**MANAGERIAL COMPETENCE AND PERFORMANCE OF SAVINGS AND**

**CREDIT CO-OPERATIVE SOCIETIES (SACCOS) IN UGANDA.**

**A CASE OF WALIMU SACCO IN KAMPALA.**

**BY:**

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**A RESEARCH DISSERTATION TO THE SCHOOL OF BUSINESS ADMINISTRATION AND INFORMATION TECHNOLOGY IN**

**PARTIAL FULFILLMENT OF THE AWARD OF THE DEGREE**

**OF MASTER OF BUSINESS ADMINISTRATION**

**OF NKUMBA UNIVERSITY**

**FEBRUARY, 2022**

# DECLARATION

With the exception of duly acknowledged citations and references, I declare that this dissertation is a product of my own research and it has not been produced in part or whole for any award in any other Institution of Higher Learning.

**JOHN KIZITO SSEREMBA**

Signature ………………………………… Date ………………………………..

# APPROVAL

This is to certify that this dissertation has been carried out under our supervision and has been submitted for examination with my approval as partial fulfillment for the award of degree of Masters in Business Administration of Nkumba University.

**Dr. SSEMWANGA SADAT LUTAAYA**

**(University Supervisor)**

Signature…………….………………… Date……………………………………

# DEDICATION

This work is dedicated to my beloved parents Mrs. Bwanika Annet and Mr. Bwanika Comas, my relatives and friends such as Nalumansi Rashida, Sserunkuuma Christine, Rev. Fr. Jude Makanga and the late Namata Jackie without whose caring support it would not have been possible, and have been my constant source of inspiration and they have indeed passed on to me a love of reading and respect for Education.

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# LIST OF ABBREVIATIONS/ ACRONYMS

ACCION - Americans for Community Co-operation in Other Nations

CVI - Content Validity Index

DV - Dependent Variable

FFIs - Formal Financial Institutions

HR - Human Resource

IFC - International Finance Corporation

IV - Independent Variable

MFIs - Micro-Finance Institutions

SACCOS - Saving and Credit Cooperative Societies

SAQ - Self-Administered Questionnaire

SPSS - Statistical Package for Social Sciences

USA - United Sates of America

WASU - Walimu Cooperative Savings and Credit Union Limited

# ABSTRACT

The topic of the study is; Managerial competence and Performance of Savings and Credit Co-operative Societies (Saccos) in Uganda. A Case of Walimu Sacco in Kampala. The study examined the effect of managerial competence and performance of SACCOs in Uganda. A Case of Walimu Sacco, Kampala, Uganda. The study was guided by the following objectives; to examine the effect of skills on performance of Walimu Sacco, to examine the effect of knowledge on performance of Walimu Sacco and to ascertain the effect of attitude on performance of Walimu Sacco. This study adopted descriptive case study design using both the quantitative and qualitative methods of data collection. A sample size of 320 was determined from a population of 175 using Krejcie & Morgan (1970). Purposive, simple random sampling and convenience sampling techniques were used to select the respondents Walimu Sacco in Kampala. The respondents were issued with self-administered questionnaires which had closed ended questions and face to face interviews were conducted among administrative staff of Walimu Sacco in Kampala.

The correlation results indicated a significant positive effect of skills on performance of Walimu Sacco (r = 0.724 with probability value (p = 0.000); a significant positive effect of knowledge on performance of Walimu Sacco (r = 0.657 with probability value (p = 0.000) and significant positive effect of attitude on performance of Walimu Sacco (r = 0.582 with probability value (p = 0.000). It was recommends that the ministry of finance and economic development should develop a consultancy and advocacy especially the ministry in charge of Sacco at their various grass root levels; Employees of Walimu Sacco should be offered management and supervisory skills and know- how, defining the company mission statement, goals, and objectives and the need to identify regular trainings of managers on managerial competencies and how it can lead to increased performance, increased employee motivation which in turn increases financial performance in the company. Further studies should be conducted to include the many other Saccos in the country, stressing how managerial competencies differ from one Sacco to another. More studies should look at governance policies and their effect on Saccos performance using Walimu Sacco as a case study using before and after study design.

The key references in this study are, Zikalala (2016) who studied the role of SACCOS in promoting access to credit in Swaziland; Mang’ana et al. (2015) who studied the extent to which SACCOS had invested in Information Technology; Maingi (2014) evaluated factors that were affecting financial performance of SACCOS in the Kenyan context. Ssekakubo et al. (2014) investigated the relationship between managerial competence and the financial performance of savings, credit and cooperative societies (SACCOs) in the Eastern part of Uganda and Orobia, Nakibuuka, Bananuka and Akisimire (2020) carried out an investigation to establish the relationship between inventory management, managerial competence and financial performance of small businesses in Uganda.

# CHAPTER ONE

#  INTRODUCTION AND BACKGROUND TO THE STUDY

## **1.0. Introduction**

This study intended to examine the effect of managerial competence on performance Saccos in Uganda, with a particular reference of Walimu Sacco in Kampala. The idea of being effective and competent through training has been implemented by various organizations worldwide. In this study, managerial competence is an independent variable, while financial performance is a dependent variable. This chapter presents the historical, theoretical, conceptual, and contextual background, and a statement of the problem. From the objectives of the study the research questions were derived, which questions, the study attempted to answer and suggest possible solutions to the problem. Scope of the study specifies the boundaries of the study in terms of geographical location, and population type and size. Significance of the study also outlined and the chapter was concluded with the conceptual framework which was used to explain the relationship between the study variables.

**1.1. Background to the Study**

**1.1.1. Historical Background**

In the early 1970s, a team of international aid workers involved with Americans for Community Co-operation in Other Nations (ACCION), an organization dedicated to addressing poverty, wanted to better understand how the organization could most effectively support poor families and communities in Latin America. ACCION then decided to issue small loans to a group of individuals in Recife, Brazil in 1973 to help reduce on the high rates of poverty. Within four years, the organization had provided 885 loans thus creating 1,386 new jobs. Coining the term “microenterprise,” ACCION had found a way to generate new wealth for the working poor of Latin America. At the same time, across the globe (Mitchelmore & Rowley, 2010).

Micro finance has its origin in Bangladesh in 1972 with the Grameen Bank with the efforts of (Tehrani, Mehragan & Golkani, 2014), Through a series of trials and errors, Yunus et al., settled on a working model and by 1983, under a special charter from the Bangladesh government, founded the Grameen Bank, an independent, formal financial institution. The Grameen Bank Project came into operation, with several valuable objectives: Eliminate exploitation by money lenders by extending banking facilities to poor men and women, create opportunities for self-employment for the vast multitude of unemployed people in rural Bangladesh, Bring the disadvantaged, mostly women from the poorest households, within the fold of an organizing structure which they can understand and manage by themselves. Reverse the age-old vicious circle of “low income, low saving and low investment”, into a virtuous circle of “low income, injection of credit, investment, more income, more savings, more investment, more income. And thus began the largest-ever experiment in development lending, known as microcredit (Joseph, 2014).

Saving and Credit Cooperative Societies (SACCOS) in Uganda can be traced back to early 1930s, 1940s, 1950s, and 1960s, when several cooperative societies were established along tribal geographical lines. For example, in the early 1980s there existed Busoga Cooperative Union, Bugisu Cooperative Union, East Mengo Cooperative Union, Banyankore Kweterana Cooperative Union. These cooperative unions no doubt played a central role in improving not only the Income per capita standards of living but most fundamentally became a scene of unity in which individual groups came together to fight poverty (Nakazibwe. 2010).

In the late 1990s to mid-2000’s, Government of Uganda changed the direction of its microfinance policy towards building a favourable market environment (Muhwezi, 2008) and Uganda’s Microfinance Industry became one of the beacons of ‘best practice’. Uganda was talked about in the world as second best to Bolivia and Bangladesh. Though still in its developing stages at that time, Uganda was looked as a role model and learning point for other nations in the developing world (Muhwezi, 2008). Since 2005, Government of Uganda involved into the operations of microfinance, in particular savings and credit cooperatives (Saccos). Practitioners and development partners were critical of this approach, pointing to the experiences of the 1990s. Indeed, with the alienation of some stakeholders and continued political interference, Uganda has lost ground in the development of its microfinance industry (Nalwanga, 2010).

In 1980s, cooperative unions experienced a severe setback following the collapse of Obote II government. According to Nakazibwe (2010), although several factors accounted for the collapse of these cooperative societies, one important outstanding factor is deeply rooted in poor management and political interference. Under the cooperative statute of 1991 and Regulations of 1992, the National Resistance Movement government re-established the cooperative societies, in the names of Savings and Credit Cooperative Societies (SACCOs). The objective of these SACCOs was to mobilize financial resources and involve the active poor members of the rural community in Income generating activities, although later their movement spread to urban areas to provide loans to small traders and women. SACCOs have now lived on since 2001 and it is expected that the rate of access to loans by women and other small traders has generally increased.

After their establishment, SACCOs have met an obvious need for people who are excluded from the loans market but their objectives go beyond simply providing small loans to include the aim of improving the living conditions of its members. While there is in fact little rigorous empirical evidence due to the absence of really convincing evaluations, the very principle of impact assessment has given rise to a great deal of debate among both practitioners and academicians (Smith, 2001).

SACCOs, if they were to serve the purpose for which they were created, were meant to provide various types of loans, not limited to short term emergency loans (less than 6 months), medium term (less than one year), and long term loans (less than two years) with favorable interest rates (Mutesasira et aI.,1998). SACCOs therefore operate more or less like formal banks, since they can offer such loan facilities to their members. Mutesasira et al. (1998) argue that SACCOs are popular with members because they are a source of easy (and cheap) loans compared to banks whose bureaucratic requirements include long complicated application procedures among other things.

## **1.1.2. Theoretical Perspective**

The theoretical framework for this study was rooted in Competency Theory and the Stakeholder Theory. The theory of competency management is based on the various models and approaches in different countries (Aubret, 2005). The widely accepted definition of the competency model used by managers of Anglo-Saxon countries is the set of desired competencies such as skills, knowledge, attitudes, underlying characteristics or behaviour that differentiate effective performers from ineffective ones (McLagan, 1996). Henderson (2000) defines competency as a combination of knowledge and skills required to successfully perform an assignment. Its attainment is evidenced by the ability of an individual to gather data, process it into useful information, access it and arrive at an appropriate and useful decision in order to initiate the actions necessary to accomplish the assignment in an acceptable manner. Managerial competencies are a cluster of similar knowledge, skills and attributes that are essential to effective job performance (Karns, 1998). For this study, managerial competencies did cover employee training and development, leadership skills, knowledge and professional experience (Stoner et al., 1995). These competencies are the result of behavioural research to identify superior performance and are applied horizontally across the organization (Nyhan, 1995).

Besides, the management competence theory by Prahalad, and Hamel (1990) postulates that a core competency is a specific factor that a business sees as being central to the way the company or its employees work. A core competency can take various forms, including technical/subject matter know-how, a reliable process and close relationships with customers and suppliers (Mascarenhas et al., 1998). Core competencies are particular strengths relative to other organizations in the industry which provide the fundamental basis for the provision of added value. Core competencies reflect the collective learning in organizations and involve how to coordinate diverse production skills and integrate multiple streams of technologies.

This study was also hinged on the Stakeholders Theory which advocates for treatment of all stakeholders with fairness, honesty, and even generosity (Harrison et al., 2015). According to Harrison et al. (2010), a firm which advocates for its stakeholders, allocates more resources for the purpose of satisfying the needs and demands of its legitimate stakeholders than what is necessary in order to retain their willful participation in the productive process of the firm. The theory promotes a practical, efficiency, effectiveness, and ethical way of managing organisations in a highly complex environment (Freeman *et al*., 2007). According to the theory, all management decisions contain an ethical component, and the ethical arguments in defence of managing for stakeholders are as important to the theory as are practical considerations. The theory has an advantage over many other theories which deals with organisation as it comply with many other theoretical perspectives such as integrated social contracts theory (Donaldson and Dunfee, 1999), the doctrine of fair contracts (Freeman, 1994), the principle of fairness (Phillips, 2003) and the principle of common good (Argandona, 1998).

SACCOS assume obligations with multiple stakeholders whose demands may not be met in entirety (Hezron and Muturi, 2015). Some of the previous studies (Harrison *et al*., 2015; Freeman *et al*., 2009) in similar area found that firms which build better relationships with their primary stakeholders were likely to obtain greater returns. For example, SACCOS which are socially responsible have greater ability of recruiting qualified employees and also build moral capital among their stakeholders. This in turn, promotes a certain type of safety against a loss of institution’s reputation during difficult times (Harrison *et al*., 2015).

**1.1.3. Conceptual Perspective**

The term competence is a concept that serves to connect individuals and their actions. Ingallas, (1979) asserts that competence is the capacity to get in touch with the environment in a constructive way. Martin and Staines (2018) linked competences to managerial success. Competency based models subsequently emerged as tools to be employed in the workplace (Maurer et al., 2003) were considered to have a predictive validity over job performance (Sackey & Falthalm, 2019). Management competence is the general ability to do something to an acceptable level (Sveiby, 2001). Woodruffe (2002) defines competence as bundle of behaviour patterns that an employee needs to bring to a position so as to perform its tasks and functions. It is a collection of attributes managers need to provide the highest organizational effectiveness and efficiency. Ready supply of competent and qualified managers in the managerial markets acts as a yardstick for the incumbent managers to perform well. Managerial competences are important because they are forward looking, describe the skills and attitudes the staffs need to meet future challenges, help clarify expectations and provide a sound basis for consistent and objective performance standards by creating a shared language about what is needed and expected in an organization (Zacca & Dayan, 2018; Ng & Kee, 2018).

Performance is a measure of the results achieved within an organization. Financial performance is the measure of the extent to which objectives of an organization are achieved in relation to defined standards and targets for each objective (Baraza, 2018; David & Samuel, 2020). It involves outcomes in the firm’s earnings, capital adequacy, assets quality and liquidity available for operation of the firm. Waweru (2018) find that firms with strong shareholder rights have superior valuation, better profits, and better sales growth.

Njoki (2018) argued that in order for managers to be both effective and efficient in their managerial functions, they must possess exemplary leadership skills; hence given the size of their firms, managers of MFIs are expected to be a window to the outside world. They need to be innovative, figurehead; that is having a greater degree of power and influence. The manager is the nerve centre and turbulent handler for they either make or break their organizations. In a survey carried out on the high mortality rate of MFIs that were failing in the USA, of the 1,200 respondents, 41 percent said the major culprit was lack of reliable managerial competencies that in turn influenced business success (Sebhatu & Kusa, 2019). Therefore, firms need managers to help them reach their objectives. Competent managers help them reach these objectives efficiently and effectively.

**1.1.4. Contextual Perspective**

Savings and Credit Co-operative Society (SACCOS) are among the Micro Finance Institutions (MFIs) which are owned and managed by their own members using co-operative principles (Bailey, 2001). They are autonomous association of persons who are united together voluntarily for the purpose of meeting their common economic and social needs through jointly owned and democratic controlled enterprise (Joseph, 2014). SACCOS and other types of MFIs were established worldwide for the purpose of filling the gap left by Formal Financial Institutions (FFIs) including banks which were not ready to provide financial services to poor people (Zikalala, 2016). These institutions posit that poor people are risk borrowers who do not own collaterals such as houses, land in surveyed areas with title deeds, and other fixed assets (Zikalala, 2016; Kadigi, 2015). SACCOS have made it possible for the poor people to access credit with reasonable rates of interest and conditions that favour themselves. Ahimbisibwe (2007) noted that without SACCOS and other types of MFIs, the poor would permanently remain poor. This fact is also supported by the International Finance Corporation (IFC) which found that about 60% to 69% of the populations in many African countries had no access to financial services from FFIs (Muheebwa, 2018).

Microfinance institutions in Uganda have attracted many private participants to deliver financial services to the urban and rural poor who cannot access traditional banking services from commercial banks (Muheebwa, 2018). The more local people served by microfinance institutions, the higher their rate of financial performance of the institutions. The performance of business organizations is affected by their strategies and operations in market and non-market environments (Nakazibwe. 2010). The microfinance industry in Uganda has developed and transformed into commercial microfinance institutions and therefore the services are now largely offered as a business, therefore donors have stopped giving grants for loan funds (Muheebwa, 2018).

Walimu Cooperative Savings and Credit Union Limited (WASU) (formerly Uganda Teachers’ Savings and Credit Cooperative Union Limited) is a registered Cooperative Union (registration number 10739/RCS) under Cooperative Act Cap 112 and The Cooperative Societies Regulations 1992 of the Laws of Uganda, on 24th December 2015. Walimu SACCOs Union Ltd is a teacher Based Savings and Credit institution guided by ethical values and the desire to economically empower and support them as they do their job.

WASU has partnered with the Uganda Government; basically Ministry of Education and Ministry of Trade & Cooperatives to implement one of the largest teachers’ based economic support programs in Uganda in the arena of Micro –credit support (loans) to the members. Whereas there is the umbrella body at Walimu Headquarters, there are also Teachers’ primary Saccos scattered all over the country, divided into 4 regions namely; Central, Eastern, Western and northern region. This program is designed to make schools a locus for teachers empowerment as they occupationally deliver educational knowledge material to the young Ugandan children at Primary & secondary level. The programme is intended to keep the teacher focused on delivering education while they also get the financial empowerment as and when they feel they need it at the right time in the right place of convenience with no interruptions on occupational engagement in their work places. Over the past 3 years WASU has successfully implemented teachers’ based economic support programs that have improved the livelihoods of over 10,000 teachers in Uganda and the revolution is still on going.

## **1.2. Statement of the Problem**

Despite the importance and contribution of SACCOS in rendering good services of providing access to financial services among the poor people, they are encountered by a myriad of challenges that are likely to affect their performances. In India for example, SACCOS are faced with problems which include inadequate capital, poor member participation, inadequate managerial skills, corruption, frauds and absence of common brands. These challenges have created inefficiency and lack of competitiveness in the institutions which is likely to impair their performance (Siddaraju, 2012). In Malaysia, co-operatives including SACCOS are facing many obstacles which include among others; improper governance, poor financial performance, managerial inadequacies and lack of capital (Tehrani et al., 2014). In the case of Uganda, most SACCOS face a number of challenges which in turn are handicapping their performance (Kakungulu et al., 2010).

Existing evidence indicates that there has been low loan recovery rate that stands at 65%, loan portfolio at risk that stand at 35%, coupled with liquidity problem, low savings rate, low members growth rate, low returns on investment, and poor portfolio quality (Walimu Sacco Annual Report, 2021). In 2020, Finance Ministry gave out UGX5 billion via Walimu SACCOs Union Ltd to different teachers’ Co-operative Savings and Credit Union (SACCO) to help struggling teachers during this Covid-19. However, there were complaints all over the country on how the money wasn’t accessed by the teachers. Thus, there is need for Walimu Sacco to address these problems if it is to achieve its objectives of serving the low income earners (teachers). Therefore, this study investigated whether management competence is the major cause of the poor performance exhibited by Walimu Sacco.

## **1.3. Purpose of the Study**

The study examined the effect of managerial competence and performance of SACCOs in Uganda. A Case of Walimu Sacco, Kampala, Uganda.

## **Objectives of the Study**

The study was guided by the following objectives;

1. To examine the effect of skills on performance of Walimu Sacco.
2. To examine the effect of knowledge on performance of Walimu Sacco.
3. To ascertain the effect of attitude on performance of Walimu Sacco.
	1. **Research Questions**

From the above study objectives, the following questions were formulated;

1. What is the effect of skills on performance of Walimu Sacco?
2. What is the effect of knowledge on performance of Walimu Sacco?
3. What is the effect of attitude on performance of Walimu Sacco?

## **1.6 Hypothesis of the Study**

**H1:** There is no statistically significant effect of skills on performance of Walimu Sacco.

**H2:** There is no statistically significant effect of knowledge on performance of Walimu Sacco.

**H3:** There is no statistically significant effect of attitude on performance of Walimu Sacco

## **1.7. Scope of the Study**

The scope of the study captured the subject scope, geographical scope and time frame within which the study was conducted.

## **1.7.1. Content Scope**

The study generally examined the effect of managerial competence and performance of SACCOs in Uganda. A Case of Walimu Sacco, Kampala. Managerial competence was perceived as the Independent Variable (IV) and Performance as the Dependent Variable (DV). Managerial competence in this study focused on factors like, skills, knowledge and attitude while performance of Saccos was based on factors like, profitability, return on investment, liquidity, efficiency and number of products. The intervening variables used in the study are, Government policy and size of membership. The study assumed that these paradigms are more linked as forecasters between independent and the dependent variables.

## **1.7.2. Geographical Scope**

The study was carried out in Walimu Headquarters on Walimu House in Kiwatule-Ntinda, Nabe Road, Kampala.

## **1.7.3. Time Scope**

The time scope which was used to collect data is the period ranging from 2010 up-to-2021. This period is of interest because this is the period in which Walimu Sacco has been performing poorly despite the government financial intervention. This is the period when the period when Walimu members wanted it most, since education sector had been closed for a period of two years as a result of the Covid-19 Pandemic. Furthermore, the time was enough to provide more information for the study upon which conclusions and recommendations were based.

## **1.8. Significance of the Study**

The research findings and recommendations may be of importance to the following stakeholders:

The study may add more knowledge to the already existing literature on management competence and financial performance of Saccos

The study findings may also enhance further research on the impact of management competence on financial performance of Saccos locally and internationally;

The study may lead to the identification of better management competence strategies that are critical for improved financial performance of Saccos.

Saccos used in the study may benefit from this research by improving on their human resources development policy and management competence, that may enhance financial performance.

The study findings may help the Sacco members amongst other stakeholders to look critically at the managerial competence in terms of their skills, knowledge and attitude and how these factors will affect Sacco’s performance.

Through the study findings and conclusions, an effort has been made to make recommendations of significant policy and management implications for policy makers. Institutionally and managerially, the recommended areas will go along in distilling issues critical for improving on performance caused by managerial competence practices that can be emphasised by Saccos in the country and beyond.

**CHAPTER TWO**

**LITERATURE REVIEW**

**2.0. Introduction**

The literature reviewed in this chapter is based on the relationship between management competence and financial performance of Saccos in Uganda. It involved analysing management competence comprising of skills, knowledge, and attitude and their impact on financial performance. It is mainly based on literature reviewed in developed countries. The review of the literature examined practical and empirical evidence on the relationship between management competence and financial performance in relation to the Uganda situation.

## **2.1. Literature Survey**

Managerial competence refers to the knowledge, skills and abilities in planning, monitoring and controlling operations of an organization (Armstrong, 2006; Mitchelmore & Rowley, 2020). Managing activities requires the ability of an individual to access and gather data, process it into useful information and arrive at an appropriate and useful decision in order to initiate the actions necessary to accomplish the assignment in an acceptable manner. Previous studies report that managerial competence is positively linked to financial performance. For instance, Sackey and Falthalm (2019) examined the managerial competence challenges of executives of small firms and their nonperformance in the Ghanaian industrial environment. Their findings revealed a positive relationship between the managers’ behaviors and the performance of the firms. The researchers concluded that executives with the necessary managerial capabilities are in a better position to drive the organization towards attaining the organization’s set goals. The above studies were carried out on managerial competence and performance in Ghana. Their findings concluded that managers’ behaviors influenced the performance of the firms. However, this leaves content and geographical gaps, which the current study sought to bridge, by examining the impact of managerial competence on performance of Saccos and in particular Walimu Sacco in Kampala.

In another study, Zikalala (2016) studied the role of SACCOS in promoting access to credit in Swaziland; Mang’ana et al. (2015) studied the extent to which SACCOS had invested in Information Technology; Maingi (2014) evaluated factors that were affecting financial performance of SACCOS in the Kenyan context. Others include Onyango (2018) who studied financial performance of SACCOS in Meru County while Nkuru (2015) dealt with factors that were affecting growth of SACCOS within the agricultural sector in Kenya. As one can observe, each of the above mentioned previous authors studied some aspects of SACCOS within certain specific areas. However, no previous authors analysed the effect of managerial competence on financial performance of SACCOS in Uganda and Walimu in particular. The aim of this study therefore was to fill this knowledge gap by examining the effect of managerial competence on financial performance of SACCOS in Uganda, in particular Walimu Sacco in Kampala.

Similarly, Ahmad et al. (2010) contend that financial performance is influenced by a set of skills, related knowledge, traits and attitudes that an individual possesses which allow the person to perform a task or an activity within a specific function or job that in turn influences the financial performance. Further, research by Olawale (2014) on the impact of managerial competencies on the performance of immigrant-owned enterprises in South Africa showed that businesses whose owners had higher education and prior related experience performed better than those whose owners did not have higher education and prior related experiences. The above studies were carried out on managerial competence and performance of performance of immigrant-owned enterprises in South Africa in South Africa. However, this leaves a geographical gap, which the current study sought to bridge, by examining the impact of managerial competence on performance of Saccos in Uganda and particular Walimu Sacco in Kampala.

On the local context, Ssekakubo et al. (2014) investigated the relationship between managerial competence and the financial performance of savings, credit and cooperative societies (SACCOs) in the Eastern part of Uganda, and the results showed a positive relationship between managerial competence and financial performance. Similar results on the relationship between managerial competence and financial performance were found by Mitchelmore and Rowley (2010), Zacca and Dayan (2018) and Ng and Kee (2018). In this study, we expect that any improvement in the managerial competence of the owner/manager will be associated with improvement in financial performance.

Furthermore, Orobia, Nakibuuka, Bananuka and Akisimire (2020) carried out an investigation to establish the relationship between inventory management, managerial competence and financial performance of small businesses in Uganda. They employed cross-sectional and correlational research designs. A questionnaire survey of 304 small businesses in Uganda was utilized. Hypotheses were tested using a bootstrap analysis technique with the aid of Analysis of Moments Structures (AMOS) software. And their findings indicate that inventory management and managerial competence are significantly associated with financial performance of small businesses. Further, inventory management partially mediates the relationship between managerial competence and financial performance. The above studies were carried out on managerial competence and performance in Eastern part of Uganda. However, this leaves a geographical gap, which the current study sought to bridge, by examining the impact of managerial competence on performance of Saccos in particular Walimu Sacco in Kampala.

## **2.2. Theoretical Review**

There is a growing and significant interest over managerial competence and performance of Saccos by the academia and researchers in recent years. Various theories have been developed which describe the consequence of managerial competence and performance of Sacco. The Competency Theory and Stakeholder Theory were used in the study.

## **Competency Theory**

The theoretical framework for this study was rooted in Competency Theory. The theory of competency management is based on the various models and approaches in different countries (Aubret, 2005). The widely accepted definition of the competency model used by managers of Anglo-Saxon countries is the set of desired competencies such as skills, knowledge, attitudes, underlying characteristics or behaviour that differentiate effective performers from ineffective ones (McLagan, 1996). Henderson (2000) defines competency as a combination of knowledge and skills required to successfully perform an assignment. Its attainment is evidenced by the ability of an individual to gather data, process it into useful information, access it and arrive at an appropriate and useful decision in order to initiate the actions necessary to accomplish the assignment in an acceptable manner. Managerial competencies are a cluster of similar knowledge, skills and attributes that are essential to effective job performance (Karns, 1998). For this study, managerial competencies did cover employee training and development, leadership skills, knowledge and professional experience (Stoner et al., 1995). These competencies are the result of behavioural research to identify superior performance and are applied horizontally across the organization (Nyhan, 1995).

Furthermore, Boyatzis (2000) describes managerial competencies as underlying characteristics of a person that he or she uses to solve problems that arise at a work place. Some of the underlying characteristics of the Executive Directors include the ability to speak and perform in public, express the desire to persuade others of their point of view, motivate others to action, make decisions and amend those decisions to fit in with the organizational vision or current realities (Hagberg Consulting Group 2005). Boyatzis (2000) as well as Munene (1998) have identified different types of competences, which they have referred to as operant competences and emotional competences respectively.

Besides, the Management Competence Theory by Prahalad, and Hamel (1990) postulates that a core competency is a specific factor that a business sees as being central to the way the company or its employees work. A core competency can take various forms, including technical/subject matter know-how, a reliable process and/or close relationships with customers and suppliers (Mascarenhas et al., 1998). A core competency can take various forms, including technical/subject matter know-how, a reliable process and/or close relationships with customers and suppliers. Core competencies are particular strengths relative to other organizations in the industry which provide the fundamental basis for the provision of added value. Core competencies reflect the collective learning in organizations and involve how to coordinate diverse production skills and integrate multiple streams of technologies.

Microfinance Performance Theory asserts that for any microfinance institution to be seen as achieving its goals is in its performance that can be analysed based on key indicators like profit margin, client outreach, operational self-sufficiency, return on capital, portfolios at risk, return on equity, operating expense ratio, quality of reporting and cost of funds, are key outputs for MFIs to address the needs of the various stakeholders who look at social and financial perspectives of performance (CGAP, 2009).

## **Stakeholders Theory**

This study was hinged on the Stakeholders Theory which advocates for treatment of all stakeholders with fairness, honesty, and even generosity (Harrison et al., 2015). According to Harrison et al. (2010), a firm which advocates for its stakeholders, allocates more resources for the purpose of satisfying the needs and demands of its legitimate stakeholders than what is necessary in order to retain their willful participation in the productive process of the firm.

The theory promotes a practical, efficiency, effectiveness, and ethical way of managing organisations in a highly complex environment (Freeman et al., 2007). According to the theory, all management decisions contain an ethical component, and the ethical arguments in defence of managing for stakeholders are as important to the theory as are practical considerations. The theory has an advantage over many other theories which deals with organisation as it comply with many other theoretical perspectives such as integrated social contracts theory (Donaldson and Dunfee, 1999), the doctrine of fair contracts (Freeman, 1994), the principle of fairness (Phillips, 2003) and the principle of common good (Argandona, 1998). It further provides a mechanism for connecting ethics and strategies and holds that firms which diligently seek to serve interests of all groups of stakeholders stands a better chance of creating more value over time (Harrison et al., 2015; Freeman et al., 2009; Phillips, 2003; Campbell, 1997). In addition to the above idea of managing resources for the mutual benefits of all stakeholders, firm’s performance is considered as the total value created by the firm through its activities, which is the sum of the utility created for each of the firm’s legitimate stakeholders.

According to Phillips (2003), legitimate or normative stakeholders are those who constitute the organisation and make it a going concern. They include among others; customers, communities in which the firm operates, suppliers of materials, capital, labour and equipment. Firms that tend to make their stakeholders better off are likely to retain their support, participation and consequently thrive over time. Stakeholders themselves determine their own utility functions based on individual preferences. These preferences come from perception regarding how transactions, relationships and interactions with the firm influence utility which they receive. SACCOS assume obligations with multiple stakeholders whose demands may not be met in entirety (Hezron and Muturi, 2015). Some of the previous studies (Harrison et al., 2015; Freeman et al., 2009) in similar area found that firms which build better relationships with their primary stakeholders were likely to obtain greater returns. For example, SACCOS which are socially responsible have greater ability of recruiting qualified employees and also build moral capital among their stakeholders. This in turn, promotes a certain type of safety against a loss of institution’s reputation during difficult times (Harrison et al., 2015).

**2.3. Literature Review**

**2.3.1. Effect of Skills on Performance of Walimu Sacco**

Mmari1 and Thinyane (2019) argued that lack of managerial experience, skills and personal qualities as well as other factors such as adverse economic conditions, poorly thought out business plans and resource starvation are found as the main reasons why new firms fail. The distinguishing feature of high growth and low growth small firms is the education, training and experience of senior managers. Kambura (2018) evaluate managerial competencies as measured by the education of the founder, managerial experience, entrepreneurial experience, start-up experience and functional area experience versus new venture performance. The results show that relative profits tend to be high when an entrepreneur has more education and experience in the line of business.

On the other hand, profitability tends to be low when the entrepreneur has only start up and managerial experience impact performance of small firm founders. Former experience of the business founder in the industry in which he starts his business appears to improve all performance measures. Moreover, experience in activities relevant to business ownership increases the firm’s survival time. Finally, high-educated people make more profits, while those who have experience as an employee create more employment (Kambura, 2018).

Other empirical studies, such as Kambura (2018) and Kiyieka and Muturi (2018), find that managerial competencies as measured by education, managerial experience, start-up experience and knowledge of the industry positively impact on the performance. Lack of skills, experience and knowledge are also key limiting factors for entrepreneurship in South Africa. MFI owners in South Africa often lack the expertise experience and training related to the business they establish leading to the managerial deficiency in Africa (Olawale, 2014). Bentler and Staines (2021) point out that empirical research has obtained a range of results regarding this relationship between managerial competences and performance, but those results are not consensual. Empirical literature such as Martin and Staines (2018), Appuhami (2007) and Chan (2009) find insignificant relationship between managerial competences and firm performance.

**2.3.2. Effect of Knowledge on Performance of Walimu Sacco**

With knowledge being one of the most important resources today, traditional factors of production have become secondary (Ng and Kee, 2018). As organizations became aware of the power of knowledge as the most valuable strategic resource in the knowledge economy, knowledge management became widely recognized as essential for the success or failure of organizations. Consequently, over the past 15 years, knowledge management has progressed from an emergent concept to an increasingly common function in business organizations (Moreau & Mertens, 2019).

The link between knowledge and organizational performance has been empirically explored, but rarely through assessing the state of knowledge management practice per se, and comparing it with direct indicators of financial performance (Martin & Staines, 2018). Namely, some empirical studies focus only on specific aspect of knowledge management, not the whole knowledge management system (for example Le Olawale (2014) were assessing the performance of an organization with respect to its knowledge, and Harlow (2008) was assessing the level of tacit knowledge within organizations. Besides, Nkuru (2015) annotates that the empirical studies that focus on the links between knowledge and performance often stop with proxies of performance; not at profit, but at proxies of profit, such as productivity (for example Zikalala, 2016) calculated corporate performance based on five items: overall success, market share, growth rate, profitability and innovativeness – four out of five of those items are proxies of profit, while Sackey and Falthalm (2019) calculated corporate performance using seven items: productivity, cost performance, competitiveness, sales growth, profitability, market share and innovativeness – out of which four are proxies of profit.

**2.3.3. Effect of Attitude on Performance of Walimu Sacco**

Kambura (2018) asserts that attitude of people affects performance of an organization, for example, for a person to like a particular product, the attitude should be positive and adaptable to his/her tastes and preferences, then he/she will be more than willing to buy that product, Employee attitudes actually drive financial and sustainability results, not the other way around,”

Mmari1 and Thinyane (2019) asserts that success in financial performance has statistically been attributed to competencies like attitude, management skills and behavior, a lack of managerial competencies results into inadequacy which affects a firm’s performance. Moreau and Mertens (2019) revealed that growth in revenues and financial performance is greatly attributed to managerial attitude inform of behaviors and intentions to pursue growth. Maingi (2014) adds that effective management is a critical factor for firm financial performance hence management must enhance the right attitudes in order for employees to be motivated.

Sackey and Falthalm (2019) asserted that emotional intelligence enhances altruistic behavior enabling employees to comprehend their co-workers feelings and to respond better than people with low emotional intelligence. Olawale (2014) suggested three explanations for the engagement of an emotionally intelligent individual in an altruistic behavior. First, being in a good mood is reinforcing and displacing altruism in rewarding in a sense that it enables employees to also maintain their state of mind. Secondly people in good moods may be socially interactive and finally, when employing people, they will have both positive attitudes and emotional reactions to the job, and this means that they might be likely to be more engaged in a helpful behavior or not this behavior affects performance in a positive or negative way.

## **2.3.4. Summary of Literature Review**

Conclusively, managerial competences and financial performance literature is based on the factors of skills, knowledge and attitudes. All of the factors have a role to play for the success of microfinance institutions financial performance inform of asset quality, return on investment and savings. What seems evident from the existing sources is that managerial competences are still needed for the survival of the microfinance institutions. Management competence is the general ability to do something to an acceptable level (Getachew. 2016). Thus, these are bundle of behaviour patterns that an employee needs to bring to a position so as to perform its tasks and functions (Mckillop & Wilson, 2015). It is a collection of attributes managers need to provide the highest organizational effectiveness and efficiency. Ready supply of competent and qualified managers in the managerial markets acts as a yardstick for the incumbent managers to perform well.

## **2.4. Conceptual Framework**

Conceptual framework is a model of how one makes a logical link between the several elements that have been identified as important to the problem (Sekaran, 2003). The conceptual framework adopted for this study is developed to examine the effect of managerial competence on performance of Saccos in Uganda as shown in the figure 2.1 below.

## **Figure 2.1: Conceptual Framework**

 **INDEPENDENT VARIABLE DEPENDENT VARIABLE**

**MANAGERIAL COMPETENCE**

**Skills**

* Critical skills
* Learning skills

**Knowledge**

* Qualifications
* Experience

**Attitude**

* Behaviour
* Character
* Flexibility

**PERFORMANCE OF SACCOS**

* Profitability
* Return on investment
* Liquidity
* Efficiency
* Number of products

 **INTERVENING VARIABLES**

* Government Policy
* Size of Membership

**Source**: *Boyatzis, (2002) with modification from the researcher, 2021*

The conceptual framework indicates the effect of managerial competence on performance of Saccos as the independent and dependent variable respectively. Figure 2.1 illustrates that the independent variable of this study is managerial competence measured using attributes of Skills (critical skills and learning skills), Knowledge (qualifications and experience) and Attitude (behaviour, character and flexibility). Literature tells as that managerial competence through effective skills, knowledge and attitude can result to better improved performance of Saccos. Employee retention in private primary schools can be measured based on the model of Boyatzis, (2002) with four dimensions of, profitability, return on investment, liquidity, efficiency and number of products. However, the outcome might also be influenced by the moderating variables such as government policy and size of membership.

Bentler and Staines (2021) asserted that the efficient use of firm resources depends on the decisions of the management team. A firm may achieve better rents not just because it has access to resources but because the core competencies of a firm better utilize these resources (Olawale, 2014). The quality of management is an important driver of firm performance. Management competence is the general ability to do something to an acceptable level (Elegwa & Owino, 2020). Boyatzis (2002) defines competence as bundle of behaviour patterns that an employee needs to bring to a position so as to perform its tasks and functions. It is a collection of attributes managers need to provide the highest organizational effectiveness and efficiency. Ready supply of competent and qualified managers in the managerial markets acts as a yardstick for the incumbent managers to perform well. Ng and Kee (2018) reported that differences in firm performance result from management quality. They argue that management competence can therefore be used as a means to explain these differences.

# CHAPTER THREE

# RESEARCH METHODOLOGY

## **3.0. Introduction**

This chapter describes the methods that were used to gather the data relevant to the study. It contains the research design, research approaches, research strategy, research duration, research classification, study population, sample size determination, sampling procedure and sources of data. It also explains the method and procedures for data collection, data quality control, analysis and interpretation of the research findings, ethical considerations and limitations of the study.

## **3.1. Research Design**

Research design refers to a strategy which shows the plan of an inquiry thought suitable to the research (Kothari, 2004). For the purpose of this study, a case study research design was used. It was used to narrow down a very broad field of research into one easily researchable topic. A case study design was selected to get the required data since a case study was a complete study in itself can offer focused and appreciated insights to phenomena that may otherwise be vaguely known or understood (Nachmias & Nachmias, 2008). It was issued to identify and obtain information on the characteristics of a particular problem or issue Also, this design provided a meaningful and accurate image of events and seeks to explain people’s perception and behavior on the basis of the data collected (Cooper & Schindler, 2011).

## **3.1.1. Research Approaches**

The study was both descriptive and analytical in nature. Descriptive approach focused on quantitative aspect of the study that involved obtaining information about the situation that existed, while analytical approach focused on qualitative aspect of the study to determine in depth inquiry into the existing situation or phenomenon under study based on facts findings (Denzin & Lincoln, 2011). The study used in-depth interviews, observations (qualitative) as well as survey and statistical records like tables (Amin, 2005). Qualitative approach enabled the researcher capture the respondents’ attitudes, behaviours and experiences regarding the phenomenon under study. Quantitative approach such as survey enabled the researcher gather large scale data, in a moderately shorter time frame (Bryman. 2008). The qualitative approach was used to understand the deeper meaning of the responses and the quantitative approach enabled the researcher gather large scale data, in a relatively shorter time frame (Creswell, 2014).

## **3.1.2. Research Strategy**

This study relied on a case study approach since it was difficult to establish what goes on concerning leadership styles on employee performance in the public sector. For the reason of effective access, Walimu Sacco in Kampala was selected.

## **3.1.3. Research Duration**

This study used a case study design and a representation of events over a given period of time. This helped to gather data required from the administrators and the staff at large as indicated under the research schedule and covered a period of 8 months from June 2021 to January 2022.

## **3.1.4. Research Classification**

The study was an explanatory study which focuses on explaining the contribution of managerial competence on performance of Walimu Sacco.

## **3.2. The Study Population**

A population is any group of individuals that has one or more features in common and that are of interest to the researcher (Creswell, 2005). The target population of 320 respondents at Walimu Headquarters in Kampala. These included the administrative staff, junior staff and Members of the Sacco. This category of respondents was chosen because it was expected to have relevant and valid information about the study variables and how they are operationalized in Walimu Sacco. Walimu Sacco’s junior staff provided information about the organ’s performance which guided and helped the researcher to meet the administrative staff with a background on managerial competence and performance of the Sacco. A breakdown of the sample is presented in Table 3.1 below.

**Table 3.1: Population of the Study**

|  |  |  |  |
| --- | --- | --- | --- |
| **Institution** | **Category** | **Population Size** | **Percentage** |
| **Walimu Sacco** | Administrative Staff | 10 | 3.1% |
| Junior Support | 55 | 17.2% |
| Sacco Members | 255 | 79.7% |
| **Grand Total** |  | **320** | **100%** |

***Source: Primary data, 2021 and modified by the researcher (2021)***

## **3.3. Sample Size and Selection**

A sample is defined by Kothari (2004) as small group of respondents drawn from a population about which a researcher is interested in getting the information so as to arrive at a conclusion. This study selected respondents who are responsible on management of the Sacco and employees themselves (staff members) because they were considered to represent and having vital information for the study by virtue of their positions. Respondents help the researcher plans and to generalize the findings (Best & Kahn, 2006). In this study, sample size of 175 was determined out of 320 using the Krejcie and Morgan table, (1970) for determining sample size as this ensures that a practical ratio is used for a sample of the customer population. Sekaran & Bougie (2011) stated that, in research inquiries involving several hundreds or thousands of elements, it would be practically impossible to collect data from, or test, or examine every element. Even if it were possible, it would be prohibitive in terms of time, cost and other human resources. That’s why sampling to make a research feasible. A breakdown of the sample is presented in Table 3.2 below.

**Table 3.2: Sampling Frame**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Institution** | **Category** | **Population Size** | **Percentage** | **Sample Size** | **Sampling Technique** |
| **Walimu Sacco** | Administrative Staff | 10 | 3.1% | 5 | Purposive |
| Junior Support | 55 | 17.2% | 31 | Simple random |
| Sacco Members | 255 | 79.7% | 139 | Convenience Sampling |
| **Grand Total** |  | **320** | **100%** | **175** |  |

***Source: Primary data, 2021 & Krejcie and Morgan (1970).***

## **3.4. Sampling Design**

Sampling technique is a method of drawing samples from a population usually in such a way that the sample enabled determination of some hypothesis concerning the population (Kothari, 2004; Privitera, 2017). It is believed by Denzin & Lincoln (2011) that if sample is chosen carefully using the correct procedure, it is then possible to generalize the results to the whole of the research population. The researcher used both probability and non-probability sampling techniques so as to be exhaustive in the research findings. The study employed a mixture of both stratified, purposive sampling and convenience sampling techniques in selecting the sample.

## **3.4.1. Purposive Sampling**

The study employed purposive sampling to select key informants among the administrative staff (Managers and Supervisors) of this institution for interviews, to obtain in-depth accurate information required for the study since these are expected to have a comprehensive understanding of the study about the study variables (managerial competence and performance). According to Amin (2005), purposive sampling is suitable to select individuals within the sample who have particular information or experiences about the study problem by virtue of their managerial position or related exact attributes possessed relevant to the study. This study used purposive sampling based on judgment on possession of specialized managerial experiences and knowledge on enterprise’s performance.

## **3.4.2. Simple Random Sampling**

Stratified random sampling was used as a probability technique to obtain a good representative sample of the junior staff population working at Walimu Sacco where by the entire population from their departments was divided into homogenous groups (strata), then a probability sample was drawn from each group. Creswell, (2005) defined random sampling as a subsection of individuals that are randomly selected from a population. The goal is to obtain a sample that is representative of the larger population.

## **3.4.3. Convenience Sampling**

Convenience sampling involve in getting participants wherever they could be found and typically wherever it is convenient. Convenience sampling method applied by engaging random Sacco members that were found at Walimu Sacco premises during the data collection period and were asked questionnaire questions concerning the study variables.

3.5. Data Collection Sources

According to Weiner, (1995), data collection is a standout amongst the most essential stages in carrying on research. It helped in figuring out what sort of data is needed. In this study both primary and secondary data was used as sources of data collection.

3.5.1. Primary Data

Primary data is original and collected for the first time by the researcher. By using primary data as the method, we collect data during the course of doing experiment in experimental research (Kothari, 2004). The primary data collection method explored the originality of data through gathering information relevant to the study. Primary data was obtained from respondents at Walimu Sacco Headquarters in Kampala. By use of the questionnaires and interview manuals, the research gathered data from the respondents which in fact was the primary concern of this survey design approach. The reason of using primary data as a method of data collection is simply includes observation and questionnaire which allowed the researcher to gather information which could not be easily obtained.

3.5.2. Secondary Data

Secondary data are those data that are already obtained and was collected from secondary sources of data such as journals, books, newspapers, websites, publications and other documents available in libraries including research reports from distinguished academicians (Kothari, 2004). Secondary data sources are those which have already been gathered elsewhere for some other purpose but were used or adapted for the current study purpose, that is, document review (Creswell, 2005). Secondary data collection explored methods supplementary to the above method where data was obtained from Walimu Sacco records (obtained from heads of various departments and speakers), dissertations, text books, the internet (Walimu Sacco’s website) and other materials (such as journals, HR reports, Performance reports, Audit reports and newspapers) as found useful to the study. This kind of data collection method was also important to the study especially in the literature review and chapter five of this study.

3.6. Research Methods

Data collection is defined as the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer queries, stated research questions, test hypotheses, and evaluate outcomes (Nemanja. 2009). The researcher used the following methods for collection of data for this study.

3.6.1. Surveys

According to Verhoef (2018), a questionnaire is a set of written queries or statements to which the research subjects are to respond in order to offer data which is pertinent to a research topic. The questionnaire was administered to respondents who will be confined in one location. This is the best method of collecting data from respondents since they can read and understand and conceptualized ideas. The questionnaires were structured with open ended questions and close ended questions. It was formulated from the objectives. The study used questionnaires because of the nature of the data which pursues for feelings and perceptions of respondents given the time available and the objective of the study. Questionnaires were used to avoid bias that results from close contact between the researcher and the respondents. The questionnaire was preferred because it collected a lot of info over a short time and less expensive. Survey method also allows collection of huge amounts of data in a short time and is less expensive (Cooper, & Schindler, 2011).

3.6.2. Face to Face Interviews

This is a purposeful discussion between the researcher and the respondent (Creswell, 2005). This approach was guided by the consideration that interview method of collecting information can be used to solicit the opinions and suggestions of the respondents. This was used to clarify the data collected from questionnaires. It was also used in order to add more information which was got from questionnaires. The advantage of using interview is that it allows on spot explanations, modifications and variation can be introduced during data collection process and through respondent’s incidental comments, use of facial and body expressions, tone of voice, gestures, feelings and attitudes (Amin, 2005). And the study adopted this method because it gives opportunities to probe further in-depth information especially where the questions which were not all understood. It helped in capturing verbal and non-verbal questions, it keeps focus during data collection, the interviewer is the one that has control over the interview and can keep the interviewee focused and on track to completion. It captures emotions and behaviors which may not able to capture verbally (Cooper & Schindler, 2011).

## **3.6.3. Documentary Review.**

The method was aimed at collecting information from the already existing sources by different scholars about a study phenomenon (Cullis & Morley, 2017). The chief sources of documentary review were broadly classified into two groups namely, published sources and unpublished sources. The use of documentary sources is important in relating the study and its findings with other published and sometimes unpublished information. The information from secondary data was collected by visiting the libraries in different institutions, internet for related data about the impact of managerial competence on financial performance of Saccos. Some of the documents were reviewed before the field data collection exercise while some were picked during field data collection especially during interviews with key respondents and was to be used to enrich the study discussions. Documentary evidence analysis included both primary and secondary sources of data that had a connection with appraisal practices and performance of Walimu Saccos staff (Mushemeza, 2009).

3.7. Data Collection Instruments

According to Creswell (2005) no single technique or instrument may be considered to be adequate in itself in collecting valid and reliable data. Therefore, two major tools were used to obtain adequate and reliable information for this study. These include interviews and questionnaires of both structured and semi-structured nature. This study used data collection tools which involve interview and questionnaires.

3.7.1. Self-Administered Questionnaire (SAQ)

The . Self-Administered Questionnaire (SAQ) was designed and administered to the targeted respondents. The questionnaire was semi structured in nature embracing both open and closed ended questions whereby they read and wrote besides ensuring confidentiality. It was administered to Branch Managers, Credit Officers, and cashiers since the researcher needed immediate feedback to save time and solve language barrier and misinterpretation of questions by category. Questionnaire had close- ended questions to capture accurate quantitative data. A 5- point likert scale was used (5: Strongly agree, 4:agree. 3: neutral, 2: disagree, 1: strongly disagree) which allowed respondents to choose from a set of alternatives. The instrument was preferred because it was time saving as one spends little time in moving from one respondent to another during data collection (scattered respondents) unlike in interview method (Bryman. 2008).

3.7.2. Interview Guide

The researcher used structured and face-to-face interviews because they provided first-hand information; data was collected because it is less costly and can clarify questions. In this method, an interview guide was drafted upon which questions were asked and then notes responses corresponding to the asked questions. Administrative staff was involved using face-to-face interviews based on a pre-determined interview guide to capture in-depth qualitative data. Social cues, such as voice, intonation, body language etc. of the interviewee can give the interviewer a lot of extra information that can be added to the verbal answer of the interviewee on a question (Mohojan, 2018).

## **3.7.3. Document Review Guide.**

The researcher used the document review guide to review a number of sources that exist for secondary data collection. Assortments of relevant official documents from Walimu Sacco were reviewed. This was to augment information gathered using other research instruments. These were reviewed with an aim of collecting data and information that would verify what had been reported through questionnaires and interviews. Further, other records which were obtained from project documents that were used to ascertaining the problem being studied.

3.8. Data Quality Control Methods

## **3.8.1.** **Validity of the Instruments**

Best and Kahn(2006) define validity as the quality of a data gathering instrument or process that allows it to measure what is supposed to measure. In justifying the validity of this study, number of steps was taken. First, the used of random sample and convenience sample provided the study with rich information that enabled the generalization of finding to wider populations. Second, the data collection methods through the use of questionnaire and interview ensured excellent results.

The CVI’s was computed by obtaining the ratio of the number of those who scored 3 and 4 to the total number of the items of the data collection instrument. The experts were requested to rate validity relevance of each item/question using the following codes; 1: Irrelevant item, 2: Somewhat relevant, 3: Mostly relevant, 4: Extremely relevant. After the researcher collected the questionnaires and established a Content Validity Index (CVI) of 0.70 which was used as a basis of reasonable use of the instrument as recommended by (Daud et al., 2018). A formula for Lawshe was used to measure the validity of research instruments, as indicated below:

CVI = No of items delivered valid x 100

 Total no of items

**Table 3.3: Content Validity Index (CVI) of the study variables**

|  |  |  |
| --- | --- | --- |
| **Variable** | **Anchor** | **Content Validity Index** |
| Skills | 5-point | 0. 842 |
| Knowledge | 5-point | 0. 792 |
| Attitude | 5-point | 0. 772 |
| Performance  | 5-point | 0. 806 |

***Source: Primary data computed, (2020)***

It can be concluded that based on the content validity ratio results of the variables above, the overall CVR is equal to 0.70 thus all items were considered valid for this current study. These results validated the data collection instrument and are supported by Rodrigues et al (2017) who state that an I-CVI of 0.70 or higher is considered excellent.

## **3.8.3. Reliability**

Reliability on the other hand, is the degree of consistency that the instrument or process demonstrates (Best and Kahn 2006). It is the ability of the tool to collect the same data which is reliable, dependable to the previous results after repeated trials or tests (Paradis et al., 2016). In this study reliability was achieved by measuring consistent results from the respondents. The inter item consistency reliability was tested to ensure that there is steadiness in respondents answers to all items in the measure. The reliabilities found to be above 0.6, as recommended by Verhoef, (2018) meant the instruments were reliable and represented the acceptable level of internal consistency.

**Table 3.4: Cronbach Alpha Coefficient Model Results Table**

|  |  |  |
| --- | --- | --- |
| **Variable** | **Anchor** | **Cronbach Alpha Coefficient** |
| Skills | 5-point | 0.872 |
| Knowledge | 5-point | 0.847 |
| Attitude | 5-point | 0.798 |
| Performance  | 5-point | 0.839 |

***Source: Primary data computed, (2020)***

All alpha coefficients were above 0.70 implying that the data collection instrument was reliable. This is supported by Daud et al (2018) who state that Alpha Cronbach values ranging 0.6-0.8 are considered moderate but acceptable.

3.9. Data Collection, Procedures

A letter of introduction was sought from School of Business Administration and Information Technology, Nkumba University and acceptance letter from HR Manager, Walimu Sacco, at their Headquarters in Kampala were sought. These were obtained for easy interaction with the respondents through formal procedures. Primary data was used in the study. The data was collected from respondents using closed ended questionnaire by the researcher with the help of five research assistants trained on the structure of the research instruments and their application. Drop and pick technique was used to administer the questionnaire. Hence each respondent received the same set of questions in exactly the same way. The respondents were made aware of purpose of the research and were assured of their confidentiality. Questionnaires are suitable to obtain important information about the population and are said to reach large number of subject who are able to read and write independently (Weinreich, 2008; Mushemeza, 2009).

After the research proposal was approved and passed together with the research data collection tools, the researcher sought permission from School of Business Administration and Information Technology, Nkumba University, addressing the Sacco management where the study was conducted. The letter sought to introduce the researcher as a student of Nkumba University. It explained what the research was about and the purpose of the study. It requested for any necessary assistance to be offered to the student. The researcher then contacted the various authorities to which the letter was addressed and then made appointments when the study could be carried out to enable proper planning. On the agreed dates, the researcher went to the organization, carried out the study and collected data. Interviews and questionnaires as data collection methods were administered starting with the clients and the prospective ones who are the beneficiaries of the Walimu Sacco’s services, then staff, management and finally the board. The reasoning is to have that flow of order for purposes of easy comparison of data collected from each of the respondent categories. A work plan on collection of data was shared with senior management to enable the researcher to easily interface with the respondents at the scheduled times. Relevant literature on microfinance managerial competence was obtained from the library, internet and annual reports of Walimu Sacco as a form of review of the existing literature.

## **3.11. Data Analysis**

Collected data was compiled, sorted edited and coded to have the required quality, accuracy and completeness. It was entered into the computer for analysis using Statistical Package for Social Sciences (SPSS 23). Correlations were used to measure the relationship between managerial competencies and financial performance in microfinance institutions. Regression analysis was used to explain how managerial competences affect financial performance of Walimu Sacco. The results were presented in descriptive formats such as narratives, tables, frequencies, percentages and citations.

This involved employing methods that are non-quantitative, and aimed at exploration of social relations, and would describe reality as experienced and presented by respondents. The major purpose was to promote greater understanding of not just the way things were, but also why they were the way they were (Amin, 2005). Other qualitative methods included the pilot study, observation results, and relevant quotes from the respondents in addition to secondary data to compare with the primary data.

## **3.12. Research Ethical Considerations**

The purpose of the research was to promote the aims of the study such as knowledge, truth and avoidance of error therefore there won’t be tresses of data plagiarism and fabricating. Respect for all intellectual property where all primary sources were properly documented, referenced and Authors acknowledged. The researcher never at any point coerced or forced any respondent to voice their opinions or perpetuate in the research. Instead, the researcher honored all respondent’s voices to or not to participate in the study. Information collected from the field was aggregated together and questionnaires were destroyed after data analysis and presentation of the study findings. Attrition was ensured to observe ethical principles to ensure that bias was eliminated and maximize meaning of information provided. The researcher took care in respecting the views and opinions of all the respondents and their cultural and religious sensitivities.

## **3.12. Delimitations** **of the Study**

The following limitations were encountered during this study.

1. There was difficulty experienced in obtaining documentary evidence on the financial performance of Walimu Sacco. However, the researcher extensive research by visiting all reliable sources concerning the study case and variables.
2. Some respondents were biased because of self-assessment. The researcher however, explained the purpose of the study being academic and honest opinions were needed.
3. Limited outcomes in a quantitative research. This study used quantitative approach which involved structured questionnaire with close ended questions. This led to limited outcomes outlined in the research proposal, since some respondents had limited options of responses, however this was mitigated by adopting the mixed approach, where qualitative approach using interviews were used to back up questionnaires.
4. The study was a case study which means a short-term study and could lead to making errors in conclusions on the findings to the study. The researcher used the multi data collection techniques to mitigate making wrong conclusions using appropriate data collection tools that is self-administered questionnaire.
5. There were unstable work schedules due to Covid-19, which had forced some of the staff to adopt to the new trends of working from home on some particular days. However, the researcher ensured that appropriate appointments were scheduled before time.

# CHAPTER FOUR

# DEMOGRAPHC CHARACTERISTICS OF RESPONDENTS

## **4.0. Introduction**

This part shows the general background information about the respondents of the study. This includes; gender, age bracket, marital status, level of education, position held in the Sacco and working experience of the respondents. The analysis is based on the data collected using questionnaires and interview guide which were answered by the target respondents. These findings were analyzed using SPSS version 23, Microsoft excel and Microsoft word and presented in tables and percentages as it gives a clear understanding of the study findings.

## **4.1. Response Rate**

Frederick and Wiseman (2003) assert that a response rate has to be presented in research findings as they presented the validity of the study and failure to do so put the validity of the study findings into question. Response rate was frequently used to compare survey quality. The study targeted a sample of 175 respondents. A total of 160 questionnaires were distributed and only 162 responses were received back. Besides, all the 3 respondents were interviewed in the study, making a response rate of 94.3% and therefore this was used in the analysis of findings. This is shown in table 4.1 below.

**Table 4.1: Response Rate**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Questionnaires** | **Frequency** | **Percentage** |
| Valid | Respondent |  165 | 94.3 |
|  | Not responded | 10 | 5.7 |
|  | **Total** | **175** | **100.0** |

***Source: Primary data computed by the researcher, (2021)***

##

## **4.2. Demographic Characteristics of the Respondents**

The demographic characteristic of the sample that were considered important for this study are; gender, age bracket, marital status, level of education, position held in the Sacco and working experience of the respondents of respondents as indicated in the tables 4.2, 43, 4.4, 4.5, 4.6 and 4.7 below.

#

## **4.2.1. Gender of the Respondents**

A descriptive analysis of the respondent’s gender was carried out and the results were as presented in table 4.2 below.

**Table 4.2: Respondents’ Gender**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Male | 99 | 60.0 | 60.0 |
| Female | 66 | 40.0 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 4.2, the highest proportion 99(60%) of the study respondents were males and the rest 66(40%) were females. This implied that there was equal representation of the male and female employees/Sacco members in Walimu Sacco. During the face to face interviews, the researcher found out that gender biasness was insignificant to cause low performance of Walimu Sacco hence such issues were never raised as some of the ailments affecting efficiency to perform. Creswell (2014) contends that data collection that integrates responses from both genders is consistent than data from a single gender.

##

## **4.2.2. Age of the Respondents**

A descriptive analysis of the age of the different study participants was carried out and the results were as presented in table 4.3 below.

**Table 4.3: Age of Respondents**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | 20-39 | 67 | 40.6 | 40.6 |
| 40-59 | 88 | 53.3 | 93.9 |
| 60+ years | 10 | 6.1 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 4.3, 67(40.6%) of the respondents were between the 20-39 years, and 88(53.3%) of the respondents were between 40-59 years of age while the minority 10(6.1%) of the respondents were 60 and above years of age. This meant that the majority of respondents (who took part in the study) were ages 40-59. During the interview sessions, it was noticed that employees/Sacco members in this age bracket (40-59) had more attachment to their Sacco and had hands-on experience in their respective departments. It was implied that such employees and Sacco members were more motivated to perform. It is also a justification that the respondents belonged to the active age bracket and were expected to have superior performance for better financial performance of Walimu Sacco.

These findings are supported by Amin (2005), who asserted, if majority age of the respondent is above 18 years, it adds value to the study since the responses given by mature people are well thought through. It is also in agreement with the findings by Price (2006) who maintained that there are two natural age peaks correlated to entrepreneurship, namely the late twenties and mid-forties. The study findings are almost similar to a study done in America by Muijanack, Vroonhof and Zoetmer (2003) who determined that the optimum age for entrepreneurs was 25-35. The age of 25-35 is therefore the age at which entrepreneurial capacity of the respondents was active as shown in above table.

## **4.2.3. Marital Status of the Respondents.**

The study also established the marital status of the respondents, the table 4.4 shows the results relating to the marital status.

**Table 4.4: Marital Status of the Respondents**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Married | 110 | 66.6 | 66.6 |
| Single | 45 | 27.3 | 93.9 |
| Widowed | 10 | 6.1 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 4.4, 110(66.6%) of the respondents were between were married and 45(27.3%) of the respondents were single while 10(6.1%) of the respondents h were widowed. The gender distribution of the respondents implies that of the employees and Sacco members are married implying that most respondents in the study had high levels of maturity and integrity used in the execution of duties at Walimu Sacco. And therefore the question of low maturity and instability in the execution of duties did not apply

## **4.2.4. Level of Education of the Respondents**

Quantitative analysis of the level of education of the participants was considered and presented in tale 4.5 below.

**Table 4.5: Education Level of the Respondents**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Certificate  | 33 | 20.0 | 20.0 |
| Diploma  | 49 | 29.7 | 49.7 |
| Bachelors | 73 | 44.2 | 93.9 |
| Post Graduate Degrees | 10 | 6.1 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 4.5, 33(20%) of the respondents holding certificates in various courses, 49(29.7%) of the respondents had diplomas in various fields and 73(44.2%) of the respondents had Bachelor’s Degree while 10(6.2%) had done post graduate degrees in various fields. Majority of respondents (44.2%) were degree holders, this therefore implying that the respondents had acquired a reasonable level of knowledge about the subject under study. The results also indicated that the information got during the research can be depended on as majority of the respondents were educated with capability of internalizing issues and making independent decisions, which is one factor for better performance. This is in line with Fujii, (2017) investigations in social science research should have some acceptable level of learning in order for them to interpret the content of the study. Uma (2000) who argued that it is important in social investigation research to involve people that have attained an acceptable level of literacy and numeracy in order to be in position to understand and interpreted the content in questionnaire.

## **4.2.5. Position of the Respondents in the Sacco**

Quantitative analysis of the position held in the Sacco by the participants was considered and presented in tale 4.6 below.

**Table 4.6: Position of the Respondents in the Sacco**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Board Member  | 02 | 1.2 | 1.2 |
| Manager | 03 | 1.8 | 3.0 |
| Supervisor | 10 | 4.2 | 7.2 |
| Non-Supervisory Staff | 31 | 18.9 | 26.1 |
| Sacco Member | 122 | 73.9 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 4.6, 02(1.2%) of the respondents were Board members in the Sacco, 03(1.8%) of the respondents were managers in the Sacco, 10(4.2%) of the respondents were supervisors in the Sacco and 31(18.9%) were non-supervisory staff, while 122(73.9%) were members of the Sacco. Majority of respondents (73.9%) were members of the Sacco, implying that the study findings had acquired from the end users of the Sacco’s services, who were kin at the managerial competence and performance of the Sacco. The results also indicated that the information got during the research can be depended on as majority of the respondents were the end users of the Sacco’s services.

## **4.2.6. Working Experience**

Respondents were asked about their working experience and the study findings are indicated in 4.7 below;

**Table 4.7: Working Experience of the Respondents**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | 1-5 years | 48 | 29.2 | 29.2 |
| 6-10 years | 89 | 53.9 | 83.1 |
| 11+ years | 28 | 16.9 | **100.0** |
| **Total** | **185** | **100.0** |  |

***Source: Primary data (2021)***

Results from table 4.7 above indicate that 48(29.2%) of the respondents had worked worked/received services from Walimu Sacco for a period between 1-5 years and 89(53.9%) had worked worked/received services from Walimu Sacco for a period between 6-10 years while 28(16.9%) had worked worked/received services from Walimu Sacco for over 11 and above years. The highest representation was (53.9%), which implied that most of the employees and members of Walimu Sacco in Kampala City had enough working/membership experience to help them execute their duties satisfactorily. In analyzing managerial competence and performance of the Sacco, the question of less experience did not apply. The staff of the Sacco had all the experience with the operations of the Sacco thus better performance. This result is consistent with previous empirical studies on the age of enterprises in South Africa by Rwigema and Karungu (1999), in a study of enterprises in Johannesburg, stipulate that forty seven percent (47%) of enterprises surveyed had operated between one and ten years.

# CHAPTER FIVE

# EFFECT OF SKILLS ON PERFORMANCE OF WALIMU SACCO.

## **5.0. Introduction**

The study findings and analysis are presented in this chapter. The purpose of the study was to examine the effect of managerial competence on performance of Walimu Sacco at their Headquarters in Kampala. The discussions of the study findings were done in line with the study objective.

One of the study objectives was to examine the effect of skills on performance of Walimu Sacco. As indicated in the research methodology, the data was collected using a closed ended questionnaire under different statements and the results of analysis are presented in the table below;

## **5.1. I have maintained sufficient materials and skills to perform my duties**

The respondents were asked whether they had maintained sufficient materials and skills to perform their duties researcher saw that there was idealized influence of leaders on their staff and the results attained are presented in table 5.1 below;

## **Table 5.1: I have maintained sufficient materials and skills to perform my duties**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 15 | 9.1 | 9.1 |
| Disagree | 44 | 26.7 | 35.8 |
| Agree | 74 | 44.8 | 80.6 |
| Strongly Agree | 32 | 19.4 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 5.1, 15(9.1%) of the respondents strongly disagreed with the statement; 44(26.7%) of the respondents disagreed with the statement and 74(44.8%) of the respondents agreed with the statement, while 32(19.4%) of the respondents strongly agreed with the statement. The majority of the respondents, 44.8% generally agreed with the statement and this is an implication that employee skills are required for the staff of Walimu Sacco to maintain sufficient materials and skills to perform my duties. This is a confirmation that staffs need materials and skills to perform better at their duties.

## **5.2. I demonstrate self-confidence by getting involved in the areas that am good at**

The respondents were asked whether they demonstrated self-confidence by getting involved in the areas that they are good at. The results attained are presented in table 5.2 below;

## **Table 5.2: I demonstrate self-confidence by getting involved in the areas that am good at**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 18 | 10.9 | 10.9 |
| Disagree | 37 | 22.4 | 33.3 |
| Agree | 77 | 46.7 | 80.0 |
| Strongly Agree | 33 | 20.0 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 5.2, 18(10.9%) of the respondents strongly disagreed with the statement; 37(22.4%) of the respondents disagreed with the statement; none of the respondents were not sure of the statement and 77(46.7%) of the respondents agreed with the statement and none strongly agreed with the statement, while 33(20%) of the respondents strongly agreed with the statement. Indeed most of them, 46.7% agreed to that statement, implying that the majority of employees at Walimu Sacco demonstrated self-confidence by getting involved in the areas that they are good at.

One of the managerial staff was quoted saying, *“Any business with confident staff is a bonus to its performance since customers are assured of great services. Employees should therefore use such organizational skills when at work in order to boost performance.”*

## **5.3. I use my skills to organize and deliver business initiatives**

The respondents were asked whether they used their skills to organize and deliver business initiatives. The results attained are presented in table 5.3 below;

**Table 5.3: I use my skills to organize and deliver business initiatives**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 25 | 15.2 | 15.2 |
| Disagree | 35 | 21.2 | 36.4 |
| Agree | 76 | 46.1 | 82.5 |
| Strongly Agree | 29 | 17.5 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021).***

According to the findings in table 5.3, 25(15.2%) of the respondents strongly disagreed with the statement; 35(21.2%) of the respondents disagreed with the statement; 76(46.1%) of the respondents agreed with the statement while 39(21.1%) of the respondents strongly agreed with the statement. Majority of the respondents, 76(46.1%) generally agreed with the statement. This means that majority of the respondents agreed that at Walimu Sacco, the staff used their skills to organize and deliver business initiatives.

##

## **5.4. Management trains the Sacco’s employees to acquire the necessary skills needed to perform their duties**

The respondents were asked whether management trained the Sacco’s employees to acquire the necessary skills needed to perform their duties. The results attained are presented in table 5.4 below;

**Table 5.4: Management trains the Sacco’s employees to acquire the necessary skills needed to perform their duties**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 30 | 18.2 | 18.2 |
| Disagree | 40 | 24.2 | 42.4 |
| Agree | 69 | 41.8 | 84.2 |
| Strongly Agree | 26 | 15.8 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 5.4, 30(18.2%) of the respondents strongly disagreed with the statement; 40(24.2%) of the respondents disagreed with the statement; none of the respondents was not sure of the statement response; 69(41.8%) of the respondents agreed with the statement; while 26(15.8%) of the respondents strongly agreed with the statement. The largest percentage of the respondents, 41.8% generally agreed with the statement. This means that management at Walimu Sacco trained the Sacco’s employees to acquire the necessary skills needed to perform their duties.

In regard to the effectiveness of training practices in the Sacco, one of the supervisors said, *“Employee training practices in this directorate are very effective in terms of drive employee job satisfaction, productivity gains, commitment, and efficiency and organizational effectiveness.”*

Another member of the managerial staff was quoted saying, *“We train our staff, because training helps employees learn new working skills and also polish on the already existing skills.”*

**5.5. I possesses skills to enable me perform at a high capacity**

The respondents were asked whether they possessed skills to enable them perform at a high capacity. The results attained are presented in table 5.5 below;

**Table 5.5: I possesses skills to enable me perform at a high capacity.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 25 | 15.2 | 15.2 |
| Disagree | 31 | 18.8 | 34.0 |
| Agree | 89 | 53.9 | 87.9 |
| Strongly Agree | 20 | 12.1 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 5.5, 25(15.2%) of the respondents strongly disagreed with the statement; 31(18.8%) of the respondents disagreed with the statement; none of the respondents was not sure of the statement response; 89(53.9%) of the respondents agreed with the statement; while 20(12.1%) of the respondents agreed with the statement. Majority of respondents, 89(53.9%) generally disagreed with the statement, which implied that majority of the staff of Walimu Sacco possessed skills to enable them perform at a high capacity.

It was observed by one of the supervisors that, *“A few techniques and platforms for employee training which offered to staff have improved their satisfaction, commitment, product quality and quantity, lowering turn over costs among others.”*

## **5.6. I am trustworthy in my dealings with the customers**

The respondents were asked whether they were trustworthy in their dealings with the customers. The results attained are presented in table 5.6;

**Table 5.6: I am trustworthy in my dealings with the customers**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Disagree | 47 | 28.5 | 28.5 |
| Agree | 87 | 52.7 | 81.2 |
| Strongly Agree | 31 | 18.8 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 5.6, 47(28.5%) of the respondents disagreed with the statement; 87(52.7%) of the respondents agreed with the statement and 31(18.8%) of the respondents strongly agreed with the statement. The largest percentage of the respondents, 52.7% generally agreed with the statement. This means that majority of the respondents (staff) were trustworthy in their dealings with the customers.

## **5.7. Management provides mutual support and a mentoring environment to the employees**

The respondents were asked whether management provided mutual support and a mentoring environment to the employees. The results attained are presented in table 5.7 below;

**Table 5.7: Management provides mutual support and a mentoring environment to the employees**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Disagree | 47 | 28.5 | 28.5 |
| Agree | 87 | 52.7 | 81.2 |
| Strongly Agree | 31 | 18.8 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 5.7, 47(28.5%) of the respondents disagreed with the statement; none of the respondents was not sure of the statement response; 87(52.7%) of the respondents agreed with the statement and 31(18.8%) of the respondents strongly agreed with the statement.

The largest percentage of the respondents, 87(52.7%) generally agreed with the statement. This implied that management at Walimu Sacco provided mutual support and a mentoring environment to the employees.

However while interacting with the staff, one of them was quoted saying, *“Some managers find it hard to adjust their departmental businesses with the revolution of employee training techniques applications simply with the assumption that such participation involves complete re-design of their organizations strategy.”*

## **5.8. I am honest and treat other employees well**

The respondents were asked whether they were honest and treated other employees well and the results attained are presented in table 5.8 below;

**Table 5.8: I am honest and treat other employees well**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Disagree | 25 | 15.2 | 15.2 |
| Agree | 117 | 70.9 | 86.1 |
| Strongly Agree | 23 | 13.9 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 5.8, none of the respondents strongly disagreed with the statement; 25(15.2%) of the respondents disagreed with the statement; none of the respondents was not sure of the statement response; 117(70.9%) of the respondents agreed with the statement; while 23(13.9%) of the respondents agreed with the statement. Majority of respondents, 70.9% generally disagreed with the statement. This means that majority of the respondents (staff) at Walimu Sacco were honest and treated other employees well.

## **5.9. Training of employees in skill development is done in our Sacco**

The respondents were asked whether training of employees in skill development was done their Sacco. The results attained are presented in table 5.9 below;

**Table 5.9: Training of employees in skill development is done in our Sacco**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Disagree | 54 | 32.7 | 32.7 |
| Agree | 78 | 47.3 | 80.0 |
| Strongly Agree | 33 | 20.0 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 5.9, none of the respondents strongly disagreed with the statement; 54(32.7%) of the respondents disagreed with the statement; none of the respondents was not sure of the statement response; 78(47.3%) of the respondents agreed with the statement; while 33(20%) of the respondents agreed with the statement. A relative number of respondents, 78(47.3%) generally agreed with the statement. This means that training of employees in skill development was done their Sacco, a factor that improves their performance and the general performance of the Sacco.

One of the managerial staff was quoted saying, *“Employee training encompasses position/profile management, efficiency and effective organizational performance and management, and benefits administration, and because the activities of Sacco deal with efficient service delivery, it touches just about every substantive fact of the Sacco.”*

# 5.10. The Effect of Skills on Performance of Walimu Sacco

The first hypothesis was that there was no positive significant effect of skills on performance Walimu Sacco. To determine the degree of the effect, a Pearson’s correlation coefficient analysis was run as follows;

**Table 5.10: Correlation for the Skills on Performance of Walimu Sacco**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Skills** | **Performance** |
| Skills | Pearson Correlation | 1 | .724\*\* |
|  | Sig. (2-tailed) |  | .000 |
|  | N | 165 |  |
| Performance | Pearson Correlation | .724\*\* | 1 |
|  | Sig. (2-tailed) | .000 |  |
|  | N | 165 | 110 |
| **\*\*. Correlation is significant at the 0.01 level (2-tailed).** |  |

***Source: Primary data (2021)***

Pearson’s Correlation Coefficient for the effect of skills on performance of Walimu Sacco was r = 0.724, which was positive with probability value (p = 0.000) that is less than α = 0.01 level of significance, indicating a significant positive effect of skills on performance of Walimu Sacco. The results provide justification that if management of Walimu Sacco improved their managerial competence through effective skills, this would enhance the level of performance of the Sacco by 72.4% as illustrated in table 5.10 above.

The hypothesis of the study under investigation was, that there was no statistical positive effect of skills on performance of Walimu Sacco. However, skills had a significant positive effect on performance of Walimu Sacco by 72.4%. Since the correlation was found to be significant, the null hypothesis (Ho) was rejected and the alternate hypothesis (H1) which recognizes the existence of significant relationship between skills and performance of Walimu Sacco was accepted

# CHAPTER SIX

# EFFECT OF KNOWLEDGE ON PERFORMANCE OF WALIMU SACCO

##

## **6.0. Introduction**

The third objective of the study was to examine the effect of knowledge on performance of Walimu Sacco. The frequency and percentage scores were computed using SPPS as presented below.

## **6**.1. We usually gather up-to- date information required to perform duties

Respondents were asked whether they usually gathered up-to- date information required to perform duties, the results obtained are presented in table 6.1 as below;

**Table 6.1: We usually gather up-to- date information required to perform duties**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 20 | 12.2 | 12.2 |
| Disagree | 39 | 23.6 | 35.8 |
| Agree | 75 | 45.5  | 81.3 |
| Strongly Agree | 31 | 18.7 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 6.1, 20(12.2%) of the respondents strongly disagreed with the statement; 39(23.6%) of the respondents disagreed with the statement; none of the respondents were not sure of the statement response; 75(45.5%) of the respondents agreed with the statement; 31(18.7%) of the respondents strongly agreed with the statement. The largest percentage of the respondents, 75(45.5%) generally agreed with the statement and this implies that majority of the staff at Walimu Sacco usually gather up-to- date information required to perform duties.

## **6.2. I am aware of the market forces and know where to market our services at a favourable price**

The respondents were asked whether they aware of the market forces and knew where to market their services at a favourable price. The results attained are presented in table 4.16;

**Table 6.2: I am aware of the market forces and know where to market our services at a favourable price**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 23 | 13.9 | 13.9 |
| Disagree | 68 | 41.3 | 55.2 |
| Agree | 51 | 30.9 | 86.1 |
| Strongly Agree | 23 | 13.9 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 6.2, 23(13.9%) of the respondents strongly disagreed with the statement; 68(41.3%) of the respondents disagreed with the statement, 60(32.4%) agreed with the statement; 51(30.9%) of the respondents strongly agreed with the statement. The largest percentage of the respondents, 23(13.9%) generally disagreed with the statement. This means that a good number of the staff at Walimu Sacco was not aware of the market forces and knew where to market their services at a favourable price.

While interacting with the managerial staff, one was quoted saying, *“Employees need to continuously carry out market analysis in order to keep truck of the market dynamics and hence venture into good investment ventures that are profitable both in the long term and short term period.*

## **6.3. I know the available markets and their conditions and identify the most competitive market**

The respondents were asked whether they knew the available markets and their conditions and identified the most competitive market and the results attained are presented in table 6.3 below.

**Table 6.3: I know the available markets and their conditions and identify the most competitive market**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 52 | 31.5 | 31.5 |
| Agree | 78 | 47.3 | 78.8 |
| Strongly Agree | 35 | 21.2 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 6.3, none of the respondents of the respondents strongly disagreed with the statement; 52(31.5%) disagreed with the statement; none of the respondents were not sure of the statement response; 78(47.3%) agreed and 35(21.2%) of the respondents strongly agreed with the statement. This means that majority of the respondents asserted that they knew the available markets and their conditions and identified the most competitive market.

## **6.4. I have good team management skills; I step aside and gives others an opportunity to perform similar duties**

The respondents were asked whether they had good team management skills; they stepped aside and gave others an opportunity to perform similar duties. The results attained are presented in table 4.4;

**Table 6.4: I have good team management skills; I step aside and gives others an opportunity to perform similar duties**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 21 | 12.7 | 12.7 |
| Disagree | 38 | 23.1 | 35.8 |
| Agree | 78 | 47.3 | 83.1 |
| Strongly Agree | 28 | 16.9 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

Findings from table 6.4 indicates that, 21(12.7%) of the respondents strongly disagreed with the statement; 38(23.1%) of the respondents disagreed with the statement; 78(47.3%) agreed to the statement and 28(16.9%) of the respondents strongly agreed with the statement. The largest percentage of the respondents, 78(47.3%) generally agreed with the statement. This means that majority of the respondents (Staff) at Walimu Sacco had good team management skills; they stepped aside and gave others an opportunity to perform similar duties.

## **6.5.** **The staff knows what they are good at and what their weaknesses are**

The respondents were asked whether the staff knew what they were good at and what their weaknesses were. Results obtained are indicated as follows in table 6.5.

## **Table 6.5: The staff knows what they are good at and what their weaknesses are**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 20 | 12.1 | 12.1 |
| Disagree | 33 | 20.0 | 32.1 |
| Agree | 87 | 52.7 | 84.8 |
| Strongly Agree | 25 | 15.2 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 6.5, 20(12.1%) of the respondents strongly disagreed with the statement; 33(20%) of the respondents disagreed with the statement; none of the respondents were not sure, 87(52.7%) agreed whereas 25(15.2%) of the respondents strongly agreed with the statement. Majority of the respondents, 87(52.7%) generally disagreed with the statement. This means that majority of the respondents said that the staff of Walimu knew what they were good at and what their weaknesses were.

## **6.6. Staff establishes and maintains good working relationships with their customers and the bankers**

The respondents were asked whether staff established and maintained good working relationships with their customers and the bankers. Results obtained are indicated as follows in table 6.6.

**Table 6.6: Staff establishes and maintains good working relationships with their customers and the bankers**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 43 | 26.1 | 26.1 |
| Agree | 93 | 56.4 | 82.5 |
| Strongly Agree | 29 | 17.5 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

As shown in table 6.6, it is observed that the respondents that 43(26.1%) disagreed to the statement, none of the respondents were not sure, 93(56.4%) and 29(17.5%) strongly agreed. Majority of respondents as indicated, 93(56.4%) generally agreed implying that majority of the staff at Walimu Sacco established and maintained good working relationships with their customers and the bankers.

One of the supervisors said, *“There is need to establish and maintain good working relationships with customers and the bankers.”*

## **6.7. Staff comes up with new business ideas/innovations**

The respondents were asked whether the staff came up with new business ideas/innovations and the results attained are presented in table 6.7 below;

**Table 6.7: Staff comes up with new business ideas/innovations**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid  | Strongly Disagree | 15 | 9.1 | 9.1 |
| Disagree | 45 | 27.3 | 36.4 |
| Agree | 85 | 51.5 | 87.9 |
| Strongly Agree | 20 | 12.1 | **100.0** |
| Total | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 6.7, 15(9.1%) of the respondents strongly disagreed with the statement; 45(27.3%) of the respondents disagreed with the statement; none of the respondents were not sure of the statement response; 85(51.5%) of the respondents agreed with the statement and 20(12.1%) of the respondents strongly agreed with the statement. Results show that majority of respondents 85(51.5%) generally agreed with the statement. This implied that the staff at Walimu Sacco the staff came up with new business ideas/innovations.

## **6.8. Staff consults and gets external information from suppliers, buyers and competitors**

The respondents were asked whether whenever the staff consulted and got external information from suppliers, buyers and competitors and the results are contained in table 6.7 below.

**Table 6.8: Staff consults and gets external information from suppliers, buyers and competitors**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 23 | 13.9 | 13.9 |
| Disagree | 42 | 25.5 | 39.4 |
| Agree | 79 | 47.9 | 87.3 |
| Strongly Agree | 21 | 12.7 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 6.8, 23(13.9%) of the respondents strongly disagreed with the statement; 42(25.5%) of the respondents disagreed with the statement, 79(47.9%) agreed and 21(12.7%) strongly agreed with the statement. The largest percentage of the respondents, 79(47.9%) generally agreed with the statement. This means that majority of the respondents at agreed that the staff of Walimu Sacco the staff consulted and got external information from suppliers, buyers and competitors.

## **6.9. The staff is involved in determining the size of the product/service market**

The respondents were asked whether the staff was involved in determining the size of the product/service market. The results attained are presented in table 6.9 below;

**Table 6.9: The staff is involved in determining the size of the product/service market**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 25 | 15.2 | 15.2 |
| Disagree | 72 | 43.6 | 58.8 |
| Agree | 53 | 32.1 | 90.9 |
| Strongly Agree | 15 | 9.1 | **100.0** |
| Total | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 6.9, 25(15.2%) of the respondents strongly disagreed with the statement; 72(43.6%) of the respondents disagreed with the statement; none of the respondents were not sure of the statement response; 53(32.1%) of the respondents agreed with the statement and 15(9.1%) of the respondents strongly agreed with the statement. Results show that majority of respondents 72(43.6%) generally disagreed with the statement. This implied that the staff was never involved in determining the size of the product/service market.

One of the managerial staff was quoted saying, *“Knowledge is power and therefore, sharing information helps to empower staff and also gives them a chance to learn and improve their work performance.”*

#

# 6.10. The Effect of Knowledge on Performance of Walimu Sacco

The first hypothesis was that there was no positive significant effect of knowledge on performance Walimu Sacco. To determine the degree of the effect, a Pearson’s correlation coefficient analysis was run as follows;

**Table 6.10: Correlation for Knowledge and Performance of Walimu Sacco**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Knowledge** | **Performance** |
| Knowledge | Pearson Correlation | 1 | .657\*\* |
|  | Sig. (2-tailed) |  | .000 |
|  | N | 165 |  |
| Performance | Pearson Correlation | .657\*\* | 1 |
|  | Sig. (2-tailed) | .000 |  |
|  | N | 165 | 110 |
| **\*\*. Correlation is significant at the 0.01 level (2-tailed).** |  |

***Source: Primary data (2021)***

Pearson’s Correlation Coefficient for the effect of knowledge on performance of Walimu Sacco was r = 0.657, which was positive with probability value (p = 0.000) that is less than α = 0.01 level of significance, indicating a significant positive effect of knowledge on performance of Walimu Sacco. The results provide justification that if management of Walimu Sacco improved their managerial competence through effective knowledge, this would enhance the level of performance of the Sacco by 66% as illustrated in table 6.10 above.

The hypothesis of the study under investigation was, that there was no statistical positive effect of knowledge on performance of Walimu Sacco. However, knowledge had a significant positive effect on performance of Walimu Sacco by 66%. Since the correlation was found to be significant, the null hypothesis (Ho) was rejected and the alternate hypothesis (H1) which recognizes the existence of significant relationship between knowledge and performance was accepted.

# CHAPTER SEVEN

# EFFECT OF ATTITUDE ON PERFORMANCE OF WALIMU SACCO

## **7.0. Introduction**

The third objective of the study was to ascertain effect of Attitude on Performance of Walimu Sacco. The frequency and percentage scores were computed using SPPS as presented below.

## **7.1. Statements of Attitude on Performance of Walimu Sacco**

## **7.1.1. I am self-motivated and committed to my job description**

The respondents were asked whether they were self-motivated and committed to their job descriptions. The results attained are presented in table 7.1 below.

**Table 7.1: I am self-motivated and committed to my job description**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 10 | 6.1 | 6.1 |
| Disagree | 23 | 13.9 | 20.0 |
| Agree | 88 | 53.3 | 73.3 |
| Strongly Agree | 44 | 26.7 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 7.1, 10(6.1%) of the respondents strongly disagreed with the statement; 23(13.9%) of the respondents disagreed with the statement; none of the respondents were not sure, 88(53.3%) agreed and 44(26.7%) strongly agreed. Results show that majority, 88(53.3%) generally disagreed with the statement. This implied that majority of the respondents said that the staff at Walimu Sacco were self-motivated and committed to their job descriptions.

One of the managerial staff was quoted saying, *“Good attitude towards work helps one to be more motivated and committed to the job tasks in a company resulting into better performance generally.”*

## **7.1.2. I have a positive attitude towards my work**

The respondents were asked whether they had a positive attitude towards my work. And the results attained are presented in table 7.2.

**Table 7.2: I have a positive attitude towards my work**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 15 | 9.1 | 9.1 |
| Disagree | 23 | 13.9 | 23.0 |
| Agree | 89 | 53.9 | 76.9 |
| Strongly Agree | 38 | 23.1 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 7.2, 15(9.1%) of the respondents strongly disagreed with the statement; 23(13.9%) of the respondents disagreed with the statement; none were not sure, 89(53.9%) agreed and 38(23.1%) of the respondents strongly agreed with the statement. According to the results majority of respondents, 89(53.9%) generally agreed with the statement. This implied that majority of the staff at Walimu Sacco had a positive attitude towards their work.

## **7.1.3. I am a persistent person who is able to take on challenging work**

The respondents were asked whether they were persistent persons who were able to take on challenging work. The results attained are presented in table 7.3;

**Table 7.3: I am a persistent person who is able to take on challenging work**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 14 | 8.5 | 8.5 |
| Disagree | 39 | 23.6 | 32.1 |
| Agree | 79 | 47.9 | 80.0 |
| Strongly Agree | 33 | 20.0 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 7.3, 14(8.5%) of the respondents strongly disagreed with the statement; 39(23.6%) disagreed with the statement; none of the respondents were not sure and 79(47.9%) agreed while 33(20%) of the respondents strongly agreed with the statement. Majority of the respondents, 79(42.7%) generally disagreed with the statement. This implied that majority of the staff at Walimu Sacco were persistent persons who were able to take on challenging work.

One of the supervisors at the Sacco was quoted saying, *“A persistent person has the right attitude towards work, needs minimal supervision and can take on any job task with a positive work attitudes and this enhances a higher performance in the end.”*

**7.1.4. I have the ability to persevere in good and bad times**

The respondents were asked whether they had the ability to persevere in good and bad times and the results attained are presented in table 7.4;

**Table 7.4: I have the ability to persevere in good and bad times**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid | Strongly Disagree | 10 | 6.1 | 6.1 |
| Disagree | 38 | 23.0 | 29.1 |
| Agree | 82 | 49.7 | 78.8 |
| Strongly Agree | 35 | 21.2 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 7.4, 10(6.1%) of the respondents strongly disagreed with the statement; 38(23%) disagreed with the statement, none were not sure, 82(49.7%) of the respondents agreed and 35(21.2%) of the respondents strongly agreed with the statement. Majority of the respondents, 82(49.7%) generally agreed with the statement. This means that the staff at Walimu Sacco had the ability to persevere in good and bad times.

## **7.1.5. Management gives back to the customers in terms of gifts and lotteries is part of our Sacco**

Regarding whether management gave back to the customers in terms of gifts and lotteries is part of our Sacco, the results obtained are contained in table 7.5 below;

**Table 7.5: Management gives back to the customers in terms of gifts and lotteries is part of our Sacco**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 89 | 53.9 | 53.9 |
| Agree | 49 | 29.7 | 83.6 |
| Strongly Agree | 27 | 16.4 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

Results from table 7.5, 89(53.9%) disagreed, 49(29.7%) of the respondents agreed and 27(16.4%) of the respondents strongly agreed with the statement. Majority of the respondents, 89(48.1%) generally disagreed with the statement, implying that management at Walimu Sacco never gave back to the customers in terms of gifts and lotteries is part of our Sacco

**7.1.6. I give customers enough attention**

Respondents were asked whether they gave customers enough attention, results obtained are contained in table 7.6.

**Table 7.6: I give customers enough attention**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
| Valid  | Strongly Disagree | 15 | 9.1 | 9.1 |
| Disagree | 35 | 21.2 | 30.3 |
| Agree | 85 | 51.5 | 81.8 |
| Strongly Agree | 30 | 18.2 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

Results from table 7.6, 15(9.1%) strongly disagreed with the statement; 35(21.2%) disagreed, none of the respondents were not sure, 85(51.5%) of the respondents agreed and 30(18.2%) of the respondents strongly agreed with the statement. Majority of the respondents, 85(51.5%) generally agreed with the statement. This implied that majority of the respondents (Staff) at Walimu Sacco gave customers enough attention.

## **7.1.7. I listen to customer complaints**

Respondents were asked whether they listened to customer complaints and the results are presented in table 7.7 below.

**Table 7.7: I listen to customer complaints**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 29 | 17.6 | 17.6 |
| Agree | 89 | 53.9 | 71.5 |
| Strongly Agree | 47 | 28.5 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

Results from table 7.7, show that 29(17.6%) of the respondents disagreed with the statement; 89(53.9%) of the respondents agreed and 47(28.5%) of the respondents strongly agreed with the statement. The largest percentage of the respondents, 89(53.9%) generally agreed with the statement. This meant that majority of the respondents (Staff) at Walimu Sacco listened to customer complaints.

One of the supervisors at the Sacco was quoted saying, *“Some customers communicate their complaints to the company directly, this helps companies when they are carrying out individual assessments about their clients, helps them to improve and narrow the gaps that are existing, and finally, this boosts that performance of the company.”*

## **7**.1.8. I enjoy my work and have interest in it

When asked whether they enjoy their work and had interest in it, the following results were obtained;

**Table 7.8: I enjoy my work and have interest in it**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 32 | 19.4 | 19.4 |
| Agree | 88 | 53.3 | 72.7 |
| Strongly Agree | 45 | 27.3 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

Results from table 7.8, show that 32(19.4%) of the respondents disagreed with the statement, none was not sure, 88(53.3%) agreed with the statement and 45(27.3%) of the respondents strongly agreed with the statement. The majority of the respondents, 88(53.3%) generally disagreed with the statement. This implied that majority of the respondents (Staff) at Walimu Sacco enjoy their work and had interest in it.

## **7**.1.9. Management attitude influences the performance of the Sacco

When asked whether management attitude influenced the performance of the Sacco, the following results were obtained;

**Table 7.9: Management attitude influences the performance of the Sacco**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 29 | 17.6 | 17.6 |
| Agree | 91 | 55.2 | 72.8 |
| Strongly Agree | 45 | 27.2 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

Results from table 7.8, show that 29(17.6%) of the respondents strongly disagreed with the statement, none was not sure, 91(55.2%) agreed and 45(27.3%) of the respondents strongly agreed with the statement. The majority of the respondents, 91(55.2%) generally agreed with the statement. This implied that majority of the respondents at Walimu Sacco agreed that management attitude influenced the performance of the Sacco.

# 7.1.10. The Effect of Attitude on Performance of Walimu Sacco

The first hypothesis was that there was no positive significant effect of attitude on performance Walimu Sacco. To determine the degree of the effect, a Pearson’s correlation coefficient analysis was run as follows;

**Table 7.10: Correlation for the Skills on Performance of Walimu Sacco**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Attitude** | **Performance** |
| Attitude | Pearson Correlation | 1 | .582\*\* |
|  | Sig. (2-tailed) |  | .000 |
|  | N | 165 |  |
| Performance | Pearson Correlation | .582\*\* | 1 |
|  | Sig. (2-tailed) | .000 |  |
|  | N | 165 | 110 |
| **\*\*. Correlation is significant at the 0.01 level (2-tailed).** |  |

***Source: Primary data (2021)***

Pearson’s Correlation Coefficient for the effect of attitude on performance of Walimu Sacco was r = 0.582, which was positive with probability value (p = 0.000) that is less than α = 0.01 level of significance, indicating a significant positive effect of attitude on performance of Walimu Sacco. The results provide justification that if management of Walimu Sacco improved their managerial competence through positive and improved attitude, this would enhance the level of performance of the Sacco by 58.2% as illustrated in table 7.10 above.

The hypothesis of the study under investigation was, that there was no statistical positive effect of attitude on performance of Walimu Sacco. However, attitude had a significant positive effect on performance of Walimu Sacco by 58.2%. Since the correlation was found to be significant, the null hypothesis (Ho) was rejected and the alternate hypothesis (H1) which recognizes the existence of significant relationship between attitude and performance was accepted.

## **7.2. Level of Performance of Walimu Sacco.**

## **7.2.1. Overall, investment growth in quantity has been achieved in the last 2 years**

The respondents were asked whether overall, investment growth in quantity had been achieved in the last 2 years. The results attained are presented in table 7.11 below.

**Table 7.91: Overall, investment growth in quantity has been achieved in the last 2 years**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 85 | 51.5 | 51.5 |
| Agree | 56 | 33.9 | 85.4 |
| Strongly Agree | 25 | 14.5 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 7.11, 85(51.5%) of the respondents disagreed with the statement; none of the respondents were not sure and 56(33.9%) agreed, while 25(14.5) of the respondents strongly agreed with the statement. According to the results majority of respondents, 85(51.5%) generally disagreed with the statement. This implied that majority of the staff at Walimu Sacco felt that the overall, investment growth in quantity had not been achieved in the last 2 years.

## **7.2.2. Investment quantity has been steadily high in the last 6 months**

The respondents were asked whether investment quantity had been steadily high in the last 6 months. The results attained are presented in table 7.12 below.

## **Table 7.102:** **Investment quantity has been steadily high in the last 6 months**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 79 | 47.9 | 47.9 |
| Agree | 55 | 33.3 | 81.2 |
| Strongly Agree | 31 | 18.8 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 7.12, 79(47.9%) of the respondents disagreed with the statement; none of the respondents were not sure and 55(33.3%), while 31(18.8%) of the respondents strongly agreed with the statement. According to the results majority of respondents, 79(47.9%) generally disagreed with the statement. This means that majority of the staff at Walimu Sacco felt that investment quantity had not been steadily high in the last 6 months.

## **7.2.3. Investment intensity has been improving since the last 6 months**

The respondents were asked whether investment intensity had been improving since the last 6 months. The results attained are presented in table 7.13.

**Table 7.13: Investment intensity has been improving since the last 6 months**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 89 | 53.9 | 53.9 |
| Agree | 50 | 30.3 | 84.2 |
| Strongly Agree | 26 | 15.8 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 7.13, 89(53.9%) of the respondents disagreed with the statement; none of the respondents were not sure and 50(30.3%), while 26(15.8%) of the respondents strongly agreed with the statement. According to the results majority of respondents, 89(53.9%) generally disagreed with the statement. This means that majority of the staff at Walimu Sacco felt that investment intensity had not been improving since the last 6 months.

## **7.2.4. We have been meeting investment targets or expectations since last year**

The respondents were asked whether Walimu Sacco had been meeting investment targets or expectations since last year, the results attained are presented in table 7.14;

**Table 7.14: We have been meeting investment targets or expectations since last year**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 86 | 52.1 | 52.1 |
| Agree | 50 | 30.3 | 82.4 |
| Strongly Agree | 29 | 17.6 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 7.14, 86(52.1%) disagreed with the statement and 50(30.3%) agreed while 29(17.6%) of the respondents strongly agreed with the statement. Majority of the respondents, 86(52.1%) generally disagreed with the statement. This implied that majority of the staff at Walimu Sacco felt that Walimu Sacco had been meeting investment targets or expectations since last year.

**7.2.5. Customer base has steadily been increasing since last year**

The respondents/clients were asked whether customer base had steadily been increasing since last year. The results attained are presented in table 7.15;

**Table 7.15: Customer base has steadily been increasing since last year**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 87 | 52.7 | 52.7 |
| Agree | 45 | 27.3 | 80.0 |
| Strongly Agree | 33 | 20.0 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 7.15, 87(52.7%) disagreed with the statement and 45(27.3%) of the respondents agreed with the statement while 33(20%) of the respondents strongly agreed with the statement. A relatively good number of the respondents, 87(52.7%) generally disagreed with the statement. This implied that majority of the staff at Walimu Sacco felt that customer base had not steadily been increasing since last year.

## **7.2.6. Overall, business gross profit has grown in the past two years**

The respondents were asked whether overall business gross profit of Walimu Sacco had grown in the past two years. The results attained are presented in table 7.16;

**Table 7.16: Overall, business gross profit has grown in the past two years**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 63 | 38.2 | 38.2 |
| Not Sure | 20 | 12.1 | 50.3 |
| Agree | 45 | 27.3 | 77.6 |
| Strongly Agree | 37 | 22.4 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

According to the findings in table 7.15, 63(38.2%) disagreed with the statement, 20(12.1%) were not sure, 45(27.3%) of the respondents agreed with the statement while 37(22.4%) of the respondents strongly agreed with the statement. Majority of the respondents, 66(35.7%) generally disagreed with the statement. This meant that majority of the staff at Walimu Sacco felt that overall, business gross profit of Walimu Sacco had not grown in the past two years.

While interacting with the managerial staff, one of them was quoted saying, *“The Sacco as a whole is experiencing reduced increase in its profit basis, this has majorly been caused by the effects of Covid-19 pandemic and this not a good indicator of development and growth.”*

## **7.2.7. We are able to fund business growth from retained profits of last year**

Regarding whether they were able to fund business growth from retained profits of last year, the results obtained are contained in table 7.17 below;

**Table 7.17: We are able to fund business growth from retained profits of last year**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 84 | 50.9 | 50.9 |
| Agree | 51 | 30.9 | 81.8 |
| Strongly Agree | 30 | 18.2 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

Results from table 7.17, 84(50.9%) disagreed with the statement, 51(30.9%) of the respondents agreed with the statement, while 30(18.2%) of the respondents strongly agreed with the statement. Majority of the respondents, 84(50.9%) generally disagreed with the statement, implying that majority of the staff at Walimu Sacco asserted that were not able to fund business growth from retained profits of last year.

## **7.2.8. We budget to forecast costs and revenues to meet monthly operations**

Respondents were asked whether they budgeted to forecast costs and revenues to meet monthly operations. The results obtained are contained in table 7.18.

**Table 7.18: Staff always report at work in time**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 36 | 21.8 | 21.8 |
| Not Sure | 17 | 10.3 | 32.1 |
| Agree | 71 | 43.1 | 75.2 |
| Strongly Agree | 41 | 24.8 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

Results from table 7.15, 36(21.8%) disagreed with the statement, 17(10.3%) of the respondents were not sure, 71(43.1%) of the respondents agreed while 41(24.8%) of the respondents strongly agreed with the statement. Majority of the respondents, 71(43.1%) generally agreed with the statement. This implied that majority of the staff at Walimu Sacco felt agreed that budgeted to forecast costs and revenues to meet monthly operations.

One of the supervisors had this to say, *“The staffs of Walimu Sacco here at the Headquarters work within their budget means and hence this helps them to forecast costs and revenues.”*

## **7.2.9. Overall financial performance and future outlook is encouraging**

Respondents/clients were asked whether overall financial performance and future outlook was encouraging. The results are presented in table 7.19 below.

**Table 7.19: Overall financial performance and future outlook is encouraging**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Disagree | 77 | 46.7 | 46.7 |
| Agree | 51 | 30.9 | 77.6 |
| Strongly Agree | 37 | 22.4 | **100.0** |
| **Total** | **165** | **100.0** |  |

***Source: Primary data (2021)***

Results from table 7.19, show that 77(46.7%) of the respondents disagreed, 51(30.9%) agreed with the statement, while 37(22.4%) of the respondents strongly agreed with the statement. The largest percentage of the respondents, 77(46.7%) generally disagreed with the statement. This implied that majority of the staff at Walimu Sacco felt that overall financial performance and future outlook was not encouraging.

# CHAPTER EIGHT

# DISCUSSION OF STUDY FINDINGS

## **8.0. Introduction**

This chapter presents the discussion of study findings in line with the study findings and correlates with findings of other scholars on effect of managerial competence in form of, skills, knowledge and attitude on performance of Walimu Sacco in Kampala.

## **8.1. The Effect of Skills on Performance of Walimu Sacco**

Under objective one, the study sought to examine the effect of skills on performance of Walimu Sacco. The correlation results indicated a significant positive effect of skills on performance of Walimu Sacco (r = 0.724 with probability value (p = 0.000) which implied that managerial skills explained performance of Walimu Sacco by 72.4%.

While assessing Skills attribute, it was analyzed using different statements and the outcomes of analysis were; 44.8% agreed that employee skills are required for the staff of Walimu Sacco to maintain sufficient materials and skills to perform my duties; majority of employees at Walimu Sacco (46.7%) demonstrated self-confidence by getting involved in the areas that they are good at and majority of the respondents (staff) (46.1) agreed that at Walimu Sacco, the staff used their skills to organize and deliver business initiatives. However, a relative number of the respondents (41.8%) said that that management at Walimu Sacco trained the Sacco’s employees to acquire the necessary skills needed to perform their duties and that training of employees in skill development was done their Sacco, a factor that improves their performance and the general performance of the Sacco. This is an implication therefore, that improvement of managerial skills was practiced relatively at Walimu Sacco, despite its significant effect on the Sacco’s performance.

This study agreed with the findings of Mmari1 and Thinyane (2019) who argued that lack of managerial experience, skills and personal qualities as well as other factors such as adverse economic conditions, poorly thought out business plans and resource starvation are found as the main reasons why new firms fail. This is because through skills like good interpersonal skills, an organization can get a great deal of customers, leading to increased sales and hence increase in investment returns. In addition, much as one needs education, to get a basic office job, experience is gained over time at work, however, for some technical aspects like risk assessment in loan portfolios, one needs employees with skilled labor to perform the job (Kambura, 2018) hence, in this study, employee skills was a critical factor needed to enhance financial performance at Walimu Sacco.

The provision of skills and incentives in MFIs was emphasized by Bentler and Staines (2021) who observed that besides designing effective screening tools, it is also important to provide staff with the skills and incentives to properly implement them. They further claim that some micro lenders have a strong screening process but the staff members are not well trained on how to use these tools effectively, or even more commonly, social pressures may encourage loan officers to take short cuts with the assessment process to achieve the volume targets. Kambura (2018) evaluate managerial competencies as measured by the education of the founder, managerial experience, entrepreneurial experience, start-up experience and functional area experience versus new venture performance. The results show that relative profits tend to be high when an entrepreneur has more education and experience in the line of business.

## **8.2. The Effect of Knowledge on Performance of Walimu Sacco**

Under objective two, the study sought to examine the effect of knowledge on performance of Walimu Sacco. The correlation results indicated a significant positive effect of knowledge on performance (r = 0.657 with probability value (p = 0.000) which implied that knowledge explained performance of Walimu Sacco by 66%.

While assessing knowledge attribute, the researcher used various statements which were analyzed and the results revealed that; majority of the respondents (45.5%) agreed that that majority of the staff at Walimu Sacco usually gather up-to- date information required. And 56.4% asserted that the staff at Walimu Sacco established and maintained good working relationships with their customers and the bankers. However, a good number of the staff at Walimu Sacco (30.9%) was not aware of the market forces and knew where to market their services at a favourable price. And majority of the respondents (52.7%), said that the staff of Walimu knew what they were good at and what their weaknesses were.

This is in agreement with Ng and Kee (2018) who assert that business owners to be perform well until they become managers; this is the problems starts unless they possess the acquired knowledge about managerial competencies inform of knowledge about how to maintain and run the business. Moreau and Mertens (2019) emphasize that for knowledge to be effective and managerial, necessitates the ability to visualize the entire organization and its relationships and understand how organizations can fit into the wider perspective as perceived at different level. Nkuru (2015) noted that Sacco should employ staff and managers who have knowledge and hence are competent and able to work as required and assigned. The employees especially the managers will emphasize performance in the Sacco which will result into increased sales, investment returns and profits.

Besides, Zacca and Dayan (2018) observe that every organization has a human resource base and each organization has a built and defined by these people. They further urge that the quality of these people is determined by the degree of effectiveness an organization can achieve in all the other areas. There is also need for these people to show qualitative skills like commitment and motivation, this way, people can be able to work together and support each other which is good for a healthy organization.

## **8.3. The Effect of Attitude on Performance of Walimu Sacco**

Under objective three the study sought to ascertain effect of attitude on performance of Walimu Sacco. The correlation results indicated a significant positive effect of managerial attitude on performance (r = .582 with probability value (p = 0.000) which implied that if management of Walimu applied positive and improved managerial attitude, this would increase the level of performance of Walimu Sacco by 58.2%.

Attitude was measured using different variables which were later analyzed and the result of analysis revealed that; majority of the respondents (53.3%) asserted that the staff at Walimu Sacco were self-motivated and committed to their job descriptions and that the staff at Walimu Sacco had a positive attitude towards their work (53.9%). 42.7% said that the staff at Walimu Sacco were persistent persons who were able to take on challenging work and that that the staff at Walimu Sacco had the ability to persevere in good and bad times that the staff at Walimu Sacco had the ability to persevere in good and bad times (49.7%).

In line with the findings of Kambura (2018) who argues that if an employee is aware of his competence for example having the right attitude to communicate or interact with each other, then performance can be improved and achieved. Competencies help employees to possess a certain behavior much as he/she might hesitate in using them at work either because of a belief that they can’t be of help in the successful completion of tasks or because they have a bad attitude towards his/her supervisor might result into inferior performance.

Furthermore, Sackey and Falthalm (2019) asserted that emotional intelligence enhances altruistic behavior enabling employees to comprehend their co-workers feelings and to respond better than people with low emotional intelligence. Olawale (2014) suggested three explanations for the engagement of an emotionally intelligent individual in an altruistic behavior. First, being in a good mood is reinforcing and displacing altruism in rewarding in a sense that it enables employees to also maintain their state of mind. Secondly people in good moods may be socially interactive and finally, when employing people, they will have both positive attitudes and emotional reactions to the job, and this means that they might be likely to be more.

# CHAPTER NINE

# SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

## **9.0. Introduction**

This chapter presents the summary on the effect of managerial competence on performance of Walimu Sacco, basing on the findings from the study. The data were analyzed inform of tables which were used to test the relationship between the independent variable (managerial competence) and the dependent variable (performance of Walimu Sacco).

## **9.1. Summary of study findings**

## **9.1.1. The Effect of Skills on Performance of Walimu Sacco**

From the findings it can be noted that managerial skills enhanced the performance of Walimu Sacco by 72.4%, most situations were employee skills are implemented then performance was high. Employee skills are important in managerial competence and performance, therefore managerial competence is important in performance. As noted, skills were actually found to be the blood through which performance can be attained. When skilled manual labor is applied, together with integrity of the employees, then performance in an organization can be realized. Skills are only useful if staffs are consistent and honest, hardworking and then they can be able to achieve the organizational goals and objectives.

##  **9.1.2. The Effect of Knowledge on Performance of Walimu Sacco**

The results also indicated effective managerial knowledge enhanced the performance of Walimu Sacco by 66%. Walimu Sacco need to hire workers who are knowledgeable and have good qualifications especially in the top level management areas since higher skilled manpower supports innovation and more sophisticated production processes which lead to quality products and increased performance. Knowledge competencies provide a bench mark for comparing actual performance with the desired performance.

## **9.1.3. The Effect of Attitude on Performance of Walimu Sacco**

Positive and improved managerial attitude enhanced the performance of Walimu Sacco by 58.2.4%. Therefore, employees should have the right attitude in order to enable them learn new strategies for improving the financial performance of Walimu Sacco. There is need to involve staff in decision making that affects them, provide clarity about behavioral expectations, create opportunities for positive attitude, use a feedback process and finally, align systems to support the new desired behaviors for improved financial performance of Walimu Sacco.

## **9.2. Conclusions**

From the above summary of findings, the following conclusions were made. The study conclusions and recommendations were to examine how managerial competence on performance of, skills, knowledge and attitude affect the performance of Walimu Sacco in Kampala. These are detailed as follows;

## **9.2.1. The Effect of Skills on Performance of Walimu Sacco**

From the analysis given in the discussion of findings, it is noted that the respondents confirmed that managerial skills enhanced performance of Walimu Sacco, in particular as evidenced by the positive significant correlation value of .724 and this shows that effective application of managerial skills can enhance performance of Walimu Sacco by 72.4% which was the highest among the factors under study.

## **9.2.2. The Effect of Knowledge on Performance of Walimu Sacco**

And from the analysis given in the discussion of findings, it is noted that the respondents confirmed that managerial knowledge enhanced performance of Walimu Sacco, in particular as evidenced by the positive significant correlation value of 0.657 and this shows that effective application of managerial knowledge can also enhance performance of Walimu Sacco by 66%

## **9.2.3. The Effect of Attitude on Performance of Walimu Sacco**

Lastly, from the analysis given in the discussion of findings, it is noted that the respondents confirmed that managerial attitude enhanced performance of Walimu Sacco, in particular as evidenced by the positive significant correlation value of 0.582 and this shows that effective application of managerial attitude can also enhance performance of Walimu Sacco by 58.2%

## **9.3. Recommendations**

Basing on the findings of the study, the researcher found it prudent to make a few recommendations which are deemed important to guide the readers and policy makers as they use this research work and in order that microfinance industry and Walimu Sacco in particular may use it to achieve potential performance through improved application of effective managerial competence.

## **9.3.1. The Effect of Skills on Performance of Walimu Sacco**

With regard to the first objective, employee skills are needed to help build financial performance in the Sacco. Walimu Sacco should endeavor to train its staff as this will increase performance. . Ministry of finance and economic development should develop a consultancy and advocacy especially the ministry in charge of Sacco at their various grass root levels. This should be for purposes of consulting, advising and designing programs to fill the gaps between the actual situation and the desired one., coaching, guiding and training people at different levels in the Sacco.

## **9.3.2. The Effect of Knowledge on Performance of Walimu Sacco**

Employees of Walimu Sacco should be offered management and supervisory skills and know- how, defining the company mission statement, goals, and objectives. This will help the managers to achieve the desired goals, objectives and vision. Identifying regular trainings of managers on managerial competencies and how it can lead to increased performance, is necessary if superior performance outcome is to be achieved.

## **9.3.3. The Effect of Attitude on Performance of Walimu Sacco**

There is need to improve on the skills and attitude of the employees so that performance is also enhanced. Developing management and supervisory skills and know-how, defining the company mission statement, goals, and objectives and hence helping managers to achieve the desired goals, objectives and vision. Besides, there is need to identify regular trainings of managers on managerial competencies and how it can lead to increased performance, increased employee motivation which in turn increases financial performance in the company.

## **9.4. Suggested Areas for further research**

With the findings of the study together with the conclusions drawn on each of the study objectives, limitations and recommendations, there are opportunities for further research that would give insight into areas of managerial competence and performance of Saccos in Uganda and these include;

Further studies should be conducted to include the many other Saccos in the country, stressing how managerial competencies differ from one Sacco to another.

Future research would look at governance policies and their effect on Saccos performance using Walimu Sacco as a case study using before and after study design.

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**APPENDENCES**

**APPENDIX I: TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| N  | S  | N  | S  | N  | S  | N  | S  | N  | S  |
| 10  | 10  | 100  | 80  | 280  | 162  | 800  | 260  | 2800  | 338  |
| 15  | 14  | 110  | 86  | 290  | 165  | 850  | 265  | 3000  | 341  |
| 20  | 19  | 120  | 92  | 300  | 169  | 900  | 269  | 3500  | 346  |
| 25  | 24  | 130  | 97  | 320  | 175  | 950  | 274  | 4000  | 351  |
| 30  | 28  | 140  | 103  | 340  | 181  | 1000  | 278  | 4500  | 354  |
| 35  | 32  | 150  | 108  | 360  | 186  | 1100  | 285  | 5000  | 357  |
| 40  | 36  | 160  | 113  | 380  | 191  | 1200  | 291  | 6000  | 361  |
| 45  | 40  | 170  | 118  | 400  | 196  | 1300  | 297  | 7000  | 364  |
| 50  | 44  | 180  | 123  | 420  | 201  | 1400  | 302  | 8000  | 367  |
| 55  | 48  | 190  | 127  | 440  | 205  | 1500  | 306  | 9000  | 368  |
| 60  | 52  | 200  | 132  | 460  | 210  | 1600  | 310  | 10000  | 370  |
| 65  | 56  | 210  | 136  | 480  | 214  | 1700  | 313  | 15000  | 375  |
| 70  | 59  | 220  | 140  | 500  | 217  | 1800  | 317  | 20000  | 377  |
| 75  | 63  | 230  | 144  | 550  | 226  | 1900  | 320  | 30000  | 379  |
| 80  | 66  | 240  | 148  | 600  | 234  | 2000  | 322  | 40000  | 380  |
| 85  | 70  | 250  | 152  | 650  | 242  | 2200  | 327  | 50000  | 381  |
| 90  | 73  | 260  | 155  | 700  | 248  | 2400  | 331  | 75000  | 382  |
| 95  | 76  | 270  | 159  | 750  | 254  | 2600  | 335  | 100000  | 384  |

Note: “N” is population size; “S” is sample size.

**Source:** Krejcie, Robert V., and Morgan, Daryle W., (1970): “Determining Sample Size for Research Activities”: Educational and Psychological Measurement:

## **APPENDIX II: INFORMED CONSENT**

I am giving my consent to be part of, the research study of Mr. John Kizito Sseremba that will focus on the; **“Effect of Managerial competence on Performance of Savings and Credit co-operatives (Saccos) in Uganda. A Case of Walimu Sacco in Kampala”**. I shall be assured of privacy, anonymity and confidentiality and that I will be given the option to refuse participation and right to withdraw my participation any time.

I have been informed that the research is voluntary and that the results will be given to me if I ask for it.

Initials. …………………………………

Date. …………………………………

# APPENDIX III: SELF-ADMINISTERED QUESTIONNAIRE FOR TEACHING STAFF

Dear Sir/ Madam

My name is John Kizito Sseremba, a Masters of Business Administration student of Nkumba University. In partial fulfillment of the requirements of this course, I am carrying out a research on the; **“Effect of Managerial competence on Financial performance of Savings and Credit co-operatives (Saccos) in Uganda. A Case of Walimu Sacco in Kampala”**. The purpose of this research is to find out the effect of managerial competence on financial performance of Savings and Credit co-operatives (Saccos) in Uganda. You are therefore, invited to be in a research study as possible participant because you are a staff of Walimu Sacco in Kampala, Branch.

The information provided will be handled with utmost confidence and discretion.

Your input is highly appreciated.

**Section A: Bio data**

General Information (please tick the appropriate box below)

1. Gender of respondent

|  |  |
| --- | --- |
|  Male | Female |
|  |  |

1. Age bracket of respondents

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  18 to 30 | 31 to 45 | 46 to 55 | 56 to 65 | 66 + |
|  |  |  |  |  |

1. Marital Status of respondents

|  |  |  |
| --- | --- | --- |
| Married | Single | Widowed |
|  |  |  |

1. Highest Education level of respondents?

|  |  |  |  |
| --- | --- | --- | --- |
| Certificate | Diploma | Degree | Post Graduate Degrees |
|  |  |  |  |

1. What position do you hold in the Sacco?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Board Member | Manager | Supervisor | Non - Supervisory Staff | Sacco Member |
|  |  |  |  |  |

1. Duration of Work at the Primary School

|  |  |  |
| --- | --- | --- |
| 1 to 5 years | 6 to 10 years | 11 and above years |
|  |  |  |

**Section B: The Effect of Skills on Performance of Walimu Sacco**

Please indicate by ticking the appropriate box to what extent you agree or disagree with the following statements (where SD is Strongly Disagree, D - Disagree, N-not sure (also interpreted as disagree), A- Agree and SA – Strongly Agree)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **CODE** | **SKILLS QUESTIONNAIRE** | **SD** | **D** | **N** | **A** | **SA** |
| **1** | **2** | **3** | **4** | **5** |
| SK1 | I have maintained sufficient materials and skills to perform my duties |  |  |  |  |  |
| SK2 | I demonstrate self-confidence by getting involved in the areas that am good at. |  |  |  |  |  |
| SK3 | I use my skills to organize and deliver business initiatives |  |  |  |  |  |
| SK4 | Management trains the Sacco’s employees to acquire the necessary skills needed to perform their duties |  |  |  |  |  |
| SK5 | I possesses skills to enable me perform at a high capacity |  |  |  |  |  |
| SK6 | I am trustworthy in my dealings with the customers |  |  |  |  |  |
| SK7 | Management provides mutual support and a mentoring environment to the employees |  |  |  |  |  |
| SK8 | I am honest and treat other employees well |  |  |  |  |  |
| SK9  | Training of employees in skill development is done in our Sacco |  |  |  |  |  |

**Section C: The Effect of Knowledge on Performance of Walimu Sacco**

Please indicate by ticking the appropriate box to what extent you agree or disagree with the following statements (where SD is Strongly Disagree, D - Disagree, N-not sure (also interpreted as disagree), A- Agree and SA – Strongly Agree)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **CODE** | **KNOWLEDGE QUESTIONNAIRE** | **SD** | **D** | **N** | **A** | **SA** |
| **1** | **2** | **3** | **4** | **5** |
| KN1 | We usually gather up-to- date information required to perform duties  |  |  |  |  |  |
| KN2 | I am aware of the market forces and know where to market our services at a favourable price |  |  |  |  |  |
| KN3 | I know the available markets and their conditions and identify the most competitive market |  |  |  |  |  |
| 5KN4 | I have good team management skills; I step aside and gives others an opportunity to perform similar duties |  |  |  |  |  |
| KN5 | The staff knows what they are good at and what their weaknesses are  |  |  |  |  |  |
| KN6 | Staff establishes and maintains good working relationships with their customers and the bankers |  |  |  |  |  |
| KN7 | Staff comes up with new business ideas/innovations  |  |  |  |  |  |
| KN8 | Staff consults and gets external information from suppliers, buyers and competitors |  |  |  |  |  |
| KN9 | The staff is involved in determining the size of the product/service market |  |  |  |  |  |

**Section D: The Effect of Attitude on Performance of Walimu Sacco**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **CODE** | **ATTITUDE QUESTIONNAIRE** | **SD** | **D** | **N** | **A** | **SA** |
| **1** | **2** | **3** | **4** | **5** |
| AT1 | I am self-motivated and committed to my job description |  |  |  |  |  |
| AT2 | I have a positive attitude towards my work |  |  |  |  |  |
| AT3 | I am a persistent person who is able to take on challenging work |  |  |  |  |  |
| AT4 | I have the ability to persevere in good and bad times |  |  |  |  |  |
| AT5 | Management gives back to the customers in terms of gifts and lotteries is part of our Sacco |  |  |  |  |  |
| AT6 | I give customers enough attention |  |  |  |  |  |
| AT7 | I listen to customer complaints |  |  |  |  |  |
| AT8 | I enjoy my work and have interest in it  |  |  |  |  |  |
| AT9 | Management attitude influences the performance of the Sacco |  |  |  |  |  |

**Section E: PERFORMANCE QUESTIONNAIRE**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **CODE** | **PERFORMANCE QUESTIONNAIRE** | **SD** | **D** | **N** | **A** | **SA** |
| **1** | **2** | **3** | **4** | **5** |
| PF1 | Overall, investment growth in quantity has been achieved in the last 2 years |  |  |  |  |  |
| PF2 | Investment quantity has been steadily high in the last 6 months |  |  |  |  |  |
| PF3 | Investment intensity has been improving since the last 6 months |  |  |  |  |  |
| PF4 | We have been meeting investment targets or expectations since last year  |  |  |  |  |  |
| PF5 | Customer base has steadily been increasing since last year |  |  |  |  |  |
| PF6 | Overall, business gross profit has grown in the past two years |  |  |  |  |  |
| PF7 | We are able to fund business growth from retained profits of last year |  |  |  |  |  |
| PF8 | We budget to forecast costs and revenues to meet monthly operations |  |  |  |  |  |
| PF9 | Overall financial performance and future outlook is encouraging |  |  |  |  |  |

***Thanks for your participation.***

## **Appendix IV: QUALITATIVE TOOL FOR KEY INFORMANTS**

My name is John Kizito Sseremba, a Masters of Business Administration student of Nkumba University. In partial fulfillment of the requirements of this course, I am carrying out a research on the; **“Effect of Managerial competence on Financial performance of Savings and Credit co-operatives (Saccos) in Uganda. A Case of Walimu Sacco in Kampala”**. The purpose of this research is to find out the effect of managerial competence on financial performance of Savings and Credit co-operatives (Saccos) in Uganda. The information got from you will be kept confidential and will be used strictly for academic purposes.

1. In your opinion, do the managers do a great job in relation to service delivery?

………………………………………………………………………………………………………………………………………………………………………………………………

1. Do you think training is needed for the staff and management? 1 Yes 2 No
2. If yes Why?

………………………………………………………………………………………………………………………………………………………………………………………………

1. In your opinion, what would you consider to be the main measures of financial performance in Microfinance institutions?

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. In your opinion is having enough money the best measure of performance of the Sacco?

………………………………………………………………………………………………………………………………………………………………………………………………

1. In your opinion, do you think your institution has adequate liquidity to meet its obligation as and when they fall due? Any reasons to explain the situation ………………………………………………………………………………………………………………………………………………………………………………………………
2. What recommendation can you suggest to improve performance of Saccos in Uganda?

………………………………………………………………………………………………………………………………………………………………………………………………

***Thanks for your participation!***