in service conferences 2, St Joshua University

Bhatterjee C (2008) *Services sector management An Indian perspective Jaico* Publishing House

Brykova – 1 (2007) *determinants of international competitiveness of National regions in the global economic environment.*

Brief A.P & Nord W.R (1990) Meanings of occupational work Lexington MALaxington Books.

Cole A. (2002) Personnel and Human Resource management 5th edition Thompson learning

Couger J. A Kanungo R. N. (1988) The Empowering process integrating Theory and practice "The academy of management review 13 (3) PP471 -482

Capon C (2008) *Understanding strategic management* – Prentice Hall

Ceaser G and Gibson B (2005*) Longitudinal analysis of relationship between planning and performance in small firms small business economics* 25pp 207-222

Chabra TN (1978) *Training of office employees* "Administrative management New Delhi July September (1978)

Crosby B; Skinner S.J; JM Ivancevichi and P. Lorenzi (1977) *Management quality and competitiveness* 2nd edition McGraw Hill.

Decio el, Connell JP & ryan RM (1989) self-determination a work organization journal of applied psychology

Flippo, edition B (1989) *Principles of personnel management McGraw Hill* Tokyo 1989 P 209.

Fournies F. Ferdinand (1998) *Why employees don't do what they are supposed to to and what to do about it.* McGraw Hill.

Gist M. E (1987) Self efficiency: Implications for organizational behaviour and human resource management academy of management review 12 (3) 472-485

G.A Cole (2002) *Personnel Management and Human Resource Management* 5th edition

Giri V.V. (1972) *Labour problems in Indian industry Asia publishing house* Bombay

Glasser E.L.A & Saiz (2004) *The rise of the skilled city brookings Wharton papers on urban affairs* 2004 Washington D.C Brookings institute pp 47-101

Hall D.T and Associates (Eds) (1996) *The career is dead long live the career*. San Francisco C.A Josey – Ban

Harold Knootz and Heinz Weihrich (2010) *Management function and strategy* 8th edition New Delhi.

Hook Caroline and Margaret Foot (2008*) Introducing Human Resource Management* 5th edition Prentice Hall

Howard Rothman (1993) *The power of empowerments, nations business five* (1993) 49,52

Ian Beardwell and Holden Len (1994*) Human Resources Management a contemporary approach 3rd edition. McGraw Hill*

Ireri JN (2009) *Effects of working capital policies on profitability of SACCO's in Nairobi* (Unpublished MBA Project, University of Nairobi

Kandapully J.A (2001) Service guarantee. *An organization Blue print for assisting the delivery of superior service " Service quality management in hospital industry Hawarth Hospitality* Press New York

Kesari J.P. *The system of worker participation in management Indian* journal of social work vol. xxx1 No. 4

Kilonzi (2012) *impact of SASRA Societies Regulatory Authority on financial performance of SACCO's in Kenya* (Unpublished MBA project University of Nairobi

Knootz and Odonnel (2003)

Kothari CR (2004) *Research methodology methods and techniques* 2nd Edition New Age Publishers New Delhi

Kraiger M.D & Kasper W. J (2004) *Collaborative; training for training impact. Human resource management* 43 p 337

Lawler EE (1992) High involvement Management Participative strategies for improving organizational performance.

Menon, Sanjay T. (2001) employee Empowerment An Integrative Psychological approach International association for applied Psychological.

Mullins L. J. (2002) Management and Organizational behaviour 8th Edition Pritman Books

Madhurendra (202) *Managing more effectively of professional approach to get the best out of people.*

Madhurendra K. Varma (2001) *Managing more effectively, a professional approach to get the best out of people*, 2nd edition, Response books India.

Mark R. Story *"The secret of successful empowerment" National productivity review* 14 (Summer 1995) 81-90 Mark G. Becker Lessons on empowerment training 33 September (1996) 35-52

Mark story (1995) *The secret of successful empowerment "National productivity Review* 14 81-90, lessons in empowerment training 33 September 1996 35-42

Mathenge (2008) responses of Afya Cooperative ……….to non-performing loans SASRA (2014) SACCO supervision annual report

McCall W.M; Lombardo MM and Morrison AM (1994) *The lessons of experience Lexington MA books*

McGehee W and Thayer P (1991) *Training in business and industry New York Wille pp 124-25*

Mhretras V.G (1966*) Labour participation in Management*, Manaktalas Bombay

Milward H. & Newman H (1989) *State incentives packages and the industrial location decision. Economic Quarterly* 3 (3) 203 -222

Miner JB and Crane DP (1995*) Human Resource Management. The strategic perspective*. New York P.390

Mintzberg H (1987) *The five Ps for strategy California Management Review*

Mohrman SA(1979) *A new look at participation in decision making, the concept of political* access "An academy of management proceedings pp200-204

Morris and Steers RM(1980) *Structural influences on organizational commitment Journal on vocational behavior* pp 50-57

Mugenda O.M & Mugenda A.G (2003) *Research methods quantitative and qualitative analysis African centre for technology studies.*

Mullins L.J (2007) *Management and Organizational Behavior 8th edition financial times Pitman*

Mwiti AM (2009) *The extent of adoption of branding concept by Kenyan cooperative societies. A case of SACCO's offering front office services in Nairobi Province unpublished* MBA Project University of Nairobi.

Ngui AM (2010) *A survey of financial performance indices used by savings and credit societies* (SACCO's) in Kenya. unpublished MBA Project University of Nairobi.

Pearce JA and Robinson R (2005) *Strategic management strategy formulation and implementation* 3rd edition – Richard Drum USA

Pearce J and S. Michael (2006) *Strategies to prevent economic recession, from causing business failure -* Business Horizon 49-3-201-209

Peter ME (1980) *Competitive strategy techniques for analysis industrial and competitors*, the free press New York

Quinn JB & Hilmer F (1994) *Strategic Outsourcing Sloan Management review* – summer 43-55

Spritzer G. & Quinn RE (1996) Empowering Middle Managers to be transformational Leaders Journal of applied Behavioural Science 32 (3) 237-261

S. Chuler Randal S and Steve Werner & Susan E. Jackson; *Managing Human Resources* South Western (engage learning)

Slackland E and Lewis R (2002) *Modeling the dynamic of strategic fit*. A normative five approach to strategic change management Journal 21 429-453

Rothman S. & Coetzer Ep (2003), the big five personality dimension on job performance.

Thompson AA and Strickland AJ (2003) *Strategic management concepts*, and cases 13th edition – McGraw Hill New Delhi

Thompson J (1961) *Methods of Plant size location available to small manufacturing firms Morgantown*. West Virginia through Press.

Thomas K. W. & Velthaouse B.A (1990) Cognitive elements of Empowerment Academy of Management Review 15 6P 66-681

Varma K. Madhurenddra *managing more effectively a professional approach to the best of people*, 2nd edition – Response books

Wambugu E.M (2010) *Credit risk management practices in savings and credit cooperative societies offering (FOSA) front office services in Kenya (unpublished MBA Project –* University of Nairobi

Wanyoro (2011) *effectiveness of marketing communications methods used by SACCO's* unpublished MBA project University of Nairobi

Waweru (2009*) strategic responses by Mwalimu SACCO to challenges of competition*. Unpublished MBA project University of Nairobi.

Wernerfelt Bad Claus Fornell – *Defensive Marketing Strategy by customer complaints management* "Journal of marketing research 24 pp 317-21

Yusuf A and K. Saffu (2005) *Planning and performance of small and medium sized enterprises operators in a country in transition journal of small business management*

Zenke R and Schaaf D (1989) *The service Edge. 101 companies that profit from customer care* NAC Chicago

APPENDICES:

APPENDIX 1: LETTER OF INTRODUCTION

Dear Sir/Madam,

I am an MBA student from University of Nairobi currently pursuing a project in the entitled training and empowerment of human resources as a source of competitive advantage in the service delivery and firm's performance, of savings and credit cooperatives in Nakuru County. I promise that information given will be purely utilized for academic purposes only.

Yours faithfully,

……………………………..

APPENDIX II: LIST OF SACCO's IN NAKURU COUNTY

No	Name of Society
1	Sima Sacco
2	Cosmopolitan Sacco
3	Vision Africa Sacco Ltd
4	Taifa Sacco
5	Waumini Sacco Head Office
6	Egerton University Sacco Society Nakuru Town
7	Ukombozi Sacco Head Office
8	Wakarimu Sacco
9	Harambee Sacco Nakuru
10	Hope and Vision Youth Sacco
11	Nakufleet Sacco
12	Nakuru Teachers Co-op Sacco
13	Tower Sacco Society Ltd, Nakuru
14	Co-op kwa jirani members farmers
15	Boresha Sacco
16	Sammit Sacco ltd Mpesa
17	Stima Sacco Society
18	Ajawaab trans society
19	Tower Sacco

Source: Nakuru County Government (2018)

Appendix IIII: Research Questionnaire

Topic : Training and empowerment practices as a source of competitive advantage in service delivery and organizational performance of savings and credit cooperatives in Nakuru County.

PART A (I) INDIVIDUAL DEMOGRAPHICS

1) Name of Respondent ……………………………………………. (Optional)

2) Current Job/ Title ……………………………………………………………

3) Academic qualifications …………………………………………………………

4) Duration of Service …………………………………………………………….

5) Terms of employment …………………………………………………………

PART A (II) ORGANIZATIONAL BIO DATA

1. Name of the Sacco (Optional) …………………….…………………………………

2. Years of Operation …………………….…………………………………………

3. Ownership structure [tick AS APPROPRIATE]

    (a) Privately owned (Local)   [   ]

    (b) Government owned [   ]

    (c) Foreign owned [   ]

    (d) Jointly owned [government & Locals]   [   ]

    (e) Any other   [   ]

4. Establishment (Number of Employees)

    a) Below 50 [   ]

b) Between 50-100 [   ]

c) Between 101- 150 [   ]

d) 151- 200   [   ]

e) Over 200   [   ]

5. Scope of operations (tick as appropriate)

a) Local (Within Kenya)

b) Regional (within East Africa)

c) Global (Operations in Africa and Beyond)

6. Does your SACCO have a Policy on Employee empowerment?

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

7. If yes in (6) Above, Kindly state the Essence of the Policy

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

PART B: EMPLOYEE EMPOWERMENT PRACTICES.

To what extent does your SACCO adopt the following employee empowerment practices

Using a Ukert scale below

1-Not at all, 2- To a less extent , 3- To a moderate extent, 4- To a large extent, 5- To a very large

extent.

	Employee Empowerment Practices	1	2	3	4	5
a	Vision and Mission as well as goals are clearly indicated out by SACCO top Management.					
B	SACCO goals well aligned with firm strategy					
c	Effective communication networks available					
D	High degree of trust encouraged and Maintained.					
E	Adequate resources available to employment strategy (s) and plans.					
F	Senior members of staff and management acting as mentors					
G	SACCO's training programmes consistent with tasks and responsibilities					
H	Necessary as well critical information readily available to employees on time to facilitate decision making.					
I	SACCO management enhancing positive attitude commitment and involvement amongst employees.					
J	SACCO's management has put in place structures and systems that support employee empowerment.					
K	There is extensive delegation individual responsibility and autonomy in decision making.					
L	Effective free will to undertake operations without further considerations enhanced.					
M	SACCO Management support the inauguration of					

	empowerment programmes whenever initiated.					
N	SACCO Management philosophies inspire subordinates through visionary and Effective Leadership.					
O	SACCO management leadership relevant and all inclusive of employees thoughts and aspirations.					
P	Good level of motivational practices monetary as well as non-Monetary.					
Q	Authority and responsibility levels well-articulated in the organization					
R	The SACCO has effective participative decision making parameters					
S	Other Please specify					

SECTION C: BENEFITS OF EMPLOYEE EMPOWERMENT AND TRAINING.

In your view please indicate the extent to which the following benefits accrue in your organization

1-Not at all, 2-To a less extent, 3- To a moderate extent, 4- To a large extent, 5- To a very large extent.

		1	2	3	4	5
A	Empowerment serves as a Pillar of Confidence in employees					
	Empowerment creates sense of success and belonging					

in the organization					
Empowerment builds trust and promotes effective communications in the organization					
Empowerment facilitates the process of change in the organization					
Empowerment leads to long term employee commitment in the organization					
Empowerment increases firm effectiveness and employee wellbeing.					
Empowerment practices enable employees to make prompt decision in the organization					
Employee empowerment fosters competitive climate in the organization.					
Empowerment promotes learning in the organization					
Empowerment enables employees appropriate greater responsibilities and decision making in the organization.					
Empowerment leads to flexibility and decision making.					
Empowerment promotes excellent customer service.					
Empowerment leads to better training					
Empowerment leads to heightened morale					
Empowerment leads to increased creativity					

SECTION D : EMPLOYEE TRAINING.

		1	2	3	4	5
	Training enhances employee skills/ knowledge					
	Training improves employees Morale and Job Satisfaction					
	Training increases employee commitment					
	Training employees fosters climate of trust and confidence among staff and employees.					
	Training enables employees to participate effectively in decision making.					
	Training promotes goodwill among members of the team					

SECTION E PERFORMANCE INDICATORS

To what extent do the following performance indicators in your SACCO reflect the performance status currently.

	PERFORMANCE INDICATOR	1	2	3	4	5
A	Increased revenue					
B	Increased Market Share					
C	More Customer Acquisition					
D	Increased Productivity					
E	Higher demand for SACCO products/ services					
F	Increased retention of employees and Customers.					

Q11 What are some challenges experienced in training and empowerment practices in your

Organization

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

Q12 Kindly explain some of the training methodologies SACCO's undertake to train the employee.

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

Thank you for your cooperation.