EMPLOYEE TRAINING AND OPERATIONAL PERFORMANCE OF FIRMS IN THE FINANCIAL SERVICES SECTOR IN KENYA

MAMATI NAOMI NANGAMI

REG. NO. D61/72486/2011

A Research Project Submitted in Partial Fulfilment of the Requirements of the Degree for Master of Business Administration Degree

School of Business, University of Nairobi.

October 2014
DECLARATION

This project is my original work and has not been submitted for a degree award in any other university.

Signed........................................ Date………..
Mamati Naomi Nangami
D61/72486/2011

This project has been submitted for examination with my approval as university supervisor.

Signed........................................ Date………..
Dr.Owino Agaya Okwiri
Department of Management Science,
School of Business,
University of Nairobi.
DEDICATION

This project is dedicated to my husband, Nicholas Kobia, to my daughter, Soniah Ntinyari, to my dad, John Mamati, to my grandmother Lenah Nekesa and my friends, as well as my colleagues for their continued love, support and guidance, in all the experiences we have been through together.

Thank you all and may God bless you.
ACKNOWLEDGEMENT

I give thanks to God for giving me life and health and to everyone who prayed for me. Special thanks to Dr Owino Agaya Okwiri for his understanding, guidance, patience, friendship, and advice. To my family for their support and love, I am forever grateful.

To all I say thank you.
# TABLE OF CONTENTS

DECLARATION.......................................................................................................................... II
DEDICATION............................................................................................................................ III
ACKNOWLEDGEMENT............................................................................................................ IV
LIST OF TABLES ....................................................................................................................... VII
ABSTRACT ............................................................................................................................... VIII

CHAPTER ONE: INTRODUCTION ............................................................................................... 1
1.1 BACKGROUND OF THE STUDY ....................................................................................... 1
1.1.1 Employee Training as a factor in Operational Performance ....................................... 2
1.1.2 Operational Performance ............................................................................................. 4
1.1.3 Financial Service Sectors in Kenya .............................................................................. 6
1.2 STATEMENT OF THE PROBLEM ................................................................................... 7
1.3 OBJECTIVES OF THE STUDY ......................................................................................... 9
1.4 VALUE OF THE STUDY .................................................................................................. 9

CHAPTER TWO: LITERATURE REVIEW .................................................................................. 11
2.1 INTRODUCTION ................................................................................................................ 11
2.2 EMPLOYEE TRAINING AS A FACTOR IN OPERATIONAL PERFORMANCE .................. 11
2.3 THE SERVICE STRATEGY AND OPERATIONAL PERFORMANCE ................................. 12
2.4 EFFICIENCY AS AN OPERATIONAL FACTOR ................................................................. 13
2.5 SUMMARY AND CONCEPTUAL FRAMEWORK ............................................................... 15
2.6 HYPOTHESIS .................................................................................................................. 17

CHAPTER THREE: RESEARCH METHODOLOGY .................................................................. 18
3.1 INTRODUCTION ................................................................................................................ 18
3.2 RESEARCH DESIGN ......................................................................................................... 18
3.3 DATA COLLECTION .......................................................................................................... 18
3.4 DATA ANALYSIS ............................................................................................................. 20

CHAPTER FOUR: RESULTS AND DATA ANALYSIS ............................................................. 22
4.1 INTRODUCTION ................................................................................................................ 22
4.2 RESULTS .......................................................................................................................... 22
CHAPTER FIVE: FINDINGS, DISCUSSIONS AND CONCLUSIONS .............. 25

5.1 INTRODUCTION ................................................................................................................. 25
5.2 EMPLOYEE TRAINING INITIATIVE AND OPERATIONAL PERFORMANCE ............ 25
5.3 SERVICE STRATEGY AND OPERATIONAL PERFORMANCE ........................................ 26
5.4 EMPLOYEE TRAINING INITIATIVE AND OPERATIONAL PERFORMANCE .......... 26
5.5 THE STUDY MODEL ........................................................................................................... 27
5.5.1 Co-variance among the Study Variables ....................................................................... 29
5.6 DISCUSSION ...................................................................................................................... 31
5.7 CONCLUSION .................................................................................................................... 32
5.8 RECOMMENDATIONS ........................................................................................................ 33
5.9 SUGGESTIONS FOR FURTHER RESEARCH ................................................................. 33

REFERENCES ......................................................................................................................... 34

APPENDICES .......................................................................................................................... 37

APPENDIX I: LETTER OF INTRODUCTION ................................................................. 37
APPENDIX II: QUESTIONNAIRE ....................................................................................... 38
LIST OF TABLES
Table 2.1: Summary of Reviewed Papers, Findings, Gaps and Action to be Taken in Proposed Study .................................................................................................................................................. 16
Table 3.1: Mean And Standard Deviation Of Variables .................................................................................................................................................. 20
Table 4.1: Mean Number Of Years Of Respondents In The Organization .......................... 22
Table 4.2: Employee Training Initiative Emphasized, Service Strategy, Operational Efficiency And Operational Performance ......................................................................................................... 23
Table 4.3: Correlation Matrix Of The Variables .................................................................................................................................................. 24
Table 5.1: Regression Of Employee Training Initiatives And Operational Performance 25
Table 5.2: Regression Of Service Strategy And Operational Performance ....................... 26
Table 5.3: Regression Of Operational Efficiency And Operational Performance .............. 26
Table 5.4: Study Model Summary Based On Regression Analysis From Spss .................... 28
Table 5.5: Analysis Of Co-Variance Of Employee Training Initiative And Operational Performance Based On Regression Analysis ......................................................................................................... 29
Table 5.6: Analysis Of Co-Variance Of Service Strategy And Operational Performance Based On Regression Analysis ...................................................................................................................... 29
Table 5.7: Analysis Of Co-Variance Of Operational Efficiency And Operational Performance Based On Regression Analysis ..................................................................................................................... 30
Table 5.8: Study Model Regression Coefficients From Spss ............................................. 30
ABSTRACT
In this study, the relationship between employee training initiatives and operational performance through service strategy as a moderating variable and operational efficiency is analyzed within the service setting of firms in financial services sector in Kenya. Regression analysis model is applied in order to enhance understanding of interactions. The effect of employee training initiative is analyzed as to how it brings operational performance to an organization. This study proves that employee training initiatives has a significant positive and direct effect on operational performance. The fact that is especially relevant is that service strategy plays a more intense moderating role for efficiency performance measures than for customer satisfaction performance measures.
CHAPTER ONE
INTRODUCTION

1.1 Background of the study

Human capital is the ability and efficiency of people to transform raw materials and capital into goods and services, and the consensus is that these skills can be learned through the educational system (Hyun, 2010). It is considered the component of education that contributes to an individual’s labour productivity and earnings while being an important component of firm production. Kwon, (2009) argues that the success of an organization depends in large part on the people with higher level of competence and thus people are becoming valuable assets. Kwon further explains that human capital can be viewed as the target of investment through education and training. The conceptual foundation of one’s human capital is based on something like knowledge and skills acquired by an individual’s learning activities (Kwon, 2009). With human capital an organization has core competences or competitive advantage. Frank & Bemanke (2007) define human capital as an amalgam of factors such as education, experience, training, intelligence, energy, work habits, trustworthiness and initiative that affect the value of a worker’s marginal product.

Rumble, (1997) explains that the cost structure of different organisations can vary greatly and secondly the other three process objectives of operations that is, quality, speed and flexibility all contribute, internally, to reducing cost. If managed properly, high quality, high speed, and high flexibility can not only bring their own external rewards, they can also save the operation cost. Efficient organization operations are a vital tool in achieving competitive advantage in the daily contest for customers. Cost denotes the amount of
money that a company spends on the creation or production of goods or services. It does not include the mark-up for profit. When a new company’s business plan is developed, organizers will often create cost estimates. These are used to assess whether the benefits and revenues of a proposed business will more than cover the costs. This is done using cost-benefit analysis (Rumble, 1997).

Cost efficiency is how good what you paid for was for the price you paid for it. It pretty much rates the quality and the price as a comparison in one. Infrastructure facilitates the production of goods and services, and also the distribution of finished products to markets, as well as basic social services such as schools and hospitals; for example, roads enable the transport of raw materials to a factory (Rumble, 1997).

1.1.1 Employee Training as a factor in Operational Performance

Training as an element of infrastructure capital in an organization facilitates efficiency in operations through improvement of skills and knowledge of workers and involvement. Training as explained by Bramley, (2003) is a process that is designed to facilitate learning so that people can become more effective in carrying out aspects of their work. Training involves learning and thus a learning organization is a type of organization that promotes continual organizational renewal by embedding a set of core processes that nurture a positive propensity to learn, adapt and change (Khoury & Shayoun, 2006). Learning organizations see learning as a driver of productivity and invest in it accordingly. In a learning organization ideas are viewed as an opportunity to explore and mistakes as an opportunity to learn. In this dimension Khoury & Shayoun, (2006) explain that teams are encouraged to reflect on how they work, not only so that accomplishments can be celebrated but so that needed improvements can be introduced.
Transformational learning is a form of learning that questions the norms, procedures, practices, processes, systems, and structures of an organization. The learning organization sees the productive organization as not only a centre of work, but also a centre of learning. Learning organization involves a process of improving actions such as training through better knowledge and understanding thus improving efficiency (Senge, 2007).

Developing effective standard operating procedures communicates to an organization about who will perform the task, what materials are necessary, where the task will take place, when the task shall be performed, and how the person will execute the task (Grusenmeyer, 2006). To achieve top performance an organization needs consistency which is developed from effective standard operating procedures. Well written standard operating procedures facilitate training through step by step instructions. Trainers ensure that nothing is missed and provides a reference resource for trainees. Grusenmeyer (2006) explains that communicating procedures that anyone in the operation can follow with consistent results will ensure your operation continually provides high quality products and services. Standard operating procedures also provide foundation for employee training.

The goal of training according to Benson, (2006): Training is a tool that can improve organizational effectiveness, especially in fiercely competitive markets, to create an impact that lasts beyond the end time of the training itself and also aid the organization to get more effective in decision making and problem solving. The focus is on creating specific action steps and commitments that focus people’s attention on incorporating their new skills and ideas back at work. Training can be offered as skill development for individuals and groups. In general, trainings involve presentation and learning of content.
as a means for enhancing skill development and improving workplace behaviours. Companies believe that when training is provided to employees as a means of investment, then all other things been equal, productivity will automatically increase.

The main methods of on-the-job training include: Demonstration or instruction that is showing the trainee how to do the job, Coaching, a more intensive method of training that involves a close working relationship between an experienced employee and the trainee, Job rotation where the trainee is given several jobs in succession, to gain experience of a wide range of activities example, a graduate management trainee might spend periods in several different departments, Projects where employees join a project team which gives them exposure to other parts of the business and allow them to take part in new activities. There is also simulation and induction. Induction training is important as it enables a new recruit to become productive as quickly as possible (Mullins, 2007).

1.1.2 Operational Performance

Operations can be defined as jobs or tasks consisting of one or more elements or subtasks, performed typically in one location. Operations transform resource or data inputs into desired goods, services, or results, and create and deliver value to the customers. Two or more connected operations constitute a process, and are generally divided into four basic categories. These are: processing, inspection, transport, and storage. The term operations describe the processes and resources that you use to produce the highest quality products or services as efficiently as possible. Business operations typically include four components: Location, Equipment, Labour and Process (Brown, 2008). Operational performance is firm’s performance measured against standard or
prescribed indicators of effectiveness and efficiency (Brown, 2008). Russel and Taylor, (2011) propose that every employee is empowered to take immediate action to satisfy a customer’s wish or to resolve a problem.

Operational efficiency is the capability of a service sector to deliver products or services to its customers in the most cost-effective manner possible while still ensuring the high quality of its products, service and support. Battesse, (2005) operational efficiency is often achieved by streamlining a company's core processes in order to more effectively respond to continually changing market forces in a cost-effective manner. In order to attain operational efficiency a company needs to minimize redundancy and waste while leveraging the resources that contribute most to its success and utilizing the best of its workforce, technology and business processes. The reduced internal costs that result from operational efficiency enable a company to achieve higher profit margins or be more successful in highly competitive markets. Thus, a firm is effective if identifies appropriate strategic goals, and efficient if it achieves them with minimal resources. Battesse, (2005) proposed tips for increasing operational efficiency: reduce costs, improve customer satisfaction, and stay ahead of the competition. Provide employees with secure, consistent access to information. A secure, reliable, self-defending network based on intelligent routers and switches provides your business with maximum agility by providing reliable, secure access to business intelligence. What's more, a secure, reliable network infrastructure provides the necessary foundation for a number of efficiency-enhancing technologies and solutions, such as Internet Protocol communications. Create effective business processes with partners. Some large
enterprises make efficient, secure business processes a prerequisite for doing business with them.

To develop efficient business processes that meet the requirements of your partners, your firm needs a secure, reliable network infrastructure. Make it easy to collaborate. Effective, interactive collaboration between employees, partners, suppliers, and customers is a sure way to boost efficiency while also reducing costs. Integrated voice, video, and data and wireless provides the kind of interactive calendaring, videoconferencing, Internet Protocol communications, and other technologies your business needs to foster seamless, easy collaboration. Streamline communications with customers. Interacting with customers efficiently and knowledgeably helps keep them satisfied and few things are as important to your bottom line as satisfied customers.


1.1.3 Financial Service Sectors in Kenya

Financial sector includes banks, investment funds, insurance companies and real estate. Financial services perform best in low interest rate environments. A large portion of this sector generates revenue from mortgages and loans, which gain value as interest rates drop. The sector is subject to cycle swings (Christopher & Beth, 2007).

According to Christopher & Beth, (2007) the main functions of the financial sectors are: Financial intermediaries allow individuals to save money in a secure place. They also manage risk by lending to a large number of borrowers. Financial Intermediaries are able
to acquire information about competing investment opportunities and relay the information to individuals, reducing their information cost. They monitor the performance of firms, individuals and other borrowers and facilitate the exchange of goods and services.

The largest financial service sector in Kenya is the bank. Key issues affecting banks in Kenya are efficiency, quality and cost. In 2007, Government of Kenya published “Kenya’s Vision 2030” as a long term development plan for the country which puts provision of financial services at the centre of the planned economic growth trajectory through the year 2030. The main objectives that were articulated in Vision 2030 for the financial sector were to improve stability, enhance efficiency in the delivery of credit and other financial services, and improve access to financial services and products for a much larger number of Kenyan households. Delivery of these objectives requires implementation of policies that would contribute to stable macro and fiscal positions aimed at lower inflation and financial sector stability.

1.2. Statement of the problem

Training has direct relationship with the employees’ performance which leads to efficiency. Efficient time management is the key to getting the most out of a company’s day and to surviving the increased business pressure brought about by economic turmoil. Timeliness implies that information or resources should be available at the time when decisions are made and not vice versa so that efficiency can be achieved. Efficiency also allows you get more done in less time. Efficiency within the context of a company’s operations means to use resources in their most productive fashion to produce the most of what a company values.
Cutting costs is a top priority for many businesses. While many companies are continuing to recover from the economic recession of the late 2000s, managing your business may still require your firm to make tough budgetary decisions every day. Reducing training expenses is one way to help your company save money. While it is essential for your business to provide tutorials to workers, your company can make minor adjustments to limit these costs and improve workplace productivity. The cost of training will depend on the type of training you offer. For example, external training is likely to be more expensive initially, but it may offer greater long-term rewards, such as improved productivity and staff retention.

Training Costs Include:
- Development costs such as salaries and benefits of personnel, equipment.
- Direct implementation costs (such as training materials, technology costs, facilities, travel, equipment, instructor’s salary and benefits).
- Indirect implementation costs such as, overhead, general and administrative.
- Lost productivity or costs of backfilling positions during training. (U.S. Office of Personnel Management. (2000)).

Some of the studies that were published on training and performance include: A study in Ghana examined training as an investment tool for improving efficiency (Dwomoh, 2013). A similar study was carried out in the education sector in Ghana (Addo and Afful, 2013), also examining the same issues but in pharmaceutical industry was Aydogdu (2013). However culture issues are known to affect outcomes of practices. Another aspect was that studies were framed from the perspective of human resource management. Training is an aspect of human capital which is an important component of service design. Certain training objectives influence structural capital of a service system. A research that examines training as an aspect of structural capital of a service system
would provide operations managers with knowledge for strategic operations decisions. Such a study would attempt to determine training as an activity to change structural capital and with it the service concept.

A strategy that focuses on efficiency required a service concept in which structural capital is emphasized. One way was to change values and beliefs regarding efficiency. This research sought to investigate training as a component of actions in the structural capital by answering the question: can training improve Operational performance in an organization?

1.3 Objectives of the study

To answer the above research question, the following specific objectives were to be achieved;

i. Determine employee training initiatives used by firms in financial services sector.

ii. Determine the relationship between employee training initiatives and operational efficiency of firms in financial services sector.

iii. Establish the relationship between employee training initiatives and operational performance of firms in financial services sector.

1.4 Value of the study

This study will provide the decision maker with means to make right decisions on; how to allocate resources, make decisions on investments and policies, run service systems and design service concepts. Senior management will appreciate the benefit of having training as an operational tool. They will understand how training can improve operational efficiency. Information from the study will also contribute to the body of
knowledge for academicians to further it. Scholars will also benefit in terms of the contribution to the general body of knowledge in the broad area of Operations Management, more specifically the influence of training on operational performance of firms in the financial services sector in Kenya.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter focuses on the review of the relevant literature along the following themes; employee training as a factor in operational performance, Service strategy and operational performance and Efficiency as an operational factor.

2.2 Employee Training as a factor in operational performance

Literature on effectiveness of training in organizations by Arthur & Bennett (2003) is reviewed. Arthur & Bennett (2003), sought to examine the relationship between specified training design and evaluation features and the effectiveness of training in organization. Meta-analytic procedure was used to empirically assess specified training design and evaluation features. They found that the training method used, the skill or task characteristic trained and the choice of training evaluation criteria are related to observed effectiveness of training programs. This research was conducted in the department of psychology. The results of this study cannot be generalized as data was collected from the department of psychology in America therefore a similar study in the Kenyan context would be of importance.

Batool & Batool (2012), in their paper analyzed the effect of employees training as to how it brought competitive advantage to an organization. Three variables were examined; learning experience, trainer quality and, training design. On learning experience it was observed that the employers rewarded creativity and skills from the workforce training. Training design specified whether training was designed for on-the-job, off-the-job, or
whether the course was rather specific or general in nature. Competitive strategy was about creating and maintaining a competitive advantage over rivals and what matters is achieving a cost or differentiation position which can be defended against rivals. Data was collected using sampling technique. It was estimated that workers cannot produce better achievement till they are contented with their employment through sustainable training and progress. Training and employee progress are completely linked with managerial competitive advantage.

The findings by (Batool & Batool 2012) concur with the findings by (Arthur & Bennett 2003) who established that employee training and development enhances employee’s skills and learning abilities to perform tasks efficiently and effectively thus improving organizational competitive advantage. Since the study by Batool & Batool (2012) was carried out in Pakistan, a similar study in the Kenyan context in the financial service sector would be of importance.

2.3 The Service Strategy and operational performance

The theme focuses on service strategy in Hejna & Hosking (2003) who proposed critical strategies for achieving operational efficiency. Their research showed that expected improvements in operational efficiency are often achieved in replacement facilities but that such enhancements are not obtained in all cases and are often attributable as much to increased service volumes as they are to fundamental positive changes in service delivery systems. The strategies included a clear and compelling vision and expectation for the facility project, assessing current operations to identify opportunities for improvement and undertaking structured operations driven facility planning process. They further
explained that an organization’s ability to achieve improved operational efficiencies depended in large part on successful execution of a set of integrated planning, implementation and change enabling strategies.

The study used sampling methodology to collect data from healthcare consultants. This study focused on healthcare consultants in America, a similar study in the Kenyan context would be of value.

Assen (2011) explored the concept of operational excellence for services. Two important factors of operational excellence were brought out. Operations strategy or a service concept and a culture of continuous improvement. Assen (2011) found that understanding and defining customer expectations was essential for operational excellence in order to create a detailed service specification in line with the service concept, design and deliver the appropriate service at the appropriate cost and to understand how to manage customer perceptions during service delivery to achieve the desired level of satisfaction. Operational excellence for services was therefore a relatively new area in the field of operations management that empowered executives to vision, plan, align and guide an organization towards the ideal service operation.

The study used survey methodology to collect data from energy companies, a study of the same in financial service sector in Kenya would add to understanding of the issue.

2.4 Efficiency as an operational factor

Literature on the different types of efficiency and approaches to efficiency measurement are reviewed (Jayamaha & Mula, 2011). This paper is reviewed and gaps in knowledge
identified. Jayamaha & Mula (2011), in their research paper on productivity and efficiency measurement techniques, sought to examine measurement techniques for types of efficiency. Technical efficiency, which occurs if a firm obtains maximum output from a set of inputs and allocative efficiency, which occurs when a firm chooses optimal combination of inputs given the level of prices and the production technology.

Partial factor productivity considered only one factor and ignored the impact of changes in all other factors when measuring productivity and efficiency. They found that total factor productivity measured overall productivity and efficiency by considering all inputs in the production process. The production frontier approach used observed data to construct the production frontier for estimating productivity and efficiency. Construction of the production frontier assumed that firms operate with full technical efficiency, producing maximum potential output from allocated inputs. Productivity indices for each firm were determined on the basis of the inputs and outputs of each firm. The study provided an overview of the approaches to productivity and efficiency measurement in financial institutions.

The main problem identified in this study is that, while measuring productivity and efficiency using partial factor productivity, some inputs such as assets quality were ignored.

The findings in this study support the paper by Worthington, (2001) who sought to identify efficiency types and techniques of measurement. Worthington, (2001) in his study on an empirical survey of frontier efficiency measurement techniques proposed that the efficiency of any given firm consisted of two components: technical efficiency or the ability of a firm to maximize output from a given set of inputs and allocative efficiency or
the ability of a firm to use these inputs in optimal proportions given respective prices. They found that combining the two measures provided the measure to productive efficiency. It was established that if an organization uses its resources completely allocatively and technically efficiently then it can be said to have achieved total economic efficiency. A similar study in the Kenya context in the financial service sector would be of importance.

2.5 Summary and conceptual framework

The literature reviewed in this chapter is summarized and the research gap indicated. It has been argued in the literature review that it is not the amount but the employee training initiative that has impact on efficiency and effectiveness in organizations. It has also been argued that service strategy comes into consideration to bring together the design of its infrastructure and culture into a unified concept for competitive success. Further, prior studies have been conducted in countries with different socio-cultural and economic status, and do not reflect the situation as it is in Kenya.

Table 1 presents the reviewed papers, the findings, the gaps and the action to be taken in the proposed study. The papers reviewed are summarized in terms of variables they have focused on.
Table 2.1: Summary of reviewed papers, findings, gaps and action to be taken in proposed study

<table>
<thead>
<tr>
<th>Study and Type</th>
<th>Focus</th>
<th>Gap</th>
<th>Proposed study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assen, (2011) A conceptual paper</td>
<td>Operational excellence for services.</td>
<td>Geographical context</td>
<td>Examine the issues in the Kenyan context.</td>
</tr>
</tbody>
</table>
The identified variables and their relationships are conceptualized by the framework below:

![Framework Diagram]

2.6 Hypothesis

The model is examined by testing the following hypothesis:

H1. Employee training emphasized has a positive influence on operational efficiency of firms in the financial services sector.

H2. Operational efficiency is positively correlated to performance of firms in the financial services sector.

H3. Service strategy has a moderating influence on the relationship between employee training initiative emphasized and operational performance of firms in the financial services sector.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

The chapter discusses the methodology that was used in gathering and analyzing data and reporting the results of the stated objectives in chapter one of this study which were: to determine employee training initiatives used by firms in financial services sector, to determine the level of operational performance of firms in financial services sector, determine relationship between employee training and operational performance of firms in financial services sector. It included the following subsections: introduction of the methodology, research design, and data collection and data analysis.

3.2 Research Design

The study was empirical as the data was collected firsthand at the source (Mugenda, 2011). It was conducted by using a formalized cross-sectional research design. This design was appropriate because the given study was largely descriptive and sought to determine the status at a given point in time. Kitoto, (2005) used this design in a similar study. It was a case study based on five departments of an organization. A case study enables greater depth. However, a case study has a limited generalizability. This limitation has been argued not to be absolute but dependent on the sufficiency of the underlying theory (Okwiri, 2012). The unit of analysis was the organization.

3.3 Data Collection

The five departments considered were Finance department, Accounts department, Credit department, Personnel department and Operations department. The five departments
proposed were chosen because they are the ones concerned with day-to-day operations of the organization. 12 respondents from each department were selected from the internal telephone directory in the organization. The value of interest was the mean for each department. According to the central limit theorem, if random samples of observations are selected from any population at different points in time or other the sampling distribution of the means will be approximately normal Lucey (2002) therefore means can be comparatively be distributed as used in Okwiri (2013) where as low as six were used. Hence for this study, 12 respondents from each of the five departments were selected at random.

The items in the questionnaire were obtained from existing literature for the variable of efficiency as an operational factor the indicators were derived from Jayamaha & Mula (2011) and Worthington (2001). For the variable of employee training as a factor in operational performance the indicators were derived from Arthur & Bennett (2003) and Batool & Batool (2012). The variable of service strategy and operational performance were measured based on the indicators as used in Hejna & Hosking (2003) and Assen (2011).

The questionnaire was divided into four parts and the first part included indicators of employee training initiatives emphasized for operational performance. The second part focused on service strategy. The third part focused on operational efficiency and finally on operational performance.
3.4 Data analysis

Paired comparison and Likert scales type of questionnaire was used (William, 2008) for each variable and descriptive method of analysis was used to analyze it. The mean and standard deviation were used to represent the variables. The data was presented in table 2 below:

Table 3.1: Mean and standard deviation of Variables

<table>
<thead>
<tr>
<th>Employee training initiative emphasized</th>
<th>Service Strategy</th>
<th>Operational Effectiveness</th>
<th>Operational Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Standard deviation</td>
<td>Mean</td>
</tr>
<tr>
<td>Type 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location transferability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timeliness and cost leadership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personalized services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location transferability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timeliness and cost leadership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personalized services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location transferability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timeliness and cost leadership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personalized services</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Hypothesis $H_1$ and $H_2$ was tested using multiple regression analysis using the formula:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_m (X_1 X_2 X_3) + e$$

The interaction variable $\beta_m (X_1 X_2)$ was added to find out if the effect of employee training initiative ($X_1$) on Operational performance ($Y$) depended on Service Strategy ($X_2$). This is because there was no simple relationship between $Y$ and $X_2$. The significance of coefficients for each independent variable was indicated by the P-Value. The extent and nature of the relationship was indicated by the coefficients and its direction. $H_3$ was tested by checking the significance of $\beta_m$. Where;

$Y$- Operational performance.

$\beta_0$- Constant.

$\beta_1$- Regression coefficient associated with variable 1.

$\beta_2$- Regression coefficient associated with variable 2

$\beta_3$- Regression coefficient associated with variable 3

$X_1$- employee training initiative.

$X_2$- Service strategy.

$X_2$- Operational efficiency.

e-error term.
CHAPTER FOUR
RESULTS AND DATA ANALYSIS

4.1 Introduction

This chapter presents results and data analysis from the research. Data was aggregated by departments and multi-item constructs variables of employee training initiatives, service strategy, operational efficiency and operational performance aggregated into variable values which were analyzed to present their status.

4.2 Results

A total of 60 questionnaires were distributed among the 5 departments in the organization targeted by this study. All the 60 questionnaires were returned well filled by the respondents. This gave the study a response rate of 100 percent which was adequate according to Mugenda and Mugenda (1999). The five departments in the organization were coded as Dept 1., Dept 2., Dept 3., Dept 4., and Dept 5. The average number of years of respondents in the organization was as per the table below:

Table 4.1: Mean number of years of respondents in the organization.

<table>
<thead>
<tr>
<th>Department</th>
<th>Mean number of years of respondents in the organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dept. 1</td>
<td>3</td>
</tr>
<tr>
<td>Dept. 2</td>
<td>4</td>
</tr>
<tr>
<td>Dept. 3</td>
<td>2</td>
</tr>
<tr>
<td>Dept. 4</td>
<td>3</td>
</tr>
<tr>
<td>Dept. 5</td>
<td>4</td>
</tr>
<tr>
<td>Mean</td>
<td>3.2</td>
</tr>
</tbody>
</table>
The credibility of information being given by the respondents depended on how long they were in the organization. The mean from the table showed that the respondents were in a position to provide credible information.

Table 4.3: presents the data as correlated among employee training initiatives, service strategy, operational efficiency and operational performance among the five departments in the organization.

Table 4.2: Employee training initiative emphasized, service strategy, operational efficiency and operational performance.

<table>
<thead>
<tr>
<th>Department</th>
<th>Employee training initiative emphasized</th>
<th>Service strategy</th>
<th>Operational efficiency</th>
<th>Operational performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3.60</td>
<td>3.44</td>
<td>3.58</td>
<td>3.58</td>
</tr>
<tr>
<td>2</td>
<td>4.26</td>
<td>4.02</td>
<td>4.33</td>
<td>3.90</td>
</tr>
<tr>
<td>3</td>
<td>3.75</td>
<td>3.58</td>
<td>3.58</td>
<td>3.50</td>
</tr>
<tr>
<td>4</td>
<td>4.32</td>
<td>4.19</td>
<td>4.17</td>
<td>4.10</td>
</tr>
<tr>
<td>5</td>
<td>3.92</td>
<td>3.67</td>
<td>4.00</td>
<td>3.82</td>
</tr>
</tbody>
</table>

Table 4.3 above shows that the level of employee training initiative emphasized, service strategy and operational efficiency affects operational performance as indicated by the mean scores for each of the five departments in the organization.

A correlation matrix was used to determine the relationship among the variables. The correlation coefficient matrix indicates the strength of the relationship among the variables as shown in table 4.4 below.
### Table 4.3: Correlation matrix of the variables

<table>
<thead>
<tr>
<th></th>
<th>Employee training initiative emphasized</th>
<th>Service strategy</th>
<th>Operational efficiency</th>
<th>Operational performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee training initiative emphasized</td>
<td>1</td>
<td>0.986038</td>
<td>0.938545</td>
<td>0.917527</td>
</tr>
<tr>
<td>Service strategy</td>
<td>0.986038</td>
<td>1</td>
<td>0.876077</td>
<td>0.916071</td>
</tr>
<tr>
<td>Operational efficiency</td>
<td>0.938545</td>
<td>0.876077</td>
<td>1</td>
<td>0.888448</td>
</tr>
<tr>
<td>Operational Performance</td>
<td>0.917527</td>
<td>0.916071</td>
<td>0.888448</td>
<td>1</td>
</tr>
</tbody>
</table>

According to the correlation matrix table, there is a relationship among the four variables that is the four variables are positively correlated.
CHAPTER FIVE
FINDINGS, DISCUSSIONS AND CONCLUSIONS

5.1 Introduction

The objectives of this study were to determine employee training initiatives used by firms in financial services sector, determine the relationship between employee training initiatives and operational efficiency and to determine the relationship between employee training initiatives and operational performance of firms in financial services sector. This chapter presents statistical tests of results presented in chapter 4 so as to determine statistical significance. The results in chapter 4 show that there is a positive relationship among the variables. Hypotheses are tested, conclusions are drawn, recommendations given and further areas for possible research provided.

5.2 Employee training initiative and operational performance

The null hypothesis set out to this objective was that there is significant relationship between employee training initiatives and operational performance. The hypothesis was tested using regression analysis and the findings are shown in table 5.1 below.

Regression analysis was used to test the null hypothesis. Results are as discussed below:

Table 5.1: Regression of employee training initiatives and Operational performance

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta</th>
<th>R-square</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee training initiative (X₁)</td>
<td>0.710953</td>
<td>0.084155</td>
<td>0.028077</td>
</tr>
</tbody>
</table>
Table 5.1 above shows regression values for employee training initiatives and operational performance with an associated P-value of 0.028077. Since the P-value is less than $\alpha$ which is equal to 0.05; (95% confidence interval < 0.05), the null hypothesis is rejected and therefore there is a significant relationship between employee training initiatives and operational performance of firms in financial services sector in Kenya.

### 5.3 Service strategy and operational performance

**Table 5.2: Regression of service strategy and Operational performance**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta</th>
<th>R-square</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service strategy ($X_2$)</td>
<td>0.710727</td>
<td>0.0839186</td>
<td>0.028818</td>
</tr>
</tbody>
</table>

The hypothesis for this study was to test whether the service strategy had a moderating influence between employee training initiatives and operational performance of firms in financial services sector in Kenya. The hypothesis was tested using regression analysis and the findings were as shown in the table 5.2 above. The table above shows that the P-value is less than $\alpha$ which is equal to 0.05; (95% confidence interval, $P<0.05$), the null hypothesis is rejected therefore service strategy has a moderating influence between employee training initiatives and operational performance of firms in the financial services sector in Kenya.

### 5.4 Employee training initiative and operational performance

**Table 5.3: Regression of operational efficiency and Operational performance**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta</th>
<th>R-square</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational efficiency</td>
<td>0.632327</td>
<td>0.78934</td>
<td>0.043969</td>
</tr>
</tbody>
</table>

(X_3)
The study also sought to test the hypothesis between firm’s operational efficiency and operational performance. The null hypothesis test was done using regression analysis and the findings are as shown in Table 5.3 above. Since the P-value is less than α which is equal to 0.05 ;( 95% confidence interval, P<0.05), the null hypothesis is rejected and therefore there is a significant relationship between operational efficiency and operational performance of firms in the financial service sector in Kenya.

5.5 The Study Model

The objectives of the study were to determine employee training initiatives used by firms in financial services sector, determine the relationship between employee training initiatives and operational efficiency and to determine the relationship between employee training initiatives and operational performance of firms in financial services sector in Kenya. Service strategy was taken as a mediating variable of the relationship. The model that was proposed for the study was;

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e, \]

where;

Y- Operational performance.

\( \beta_0 \)- Constant.

\( \beta_1 \)- Regression coefficient associated with variable 1.

\( \beta_2 \)- Regression coefficient associated with variable 2

\( \beta_3 \)- Regression coefficient associated with variable 3

\( X_1 \)- employee training initiative.
X₂- Service strategy.

X₂- Operational efficiency.

e-error term.

The study model was subjected to regression analysis to determine coefficients $\beta_0$, $\beta_1$, $\beta_2$ and $\beta_3$. The null hypothesis was tested to determine the significance of the relationship. The results from the analysis are as shown in Table 5.4 below with regression coefficients from SPSS.

**Table 5.4: Study model summary based on regression analysis from SPSS**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.959</td>
<td>.919</td>
<td>.675</td>
<td>.13870</td>
</tr>
</tbody>
</table>

The adopted adjusted $R^2$ is a coefficient of determination which indicates the variation in the dependent variable due to changes in the independent variable. From the findings above, the value of adjusted $R^2$ was 0.919, an indication that there was a variation of 91.9% in operational performance value due to changes in employee training initiatives emphasized, service strategy and operational efficiency of firms in financial services sector.

The coefficient R is the correlation coefficient which shows the relationship between the study variables. From the findings shown in Table 5.4, there exists a positive relationship between the study variables as shown by an R of 0.959 at 95% confidence interval.
5.5.1 Co-variance among the Study Variables

The study used four variables, that is, employee training initiatives and operational performance being independent variables, operational performance being the dependent variable and service strategy being a moderating variable in the relationship. The covariance among the study variables was tested using regression analysis and the results are as shown in tables below;

**Table 5.5: Analysis of co-variance of employee training initiative and operational performance based on regression analysis**

<table>
<thead>
<tr>
<th>ANOVA</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>df</td>
</tr>
<tr>
<td>Regression</td>
<td>1</td>
</tr>
<tr>
<td>Residual</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
</tr>
</tbody>
</table>

**Table 5.6: Analysis of co-variance of service strategy and operational performance based on regression analysis**

<table>
<thead>
<tr>
<th>ANOVA</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>df</td>
</tr>
<tr>
<td>Regression</td>
<td>1</td>
</tr>
<tr>
<td>Residual</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
</tr>
</tbody>
</table>
Table 5.7: Analysis of co-variance of operational efficiency and operational performance based on regression analysis

ANOVA

<table>
<thead>
<tr>
<th></th>
<th>df</th>
<th>SS</th>
<th>MS</th>
<th>F</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1</td>
<td>0.186916</td>
<td>0.186916</td>
<td>11.24096</td>
<td>0.043969</td>
</tr>
<tr>
<td>Residual</td>
<td>3</td>
<td>0.049884</td>
<td>0.016628</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>0.2368</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the regression analysis in Tables 5.5, 5.6 and 5.7 above, the study established that the study model; \( Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 \) had a significance level of 0.03, 0.03 and 0.04 respectively. This gave an indication that the data was ideal for making conclusions on the study since the significance values were less than 5%.

From the proposed model, the results were subjected to regression analysis to determine the beta coefficients \((\beta_0, \beta_1, \beta_2 \text{ and } \beta_3)\). The outcome of the analysis was as shown in Table 5.8 below;

Table 5.8: Study model regression coefficients from SPSS

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.406</td>
<td>.994</td>
<td></td>
</tr>
<tr>
<td>Employee training initiatives</td>
<td>2.775</td>
<td>3.617</td>
<td>3.582</td>
</tr>
<tr>
<td>Service strategy</td>
<td>2.418</td>
<td>2.593</td>
<td>3.116</td>
</tr>
<tr>
<td>Operational efficiency</td>
<td>1.082</td>
<td>1.147</td>
<td>1.520</td>
</tr>
</tbody>
</table>
From the analysis in table 5.8, the established multiple regression equation was determined to be:

\[ Y = 1.406 + 2.775X_1 + 2.418X_2 + 1.082X_3 \]

The regression model shows that holding employee training initiatives, service strategy and operational efficiency to a constant at zero; operational performance would be at 1.406. A unit increase in employee training initiatives would increase in operational performance by a factor of 2.775; a unit increase in service strategy would lead to an increase in operational performance by a factor of 2.418 and a unit increase in operational efficiency would lead to an increase in operational performance by a factor of 1.082. All the variables were significant as their significance values (employee training initiatives=0.028077, service strategy=0.028818 and operational efficiency=0.043969) were less than the P-value of 0.05 which shows that all the three variables impact positively on operational performance of firms in financial services sector.

5.6 Discussion

The findings in the study on employee training initiatives concur with those of Batool & Batool (2012) who analyzed the effect of employee training as to how it brought competitive advantage to an organization. In order to achieve competitive advantage thus operational performance, firms need to invest in training initiatives. This is a confirmation by Arthur & Bennett (2003) who established that employee training and development enhances employee’s skills and learning abilities to perform tasks efficiently and effectively thus improving organizational competitive advantage. Arthur & Bennet (2003) examined the relationship between specified training design and evaluation features and the effectiveness of training in an organization. This study found
that employee training initiatives has a positive influence on operational efficiency of firms thus achieving operational performance. This study established that firms invest a lot on their human capital to fulfil their training needs and improve their skills which finally contribute to competitive advantage.

In this study it was found that service strategy enables a firm execute plans and missions thus attaining competitive advantage. This is a confirmation by Hejna & Hosking (2003), who proposed critical strategies for achieving operational efficiency. They further explained that an organization’s ability to achieve improvements depends largely on successful execution of a set of integrated planning, implementation and change enabling strategies. This indicates that firms should adopt proactive and disciplined approaches in order to achieve operational objectives which lead to operational performance. This research proves that service strategy has a significant positive and direct effect on operational performance.

The study also found that firms which focused on operational efficiency had higher operational performance. This indicates that if an organization uses its resources completely and allocatively then it achieves efficiency (Worthington, 2001). Firms which operate with full technical efficiency produce maximum potential output from allocated inputs. Efficiency reflects overall organizational performance thus firms with efficiency attain operational performance.

5.7 Conclusion

The results of the analysis supported the evidence that the variables have an effect on the operational performance of firms in the financial services sector. The study revealed that
the independent variables, employee training initiatives, service strategy and operational efficiency do in fact influence operational performance of firms in financial services sector.

5.8 Recommendations

Financial services sector in Kenya are very competitive and as such, organisations must focus on emphasizing employee training initiatives, improving operational efficiency and operational performance as they affect every day business operations. It should be noted that employee training initiatives coupled with service strategy and operational efficiency is a driver of operational performance, therefore organizations should put emphasis on these variables.

5.9 Suggestions for Further Research

Due to the scope of the study, the following areas need further research; studies need to be conducted in other service and manufacturing industries in Kenya other than financial services sector in Kenya to further strengthen and validate the findings of this study.
REFERENCES


Christopher N and Beth Jenkins (2007).*The Role of Financial Services sector in Expanding economic Opportunity, Corporate Social Responsibility*.


Dan Reid and Nada Sanders (2010).*Operations Management, 5th Edition*.


Gabriel Dwomoh, (2013).*Training as investment tool for improving efficiency in the National Airline of Ghana*. 

34


Prof.dr.ir.M.F Van Assen (2011), center of operational excellence TiasNimbus Business school. *Operational excellence for services*.

Prof.Dr. Kwon (2009), Dae-Bong president, KRIVET Professor, Korean University. Human capital and its measurement

http://www.udel.edu/htr/Statistics/Notes816/class14.PDF


APPENDICES

Appendix I: Letter of Introduction

Date: 15th September, 2014.

Naomi Nangami Mamati,
P.O. Box 1015-00100,
Nairobi.

Dear Sir/Madam,

RE: REQUEST FOR PARTICIPATION IN A RESEARCH STUDY

I am a Postgraduate student at the University of Nairobi, pursuing a MBA in Operations Management. As partial fulfilment for the degree I am conducting a research study on:
Employee Training and Operational Performance of firms in the Financial Services sector in Kenya

Therefore I would appreciate if you could spare a few minutes of your time to answer the following questions in regard to this study. The data or information you provide will be treated with confidentiality and your name will not be mentioned anywhere in this research. In addition, the information provided will be used for academic purpose only.

Your assistance will be highly appreciated and thank you in advance.

Yours faithfully,

Naomi Nangami
0724-389189
Appendix II: Questionnaire

This is a study concerning an important management topic. You have experience that can be useful in the area of management research. It is being conducted for academic purpose only. The data or information given will be treated with confidentiality and the results will be analyzed and reported in summary. You are not required to give your name or any form of personal identification.

Ref. No……………………………………

Department………………………………………………………………………………………………………

1. The pairs in each row describe types of training organizations provide and emphasize. Please indicate the relative importance attached by your organization by ticking the training with higher support relative to the other.

<table>
<thead>
<tr>
<th></th>
<th>a. Expertise Training</th>
<th>Teamwork Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>b.</td>
<td>Expertise Training</td>
<td>Customer Service training</td>
</tr>
<tr>
<td>c.</td>
<td>Expertise Training</td>
<td>Performance training seminar</td>
</tr>
<tr>
<td>d.</td>
<td>Teamwork Training</td>
<td>Customer Service training</td>
</tr>
<tr>
<td>e.</td>
<td>Teamwork Training</td>
<td>Performance training seminar</td>
</tr>
<tr>
<td>f.</td>
<td>Customer Service training</td>
<td>Performance training seminar</td>
</tr>
</tbody>
</table>
2. Please indicate by ticking in the appropriate column how you consider service strategies of your organization compared to others.

<table>
<thead>
<tr>
<th></th>
<th>Much worse than others.</th>
<th>Worse than others.</th>
<th>Just about the same as others.</th>
<th>Better than others.</th>
<th>Much better than others.</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Uniform experience in all locations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>Timely and speedy services at cost effective rate.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>Services that suits individual requirements.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. Please indicate the extent to which you agree or disagree with the following statements by ticking the appropriate answer.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Information used by staff is available where they work and act.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>The staff are encouraged to seek information from custodians of information.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>The staff are trained to ensure no mistake is made.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.</td>
<td>Work is always inspected and checked before it moves to the next level.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. Please indicate by ticking in the appropriate column how you consider your organization is performing relative to others in the same business in the performance aspects indicated.

<table>
<thead>
<tr>
<th></th>
<th>Much worse than others</th>
<th>Worse than others</th>
<th>Just about the same as others</th>
<th>Better than others</th>
<th>Much better than others</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Timely and speedy response to the needs of customers.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Operating costs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>Ability to meet expectations of the customer.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>Effective use of resources.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e.</td>
<td>Improved productivity.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f.</td>
<td>Delivery of services that suit individual requirements.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

End.

Thank you for taking time to participate in this interview. You will have contributed to the development of effective management practice.